*Translation in English of the document originally issued in Italian.*
*In the event of any discrepancy, the Italian language version prevails.*

File no. 32,015 Record no. 14,947

Minutes of the Ordinary and Extraordinary Shareholders' Meeting

REPUBLIC OF ITALY

On the twenty-third day of April of the year two thousand and fifteen

(23 April 2015)

In Milan (MI) in Corso Magenta no. 61

at 10.05 AM

At the request of the Board of Directors of:

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

a Bank registered in the Register of Banks and belonging to the UniCredit Banking Group (Register of Banking Groups no. 020081), with Registered Office in Milan, Piazza F. Durante 11, Share Capital Euro 200,150,191.89 (fully paid-in), Tax Code and Registration with the Company Register of Milan no. 12962340159, (Milan R.E.A. no. 1598155, under the management and coordination of "UniCredit S.p.A." (hereinafter "Company" or "Bank" or "FinecoBank");

I, Mr Angelo BUSANI, Notary Public resident in Milan, a registered member of the Notary Boards of Milan, am in attendance and responsible for drawing up the minutes of the Ordinary and Extraordinary Shareholders' Meeting (hereinafter "Meeting") of the above-indicated Company, convened in a single call at the aforesaid premises, day and time, in order to discuss and resolve on the following

Agenda:

*Ordinary session*

*1. Approval of the FinecoBank S.p.A. financial statements at December 31, 2014, accompanied by the Reports of the Board of Directors and the Independent Auditors, and the Report of the Board of Statutory Auditors.*

*2. Allocation of the profits of FinecoBank S.p.A. for the year 2014.*

*3.* 2015 Compensation Policy.

*4. Severance Payments Policy.*

*5. 2015 Incentive System.*

*6. Incentive System for Financial Advisors.*

*Extraordinary session*

*1. Amendments to article 6 of the Articles of Association in accordance with the Supervisory Regulations for Banks on remuneration and incentive policies and practices.*

*2. Delegation to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, of the authority to approve a free capital increase – on one or more occasions and for a maximum period of five years starting from the date of the shareholders' resolution, pursuant to Article 2349 of the Italian Civil Code – for a maximum amount of Euro 131,159.49 (to be allocated in full to share capital at Euro 0.33 per share, corresponding to the nominal value per share), through the issue of a maximum of 397,453 new Fineco ordinary shares with a nominal value of Euro 0.33 each, with the same characteristics as those in circulation and with regular dividend entitlement, to be granted to the Personnel of FinecoBank in implementation of the 2015 Incentive System; corresponding update of the Articles.*

Attending the Meeting

is Mr ENRICO COTTA RAMUSINO, born in Sant'Alessio con Vialone (PV), on 22 May 1959, domiciled for the purpose of his office at the Registered Office of the Company (hereinafter also "Chairman of the Meeting" or "Chairman"), Chairman of the Board of Directors of the aforesaid company;

of whose personal identity, I, a Notary Public, am certain and who, after assuming chairmanship functions, pursuant to article 10 (ten), paragraph 1 (one), of the Articles of Association in effect:

a) declares that, pursuant to article 7 of the Articles of Association, the notice convening the Shareholders' Meeting containing the Agenda, was published on 24 March 2015 on the FinecoBank website, at the Registered Office and Headquarters of the Company, and on the accredited storage system www.1info.it; a copy of the Agenda was inserted into the folder provided to the attendees at the meeting; and an excerpt of the Notice of Call of the Meeting was published on 24 March 2015 in the newspapers "Il Sole 24 Ore" and "MF";
b) calls the undersigned Notary Public to draft the minutes of the ordinary and extraordinary sessions of the Meeting, in the form of a public deed;
c) points out that, if necessary, simultaneous interpretation is available for English and Italian; all speeches can only be made from the speaker's stand;
d) states that the following people are in attendance, from the Board of Directors, in addition to himself: Alessandro Foti (Chief Executive Officer and General Manager) and the Directors: Pietro Angelo Guindani, Gianluigi Bertolli, Mariangela Grosoli, Girolamo Ielo (the Directors Marina Natale, Laura Stefania Penna and Francesco Saita apologized for their non-attendance); and, from the Board of Statutory Auditors: Gian Carlo Noris Gaccioli (Chairman), Barbara Aloisi and Marziano Viozzi; and that Head Office Senior Managers and other bank and holding personnel involved in organizing the Meeting, pursuant to Article 2 of the Meeting Regulations, are also present;
e) states also that, pursuant to Article 2 of the same Meeting Regulations, experts, financial analysts and accredited trade journalists are allowed to access the Meeting in a separate room connected *via* a closed-circuit audio-visual system;
f) announces that also in attendance are Messrs: Paolo Gibello Ribatto, Cristina Leone and Valentina Vivo, representing the accounting firm Deloitte & Touche S.p.A., to which the statutory accounting supervision of the Company's Financial Statements was entrusted;
g) advises that, pursuant to and for the purposes stated in Article 3, section 2, of the Meeting Regulations, the Meeting will be filmed and recorded;

h) states that at today's date the Company's subscribed and paid-in share capital amounted to Euro 200,150,191.89 (two hundred million, one hundred and fifty thousand, one hundred and ninety-one euros, eighty-nine cents), divided into 606,515,733 (six hundred and six million, five hundred and fifteen thousand, seven hundred and thirty-three) ordinary shares with a nominal value of Euro 0.33 (thirty-three cents) each;
i) announces that the compliance of proxies with the provisions of Art. 2372 of the Civil Code and Article 135-*novies* of the Legislative Decree no. 58/1998 has been verified;
j) notes that there are currently 482,580,929 (four hundred eighty-two million, five hundred and eighty thousand, nine hundred twenty-nine) ordinary shares represented at the Meeting, equating to 79.566 per cent (seventy-nine, five hundred and sixty-six thousandths) of the ordinary share capital, corresponding to 243 (two hundred and forty-three) rights holders voting on their own behalf or by proxy (a list of shareholders in attendance or represented at the Shareholders' Meeting is attached as "A");
k) points out that no proxies have been given to "Computershare S.p.A.", with Registered Office in Milan (Company chosen by FinecoBank pursuant to Art. 135-*undecies* of Legislative Decree no. 58/1998 as "Appointed Representative").

The Chairman thus declares the Meeting to be duly established and able to pass valid resolutions on the items on the Agenda in accordance with the law and the Articles of Association.

He then indicates that, based on the contents of the Register of Shareholders, as updated for notices received pursuant to the law and for checks carried out for the purposes of admission to voting, the Register of Shareholders currently reports a total of approximately 10,200 shareholders; the following shareholders hold over 2 per cent of voting share capital either directly or indirectly and had given the notifications required by existing laws and regulations:

- "Unicredit S.p.A." holding 397,108,033 (three hundred ninety-seven million, one hundred and eight thousand and thirty-three) ordinary shares, equating to 65.474 per cent (sixty-five, four hundred seventy-four thousandths) of the ordinary share capital;
- "Threadneedle Asset Management Holding LT" holding 13,500,000 (thirteen million, five hundred thousand) ordinary shares, equating to 2.226 per cent (two, two hundred twenty-six thousandths) of the ordinary share capital.

The Chairman states that pursuant to Article 8 of the Meeting Regulations, the persons intending to take the floor shall request permission at the secretary's desk and then they will make their contribution from the speaker's stand only (avoiding speaking from their seat).

Pursuant to Article 17 of the Meeting Regulations, the Chairman states that:

a) the voting will take place through a computerized system using the voting terminals (or "radiovoters") in possession of each participant;
b) the folder received on admission contained instructions on how to use the voting terminal;
c) the voters with the right to vote should cast their votes for each ballot, only once they have been asked to do so, by pressing the corresponding button on the voting terminal and then confirming their choice by pressing the "OK" button;
d) the proxy holders and representatives of fiduciary companies needing to cast different votes at each ballot should inform me, a Notary Public, of this requirement and cast their votes at the specific "assisted voting stations" set up for this purpose;
e) the electronic system used to record the number of persons present and votes cast produced the following documents, which will be annexed to the Meeting's minutes: the lists of shareholders present in person and by proxy (as above, attached as "A"); the lists that specify the names of persons who arrived later or who left the meeting hall; the separate lists for the different types of vote cast.

The Chairman indicated that the Company's "Report on corporate governance and ownership structures pursuant to Article 123-*bis* of Legislative Decree 58/1998" (attached as "B") had been made available to shareholders and the market in accordance with the law (the aforementioned report is included in the folder handed out to all in attendance); no shareholders raised questions on Agenda items prior to the Meeting pursuant to Art. 127-*ter* of Legislative Decree 58/1998.
The Chairman then turned to the Agenda of the ordinary session.

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Given the close connection between items no. 1 "**Approval of the FinecoBank S.p.A. financial statements at December 31, 2014, accompanied by the Reports of the Board of Directors and the Independent Auditors, and the Report of the Board of Statutory Auditors**") and no. 2 ("**Allocation of the profits of FinecoBank S.p.A. for the year 2014**") on the Agenda, the Chairman proposes dealing with them together, however, the two resolutions will be submitted separately for approval and invites the Chief Executive Officer and General Manager, Mr Alessandro Foti, to give an overview of the topics at hand, and providing there are no objections, the documents are not read out in their entirety, since the draft accounts and the Reports have been made available to all participants and published on the Company's in the manner and terms required by law (attached as "C", in a single file, the individual Financial Statements for the year ending December 31, 2014, along with Reports from the Board of Directors on operations, the Certification of the annual financial statements pursuant to Art. 81-*ter* of Consob Issuers Regulations 11971/1999, the Reconciliation of condensed accounts to mandatory reporting schedule and Reports from the Board of Statutory Auditors and the external auditors).
The Chief Executive Officer and General Manager takes the floor and gives an overview of the results of the year 2014. At the end of the speech, the Chief Executive Officer and General Manager reads the following resolution proposals on Agenda items no. 1 and 2 in Ordinary session:

- on Agenda item one: "*Dear Shareholders, as regards Agenda item no. 1, concerning the approval of the FinecoBank S.p.A. Financial Statements as at December 31, 2014, we invite you to approve FinecoBank S.p.A.'s Financial Statements as at December 31, 2014, as set out by the Board of Directors in their entirety and in each entry. The Financial Statements consist of the Balance Sheet, Income Statement, Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity, Cash Flow Statement and the Notes to the Accounts, and is accompanied by the Directors' Report on Operations, on the Bank's economic results and financial position. In addition, the Financial Statements folder includes the Certification of Annual Financial Statements pursuant to Article 81-ter of Consob Issuers Regulation no. 11971 of May 14, 1999 and subsequent amendments, the Report of the Board of Statutory Auditors pursuant art. 153 of the Legislative Decree no. 58 of February 24, 1998 and the Report of the External Auditors pursuant art. 14 and 16 of the Legislative Decree no. 39 of January 27, 2010*";
- on Agenda item two: "*Dear Shareholders, we recommend the following allocation of the net profit equal to €149,906,667.70 (one hundred and forty-nine million, nine hundred and six thousand, six hundred sixty-seven and seventy cents) as following: €6,968,796.04 (six million, nine hundred and sixty-eight thousand, seven hundred ninety-six, four cents) to the Legal Reserve, equal to 4.65% (four and sixty-five cents) of profit for the year, having reached the limit of a fifth of the share capital; €21,634,725.06 (twenty-one million, six hundred and thirty-four thousand, seven hundred twenty-five, six cents) to the Extraordinary Reserve; €121,303,146.60 (one hundred twenty-one million, three hundred three thousand, one hundred forty six, sixty cents) to the Shareholders, equal to a dividend of €0.20 (twenty cents) for each of the 606,515,733 (six hundred six million, five hundred fifteen thousand, seven hundred thirty three) ordinary shares with nominal value of €0.33 (thirty-three cents) comprising the share capital following the capital increase approved by the Board of Directors on February 9, 2015*".

The Chief Executive Officer and General Manager then provides the disclosure required by CONSOB in Communication no. 3558 of April 18, 1996: the Shareholders' Meeting of April 16, 2013 approved the reasoned proposal of the Board of Statutory Auditors, for the appointment of "Deloitte & Touche S.p.A.", for the period 2013-2021, to audit the financial statements and to verify over the year the accounting records and the correct reporting of accounting entries; the financial statements auditing of the half year financial statement and the checks for the purpose of signing the fiscal declarations of the Bank and the associated fees, on the basis of the rates fixed, according to the hourly cost at the moment of the appointment, inclusive of the Istat cost of living adjustment, for the year 2014 are a total amount of €154,285, excluding VAT and net of the supervisory fees payable, for 2,470 employed hours.

The Chairman takes the floor again and invites Mr Paolo Gibello Ribatto, a partner of the audit firm "Deloitte & Touche S.p.A.", to read out the Audit Report drafted in compliance with the law.

Mr Paolo Gibello Ribatto reads out the Report.

The Chairman takes the floor again and invites the Chairman of the Board of Statutory Auditors, Mr Gian Carlo Noris Gaccioli, to read aloud the content and conclusions of the Statutory Auditors' Report, and, if there were no objections, to omit reading the full report, since it is available to all those in attendance and has been published in the manner and terms required by law.

Mr Gian Carlo Noris Gaccioli reads out the conclusions of the Statutory Auditors' Report.

The Chairman takes the floor again and declares discussion to be open on points no. 1 and no. 2 on the ordinary session's Agenda.

Since nobody asks to make a contribution, the Chairman turns to the vote (using the radiovoter) on item no. 1 (one) of the ordinary session's Agenda concerning the approval of the resolution proposal previously read by the Chief Executive Officer and General Manager ("**Approval of the FinecoBank S.p.A. financial statements at December 31, 2014, accompanied by the Reports of the Board of Directors and the Independent Auditors, and the Report of the Board of Statutory Auditors**"), after having asked those in attendance to declare any exclusions from the right to vote, or restrictions thereon, pursuant to articles 120, 121 and 122 of Legislative Decree no. 58/1998 and the associated Consob Regulations, and articles 19, 20, 24 and 25 of Legislative Decree no. 385/1993, and after having checked that nobody present states that they are prevented from exercising their right to vote.

The resolution proposal (since 244 shareholders entitled to vote take part in the voting on own behalf or by proxy, representing 482,585,929 (four hundred and eighty-two million, five hundred and eighty-five thousand, nine hundred and twenty-nine) ordinary shares, each entitling the bearer to one vote) received (as detailed in the document attached as "H"):

- votes in favour: 482,226,463 (four hundred and eighty-two million, two hundred and twenty-six thousand, four hundred and sixty-three) corresponding to 99.925 (ninety-nine, nine hundred and twenty-five thousandths) per cent of the share capital present and entitled to vote;
- votes against: 153,866 (one hundred and fifty-three thousand, eight hundred sixty-six) corresponding to 0.031 (thirty-one thousandths) per cent of the share capital present and entitled to vote;
- abstentions: 205,600 (two hundred and five thousand, six hundred) corresponding to 0.042 (forty-two thousandths) per cent of the share capital present and entitled to vote.

The Chairman thus announces that the resolution on item no. 1 (one) of the Agenda of the Ordinary session concerning the approval of FinecoBank's Financial Statements as at 31 December 2014 has been approved by a majority.

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The Chairman moves on to the vote (using the radiovoter) on item no. 2 (two) on the ordinary session's Agenda concerning the approval of the resolution proposal previously read by the Chief Executive Officer and General Manager ("**Allocation of the profits of FinecoBank S.p.A. for the year 2014**"), after having asked those in attendance to declare any exclusions from the right to vote, or restrictions thereon, pursuant to articles 120, 121 and 122 of Legislative Decree no. 58/1998 and the associated Consob Regulations, and

articles 19, 20, 24 and 25 of Legislative Decree no. 385/1993, and after having checked that nobody present states that they are prevented from exercising their right to vote.
The resolution proposal (since 244 shareholders entitled to vote take part in the voting on own behalf or by proxy, representing 482,585,929 (four hundred and eighty-two million, five hundred and eighty-five thousand, nine hundred and twenty-nine) ordinary shares, each entitling the bearer to one vote) received (as detailed in the document attached as "H"):

- votes in favour: 482,380,329 (four hundred and eighty-two million, three hundred and eighty thousand, three hundred and twenty-nine) corresponding to 99.957 (ninety-nine, nine hundred and fifty-seven thousandths) per cent of the share capital present and entitled to vote;
- votes against: 0 (zero) corresponding to 0.00 (zero) per cent of the share capital present and entitled to vote;
- abstentions: 205,600 (two hundred and five thousand, six hundred) corresponding to 0.042 (forty-two thousandths) per cent of the share capital present and entitled to vote.

The Chairman thus announces that the resolution on item 2 (two) of the ordinary session's Agenda concerning the approval of the allocation of FinecoBank's profits for the year 2014 has been approved by a majority.

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The Chairman moves on to items no. 3 ("**2015 Compensation Policy**"), no. 4 ("**Severance Payments Policy**"), no. 5 ("**2015 Incentive System**") and no. 6 ("**Incentive System for Financial Advisors**") on the ordinary session's Agenda, dealing with them together, although separate proposed resolutions will be tabled.
As there are no objections, the Chairman called on the Chief Executive Officer and General Manager to briefly illustrate the key elements of the resolution proposals, without reading the relative documentation, given that the folder distributed to all those in attendance includes the Directors' reports on items no. 3, 4, 5, and 6 of the ordinary session's Agenda (attached as "D") the "2015 Compensation Policy" (attached as "E") and "Severance Payments Policy" (attached as "F"), and has been published pursuant to the terms and conditions established by law. He notes that the Compensation Policy includes the informative document on 2015 Incentive System and on the Incentive System for Financial Advisors, submitted for the approval of today's Shareholders' Meeting, as well as the Annual Compensation Report.
The Chief Executive Officer and General Manager takes the floor and he illustrates briefly the contents of the Directors' report on items no. 3, 4, 5, and 6 of the ordinary session's Agenda, on the "2015 Compensation Policy" and on the "Severance Payments Policy".
In conclusion, the Chief Executive Officer and General Manager reads the following resolution proposals (included in the abovementioned Reports) on items 3, 4, 5, and 6 of the ordinary session's Agenda:

- on item no. 3: "*The approval of the "2015 FinecoBank Compensation Policy", as contained in the attached document which forms an integral part of the present Report, in order to define the principles and standards that FinecoBank shall apply to the design, implementation and monitoring of compensation policy and remuneration plans throughout the organization.*

  *To confer to the Chairman and the Chief Executive Officer and General Manager, also separately, every opportune power of attorney to make any additions and/or modifications to the above Policy that may be necessary for the implementation of the resolution, resulting from changes which are:*

  *a. legislative and/or regulatory*

  *b. required by the regulators*

  *c. which could be appropriate in light of any further clarifications and recommendations that may be subsequently issued, or otherwise communicated by the regulators* *d. made by the Shareholders' Meeting of UniCredit on May 13, 2015 to the 2015 Group Compensation Policy, which would render the 2015 Policy of FinecoBank no longer consistent with that of the Group.*";

- on item no. 4: "*The approval of the "Termination Payment Policy", as per the attached document which forms an integral part of this Report, in order to define the general principles, the limits, the criteria and procedures for payment of compensation to be granted in the case of early termination of the employment relationship or early termination of the position.*
  *To confer to the Chairman and the Chief Executive Officer and General Manager, also separately, every opportune power of attorney to make any additions and/or modifications to the above Policy that may be necessary for the implementation of the resolution, resulting from changes which are:*
  *a. legislative and/or regulatory;*
  *b. required by the regulators;*
  *c. which might be appropriate in light of further clarifications and recommendations that may be subsequently issued, or otherwise communicated by the regulators;*
  *d. made by the Shareholders' Meeting of UniCredit on May 13, 2015 to the Termination Payments Group Policy of UniCredit, which would render the Termination Payments Policy of FinecoBank no longer consistent with that of the Group*.";
- on item no. 5: "*1. To adopt the 2015 Incentive System which provides for the allocation of an incentive, in cash and/or Fineco free ordinary shares, to be performed by May 2021, to selected FinecoBank beneficiaries in the manner and terms described above; 2. The conferral to the Chairman and the Chief Executive Officer and General Manager, also separately, of every opportune power of attorney to implement the present resolution and the documents which represent part of it, also rendering any amendments and/or integrations which should be necessary to enact the present deliberations of today's Shareholders' Meeting (not changing substantially the content of the resolution)*";
- on item no. 6: "*1. To adopt the 2015 Incentive System for Financial Advisors belonging to Identified Staff which provides for the allocation of an incentive, in cash and/or Phantom shares, to be performed by July 2020, to selected beneficiaries among the Financial Advisors of FinecoBank, in the manner and terms described above; 2. To confer to the Chairman and the Chief Executive Officer and General Manager, also separately, every opportune power of attorney to implement the present resolution and the documents which represent part of it, also rendering any amendments and/or integrations which should be necessary to enact the present deliberations of today's Shareholders' Meeting (not changing substantially the content of the resolution)*.".

The Chairman takes the floor again and declares the discussion's opening on items no. 3, 4, 5 and 6 on the ordinary session's Agenda.

Since nobody asks to make a contribution, the Chairman turns to the vote (using the radiovoter) on item no. 3 (three) of the ordinary session's Agenda concerning the approval of the resolution proposal previously read by the Chief Executive Officer and General Manager ("**2015 Compensation Policy**"), after having asked those in attendance to declare any exclusions from the right to vote, or restrictions thereon, pursuant to articles 120, 121 and 122 of Legislative Decree no. 58/1998 and the associated Consob Regulations, and articles 19, 20, 24 and 25 of Legislative Decree no. 385/1993, and after having checked that nobody present states that they are prevented from exercising their right to vote.

The resolution proposal (since 244 shareholders entitled to vote take part in the voting on own behalf or by proxy, representing 482,585,929 (four hundred and eighty-two million, five hundred and eighty-five thousand, nine hundred and twenty-nine) ordinary shares, each entitling the bearer to one vote) received (as detailed in the document attached as "H"):

- votes in favour: 482,044,935 (four hundred and eighty-two million, forty-four thousand, nine hundred and thirty-five) corresponding to 99.887 (ninety-nine, eight hundred and eighty-seven thousandths) per cent of the share capital present and entitled to vote;
- votes against: 335,394 (three hundred and thirty-five thousand, three hundred ninety-four) corresponding to 0.069 (sixty-nine thousandths) per cent of the share capital present and entitled to vote;
- abstentions: 205,600 (two hundred and five thousand, six hundred) corresponding to 0.042 (forty-two thousandths) per cent of the share capital present and entitled to vote.

The Chairman thus announces that the resolution on item no. 3 (three) of the ordinary session's Agenda concerning the 2015 Compensation Policy has been approved by a majority.

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The Chairman turns to the vote, (using the radiovoter) on item no. 4 (four) of Ordinary session's Agenda concerning the approval of the resolution proposal previously read by the Chief Executive Officer and General Manager ("**Severance Payments Policy**"), after having asked those in attendance to declare any exclusions from the right to vote, or restrictions thereon, pursuant to articles 120, 121 and 122 of Legislative Decree no. 58/1998 and the associated Consob Regulations, and articles 19, 20, 24 and 25 of Legislative Decree no. 385/1993, and after having checked that nobody present states that they are prevented from exercising their right to vote.

The resolution proposal (since 244 shareholders entitled to vote take part in the voting on own behalf or by proxy, representing 482,585,929 (four hundred and eighty-two million, five hundred and eighty-five thousand, nine hundred and twenty-nine) ordinary shares, each entitling the bearer to one vote) received (as detailed in the document attached as "H"):

- votes in favour: 481,562,695 (four hundred and eighty-one million, five hundred and sixty-two thousand, six hundred and ninety-five) corresponding to 99.787 (ninety-nine, seven hundred and eighty-seven thousandths) per cent of the share capital present and entitled to vote;
- votes against: 817,634 (eight hundred and seventeen thousand, six hundred and thirty-four) corresponding to 0.169 (one hundred and sixty-nine thousandths) per cent of the share capital present and entitled to vote;
- abstentions: 205,600 (two hundred and five thousand, six hundred) corresponding to 0.042 (forty-two thousandths) per cent of the share capital present and entitled to vote.

The Chairman thus announces that the resolution on item no. 4 (four) of the ordinary session's Agenda concerning the Severance Payments Policy has been approved by a majority.

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The Chairman turns to the vote (using the radiovoter) on item no. 5 (five) of the ordinary session's Agenda concerning the approval of the resolution proposal previously read by the Chief Executive Officer and General Manager ("**2015 Incentive System**"), after having asked those in attendance to declare any exclusions from the right to vote, or restrictions thereon, pursuant to articles 120, 121 and 122 of Legislative Decree no. 58/1998 and the associated Consob Regulations, and articles 19, 20, 24 and 25 of Legislative Decree no. 385/1993, and after having checked that nobody present states that they are prevented from exercising their right to vote.

The resolution proposal (since 244 shareholders entitled to vote take part in the voting on own behalf or by proxy, representing 482,585,929 (four hundred and eighty-two million, five hundred and eighty-five thousand, nine hundred and twenty-nine) ordinary, each entitling the bearer to one vote) received (as detailed in the document attached as "H"):

- votes in favour: 481,106,765 (four hundred and eighty-one million, one hundred and six thousand, seven hundred and sixty-five) corresponding to 99.693 (ninety-nine, six hundred and ninety-three thousandths) per cent of the share capital present and entitled to vote;

- votes against: 1,271,564 (one million, two hundred and seventy-one thousand, five hundred and sixty-four) corresponding to 0.263 (two hundred and sixty-three thousandths) per cent of the share capital present and entitled to vote;
- abstentions: 207,600 (two hundred and seven thousand, six hundred) corresponding to 0.043 (forty-three thousandths) per cent of the share capital present and entitled to vote.

The Chairman thus announces that the resolution on item no. 5 (five) of the ordinary session's Agenda concerning the 2015 Incentive System has been approved by a majority.

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The Chairman turns to the vote (using the radiovoter) on item no. 6 (six) of Ordinary session's Agenda concerning the approval of the resolution proposal previously read by the Chief Executive Officer and General Manager ("**Incentive System for Financial Advisors**"), after having asked those in attendance to declare any exclusions from the right to vote, or restrictions thereon, pursuant to articles 120, 121 and 122 of Legislative Decree no. 58/1998 and the associated Consob Regulations, and articles 19, 20, 24 and 25 of Legislative Decree no. 385/1993, and after having checked that nobody present states that they are prevented from exercising their right to vote.

The resolution proposal (since 244 shareholders entitled to vote take part in the voting on own behalf or by proxy, representing 482,585,929 (four hundred and eighty-two million, five hundred and eighty-five thousand, nine hundred and twenty-nine), each entitling the bearer to one vote) received (as detailed in the document attached as "H"):

- votes in favour: 481,106,765 (four hundred and eighty-one million, one hundred and six thousand, seven hundred and sixty-five) corresponding to 99.693 (ninety-nine, six hundred and ninety-three thousandths) per cent of the share capital present and entitled to vote;
- votes against: 1,271,564 (one million, two hundred and seventy-one thousand, five hundred and sixty-four) corresponding to 0.263 (two hundred and sixty-three thousandths) per cent of the share capital present and entitled to vote;
- abstentions: 207,600 (two hundred and seven thousand, six hundred) corresponding to 0.043 (forty-three thousandths) per cent of the share capital present and entitled to vote.

The Chairman thus announces that the resolution on item no. 6 (six) of the ordinary session's Agenda concerning the Incentive System for Financial Advisors has been approved by a majority.

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At 11.10 a.m. (eleven o'clock and ten minutes), the Chairman then declares the ordinary session's Agenda closed and moves on to the issues on the Agenda for the Shareholders' Meeting in extraordinary session, recalling all the declarations and the information given at the opening of the today's Ordinary session.

In that regard, he indicates that a total of 482,585,929 (four hundred and eighty-two million, five hundred and eighty-five thousand, nine hundred and twenty-nine) ordinary shares are represented at the Meeting, equating to 79.566 (seventy-nine, five hundred and sixty-six thousandths) per cent of the ordinary share capital, corresponding to 244 (two hundred and forty-four) rights holders voting on their own behalf or by proxy (a list of shareholders in attendance or represented at the Shareholders' Meeting is attached as "A"); he points out that no proxies have been given to "Computershare S.p.A.", with Registered Office in Milan (Company chosen by FinecoBank pursuant to art. 135-undecies of the Legislative Decree no. 58/1998 as "Appointed Representative").

He thus declares the Meeting to be duly established and able to pass valid resolutions on the items on the extraordinary session's Agenda, in accordance with the law and the Articles of Association. In this regard, he then indicates that, having been informed beforehand about the proposals submitted to today's Shareholders' Meeting for approval and the resulting amendments to the Articles of Association, the Bank of Italy has issued its own assessment pursuant to Article 56 of Legislative Decree no. 385/93 on April 16, 2015 (a copy is attached as "J").

Given the close connection between items no. 1 "**Amendments to Clause 6 of the Articles of Association in accordance with the Supervisory Regulations for Banks on remuneration and incentive policies and practices**") and no. 2 ("**Delegation to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, of the authority to approve a free capital increase – on one or more occasions and for a maximum period of five years starting from the date of the shareholders' resolution, pursuant to Article 2349 of the Italian Civil Code – for a maximum amount of Euro 131,159.49 (to be allocated in full to share capital at Euro 0.33 per share, corresponding to the nominal value per share), through the issue of a maximum of 397,453 new Fineco ordinary shares with a nominal value of Euro 0.33 each, with the same characteristics as those in circulation and with regular dividend entitlement, to be granted to the Personnel of FinecoBank in implementation of the 2015 Incentive System; corresponding update of the Articles**") on the Agenda, the Chairman proposes dealing with them together, however, the two resolutions will be submitted separately for approval.
Since the Directors' Reports on the two items of the extraordinary session's Agenda have been made available in the folder, for all attending the Meeting and published in the manner and terms required by law (attached as "G") at the Registered Office and Headquarters of the Company, on the accredited storage system www.1info.it and on FinecoBank's website, providing there are no objections, the documents are not read out in their entirety, he then invites the Chief Executive Officer and General Manager to illustrate the key elements of the resolution proposals.
The Chief Executive Officer and General Manager takes the floor and presents the Directors 'Reports on items 1 (one) and 2 (two) of the extraordinary session's Agenda.
At the end of his speech, the Chief Executive Officer and General Manager reads out the following proposed resolution

- on item 1: "*to approve the amendment to Article 6 of the Articles of Association with the following new text:*

  *"1. The Shareholders' General Meeting, duly constituted, is the body that expresses the Company's will through its resolutions.*

  *2. The Shareholders' General Meeting meets in ordinary or extraordinary sessions, according to the law and may be held at the company headquarters or another place that is indicated in the notice convening the meeting, provided it is within the territory of the Italian state.*

  *3. The operating modes of the Shareholders' General Meeting are governed by specific Regulations.*

  *4. The Ordinary Shareholders' General Meeting is convened at least once a year within one hundred and twenty days from the end of the company's financial year to deliberate on issues for which the law and the Articles of Association make it responsible.*

  *5. In particular, the Ordinary Shareholders' General Meeting, besides establishing the remuneration paid to the bodies it has appointed, approves: (i) the policies on remuneration and incentives in favour of members of the bodies with functions of strategic supervision, management and control and other personnel; (ii) remuneration plans based on financial instruments; (iii) the criteria for determining the compensation to be granted in the case of early termination of employment or early retirement from office, including limits set on this amount in terms of annual fixed remuneration and the maximum amount that results from their application.*

  *6. Also, the Ordinary Shareholders' General Meeting, upon approval of the remuneration policies, has the authority to agree a relationship between the variable and fixed component of the remuneration of individual staff members higher than 1:1 but not exceeding the ratio of 2:1 provided that the proposal is considered to be validly adopted:*

  *• with the favourable vote of at least 2/3 of the share capital represented at the Shareholders' General Meeting, in the event that the Shareholders 'General Meeting is constituted with at least half of the share capital;*

*• with the favourable vote of at least 3/4 of the share capital represented at the Shareholders' General Meeting, regardless of the share capital with which it is constituted.*

*7. The Shareholders' General Meeting must be provided with adequate information on the implementation of remuneration policies.*

*8. The Extraordinary General Meeting is convened whenever necessary to resolve upon any of the matters reserved for it by the law in force.*";"

- on item 2:

  ---"to grant the Board of Directors, under the provisions of section 2443 of the Civil Code, the authority to resolve, on one or more occasions for a maximum period of five years from the date of Shareholders' resolution, to carry out a free capital increase, as allowed by section 2349 of the Civil Code, for a maximum amount of Euro 131,159.49 (attributable entirely to capital at Euro 0.33 per share, equal to the par value), corresponding to up to 397,453 Fineco ordinary shares with a nominal value of Euro 0.33 each, with the same characteristics as those outstanding, with regular dividend entitlement, to be granted to employees of FinecoBank, who hold positions of particular importance for the purposes of achieving the Bank's overall objectives in execution of the 2015 System approved by today's Ordinary Shareholders' Meeting. Such an increase in capital shall be carried out using the special reserve known as "Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank" set up for this purpose which, where necessary, may be increased via allocation of a portion of profits or available statutory reserves, formed from the distribution of company profits that shall be identified by the Board of Directors at the moment of share issuance;

  --- "*to insert, further to the resolution passed in point 2, a new paragraph in clause 5 of the Articles of Association with the following text: "The Board of Directors has the power, under the provisions of section 2443 of the Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the Shareholders' resolution dated April 23, 2015, to carry out a free capital increase, as allowed by section 2349 of the Civil Code, for a maximum amount of Euro 131,159.49 (attributable entirely to capital at Euro 0.33 per share, equal to the par value), corresponding to up to 397,453 Fineco ordinary shares with a nominal value of Euro 0.33 each, with the same characteristics as those in circulation, with regular dividend entitlement, to be granted to employees of FinecoBank, who hold positions of particular importance for the purposes of executing the 2015 Incentive System";"*

  --- "*to delegate to the Board of Directors all the necessary powers for issuing the new shares*";

  --- "*to give to the Chairman and to the Chief Executive Officer and General Manager, also separately, every opportune power of attorney to:*

  *(i) provide for implementing the above resolutions under terms of law;*

  *(ii) accept or adopt all amendments and additions (not changing substantially the content of the resolutions) which may be necessary for registration at the Register of Companies;*

  *(iii) proceed with the deposit and registration, under terms of law, with explicit and advanced approval and ratification;*

  *(iv) make the consequent amendments to Article 5 of the Articles of Association, relating to the amount of share capital, as well as to number the new paragraph of clause 5 of the Articles of Association passed in point 3 above*".

The Chairman takes the floor again and declares the opening of discussion on points no. 1 (one) and 2 (two) on the extraordinary session's Agenda.

Since nobody asks to make a contribution, the Chairman turns to the vote (using the radiovoter) on item no. 1 (one) of extraordinary session's Agenda ("**Amendments to Clause 6 of the Articles of Association in accordance with the Supervisory Regulations for Banks on remuneration and incentive policies and practices**"), after having asked those in attendance to declare any exclusions from the right to vote, or

restrictions thereon, pursuant to articles 120, 121 and 122 of Legislative Decree no. 58/1998 and the associated Consob Regulations, and articles 19, 20, 24 and 25 of Legislative Decree no. 385/1993, and after having checked that nobody present states that they are prevented from exercising their right to vote.
The resolution proposal (since 244 shareholders entitled to vote take part in the voting on own behalf or by proxy, representing 482,585,929 (four hundred and eighty-two million, five hundred and eighty-five thousand, nine hundred and twenty-nine), each entitling the bearer to one vote) received (as detailed in the document attached as "H"):

- votes in favour: 482,380,329 (four hundred and eighty-two million, three hundred and eighty thousand, three hundred and twenty-nine) corresponding to 99.957 (ninety-nine, nine hundred and fifty-seven thousandths) per cent of the share capital present and entitled to vote (and corresponding to 79.533 – seventy-nine, five hundred and thirty-three thousandths – per cent of the share capital);
- votes against: 0 (zero) corresponding to 0.000 (zero) per cent of the share capital present and entitled to vote (and corresponding to 0 per cent of the share capital);
- abstentions: 205,600 (two hundred and five thousand, six hundred) corresponding to 0.042 (forty-two thousandths) per cent of the share capital present and entitled to vote(and corresponding to 0.033 – thirty-three thousandths – per cent of the share capital).

The Chairman thus announces that the resolution on item no. 1 (one) of the Extraordinary session's Agenda concerning the amendment to clause 6 of the Articles of Association has been approved by a majority.

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The Chairman turns to the vote (using the radiovoter) on item no. 2 (two) of Extraordinary session's Agenda ("**Delegation to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, of the authority to approve a free capital increase – on one or more occasions and for a maximum period of five years starting from the date of the shareholders' resolution, pursuant to Article 2349 of the Italian Civil Code – for a maximum amount of Euro 131,159.49 (to be allocated in full to share capital at Euro 0.33 per share, corresponding to the nominal value per share), through the issue of a maximum of 397,453 new Fineco ordinary shares with a nominal value of Euro 0.33 each, with the same characteristics as those in circulation and with regular dividend entitlement, to be granted to the Personnel of FinecoBank in implementation of the 2015 Incentive System; corresponding update of the Articles**"), after having asked those in attendance to declare any exclusions from the right to vote, or restrictions thereon, pursuant to articles 120, 121 and 122 of Legislative Decree no. 58/1998 and the associated Consob Regulations, and articles 19, 20, 24 and 25 of Legislative Decree no. 385/1993, and after having checked that nobody present states that they are prevented from exercising their right to vote.
The resolution proposal (since 244 shareholders entitled to vote take part in the voting on own behalf or by proxy, representing 482,585,929 (four hundred and eighty-two million, five hundred and eighty-five thousand, nine hundred and twenty-nine), each entitling the bearer to one vote) received (as detailed in the document attached as "H"):

- votes in favour: 482,051,731 (four hundred and eighty-two million, fifty-one thousand, seven hundred and thirty-one) corresponding to 99.889 (ninety-nine, eight hundred and eighty-nine thousandths) per cent of the share capital present and entitled to vote (and corresponding to 79.478 – seventy-nine, four hundred and seventy-eight thousandths – per cent of the share capital);
- votes against: 326,598 (three hundred and twenty-six, five hundred and ninety-eight) corresponding to 0.067 (sixty-seven thousandths) per cent of the share capital present and entitled to vote (and corresponding to 0.053 – fifty-three thousandths – per cent of the share capital);
- abstentions: 207,600 (two hundred and seven thousand, six hundred) corresponding to 0.043 (forty-three thousandths) per cent of the share capital present and entitled to vote (and corresponding to 0.034 –thirty-four thousandths – per cent of the share capital).

The Chairman thus announces that the resolution on item no. 2 (two) of the extraordinary session's Agenda concerning the delegation to the Board of Directors to carry out a free capital increase has been approved by a majority.

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Since there are no other issues to decide on and since nobody else asked to speak, the Chairman thanks everyone there and adjourns the Meeting at 11.30 (half past eleven).

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The following documents are attached to these minutes, without reading them since I have been exempted:

- as "A", in a single file, the list of shareholders in attendance or represented at the Shareholders' Meeting (both in the Ordinary and Extraordinary session);
- as "B", the Report on corporate governance and ownership structures;
- as "C", in a single file, the individual Financial Statements for the year ending December 31, 2014, along with Reports from the Board of Directors on operations, the Certification of the annual financial statements pursuant to Art. 81-*ter* of Consob Issuers Regulations 11971/1999, the Reconciliation of condensed accounts to mandatory reporting schedule and Reports from the Board of Statutory Auditors and the external auditors;
- as "D", in a single file, Directors' reports on items no. 3, 4, 5, and 6 of the Ordinary session's Agenda;
- as "E", "2015 Compensation Policy";
- as "F", "Severance Payments Policy";
- as "G", Directors' reports on items no. 1 and 2 of the Extraordinary session's Agenda;
- as "H", in a single file, the details of the outcome of votes on all agenda items;
- as "I", the Articles of Association updated following the amendments resolved;
- as "J", Bank of Italy assessment of April 16, 2015.

As required

I received this deed, drafted with an electronic apparatus by a person trusted by me and, partially, by me, I read out this deed to the person appearing before me who, at my request, together with me, a Notary Public, approves and signs it at twenty minutes to two; it consists of seven sheets of paper for a total of twenty-six pages and up to this point on the twenty-seventh page.

Signed: Cotta Ramusino Enrico

Signed: Angelo Busani

Ordinary Shareholders Meeting 23 aprile 2015

Situation at the opening

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

No. **243** corresponding to no. **482,580,929** ordinary shares equating to **79.566102** % of the no. **606,515,733** ordinary share of the present capital fully paid up.

| | | | |
|---|---|---|---|
| Shareholders: | 243 | People: | 9 |
| Shareholders on their own behalf: | 7 | Shareholders by proxy: | 236 |

Extraordinary Shareholders Meeting 23 aprile 2015

Situation at the opening

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

No. **244** corresponding to no. **482,585,929** ordinary shares equating to **79.566927**% of the no. **606,515,733** ordinary share of the present capital fully paid up.

| | | | |
|---|---|---|---|
| Shareholders: | 243 | People: | 9 |
| Shareholders on their own behalf: | 7 | Shareholders by proxy: | 236 |

**FinecoBank S.p.A.**
**Ordinary/ Extraordinary Shareholders' Meeting**
**in single call**

*** LIST OF PROXY GIVERS ***

1 Proxy givers of **CAGLIA MARIA** Badge no. **1570**

| | Shares |
|---|---|
| UNICREDIT S.P.A. | **397,108,033** |
| | **397,108,033** |

2 Proxy givers of **TONELLI GIULIO** Badge no. **4220**

| | Shares |
|---|---|
| SICAV BBM V-FLEX | **36,092** |
| FCP BEST BUSINESS MODELS | **500,000** |
| I,2,C, ACTIONS | **540,000** |
| FCP VILLIERS DIAPASON | **28,850** |
| FCP RSI EURO P | **238,007** |
| SLI GLOBAL SICAV GLOBAL FOCUSEDSTRATEGIES FUND | **48,117** |
| INVESCO FUNDS | **248,740** |
| BLACKROCK GLOBAL FUNDS | **863** |
| PRUDENTIAL SECTOR FUNDS INC PRUDENTIAL FINANCIAL SERVICE | **642,387** |
| THE BANK OF KOREA | **1** |
| WMP OPPORTUNISTIC INVESTMENT PARTNERS, L,P, | **27,554** |
| INVESCO FUNDS SERIES 4 | **2,744,241** |
| ADVANCED SERIES TRUST -AST FI PYRAMIS QUANTITATIVE PORTFOLIO | **97,276** |
| BLACKROCK LIFE LIMITED | **5,131** |
| DEUTSCHE X-TRACKERS MSCI EMU HEDGED EQUITY ETF | **1,450** |
| ING FUNDS SERVICES, LLC | **223,989** |
| ADVANCED SERIES TRUST-AST QMA EMERGING MARKETS EQUITY PORTFOLIO | **148,743** |
| ADVANCED SERIES TRUST-AST PRUDENTIAL GROWTH ALLOCATION PORTFOLIO | **9,767** |
| RICHIEDENTE:CASATI MAURO ELIDO/PIONEER INVESTMENT MANAGEMENT SGRPA / AZIONARIO **CRESCITA** | **742,063** |
| METZLER INTERNATIONAL INVEST PLC | **1,123,000** |
| NUMERIC INVESTORS LLC | **7,700** |
| AXA INVEST MANAGERS PARIS | **762,000** |
| CIPAV ALOIS MARGARETH HENRIAU | **196,710** |
| AGENTE:BROWN BROTHERS HA-LU/WELLINGTON MANAGEMENT PORTFOLIOS | **203,733** |
| AGENTE:BROWN BROTHERS HA-LU/WELLINGTON MANAGNT PORTFOLIOS GLOB RESEA | **48,378** |
| AGENTE:BROWN BROTHERS HARRIMAN & CO,/VANGUARD TOTAL WORLD STOCK INDEX FUND | **28,097** |
| AGENTE:BROWN BROTHERS HARRIMAN & CO,/VANGUARD FTSE ALL WORD SMALL CAP IND FUN | **259,822** |
| AGENTE:BROWN BROTHERS HARRIMAN & CO,/BBH&C BOS FOR PYRAM GR TRUST FOR EMPL EMERG **MM COM** | **59,389** |
| AGENTE:BROWN BROTHERS HARRIMAN & CO,/WELLINGTON TRUST COMP,COMM TRUST INT OPP | **113,255** |
| AGENTE:BROWN BROTHERS HARRIMAN & CO,/WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL **CAP RESEARCH EQUITY PORTFOLIO** | **8,875** |
| AGENTE:JP MORGAN CHASE BANK/JAPAN TRUSTEE SERVICES BANK LTD | **535,670** |
| AGENTE:BROWN BROTHERS HARRIMAN & CO,/THE MASTER TRUST BANK OF JAPAN LTD | **233,920** |
| AGENTE:HONGKONG/SHANGHAI BK/BEST INVESTMENT CORPORATION | **3,372** |
| AGENTE:HONGKONG/SHANGHAI BK/SCHRODER INSTITUTIONAL POOLED FUNDS-EUROPEAN EQUITY **FUND** | **305,795** |
| AGENTE:BNP PARIBAS 2S-PARIS/FCP CNP ACTIONS EUROPE SCHRODER | **499,752** |
| AGENTE:BNP PARIBAS 2S-PARIS/AXA VALEURS EURO | **666,000** |
| AGENTE:BNP PARIBAS 2S-PARIS/AXA OPTIMAL INCOME | **1,336,074** |
| AGENTE:BNP PARIBAS 2S-PARIS/COLISEE IFC 1 FCP | **610,000** |
| AGENTE:BNP PARIBAS 2S-PARIS/FCP AXIVA ACTION 1 | **285,000** |
| AGENTE:BNP PARIBAS 2S-PARIS/FONDS RESERVE RETRAITES | **864,222** |
| AGENTE:BNP PARIBAS 2S-PARIS/FCP ERAFP ACT IND11 | **61,598** |
| AGENTE:BP2S LUXEMBOURG/HENDERSON HORIZON FUND SICAV | **1,181,015** |
| AGENTE:BP2S LUXEMBOURG/HENDERSON GARTMORE FUND | **309,348** |
| AGENTE:RBC INVESTOR SERVICE/ROBECO CAPITAL GROWTH FUNDS | **141,510** |
| AGENTE:J,P, MORGAN BANK LUXEMBOURG/JPMORGAN FUNDS EUROPEAN BANK AND BC | **428,953** |
| AGENTE:J,P, MORGAN BANK (IRELAND)/BLACKROCK INSTITUTIONAL POOLED FUND PLC | **1,782** |
| AGENTE:J,P, MORGAN BANK (IRELAND)/VANGUARD INVESTMENT SERIES, PLC | **40,331** |
| AGENTE:JP MORGAN CHASE BANK/THE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR **MTBJ400045842** | **1,916,769** |
| AGENTE:JP MORGAN CHASE BANK/BUREAU OF LABOR FUNDS-LABOR RETIREMENT FUND 10F NO,6 **SEC.1** | **59,542** |
| AGENTE:JP MORGAN CHASE BANK/CHINA LIFE INSURANCE COMPANY LIMITED | **69,632** |
| AGENTE:JP MORGAN CHASE BANK/FONDO CONSOLIDADO DE RESERVAS PREVISIONA | **40,126** |
| AGENTE:JP MORGAN CHASE BANK/COINVEST LIMITED | **13,015** |
| AGENTE:JP MORGAN CHASE BANK/SUPER FUNDS MANAG CORP SOUTH AUSTRALIA | **158,925** |
| AGENTE:JP MORGAN CHASE BANK/VANGUARD INTERNATIONAL SMALL COMPANIES I | **17,197** |

**FinecoBank S.p.A.**
**Ordinary/ Extraordinary Shareholders' Meeting**
**in single call**

*** LIST OF PROXY GIVERS ***

| | |
|---|---|
| AGENTE:JP MORGAN CHASE BANK/THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER **TRUST** | **136,785** |
| AGENTE:JP MORGAN CHASE BANK/ONEPATH GLOBAL SHARES - SMALL CAP UNHEDGED) INDEXPOOL | **7,474** |
| AGENTE:JP MORGAN CHASE BANK/TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK | **82,345** |
| AGENTE:JP MORGAN CHASE BANK/WYOMING RETIREMENT SYSTEM | **3,844** |
| AGENTE:JP MORGAN CHASE BANK/CURIAN/WMC INTERNATIONAL EQUITY FUND | **365,544** |
| AGENTE:JP MORGAN CHASE BANK/PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OH | **71,411** |
| AGENTE:JP MORGAN CHASE BANK/VANGUARD TOTAL INTERNATIONAL STOCK INDEX | **1,522,636** |
| AGENTE:JP MORGAN CHASE BANK/VANGUARD INTERNATIONAL EXPLORER FUND | **1,900,000** |
| AGENTE:JP MORGAN CHASE BANK/MI-FONDS 392 | **277,833** |
| AGENTE:JP MORGAN CHASE BANK/JPMORGAN EUROPEAN INVESTMENT TRUST PLC | **55,149** |
| AGENTE:JP MORGAN CHASE BANK/TRUST AND CUSTODY SERVICED BANK LIMITED | **66,207** |
| AGENTE:JP MORGAN CHASE BANK/JAPAN TRUSTEE SERVICES BANK LTD AS TRUST | **5,549** |
| AGENTE:JP MORGAN CHASE BANK/ENTERGY CORP,RETIREMENT PLANS MASTER TR, | **228,211** |
| AGENTE:JP MORGAN CHASE BANK/NEW YORK LIFE INSURANCE COMPANY | **29,310** |
| AGENTE:RBC INVESTOR SERVICE/RBC CANADIAN MASTER TRUST | **171,184** |
| AGENTE:RBC INVESTOR SERVICE/REGIME DE RETRAITE D HYDRO QUEBEC | **117,732** |
| AGENTE:RBC INVESTOR SERVICE/TEACHERS PENSION PLAN & PRIVATE SCHOOL | **774,281** |
| AGENTE:HSBC BANK PLC/TR EUROPEN GROWTH TRUST PLC | **1,036,081** |
| AGENTE:HSBC BANK PLC/HSBC GLOBAL INVESTMENT FUNDS | **1,170,000** |
| AGENTE:CREDIT SUISSE SECURITIES (USA) LLC/GLG PARTNERS | **13,632** |
| AGENTE:BANK LOMBAR OD & C/LOMBARD ODIER FUNDS (SWITZERLAND) SA | **44,454** |
| AGENTE:RBC INVESTOR SERVICE/HSBC INTERNATIONAL SELECT FUND | **5,400** |
| AGENTE:J,P, MORGAN BANK LUXEMBOURG/SCHRODER INTERNATIONAL SELECTION FUND | **6,643,128** |
| AGENTE:JP MORGAN CHASE BANK/SCHRODER EUROPEAN SMALLER COMPANIES FUND | **376,881** |
| AGENTE:JP MORGAN CHASE BANK/SHROEDER INSTITUTIONAL EUROPEAN FUND | **845,644** |
| AGENTE:JP MORGAN CHASE BANK/PUBLIC EMPLOYEES RETIREMENT ASSOCIATION | **80,000** |
| AGENTE:JP MORGAN CHASE BANK/SCHRODER CAPITAL MANAGEMENT COLLECTIVE TRUST | **200,000** |
| AGENTE:JP MORGAN CHASE BANK/SCHRODER INTERNATIONAL SMALL COMPANIES P | **150,000** |
| AGENTE:HSBC BANK PLC/NIGOSC ADMINISTERS NILG PENSION FUND | **92,268** |
| FIRST INVESTORS GLOBAL FUND | **291,917** |
| FIRST TRUST INTERNATIONAL IPO ETF | **1,782** |
| RUSSELL SMALLER COMPANIES POOL | **19,672** |
| ALASKA PERMANENT FUND CORPORATION | **1** |
| THE CLEVELAND CLINIC FOUNDATION | **82,047** |
| CN CANADIAN MASTER TRUST FUND , | **13,974** |
| THE STATE OF CONNECTICUT ACTINGTHROUGH ITS TREASURER | **180,000** |
| BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN | **2,183** |
| FLORIDA RETIREMENT SYSTEM , | **281,198** |
| LIBERTY MUTUAL RETIREMENT PLAN MASTER TRUST | **15,700** |
| PROVINCE PF NEWFOUNLAND AND LABRADOR POOLED PENSION FUND | **1** |
| NEW YORK STATE DEFERRED COMPENSATION PLAN | **122,850** |
| BELL ATLANTIC MASTER TRUST | **65,031** |
| INDIANA PUBLIC EMPLOYEES RETIREMENT FUND | **4,982** |
| ARROWSTREET US GROUP TRUST | **47,392** |
| TELUS FOREIGN EQUITY ACTIVE ALPHA POOL | **100,628** |
| PUBLIC SECTOR PENSION INVESTMENT BOARD | **1** |
| CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY | **51,756** |
| UMC BENEFIT BOARD, INC | **15,911** |
| UNISYS MASTER TRUST | **77,102** |
| VERIZON MASTER SAVINGS TRUST | **79,398** |
| STICHTING PENSIOENFONDS HORECA & CATERING | **11,729** |
| MINISTER FOR FINANCE (ISIF MANAGED AND CONTROLLED BY NTMA) | **1** |
| CF DV ACWI EX-U,S, IMI FUND | **2,181** |
| ROGERSCASEY TARGET SOLUTIONS LLC, | **10,604** |
| STG PFDS V,D, GRAFISCHE | **105,000** |
| RICHIEDENTE:UBS AG-ZURICH SA OMNIBUS NON RESIDENT/UBS FUND MGT (CH) AG **CH0516/UBSCHIF2-EGSCPII** | **25,082** |
| RICHIEDENTE:GOLDMAN SACHS SEGREGATION A/C/NUMERIC ABSOLUTE RETURN FUND LP NUMERIC **INVESTORS LIMITED LIABILITY COMPANY** | **1,000** |
| RICHIEDENTE:CBNY SA GOVERNMENT OF NORWAY/GOVERNMENT OF NORWAY | **5,921,587** |
| RICHIEDENTE:CBNY SA CAN BROAD CORP PENSION PLAN/CANADIAN BROADCASTING CORPORATION **PENSION PLAN** | **80,000** |
| RICHIEDENTE:CBLDN S/A LEGAL AND GENERAL/LEGAL AND GENERAL ASSURANCE PENSIONS **MANAGEMENT LIMITED** | **6,845** |
| RICHIEDENTE:CBLDN SA CIP-DEP-TIF-PAN SMLR COM/THREADNEEDLE INVESTMENT FUNDS ICVC PAN **EUROPEAN SMALLER COMPANIES FUND** | **5,469,926** |
| RICHIEDENTE:CBNY SA SIEFORE BANAMEX BASICA 2 SA DE CV/SIEFOREBANAMEXBASICA2SADECV | **251,002** |
| RICHIEDENTE:CBLDN SA CIP-DEP-TIF-EUR SML COMP FND/THREADNEEDLE INVESTMENT FUNDS ICVC **EUROPEAN SMALLER COMPANIES FUND** | **5,390,134** |
| RICHIEDENTE:CBNY SA SIEFORE BANAEMX BASICA 4 SA DE CV/SIEFOREBANAMEXBASICA4SADECV | **313,753** |

**FinecoBank S.p.A.**
**Ordinary/ Extraordinary Shareholders' Meeting**
**in single call**

*** LIST OF PROXY GIVERS ***

| | |
|---|---|
| RICHIEDENTE:CBNY SA SIEFORE BANAEMX BASICA 3 SA DE CV/SIEFOREBANAMEXBASICA3SADECV | **288,652** |
| RICHIEDENTE:CBNY SA STATE TEACHERS RETIREMENT S/STATE TEACHERS RETIREMENT SYSTEM OF **OHIO** | **137,684** |
| RICHIEDENTE:CBHK SA CBKR SCHRODER EURO EQ MF/CITIBANK KOREA INC | **1,037,271** |
| RICHIEDENTE:CBLDN SA STICHTING PGGM DEPOSITORY/STICHTING PGGM DEPOSITARY | **265,000** |
| RICHIEDENTE:CBHK SA MIML-WELLINGTON GI RES EP/MACQUARIE INVESTMENT MANAGEMENT **LIMITED** | **6,545** |
| RICHIEDENTE:CBLUX SA THREADNEEDLE (LUX)/THREADNEEDLE (LUX | **800,712** |
| AGENTE:NORTHERN TRUST GLOBAL SERVICES LTD/ABU DHABI RETIREMENT PENSIONS AND BENEFITS **FUND** | **30,871** |
| AGENTE:NORTHERN TRUST COMPANY/MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST | **54,673** |
| AGENTE:NORTHERN TRUST COMPANY/NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX **F NONLEND** | **7,451** |
| AGENTE:NORTHERN TRUST COMPANY/EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS | **70,448** |
| AGENTE:NORTHERN TRUST COMPANY/AXIOM INVESTORS TRUST II | **11,961** |
| AGENTE:NORTHERN TRUST COMPANY/INTERNATIONAL MONETARY FUND STAFF RETIREMENT PLAN | **76,947** |
| AGENTE:NORTHERN TRUST COMPANY/INTERNATIONAL MONETARU FUND STAFF RETIREMENT PLAN | **13,103** |
| AGENTE:NORTHERN TRUST COMPANY/NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P,R,C | **18,050** |
| AGENTE:NORTHERN TRUST COMPANY/MICROSOFT GLOBAL FINANCE | **200,000** |
| AGENTE:NORTHERN TRUST COMPANY/STATES UNIVERSITIES RETIREMENT SYSTEM | **59,562** |
| AGENTE:NORTHERN TRUST COMPANY/NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS **TRUST** | **195,608** |
| AGENTE:NORTHERN TRUST COMPANY/TYCO ELECTRONICS DEFINED BENEFIT PLANS MASTER TRUST | **18,124** |
| AGENTE:NORTHERN TRUST COMPANY/NEW ZEALAND SUPERANNUATION FUND | **20,550** |
| AGENTE:NORTHERN TRUST COMPANY/GENERAL PENSION AND SOCIAL SECURITY AUTHORITY | **134,082** |
| AGENTE:NORTHERN TRUST COMPANY/LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM | **21,464** |
| AGENTE:NORTHERN TRUST COMPANY/CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN | **36,807** |
| AGENTE:NORTHERN TRUST COMPANY/SAN FRANCISCO CITY & COUNTY EMPLOYEES` RETIREMENT **SYSTEM** | **62,376** |
| AGENTE:NORTHERN TRUST COMPANY/UTAH STATE RETIREMENT SYSTEMS | **11,131** |
| AGENTE:NORTHERN TRUST COMPANY/WHEELS COMMON INVESTMENT FUND | **5,543** |
| AGENTE:NORTHERN TRUST COMPANY/ZURICH FINANCIAL SERVICES UK PENSION SCHEME | **445,869** |
| AGENTE:NORTHERN TRUST COMPANY/UNILEVER UK PENSION FUND | **1,031,459** |
| AGENTE:NORTHERN TRUST COMPANY/PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO | **34,658** |
| AGENTE:NORTHERN TRUST COMPANY/MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF **CHICAGO** | **23,784** |
| AGENTE:NORTHERN TRUST GLOBAL SERVICES LTD/UNIVEST | **454,562** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/FEDERATED KAUFMANN SMALL CAP FUND | **708,000** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/SCHWAB INTERNATIONAL SMALL-CAP EQUITY **ETF** | **50,086** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/JOHN HANCOCK SEAPORT FUND | **118,020** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/WELLINGTON MNGM PTF (CANADA) GLOBAL **OPPORTUNITIES PTF** | **10,738** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/INTERNATIONAL MONETARY FUND | **2,140** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/GMAM INVESTMENT FUNDS TRUST | **135,986** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/ARTISAN GLOBAL SMALL CAP FUND | **227,066** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/STATE OF ALASKA RETIREMENT AND BENEFITS **PLANS** | **116,413** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/BLACKSTONE ALTERNATIVE MULTI-MANAGER **FUND** | **144,464** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/BLACKSTONE ALTERNATIVE MULTI-STRATEGY **FUND** | **134,199** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/EAST RIDING PENSION FUND | **219,331** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/PYRAMIS CONCENTRATED INTERNATIONAL **SMALL CAP TRUST** | **181,490** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/UAW RETIREE MEDICAL BENEFITS TRUST | **90,710** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/THE GENERAL MOTORS CANADIAN HOURLY-RATE **EMPL PENSION PLAN** | **42,610** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/THE GENERAL MOTORS CANAD RETIREMENT **PROGR FOR SALARIED EMPL** | **10,815** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/HARTFORD INTERNATIONAL OPPORTUNITIES HLS **FUND** | **1,106,930** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/THE HARTFORD INTERNATIONAL **OPPORTUNITIES FUND** | **1,089,954** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/THE HARTFORDGLOBAL ALL- ASSET FUND | **56,097** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/HARTFORD HEALTHCARE ENDOWMENT LLC | **18,092** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/HARTFORD HEALTHCARE CORP DEFINED **BENEFIT MASTER TR AGREEMENT** | **24,743** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/TCW INTERNATIONAL SMALL CAP FUND | **35,149** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/TCW INTERNATIONAL GROWTH FUND | **4,500** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET | **9,960** |

**FinecoBank S.p.A.**
**Ordinary/ Extraordinary Shareholders' Meeting**
**in single call**

*** LIST OF PROXY GIVERS ***

**PORTFOLIO**

| | |
|---|---|
| AGENTE:STATE STREET BANK AND TRUST COMPANY/ORANGE COUNTY EMPLOYEES RETIREMENT **SYSTEM** | **78,810** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/HENKEL OF AMERICA MASTER RETIREMENT **TRUST** | **24,125** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/MERCER QIF CCF | **1,555,252** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/NATIONAL PENSION SERVICE | **205,600** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/ASHWOOD INVESTMENTS LIMITED | **6,315** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/COSMIC INVESTMENT FUND | **391,675** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/CITY OF NEW YORK GROUP TRUST | **62,844** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/WELLINGTON MNGT PTF (CAYMAN)-GL OPP **EX-JAPAN PTF F QUA INST IN** | **60,538** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/BNY MELLON TR+DEP ATF ST, JAMES`S PLACE **MNGD GROWTH UNIT TR** | **1,153,285** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/HONG KONG SPECIAL ADMINISTRATIVE REGION **GOVERNMENT-EXCHANGE F** | **218,414** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/BIMCOR GLOBAL EQUITY POOLED FUND | **31,619** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/MINISTRY OF STRATEGY AND FINANCE | **154,828** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/SSGA SPDR ETFS EUROPE II PUBLIC LIMITED **COMPANY** | **20,546** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/CALIFORNIA PUBLIC EMPLOYEES RETIREMENT **SYSTEM** | **663,768** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/CALIFORNIA STATE TEACHERS RETIREMENT **SYSTEM** | **171,493** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/STATE OF TENNESSEE CONSOLIDATED **RETIREMENT SYSTEM** | **311,857** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/SAINT-GOBAIN CORPORATION DEFINED BENEFIT **MASTER TRUST** | **44,069** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/THE WELLINGTON TR COM NATIONAL ASS MULT **COLLECT INV F TRUST** | **367,659** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/THE WELLINGTON TR CO NAT ASS MULT C TR F **TR, OPPORT EQ PTF** | **84,333** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/THE WELLINGTON TR CO NAT ASS MULT COM GLB **OPPORT PTF** | **109,424** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/THE WELLINGTON TR CO NAT ASS MULT **COLLECTIVE INV F TRUST II** | **354,717** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/WASHINGTON STATE INVESTMENT BOARD | **96,690** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/PRUDENTIAL RETIREMENT INSURANCE & **ANNUITY COMPANY** | **496,801** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/WELLINGTON MANAGEMENT PORTFOLIOS **(DUBLIN) PLC** | **11,927** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/SS BK AND TRUST COMPANY INV FUNDS FOR **TAXEXEMPT RETIREMENT PL** | **295,099** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/AXA WORLD FUNDS | **9,707,811** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/GOLDMAN SACHS FUNDS | **2,923** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/MARCH FUND | **38,196** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/UBS ETF | **15,719** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES MSCI EAFE SMALL CAP ETF | **117,300** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES DEVELOPED SMALL-CAP EX NORTH **AMERICA ETF** | **7,054** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/BLACKROCK INST TRUST CO NA INV FUNDSFOR **EMPLOYEE BENEFIT TR** | **976,493** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES CORE MSCI EAFE ETF | **93,004** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES CORE MSCI EAFE IMI INDEX ETF | **5,341** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES MSCI EUROPE IMI INDEX ETF | **3,907** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES MSCI EUROPE IMI ETF | **8,208** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/BLACKROCK CDN ACWI ALPHA TILTS FUND | **1,609** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/RUSSELL DEVELOPED EX-U,S, LARGE CAP INDEX **FUND B** | **1,917** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/WORLD ALPHA TILTS NON-LENDABLE FUND B | **757** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/BGI MSCI EAFE SMALL CAP EQUITY INDEX FUND B | **69,755** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/BGI MSCI EMU IMI INDEX FUND B | **312** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/BLACKROCK GLOBAL MARKET INSIGHT FUND B | **801** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/GLOBAL ALPHA TILTS FUND B | **1,598** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/BLACKROCK MSCI WORLD SMALL CAP EQ ESG **SCREENED INDEX FUND B** | **5,037** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/INTERNATIONAL ALPHA TILTS FUND B | **1,488** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/GLOBAL EX US ALPHA TILTS FUND B | **950** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/BP PENSION FUND | **846,500** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/RUSSELL INVESTMENT COMPANY II PLC | **18,500** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/INTERNATIONAL PAPER CO COMMINGLED | **70,600** |

**FinecoBank S.p.A.**
**Ordinary/ Extraordinary Shareholders' Meeting**
**in single call**

*** LIST OF PROXY GIVERS ***

| | |
|---|---|
| **INVESTMENT GROUP TRUST** | |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/KINGFISHER PENSION SCHEME | **23,872** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/OREGON PUBLIC EMPLOYEES RETIREMENT **SYSTEM** | **240,752** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/COLLEGE RETIREMENT EQUITIES FUND | **214,462** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/TRANSAMERICA INTERNATIONAL SMALL CAP | **750,000** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/SPDR S+P INTERNATIONAL MIDCAP ETF | **13,723** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/RUSSELL INVESTMENT COMPANY PLC | **6,600** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/MULTI-STYLE, MULTI-MANAGER FUNDS PLC | **113,150** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/THE WELLINGTON TR CO NAT ASS MULT COM **ALPHA STRATEGIES PTF** | **174,516** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/GOVERNMENT INSTITUTIONS PENSION FUND | **130,092** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/THE WELLINGTON TR CO, NAT ASS MULT COMM TR **F TR, INT RES EQ F** | **27,188** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/THE WELLINGTON TR CO NAT ASS MULT COMM TR **F TR GLB RES EQ PTF** | **9,712** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/MSCI EAFE SMALL CAP PROV INDEX SEC COMMON **TR F** | **39,648** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES VII PLC | **225,323** |
| AGENTE:STATE STREET BANK AND TRUST COMPANY/BLACKROCK AM SCH AG OBO BIFS WORLD EX SW **SMALL CAP EQ INDEX F** | **923** |
| AGENTE:JP MORGAN CHASE BANK/WYOMING RETIREMENT SYSTEM | **8,796** |

Number of of proxies represented by badge: **235** **85,447,796**

List of owner ordinary, shares taking part in the meeting held on 23/04/2015 in a single call,
The proxies havebeen given in compilance with the provisions of section 2372 of then Civil Code,

| PRESENT IN /BY | | | | SHARES | |
|---|---|---|---|---|---|
| On own behalf | Proxy | | | On own behalf | Proxy |
| 1 | 0 | AMADEI STEFANO | | 1,000 | 0 |
| 1 | 0 | ANNIBALETTI ANGELO | | 20,000 | 0 |
| 0 | 1 | CAGLIA MARIA | | 0 | 397,108,033 |
| 1 | 0 | CASATI FEDERICO | | 50 | 0 |
| 1 | 0 | GUERRA MAURO | | 1,000 | 0 |
| 1 | 0 | MORELLI CLAUDIO | | 2,000 | 0 |
| 1 | 0 | PISTONE UGO LUIGI | | 1,000 | 0 |
| 0 | 235 | TONELLI GIULIO | | 0 | 85,447,796 |
| 1 | 0 | VIOZZI DANIELE | | 50 | 0 |
| 7 | 236 | Opening Ordinary Meeting | | 25,100 | 482,555,829 |
| | | | TOTAL: | 482,580,929 | |
| | | Entered/exited later: | | | |
| 1 | 0 | CERASUOLO STEFANO | | 5,000 | 0 |
| 8 | 236 | Approval of the financial statements at December 31, 2014 | | 30,100 | 482,555,829 |
| | | | TOTAL: | 482,585,929 | |
| | | Entered/exited later: | | | |
| 8 | 236 | Allocation of the profits for the year 2014 | | 30,100 | 482,555,829 |
| | | | TOTAL: | 482,585,929 | |
| | | Entered/exited later: | | | |
| 8 | 236 | 2015 Compensation Policy | | 30,100 | 482,555,829 |
| | | | TOTAL: | 482,585,929 | |
| | | Entered/exited later: | | | |
| 8 | 236 | Severance Payments Policy | | 30,100 | 482,555,829 |
| | | | TOTAL: | 482,585,929 | |
| | | Entered/exited later: | | | |
| 8 | 236 | 2015 Incentive System | | 30,100 | 482,555,829 |
| | | | TOTAL: | 482,585,929 | |
| | | Entered/exited later: | | | |
| 8 | 236 | Incentive System for Financial Advisors | | 30,100 | 482,555,829 |
| | | | TOTAL: | 482,585,929 | |
| 8 | 236 | Opening Extraordinary Meeting | | 30,100 | 482,555,829 |
| | | | TOTAL: | 482,585,929 | |
| | | Entered/exited later: | | | |
| 8 | 236 | Amendments to Clause 6 of the Articles of Association | | 30,100 | 482,555,829 |
| | | | TOTAL: | 482,585,929 | |
| | | Entered/exited later: | | | |
| 8 | 236 | Delegation to the Board of Directors to approve a free capital increase | | 30,100 | 482,555,829 |
| | | | TOTAL: | 482,585,929 | |

FINECO
THE NEW BANK

Member of UniCredit

# REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURES

REPORT APPROVED ON MARCH 10, 2015

**REPORT ON THE CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURES**

pursuant to Art. 123-*bis* Legislative Decree no. 58/1998

# Issuer: "FinecoBank S.p.A."

Website: www.fineco.it

Date of approval: March 10, 2015

**CONTENTS**

## GLOSSARY

| | |
|---|---|
| **Articles of Association** | the articles of association of the Company in effect at the date of this Report. |
| **Audit and Related Parties Committee** | the internal committee of the Board of Directors, established in accordance with Articles 4 and 7 of the Corporate Governance Code. |
| **Remuneration and Appointments Committee** | the committee on the Board of Directors established in compliance with Articles 4, 5 and 6 of the Corporate Governance Code for Listed Companies. |
| **Bank of Italy Circular** | Bank of Italy Circular 263/2006 ("New regulations for the prudential supervision of banks") as amended. |
| **Bank of Italy Regulations on Corporate Governance** | The supervisory regulations on the organisation and corporate governance of banks issued by the Bank of Italy on May 6, 2014. |
| **Board of Directors** | the board of directors of the Issuer. |
| **Board of Statutory Auditors** | the board of statutory auditors of the Issuer. |
| **Borsa Italiana** | Borsa Italiana S.p.A. |
| **Civil Code** | the Civil Code. |
| **Consob** | Commissione Nazionale per le Società e la Borsa (National Commission for Companies and the Stock Exchange) with headquarters in Rome, Via G.B. Martini n. 3. |
| **Corporate Governance Code for Listed Companies, Code** | the Corporate Governance Code for Listed companies Code for Listed approved in July 2014 by the Corporate Governance Companies Committee and endorsed by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria. |
| **External Auditors Firm** | the external auditors firm registered in the Register of Auditors, appointed to audit the accounts of the Issuer. |
| **Group or UniCredit Group** | UniCredit and its subsidiary companies pursuant to group Article 2359 of the Civil Code and Article 93 of the Legislative Decree no. 58/1998. |
| **Issuer Regulation** | the Regulations issued by Consob with ruling no. 11971 of 1999 on issuers, as subsequently amended. |
| **Issuer, FinecoBank or Banca or Company** | FinecoBank S.p.A.. |
| **Markets Regulations** | the Regulations issued by Consob with ruling no. 16191 of 2007 on markets, as subsequently amended. |

| | |
|---|---|
| **MTA** | the Mercato Telematico Azionario (electronic stock market) organised and managed by Borsa Italiana. |
| **Related Parties Regulations** | the Regulations issued by Consob with ruling no. 17221 of 2010 on related parties transactions, as subsequently amended. |
| **Report** | this report on the corporate governance system and the Ownership structures of the Issuer, pursuant to Art. 123-*bis* Legislative Decree no. 58/1998. |
| **Shareholders' meeting** | meeting of the shareholders of the Issuer. |
| **Stock Exchange Instructions** | Instructions accompanying the Rules of the Markets organised and managed by Borsa Italiana in effect at the Date of the Report. |
| **Stock Exchange Regulations** | the Regulations of Markets organised and managed by Borsa Italiana, in effect at the Date of the Report. |
| **TUF** | Legislative Decree no. 58 of 24 February 1998 (Legislative Decree no. 58/1998), as amended. |
| **UniCredit** | UniCredit S.p.A., with registered office in Rome, Via Specchi n. 16. |

## INTRODUCTION

FinecoBank S.p.A., direct multichannel bank of the UniCredit Group, obtained approval by Consob on June 12, 2014 of the prospectus for the Initial Public Offering (IPO) aimed at listing its shares on the MTA (Mercato Telematico Azionario - electronic stock market) organised and managed by Borsa Italiana S.p.A.

Consob's approval followed the provision through which, on the same date, Borsa Italiana approved listing for trading on the MTA (trading of Fineco stock began on July 2, 2014).

This document was drawn up pursuant to Article 123-bis of the TUF (Consolidated Law on Finance), in accordance with the "Format for the report on corporate governance and ownership structures", V edition, January 2015[1].

[1] Note that the previous report on Corporate Governance and compliance with the Code was provided by FinecoBank as part of its application for listing of the Company's shares on the MTA, in accordance with the obligation envisaged by Section IA.1.1, Table 1, point 1.11 of the Regulations of Markets organised and managed by Borsa Italiana S.p.A., by drawing up a specific report ("Report on Corporate Governance and on Compliance with the Corporate Governance Code for Listed Companies" approved by the Board of Directors on June 5, 2014), published in the dedicated area of the Bank's website.

## 1. COMPANY BACKGROUND

The Company's corporate governance system is based on principles recognised by international best practices as fundamental for good governance: the central role of the Board of Directors, the correct management of conflicts of interest, an efficient internal control system and transparency in relations with the market, with particular reference to reporting corporate management decisions.

FinecoBank is part of the UniCredit group that manages and coordinates FinecoBank pursuant to and for the purposes of Article 2497 et seq. of the Civil Code.

FinecoBank's overall corporate governance structure has been defined taking into account applicable laws and recommendations in the Corporate Governance Code. The Company must also meet the requirements of Supervisory Regulations issued by the Bank of Italy and, in particular, as regards corporate governance, the Regulations on Corporate Governance issued by the Bank of Italy(Circular no. 285/2013, Part I, Title IV, Chapter 1). Pursuant to the aforementioned provisions, FinecoBank, as listed bank, qualifies as a Bank of significant size or operational complexity and, therefore, complies with the provisions applicable to such banks.

FinecoBank adopts a traditional administration and control system based on two bodies appointed by the Shareholders' Meeting: the Board of Directors, with strategic oversight and business management functions, and the Board of Statutory Auditors, with administration control functions. The legal accounting supervision is entrusted to an external auditors firm, in compliance with applicable laws.

FinecoBank's governance system also comprises:

- the Audit and Related Parties Committee
- the Remuneration and Appointments Committee:

The **Shareholders' Meeting** represents the interests of shareholders as a whole, and through its decisions - of the company.

The Shareholders' Meeting passes resolutions in ordinary or extraordinary sessions, with the quorums required by law for the Meeting to be duly established and pass resolutions, in view of specific issues on the agenda.

The Ordinary Shareholders' Meeting approves, inter alia, the financial statements and decides on the distribution of dividends, the appointment of directors and statutory auditors and appoints the external auditors, determining their fees. It also resolves on remuneration and incentive policies and practices established by current regulations.

The Extraordinary Shareholders' Meeting resolves on amendments to the articles of associations, capital increases and mergers and demergers.

Holders of voting rights and in respect of whom the Company has received, from the broker holding the relevant account, notification within the deadline set forth by applicable law (record date, the seventh open market day prior to the date established for the Meeting).

*For further information on the Shareholders' Meeting, see Section 16*

The **Board of Directors**, pursuant to the Articles of Association, is the body, within the framework of the company object, given all powers according to law or the Articles of

Association, that are not expressly conferred on the Shareholders' Meeting, and that exclusively oversees business management, and to this end, is given full powers for the ordinary and extraordinary administration of the Company.

In compliance with current regulations, when nominating directors, shareholders should consider the qualitative and quantitative composition identified by the Board as optimal in order to achieve the objective of correctly fulfilling ifs functions, as well as guidance issued by the Board on the maximum number of administration, management and control positions that may be held by Board directors in external companies, in compliance with current and statutory regulations.

Board members meet the professional competence, integrity and independence requirements of current and statutory regulations.

As established in the Articles of Association, members of the Board of Directors are appointed by the Shareholders' Meeting for a three-year term of office, save for a shorter term established by the Meeting when making appointments, based on a slate voting system, to guarantee an adequate number of board directors elected by the minority.

The Board of Directors elects a **Chairman** from amongst its members and - where appropriate - one or two **Vice Chairmen**, one of whom will act as a stand-in. The Chairman and Vice Chairmen remain in office for the entire duration of the Board. The Board of Directors also appoints a **Secretary**, who is not necessarily a board member. The Board may establish committees or commissions with advisory, decision-making or coordination functions, in compliance with applicable current and statutory regulations.

The Board of Directors may also appoint a **Managing Director**, determining the term of office and relative duties and powers, and one or more Deputy General Managers, who form the Head Office. At the date of this Report, the Board of Directors of the Company had appointed Alessandro Foti as Managing Director and General Manager of the Bank.

*For further information on the Board of Directors, see Section 4*

The **Audit and Related Parties Committee** is a Board Committee which, pursuant to Article 7.P.4 of the Corporate Governance Code and Article 3 of the Related Parties Regulations, and as provided for by the Control and Risk Committee Regulations, comprises three independent directors, with adequate professional expertise of corporate governance and internal controls, capable of independent unbiased judgement in the duties assigned to them. This Committee (i) has advisory functions concerning internal control and company risk management (ii) it issues preliminary and reasoned opinions, also in the interest of carrying out transactions with related parties and/or associated persons completed by the Bank and on the appropriateness and fairness of the relative terms and conditions.

*For further information on the Audit and Related Parties Committee, see Section 6.1*

The **Remuneration and Appointments Committee** is a Board Committee which, pursuant to Articles 5.P.1 and 6.P.3 of the Corporate Governance Code, comprises three independent directors, with advisory functions concerning the remuneration of directors and senior managers and the appointment of directors, the General Manager and key management personnel.

*For further information on the Remuneration and Appointments Committee, see Sections 7 and 8*

Pursuant to the Articles of Association, the **Board of Statutory Auditors** comprises three standing and two stand-in auditors. Auditors are appointed by the Shareholders' Meeting based on a slate voting system to guarantee an auditor elected by the minority, as well as compliance with regulations on gender balance.

Auditors remain in office for three years, they may be re-elected and their term ends on the date of the Shareholders' Meeting called to approve the financial statements relating to the third year of their appointment. The Board of Statutory Auditors performs the functions assigned to it by law and other applicable regulations. For the entire period while the Company's shares are admitted to trading on a regulated Italian market, the Board of Statutory Auditors also exercises all powers and carries out all duties provided for by special laws; with particular reference to disclosure, directors are required to report on a quarterly basis, pursuant to Article 150 of the TUF, according to the procedures in Article 15 of the Articles of Association. The Board of Statutory Auditors, acting as the "internal control and auditing committee", pursuant to Legislative Decree 39/2010, carries out all other activities provided for by this decree.

Members of the Board of Statutory Auditors are registered in the Register of Auditors and meet the professional competence, integrity and independence requirements of current and statutory regulations.

*For further information on the Board of Statutory Auditors, see Section 14*

As established in the Articles of Association, the accounts are audited, pursuant to applicable legal provisions, by an entity that meets the requirements of current regulations.

The **External Auditors Firm** represent the external control body auditing the accounts. In particular, the External Auditors are required, during the year, to verify the accounts of the company, and to give an opinion on the financial statements and consolidated financial statements, in a relative report.

*For further information on the External Auditors, see Section 11.4*

The powers and duties and operating procedures of corporate bodies are governed by law, by the Articles of Association and by decisions taken by competent bodies.

For further information on each body and/or entity comprising the Company's governance system, reference is made to specific sections in this Report.

FINECO THE NEW BANK

## 2. INFORMATION ON OWNERSHIP STRUCTURES

### A) STRUCTURE OF SHARE CAPITAL

Following the free share capital increase resolved by the Board of Directors on February 9, 2015, amounting to €79,761.00 and corresponding to 241,700 ordinary shares, FinecoBank's share capital as at March 10, 2015 was €200,150,191.89 (two hundred million, one hundred and fifty thousand, one hundred and ninety-one euros, eighty-nine cents) divided into 606,515,733 (six hundred and six million, five hundred and fifteen thousand, seven hundred and thirty-three) ordinary shares with a nominal value of €0.33 (thirty-three cents) each.

The ordinary shares are registered.

The shares are indivisible, with cases of joint ownership governed by law.

The shares are not subject to any rights, privileges or constraints; there are no shares reserved for issue under option and sales contracts.

For equity-based incentive plans, which involve free share capital increases approved by the Shareholders' Meeting, see the relative prospectuses drawn up pursuant to Article 84-*bis* of the Consob Issuer Regulations, as well as the Remuneration Report prepared pursuant to Art. 84-*quater* of the Consob Issuer Regulations.

### B) RESTRICTIONS ON THE TRANSFER OF SECURITIES

As at the date of approval of this Report, there were no restrictions on the transfer of securities.

### C) MAJOR SHAREHOLDINGS IN CAPITAL

Based on the entries in the Shareholders' Register, integrated with the disclosures received pursuant to Art. 120 of the Consolidated Law on Finance, and on other information available to the Company, the major stakes in share capital as at December 31, 2014 - both direct and indirect - are summarised below.
The table does not include entities that are exempt from the disclosure requirements pursuant to Art. 119-*bis* of the CONSOB Issuer Regulations.

| Declarer | Direct shareholder | % share of ordinary capital | % share of voting capital |
|---|---|---|---|
| UniCredit S.p.A. | UniCredit S.p.A. | 65.5% | 65.5% |
| Threadneedle Asset Management Holdings LT | Threadneedle Asset Management Holdings LT | 2.227% | 2.227% |

### D) SECURITIES CONFERRING SPECIAL RIGHTS

As at March 10, 2015, FinecoBank has not issued any shares that grant special control rights.

### E) EMPLOYEE SHAREHOLDINGS: MECHANISM TO EXERCISE VOTING RIGHTS (PURSUANT TO ART. 123-BIS, PARAGRAPH 1, LETTER E), TUF)

There is no employee share ownership system in which the voting right is exercised by representatives of the employees.

#### F) RESTRICTIONS ON VOTING RIGHT (PURSUANT TO ART. 123-BIS, PARAGRAPH 1, LETTER F), TUF)

There are no restrictions on voting rights.

#### G) SHAREHOLDER AGREEMENTS (PURSUANT TO ART. 123-BIS, PARAGRAPH 1, LETTER G), TUF)

The issuer is not aware of any shareholder agreements pursuant to Art. 122 of the TUF.

#### H) CHANGE OF CONTROL CLAUSES (PURSUANT TO ART. 123-BIS, PARAGRAPH 1, LETTER H), TUF) AND STATUTORY PROVISIONS ON TAKEOVER BIDS (PURSUANT TO ARTICLES 104, PARAGRAPH 1-TER, AND 104-BIS, PARAGRAPH 1)

FinecoBank has not stipulated any significant agreements that become effective, are modified or are terminated in the event of a change in control of the contracting company.

The Bank's Articles of Association do not envisage any exceptions to the provisions on the passivity rule pursuant to Art. 104, paragraphs 1 and 2 of the TUF, nor do they envisage application of the neutralisation provisions contemplated by Art. 104-*bis*, paragraphs 2 and 3 of the TUF.

#### I) AUTHORISATIONS TO INCREASE SHARE CAPITAL AND PURCHASE TREASURY SHARES

The Board of Directors has been authorised by the Extraordinary Shareholders' Meeting to carry out free increases in share capital, aimed at implementing the incentive plans for Bank personnel. The Board of Directors was not assigned the power to issue equity-based financial instruments.

The Bank's Shareholders' Meeting of June 5, 2014 granted authorisation to Financial Advisors and Network Managers to purchase treasury shares. As at December 31, 2014 the Company did not hold any treasury shares.

#### L) MANAGEMENT AND COORDINATION ACTIVITIES

UniCredit carries out management and coordination activities in conformity to and within the limits of the Consolidated Banking Law and Supervisory Instructions, based, among others, on the following: (i) proposing members of the board of directors and control bodies, and managerial positions, of Group companies, to the shareholders' meetings; (ii) disseminating best practices, methodologies, procedures and IT systems in order to standardise operating procedures within the Group; (iii) defining and implementing a managerial/functional system that defines mechanisms for managerial coordination at group level, assigning the managers of parent company functions specific responsibilities and powers vis-à-vis corresponding functions of subsidiaries, in order to ensure the overall consistency of the group's corporate governance system, through adequate coordination among bodies, structures and company functions of different entities comprising the group; and (iv) defining, disseminating and implementing group regulations for activities which are significant in terms of legal compliance and/or risk management, concerning, for example: (a) the reporting of inside information; (b) the preparation of periodic financial information; (c) the drafting of the strategic budget; (d) management control and the notification of management information; (e) the structure, composition and remuneration of the Board of Directors; (f) transactions with related parties and associated persons; (g) choice of suppliers; and (h) personnel and personnel training.

## 3. Compliance

In a Board resolution, on April 15, 2014, the Company decided to comply with the "Corporate Governance Code for Listed Companies" endorsed by Borsa Italiana, bringing its own conduct in line with the principles therein, where applicable.

The Code is available to the public on the website of the Corporate Governance Committee, at: http://www.borsaitaliana.it/comitato-corporate-governance/codice/2014clean.pdf.

For additional information on the corporate governance structure of FinecoBank, in addition to the specific sections of this Report, see the Company's website, where it is available together with economic-financial information, data and documents of interest to shareholders.

## 4. BOARD OF DIRECTORS

### 4.1 Appointment and replacement

In compliance with the laws and regulations applicable to listed companies, Article 13 of the Articles of Association requires that the Board of Directors be appointed by the Shareholders' Meeting based on the lists submitted by shareholders, according to the procedure described below.

Shareholders can submit a list for the appointment of Directors, provided that when they submit the list they hold, alone or together with others presenting shareholders, at least the minimum investment established by Consob pursuant to Article 147-*ter*, subsection 1, of the Consolidated Law on Finance (TUF) and in accordance with the relevant issues established by CONSOB Issuers Rules. Ownership of the minimum shareholding required is calculated based on the shares registered to each shareholder on the day when the lists are filed at the Company; the related certification may be submitted after the lists have been filed, provided that it is within the deadline for publication of the lists.

Each party entitled to vote (as well as (i) entitled persons belonging to the same group, intended as a party, which need not be a corporation, exercising control pursuant to Article 2359 of the Civil Code and any subsidiary controlled by, or under the control of the said party, or (ii) shareholders who are party to a shareholders' agreement as per Article 122 of the TUF, or (iii) entitled persons who are otherwise associated with each other in a material relationship pursuant to current and applicable statutory or regulatory provisions) may submit individually or with others only one list, just like each candidate can be included in only one list, or otherwise be considered ineligible.

Both genders must be represented on each list, so as to ensure compliance with at least the minimum requirements of current laws and regulations on gender equality

The lists shall be filed at the Registered Office or Head Office - also by means of remote communication and in accordance with the procedures stated in the notice of call, so as to allow the identification of the parties submitting the list - at least twenty-five days before the date of the Shareholders' Meeting called to appoint members of the board of directors, in one session. Furthermore, the Company shall ensure that the lists are made public on the Company's website and by the other means established by current provisions, at least twenty-one days prior to the above shareholders' meeting, in one session or on first call.

The lists also contain, in attachments, any additional documentation and declarations required by the laws and regulations in force at the time, as well as:

- information pertaining to those who submitted the lists, with information on the total percentage of interest held;

- information on the personal and professional characteristics of the candidates included in the list;

- a statement whereby the individual candidates irrevocably accept the position (subject to their appointment) and attest, under their responsibility, that there are no grounds for their ineligibility or incompatibility to stand as candidate, and that they meet the professional competence and integrity requirements prescribed by current laws and regulations;

- a statement that the independence requirements set out in the Articles of Association have been met.

Each eligible voter may vote for one list only.

After the vote, candidates are elected from lists that have obtained the largest number of votes, with the following criteria:

a) a number of Directors equal to the number of board members, decreased by 1 (one), shall be drawn - in the order in which they appear on the list - from the list receiving the most votes. The remaining Director shall be drawn- in numerical order-from the minority list that received the most votes among the minority lists;

b) if the majority list does not reach a sufficient number of candidates for the election of the number of Directors to be appointed, according to the mechanism indicated in letter a) above, all the candidates from the majority list shall be appointed and the remaining Directors shall be drawn from the minority list, in the order in which they appear on the list, receiving the highest number of votes; if necessary, directors shall also be drawn from the second most voted minority list, always in the order in which the appear on the list, until the number of Directors to elect has been reached;

c) if the number of candidates in the majority as well as minorities lists submitted is less than the number of the Directors to be elected, the remaining Directors shall be elected through a resolution made by the Shareholders' Meeting by relative majority, ensuring compliance with the principles of independence and gender equality prescribed by current law and regulations. If there is a tie vote between two or more candidates, a run-off will be held between these candidates by means of another vote at the Shareholders' Meeting;

d) if only one list or no list is filed, the Shareholders' Meeting shall act in accordance with the procedures set forth in letter c) above;

e) if the required minimum number of Independent Directors and/or Directors belonging to the least represented gender is not elected, the Directors of the most voted list who have the highest consecutive number and do not meet the requirements in question shall be replaced by the next candidates on the same list, who meet the necessary requirements. Should it prove impossible, even after applying this criterion, to identify the Directors who meet the above requirements, the above substitution criterion shall apply to the minorities lists receiving the highest votes from which the candidates elected have been drawn;

f) if even after applying the substitution criteria referred to in letter e) above, suitable substitutions have not been found, the Shareholders' Meeting shall resolve by a relative majority. In this case, the substitutions shall be effected starting from the most voted lists and from the candidates bearing the highest number in consecutive order.

In the event of death, resignation, withdrawal or removal from office for any other reason of a Director, or where a Director no longer meets the professional competence and integrity requirements, the Board of Directors can take steps to co-opt a Director, in compliance with the principles of minority representation and gender equality. If, in the above cases, the minimum number of independent Directors falls below the level required by the laws and regulations in force at the time and/or the number of Directors belonging to the least represented gender falls below the level prescribed by law, the Board of Directors shall replace them.

For the appointment of Directors needed to fill vacancies on the Board of Directors, the Shareholders' Meeting shall resolve by relative majority, ensuring that the principles of independence and gender equality established by current law and regulations are met.

The Board of Directors shall elect a Chairman from among its members and - where appropriate - one or more Vice Chairmen, one of which will act as a stand-in.

**Succession plans**

The Company has initiated the procedure to adopt the Succession Plan for the Managing Director and General Manager.

## 4.2 COMPOSITION

Pursuant to Article 13 of the Articles of Association, the company is managed by a Board of Directors composed of a minimum of 5 (five) and a maximum of 13 (thirteen) Directors, elected by the Shareholders' Meeting. The Shareholders' Meeting shall also determine the term of office, on the understanding that said term may not be less than one year or more than three years from acceptance of office and shall expire on the date of the Shareholders' Meeting called to approve the financial statements relating to the last year of their appointment. The members of the Board of Directors may be re-elected.

All directors must meet the eligibility and professional requirements provided for by law and any other applicable regulations.

As regards integrity requirements, given the important role played by directors in terms of reputation, the Board of Directors' Rules and Regulations requires that, in addition to meeting the integrity requirements set out in Ministerial Decree no. 161 of 18/03/1998 and Ministerial Decree no.162 of 30/03/2000, the Directors should avoid any situation that could be cause for suspension from their duties as Director pursuant to Article 6 of Ministerial Decree no. 161 of 18/03/1998 and must refrain from engaging in conduct which, while not constituting an offence, appears to be inconsistent with the role of a bank director or that could seriously damage the bank's reputation.

The Board shall verify that its members meet the above requirements:

(i) following appointment, the outcome of which shall be disclosed to the market by means of a press release;

(ii) the respective results shall be reported on an annual basis in the annual corporate governance report.

Pursuant to Article 147-*ter*, of the TUF and Article 37 of the Market Regulations, as well as the Bank of Italy Rules on Corporate Governance, the majority of the members of FinecoBank's Board of Directors must meet the independence requirements provided in Article 3 of the Corporate Governance Code, as the Company is subject to the management and coordination of UniCredit ("Independent Directors").
The Board shall assess whether the independence requirements have been met with regard to the prevalence of substance over form. This assessment shall be performed:

(i) following appointment of a new Director who qualifies himself/herself as independent,

(ii) once a year for all Directors.

For this purpose, the Board of Directors shall, based on the statements provided and any other information available, examine the Director's direct or indirect commercial, financial or professional relationships with the Company, assessing their significance both in absolute terms and with regard to the economic and financial position of the individual concerned. The results of the Board's assessment shall be disclosed to the market. The Board of Statutory Auditors shall ascertain the correct application of the criteria and procedures adopted by the Board of Directors for the above-mentioned assessment. The results of this assessment shall be disclosed to the market.

In accordance with the Bank of Italy Rules on Corporate Governance, on the date the Board of Directors determined and approved, at the meeting held on 27 March 2014, qualitative and quantitative composition (the "Qualitative and Quantitative Profile"), considered optimal in order to achieve the goal of correctly fulfilling the functions under the Board of Directors responsibility (for more information on the contents of this document see Section 4.3 "Role of the Board of Directors").

In line with the Qualitative and Quantitative Profile, the Board of Directors' Rules and Regulations requires that the number of Board members must be commensurate with the size and complexity of the bank's organisational structure, and allow for the supervision of all corporate operations, as far as management and controls are concerned.

Furthermore, this number should ensure the presence on the Board of (i) various representatives of the shareholder base, (ii) the professional skills necessary to foster internal dialogue and (iii) a sufficient number of independent members in accordance with the Corporate Governance Code.

Furthermore, pursuant to the Board of Directors' Rules and Regulations, in order for the Board of Directors to perform its duties properly, it must be composed of members who (i)

are fully aware of the powers and obligations relating to the functions that each member is called upon to perform, (ii) possess the professional skills required for the position held and suited to the bank's operational characteristics and size, (iii) possess, among them, a variety of diversified competencies so that each member can effectively help to identify and pursue the Bank's strategies and ensure effective risk management in all areas of the bank,
(iv)dedicate adequate time and resources to the overall nature of their offices, and
(v) direct their efforts towards the pursuit of the Company's interests on the whole, acting with independent judgement and regardless of the shareholders who voted for them or the relevant list.

In particular, to ensure that the Board of Directors functions smoothly, the Directors of the Company must have, in addition to the requirements of applicable statutory and regulatory provisions (professional requirements), a good understanding of and experience in preferably two or more of the following areas of competency:

- FAMILIARITY WITH THE BANKING BUSINESS and risk assessment and management techniques for assessing and managing the risks associated with the banking business: gained through several years of experience in administrative, management or supervisory positions in the financial services sector;
- EXPERIENCE IN BUSINESS MANAGEMENT AND ORGANISATION: gained through several years of experience in administration, management and control at large scale corporations or groups;
- THE ABILITY TO READ AND INTERPRET THE FINANCIAL STATEMENTS OF A FINANCIAL INSTITUTION: gained through several years of experience in the administration and control of companies in the financial services sector or in performing professional activities or teaching at the university level;
- CORPORATE SKILLS (*audits, compliance*, legal, corporate, etc.): gained through several years of experience in auditing or management control at large scale companies or in performing professional activities or teaching at the university level;
- AN UNDERSTANDING OF THE REGULATION OF FINANCIAL ACTIVITIES: gained through several years of specific experience in financial services companies or supervisory bodies, or in performing professional activities or teaching at the university level;
- AN UNDERSTANDING OF GLOBAL TRENDS IN THE ECONOMIC-FINANCIAL SYSTEM: gained through significant experience acquired in research bodies, corporate or international think tanks or supervisory authorities;
- EXPERIENCE AND KNOWLEDGE OF MARKETS: gained through research or studies conducted at research centers or through carrying out business or professional activities for a number of years at institutions or entities, corporations or groups (public or private), also of an international nature..

The Company's Board of Directors was appointed by the 'Shareholders' Meeting held on April 15, 2014 and will remain in office until approval of the financial statements for the year ending on December 31, 2016.

In the light of the foregoing, the slate voting system (described in section 4.1 of this report) shall be used to appoint the new Board of Directors to be carried out during the Shareholders' Meeting for approval of the financial statements for the year ending on December 31, 2016.

The table below provides relevant information about each member of the Board of Directors in office as of the date of this report.

| NAME AND SURNAME | POSITION | DATE OF BIRTH | DATE OF APPOINTMENT | DATE OF FIRST APPOINTMENT | % BOARD MEETINGS ATTENDANCE | NUMBER OF OTHER POSITIONS[5] |
|---|---|---|---|---|---|---|
| Enrico Cotta Ramusino[2] | Chairman | 1959 | 15.04.2014 | December 2001 | 100 | 1 |
| Francesco Saita[1-2] | Vice Chairman | 1967 | 15.04.2014 | April 2014 | 100 | 0 |
| Alessandro Foti[3] | Managing Director and General Manager | 1960 | 15.04.2014 | October 1999 | 90 | 0 |
| Gianluigi Bertolli[1-2] | Director | 1951 | 15.04.2014 | April 2014 | 100 | 1 |
| Mariangela Grosoli[1-2] | Director | 1960 | 15.04.2014 | April 2011 | 90 | 0 |
| Pietro Angelo Guindani[1-2] | Director | 1958 | 15.04.2014 | April 2014 | 80 | 3 |
| Girolamo Ielo[1-2] | Director | 1947 | 15.04.2014 | April 2008 | 100 | 0 |
| Marina Natale[3] | Director | 1962 | 15.04.2014 | April 2014[4] | 60 | 0 |
| Laura Stefania Penna | Director | 1965 | 15.04.2014 | April 2012 | 70 | 2 |

[1] Independent Director pursuant to art. 3 Corporate Governance Code.
[2] Independent Director pursuant to art. 148, par. 3, TUF.
[3] Independent Director according to Corporate Governance Code.
[4] She held the position of Director also from September 18, 2008 to May 21, 2009.
[5] Number of offices as Director or Statutory Auditor in other companies listed in regulated markets, in financial, banking, insurance or large companies (See Attachment 1).

For the personal and professional characteristics of each Director, see the information published on the FinecoBank website (www.fineco.it).

### 4.2.1. Maximum number of board mandates in other companies

Pursuant to the recommendations contained in Criteria 1.C.3 of the Corporate Governance Code, the Board of Directors' Rules and Regulations determines the maximum number of mandates as Director or Statutory Auditor normally considered compatible with the effective performance of the role of Director at FinecoBank.

The table below provides an overview of these limits.

| FinecoBank | Listed companies and/or banks, financial, insurance companies and/or large companies | | Total positions |
|---|---|---|---|
| | Executive positions | Non-executive positions | |
| Managing Director and General Manager | **NO** | **2** | **5** |
| Chairman | **NO** | **3** | **8** |
| Non-executive Directors | **3**<br>**0** | **5**<br>**7** | **10** |

**Executive positions** are considered as: Managing Director, Member of the Management Board, Chairman of the Board of Directors or of the Supervisory Board, General Manager.

**Non- executive** positions are considered as: Member of the Board of Directors without delegated powers, Member of the Supervisory Board, Member of the Board of Statutory Auditors.

The Managing Director and the Chairman are not allowed to accept positions as members of a Board of Statutory Auditors.

In addition to any other incompatibility prescribed by law, the rule of incompatibility with positions of a political or trade union nature shall apply.

Companies within the same Group as FinecoBank are not included in the calculation of the total number of companies in which Directors hold a position as Director or Statutory Auditor.

Up to 4 positions may be held as director or member of controlling bodies within the same Group (outside of FinecoBank). Each position shall be counted as 1 executive position in listed companies, banks, financial and insurance companies or large companies; over 4 offices shall be counted as 2 executive positions in listed companies, banks, financial and insurance companies or large companies.

Director candidates for FinecoBank must provide the Board with an updated list of any directorships, management and audit positions they hold. Following their appointment and before accepting a directorship, directors must notify the Board about any management or audit positions held in other companies that have a limit on the number of board mandates.

If the limit is exceeded, the Board of Directors will assess the situation in the interest of the company, and then call upon the director to take appropriate (as decided by the Board) action.

Based on information received from the Directors, the Board shall disclose on an annual basis the Directorships or positions as Statutory Auditors held by the Directors in the above-mentioned companies.

The Board of Directors' Rules and Regulations establishes that Directors accept the directorship when they deem that they can devote the necessary time to the diligent performance their duties, also taking into account the number of positions held as Director or Statutory Auditor in other listed and unlisted companies, banks, finance, insurance or large companies, as well as any other professional activities they may be engaged in, within the limits referred to above.

Moreover, Directors must take into account the provisions of Article 36 of Law no. 214/2011 according to which holders of a seat in managerial, supervisory and controlling bodies, as well as top management officers in companies or groups of companies active in banking, insurance and financial markets are forbidden to hold similar offices, or to exercise similar duties, in competing companies or groups of companies.

## 4.3 ROLE OF THE BOARD OF DIRECTORS

### 4.3.1 Duties

Pursuant to current regulations for companies with shares listed on regulated markets and in accordance with the recommendations of the Corporate Governance Code, the Board of Directors plays a central role in the Company's governance system.

Article 17 of the Articles of Association requires that the Board of Directors be vested with the broadest powers for the ordinary and extraordinary management of the Company, without any exception whatsoever, and the power to carry out all the activities that it deems necessary to achieve the corporate purposes, except for those powers that are reserved by law to the Shareholders' Meetings.

In particular, in addition to those duties and powers that cannot be delegated under law, the Board of Directors shall have exclusive jurisdiction over the following issues:

- the general guidelines, as well as the adoption and amendment of the Company's industrial, strategic and financial plans, within the framework of the directives imparted by the Parent Company, in line with the recommendations provided in Criteria 1.C.1, letter a);
- the appointment and dismissal of the General Manager/s and Deputy General Managers;
- the assessment of the overall business performance, as provided by Criteria 1.C.1, letter d);
- adjustments to the Articles of Association to bring them in line with legal requirements;
- corporate mergers and demergers in the cases provided under Articles 2505 and 2505 bis and 2506 of the Civil Code;
- the reduction of capital in the event of shareholder withdrawal;
- guidelines on which Directors, in addition to those indicated in these Articles of Association, may represent the Company;
- the establishment of committees or commissions with advisory, deliberative or coordination functions;
- the risk management policies, as well as the evaluation of the functionality, efficiency and effectiveness of the internal control system and the adequacy of the organisational, administrative and accounting structure under the directives issued by the Parent Company, as recommended by the Criteria 1.C.1, letter b) and c);
- the purchase and sale of equity investments, companies and/or company divisions, without prejudice to the provisions set out in Article 2361, paragraph 2, of the Civil Code;
- the purchase and sale of property;
- the approval and amendment of internal regulations;
- the appointment and dismissal of the heads of the internal audit, conformity and risk control functions;
- the opening and establishment, also for the purpose of structuring the signing authority, in Italy and abroad, of, in Italy and abroad, of secondary offices, branches, agencies, counters and representation offices, however named, as well as closing them.

The Board also has exclusive jurisdiction over activities related to:

- approving processes related to the provision of investment services and periodically checking the adequacy of these services;

- deciding the remuneration/ incentive methods for Top Management as well as verifying that they do not increase corporate risks and that they are in line with the long-term strategies;

- defining the criteria to identify the major transactions to be examined beforehand by the Audit and Related Parties Committee.

Pursuant to the Bank of Italy regulations on internal control systems, and in compliance with the Board of Directors' Rules and Regulations, the Board, among other things:

- approves:

  a) the policies and processes for the assessment of corporate activities and, in particular, the financial instruments, ensuring the ongoing appropriateness; they also establish the bank's maximum exposure limits for financial instruments or products that are uncertain or difficult to measure;

  b) the process for the development and validation of the internal risk measurement systems not intended for regulatory purposes, periodically assessing its correct functioning;

  c) the approval process for new products and services, the start-up of new activities, entry into new markets;

  d) the company policy on outsourcing corporate functions;

  e) in order to mitigate the bank's operational and reputational risks and encourage the dissemination of a culture based on internal controls, a code of ethics which must be complied with by all members of the corporate bodies and employees. The code defines the principles of conduct (e.g. rules of professional conduct and rules to follow in dealings with clients) of which company activities must be based on;

- ensures that:

  a) the bank's structure is consistent with the activities carried out and with the business model adopted, avoiding the creation of complex structures which are not justified by an operational aim;

  b) the implementation of the relevant framework for determining the Risk Appetite Framework ( "RAF") is consistent with the approved risk objectives and tolerance thresholds (where identified); they periodically assess the suitability and effectiveness of the RAF and the compatibility between the actual risk and the risk objectives;

  c) the strategic plan, RAF, ICAAP, the budget and internal control system are consistent, also bearing in mind the changing internal and external conditions within which the bank operates;

  d) the quantity and allocation of capital and liquidity held is consistent with the risk appetite, the risk governance policies and the risk management process;

- in the case where the bank operates in jurisdictions lacking transparency or through especially complex structures, the Board assesses the related operational risks, especially those of a legal, reputational and financial nature, identifying oversight measures to mitigate them and ensure that they are effectively monitored;

- approves, at least once a year, the plan of activities, including the audit plan prepared by the internal audit function and reviews the annual reports prepared by the corporate control functions. The Board also approves the multi-year audit plan.

The Board of Directors:

- performs ongoing assessment of overall business performance - also through analysis of information received from the delegated bodies and by periodically comparing the results

achieved with those planned - and adequacy of the organisation, administrative and accounting structure, with specific reference to the internal control system and to management of conflicts of interest;
- ensures that the main company risks are properly identified and adequately measured, managed and monitored, determining the criteria for compatibility of said risks with healthy and proper management of the Company.

Furthermore, the Board of Directors shall ensure the adoption of the directives issued by UniCredit in exercising the powers attributed to the Parent Company - by the relevant laws and regulations – to give instructions to the various legal entities of the Group.

Pursuant to Article 136 of the TUB (Consolidated Law on Banking), obligations of any nature or purchase and sale agreements stipulated by the Bank, directly or indirectly, with its company officers are under the exclusive responsibility of the Board of Directors.

Lastly, it is the exclusive task of the Board to report to the shareholders at the Shareholders' Meeting.

Certain Board members are given special duties within the Board for specific matters. In designating these Directors, who meet in specific committees and whose functions include providing advice and recommendations, particular importance is attributed to non–executive and/or independent directors recognised as such – also formally by the Board- based on the provisions contained in the Articles of Association and the criteria of the Corporate Governance Code.

Pursuant to the Board of Directors' Rules and Regulations, non-executive Directors, an appropriate number of which sit on the Board of Directors, shall:
- acquire, also through the input of internal committees, information on corporate administration and organisation, from management as well as the internal audit and other control functions;
- not be involved, not even de facto, in the executive management of the company, and avoid situations where conflicts of interest may exist;
- be pro-actively involved in the tasks entrusted to them, also in terms of the time that they dedicate to these tasks;
- participate in decision-making processes for the appointment or dismissal of heads of internal control or risk management functions.

These rules and regulations also establishes that Independent Directors are responsible for independently overseeing corporate management, helping to ensure that it is conducted in the interest of the Company and in accordance with the principles of sound and prudent business management.

The Independent Directors shall meet at least once a year in a closed session (Independent Directors only).

The Board of Directors may appoint a General Manager, establishing the functions and powers, for the implementation of the Board of Directors resolutions and for the day-to-day management of corporate affairs.

The Board of Directors shall, subject to the mandatory opinion of the Board of Statutory Auditors, appoint a Nominated Official in charge of drawing up Company Accounts pursuant to Article 154-*bis* TUF, granting them the appropriate powers and means to perform their appointed duties.

**Induction initiatives and ongoing training**

During the second half of 2014, initiatives on knowledge and awareness of the risk profile adopted by the Bank (such as "Adequacy and calculation of capital") were launched, also upon collecting suggestions by the Directors.

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#### 4.3.2 Meetings and functioning

The Board of Directors held 15 meetings during the course of 2014, each with an average duration of 2 hours. For 2015, 11 meetings have been scheduled, of which 3 already held as of March 10, 2015.

The Chairman shall be responsible for planning the Board's schedule with regard to the agenda, based on input from the Managing Director and General Manager. The Chairman shall also ensure that enough time is dedicated to the topics in the agenda in order to permit an effective discussion, encouraging directors to actively contribute to the meetings.

Article 16 of the Articles of Association requires that the Company's Board of Directors be convened, also using telecommunication facilities, at the Registered Office or elsewhere, provided that it is in Italy by the Chairman (or his/her representative), usually at least once every three months and however any time the Chairman feels it necessary, or if requested in writing by the Managing Director or by least two Directors of the Board of Directors. A Board meeting may also be convened on the initiative of one Statutory Auditor

If no meeting is convened, the Board of Directors is considered to be validly constituted if all Directors and Standing Auditors are present.

Article 16 of the Articles of Association envisages the possibility for participants of the Board of Directors' meetings to attend remotely, through audio-visual communication systems (video conference or conference call) where the conditions are in place to identify the attendees, allow their real-time participation in discussing the topics examined and receive, transmit and examine any documents not previously seen.

Pursuant to the Board of Directors' Rules and Regulations, notice of meetings must be given to all Directors and Standing Auditors within a reasonable period of time, except in the case of emergency. The notice should include, except in cases where this is not possible due to confidentiality issues, the items on the agenda so that the attendees can read the issues ahead of time and come prepared to the meeting. The Regulation also provides that documentation in support of proposals and any information needed so that the Directors are able to express an informed opinion on the issues being decided, be provided to the Directors at least 48 hours prior to the meeting.

The Chairman shall be responsible for planning of the Board’s workload, in relation to the relevant items on the agenda, based on input from the Managing Director and General Manager. Furthermore, the Chairman shall ensure that adequate information – both in terms of quality and quantity – on the items placed on the agenda are provided to all Board members, so as to allow the Board to make informed decisions on the business to be discussed and approved and shall endeavour to ensure that the necessary time is devoted to an effective discussion of the items on the agenda during the meetings, encouraging directors to actively contribute to the meetings.

The Chairman of the Board of Directors, also at the request of one or more Directors, may request the Managing Director and General Manager that the senior managers of the issuer and those of group companies, in charge of the pertinent management areas related to the Board agenda, attend the meetings of the Board, in order to provide appropriate supplemental information on the items on the agenda.

Pursuant to Article 15 of the Articles of Association, the General Manager, if appointed, may take part, without voting rights, at the meetings of the Board of Directors. If a Managing Director has not been appointed, the General Manager shall take part in Board meetings with the power to make proposals.

In addition, pursuant to Article 16 of the Articles of Association, the Chairman may invite Deputy General Managers and other employees from the management team to take part in Board meetings.

### 4.3.3 Self-assessment

The process of self-assessment with regard to the size, composition and functioning of the Board and its Committee was launched, as required by the Code and by the Regulations on the organisation and corporate governance of Banks, issued by the Bank of Italy (Bank of Italy Circular no. 285 of December 17, 2013 and subsequent updates), with the support of external consultant Egon Zehnder International S.p.A., as independent expert, which also performs the same activity for Parent Company UniCredit S.p.A..

### 4.3.4 Competing activities

The Company has not authorised any exceptions to the non-competition clause pursuant to Article 2390 of the Civil Code.

## 4.4 EXECUTIVE BODIES AND OFFICERS

The Board of Directors' Rules and Regulations establish that powers be delegated in such a way that does not deprive the Board of its fundamental rights and prerogatives.

The Board establishes the content of the delegated powers analytically, in a clear and precise manner, also indicating the limits in terms of quantity and value, as well as the means of performance of the delegated powers; this will also allow the Board of Directors to accurately check that the delegated powers have been correctly complied with, as well the possibility to exercise its overriding executive and evocation rights.

### 4.4.1 Managing Director and General Manager

Pursuant to Article 15 of the Articles of Association, the Board of Directors may appoint a Managing Director, determining the term of office and the respective duties and powers, a General Manager and one or more Deputy General Managers, who form the Head Office, together with the other employees of this office.

The Managing Director or – where not appointed – the General Manager shall oversee the Head Office.

The Managing Director shall take up the powers and duties of the General Manager if the latter has not been appointed.

If a Managing Director and General Manager are appointed, both positions must be held by the same person.

The Managing Director, or where not appointed, the General Manager shall be responsible for implementing the resolutions passed by the Board of Directors, with the assistance of the Head Office.

If a Managing Director has not been appointed, the General Manager shall take part in Board meetings with the power to make proposals and without voting rights.

The Managing Director and other Directors vested with particular responsibilities, as well as the General Manager, where no Managing Director has been appointed, shall report to the Board of Directors on their activities, according to the procedures and time limits established by the Board, in accordance with law.

The Managing Director or, where not appointed, the General Manager at the request of the Managing Director, shall be responsible for the implementation of the resolutions passed by the Board of Directors, with the assistance of the Head Office.

Effective July 1, 2014, the Board of Directors confirmed Alessandro Foti as Managing Director, also assigning him the role of General Manager, effective from the same date.

The Managing Director and General Manager is responsible for managing the company and does not fall within the interlocking directorates scenario envisaged by the Corporate Governance Code (Criterion 2.C.5., Code).

### 4.4.2 Chairman of the Board of Directors

Pursuant to Article 14 of the Articles of Association, the Board of Directors shall elect a Chairman from amongst its members and - where appropriate- one or two Vice Chairmen, one of which will act as a stand-in. Board of Directors shall elect the Chairman and Vice Chairman from amongst its members, who shall remain in office for the entire duration of the Board.

The Board of Directors appointed, by resolution on April 15, 2014, Mr. Enrico Cotta Ramusino as Chairman of the Board of Directors.

Article 10 of the Articles of Association, provides that the Chairman of the Board of Directors is responsible for presiding over the Shareholders' Meeting, as well as directing and moderating the discussions, establishing the voting procedures and confirming the results, in compliance with the provisions of current regulations and the procedures for Shareholders' meetings.

The Chairman of the Board of Directors has not been granted any management powers and therefore does not have any executive role.

### 4.4.3. Reporting to the Board of Directors

The Board of Directors' Rules and Regulations requires that the flow of information amongst and within Corporate Bodies is an essential condition for ensuring that the objectives of efficient management and effective control of the company are actually achieved.

In order to ensure the continuous and comprehensive flow of information amongst and within the corporate bodies, the Board is called on to approve and oversee the maintenance and update of a structured information flow system over time that regulates the circulation of information and ensures the correct flow in a timely and comprehensive manner, whilst respecting the responsibilities of the various bodies with supervisory and control functions.

Furthermore, in order to implement the necessary organisational controls for the proper management of information flows and to provide the necessary information on other aspects (forms, tasks and duties and other content), not covered in the Regulation, the Board approves specific organisational procedures that accurately describe the activities and controls related to the "Management of the Board of Directors" as well as the "Management of inside information", in relation to the complexity of the information processed.

Article 21 of the Articles of Association provides that the decisions made by those with delegated powers must be disclosed to the Board according to the procedures and frequency (at least quarterly) established by the Board. In particular, the executive bodies and officers shall report to the Board of Directors and the Board of Statutory Auditors, at least on a quarterly basis, on the general performance of the company, the business outlook, and transactions that have a significant effect on the results of operations and financial position- with particular regard to those that could potentially give rise to conflict of interest- carried out by the Company and its subsidiaries.

## 4.5 OTHER EXECUTIVE DIRECTORS

At the time of writing this Report, in addition to the Managing Director and General Manager, no other Directors have been granted management powers besides the Managing Director. Furthermore, the Issuer, on the basis of a particularly strict application of the Criteria 2.C.1 of the Corporate Governance Code, has qualified Ms. Marina Natale as executive director, in view of her leadership role held at the parent company UniCredit.

## 4.6 INDEPENDENT DIRECTORS

On March 10, 2015 the Board of Directors, with the input of the Remuneration and Appointments Committee of March 6, 2015, conducted an assessment of the independence requirements for Directors, based on declarations made by the interested parties, pursuant to Article 3 of the Corporate Governance Code and Article 148, par. 3, TUF.

At the time of writing this report, the Board of Directors has five independent Directors in accordance with Article 3 of the Corporate Governance Code: Francesco Saita, Gianluigi Bertolli, Mariangela Grosoli, Pietro Guindani and Girolamo Ielo.

The Board of Statutory Auditors ascertained the correct application of the assessment criteria and procedures adopted by the Board of Directors for evaluating the independence of its members.

### 4.7 LEAD INDEPENDENT DIRECTOR

As the conditions envisaged by the Code for such an office do not exist, the Board of Directors has not appointed any independent Director as lead independent director.

## 5. PROCESSING OF COMPANY INFORMATION

In compliance with Stock Exchange Regulations and relative Instructions, as well as relevant provisions of the TUF and Issuer Regulations, which require directors and statutory auditors to keep documents and information acquired in performing their duties confidential, the Board of Directors' Rules and Regulations require the Board to define procedures for the internal management and disclosure of documents and information on the Company, also with reference to inside information.

In the meeting of 15 April 2014, the Board of Directors approved the Procedure for processing Inside Information.

The aim of the Procedure is to prevent the processing of Inside Information (defined below) in a manner which is not prompt, is incomplete or inadequate and in any case may result in inconsistent disclosure.

In particular, the disclosure of Inside Information, as regulated by this Procedure, makes it possible to protect the market and investors, giving them adequate knowledge of matters concerning the Issuer, on the basis of which they may make investment decisions.

The Procedure for processing Inside Information also aims to prevent some persons or categories of persons from acquiring information which is not in the public domain in order to carry out speculative transactions on markets to the detriment of investors, that are not aware of this information.

The Procedure explains:

- with reference to FinecoBank as the entity controlled by the listed issuer UniCredit, the process to assess inside information concerning UniCredit, as well as requirements for managing the List of Persons who have access to the inside information ("UCI List");

- with reference to FinecoBank as a listed issuer, the process to assess and disclose inside information concerning Fineco, as well as requirements for managing the List of Persons who have access to this information ("Fineco List").

The Procedure regulates the management of company information (meaning all information and data concerning Fineco, UniCredit and/or other Group companies, which is not in the public domain, acquired by persons required to comply with the Procedure, in performing their duties), with particular reference to "Inside Information" as defined in Article 181 TUF.

It establishes, firstly, the obligation for all persons that perform activities within the Group to keep company information acquired in performing their duties confidential and to use this information exclusively for carrying out their duties.

The procedure also establishes the following:

a) responsibility for assessing whether information is classified as inside information, also for the purpose of disclosure to the public, shall be assigned,

- as regards information relative to UniCredit, to the Planning, Finance and Administration Department ("UCI CFO"), assisted as necessary by the Group Investor Relation Department and the Legal & Compliance Department, for areas in their responsibility;
- as regards information relative to the Company, to the Chief Financial Officer of FinecoBank ("FinecoBank CFO") assisted, as required by heads of Investor Relations, Legal and Compliance, for areas in their responsibility. In any case, the FinecoBank CFO shall notify the UCI CFO of its assessments, to verify whether inside information relative to the Issuer may also have an impact on UniCredit.

In particular, the procedure establishes that anyone who has inside information relative to UniCredit and/or Fineco and/or the Group shall promptly report the circumstance - as necessary - to the FinecoBank CFO and/or UCI CFO to allow for an assessment of the inside nature of the information disclosed and to take the necessary measures to correctly manage the information, including its prompt disclosure to the market, as applicable;

b) appropriate, effective measures to ensure the confidentiality of information until it is disclosed to the public shall be adopted.

To this end, FinecoBank has established a “List of persons who have access to inside information” which is price sensitive, as regards the Company's shares, in compliance with applicable regulations. It has also established a process to add data to, update and maintain the List, identifying the Compliance Officer of the Company as the entity responsible for the management of the Fineco List.

With reference to price sensitive information about UniCredit shares, the Issuer has assigned UniCredit to keep the UCI List, that shall add data to the list, notified as and when necessary by the Compliance Officer of the Issuer;

c) the FinecoBank CFO shall be responsible for assessing disclosure to the public of information about the Company, and - in agreement with the UCI CFO- the opportunity to delay disclosure to the public of Inside Information, in cases specifically indicated by the Procedure;

d) the FinecoBank CFO and the Head of Investor Relations shall be responsible for preparing press releases in which Inside Information is disclosed, assisted by Company units involved and with the equivalent units at UniCredit (if UniCredit is also required to disclose the same information);

e) the FinecoBank CFO shall be responsible for sending the prepared press release to the UCI CFO, so that he/she, if the Inside Information is also relevant for UniCredit shares, may submit it to the Board of Directors of the Parent Company for approval or, when relative to delegated transactions, to the Chairman, Managing Director, General Manager or one of the Deputy General Managers, for areas in their responsibility;

f) the press release shall be disclosed, subject to approval from the Managing Director of the issuer, via the S.D.I.R.-N.I.S. system, to Borsa Italiana and CONSOB.

As established by the procedure, if the press release concerns particularly significant events, the Head of Media Relations and Executive Communications, assisted by the Legal & Compliance Unit, informs Consob and Borsa Italiana before sending the press release.

Press releases are published on the Company's website before the opening of the market on the day after disclosure and are available on the site for at least five years from publication.

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In compliance with provisions in Article 114, paragraph 7 of the TUF and Articles 152-*sexies* et seq. of the Issuer Regulations, on 13 May 2013 the Board of Directors approved the code of conduct on internal dealing, which regulates the management, processing and disclosure of information relative to transactions on shares or other financial instruments related to them undertaken by insiders and by persons strictly related to them (“Internal Dealing Code”). This procedure regulates disclosure obligations to be complied with and conduct to be observed by the above persons and by FinecoBank in order to ensure maximum transparency in disclosure to the market.

The main aim of the Code is to improve transparency and uniformity in disclosure relative to financial transactions undertaken by the above persons, to give investors an idea of how these persons perceive the prospects of the company and/or the group it belongs to. Thus the Code does not directly address whether significant persons have acquired confidential information and used said information unlawfully (a conduct which instead constitutes the offence of insider trading), assuming that the undertaking of certain financial transactions by particular persons considered "significant" (*i.e.* by persons that, due to their position, are able to acquire information on matters of the company and the group it belongs to), is, per se, price sensitive.

The Internal Dealing Code identifies "Significant Persons" and "Closely-Related Persons" to the Significant Persons in compliance with the Issuer Regulations and establishes that "Material Transactions" (and thus which are subject to the disclosure obligations of the Code), are transactions concerning the purchase, sale, underwriting or exchange of FinecoBank shares (or of related Financial Instruments, as defined therein), by the above persons, directly or through intermediaries, trusts or subsidiaries. The Internal Dealing Code also identifies some types of transactions which are exempt from disclosure obligations.

The Code also contains regulations on the management, processing and disclosure of information relative to these transactions. To this aim, it regulates:

(a) disclosure obligations of Significant Persons *vis-à-vis* the Company;

(b) disclosure obligations of Significant Persons and the Company vis-à-vis Consob;

(c) cases in which the undertaking of transactions on financial instruments by Significant Persons is prohibited or limited.

In compliance with the Internal Dealing Code, the Board of Directors of the 13 May 2014 assigned the Reporting Officer the task of implementing the Code.

## 6. INTERNAL COMMITTEES OF THE BOARD OF DIRECTORS

In accordance with Articles 4, 5, 6 and 7 of the Corporate Governance Code, which recommends listed companies establish committees within the Board of Directors, with responsibilities for specific issues, Article 17 of the Articles of Association recognises to the Board of Directors the right to establish internal committees tasked with proposal making, advisory and coordination functions.

For reasons of efficiency and simplification of the governance structure, the Company considered it appropriate to make use of the option allowed by the Corporate Governance Code to combine the functions of its Appointments Committee and Remuneration Committee into one committee, as described in further detail below.

In the performance of their duties, the committees set up within the Board of Directors have the right to access the company's information and functions required for the performance of their respective tasks. Furthermore, the committees may avail themselves of external advisers at the Company's expense, within the budget limits approved by the Board of Directors. The committees established within the Board of Directors are described below.

### 6.1 AUDIT AND RELATED-PARTIES COMMITTEE

FinecoBank's Board of Directors, by resolution of June 17, 2008, established the Audit Committee (now the Audit and Related Parties Committee) to provide support with information, advisory, recommendation and investigation functions, using a risk-oriented approach to identify the guidelines for the entire internal control system and assess its effectiveness and efficiency, so that key risks are correctly identified, as well as adequately measured, managed and monitored, with the Board of Directors responsible for making any decisions on the matter.

The Committee's mission includes assessing the adequacy of the accounting principles used to draw up the financial statements and supervising the efficacy of the audit process and the activities of the auditors.

The above Committee is also responsible for related-party transactions in accordance with the Regulation on transactions with Related Parties and with associated persons pursuant to the Bank of Italy Circular.

#### 6.1.1. Composition

The Board of Directors appointed new members of the Audit and Related-Parties Committee on 15 April 2014, in application of the provisions referred to in Article 37 of the Market Regulations , according to which - since FinecoBank is subject to the management and coordination of UniCredit - all members of this Committee must be independent directors.

Furthermore, in accordance with Principle 7.P.4 of the Corporate Governance Code, under which at least one member of the committee is required to have an adequate experience in the area of accounting and finance or risk management, all members of the Committee meet the requirements indicated above.

The members of the Committee shall remain in office for as long as they are their appointment. They may resign as member of the Committee, without this necessarily entailing memb**e**rs of the Board of Directors, unless a shorter term is decided on at the time resignation from the Board of Directors.

If, for any reason whatsoever, a member no longer holds the position, the Board of Directors will replace the member. The expiry of the new member's term of office coincides with that of the outgoing member. If the Chairman of the Committee ceases to hold office, the Board of Directors will appoint a new Chairman with the decision to appoint the replacement member.

As of the date of this Report, the Audit and Related-Parties Committee is composed of the following Directors, who are non-executive and independent pursuant to Article 3 of the

Corporate Governance Code and also Article 148 par. 3 TUF: Francesco Saita (Chairman), Pietro Guindani and Mariangela Grosoli.

### 6.1.2.Functioning

In compliance with the provisions set forth in Criterion 4.C.1 of the Corporate Governance Code, the composition, functioning, organisation and activities of the Audit and Related Parties Committee are regulated by the specific section of the Board of Directors' Rules and Regulations

The Committee shall meet as often as necessary to perform its functions, as well as at the request of any of its members or the Chairman of the Board of Statutory Auditors, through a notice of call sent by the Chairman of the Committee, also through the Secretary of the Committee, usually at least three days before the scheduled date of the meeting. In case of an emergency, determined to be so by the Chairman of the Committee, meetings may be convened with one day notice.

The notice shall state the date, time and venue of the meeting, together with the list of items to be discussed. The meeting shall be considered held at the venue where the Chairman and Secretary of the Committee are located.

The Committee shall be considered valid with the presence of the majority of its members in office and with the absolute majority vote of those present for resolutions; in case of a tie, the vote cast by the Chairman shall prevail.

In the event the Chairman is absent or incapacitated, the oldest member of the Committee shall act as Chairman.

Should the Chairman of the Committee so decide, their meetings may be held using telecommunication means, provided that each attendee can be identified by all the other attendees, and that each attendee is able to intervene in real time during discussions, and is able to receive, transmit and view the documents.

The minutes of the Committee meetings shall be transcribed briefly by the Secretary, who need not be a member of the Committee. The minutes contain, amongst other things, the reasons for any disagreements expressed by the Committee members. The Secretary shall retain the minutes of the meeting for consultation by Committee members who did not attend the meeting, as well as Directors and Statutory Auditors.

The Nominated Official in charge of drawing up Company Accounts, the head of the Internal audit function and the Chairman of the Board of Statutory Auditors, or other statutory auditor by him designated, shall participate in the Committee meetings; executive directors and senior managers of the Company may be invited to participate at the meetings for specific issues.

The Chairman of the Board of Directors and the Managing Director of the Company are invited to take part in the meetings on a permanent basis.

In carrying out their duties, the Committee may rely on adequate financial resources for the performance of their duties, within the limits of the budget approved annually by the Board of Directors.

The Shareholders' Meeting resolves the annual remuneration for the members and/or an attendance fee for participating in the Audit and Related Parties Committee.

The Board of Directors' Rules and Regulations also lay down the rules for temporary replacement of a Committee member with reference to, in particular, cases where the Committee is called on to express an opinion on transactions with related parties and/or associated persons.

In this regard, the Regulation, after making it clear that, for each transaction considered, the members of the Audit Committee must be different from the counterparty and parties related thereto, establishes that, in the event a member of the Committee is a counterparty of the transaction (or a person associated to the counterparty), they must promptly inform the Chairman of the Board of Directors and the Chairman of the Committee about this situation, and refrain from taking part in any further work of the Committee concerning the relevant transaction.

In this event, the Chairman of the Board of Directors, having consulted with the Chairman of the Audit Committee, immediately replaces the member who is in conflict of interest by appointing, after having contacted him/her, another independent and unconnected member of the Board of Directors.

In case of transactions with related parties and/or associated persons whose completion is urgent and for which the Committee is involved in the negotiation and diligence phases and/or when issuing an opinion, the Chairman of the Audit and Related-Parties Committee, after having acknowledged the urgency of the transaction and having established that the majority or all members are unavailable to meet or to carry out the required activities in time for the transaction to be concluded, shall promptly notify the Chairman of the Board of Directors of this situation.

This communication must be sent no later than the day after the Chairman of the Committee learns that the majority or all of the members are unavailable.

The Chairman of the Board of Directors, having consulted with the Managing Director to assess the actual urgency of the transaction, shall immediately reform the Audit and Related-Parties Committee by appointing the required number of Independent Directors, following the same procedure followed for temporary replacement of a member in case of a conflict of interest (appointment of the replacement(s) from amongst the independent members of the Board of Directors).

The above shall also apply if the unavailability of the majority is due to the resignation of a member of the Committee.

### 6.1.3 Duties and Responsibilities

In accordance with the recommendations contained in Criteria 7.C.1 and 7.C.2 of the Corporate Governance Code, the role of the Audit and Related-Parties Committee is to provide information, advice, make proposals and enquiries, in defining, based on a risk-oriented approach, the guidelines for the entire internal control system, and to assess its effectiveness and efficiency, so that the main risks are properly identified, as well as appropriately measured, managed and monitored, without prejudice to the Board of Director's power to make all decisions on the issue at hand.

The Committee helps to promote a corporate culture that values the control function, steering it towards a risk-oriented approach.

The Committee's mission also includes evaluating the adequacy of the accounting standards used for preparing the financial statements, and overseeing the effectiveness of the audits and the activities of external auditors.

The Audit and Related-Parties Committee is also responsible for related-party transactions pursuant to Consob Resolution no. 17221 of 12 March 2010, and with associated persons pursuant to the applicable Supervisory Regulations of the Bank of Italy.

The Audit and Related-Parties Committee is called upon to perform the following activities:

a) as regards the model for outsourcing audit activities adopted by the Bank (see Section 8.1.4 below):

- acting as a liaison between the Bank and the Group's Independent Auditors, in line with the instructions provided by the Appointed Director and the Regulatory Authority;
- verifying that the service levels covered by outsourcing contracts for audit activities are complied with at all times, providing support to the Board of

Directors and Appointed Director in evaluating the adequacy of the services received, and verifying that the audits conducted by the internal audit function are primarily based on the constantly updated risk assessment analyses;

- monitoring compliance with Group Audit Standards and the Group Audit Policies;

b) helping to identify internal control system guidelines, based on a risk-oriented approach, so that main risks concerning the Company are correctly identified and adequately measured, managed and monitored;

c) reporting to the Board of Directors, at least every six months, when the financial statements and interim financial statements are approved, on activities carried out, and also describing the essential elements of the internal control system, rating its adequacy, effectiveness and actual functioning;

d) assessing the guidelines and annual audit plan prepared by the internal audit function, checking compliance and monitoring the adequacy, effectiveness and efficiency of the above-mentioned Internal audit function;

e) examining the periodic reports and audit reports produced by the internal audit function, and evaluating any findings, following actions taken to remedy deficiencies/anomalies identified, as well as the implementation of corrective measures proposed and adoption of suggested recommendations;

f) evaluating the adequacy of accounting standards used and their uniformity for preparing the consolidated financial statements, in conjunction with the company financial reporting officer and external auditors;

g) examining the process for preparing the quarterly and half-year financial reports as well as the annual financial statements, on the basis of the reports by the heads of the relevant function;

h) evaluating the proposals made by external auditors seeking to obtain appointment, including the amount of remuneration;

i) overseeing the audit process, reviewing the audit work plans and the findings contained in the audit report and any letter of recommendations;

j) meeting with the external auditors at least once a year;

k) examining the reports received by the Board of Statutory Auditors, by the Supervisory Body pursuant to Law 231/01, and by the Regulatory Authorities, to assess the findings and ensure that action is taken to remedy any abnormal situation or shortcomings reported;

l) where deemed appropriate, requesting the internal audit function to conduct audits on specific operational areas, at the same time informing the Chairman of the Board of Statutory Auditors, the Chairman of the Board of Directors and the Appointed Director;

m) expressing its opinion on the Corporate Governance Report to the Board of Directors, for the purposes of describing the main features of the internal control and risk management system, and its evaluation on its adequacy;

n) formulating preliminary opinions (binding, where appropriate) on procedures for the identification and management of transactions with related parties and/or associated persons carried out by the Company as well as on the relevant changes thereof;

o) formulating preliminary, reasoned opinions, when explicitly required, also in the interest of carrying out transaction with related parties and/or associated persons to be completed by the Bank, and on the appropriateness and fairness of the relative terms and conditions;

p) in case of material transactions with related parties and/or associated persons, the Committee is involved – if considered necessary by the Committee, through one or more of its members – in the negotiation and the diligence phase by being sent a complete and prompt stream of information, with the right to request information and make observations to the appointed bodies and persons in charge of conducting the negotiations or diligence phases.

### 6.1.4 Activities performed

During 2014, the Audit and Related Parties Committee carried out the duties assigned to it by the Board of Directors, operating with advisory and recommendation functions with regard to the topics concerning the internal control system and management of risk.

In this respect, it met 22 times, examining the results of the activities performed by the control functions (audit, compliance and risk management) through an in-depth analysis of the quarterly reports prepared by said functions; it also examined the process used to determine the periodic accounting situations and evaluated the adequacy of the accounting principles used, in addition to their uniformity for preparation of the financial statements.

With regard to transactions with related and/or associated parties, it drew up, in the cases expressly envisaged by the internal procedures, preventive and justified opinions on the Bank's interest in carrying out said transactions and on the advantage and substantial fairness of the relative conditions.

Particular attention was paid to examining the risk and governance aspects connected to the use of funds from customer deposits, as well as analysis of outsourced services contracts.

The Committee also performed ongoing supervision of the project for adaptation of the Bank to the provisions of the "New regulations for the prudential supervision of banks" (Bank of Italy Circular no. 263 of July 2, 2013 - 15th amendment).

## 7. REMUNERATION AND APPOINTMENTS COMMITTEE

The Board of Directors established by resolution of 13 May 2014, an internal remuneration and appointments committee, in accordance with the recommendations contained in Principles 5.P.1 and 6.P.3 of the Corporate Governance Code and making use of the option, provided by the aforementioned Code, to combine the functions of the Appointments Committee and Remuneration Committee into one committee.

### 7.1 Composition

In accordance with Article 37 of the Market Regulations, the Remuneration and Appointments Committee is composed of three Directors who meet the independence requirements set out in Article 3 of the Corporate Governance Code and also Article 148, par. 3, TUF. Furthermore, all members of this Committee have adequate knowledge and experience in finance or remuneration policies.

The members of the Committee shall remain in office for as long as they are members of the Board of Directors, unless a shorter term is decided on at the time of their appointment. They may resign as member of the Committee, without this necessarily entailing resignation from the Board of Directors.

If, for any reason whatsoever, a member no longer holds the position, the Board of Directors will replace the member. The expiry of the new member's term of office coincides with that of the outgoing member. If the Chairman of the Committee ceases to hold office, the Board of Directors will appoint a new Chairman with the decision to appoint the replacement member.

As of the date of this Report, this Committee is composed of Directors Gianluigi Bertolli (Chairman), Mariangela Grosoli and Girolamo Ielo.

### 7.2 Functioning

In compliance with the provisions set forth in Criterion 4.C.1 of the Corporate Governance Code, the composition, functioning, organisation and activities of the Remuneration and Appointments Committee are regulated by the specific section of the Board of Directors' Rules and Regulations.

The Committee shall meet when convened by its Chairman, whenever he/she deems necessary, or upon the request of one of its members.

Committee meetings shall be convened with at least five days notice. The call notice for the meeting, sent by the secretary of the Committee, may be sent by fax or e-mail. In case of an emergency, determined to be so by the Chairman of the Committee, meetings may be convened with one day notice. The Committee meeting shall be valid even without a call notice, provided that all members are present.

Should the Chairman of the Committee so decide, their meetings may be held using telecommunication means, provided that each attendee can be identified by all the other attendees, and that each attendee is able to intervene in real time during discussions, and is able to receive, transmit and view the documents.

The minutes of the Committee meetings shall be transcribed briefly by the Secretary, who need not be a member of the Committee. The minutes contain, amongst other things, the reasons for any disagreements expressed by the Committee members. The Secretary shall retain the minutes of the meeting for consultation by Committee members who did not attend the meeting, as well as Directors and Statutory Auditors.

The Chairman of the Board and the Managing Director and General Manager of the Company are invited to take part in the meetings on a permanent basis. The Chairman of the Board of

Statutory Auditors shall also be invited to the meetings, and may delegate another Statutory Auditor to attend the meetings.

No Director shall participate in meetings of the Committee in which proposals are reviewed and presented to the Board of Directors relating to his/her remuneration.

The Committee may, when it deems it appropriate, invite other individuals from within the Company to attend the meetings, in relation to the corporate functions and organisations concerned by the issues at hand, including members of other committees within the Board of Directors, or external parties, whose presence may facilitate the Committee in performing its functions.

In performing its duties, the Remuneration and Appointments Committee may call on corporate functions as well as external consultants at the Company's expense within the budget limits established on an annual basis by the Board of Directors. When using the services of a consultant to obtain information on market standards for remuneration policies, the Committee shall first ensure that there is no risk that the consultant's independence of judgement may be compromised.

The Shareholders' Meeting resolves the annual remuneration for the members and/or an attendance fee for participating in the Remuneration and Appointments Committee.

The Chairman of the Committee shall periodically report to the Board on the Committee's activities. At the Company's annual Shareholders' Meeting, the Committee, or the Board based on the information received, shall report on the remuneration policies, and the Committee (via its Chairman or other member of the Committee) shall report on the exercise of its functions.

### 7.3 Duties and Responsibilities

In line with the recommendations of the Corporate Governance Code, the Remuneration and Appointments Committee:

A. provides opinions to the Board of Directors - on the proposals formulated, as appropriate, by the Chairman of the Board or Managing Director and General Manager - concerning:

   a) the definition of policies for appointing the Company's Directors (including the qualitative- quantitative characteristics required by the Supervisory Regulations of the Bank of Italy);

   b) the appointment of the Managing Director, the General Manager and other key management personnel;

   c) the definition of any succession plans for the Managing Director, the General Manager and other key management personnel;

   d) the identification of FinecoBank Director candidates in the event of co-optation, and of independent Director candidates to be submitted for approval by the Company shareholders' Meeting, taking into account any reports received from shareholders;

   e) the appointment of members of the Committees established within the Board of Directors, upon the proposal of the Chairman;

B. presents proposals to the Board for the definition of a general remuneration policy for the Managing Director, the General Manager, and other key management personnel, the Heads of the Control Functions and other key Personnel – also so that the Board is able to prepare the Report on Remuneration to be presented to the Shareholders' Meeting on an annual basis, and to periodically assess the suitability, overall consistency and effective application of the general remuneration policy approved by the Board;

C. presents proposals to the Board relating to the total remuneration of the Managing Director, the General Manager, and other key management personnel, the Heads of the Control Functions and other key Personnel, including the relevant performance targets related to the variable component of the remuneration;

D. monitors the implementation of the decisions adopted by the Board and verifies, in particular, the achievement of the performance targets;
E. examines any share-based or cash incentive plans for employees of the Company, and strategic staff development policies.

### 7.4 Activities performed

The Remuneration and Appointments Committee met 5 times in 2014. The meetings had an average duration of approximately two hours. Minutes of each meeting of the Remuneration and Appointments Committee were compiled by the Secretary appointed by the Committee.

During 2014, the Committee was called upon to express its opinion on the following:
- structure of remuneration for Key management personnel and performance objectives;
- Compensation Policy and Regulations for the Incentive and Retention Plans for employees and financial advisors.

## 8. REMUNERATION COMMITTEE

As a single Remuneration and Appointments Committee has been established, see Section 7.

## 9. REMUNERATION OF DIRECTORS

Article 20 of the Articles of Association establishes that Directors are entitled to the reimbursement of expenses incurred in carrying out their functions. The Board shall also be entitled to an annual fee, fixed and/or variable, which shall be resolved upon by the Ordinary Shareholders' Meeting and shall remain unchanged until the Meeting subsequently decides otherwise. Remuneration of the Board of Directors, as resolved upon by the Shareholders' Meeting shall be distributed among its members by way of resolution by the Board. The Board of Directors may also, after consulting with the Board of Statutory Auditors, establish the remuneration of the Chairman, Vice Chairman, Managing Director and, in general, the Directors vested with specific responsibilities, pursuant to Article 2389, third paragraph, of the Civil Code

In compliance with the recommendation in Article 6 of the Corporate Governance Code for Listed Companies and with Regulations on remuneration and incentive policies and practices for Banks and Banking Groups issued by the Bank of Italy, Article 6 of the Articles of Association establishes that the Ordinary Shareholders' Meeting approves: (i) the remuneration policies for the members of the Board of Directors, employees and collaborators not linked to the company by an employment contract; (ii) any remuneration plans based on financial instruments ; (iii) the compensation arrangements in the event of early termination of employment or early termination of office, including the fixed limits for such compensation in terms of years of fixed remuneration.

The Articles of Association also allow the Shareholders' Meeting, when approving remuneration policies, and as provided for by the above regulations of the Bank of Italy, to increase the limit of the ratio between variable and fixed remuneration up to a maximum of 2:1 or, if lower, to the maximum permitted by applicable laws in force.The Shareholders' Meeting may exercise this power after ensuring that the conditions and majorities required by the applicable regulations to take decisions are complied with.

The Articles of Association also establish that adequate information shall be provided to the Shareholders' Meeting on the implementation of the remuneration policies. On March 6 2015, the Remuneration and Appointments Committee approved the Remuneration Policy, which will be voted on in the Shareholders' Meeting to be held on April 23, 2015.

In its resolution of March 10, 2015, the Board of Directors approved the Company's remuneration policies, drawn up in compliance with regulations of the Bank of Italy applicable to banking groups, and with the principles and standards defined at Group level (“Remuneration policy” or “Policy”).

The Remuneration Policy concerns:

- every employee category, as the Group's Remuneration Policy provides for the Group level, with specific reference to Group executives, as defined in the Group's Global Job Model;
- persons working for the Company's Network of Financial Advisors, in keeping with remuneration relative to them.

The principles and main contents of the Remuneration Policy are outlined below.

***Clear and transparent governance***

As regards corporate governance, the Policy contains indications on the role assigned to the centralised and uniform management of remuneration and incentive systems, at Remuneration Committee; the Committee performs its functions from when it is established.

As regards organisational governance, the Policy states that the Parent Company and its key functions, in accordance with the Group model, provide recommendations on the remuneration of Finecobank personnel; the final decision is taken in any case by the relevant body of the Bank. If the final decision differs from Parent Company recommendations, FinecoBank informs the Parent Company.

### *Compliance*

Compliance with regulatory framework requirements also protects and consolidates the Bank's reputation in the short and long term. The Bank's Compliance function, as provided for by Bank of Italy Regulations, is tasked with "monitoring the consistency of the company's incentive system with regulations, the articles of association, as well as codes of ethics or other standards of conduct applicable to the Bank".

### *Monitoring market practices*

At a Group level, the UniCredit Remuneration Committee assisted by an external, independent advisor, analyses benchmarking of the market as regards executives. As established in the Policy, the results of this analysis are made available to FinecoBank. Alternatively, analysis may be conducted by FinecoBank, always with the aid of external, independent advisors.

### *Sustainability*

The Bank adopts an approach of "sustainable remuneration for a sustainable performance".

Sustainability is achieved through reference standards used to establish levels of remuneration and fees (sustainable remuneration) as well as performance and conduct to be encouraged and rewarded (sustainable performance).

The aspects defining sustainability include the formulation of a balanced level of remuneration between the variable and fixed component. In this respect, FinecoBank, in accordance with the powers recognised under the Bank of Italy regulations in effect, has decided to apply a general ratio of 2:1 between the first and second component. This ratio applies in particular to the remuneration components of all employees belonging to the Business functions; therefore, it excludes personnel of the company's Control Functions, to which a more conservative approach is applied.

Sustainable performance is based, inter alia, on the fact that its measurement is aligned to profitability weighted by risk. To ensure the above is fully effective in systems adopted by the Bank, the Human Resources function works with the Risk Management function to identify the most appropriate metrics.

### *Motivation and Loyalty*

The adoption of effective remuneration strategies is a key factor in encouraging personnel's commitment, loyalty and achievement of company objectives.

The Policy explains the approaches adopted by the Bank in defining fixed and variable remuneration.

### *Key personnel*

Key personnel are identified, guaranteeing compliance with regulatory requirements, and on the basis of an assessment process at a FinecoBank and Group level, using European-wide qualitative and quantitative criteria (Regulatory Technical Standards issued by the European Banking Authority). The result of the assessment process led to the identification of 13 employees and 6 financial advisors as "Key personnel".

### *Variable remuneration*

FinecoBank adopts a specific approach for employees' variable remuneration, with:

- a Group Incentive System adopted for executives and key personnel; the guidelines of this system, which complies with the principles in the policy for preparing incentive systems, were approved by the Board in the meeting of January 22, 2015;
- an incentive system for other employees, in which annual bonuses are adopted on a discretionary basis, in line with the process assessing individual performance;
- long-term loyalty plans approved at the time of the application for the Company to be listed on Borsa Italiana and subject to the relative outcome. The guidelines of these Plans were approved by the Board in the meeting of April 15, 2014.

The Policy also describes remuneration for Financial Advisors which is variable, because the Advisors have freelance employment contracts. In this regard, remuneration comprises recurrent and non-recurrent components, set beforehand by the Company.

The specific approach adopted by FinecoBank with regard to non-recurrent remuneration of Financial Advisors envisages:

- for key personnel, the application of an incentive system whose guidelines were approved by the Board in its session of March 10, 2015 and which respects the policy's principles with regard to designing incentive systems;
- specific retention and incentive plans reserved for Advisors not identified as being among Key personnel;
- long-term retention plans approved in occasion of the application for listing with Borsa Italiana by the Company and subject to its successful outcome. The guidelines of these Plans were approved by the Board in its session of April 15, 2014.

## 10. CONTROL AND RISKS COMMITTEE

The functions that the Corporate Governance Code assigns to the Control and Risks Committee have been assigned to the Audit and Related Parties Committee.

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## 11. INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

The internal control system is a fundamental part of the overall governance system of banks. It has a central role in the organisation and ensures the effective monitoring of risk, so as to guarantee that operations are in line with company strategies and policies and based on principles of sound and prudent management.

A efficient and effective internal control system forms the basis for creating value in the medium and long term, for safeguarding the quality of operations and for a correct perception of risk and appropriate allocation of capital.

The Company's internal control system is on the principles of the Corporate Governance Code for Listed Companies, applicable regulations and best practices, and:

- concerns control function and positions, involving within their area of responsibility, the Board of Directors, the Audit and Related-Parties Committee, the Internal Control System and Risk Management System Director, the Board of Statutory Auditors, as well as company functions with specific internal control duties

- establishes procedures for entities involved in the internal control and risk management system to work together.

On 15 April 2014, the Board of Directors, in compliance with Stock Exchange Regulations and relative Instructions, approved the Memorandum describing the management control system adopted by FinecoBank and certified that the Company had adopted a management control system that could promptly and periodically give managers sufficiently in-depth information on the economic and financial situation of the company and main group subsidiaries, and provided for the following: (i) the monitoring of main key performance indicators and risk factors of companies and main group subsidiaries; (ii) the production of data and information with particular reference to financial information, according to analysis profiles that are adequate for the type of business, organisational complexity and specific information needs of management; (iii) the processing of forward-looking financial data for the industrial plan and budget, as well as the monitoring of company objectives being achieved, based on deviation analysis.

### Board of Directors and Audit and Related Parties Committee

The guidelines of the internal control and risk management system (the "Internal Control and Risk System") are established by the Board of Directors. Accordingly, the Board ensures that the main risks to which the Bank is exposed are adequately identified, measured, managed and monitored.
In this context, the Board of Directors revises and updates the Risk Appetite Framework on an annual basis, and in line with schedules for the budget process and definition of the financial plan, in order to guarantee a business development that has a correct risk profile and complies with national and international regulations.

During 2014, the Board approved the "Pillar 2-Group Risk Appetite Framework" Global Policy and new "2014 Fineco Risk Appetite" (replacing the same document for 2013), which sets out the risk profile in relation to three areas (capital adequacy, profitability and risk, funding and liquidity), defining reference metrics for each one.

The definition process, revised from the previous version, is structured so as to guarantee consistency with the budget, while KPIs (Key Performance Indicators) were revised to include simple, comprehensible metrics.

The Risk Appetite Framework of FinecoBank not only includes the list of relevant metrics, but also the targets, triggers and reference limits: i) targets represent the extent of risk the Bank is prepared to undertake to achieve its budget objectives and defines the constraints for development of the business, ii) triggers represent alarm thresholds which activate the analysis of possible mitigation actions and require reporting to the CEO; iii) limits are the values that must not be exceeded; if exceeded, the Board of Directors must be informed.

As regards competencies, the Board of Directors' Rules and Regulations establish that the Board is responsible for the Internal Control and Risk System, and provides guidelines for and assesses the adequacy of the system; from its members the Board appoints:

- the director for establishing and maintaining an effective internal control and risk management system (the "Internal Control and Risk Management System Director");
- an Audit and Related-Parties Committee (hereinafter also abbreviated to the "Audit Committee") consisting entirely of independent directors. This Committee assists the Board of Directors, based on adequate preliminary activities, in its assessments and decisions concerning the internal control and risk management system, as well as the approval of periodical financial reports.

The Board of Directors, with the prior approval of the Audit Committee:

a. establishes the guidelines of the Internal Control and Risk System, assesses, at least annually, the system's adequacy in relation to the business and risk profile undertaken, as well as its effectiveness, assigning the Internal Control and Risk Management System Director to establish and maintain an effective Internal Control and Risk System;
b. appoints, after consulting with the Board of Statutory Auditors, an Internal Audit Manager (the "Head of Internal Audit"), who ensures that the Internal Control and Risk system is functioning and adequate and that internal audit activities are carried out independently and in such a way as to guarantee their effectiveness and efficiency;
c. approves, at least annually, the work plan prepared by the Head of Internal Audit, after consulting with the Board of Statutory Auditors and obtaining approval from the Audit Committee and Director;
d. assesses, after consulting with the Board of Statutory Auditors, the results of the external auditors in the opinion letter and report on fundamental issues identified during auditing.

The Board of Directors assesses, among others and at least annually, the adequacy, functioning and effectiveness of the Internal Control and Risk System, assisted by the Audit Committee, based on :

- reports from the Managers of: the Compliance function, the Risk Management function and Internal Audit function;
- reporting from the Financial Reporting Officer on the proper use of accounting standards and their consistency for preparing consolidated financial statements;
- all useful information on the monitoring of overall company risk which is provided by relevant units and/or the External Auditors.

The Board globally monitors main company risks, assisted by the Audit Committee (see Section 6.1 above).

The Board of Directors also determines the objectives and strategies to guarantee the operating continuity of the service, ensuring adequate resources to achieve established objectives. It approves the operating continuity plan and subsequent amendments, accepting residual risks not managed by the operating continuity plan.
It is informed, at least annually, of the results of controls on the plan's adequacy and on operating continuity measures. It appoints an operating continuity plan manager.

With specific reference to non-compliance risk[2], the Board of Directors, after consulting with the Board of Statutory Auditors, approves risk management policies, evaluates, at least once a year and with the technical support of the Audit Committee, the adequacy of the

[2] Non-compliance risk may be defined as the risk of incurring legal or administrative sanctions, financial losses or sustaining reputational damage, as a result of non-compliance with financial and banking laws, regulations, codes of conduct and good practices.

organisational unit, the quality and amount of resources of the Compliance function and analyses periodic reports on its controls on non-compliance risk management.

The Board of Directors also defines the Lending Strategies which, in the framework of Basel Tier Two, are an effective means of risk governance to ensure consistency between budget objectives and the Risk Appetite Framework.

Moreover, the Board of Directors accepts general responsibility for direction and control of the information system, with optimal use of the technological resources supporting the company strategies (ICT governance). In this respect, it:

- approves the IT development strategies and architectural reference model, the sourcing strategies and the IT risk propensity, in accordance with the risk objectives and the reference framework for determination of risk propensity at company level;
- approves the IT security policy;
- approves the guidelines on recruitment of personnel with technical functions and on the acquisition of systems, software and services, including the use of external suppliers;
- promotes development, sharing and updating of ICT knowledge in the company.

With specific regard to exercising its supervisory responsibility in the analysis of ICT risk, the Board:

- approves the organisational and methodological reference framework for analysis of ICT risk, promoting the appropriate enhancement of information on technological risk within the ICT function and integration with the risk measurement and management systems (in particular, operational, reputational and strategic risks);
- approves the ICT risk propensity, having considered internal services and those offered to clientele, in accordance with the risk objectives and the reference framework to define risk propensity at the company level.

With regard to the aforementioned responsibility, it is informed at least annually on the adequacy of services offered in relation to costs sustained and on the ICT risk situation with regard to risk propensity.

**The Board of Statutory Auditors**

The Board of Statutory Auditors of FinecoBank monitor the effectiveness, completeness, adequacy, functioning and reliability of the internal control and risk management system, and of the Risk Appetite Framework, in line with requirements of the Corporate Governance Code for Listed Companies and New Regulations for the Prudential Supervision of Banks, Circular no. 26 of 27 December 2006 – 15th edition of 2 July 2013.

It also monitors compliance with the Internal Capital Adequacy Assessment Process (ICAAP) and the completeness, adequacy, functioning and reliability of the operating continuity plan.

With specific reference to the possibility of the Board of Statutory Auditors to undertake Supervisory Body functions pursuant to Legislative Decree 231/2001, the Company considered it appropriate to assign these functions to a specifically established Body (see below).

The Board of Statutory Auditors establishes appropriate working relations with the Audit Committee to carry out joint activities, in compliance with individual areas of responsibility.

To carry out its duties, the Board of Statutory Auditors receives adequate information flows from other company bodies and control functions.

**Control functions**

FinecoBank's internal control system is based on four types of controls:

*(i) level one controls* ("line controls"): these are controls relative to individual activities and are carried out according to specific operational procedures based on a specific internal regulation. "Process supervisors" monitor and continually update these processes, establishing appropriate controls to ensure the proper performance of daily activities by personnel concerned, as well as compliance with delegated powers. Formalised processes concern units that have contacts with customers and Company units that are exclusively internal;

*(ii) level two controls*: these are controls related to daily operations connected with the process to measure quantifiable risks and are carried out by units other than operating units, on an ongoing basis. the Risk Management function controls market, credit and operational risks, as regards compliance with limits assigned to operating functions and the consistency of operations of individual production areas with established risk/yield objectives; the Compliance function controls non-compliance risks;

*(iii) level three controls*: these controls are typical of internal auditing, based on analysis of information obtained from databases or company reports, as well as on-site controls. The purpose of these controls is to check the functioning of the overall internal control system and identify any anomalous trends, or infringements of procedures or regulations. These controls are assigned to the Internal Audit function, which operates at a central level, at UniCredit, based on a specific service agreement;

*(iv) institutional supervisory controls:* these refer to controls by Company bodies, including in particular the Board of Statutory Auditors and Supervisory Body pursuant to Legislative Decree no. 231 of 8 June 2001.

***The Risk Management function***

The Risk Management function prevents and monitors different components of Bank risks. In particular the Risk Management Function controls credit, market and operational risk to which the Bank is exposed. Risk Management also involves monitoring business, reputational and liquidity risk.

The risk control function:

(i) is involved in defining the RAF, risk governance policies and various stages comprising the risk management process, as well as establishing operating limits for various types of risk. In this context, it proposes quantitative and qualitative parameters necessary to define the RA, which refer to stress scenarios and, in the case of changes the bank's internal and external operating context, modifications to these parameters;
(ii) checks the adequacy of the RAF and on an ongoing basis the adequacy of the risk management process and operating limits;
(iii) is responsible for developing, validating and maintaining the independence of risk measurement and control systems in order to report periodically to Control Bodies, the Board of Directors and the Parent Company;
(iv) it defines the metrics to use to assess operational risk in line with the RAF, coordinating with the compliance function, ICT function and operating continuity function;
(v) defines procedures for assessing and controlling reputational risk, coordinating with the compliance function and with company functions that are most exposed;
(vi) assists company bodies in assessing strategic risk, monitoring significant variables;
(vii) ensures the consistency of risk control and measurement systems with processes and methodologies to assess company activities, coordinating with company units concerned; (vii) develops and adopts indicators that can identify anomalies and inefficiencies in risk control and measurement systems;
(viii) analyses the risks of new products and services and risks from entering new operating and market segments;

(ix) gives prior opinions on the consistency of material transactions with the RAF, and obtains the opinion of other functions involved in the risk management process, depending on the nature of the transaction;
(x) monitors actual risk undertaken by the bank, on an ongoing basis, and consistency with risk objectives, as well as compliance with operating limits assigned to operating units in relation to the undertaking of different types of risk;
(xi) checks that monitoring of single exposures is correctly carried out;
(xii) checks the adequacy and effectiveness of measures taken to remedy inefficiencies identified in the risk management process.

The Risk Management function also develops the ICAAP - Internal Capital Adequacy Assessment Process - in compliance with Basel II requirements, updates to Basel III requirements and indications from the Parent Company UniCredit.

The function also carries out monitoring and reports to company bodies (Managing Director and General Manager, Board of Directors, Audit Committee and Board of Statutory Auditors) and to the Risk Committee.

Reporting to corporate bodies consists of the quarterly report on the Bank's risk exposure; specific reporting is also prepared for the Risk Committee, with operating information in relation to key risk indicator performance and consequent corrective measures.

***The Compliance Function***

The Compliance function monitors non-compliance risk management[3] with a risk-based approach, referring to all company operations and ensuring that internal procedures are appropriate for preventing this type of risk.

The Compliance function assists/supports Management and Company employees in managing non-compliance risk and monitoring the correct performance of business operations so as to ensure compliance with current regulations, internal procedures and applicable best practices.
For an effective management of non-compliance risk, the Company shall have a Compliance function. This function must be independent, with a sufficient number and quality of human and technical resources for duties to perform, and may deal freely with Senior Management and company bodies; it shall have access to all resources and company information and may report any matter directly to higher hierarchical levels.

The role and requirements of the Compliance function are regulated in specific Global Rules issued by UniCredit and implemented by the Company.
Compliance activities at FinecoBank are based on the Group model which centralises activities with the Parent Company, through a specific outsourcing agreement, and establishes a Compliance Officer Unit at the Company, to implement methodologies to assess and monitor non-compliance risk.

The mission of the Compliance reference unit is to support the Company, the Company Bodies and personnel in managing the risks of non-compliance with regulations with regard to all company operations, verifying that internal procedures are adequate in preventing this risk.
The above is in compliance with the provisions of Bank of Italy Circular no. 263 and with the Global Compliance Rules and Group methods.
In particular, management of the risk of non-compliance with regulations is carried out through:

[3]Non-compliance risk may be defined as the risk of incurring legal or administrative sanctions, financial losses or sustaining reputational damage, as a result of non-compliance with financial and banking laws, regulations, codes of conduct and good practices.

- Pro-active consulting, as well as on request
  - ongoing identification of the laws applicable to the bank and of the consequent risks of non-compliance; definition of the impact on company processes and procedures, including the information system (ICT Compliance);
  - ex ante assessment of compliance with regulations applicable to products, processes, organisational structures, incentive system, training modules and, in particular, innovative projects (including operations in new business lines and geographical areas) that the bank intends to undertake, as well as prevention and management of conflicts of interest among the various activities carried out by the bank, with regard to employees and collaborators;
  - participation, where required, in Group projects and work groups according to area of responsibility.
- Communication
  - promotion of a culture based on compliance with internal and external regulations and international best practices, through adoption (upon the appropriate adjustments in order to incorporate the specific characteristics of Fineco) of the Global Compliance Rules (Policies and Operational Instructions) issued by the Parent Company, drawing up of Circulars and Service Orders, notes, memoranda, opinions and communications, as well as through personnel training activities;
  - collaboration with the other Bank functions and, in particular, with those that oversee management and control of risks (starting with Internal Audit and Risk Management), in order to improve overall consistency and ensure mutually adequate and ongoing flows of information.
- Interaction with the Authorities
  - management of the relationship with the Authorities together with other relevant functions (such as participation in discussions on significant legislative and regulatory news, assistance in the preparation of comments on bills, monitoring of requests and inspections by the Authorities and the relative corrective measures).
- Monitoring, surveillance and reporting
  - assessment of the non-compliance risks identified (so-called compliance risk assessment), also through level two controls, definition of corrective measures to mitigate said risks, monitoring of the measures, and initiation of procedures to involve the relevant higher hierarchical levels by topic (escalation) to resolve the critical issues identified;
  - verification of the effectiveness of organisational adjustments (structures, processes and procedures, operational and commercial) recommended to prevent the risk of non-compliance with regulations.

The function is directly responsible for non-compliance risk management in the case of regulations that are more significant as regards non-compliance risk, *i.e.* on banking and the provision of investment services, the management of conflicts of interest, transparency in customer relations and, more in general, on consumer protection and regulations for which strategic oversight at the bank is not already provided for.

With reference to other regulations for which specific types of strategic oversight (e.g. occupational safety, tax laws, etc.) are provided, the Bank, based on an assessment of the adequacy of specialist controls for managing non-compliance risk profiles, adopted the indirect coverage model:

- the specialist unit to adopt the risk assessment methodologies and second level controls defined by the Compliance function;
- the Compliance function ensures the units operate in compliance with the methodologies and procedures provided.

In performing its duties, the Compliance function has access to all bank operations, both central and peripheral, and to all information considered significant in this regard, also through direct interviews with personnel.

The Anti-Money Laundering Service, charged with managing the proper application of regulations with regard to fighting money laundering and the financing of terrorism, was established within the Compliance Reference Unit.

### 11.1 Director in charge of the Internal Control System and Risk Management

To comply with the recommendation in Principle 7.P.3 of the Corporate Governance Code for Listed Companies, and with Regulations on the Prudential Supervision of Banks issued by the Bank of Italy, the Managing Director and General Manager Mr Alessandro Foti has been appointed Internal Control and Risk System Director.

As part of the internal control system, the Managing Director and General Manager, acting as Internal Control and Risk System Director, is tasked with and is responsible for the following:

i. identifying main company risks, to be examined by the Board of Directors;

ii. defining the means and methods for implementing the control and risk system, using guidelines from the Board of Directors, undertaking the design, management and monitoring of the internal control and risk management system, establishing operating limits for different types of risk and facilitating the development and dissemination of a culture of risk, assisted by relevant functions;

iii. ensuring the overall adequacy of the Control and Risk System, its actual functioning, amendments to take into account changes in operating conditions and the legal and regulatory framework;

iv. establishing and overseeing the implementation of process to approve investments in new products, the distribution of new products or services or start of new activities or entry on new markets, or the implementation of processes and methods to evaluate company operations, in particular financial instruments, overseeing ongoing updates;

v. defining and overseeing the implementation of company policy on the outsourcing of company functions;

vi. defining internal information flows to ensure that company control bodies are fully aware of and can govern risk factors and compliance with the Risk Appetite Framework;

vii. authorising, within the Risk Appetite Framework and where a tolerance threshold has been defined, the risk appetite being exceeded - within the tolerance threshold limit, reporting to the Board of Directors and identifying the management actions necessary to return the risk to within the established limit;

viii. implementing follow-up measures for the control and risk system after controls have been carried out, adopting necessary corrective measures or actions if inefficiencies or anomalies are identified, or after the introduction of new products, activities, services or processes that are significant;

ix. submitting proposals to the Chairman of the Board of Directors to appoint or remove from office the Head of Internal Audit, ensuring that the Manager has adequate resources to carry out his/her responsibilities;

x. promoting the development, periodic control of the operating continuity plan and its updating, approving the annul plan to control operating continuity measures and examining results of tests documented in a written form;

xi. ensuring completeness, adequacy, functionality (in terms of efficacy and efficiency) and reliability of the Bank's information system.

The Managing Director and General Manager implements the ICAAP (Internal Capital Adequacy Assessment Process), ensuring it conforms to the strategic guidelines and RAF and meets the following requirements: it considers all relevant risks; it includes forward-looking valuations; it uses appropriate methodologies; it is distributed to internal units; it is adequately formalised and documented; it identifies the roles and responsibilities assigned to company functions and units; it is managed by an adequate number of competent resources, in a hierarchical position appropriate for complying with planning; it is an integral part of management activities.

As regards credit and counterparty risk in particular, the Managing Director and General Manager, in line with strategic guidelines, approves specific guidance to guarantee the effectiveness of the system to manage risk mitigation techniques and compliance with the general and specific requirements of these techniques.

With specific reference to internal risk measurement systems to define capital requirements, the Managing Director and General Manager has the following duties:

- responsibility for the structure and functioning of the selected system; to perform this duty, members shall have an adequate knowledge of relevant aspects;
- issuing instructions so that the selected system is developed based on identified guidelines, assigning duties and responsibilities to company functions and ensuring the formalisation and documentation of risk management process stages;
- ensuring that risk measurement systems are part of decision-making processes and use tests;
- considering observations made following the validation process and internal audits.

With regard to non-compliance risk in particular, they ensure the effective management of this risk, also establishing suitable policies and procedures for compliance for with the applicable regulations to be adhered to within the Bank, verifying, in cases of violations, whether the appropriate remedies have been implementing and establishing the reporting flows aimed at ensuring that the Bank's corporate bodies are fully informed about the for the management of non-compliance risk. Assisted by the Compliance function, the Managing Director and General Manager identifies and evaluates at least once a year, the main non-compliance risks to which the Bank is exposed, and plans relative management measures, as well as reporting at least once a year to the Board of Directors on the adequacy of non-compliance risk management.

Pursuant to the Board of Directors' Rules and Regulations, the Managing Director and General Manager promptly reports to the Audit and Related Parties Committee (or Board of Directors) on problems and critical aspects identified or notified while carrying out his/her activities, also reporting to the Chairman of the Board of Directors, so that the Audit ND Related Parties Committee (or Board of Directors) may take appropriate measures.

The Managing Director and General Manager takes part in meetings of the Risk Committee, which is an internal committee with advisory functions concerning strategic guidelines and policies referred to any type of risk.

### 11.2 Head of the Internal Audit Function

The Internal Audit function, pursuant to supervisory regulations for banks, is independent of other company functions and reports on its activities directly to the Board of Directors (also through the Audit Committee) and to the Board of Statutory Auditors on a quarterly basis; it also attends Audit Committee meetings, which are usually held monthly. As already indicated, FinecoBank's Internal Audit function is outsourced to UniCredit based on a specific service agreement which governs procedures for performing activities.

The Internal Audit Function operates in accordance with the Audit Mandate, most recently approved by the Board of Directors on January 27, 2014. This document defines its mission, responsibilities, organisational positioning, independence, duties and authority.

The purpose of audits is to provide an independent assessment of the adequacy and functionality of the Bank's internal control systems (line or operating controls, or risk management controls), by evaluating the efficiency and effectiveness of information systems, organisational processes and company procedures, as well as the models and mechanisms for controlling and managing risks, including compliance risk.

The methodology used is based on the following main stages: (i) definition of the ”Audit Universe”, i.e. organisational and process analysis to identify elements involved in audit activities; (ii) risk assessment, i.e. identifying, assessing and measuring risks to which elements of the ”Audit Universe” are exposed; (iii) definition of the annual and long-term audit plan, which establishes the objectives, types and frequency of audits and resources to use based on risk assessment results. Planning for the Financial Advisors Network is based on a combined assessment using a risk-based approach while also considering the frequency of audits.

The audit measures carried out on the Bank as well as on the network of financial advisors may include: (i) **audit processes** aimed at verifying the effective and efficient performance of activities and proper monitoring of risks implicit in the subject audit process; (ii) **audit of Financial Advisors**, conducted within the operational financial advisor network, with the objective of verifying the definition and functioning of level 1 and 2 controls on the main company processes impacting the financial advisor network. Remote audit activities are carried out predominantly with the support of anomaly indicators, together with subsequent on-site analysis to complete the activity; (iii) **specific assessments** referring to individual behaviours or types of behaviours that aim to identify the causes and responsibilities for specific events, accidents or conduct (e.g., measures for cases of fraud and disloyalty belong to this type).

After completing audits and based on findings, the Internal Audit function makes suggestions to relevant company structures. It also informs other company control functions of any inefficiencies, weaknesses and irregularities identified during audits of specific areas or matters within their remit. Actions to remedy identified anomalies and inefficiencies are monitored by a systematic audit tracking process, and if particular risk situations and/or weaknesses in the internal control system are noted, by specific follow up.

Internal Audit may also carry out advisory services which, while not compromising its independence, aim to provide added value and support to the Bank in achieving its objectives, by offering advisory support on the design, functioning and improvement of the internal control system.

Internal Audit achieves its mission and conducts activities in accordance with the Internal Audit Group Standards, which include the Code of Ethics, approved by the Company's relevant Governing Bodies and which are based on International Standards for the Professional Practice of Internal Audit.

The Company has outsourced the Internal Audit function to UniCredit, through a services contract, the last version of which was signed on December 19, 2014. Under this agreement, the Chief Audit Executive manages the agreement and this position is assigned to the Company's Internal Audit Manager, with the same duties and responsibilities as those in Application Criterion 7.C.5 of the Corporate Governance Code for Listed Companies.

In particular, the agreement gives the Chief Audit Executive the task of assessing the Bank's Internal Control and Risk System on an ongoing basis, making observations, proposals and suggestions and providing advice, in order to contribute to improving the effectiveness and efficiency of the system and correcting relative vulnerability factors. The Chief Audit Executive also assists Company bodies in planning audit activities.

With regard to the tasks required of the Head of the Internal Audit Function, the Audit Mandate specifies that said individual shall provide an annual evaluation of the adequacy and effectiveness of the Company's risk management and control processes in the areas covered by the mission and with respect to the relative scope of responsibility, with the objective of assessing, providing added value and contributing to improving the Company's internal control system.

In this scenario, the Head of the Internal Audit Function:
- develops a flexible, annual and long-term Audit plan, through an appropriate evaluation of risks, submitted to the Board of Directors for approval;
- implements the annual Audit plan, as approved, including the tasks or special projects requested by Management and/or by the Audit Committee;
- conducts special investigations on operational events;
- informs the corporate bodies, summarising the results of the Audit activities and the implementation status of Management's action plans.

Moreover, under the agreement, FinecoBank's Board of Statutory Auditors may request the Chief Audit Executive to report in full on activities carried out. In particular, in order to provide the corporate bodies and Senior Management with an overall evaluation of the internal control system, the Chief Executive Officers prepares the quarterly report entitled "Internal Audit Activities and Results (IAAR)". In addition to an assessment of the internal control system, the IAAR contains summary information on the Audit activities performed, on the main risks identified and on the implementation status of Management's action plans. An update on the progress of the annual plan is also provided on a periodic basis. The Chief Audit Executive also submits Audit Reports with a "critical" or "unsatisfactory" assessment directly to the Board of Statutory Auditors and to the Audit Committee; in any case, it may send additional Audit Reports to the Audit Committee and the Board of Statutory Auditors which, regardless of the overall assessment, contain significant shortcomings.

With specific reference to the planning of activities, the Head of the Internal Audit Function has drawn up:

- the Audit Plan, based on the results of the Risk Assessment, in accordance with the Group's Audit Guidelines. FinecoBank's Audit Plan also takes into consideration the requirements of the Supervisory Authorities and corporate bodies;
- FinecoBank's Audit Plan as part of the 5-year long-term Audit Plan based on mandatory Audits and on the risk assessment of FinecoBank's Audit Universe (AU). The long-term audit plan, revised annually based on the risk assessment, permits efficient and effective coverage of the AU, in line with the Bank's risks. IT auditing activities are included within the aforementioned plans.

The Internal Audit function is authorised by the Board of Directors to have unlimited access to all company functions, entries, property and personnel.

On 13 May 2014, the Board of Directors of the Company confirmed Mr Alessandro Carè as Internal Audit Manager of FinecoBank, pursuant to Article 7 of the Code.

The Internal Audit Manager, in compliance with Application Criterion 7.C.5 of the Corporate Governance Code for Listed Companies, is not responsible for any operating area and does not report hierarchically to any operating area manager. He also has direct access to all information useful for carrying out his duties.

## 11.3 Compliance programme pursuant to Legislative Decree no. 231 of 2001

On 15 March 2010, the Board of Directors approved the Compliance Program of FinecoBank ("Compliance Program"), following the issue of Legislative Decree no. 231 of 8 June 2001, on "Provisions for the administrative liability of corporate bodies, Companies and associations also without legal status" ("Legislative Decree 231/2001"). This document was amended to take into account subsequent regulations and the current version was approved by the Board on August 1, 2014.

Furthermore, on May 11, 2012 the Board of Directors resolved to adopt the Integrity Charter and Code of Conduct of the UniCredit Group, along with the supplementary Fineco regulations. The document combining these (the "Code"), last amended with resolution of January 27, 2014, integrates the current regulations on banking, investment services and employment, identifying the fundamental principles of conduct for those working for the company. The Regulations therefore concern all persons performing activities on behalf of the Company: members of supervisory, management and control bodies of the Company, employees, financial advisors, outsourcers.

In compliance with Article 6, paragraph 1 of Legislative Decree 231/2001, the Company has also established a "Supervisory Body") to monitor the functioning of and compliance with the Model, and its continual updating.

To this aim, the Supervisory Body (i) has independent powers to act and carry out controls, and independent spending powers, (ii) periodically reports to the Audit and Related Parties Committee on the Programme's functioning, and (iii) gives the Board of Directors, on an annual basis, a written report on the implementation status of the Programme, and in particular, on controls carried out and on critical aspects and anomalies identified.

The Supervisory Body, in office at the date of this Report, was appointed by the Board of Directors on 15 April 2014, for a term of three years, and comprises five members, as indicated below.

| NAME AND SURNAME | POSITION |
|---|---|
| Girolamo Ielo (Chairman) | Independent Director |
| Fabio Milanesi | GBS Division Manager |
| Marco Longobardi[4] | Human ResourcesManager |
| Alessandro Carè | Head of internal Audit |
| Silvio Puchar | ComplianceOfficer |

Compliance Program adopted by the Company, as above described is available on the Issuer web site: www.fineco.it.

### 11.4 External Auditors Firm

The Shareholders' Meeting of April 16, 2013 appointed Deloitte & Touche S.p.A. as External Auditors, pursuant to Article 16, paragraph 1 of Legislative Decree no. 39 of 27 January 2010, (i) to audit the financial statements of the Issuer for the years from December 31, 2013 to December 31, 2021 (included), including the auditing of the company's accounts, and (ii) the limited auditing of interim reports from 30 June 2013 to 30 June 2021 (included).

The External Auditors' Report also contains the opinion of the External Auditors pursuant to Article 123-*bis* TUF.

### 11.5 Financial Reporting Officer

As established by Article 28 of the Articles of Association and subject to the mandatory opinion of the Board of Statutory Auditors, the Board of Directors appoints the Officer

[4] Appointed on 7/11/2014 to replace Alessia Uboldi.

responsible for preparing the financial reports (the Financial Reporting Officer), who is given the powers in Article 154-bis of the TUF.

The above article also establishes that the Financial Reporting Officer is selected by the Board of Directors from Company executives with an appropriate professional profile, i.e. with specific expertise, in administrative and accounting terms, of lending, finance, securities or insurance. This expertise, verified by the Board of Directors, shall be gained from professional experience in a position of adequate responsibility for a suitable period of time and in like-for-like companies. The Financial Reporting Officer shall also meet the good standing requirements of laws in force for positions indicated in the articles of association. If the Officer no longer meets the good standing requirements, he/she shall be removed from office.

As provided for by Article 154-*bis* of the TUF, the Financial Reporting Officer is responsible for the following: (i) preparing adequate administrative and accounting procedures for preparing financial statements and as well as any other kind of financial disclosure; (ii) including a written statement with the documents and notices required by law or disclosed to the market, containing information and data on the financial position and performance of the Company, that said information and data is truthful; (iii) arranging for the preparation of the financial statements, interim reporting and (iv) within relative areas of responsibility, representing the Bank in relations with the international financial community.

In the meeting of 13 May 2014, subject to approval from the Board of Statutory Auditors and in compliance with Article 154-*bis*, paragraph one of the TUF and Article 28 of the Articles of Association, the Board of Directors of the Company appointed Lorena Pelliciari as Financial Reporting Officer of the Company, assigning her the duties established in Article 154-*bis* of the TUF. This appointment became effective from July 2, 2014 (Listing Date).

Ms. Pelliciari ha gained considerable experience as Chief Financial Officer of FinecoBank and therefore has an excellent knowledge of processes for preparing the Company's accounting and financial documents. She therefore meets the professional requirements established in Article 28 of the Articles of Association.

The Board of Directors also gave Ms. Pelliciari the following powers, in order for her carry out her duties as Financial Reporting Officer:

(i) having free access to all information considered relevant for her duties, within the Company;

(ii) taking part in Board Meetings dealing with issues in her area of responsibility;

(iii) engaging with the Company's administrative and control bodies;

(iv) approving company procedures, when they have an impact on the financial statements or other documents which are certified;

(v) being involved in the design of information systems that have an impact on the financial position and performance of the Company;

(vi) using the internal auditing, organisation and compliance function to map and analyse processes within her area of responsibility and carry out specific controls;

(vii) using information systems;

(viii) updating, amending and supplementing, also with the assistance of external advisors, procedures on (a) the standardisation of information flows to the Financial Reporting Officer and (b) the preparation of financial statements and all other types of financial disclosure.

Lastly, the Board of Directors, in exercising its supervisory powers, established that the Financial Reporting Officer shall report at least quarterly to the Board of Directors on activities carried out, as well as on any critical aspects identified.

**Financial reporting process**

As regards the main characteristics of the internal control and risk system in relation to financial reporting, including the reporting of consolidated information, under article 154-*bis* TUF, the Financial Reporting officer of FinecoBank is responsible for preparing and adopting adequate administrative and accounting procedures for the preparation of the financial statements, as well as all other forms of financial reporting to the market.

The Financial Reporting Officer, along with the Managing Director and General Manager, in a report on the financial statements and interim abbreviated financial statements shall also certify:

- the adequacy and actual adoption of administrative and accounting procedures;
- compliance with applicable international accounting standards endorsed by the European Community pursuant to regulation (EC) no. 1606/2002;
- the consistency of accounting records;
- the accurate representation of the financial position and performance of the Company;
- the inclusion in the Directors' report on operations of reliable analysis of the company's performance, operations and situation, along with a description of main risks and uncertainties to which it is exposed.

As established by Article 28 of the Articles of Association, the Board of Directors ensures that the Financial Reporting Officer has adequate powers and resources to carry out the duties established by current regulations, and to comply with administrative and accounting procedures. In carrying out his/her duties, the Financial Reporting Officer may be assisted by all Bank units.

**11.6 Procedures for the coordination of entities involved in the internal control and risk management system**

Procedures for interaction among company functions and entities involved in the risk management and control system have been designed to prevent as far as possible overlapping or gaps, or to alter, even in essence, the main responsibilities of company bodies as concerns the risk management and control system.

Specifically, the Company has significantly consolidated cooperation among control functions, through specific formalised information flows on internal regulations and through managerial committees dedicated to control issues.

Interaction among level two and level three control functions is part of a more general framework of ongoing, proactive cooperation, which is mainly formalised in specific regulations/internal regulations and includes:

- involvement in the process to define and/or update internal regulations on risks and controls;

- the exchange of information flows, documents or data, as well as access to all resources or company information in line with the control requirements of functions;

- involvement in Board and Managerial Committees, systematically or on request;

- involvement in working parties, which are set up from time to time for risk and control issues.

The purpose of improved interaction between control functions and their continual reporting to company bodies is to ultimately establish a corporate governance system that guarantees sound and prudent management, also through a more effective monitoring of risk, at all company levels.

To ensure coordination and interaction among the various functions and bodies with control duties (envisaged by company, accounting or supervisory regulations), the Board of Directors has approved a specific document outlining duties, responsibilities and methods of coordination/collaboration among the various control functions involved, pursuant to Bank of

Italy Circular no. 263 of December 27, 2006 "New regulations for the prudential supervision of banks" (15th amendment).

## 12. DIRECTORS' INTERESTS AND RELATED PARTIES TRANSACTIONS

The Board of Directors approved the adoption of procedures to manage transactions with related parties and associated persons ("Procedures for Related Parties and Associated Persons" or "Procedures").

The Procedures for Related Parties and Associated Persons were previously reviewed and approved by the Audit and Related Parties Committee.

The Procedures for Related Parties and Associated Persons address governance issues, the scope of the procedures and the procedural and organisational profiles relative to managing transactions with related parties, associated persons and corporate officers pursuant to Applicable Regulations, as regards the operations of the Issuer.

The Procedures cover the following:

- the identification, updating and ongoing monitoring of persons in conflict of interest (previously identified);

- the management of transactions with persons in conflict of interest, with reference to, among others:

    - identification of transactions (including exemptions and exclusions);
    - management of the deliberative process;
    - reporting and transparency obligations to company bodies, the Supervisory Authorities and the market.

They also define:

- procedures for activities to manage transactions with persons in conflict of interest;
- organisational structures involved and their relative role;
- internal and external information flows;
- monitoring and control activities;
- methods for updating the procedures.

The Procedures, in line with the Global Policy issued by the Parent Company UniCredit, are adopted for transactions undertaken by FinecoBank with parties in the "Combined Perimeter" which means the Related Parties and Associated Persons of UniCredit ("UniCredit Perimeter"), of Fineco ("FinecoBank Perimeter") and of other Banks and Intermediaries supervised by UniCredit ("Banks and Supervised Intermediaries Perimeter") combined.

The FinecoBank perimeter includes persons defined as "Consob Related Parties", pursuant to the Related-Parties Regulations, and "Associated Persons ", or Related Parties identified as such pursuant to the Bank of Italy Circular, as well as persons connected to them, in addition to persons who are included in the Perimeter on a voluntary and discretionary basis and not on the basis of the current regulations.

In compliance with Related-Parties Regulations, the New Procedures identify, as regards the materiality threshold, material transactions, non-material transactions and minor transactions.

As regards Transactions with the members of the Combined Perimeter, the Procedures require specific information flows to:

- the Board of Directors and Board of Statutory Auditors
- the Audit and Related Parties Committee
- the Compliance Manager Department
- the CFO
- the Parent Company Central Oversight Unit

The full text of the Procedures, to which reference is made for further details, is available on the Issuer's website, www.fineco.it.

## 13. APPOINTMENT OF STATUTORY AUDITORS

In accordance with the recommendations contained in Criterion 8.C.1 of the Corporate Governance Code, statutory auditors shall be chosen among people who may be qualified as independent also on the basis of the criteria provided by the above Code with reference to directors.

In compliance with the laws and regulations applicable to listed companies, Article 23 of the Articles of Association requires that the Board of Statutory Auditors be appointed by the Shareholders' Meeting based on the lists presented by the shareholders, according to the procedure described below.

Shareholders can submit a list for the appointment of Auditors, provided that when they submit the list they hold, alone or in conjunction with other presenting shareholders, at least the minimum percentage of share capital established by the laws and regulations in force at the time. Ownership of the minimum shareholding required is calculated based on the shares registered to each shareholder on the day when the lists are filed at the Company; the related certification may be submitted after the lists have been filed, provided that it is done within the deadline for publication of the lists.

Each party entitled to vote (as well as (i) entitled persons belonging to the same group, intended as a party, which need not be a corporation, exercising control pursuant to Article 2359 of the Civil Code and any subsidiary controlled by or under the control of the said party, or (ii) shareholders who are party to a shareholders' agreement as per Article 122 of Legislative Decree no. 58 of 24 February 1998, or (iii) entitled persons who are otherwise associated with each other in a material relationship pursuant to current and applicable statutory or regulatory provisions) may submit individually or with others only one list, just like each candidate can be included in only one list, or shall otherwise be considered ineligible.

Lists shall be divided in two sections, containing respectively up to three candidates for the position of Statutory Auditor and up to two candidates for the position of Stand-in Statutory Auditor.

At least the first two candidates for the position of Statutory Auditor and the first candidate for the position of Stand-in Statutory Auditor in the respective lists must be entered in the Register of Auditors and have experience as statutory auditors.

Each list for the appointment of Statutory Auditor and Stand-in Statutory Auditor must have a certain number of candidates belonging to the least represented gender, so as to ensure compliance with at least the minimum requirements for gender equality prescribed by current law and regulations.
In order to be valid, the lists must be filed at the Registered Office or the Head Office, also by means of remote communication and in accordance with the procedures stated in the notice of call which allows the identification of the parties filing the lists, no later than twenty-five days before the date of the Shareholders' Meeting (or within a different period of time according to applicable laws in force at the time) and must be made available to the public at the Registered Office, on the Company's website and through other channels provided for under current laws at least twenty-one days prior to the date of the Shareholders' Meeting (or within a different deadline as per applicable regulations).

Minority shareholders who are not affiliated with the shareholders concerned shall be entitled to extend the deadline for presenting lists in the circumstances and according to the procedures set forth in current laws and regulations.

Each eligible voter may vote for one list only.

The members of the Board of Statutory Auditors shall be elected as follows:

a) 2 (two) Standing Auditors and 1 (one) Stand-in Statutory Auditor are drawn from the list obtaining the largest number of votes cast by the Shareholders, in the order in which they appear on the list;

b) the remaining Statutory Auditor and the remaining Stand-in Statutory Auditor are drawn from the list that obtained the most votes after the list referred to in letter a). The first candidates of the related section are thus elected Statutory Auditor and Stand-in Statutory Auditor.

The Chairmanship of the Board of Statutory Auditors will go to the first candidate of the minority list of Standing Auditors receiving the most votes.

If, in accordance with the deadlines and procedures set forth above, only one list or no list has been presented, or the lists do not contain the required number of candidates to be elected, the Shareholders' Meeting shall pass a resolution for the appointment or completion of the Board of Statutory Auditors by relative majority. If there is a tie vote among several candidates, a run-off election shall be held among them with a further vote of the Shareholders' Meeting. The Shareholders' Meeting shall be required to ensure compliance with the provisions of applicable laws and regulations concerning gender balance.

In the event the death, resignation, withdrawal or removal from office for any other reason of a Statutory Auditor, he/she shall be replaced by the Stand-in Statutory Auditor, from the same list as the outgoing Auditor, in the order in which they appear on the list, complying with the minimum number of members entered in the Register of Auditors who have been engaged in auditing activities, and in compliance with gender equality principles. If this is not possible, the outgoing Auditor shall be replaced by the Stand-in Statutory Auditor meeting the specified requirements, drawn from the minority list which obtained the most votes, following the order in which they appear on the list. Where the appointment of Auditors is not carried out using the slate voting system, the Stand-in Statutory Auditor shall take over pursuant to statutory provisions. Should it be necessary to replace the Chairman, the Stand-in Statutory Auditor taking over shall also serve as Chairman. The Shareholders shall appoint or replace Auditors in meetings called in accordance with article 2401, paragraph 1, of the Civil Code in compliance with the principle of adequate representation of minority shareholders and gender equality. Where the appointment of the Stand-in Statutory Auditor in lieu of the Statutory Auditor is not confirmed by the Shareholders' Meeting, he/she shall return to his/her position as Stand-in Auditor.

## 14. COMPOSITION AND FUNCTIONING OF THE BOARD OF STATUTORY AUDITORS

Pursuant to Article 23 of the Articles of Association and in compliance with current rules and regulations, at least two Standing Auditors and one Stand-in Auditor must have been entered in the Register of Auditors for at least three years and have not less than three years of experience as a statutory auditor. The Auditors who are not entered in the Register of Auditors must have gained at least three years of experience in:

a) professional activities as a certified public accountant or lawyer, rendered primarily to the banking, insurance and financial sectors;

b) teaching, at University level, subjects concerning - in the legal field - banking, commercial and/or fiscal law, as well as financial markets and - in the business/finance field - banking operations, business economics, accountancy, the running of the securities markets, the running of the financial and international markets, and corporate finance;

c) management functions at public entities governmental authorities operating in the credit, financial or insurance sector, as well as in the provision of investment services sector or collective portfolio management sector, both of which are defined in Legislative Decree no. 58 of 24 February 1998.

All Auditors must meet the eligibility, professional competence and integrity requirements provided for by law and any other applicable regulations.

Furthermore, in application of the recommendations contained in Criterion 8.C.1 of the Corporate Governance Code, the Auditors of FinecoBank must meet the independence requirements set forth in Article 3 of the Corporate Governance Code, as well as the requirements provided in Article 148, par. 3, TUF.

In application of Article 144-*novies* of the Issuer Regulations and the above Criterion, the Board of Directors and the Board of Statutory Auditors are responsible for evaluating whether the members of the Board of Statutory Auditors meet the requirements specified above:

(i) following appointment, the outcome of which shall be disclosed to the market by means of a press release;

(ii) on an annual basis, reporting the results thereof in the annual corporate governance report.

The Company's Board of Statutory Auditors currently in office was appointed by the Shareholders' Meeting held on April 15, 2014. It shall remain in office until approval of the financial statements for the year ending on December 31, 2016.

In the light of the foregoing, the slate voting system (described in Section 13 of this report) shall be used to appoint the new Board of Statutory Auditors to be carried out during the Shareholders' Meeting for approval of the financial statements for the year ending on December 31, 2016.

The table below provides relevant information about each member of the Board of Statutory Auditors in office as of the date of this Report.

| Name and Surname | Position | Year of birth | Date of appointment | % Meetings' Attendance | Number of other Positions[1] |
|---|---|---|---|---|---|
| Gian-Carlo Noris Gaccioli | Chairman | 1951 | 15.04.2014 | 100 | 0 |
| Barbara Aloisi | Statutory Auditor | 1967 | 15.04.2014 | 90 | 0 |
| Marziano Viozzi | Statutory Auditor | 1946 | 15.04.2014 | 80 | 0 |
| Federica Bonato | Stand-in Statutory Auditor | 1955 | 15.04.2014 | = | 1 |
| Marzio Duilio Rubagotti | Stand-in Statutory Auditor | 1965 | 15.04.2014 | = | 0 |

[1] Number of offices as Director or Statutory Auditor in other companies listed in regulated markets, in financial, banking, insurance or large companies (See Attachment 1).

A brief *curriculum vitae* of each member of the Board of Statutory Auditors, highlighting their professional and personal details along with their expertise and experience, is available on the FinecoBank website (www.fineco.it).

The members of the Board of Statutory Auditors have not provided advisory services to the Issuer.

During the last year, the Board of Statutory Auditors met 18 times. The average duration of the meetings was approximately one hour.

For the current year, 25 meetings of the Board of Statutory Auditors have been planned. As of March 10, 2015 a total of 7 meetings have been held.

All members of the Board of Statutory Auditors meet the professional competence and integrity requirements provided for Article 148 of the TUF and the Regulation adopted with decree no. 162/2000 of the Ministry of Justice.

To the best of the Company's knowledge, none of the members of the Board of Statutory Auditors exceeds the limits on the number of board mandates referred to in Article 144-*terdecies* of the Issuer Regulations, at the time of writing.

The Board of Statutory Auditors has verified the independence of its members in accordance with the Corporate Governance Code and Article 144-*novies* of the Issuers Regulations.

Article 24 of the Articles of Association provides that, in order to properly perform its tasks, and in particular to fulfil its obligation to promptly inform the Bank of Italy, and other Supervisory Authorities if required, on management irregularities or violations of the law, the Board of Statutory Auditors is vested with the broadest powers provided for by current laws and regulations.

The Board of Statutory Auditors, without prejudice to any other or more specific duty and power assigned to it by primary and secondary laws and regulations in force, monitors compliance with laws, regulations and the Articles of Association, as well as the correct administration, adequacy of organisational and accounting arrangements of the Bank, of the risk management and control system, as well as the functioning of the overall internal control system, of the external auditing of the accounts, of the independence of external auditors and on the financial reporting process. The Board of Statutory Auditors works in close cooperation with the corresponding body of the Parent Company.

The Board of Statutory Auditors takes part in periodic meetings with the Chairman of the Board and with the Managing Director and General Manager, during which they exchange information.

In performing its duties, the Board of Statutory Auditors liaises with the Internal Audit function and the Audit and Related Parties Committee, through ongoing communication and the exchange of information, as well as by taking part in the meetings of the above mentioned Committee.

## 15. RELATIONS WITH SHAREHOLDERS

The Company considers it fitting in its own interests and a duty for the market to forge an ongoing dialogue with its shareholders and institutional investors, in compliance with the procedure for disclosing company documents and information to the market, and in general in compliance with laws and regulations applicable to listed companies.

With particular reference to shareholders, the Company, in compliance with Application Criterion 9.C.3 of the Code, considers the Shareholders' Meeting as an important opportunity for shareholders and directors to engage, and consequently adopts measures that encourage shareholders to take part in the Shareholders' Meeting and exercise their right to vote. In this respect, Article 7 of the Articles of Association (pursuant to Article 2369 of the Italian Civil Code) envisages that the meetings be held in a single session, unless the Board of Directors establishes that they be held in more than one session. Pursuant to Article 135-*undecies* of the TUF, the Company may appoint, for each Shareholders' Meeting, with information given in the notice of meeting, a person (company-appointed representative), that shareholders may appoint to act as proxy with instructions to vote on all or some items on the agenda, according to terms and procedures established by law.

Pursuant to Application Criterion 9.C.1 of the Corporate Governance Code for Listed Companies, relations with institutional investors are instead overseen by the Investor Relator. In this regard, the Board of Directors assigned UniCredit, in a specific services agreement, investor relations activities, based on the expertise and experience developed over the years by the Parent Company. The Board also appointed Ms. Stefania Mantegazza as contract manager for the Investor Relations services that will be provided by UniCredit for the Company, based on the above agreement, assigning her the position of Investor Relator of the Company.

The Investor Relator reports continually to the Company's Senior Management on requirements concerning disclosure to the financial market and in particular to investors.

The Investor Relator is therefore the point of contact between the Issuer and the market and works with the entire company to maintain and promote compliance with regulations on corporate reporting. To this end, the Investor Relator will work in conjunction with the finance, administration, planning and control, legal and corporate affairs of external relations departments.

***

The Company has a section on its website www.fineco.it where updated information on the Company and Group, and services offered, providing the key documents on corporate governance, as well as all press releases on the main company events, in addition to financial and accounting data. Information on the website is updated as promptly as possible, to guarantee the transparency and effectiveness of disclosure to the public.

## 16. SHAREHOLDERS' MEETINGS

In compliance with laws in force, the Ordinary Shareholders' Meeting, pursuant to the Articles of Association, is convened at least once a year, within 120 days from the end of the financial year, to resolve on items in its remit as established by laws in force and the Articles of Association. The Extraordinary Shareholders' Meeting is convened whenever there is a need to resolve on items in its remit as established by the applicable regulations.

The Shareholders' Meeting is convened as one session in compliance with laws in force, however in order to maintain adequate organisational flexibility, the Articles of Association establish that the Board may convene several sessions for individual Shareholders' Meetings.

Meetings are convened according to law, by notice published on the Company's Internet Site, as well as by other procedures required by law. The Agenda is established according to law and the Articles of Association by the person with powers to convene Shareholders' Meetings.

Before the deadline for publishing the notice convening the meeting, based on each item on the agenda – or another term established by law – the Board of Directors shall make available to the public a report on each item on the Agenda.

The Agenda may be supplemented - according to the circumstances, procedures and terms established by laws in force - by shareholders that, even jointly, represent at least 2.50% of the share capital. Shareholders that request an item on the agenda to be added shall prepare a report stating the reasons for proposals to resolve on new items. Shareholders may also submit further proposals for resolutions on items already on the Agenda, giving relative reasons.

The Shareholders' Meeting meets at the Registered Office of the company or at another venue in Italy, indicated in the notice of meeting, and resolves with the majorities established by laws in force.

Quorums are not established in the Articles of Association, therefore in order for the Shareholders' Meeting to be duly established and for resolutions to be passed, laws in force shall be observed.

Pursuant to the Articles of Association, and in line with laws in force on remuneration and incentive policies and practices issued by Consob, and, for banks and banking groups, issued by the Bank of Italy, the Ordinary Shareholders' Meeting establishes the fees of the bodies it appoints, and also approves: (i) remuneration policies for Board Directors, employees and persons working for the company on a self-employed basis; (ii) remuneration plans based on financial instruments; (iii) payments agreed on in the event of the early termination of employment or early termination of an appointment, including the limits established for said fees in terms of annual fixed remuneration.

When approving remuneration policies, the Shareholders' Meeting may increase the limit of the ratio between variable and fixed remuneration up to a maximum of 2:1 or, if lower, to the maximum allowed by applicable laws in force. The Shareholders' Meeting votes on the section of the report on remuneration that sets out the Company's policy on the remuneration of Board Directors, the General Manager and Key Management Personnel, and the procedures used to adopt and implement this policy.

### 16.1 Legitimation, procedures for taking the floor and voting

According to applicable regulations, referred to in Article 8 of the Articles of Association, persons may take part in the shareholders' meeting and exercise their voting rights following notification sent to the Company, within the legal established time limits, by the intermediary authorised by law to keep the accounts, based on the entries in the accounting records relative to the end of the accounting day of the seventh open market day prior to the date established for the shareholders' meeting convened as a single session, or as a first session if the Board of Directors has planned for further sessions to take place.

The Articles of Association enable shareholders to take part in the Shareholders' Meeting using telecommunication means and to exercise voting rights digitally. The decision to activate these means is to be taken by the Board of Directors for each Shareholders' Meeting.

Article 8 of the Articles of Associations that will come into effect when trading of shares commences also establishes that shareholders who may take part in Shareholders' Meetings can be represented by written proxy by another person, who is not necessarily a shareholder, provided this complies with legal provisions. Voting by proxy may also be authorised by a document signed digitally pursuant to laws in force and notified to the Company at the email address and according to procedures indicated in the notice of meeting, or by another procedure established by current laws in force.

In compliance with Application Criterion 9.C.2 of the Corporate Governance Code for Listed Companies, which recommends the involvement of directors in Shareholders' Meetings as an important opportunity for director/shareholder engagement, all directors usually take part in the Shareholders' Meetings of the Company. On these occasions, the Board of Directors, in particular, reports on past and planned activities and ensures shareholders are given sufficient information on items necessary for them to make informed decisions during shareholders' meetings.

The Board reports to the Shareholders' Meeting on past and planned activities within the context of the Directors' Report on Operations. It also gives shareholders sufficient information on items necessary for them to make informed decisions during shareholders' meetings, ensuring that Directors' reports and additional documents are made available within the times established by regulations and laws.

### 16.2 Proceedings of shareholdings' meetings

The Shareholders' Meeting adopted regulations for the orderly and functional proceedings of shareholders' meetings. The Regulations for Shareholders' Meetings, is available on the Company's Internet Site.

Under Article 8 of the Regulations for Shareholders' Meetings, persons who are entitled to take part in shareholders' meetings may take the floor as regards each item to discuss. Persons intending to take the floor shall request permission from the Chairman, submitting a written request with details of the issue the request refers to, after the Chairman has read the items on the Agenda and before he declares discussions the request to take the floor refers to as closed. The Chairman may authorise requests to take the floor to be made with a show of hands, and in this case persons take the floor in the alphabetical order of their surnames.

## 17. CHANGES AFTER THE END OF THE YEAR

No significant events occurred after December 31, 2014.

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## ATTACHMENT 1

## OFFICES HELD BY DIRECTORS OF FINECOBANK IN OTHER COMPANIES LISTED IN REGULATED MARKETS, IN FINANCIAL, BANKING, INSURANCE OR LARGE COMPANIES

| | List of offices | Company belongs to UniCredit Group | |
|---|---|---|---|
| | | **YES** | **NO** |
| Enrico Cotta Ramusino<br>*Chairman* | Director, Salvatore Maugeri Foundation | | x |
| | | | |
| Francesco Saita<br>*Vice Chairman* | - | - | - |
| | | | |
| Alessandro Foti<br>*Managing Director and General Manager* | - | - | - |
| | | | |
| Gianluigi Bertolli<br>*Director* | Director, Cosmo Pharmaceuticals S.p.A. | | x |
| | | | |
| Mariangela Grosoli<br>*Director* | - | - | - |
| | | | |
| Pietro Angelo Guindani<br>*Director* | Chairman, Vodafone Omnitel B.V.<br>Director, ENI S.p.A.<br>Director, Salini-Impregilo S.p.A.<br>Director, Fondazione Istituto Italiano di Tecnologia | | x<br>x<br>x<br>x |
| | | | |
| Girolamo Ielo<br>*Director* | - | - | - |
| | | | |
| Marina Natale<br>*Director* | - | - | - |
| | | | |
| Laura Stefania Penna<br>*Director* | Director, BANK PEKAO<br>Director, UBIS | x<br>x | |
| | | | |

**OFFICES HELD BY STATUTORY AUDITORS OF FINECOBANK IN OTHER COMPANIES LISTED IN REGULATED MARKETS, IN FINANCIAL, BANKING, INSURANCE OR LARGE COMPANIES**

| | List of offices | Company belongs to UniCredit Group | |
|---|---|---|---|
| | | YES | NO |
| Giancarlo Noris Gaccioli<br>*Chairman* | - | - | - |
| | | | |
| Marziano Viozzi<br>*Statutory Auditor* | - | - | - |
| | | | |
| Barbara Aloisi<br>*Statutory Auditor* | Standing Auditor, SIAD S.p.A.<br>Standing Auditor, N&W GLOBAL VENDING S.p.A. | - | x<br>x |
| | | | |
| Federica Bonato<br>*Stand-in Statutory Auditor* | Stand-in Statutory Auditor, ABC Assicura | | x |
| | | | |
| Marzio Duilio Rubagotti<br>*Stand-in Statutory Auditor* | - | - | - |
| | | | |

Piazza Durante, 11
20131 Milan MI
freephone 800.52.52.52
From a mobile phone or from abroad
02.2899.2899
e-mail info@fineco.it

FinecoBank S.p.A. - Part of the UniCredit Banking group enrolled in the Register of Banking Groups at No. 02008.1 – Registered Office Piazza Durante 11, Milan 20131 – Headquarters Via Rivoluzione d'Ottobre 16, Reggio Emilia 42123 – Share capital €200,150,191.89 fully paid up, ABI code 3015.5 - VAT no. 12962340159 - tax code and Milan Co. Reg. no. 01392970404 - Economic Administrative Index no. 1598155 – Member of the National Interbank Deposit Guarantee Fund. Fineco The New Bank is a trademark licensed for use by FinecoBank S.p.A.

FINECO
THE NEW BANK

# 2014 REPORTS AND ACCOUNTS

# SIMPLE
## AND TRASPARENT

**FINECO. THE BANK THAT SEMPLIFIES BANKING.**

Member of UniCredit

FINECO
THE NEW BANK

Member of UniCredit

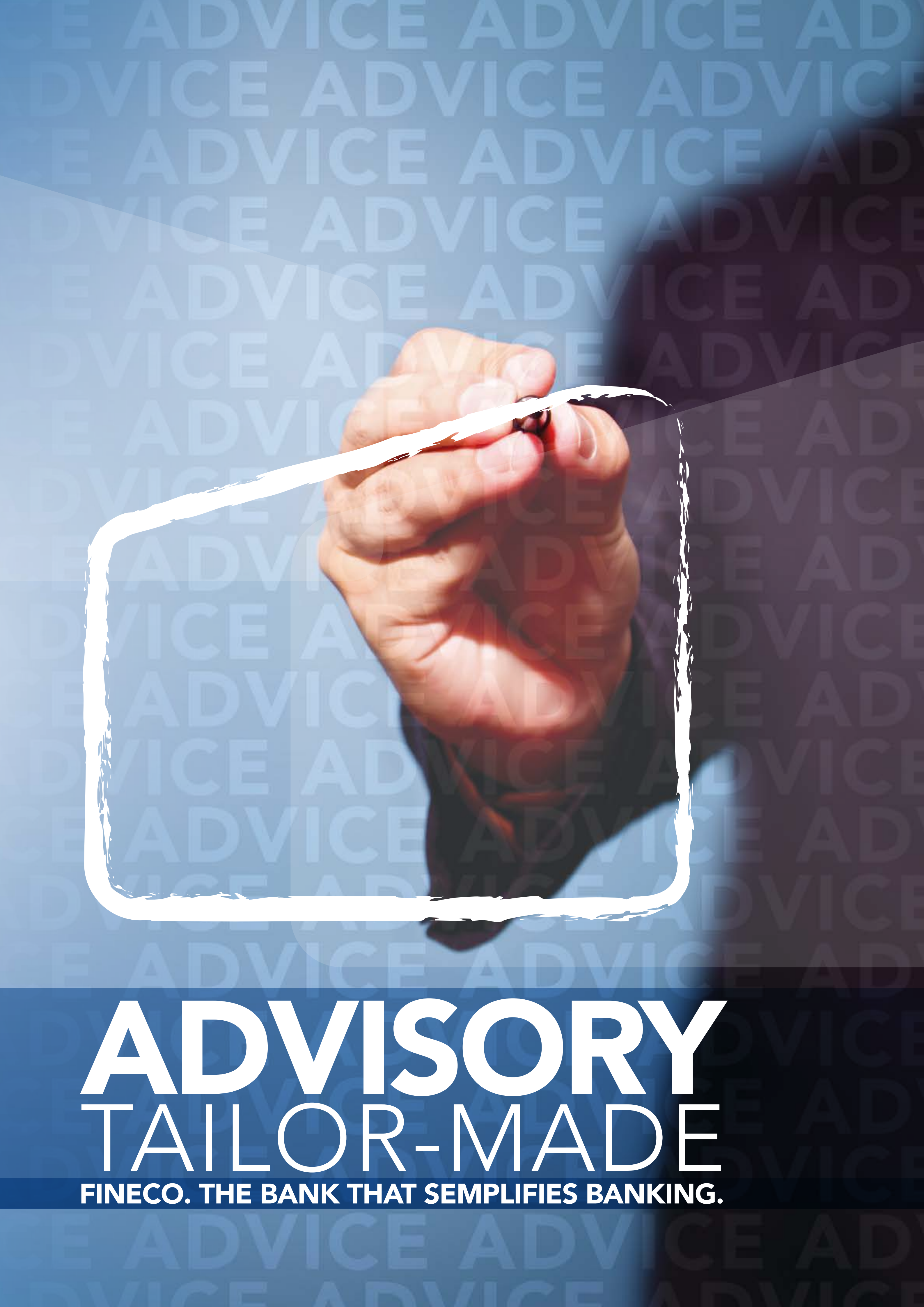
FinecoBank's Annual Report highlights the way the Bank helps its customers to face new challenges and opportunities through innovative products and services.

Fineco's new products and services, focused on transparency, simplicity and convenience are designed according to a multi-channel strategy, confirming we're always close to our clients, quickly adapting to changes and providing them with real support to keep up with the times.

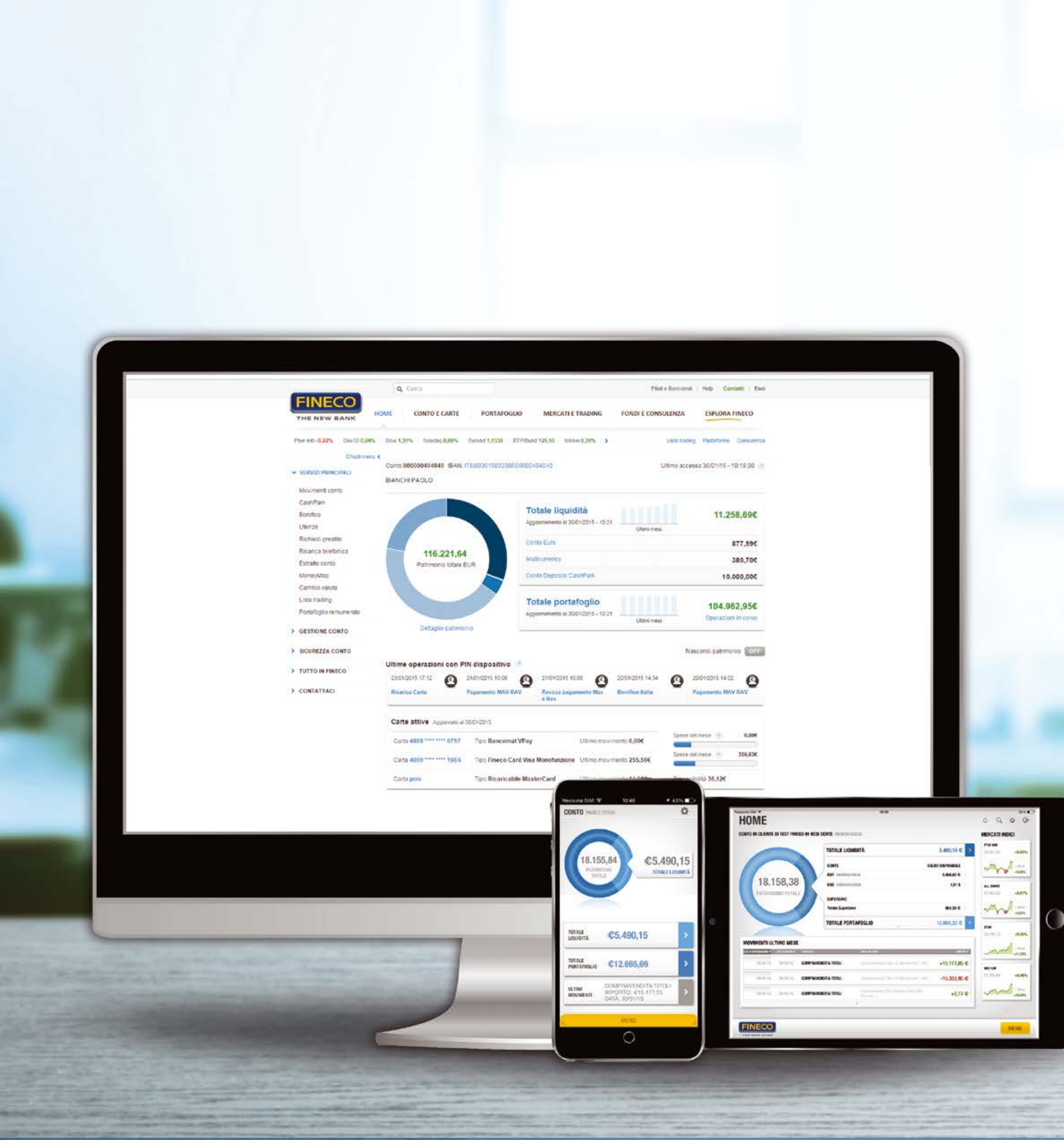
FinecoBank strives every day to simplify its relationship with customers in order to, thanks to new technologies, let them achieve their goals and make the most of their time. That's why we feel the responsibility to offer our clients the flexibility and tools they need to make their life simple and to catch new challenges.

Future calls us for change. Let's change together.

# 2014 Reports and Accounts


ADVISORY
TAILOR-MADE
FINECO. THE BANK THAT SEMPLIFIES BANKING.

# Contents


FINECO
THE NEW BANK
HOME
CONTO E CARTE
PORTAFOGLIO
MERCATI E TRADING
FONDI E CONSULENZA
ESPLORA FINECO
Totale liquidità
11.258,69€
116.221,64
Totale portafoglio
104.962,95€
Ultime operazioni con PIN dispositivo
Carte attive
CONTO
18.155,84
€5.490,15
€12.665,69
HOME
18.158,38

# Board of Directors and Board of Statutory Auditors

| | |
|---|---|
| | **Board of Directors** |
| Enrico Cotta Ramusino | **Chairman** |
| Francesco Saita | **Vice Chairman** |
| Alessandro Foti | **Managing Director and General Manager** |
| Gianluigi Bertolli<br>Girolamo Ielo<br>Laura Stefania Penna<br>Mariangela Grosoli<br>Marina Natale<br>Pietro Angelo Guindani | **Directors** |

| | |
|---|---|
| | **Board of Statutory Auditors** |
| Gian-Carlo Noris Gaccioli | **Chairman** |
| Barbara Aloisi<br>Marziano Viozzi | **Standing Auditors** |
| Federica Bonato<br>Marzio Duilio Rubagotti | **Alternate Auditors** |

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

| | |
|---|---|
| Lorena Pelliciari | **Nominated Official in charge of drawing up Company Accounts** |

**Registered office**
Piazza Durante 11, 20131 Milan, Italy

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

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

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

The appointment of Mr. Alessandro Foti, formerly Chief Executive Officer, as General Manager took place by resolution of the Board of Directors on May 15, 2014, effective July 1, 2014.


1.706 €
1.411 €
850 €
1.311 €
2.149 €
2.288 €
6.728 €
GEN 2014 - FEB 2015
MENU
CHECK YOUR
SPENDING SMARTLY
FINECO. THE BANK THAT SEMPLIFIES BANKING.

# Report on Operations

# Introduction to the Annual Report and Accounts

The financial statements of FinecoBank Banca Fineco S.p.A. (hereinafter, "FinecoBank") as at December 31, 2014 have been prepared in application of Legislative Decree 38 of February 28, 2005, in accordance with the accounting standards (hereinafter "IFRS", "IAS", or "international accounting standards") issued by the International Accounting Standards Board (IASB), including the SIC and IFRIC interpretation documents, approved by the European Commission, as established by European Union Regulation no. 1606/2002 of July 19, 2002, and in force at December 31, 2014.

In its circular 262 of December 22, 2005, as amended, the Bank of Italy – whose powers regarding the accounts of banks and regulated financial companies, previously established under Legislative Decree 87/92, were confirmed in the above mentioned Legislative Decree – laid down the formats for the financial statements and explanatory notes used to prepare these Accounts.

The Annual Report and Accounts includes:
- the **Financial Statements** which comprise the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement, presented with a comparison to those of 2013;
- the **Notes to the Accounts**.

It is accompanied by:
- the **Report on Operations**, which includes the condensed accounts, the main results of the various business areas, and comments on the results for the period;
- the Certification of Annual Financial Statements pursuant to Article 81-ter of Consob Regulation no. 11971 of May 14, 1999 and subsequent amendments.

The annual report also includes:
- the Report of the Board of Statutory Auditors
- the Report of the External Auditors.

It is noted that starting with the financial statements ended December 31, 2014, deferred tax assets are shown in the Balance Sheet net of Deferred tax liabilities where the requirements set out in IAS 12 are met. In addition, the expenses resulting from the measures already approved by the National Interbank Deposit Guarantee Fund have been presented in item 130 of the Income Statement "Impairment losses on: d) other financial assets" and, for the amount not paid, offsetting item 100 of the Income Statement "Other liabilities".
Consequently, for the purposes of like-for-like comparison, the corresponding figures relating to the previous year have been restated in the financial statements and statement of quarterly changes in balance sheet shown in the report on operations.

For information on the presentation in the condensed accounts used in the report on operations, refer to the "Reconciliation of condensed accounts to mandatory reporting schedule" annexed to the annual report.

# Summary data

## Condensed Accounts

### Balance Sheet

(Amounts in € thousand)

| ASSETS | 12.31.2014 | 12.31.2013 | CHANGES AMOUNT | CHANGES % |
|---|---|---|---|---|
| Cash and cash balances | 5 | 5 | - | - |
| Financial assets held for trading | 3,054 | 4,700 | (1,646) | -35.0% |
| Loans and receivables with banks | 13,892,197 | 16,330,912 | (2,438,715) | -14.9% |
| Loans and receivables with customers | 695,594 | 641,250 | 54,344 | 8.5% |
| Financial investments | 1,695,555 | 93,114 | 1,602,441 | 1720.9% |
| Hedging instruments | 24,274 | 179,265 | (154,991) | -86.5% |
| Property, plant and equipment | 10,892 | 10,772 | 120 | 1.1% |
| Goodwill | 89,602 | 89,602 | - | - |
| Other intangible assets | 8,142 | 8,014 | 128 | 1.6% |
| Tax assets | 18,550 | 47,075 | (28,525) | -60.6% |
| Other assets | 326,756 | 256,629 | 70,127 | 27.3% |
| **Total assets** | **16,764,621** | **17,661,338** | **(896,717)** | **-5.1%** |

(Amounts in € thousand)

| LIABILITIES AND SHAREHOLDERS' EQUITY | 12.31.2014 | 12.31.2013 | CHANGES AMOUNT | CHANGES % |
|---|---|---|---|---|
| Deposits from banks | 1,428,568 | 1,648,675 | (220,107) | -13.4% |
| Deposits from customers | 13,914,712 | 12,732,309 | 1,182,403 | 9.3% |
| Debt securities in issue | 424,710 | 2,322,511 | (1,897,801) | -81.7% |
| Financial liabilities held for trading | 3,135 | 2,301 | 834 | 36.2% |
| Hedging instruments | 46,220 | 178,574 | (132,354) | -74.1% |
| Provisions for risks and charges | 118,031 | 105,421 | 12,610 | 12.0% |
| Tax liabilities | 33,358 | 16,842 | 16,516 | 98.1% |
| Other liabilities | 243,633 | 235,556 | 8,077 | 3.4% |
| *Shareholders' equity* | *552,254* | *419,149* | *133,105* | *31.8%* |
| *- capital and reserves* | *400,085* | *329,719* | *70,366* | *21.3%* |
| *- revaluation reserves for available-for-sale financial assets and for actuarial gains (losses) from defined benefit plans* | *2,262* | *4,214* | *(1,952)* | *-46.3%* |
| *- net profit (loss)* | *149,907* | *85,216* | *64,691* | *75.9%* |
| **Total liabilities and shareholders' equity** | **16,764,621** | **17,661,338** | **(896,717)** | **-5.1%** |

# Summary data (Continued)

## Balance Sheet - Quarterly data

(Amounts in € thousand)

| ASSETS | 12.31.2014 | 09.30.2014 | 06.30.2014 | 03.31.2014 | 12.31.2013 |
|---|---|---|---|---|---|
| Cash and cash balances | 5 | 9 | 14 | 7 | 5 |
| Financial assets held for trading | 3,054 | 4,708 | 10,407 | 8,405 | 4,700 |
| Loans and receivables with banks | 13,892,197 | 13,612,912 | 13,476,117 | 17,084,534 | 16,330,912 |
| Loans and receivables with customers | 695,594 | 700,208 | 696,142 | 669,141 | 641,250 |
| Financial investments | 1,695,555 | 1,716,878 | 1,715,320 | 93,934 | 93,114 |
| Hedging instruments | 24,274 | 23,494 | 35,637 | 130,687 | 179,265 |
| Property, plant and equipment | 10,892 | 10,901 | 11,391 | 10,718 | 10,772 |
| Goodwill | 89,602 | 89,602 | 89,602 | 89,602 | 89,602 |
| Other intangible assets | 8,142 | 8,100 | 7,915 | 8,055 | 8,014 |
| Tax assets | 18,550 | 17,164 | 20,072 | 26,992 | 47,075 |
| Other assets | 326,756 | 227,200 | 227,865 | 170,281 | 256,629 |
| **Total assets** | **16,764,621** | **16,411,176** | **16,290,482** | **18,292,356** | **17,661,338** |

(Amounts in € thousand)

| LIABILITIES AND SHAREHOLDERS' EQUITY | 12.31.2014 | 09.30.2014 | 06.30.2014 | 03.31.2014 | 12.31.2013 |
|---|---|---|---|---|---|
| Deposits from banks | 1,428,568 | 1,282,386 | 1,026,852 | 1,590,439 | 1,648,675 |
| Deposits from customers | 13,914,712 | 13,741,345 | 13,911,224 | 13,473,654 | 12,732,309 |
| Debt securities in issue | 424,710 | 423,842 | 421,965 | 2,322,527 | 2,322,511 |
| Financial liabilities held for trading | 3,135 | 4,647 | 4,867 | 7,902 | 2,301 |
| Hedging instruments | 46,220 | 45,195 | 48,960 | 130,411 | 178,574 |
| Provisions for risks and charges | 118,031 | 104,876 | 106,574 | 105,412 | 105,421 |
| Tax liabilities | 33,358 | 47,999 | 30,156 | 17,342 | 16,842 |
| Other liabilities | 243,633 | 246,862 | 268,182 | 188,903 | 235,556 |
| *Shareholders' equity* | *552,254* | *514,024* | *471,702* | *455,766* | *419,149* |
| *- capital and reserves* | *400,085* | *396,179* | *392,928* | *414,934* | *329,719* |
| *- revaluation reserves for available-for-sale financial assets and for actuarial gains (losses) from defined benefit plans* | *2,262* | *8,581* | *4,912* | *3,906* | *4,214* |
| *- net profit (loss)* | *149,907* | *109,264* | *73,862* | *36,926* | *85,216* |
| **Total liabilities and shareholders' equity** | **16,764,621** | **16,411,176** | **16,290,482** | **18,292,356** | **17,661,338** |

## Income Statement

(Amounts in € thousand)

| | 2014 | 2013 | CHANGES AMOUNT | CHANGES % |
|---|---|---|---|---|
| Net interest | 228,247 | 180,278 | 47,969 | 26.6% |
| Net fee and commission income | 195,744 | 166,736 | 29,008 | 17.4% |
| Net trading, hedging and fair value income | 29,742 | 28,281 | 1,461 | 5.2% |
| Net other expenses/income | (5,719) | (3,013) | (2,706) | 89.8% |
| **OPERATING INCOME** | **448,014** | **372,282** | **75,732** | **20.3%** |
| Payroll costs | (69,151) | (63,338) | (5,813) | 9.2% |
| Other administrative expenses | (208,189) | (174,636) | (33,553) | 19.2% |
| Recovery of expenses | 77,170 | 56,997 | 20,173 | 35.4% |
| Amortization, depreciation and impairment losses on intangible and tangible assets | (8,809) | (8,081) | (728) | 9.0% |
| **Operating costs** | **(208,979)** | **(189,058)** | **(19,921)** | **10.5%** |
| **OPERATING PROFIT (LOSS)** | **239,035** | **183,224** | **55,811** | **30.5%** |
| Net impairment losses on loans and provisions for guarantees and commitments | (4,596) | (9,160) | 4,564 | -49.8% |
| **NET OPERATING PROFIT (LOSS)** | **234,439** | **174,064** | **60,375** | **34.7%** |
| Provisions for risks and charges | (4,705) | (12,125) | 7,420 | -61.2% |
| Net income from investments | (4) | (6) | 2 | -33.3% |
| **PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS** | **229,730** | **161,933** | **67,797** | **41.9%** |
| Income tax for the period | (79,823) | (76,717) | (3,106) | 4.0% |
| **PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS** | **149,907** | **85,216** | **64,691** | **75.9%** |
| **NET PROFIT (LOSS) FOR THE PERIOD** | **149,907** | **85,216** | **64,691** | **75.9%** |

# Summary data (Continued)

**Income statement - Quarterly data**

(Amounts in € thousand)

| | 2014 | | | |
|---|---|---|---|---|
| | Q4 | Q3 | Q2 | Q1 |
| Net interest | 55,875 | 56,432 | 57,607 | 58,333 |
| Net fee and commission income | 52,884 | 45,831 | 49,311 | 47,718 |
| Net trading, hedging and fair value income | 10,331 | 6,522 | 5,810 | 7,079 |
| Net other expenses/income | (2,073) | (2,074) | (758) | (814) |
| **OPERATING INCOME** | **117,017** | **106,711** | **111,970** | **112,316** |
| Payroll costs | (19,283) | (18,033) | (16,065) | (15,770) |
| Other administrative expenses | (51,527) | (49,671) | (55,029) | (51,962) |
| Recovery of expenses | 20,420 | 19,208 | 18,735 | 18,807 |
| Amortisation, depreciation and impairment losses on intangible and tangible assets | (2,634) | (2,233) | (2,037) | (1,905) |
| **Operating costs** | **(53,024)** | **(50,729)** | **(54,396)** | **(50,830)** |
| **OPERATING PROFIT (LOSS)** | **63,993** | **55,982** | **57,574** | **61,486** |
| Net impairment losses on loans and provisions for guarantees and commitments | (2,620) | (685) | (826) | (465) |
| **NET OPERATING PROFIT (LOSS)** | **61,373** | **55,297** | **56,748** | **61,021** |
| Provisions for risks and charges | (1,077) | (677) | 422 | (3,373) |
| Net income from investments | - | (4) | - | - |
| **PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS** | **60,296** | **54,616** | **57,170** | **57,648** |
| Income tax for the period | (19,653) | (19,214) | (20,234) | (20,722) |
| **PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS** | **40,643** | **35,402** | **36,936** | **36,926** |
| **NET PROFIT (LOSS) FOR THE PERIOD** | **40,643** | **35,402** | **36,936** | **36,926** |

In the quarterly data for the income statement shown above, the expenses resulting from the measures already approved by the National Interbank Deposit Guarantee Fund have been presented in item “Net impairment losses on loans and provisions for guarantees and commitments” for the fourth quarter in line with the presentation used in the financial statements as at December 31, 2014; in the third quarter these expenses were shown under the item “Provisions for risks and charges”.

## Income statement - Quarterly data

(Amounts in € thousand)

| | 2013 | | | |
|---|---|---|---|---|
| | Q4 | Q3 | Q2 | Q1 |
| Net interest | 43,119 | 41,254 | 47,525 | 48,380 |
| Net fee and commission income | 45,358 | 39,573 | 40,636 | 41,169 |
| Net trading, hedging and fair value income | 6,416 | 6,057 | 6,841 | 8,967 |
| Net other expenses/income | (2,074) | (585) | (914) | 560 |
| **OPERATING INCOME** | **92,819** | **86,299** | **94,088** | **99,076** |
| Payroll costs | (16,474) | (15,874) | (15,650) | (15,340) |
| Other administrative expenses | (41,965) | (40,064) | (44,408) | (48,199) |
| Recovery of expenses | 14,624 | 14,319 | 13,985 | 14,069 |
| Amortisation, depreciation and impairment losses on intangible and tangible assets | (2,654) | (1,936) | (1,779) | (1,712) |
| **Operating costs** | **(46,469)** | **(43,555)** | **(47,852)** | **(51,182)** |
| **OPERATING PROFIT (LOSS)** | **46,350** | **42,744** | **46,236** | **47,894** |
| Net impairment losses on loans and provisions for guarantees and commitments | (7,205) | (600) | (565) | (790) |
| **NET OPERATING PROFIT (LOSS)** | **39,145** | **42,144** | **45,671** | **47,104** |
| Provisions for risks and charges | (7,650) | (4,115) | 2,346 | (2,706) |
| Net income from investments | - | - | (6) | - |
| **PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS** | **31,495** | **38,029** | **48,011** | **44,398** |
| Income tax for the period | (25,698) | (14,872) | (18,773) | (17,374) |
| **PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS** | **5,797** | **23,157** | **29,238** | **27,024** |
| **NET PROFIT (LOSS) FOR THE PERIOD** | **5,797** | **23,157** | **29,238** | **27,024** |

## Main balance sheet figures

(Amounts in € thousand)

| | | | CHANGES | |
|---|---|---|---|---|
| | 12.31.2014 | 12.31.2013 | AMOUNT | % |
| Loan receivables with ordinary customers [1] | 478,752 | 421,784 | 56,968 | 13.5% |
| Total assets | 16,764,621 | 17,661,338 | (896,717) | -5.1% |
| Customer direct sales [2] | 13,753,719 | 12,518,293 | 1,235,426 | 9.9% |
| Customer indirect sales [3] | 35,587,446 | 31,088,364 | 4,499,082 | 14.5% |
| Total customer sales (direct and indirect) | 49,341,165 | 43,606,657 | 5,734,508 | 13.2% |
| Shareholders' equity | 552,254 | 419,149 | 133,105 | 31.8% |

(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

| | 12.31.2014 | 12.31.2013 |
|---|---|---|
| No. of Employees | 1,008 | 965 |
| No. of Human Resources | 1,022 | 976 |
| No. of Financial Advisors | 2,533 | 2,438 |
| No. of Operating financial outlets | 325 | 311 |

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 branches: financial branches managed by the Bank and financial branches managed by financial advisors (Fineco Center).

## Profitability, productivity and efficiency ratios

(Amounts in € thousand)

| | 12.31.2014 | 12.31.2013 |
|---|---|---|
| Net interest/Operating income | 50.95% | 48.43% |
| Income from brokerage and other income/Operating income | 49.05% | 51.57% |
| Income from brokerage and other income/Operating costs | 105.16% | 101.56% |
| Cost/income ratio | 46.65% | 50.78% |
| Operating costs/TFA | 0.45% | 0.45% |
| Cost of risk | 71 bp | 83 bp |
| ROE | 36.49% | 23.58% |
| Return on assets | 0.89% | 0.48% |
| EVA | 128.379 | 68.142 |
| RARORAC | 57.77% | 39.38% |
| ROAC | 67.46% | 49.25% |
| Total customer sales/Average employees | 49,391 | 45,306 |
| Total customer sales/(Average employees + average PFAs) | 14,160 | 13,056 |

**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.
Cost of risk: ratio between net impairment losses on loans and provisions for guarantees and commitments (net of adjustments connected to the commitment to measures already approved by the National Interbank Deposit Guarantee Fund) and the average loans and receivables with 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.
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.
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.

## Balance Sheet indicators

| | 12.31.2014 | 12.31.2013 |
|---|---|---|
| Loan receivables with ordinary customers/Total assets | 2.86% | 2.39% |
| Loans and receivables with banks/Total assets | 82.87% | 92.47% |
| Financial assets/Total assets | 10.13% | 0.55% |
| Direct Sales/Total liabilities and shareholders' equity | 82.04% | 70.88% |
| Debt securities in issue/Total liabilities and shareholders' equity | 2.53% | 13.15% |
| Shareholders' equity (including profit)/Total liabilities and shareholders' equity | 3.29% | 2.37% |
| Loans and receivables with ordinary customers/Customer direct sales | 3.48% | 3.37% |

| CREDIT QUALITY | 12.31.2014 | 12.31.2013 |
|---|---|---|
| Impaired loans/Loan receivables with ordinary customers | 0.89% | 1.12% |
| Non-performing loans/Loan receivables with ordinary customers | 0.66% | 0.78% |
| Coverage (1) - Non-performing loans | 84.08% | 81.45% |
| Coverage (1) - Doubtful loans | 67.19% | 67.41% |
| Coverage (1) - Past-due impaired loans | 48.97% | 45.91% |
| Coverage (1) - Total impaired loans | 81.07% | 77.66% |

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

## Own funds and capital ratios

| | 12.31.2014 | 12.31.2013 |
|---|---|---|
| Total Own Funds (regulatory capital at December 31, 2013) (€ thousand) | 353,133 | 316,008 |
| Total risk weighted assets (€ thousand) | 1,850,331 | 2,580,595 |
| Common Equity Tier 1 Capital Ratio (Tier 1 capital/Risk-weighted assets -TIER 1 capital ratio at December 31, 2013) | 19.08% | 12.25% |
| Tier 1 Capital Ratio (Tier 1 capital/Risk-weighted assets -TIER 1 capital ratio at December 31, 2013) | 19.08% | 12.25% |
| Total Own Funds Capital Ratio (Regulatory capital/Risk-weighted assets - Total capital ratio at December 31, 2013) | 19.08% | 12.25% |

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

## Market share

| TRADING ON ITALIAN STOCK MARKET (ASSOSIM) | 12.31.2014 | 12.31.2013 |
|---|---|---|
| Third party volumes traded on MTA | 18.54% | 22.98% |
| Classification of third party volumes traded on MTA | 1° | 1° |

| PERSONAL FINANCIAL ADVISERS NETWORK (ASSORETI) | 12.31.2014 | 12.31.2013 |
|---|---|---|
| Stock Classification | 3° | 3° |

| PERSONAL FINANCIAL ADVISERS NETWORK (ASSORETI) | 12.31.2014 | 12.31.2013 |
|---|---|---|
| Net Sales Classification | 3° | 2° |

| TOTAL DEPOSITS (BANK OF ITALY) | 09.30.2014 | 12.31.2013 |
|---|---|---|
| Share of Total Deposits market | 1.34% | 1.30% |
| Share of Direct Deposits market | 1.01% | 0.98% |
| Share of Indirect Deposits market | 1.55% | 1.52% |

The figures relating to "Total Sales" (Bank of Italy) refer to September 30, 2014 – the latest available figures.

The Assosim market share refers to the ranking of volumes traded on Italian markets and internalised by associated brokers on the MTA market managed by Borsa Italiana (the source is the Assosim press release itself). The Assosim market share of December 2013 is calculated refering to the total number of Assosim associates, whereas the December 2014 market share is calculated refering to the entire market. Market share as at December 2014 – recalculated on the total number of Assosim associates – would be equal to 22.76%.

# Fineco shares

## Share information

The trading of FinecoBank ordinary shares on the Italian MTA stock exchange (Mercato Telematico Azionario) started on July 2, 2014. The outcome of the global offering set the price at €3.7 per share, equivalent to a market capitalization of the bank of €2,243 million. The global offering concerned 181,883,000 ordinary shares, representing 30% of the share capital of the Bank. Overall, taking into account both the public offering and the institutional placement, requests were received for 609,079,891 shares by 46,534 applicants, with a total demand equal to 2.9 times the offer. Including the shares subject to the greenshoe option, the global offering concerned a total of 209,166,000 FinecoBank ordinary shares, representing approximately 34.5% of the share capital, for a total corresponding value of approximately €774 million, before fees and expenses.

At December 31, 2014, the closing share price was €4.668, giving the company a market capitalisation of €2,830 million – a 26% increase since trading began.

| | 2014 |
|---|---|
| **Share price (€)** | |
| - maximum | 4.750 |
| - minimum | 3.808 |
| - average | 4.168 |
| - end of period | 4.668 |
| **Number of outstanding shares (million)** | |
| - at end of period | 606.3 |

# Business performance and main initiatives in the period

FinecoBank is UniCredit Group's direct multichannel bank, with 963,991 customers, 103,000 of which acquired during the year (up 15% on 2013), €4 billion of net sales and €49.3 billion of total financial assets (up 13.2% on 2013). It is the number one broker in Italy for equity trades in terms of volume of orders and has one of the largest advisory networks in Italy with 2,533 Personal Financial Advisors as at December 31, 2014. FinecoBank offers an integrated business model combining direct banking and financial advice, offering a single free-of-charge account with 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.
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

In order to fully leverage FinecoBank's assets and support its growth, on April 15, 2014 the Shareholders' meeting, upon proposal of the Board of Directors, approved the proposal for admission to listing on the MTA (Mercato Telematico Azionario) of FinecoBank ordinary shares.
The listing and consequent expansion of the shareholder base have enabled the Bank to strengthen the visibility of its business model, thereby improving its standing in the market, thanks also to national and international institutional investors becoming shareholders of the bank.
After the FinecoBank listing project began, in the meeting of April 15, 2014, the Board of Directors approved the new 2014-2018 Multi-Annual Plan. The new Plan, which amends the plan approved by the Board of Directors on March 10, 2014, takes into account the effects of the new liquidity investment policy as from April 1, 2014, the costs for the new incentive system for employees and financial advisors and the costs related to the listing process.

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

The regulations for the above plans were approved by the Board of Directors on May 15, 2014 and the Shareholders' Meeting of June 5, 2014.
In particular, the following plans were approved:

- **Group Executive Incentive System 2014 (Bonus Pool)**, offering selected Executives and relevant personnel identified on the basis of regulatory requirements, a bonus structure consisting of immediate payments (following performance evaluation) and deferred payments in cash and ordinary UniCredit or FinecoBank shares, over a period of 6 years (immediate payment for 1 year and deferred payments for 5 years). This payment structure ensures that bonuses are aligned to shareholders' interests and is subject to malus clauses (which apply in the event that specific profitability, liquidity and capital thresholds are not met both at Group level and at Country/Division level) and clawback clauses (to the extent they are legally applicable) in accordance with the plan rules (both vesting conditions other than market conditions);
- **Stock granting for employees** offering the allocation of free shares of FinecoBank to beneficiaries belonging to Top Management ("*2014-2017 Multi-year Plan Top Management*") and to executives and employees of the Bank (other than Top Management) who, in the Bank's opinion, can significantly contribute to the Bank's profitability and sustainability due to their role, skills and potential ("*2014 Key People Plan*"),. The shares will be allocated to the respective beneficiaries, once the vesting period has passed and satisfaction of the conditions established has been verified, in 4 annual tranches for the *"2014-2017 Multi-year Top Management Plan"* from 2017, and in 3 annual tranches for the *"2014 Key People Plan"* from 2015;
- **Stock granting for personal financial advisors** offering the allocation of free shares of FinecoBank to the network's personal financial advisors, subject to the achievement by the entire network of personal financial advisors of the Bank of a set net sales target for the year 2014 ("*2014 PFA Plan*") and for the three-year period 2015–2017 ("*2015-2017 PFA Plan*"). The shares will be allocated to the respective beneficiaries in 3 annual tranches from 2015 for the "*2014 PFA Plan*" and from 2018 for the "*2015-2017 PFA Plan*".
  Shares to be allocated under the incentive plans reserved to PFAs will be purchased by the Bank on the market on the basis of an authorisation by the Shareholders' Meeting pursuant to Article 2357 of the Italian Civil Code.

# Business performance and main initiatives in the period (Continued)

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

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

The dilution effect from the full execution of the free capital increases to service the mentioned stock granting plans (Group Executive Incentive System 2014, 2014-2017 Multi Year Top Plan Management, 2014 Key People Plan) is calculated as a maximum of 0.60% of the fully diluted capital.
In addition, on February 9, 2015, the Board of Directors launched the "2014 Key People Plan", resolving to issue 241,700 FinecoBank ordinary shares, corresponding to a free capital increase of €79,761.00, following the verification of the achievement of the performance targets set in the Plan. 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.

Regarding to the new liquidity investment policy, the most significant investment was realised in early April 2014, for an amount totalling €7,650 million and $250 million. In the subsequent months, two further investments were realised: €200 million in July and €400 million in October.

These types of investment were determined by taking into account the overall structure of the Bank's balance sheet and with a view to optimizing its liquidity risk profile, in line with the amount of structural liquidity (whose main component is sight deposits considered as "Core"), with the objective of diversifying these investments in terms of maturities. The bonds issued by UniCredit and reserved for FinecoBank are freely transferable to third parties throughout the term of the bond.

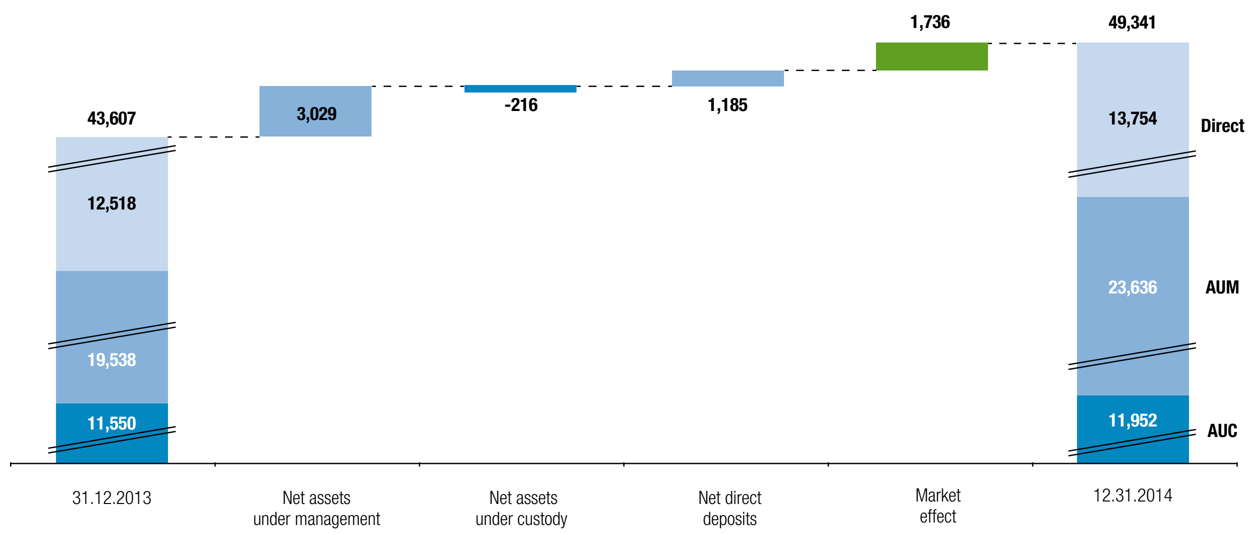
On June 27, 2014, the Bank announced the outcome of the global offering - which set the price at €3.7 per share, equivalent to a market capitalization of the bank of €2,243 million. The global offering concerned 181,883,000 ordinary shares, representing 30% of the share capital of the Bank.
Overall,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

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

## Performance of balance sheet aggregates

Total customer sales (direct and indirect) as at December 31, 2014 came to €49,341 million, an increase of 13.2% compared to the end of 2013, thanks to net sales of €3,998 million and a positive effect driven by market performance of €1,736 million. Indirect customer sales (Assets under Management-AUM plus Assets under Custody-AUC) amounted to €35,587 million, compared to €31,088 million as at December 31, 2013, going up by 14.5%, confirming a constant growth trend, as well as an ongoing improvement in the quality of deposits. 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 12.70% as at December 31, 2013 to 17.30% as at December 31, 2014. There was also noteworthy growth in Managed Assets, from 28.39% at December 31, 2013 to 36.10% at December 31, 2014.

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




AUC = Asset under custody
AUM = Asset 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.

### Assets under administration and under management

(Amounts in € thousand)

| | 12.31.2014 | % | 12.31.2013 | % | CHANGE | % CHANGE |
|---|---|---|---|---|---|---|
| Current accounts and demand deposits | 12,247,082 | 24.8% | 10,666,629 | 24.5% | 1,580,453 | 14.8% |
| Time deposits and reverse repos | 1,506,637 | 3.1% | 1,851,664 | 4.2% | (345,027) | -18.6% |
| **BALANCE DIRECT SALES** | **13,753,719** | **27.9%** | **12,518,293** | **28.7%** | **1,235,426** | **9.9%** |
| Segregated accounts | 14,782 | 0.0% | 41,901 | 0.1% | (27,119) | -64.7% |
| UCITS and other investment funds | 21,176,945 | 42.9% | 17,691,343 | 40.6% | 3,485,602 | 19.7% |
| Insurance products | 2,444,167 | 5.0% | 1,805,235 | 4.1% | 638,932 | 35.4% |
| **BALANCE ASSETS UNDER MANAGEMENT** | **23,635,894** | **47.9%** | **19,538,479** | **44.8%** | **4,097,415** | **21.0%** |
| Government securities, bonds and stocks | 11,951,552 | 24.2% | 11,549,885 | 26.5% | 401,667 | 3.5% |
| **BALANCE ASSETS UNDER ADMINISTRATION** | **11,951,552** | **24.2%** | **11,549,885** | **26.5%** | **401,667** | **3.5%** |
| **BALANCE DIRECT AND INDIRECT SALES** | **49,341,165** | **100.0%** | **43,606,657** | **100.0%** | **5,734,508** | **13.2%** |
| of which Guided products & services | 8,532,245 | 17.3% | 5,546,246 | 12.7% | 2,985,999 | 53.8% |

1. Respectively 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.

# Business performance and main initiatives in the period (Continued)

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.

**Assets under administration and under management - Financial Advisors Network - Source Assoreti**

(Amounts in € thousand)

| | 12.31.2014 | % | 12.31.2013 | % | CHANGE | % CHANGE |
|---|---|---|---|---|---|---|
| Current accounts and demand deposits | 8,605,117 | 20.7% | 7,390,277 | 20.4% | 1,214,840 | 16.4% |
| Time deposits and reverse repos | 1,064,704 | 2.6% | 1,319,221 | 3.6% | (254,517) | -19.3% |
| **BALANCE DIRECT SALES** | **9,669,821** | **23.3%** | **8,709,498** | **24.1%** | **960,323** | **11.0%** |
| Segregated accounts | 14,782 | 0.0% | 41,901 | 0.1% | (27,119) | -64.7% |
| UCITS and other investment funds | 20,772,136 | 50.1% | 17,344,996 | 47.9% | 3,427,140 | 19.8% |
| Insurance products | 2,346,758 | 5.7% | 1,703,434 | 4.7% | 643,324 | 37.8% |
| **BALANCE ASSETS UNDER MANAGEMENT** | **23,133,676** | **55.8%** | **19,090,331** | **52.7%** | **4,043,345** | **21.2%** |
| Government securities, bonds and stocks | 8,669,714 | 20.9% | 8,392,123 | 23.2% | 277,591 | 3.3% |
| **BALANCE ASSETS UNDER ADMINISTRATION** | **8,669,714** | **20.9%** | **8,392,123** | **23.2%** | **277,591** | **3.3%** |
| **BALANCE DIRECT AND INDIRECT SALES** | **41,473,211** | **100.0%** | **36,191,952** | **100.0%** | **5,281,259** | **14.6%** |

## Performance of income statement aggregates

Profit before tax amounted to €229.7 million (+41.9%).
Profit before tax increased sharply compared to the previous year, due to the improvement in net interest margin (up €48 million) attributable to the consistent increase in transactional liquidity – driving customer trading overall – as well as a steadily declining cost of funding and a careful liquidity investment policy. Net fee and commission income posted a 17.4% increase, thanks to both asset management commissions and the improvement in trading commissions as a result of the increase in the number of executed orders.
This confirms the success of a strategy that for years has targeted diversification and the introduction of new products and services. Thanks to this positioning, customers have maintained and strengthened their relationship with FinecoBank, precisely because, by using the platform or through the advice of financial advisors, they could find all the necessary products and services to carry out their banking transactions and their investment and trading strategies.

## Communications and external relations

Multimedia and multichannel communications were at the heart of Fineco's strategy in 2014, enabling the consolidation of the progress made in the previous year thanks to synergistic use of all appropriate means to reach the relevant targets.
National radio and TV have been used to reinforce knowledge of the Fineco brand, posters have supported the network at local level, while digital web and mobile activities have been used for customer acquisition. In particular we note:

- the new campaign to reposition Fineco over its competitors: "the bank that simplifies banking";
- the focus on TV for "brand building" and other channels/media (radio, press, web) for presenting products;
- the increase in local marketing activities and local "format" events for PFAs;
- the development of new social media initiatives (Facebook, Twitter, LinkedIn);
- the enhancement of courses and events, with a specific focus on remote learning (webinars).

The "Member Get Member" promotional initiative enabled the acquisition of new customers and the opening of over 32 thousand current accounts.
Marketing activities, specifically to support the day-to-day activities of the network of PFAs, were oriented towards the production of materials, local initiatives and events for customers to consolidate advertising campaigns and awareness of the Bank's key products and services.
During 2014 the Bank launched new products and services for its customers in order to ensure greater diversification in its offering. In addition, efforts to promote new products launched by the Bank aimed at existing and/or potential customers continued, through marketing campaigns and incentives for the network.

# Commercial activities and development of new products and services

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

- extension of the "Member Get Member" campaign;
- introduction of CFDs on shares, new derivative instruments to invest in the US and UK markets directly in euro in intraday mode, with no need for a specific authorization, with zero trading commissions and free information;
- release of the new Logos platform, which provides 100 additional tools including shares, indices, currencies, commodities and bonds of the major world markets, new graphics, new functions (users can now search tools, customize views and check P&L in a single screen) and faster order entry through the simultaneous opening of multiple chips;
- release of MoneyMap for smartphone on the App Store and Google Play. The "MoneyMap" app provides additional functions compared to the desktop version, including the ability to assign a reminder to each expense, categorize cash expenses and withdrawals as soon as they are made, add a tag or a description for each transaction, add a location for a charge directly from the user's smartphone, take a picture of the product or the receipt and match it to a payment that has just made. In addition there are new online features such as the ability to assign keywords (tags) to account transactions, view transactions by item and access account transactions directly from the Brand Map;
- release of a new version of the public area of the Fineco website, with a new design and a more vertical layout, updated with the most recent web technologies and design;
- introduction of the new Advice Unit solution. This is a unit-linked life insurance by Skandia Vita S.p.A., exclusively distributed by Fineco, which allows for maximum customization of investments while ensuring the financial efficiency provided by the "Advice" advisory service;
- introduction of the "Logos" current account for trading on Logos CFDs. The Logos account does not provide the services typically associated with current accounts: debit and credit cards, cheques, direct debits of utility bills, loans and credit lines. On the other hand, it can be used to transfer money in and out of the account as well as to receive, transmit and execute orders on the market (including trading for own account), limited to Logos CFDs. The Logos account is available online via a desktop platform and a mobile app for tablets and Apple and Android smartphones;
- enhancement of the Portfolio and Trading Lists services with new functions: "Drag&Drop", which enables users to move their securities around as they please and organise their Portfolio on the basis of their own objectives and strategies; "Hide Securities", which enables the user to hide securities temporarily by dragging them into the appropriate area, thereby creating a "Hidden Portfolio"; "Favourite Securities Lists", which enables the user to create up to three lists for saving and monitor up to 50 securities;
- introduction of the new investment firm Natixis;
- introduction of the STARS financial advisory service, dedicated to the Fineco network: a financial advisory agreement through which the promoters can offer their customers highly diversified portfolios, freely constructed by choosing from over 250 STARS Strategies (around 800 ISINs) and more than 20 Building Blocks and model portfolios;
- introduction of a new e-billing service called CBILL, created by the Consorzio CBI (Customer to Business Integration), which enables the display of information and electronic payment of bills issued by a selection of participating entities, including private companies and public authorities;
- release of new services on the Fineco App that allow you to trade CFDs on indices, CFDs on bonds, CFDs on US shares and, CFDs on UK shares;
- enhancement of the Portfolio section, with the portfolio overview and detail sections now showing bonds and shares purchased or transferred that cannot be traded online;
- expansion of trading options with Super CFDs on the Dax, Eurostoxx, BTP, Bund and US indices. The new instruments add to the CFDs already available, are larger in scope and have lower spreads;
- introduction of the Fineco POS service managed in collaboration with CartaSì, for all Fineco customers who trade as freelance professionals and sole-proprietorships;
- introduction of the ability to change the margin of a margin-lending position at any time according to market trends and trading strategies.

The following pages contain the main indicators and results of the main business segments: Brokerage, Banking and Investing.
Given the Bank's specific business model that provides for a high level of integration among its different activities, these segments are interdependent. Indeed the Bank offers its services (banking and investment services) through a network of financial advisors and online and mobile channels that operate in a coordinated and integrated manner.
All the activities were carried out with the aim of obtaining economic results from the "industrial" management of the businesses, to minimise their financial risk. FinecoBank's financial management approach is to manage risks with a view to protecting the industrial returns on the various businesses while not assuming risk positions on its own account.

# Results achieved in the main areas of activity

## Brokerage

Over time, Fineco has developed and consolidated a strong presence in the brokerage segment by offering an efficient and complete range of order execution services on customers' behalf. The Bank has been a leading player in the Italian stock market since 2004.

In 2014 FinecoBank further consolidated its leadership in the Italian Brokerage market, benefiting from the return of market volatility, particularly in the first and last quarter of the year.
The total increase in number of executed orders, equal to 10.2%, was driven above all by the consistent growth in active users, with a significant number of users returning to trade on the markets. The amount attributable to new users was also significant (with around 2,000 customers per month making their first trade within two months of opening their Fineco account). This result was also achieved thanks to the numerous "trading campaigns" carried out during the year, which contributed to spreading awareness of the enormous potential of Fineco's platform.
Compared to 2013, the segment of most active customers showed a recovery, but the level of transactions was still far from the activity peaks recorded in recent years. There was also growth of around 36% compared to 2013 in terms of the number of trades executed via mobile, thanks to the development of the apps for iPhone, iPad, Android and Windows Phone.

Regarding the performance of individual products, there was:
- Additional growth in CFDs and Logos thanks to improvements in the ways the two products are offered: new underlying products, Super-CFDs, Logos bonuses for non-active users, and a new Logos Desktop platform;
- continuation of the differentiation in trades in various asset classes, partly caused by the US markets, which have seen a 44% increase in trades over the last year;
- an increase in interest revenues on open overnight margin positions;
- a slight contraction in the volumes traded as a result of the Tobin Tax and less market opportunities in forex, despite a strong recovery in the final quarter of the year.

The strategy for product completion, innovation and development continued with the introduction of different services and features, namely:
- new CFDs on U.S. and UK stocks. The "zero commissions" option, so far only applicable to indices and forex, was extended to equities for the first time;
- new Super-CFDs on indices, which have seen an increase in value and daily trades;
- the new Logos desktop platform that, in addition to a new look and feel and improved usability, saw an increase in the number of instruments that can be traded from approximately 50 to more than 150;
- the Logos bonus through which the bank can target promotional campaigns to specific customers;
- restyling of the markets and trading area with the introduction of new information tools such as the macroeconomic data calendar, the introduction of intraday charts for CFDs, improved news service and improved look and feel of the snapshots;
- development of the News area of the site with new Kapitall infographics, with in-depth reports on US equities and a new information feed from Alberto Nosari;
- ability to enter conditional orders, stop losses and profit taking on listed bonds, including on pre-existing positions;
- opening of an off-line channel for the trading securities not listed online. A gradual expansion is taking place, with a further 2,000 instruments now available for trading, on top of the range of bonds, currently numbering more than 9,000;
- extension of information on the Equiduct market to the Euronext market (France, Netherlands and Portugal);
- addition of new functions enabling users to personalise their Portfolio on the site, with the ability to view securities that are not tradable online and the ability to save multiple Trading Lists;
- new US Treasury bonds, expanding Fineco's offering which already included futures on Italian, German and French government bonds;
- development of the applications for iPhone, iPad and Android, introducing CFD trading, and bond trading on Windows Phones.

Finally, changes were made to the data provided to professional customers, especially PFAs and legal persons.
In general, the results achieved confirm the success of a business model focused on offering very easy to use innovative services in a comprehensive solution for all target customers.
Thanks to this positioning, we continue to strengthen our relationship with Fineco's customers and to intercept new customers both from traditional banks and from competing direct banks, consolidating our leadership in the market.

The following table shows the number of orders on financial instruments recorded in 2014 compared to the previous year.

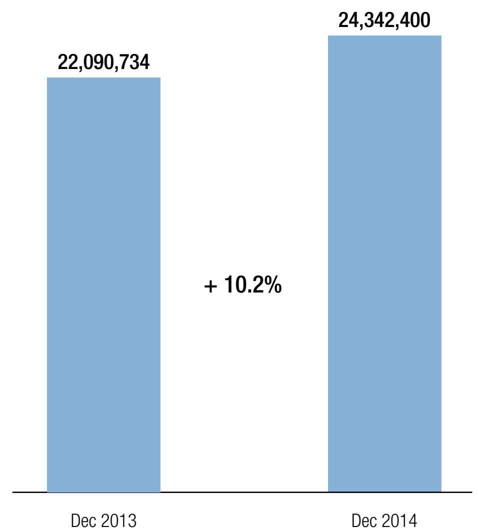
| | 12.31.2014 | 12.31.2013 | CHANGE | % CHANGE |
|---|---|---|---|---|
| Orders - Equity Italy (including internalised orders) | 7,275,908 | 6,358,387 | 917,521 | 14.4% |
| Orders- Equity USA | 1,248,426 | 852,546 | 395,880 | 46.4% |
| Orders- Equity other markets | 418,189 | 349,663 | 68,526 | 19.6% |
| *Total equity orders* | *8,942,523* | *7,560,596* | *1,381,927* | *18.3%* |
| Orders - Bonds | 707,039 | 740,791 | (33,752) | -4.6% |
| Orders - Derivatives | 3,238,692 | 2,920,958 | 317,734 | 10.9% |
| Orders - Forex | 1,092,967 | 1,464,106 | (371,139) | -25.3% |
| Orders - CFDs | 1,080,031 | 781,271 | 298,760 | 38.2% |
| Orders - Funds | 2,100,890 | 1,852,179 | 248,711 | 13.4% |
| Orders - Repos | 32,141 | 39,586 | (7,445) | -18.8% |
| **TOTAL ORDERS** | **17,194,283** | **15,359,487** | **1,834,796** | **11.9%** |

The table shows a general increase in orders executed in 2014 compared to the previous year, except for a decline in Forex, Bond and Repo orders; the increase in transactions on foreign equity markets, especially the USA, should also be pointed out, which confirms the validity of the product and service diversification model. 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 2014 compared to 2013. In 2014 the volumes traded on forex markets recorded a decrease, partially offset by an increase in the volume of Logos and CFD transactions.

(Amounts in € thousand)

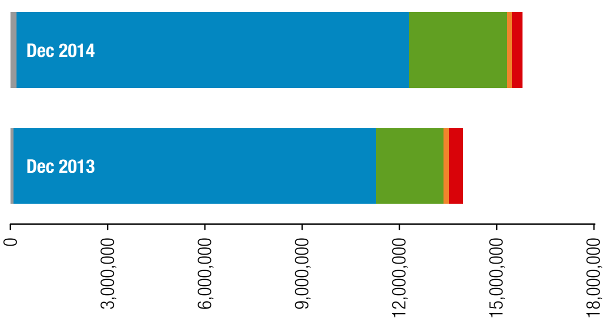
| | 12.31.2014 | 12.31.2013 | CHANGE | % CHANGE |
|---|---|---|---|---|
| Equity (internalisation) | 46,907,152 | 46,655,186 | 251,966 | 0.5% |
| Forex | 75,518,932 | 92,993,082 | (17,474,150) | -18.8% |
| CFDs and Logos | 19,600,019 | 8,315,853 | 11,284,166 | 135.7% |
| **Total "Internalised" Volumes** | **142,026,103** | **147,964,121** | **(5,938,018)** | **-4.0%** |

**Total number of orders executed**




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

**Number of orders executed on line broken down by stock market**




| | DEC 2013 | DEC 2014 |
|---|---|---|
| Other Markets | 109,317 | 180,963 |
| Italy (MTA+AH) | 11,114,412 | 12,097,883 |
| USA | 2,121,466 | 3,008,816 |
| France | 153,738 | 86,218 |
| Germany | 377,994 | 337,441 |

Other Markets Italy (MTA+AH) USA France Germany

# Results achieved in the main areas of activity (CONTINUED)

## Banking

### Banking

Fineco offers its clients a full range of direct banking services (mainly through online and mobile channels) that are comparable to those offered by traditional banks and competitors in this segment. Fineco has successfully increased its market share (estimated on the basis of direct sales), from 0.98% as at December 31, 2013 to 1.01% as at September 30, 2014, thanks to more robust growth than elsewhere in the industry (+6.60% vs +4.73% growth in the banking system).

In Banking the main development in 2014 related to digitalisation, with the launch of the new Logos account and the procedure for sending digital codes for initial access to the secure current account area – an important change that has made it possible to activate customers just one day after they opened their account. The account opening process has been further improved with two more important changes:

- the ability for the customer to be identified for legal purposes at a Fineco Center by a Financial Adviser, without having to sign up with him/her;
- the ability to accept transfers from other online banks as a further way to perform due diligence for the purposes of customer identification.

The Logos account is a new current account in euro that enables a limited number of transactions, oriented towards Logos CFDs trading. It is reserved for natural persons above the age of majority who are resident for tax purposes in Italy. On this type of account customers cannot request the services usually associated with current accounts, such as debit and credit cards, cheques, direct debit for utility bills and credit lines. The payment services provided (e.g. bank transfers) are intended for liquidity management and/or transfer transactions that are necessary for and related to the above listed investments; similarly, order reception, transmission and execution services (including trading for own account) are limited to orders arising from the mentioned Logos CFDs and any other derivative financial instruments that have been added. The Logos Account is available online at the website www.logostrading.com and via the mobile app.

Continuing with the theme of digitalisation, we have implemented the process for migrating "old customers" to the new terms offered by the Fineco account (zero fees and interest) by enabling the digital signature of contractual documents.

In terms of innovation, we also note the new Moneymap app for smartphones and the expansion of the banking services available via mobile (e.g, payment of the Italian TV licence fee and road tax). MoneyMap is Fineco's household budgeting service with full current account integration, providing customers with completely automated tracking of household expenditure.

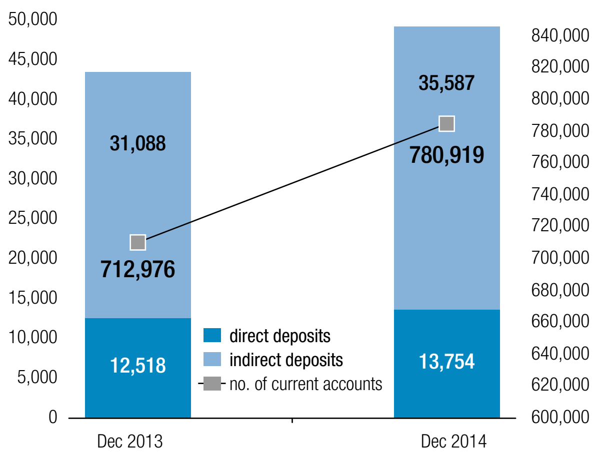
On the regulatory side, the main changes have related to adjustment to the SEPA (Single Euro Payments Area) European interbank procedures, as set out in Regulation EU 260/2012 of March 14, 2012. At the end of April 2014, the Electronic Database Alignment procedure for paying utility bills was abandoned and replaced by the SEDA procedure – the optional service additional to SEPA direct debit instructions that consists in the exchange between the creditor company and the debtor's bank, via the Collecting Bank, of electronic data relating to the information contained in the SEPA instructions. FinecoBank uses the BASIC and ADVANCED SEDA forms.
Using the advanced SEDA form, account holders can make an online request to pay a utility bill issued by a creditor company that is part of the network.

Regarding to the Cash Park service – the deposit account opened at the same time as the current account – the 1-month maturity (Open) has been cancelled, because of the lower interest rates. The product was also geared towards Small Business customers, applying different interest rates than for retail customers.

In terms of bank transfers, the possibility was also introduced for customers not using the SMS PIN service to issue instructions with payment date T (to other Fineco accounts) or T+1 (to non-Fineco accounts).
With regard to the *Singolo Italia, Agevolazione Fiscale ed Estero* (cross-border, SEPA) types of bank transfer, the following maximum daily limits have also been introduced.

- €250,000 if SMS PIN is active;
- €160,000 if SMS PIN is not active.

**No. of current accounts and balance of direct and indirect deposits** (Amounts in € thousand)



Lastly, with regard to the expansion of the range of new products and services, we note:

- C-bill, the online bill payment service created by the financial institutions that are members of the Consorzio CBI, to offer people a new way to pay their bills online;
- telepass premium extra, giving customers a free roadside rescue service on all Italian roads and motorways.

## Credit

Regarding the credit cards segment, a 6% increase was recorded in the number of active credit card holders with full repayment of balance at term, whilst a 7% increase was recorded in the number of customers holding credit cards with instalment payment plans (also known as revolving credit cards).
In addition, the spending figure increased by almost 10% compared to the previous year, for a total value of approximately €2.2 billion. The spending of revolving cards represented 1.8% of the total.

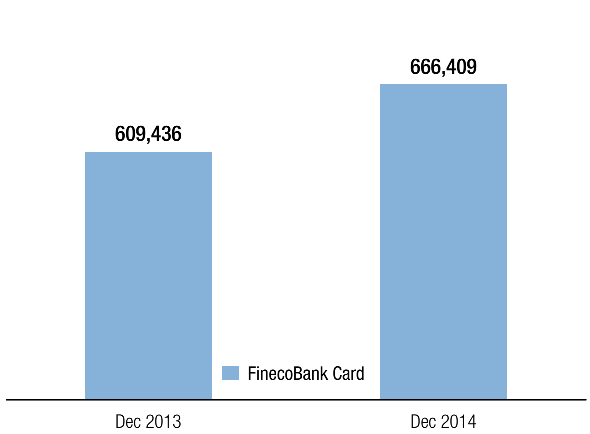
During 2014 a new function was released for the online management of credit card limits, enabling customers to manage the use of their card directly by geographical area and for e-commerce purchases. In particular, customers can also customise usage for online transactions, blocking or limiting transactions on games and betting websites; alternatively, e-commerce transactions can be blocked completely.

During 2014, certification also began to enable VISA cards for contactless technology (VISA PayWave). All new Mastercards are already enabled for contactless technology (Mastercard PayPass).

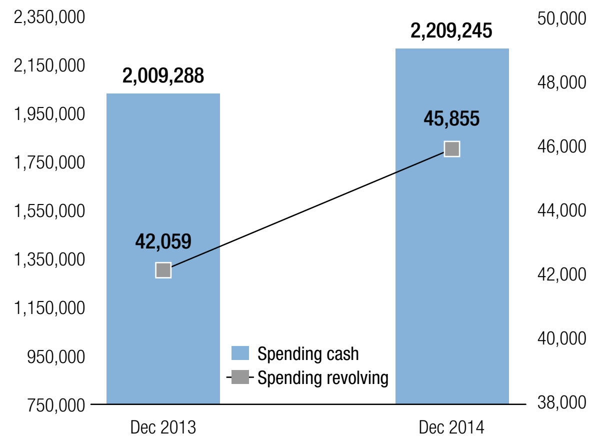
Lastly, regarding to the other Credit products we note:

- placement of UniCredit loans: in January the Bank began to place UniCredit loans through the PFA network. The introduction of the new products, which add to the range of existing credit products, is geared towards customer retention;
- Secured loan with for sale mandate: to improve the retention of the best customers, secured loans have been repositioned and new Apex bands have been introduced;
- Personal loans: a new product for repeat business has been created; all customers who have had a Fineco loan and repaid it correctly can obtain refinancing with a competitive rate;
- Acquiring: in order to expand products and services for small business, traditional POS and mPOS solutions have been released in collaboration with CartaSì. The targets are all customers who trade as freelance professionals and sole traders.

**Number of valid activated Credit Cards**




**Credit Card spending (cash and revolving)**




## Payment systems

Regarding payment systems, the main changes related to the implementation of new services and collection and payment procedures stemming both from regulatory changes that have affected the entire banking system and from internal procedures and processes aimed at providing innovative services to customers, including specifically:

- the Italian TV licence fee payment service, available in the Fineco reserved area (www.fineco.it) is now managed via a new platform called Fastbank, managed by SIA S.p.A. The new infrastructure enables customers to obtain a real-time payment receipt. The same platform is used for the payment of Postal Bills and Road Tax;
- direct debit payments (RID) were migrated to the new SEPA Direct Debit (SDD) infrastructure;

# Results achieved in the main areas of activity (Continued)

## Banking (Continued)

- the SDD Attivi service was activated for creditor customers only, who already used the RID Attivi service;
- the “Advanced” SEDA service (SEPA Compliant Electronic Database Alignment) was activated for Fineco customers, supplementing the “Basic” service. As of May 2014 the SEDA procedure has replaced the Electronic Database Alignment procedure thereby enabling companies and banks participating in the procedure to exchange information on Sepa Direct Debit instructions before debit instructions are implemented;
- the new e-billing service called CBILL was also launched. CBILL is an e-bill service created by the Consorzio CBI which enables the display of information and electronic payment of bills issued by a selection of participating entities, including private companies and public authorities;
- payments through bank transfers and via cross-border transfers were migrated to the new SEPA Credit Transfer (SCT) infrastructure regardless of the channel from which the customers’ orders originated;
- in accordance with Directive 2007/64/EC (Payment Services Directive - PSD), the Sepa Transfer Recall (RECALL) procedure was introduced both for SCTs received (Passive Recall) and SCTs sent (Active Recall). Under this procedure, both active and passive transfer recalls can be managed automatically on behalf of customers.

The table below shows the number of transactions carried out during 2014 compared with the previous year.

| TRANSACTIONS | 2014 | 2013 | CHANGE | % CHANGE |
|---|---|---|---|---|
| Incoming bank transfers | 9,242,372 | 8,381,439 | 860,933 | 10.3% |
| Outgoing bank transfers | 5,517,010 | 6,304,103 | (787,093) | -12.5% |
| Cards* | 78,257,176 | 68,429,872 | 9,827,304 | 14.4% |
| Trans. with UCI branches | 1,436,960 | 1,347,363 | 89,597 | 6.6% |
| Cheques | 176,869 | 183,970 | (7,101) | -3.9% |
| Other transactions** | 13,370,300 | 12,009,187 | 1,361,113 | 11.3% |

* POS payments and ATM, Credit Card, Debit Card, VPAY withdrawals, topups of Reloadable cards and FAST Pay Payments.

** Telepass Family charges, RID direct debits, MAV/RAV, RIBA, mobile phone topups, Pensions, F24 Payments and Postal Payments.

# Investing

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

As at December 31, 2014, FinecoBank had signed placement agreements with 65 Italian and international investment firms for the distribution of approximately 5,000 UCITS and SICAV sub-funds. With a view to identifying the best products from the range to propose to customers and thereby optimize service levels, FinecoBank has developed an additional selection process as part of the monitoring of its range of products, aimed at identifying the best products available on the market at any time.
With this goal in mind, investment programmes were created starting in 2011, in partnership with Pioneer Investments as manager. Exclusively targeted to the bank's customers, the investments take the form of funds of funds ("Core Series") that invest in the best funds from among those distributed by the Bank, by individual asset class.
Through its financial advisors, FinecoBank offers its customers a traditional investment advisory service and, since 2010, an advanced advisory service called Fineco Advice.
Fineco Advice – a service mainly dedicated to affluent/private customers – is an advisory platform that enables financial advisors to:

- run diagnostics on customer portfolios invested with FinecoBank or with other banks, and conduct a detailed mapping of asset allocation, the risk/return profile of the customer's portfolio, the cost of each individual instrument in which the portfolio is invested and the overall efficiency of the portfolio;
- monitor portfolios invested with FinecoBank, which takes the form of ongoing advice on asset allocation, the selection of individual financial instruments (strongly focused on high quality instruments in terms of ratings and liquidity, among other aspects) and their consistency over time with the risk/return profile selected by the customer.

In July 2014 a new investment advice contract called Fineco Stars was also created, mainly for retail/affluent customers.
Through Fineco Stars, the Bank offers its customers Italian and foreign funds:

- carefully selected on an ongoing basis, with the creation and maintenance of model portfolios for the investment classes that are most representative of the main market categories;
- with a comprehensive report showing the asset allocation of the customer portfolio invested in the proposed selections.

Through its financial advisors FinecoBank also offers customers the option to subscribe different types of insurance products and supplementary pension products offered by numerous insurance companies or investment firms.

The table below shows the amount of assets under management of Fineco customers, including both those linked to a financial advisor and online customers.

(Amounts in € thousand)

| | 12.31.2014 | % | 12.31.2013 | % | CHANGE | % CHANGE |
|---|---|---|---|---|---|---|
| UCITS and other investment funds | 21,176,945 | 89.6% | 17,691,343 | 90.6% | 3,485,602 | 19.7% |
| Insurance products | 2,444,167 | 10.3% | 1,805,235 | 9.2% | 638,932 | 35.4% |
| Segregated accounts | 14,782 | 0.1% | 41,901 | 0.2% | (27,119) | -64.7% |
| **Total managed assets** | **23,635,894** | **100.0%** | **19,538,479** | **100.0%** | **4,097,415** | **21.0%** |

# The network of financial advisors

The year 2014 – the year of FinecoBank's listing – saw outstanding results in various different areas. It was the best year in the history of FinecoBank; the increase in assets under management and their quality have been the two drivers behind the Bank's growth over the past few years.
Specifically, the following results were achieved in 2014:
- total net sales of €3,598 million;
- net managed assets of €2,990 million;
- net sales of advisory services of €2,724 million;
- new accounts opened during the year: 79,196 new accounts.

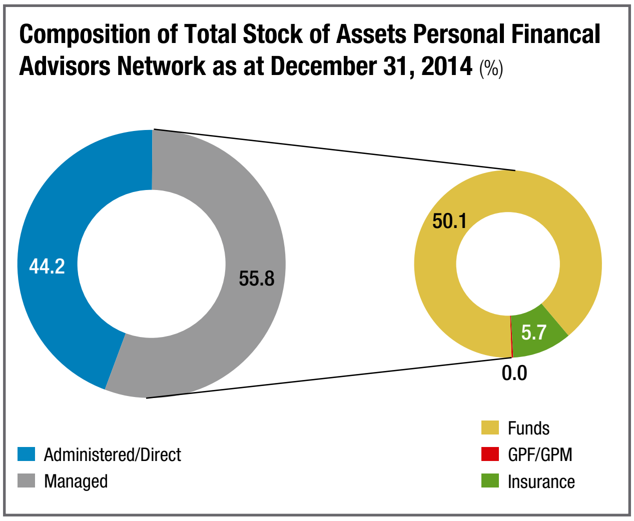
From the start, 2014 was called "the advisory year", as a way to underline the focus on advisory services that was a central factor and will remain so in the future.
As for the Wealth Management segment, high-level training courses continued throughout the year for participants in the Fineco Wealth Advisor Forum; this training will be gradually extended to the whole network, in order to better target consulting services to the Bank's private customers, who represent a significant and growing portion of the Network: 2% in terms of number of customers (15,710) and 37% in terms of assets (about €15,396 million).
As well as the promotional initiatives for the acquisition of new customers, there was heavy renewed focus on the "Transfer securities and funds" campaign. These campaigns are designed using segmentation criteria that reward the assets transferred, consequently directing efforts towards high-end customers.
There was continued focus on customer events organised across Italy. In 2014, 667 events were organised, with more than 26,600 customers and prospects attending, contributing €453 million to net sales. This was a slightly lower number of events than last year, but with a significant increase in terms of quality and returns. With regard to customer events, new formats were introduced for the top segment, with exclusive and high-value meetings.
The consistent attention to positioning can also be seen in the Bank's investments in logistics. It now has an increased and more widespread presence across Italy with a new design . Recruiting played an important role in 2014, with the appointment of 125 new PFAs with a background in banking and networks, while 77 "inexperienced" employees were recruited as part of the "youth programme". On this front, net sales stood at €729 million, plus €36 million from the youth programme.
As at December 31, 2014, the network was made up of 2,533 personal financial advisors, who operate countrywide through 325 financial branches (Fineco Centers), managed directly by the Company or by the financial advisors themselves.

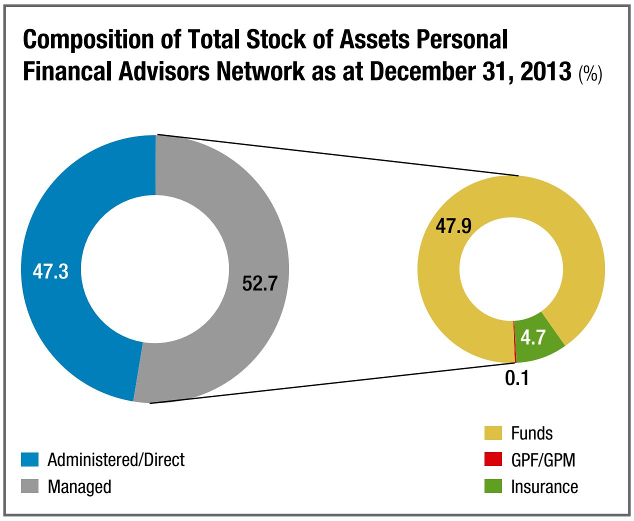
**Personal Financial Advisors Network - assets**

(Amounts in € thousand)

| | 12.31.2014 | % | 12.31.2013 | % | CHANGE | % CHANGE |
|---|---|---|---|---|---|---|
| Current accounts and demand deposits | 8,605,117 | 20.7% | 7,390,277 | 20.4% | 1,214,840 | 16.4% |
| Time deposits and reverse repos | 1,064,704 | 2.6% | 1,319,221 | 3.6% | (254,517) | -19.3% |
| **BALANCE DIRECT SALES** | **9,669,821** | **23.3%** | **8,709,498** | **24.1%** | **960,323** | **11.0%** |
| Segregated accounts | 14,782 | 0.0% | 41,901 | 0.1% | (27,119) | -64.7% |
| UCITS and other investment funds | 20,772,136 | 50.1% | 17,344,996 | 47.9% | 3,427,140 | 19.8% |
| Insurance products | 2,346,758 | 5.7% | 1,703,434 | 4.7% | 643,324 | 37.8% |
| **BALANCE ASSETS UNDER MANAGEMENT** | **23,133,676** | **55.8%** | **19,090,331** | **52.7%** | **4,043,345** | **21.2%** |
| Government securities, bonds and stocks | 8,669,714 | 20.9% | 8,392,123 | 23.2% | 277,591 | 3.3% |
| **BALANCE ASSETS UNDER ADMINISTRATION** | **8,669,714** | **20.9%** | **8,392,123** | **23.2%** | **277,591** | **3.3%** |
| **BALANCE DIRECT AND INDIRECT SALES** | **41,473,211** | **100.0%** | **36,191,952** | **100.0%** | **5,281,259** | **14.6%** |

The table above shows the breakdown of the managed assets attributable to the personal financial advisors network as at December 31, 2014. Total direct and indirect sales, amounting to €41,473 million, increased by 14.6% compared to December 31, 2013.




### Personal Financial Advisors Network - total net sales

(Amounts in € thousand)

| | FY 2014 | % | FY 2013 | % | CHANGE | % CHANGE |
|---|---|---|---|---|---|---|
| Current accounts and demand deposits | 1,214,692 | 33.8% | 956,535 | 37.5% | 258,157 | 27.0% |
| Time deposits and reverse repos | (313,766) | -8.7% | (527,089) | -20.7% | 213,323 | -40.5% |
| **DIRECT SALES** | **900,926** | **25.0%** | **429,446** | **16.8%** | **471,480** | **109.8%** |
| Segregated accounts | (27,301) | -0.8% | (167,871) | -6.6% | 140,570 | -83.7% |
| UCITS and other investment funds | 2,485,108 | 69.1% | 2,582,231 | 101.3% | (97,123) | -3.8% |
| Insurance products | 531,821 | 14.8% | (23,595) | -0.9% | 555,416 | n.c. |
| **ASSETS UNDER MANAGEMENT** | **2,989,628** | **83.1%** | **2,390,765** | **93.8%** | **598,863** | **25.0%** |
| Government securities, bonds and stocks | (292,186) | -8.1% | (270,881) | -10.6% | (21,305) | 7.9% |
| **ASSETS UNDER ADMINISTRATION** | **(292,186)** | **-8.1%** | **(270,881)** | **-10.6%** | **(21,305)** | **7.9%** |
| **TOTAL NET SALES - PFA NETWORK** | **3,598,368** | **100.0%** | **2,549,330** | **100.0%** | **1,049,038** | **41.1%** |

Total net sales for 2014 stood at over €3,598 million, with a strong focus on managed assets and Advisory services, as described previously. More specifically, net sales from managed assets amounted to €2,990 million, while the CORE Series, CORE Unit, Advice, Advice Unit and Fineco STARS services generated €2,724 million in sales.

# Human resources

At the end of 2014, FinecoBank's workforce consisted of 1,022 employees compared to 976 as at December 31, 2013, equivalent to an increase of 4.71%; the breakdown was as follows:

| HUMAN RESOURCES | DECEMBER 31, 2014 | DECEMBER 31, 2013 |
|---|---|---|
| FinecoBank employees | 1,008 | 965 |
| Workers with atypical contracts* (+) | 3 | 1 |
| Group employees seconded to FinecoBank (+)** | 4 | 4 |
| FinecoBank employees seconded to the Group (-)*** | (1) | (2) |
| **Total human resources excluding Directors** | **1,014** | **968** |
| Directors (+) | 8 | 8 |
| **Total human resources** | **1,022** | **976** |

* 1 project-based staff member and 2 interim staff members as at December 31, 2014, 1 project-based staff member as at December 31, 2013.
** Of whom, one seconded on a 50% basis.
*** Of whom, one seconded on a 50% basis.

The year 2014 saw the continuation of intensive management and selection processes aimed at strengthening and optimizing the workforce, especially in light of the listing project, with particular focus on the areas dedicated to business development, organizational support, risk monitoring and management, executed mainly by recruiting 74 employees, of which:

- 8 from other Group companies;
- 66 from the market.

Of the 66 new recruits from the market, around half were employed in the Customer Relationship Management area, confirming the strong and ongoing focus on young graduates. Customer Relationship Management forms the starting point of a pathway of professional development that can lead to different roles in the business.

During the year, 61 employees had their temporary contracts converted into permanent contracts, mainly in the Customer Relationship Management area, therefore, not only guaranteeing operational continuity but also capitalising on the skills and competences already present within the business.

Internal job rotation was a significant feature of 2014, involving 52 employees, through which, on one hand, vacant positions within the company were filled, and, on the other, it ensured the continued professional development of staff.

During the year, 36 employees left the Bank, including 8 who resigned and 24 who were transferred to Group companies. The total staff turnover rate was 3.9% (7.6% new recruits and 3.7% staff members leaving).

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

| | MEN | | WOMEN | | TOTAL | |
|---|---|---|---|---|---|---|
| **Category** | **12.31.14** | **12.31.13** | **12.31.14** | **12.31.13** | **12.31.14** | **12.31.13** |
| Executives | 23 | 20 | 3 | 3 | 26 | 23 |
| Managers | 203 | 195 | 81 | 74 | 284 | 269 |
| Professional Areas | 345 | 339 | 353 | 334 | 698 | 673 |
| **Total** | **571** | **554** | **437** | **411** | **1,008** | **965** |

As at December 31, 2014 part-time staff amounted to 69, accounting for 6.8% of the workforce, with the female employees representing around 43%. Average staff length of service was 7 years, while the average age was approximately 38 years.

## Employee training

When appropriately structured and integrated with other systems for human resource development, employee training is an effective tool to improve, enhance and strengthen the technical and professional skills and managerial abilities specific to each role. The goal of training is therefore to provide employees with access to the tools they need to be able to respond effectively to the challenges of a changing business.
Over 22,800 hours of training were provided in 2014, involving the entire population of the business, at varying levels.

| TRAINING AREA | HOURS OF TRAINING |
|---|---|
| Mandatory | 5,313 |
| Technical | 9,939 |
| Foreign Language | 6,336 |
| Behavioural – Management | 1,309 |
| **Total** | **22,897** |

### Mandatory training

FinecoBank's consistent focus on establishing and strengthening a risk and compliance culture across the organization enables the business to stay not only profitable but also sustainable over time.

For this reason, during 2014, the Bank paid particular attention to mandatory training for all employees who attended the courses both in e-learning mode, using the Group My Learning Platform, and through live seminars for specific subjects. Attendance at the courses was constantly monitored in order to ensure that all employees acquired full understanding of the compulsory subjects, thereby insulating the Bank against operational, legal and reputational risks.

The training was especially focused on anti-money laundering issues. In collaboration with the Compliance Officer, a training programme was delivered involving employees at various levels in live seminars and workshops throughout 2014.

Mandatory attendance at the Operational Risks course was extended to the entire workforce and a new course was made available on privacy and data security. The courses on the subject of money laundering and MiFID were also revised in collaboration with the Compliance function. The modules have actually been redesigned in view of the specific characteristics of the Bank. The two updated courses were then made available and compulsory for all employees on the My Learning Platform.

### Technical and behavioural training

Throughout the year, training sessions were organized for the acquisition of technical skills needed to improve company productivity and the level of employee specialization.
During 2014, staff from the Risk Management and Compliance functions continued to participate in specific technical courses required by managers. This group of company staff has also had the opportunity - like all positions within the Bank - to undertake the Risk Diploma Path organized by the UniCredit Group Risk Academy (dedicated to risk training) via the Group My Learning platform.

In the Customer Care area, a total of 7,470 hours of training courses were held for "new recruits" on technical subjects, as well as "ongoing" training courses on technical and behavioural subjects (with a special focus on Communication and Service), with a view to maintaining high quality service standards and a constant customer focus.

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

### Foreign language training

The strong focus on foreign language learning for all FinecoBank staff has continued. More than 300 employees undertook English courses (either in the classroom or over the telephone) bearing in mind the usefulness of the English language in their work. In some cases (e.g. Executives) received "one-to-one" training courses in Business English.

### Management training

The year 2014 saw continued investment in middle management and specific types of employees (Executives, Talents) with the aim of supporting the development of their managerial abilities through initiatives focused on subjects including leadership, staff management, soft skills, time management and problem solving.

# Technology infrastructure

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

In 2014, the ICT Area carried out its usual activities for the technological upgrading, consolidation and development of the Information System in order to provide new and more versatile added value services to customers.
Specifically, from an architectural perspective, work continued on optimizing infrastructure and applications, as well as the continuous improvement and fine-tuning of the applications security architecture.

# Internal control system

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

Circular no. 263 of December 27, 2006 - 15th update of July 2, 2013 - defines the principles and guidelines to which the internal control system of banks must conform; in this respect, the general principles of organization are defined, the role and responsibilities of governing bodies are specified and the characteristics and roles of corporate control functions are outlined.

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

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

As part of the supervisory review and evaluation process, the Bank of Italy verifies the banks' internal control system in terms of completeness, suitability, functionality (in terms of efficiency and effectiveness) and reliability.

In accordance with the provisions laid down by the Regulatory Authority, the internal control system of the Bank consists of a set of rules, functions, organizational structures, resources, processes and procedures aimed at ensuring the achievement of the following objectives, in compliance with the principles of sound and prudent management:
- verifying the implementation of the Bank's strategies and policies;
- containing risk within the limits set out in the Bank Risk Appetite Framework - "RAF";
- preventing the Bank's involvement, even if unintentional, in unlawful activities (with specific reference to money laundering, usury and the financing of terrorism);
- protecting the value of assets and preventing losses;
- ensuring the effectiveness and efficiency of corporate processes;
- ensuring the security and reliability of the Bank information and ICT procedures;
- ensuring transactions' compliance with the law, supervisory regulations as well as internal policies, procedures and regulations.

In terms of the methods applied, the internal control system of Fineco is based on four types of controls:
- level one controls ("line controls"): these are controls relative to individual activities and are carried out according to specific operational procedures based on a specific internal regulation. Monitoring and continuously updating these processes is entrusted to "process supervisors" who are charged with devising controls able to ensure the proper performance of daily activities by the staff concerned, as well as the observance of any delegated powers. The processes subject to control relate to units that have contact with customers as well as completely internal Bank units;
- level two controls: these are controls related to daily operations connected with the process to measure quantifiable risks and

are carried out by units other than operating units, on an ongoing basis. The Risk Management function controls market, credit and operational risks, regarding to compliance with limits assigned to operating functions and the consistency of operations of individual production areas with established risk/return objectives; the Compliance Officer function is responsible for controls on non-compliance risks;

- level three controls: these controls are typical of internal auditing, based on analysis of information obtained from databases or company reports, as well as on-site controls. The purpose of these controls is to check the functioning of the overall internal control system and identify any anomalous trends, or infringements of procedures or regulations. These controls are assigned to the Internal Audit function, which operates at a central level, at UniCredit, based on a specific service agreement;
- institutional supervisory controls: these refer to controls by Bank bodies, including in particular the Board of Statutory Auditors and the Supervisory Body pursuant to Legislative Decree no. 231 of 8 June 2001.

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

- control bodies and functions including, to the extent of each of their respective areas of responsibility, the Board of Directors, the Audit and Related Parties Committee, the Remuneration and Appointments Committee, the Managing Director and the General Manager[2], the Board of Statutory Auditors, the Supervisory Body set up pursuant to Legislative Decree 231/01 and the corporate control functions (Risk Management, Compliance[3], Internal Audit) as well as other company functions with specific internal control duties[4];
- procedures for the coordination of entities involved in the internal control and risk management system; these procedures provide for:
  - cooperation and coordination among control functions, through specific information flows that are formalized in internal regulations and through managerial committees dedicated to control issues;
  - application of the Group coordination model defined as part of the management and coordination activity carried out by the Parent Company;
  - definition of information flows both between corporate bodies and control functions within the Bank, and with the Parent Company, in order for the latter to be able to properly carry out its management and coordination activities.

Finally, it should be noted that, under Article 49, paragraph 1, of the Regulation (EU) No. 468/2014 of the European Central Bank (ECB/2014/17)1 (the SSM - single supervisory mechanism - Framework Regulation), the ECB published a list containing the names of supervised entities and groups that fall under the direct supervision of the ECB ("significant supervised entities" and "significant supervised groups", as defined in Article 2, points 16) and 22) of the SSM Framework Regulation), indicating each specific reason for direct supervision for each of them, and, if classified as significant based on size, the total value of the assets of the entity or group supervised.
FinecoBank, as a "credit institution established in a participating Member State" belonging to the UniCredit group (classified as a "significant supervised group"), is included in the list of "significant supervised entities".

2. Also appointed as "Director responsible for the internal control and risk management system" in accordance with principle 7.P.3 of the Corporate Governance Code of listed companies.
3. This function includes the Anti Money Laundering Service, responsible for managing the correct application of regulations on anti money laundering and combating the financing of terrorism.
4. The legislative framework and the codes of conduct assign control tasks to specific functions - other than corporate control functions - whose work should be seen as being a functional part of the Internal Control System. In the specific case of FinecoBank, these include the Local Control System for legislation concerning related-party transactions carried out with associated persons in a conflict of interest situation (under the responsibility of the Corporate Affairs Unit of the Legal & Corporate Affairs Department), the Nominated Official in charge of drawing up Company Accounts pursuant to Article 154-bis of the Consolidated Finance Act (identified as the Bank's CFO), the Officer in charge of Health and Safety at Work; the Human Resources function, the Head of Business Continuity & Crisis Management and the Head of Outsourcing Management. All corporate functions, other than corporate control functions, also participate in the Internal Control System by carrying out the level-one controls included in the business processes within their responsibility.

# Main risks and uncertainties

For more details of the risks and uncertainties faced by the Bank in the current market situation, reference is made to Part E – Information on risks and hedging policies of the Notes to the Accounts.

# Organizational structure

The organizational structure of the Bank is consistent with the Group Organization Guidelines issued by the Parent Company UniCredit S.p.A.
The Guidelines set out organizational principles and rules designed to ensure their uniform application across all Group Legal Entities, through:
- clear organizational principles and criteria;
- specific organizational documents;
- suitable processes for organizational changes.

The Group Organization Guidelines set out structured organizational rankings on four levels (Division, Department, Unit and Team) based on their size and the organizational complexity of the operations overseen.

A number of organisational changes were made during 2014: more specifically, as an alternative to the standardized services for retail customers, Fineco offers a new Asset Protection service to customers in the Private Banking segment and the PFA Network, and especially the Wealth Advisors; the new service provides assistance, support and training on topics related to asset protection and the generational transfer of wealth. Accordingly, the Investment Services Department was assigned new responsibilities and was renamed as "Investment and Wealth Management Services Department".
In summary, the Department's new activities will cover the following areas:
- training and assistance to the network of advisors on legal, corporate and tax matters related to asset protection and the planning and management of the generational transfer of wealth;
- organization of events aimed at strengthening the relationship with customers in the "Private Banking" segment.

In addition, as of July 1, in relation to and in order to meet FinecoBank's operational needs in view of the stock market listing, the Managing Director was also assigned the role of General Manager and, with reference to the management of relations with investors and intermediaries, the role of Investor Relator was created. The Investor Relator represents the Bank in the domestic and international financial community, acting as point of contact between the Bank and the market.

The Legal & Corporate Affairs Department was partially restructured. In particular we note the creation of the new Corporate Affairs & Legal Specialist unit, following on from the greater complexity of legal requirements and corporate activities, due to Fineco's listing on the stock market. The unit is responsible for assisting the Board of Directors and Head Office in setting up effective corporate governance systems.

## Organizational Model

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

The following organizational units report to the Managing Director and General Manager: Network PFA Department, Investment Services and Wealth Management Department, Direct Bank Department, CFO Department (Chief Financial Officer), CRO Department (Chief Risk Officer), Network Controls, Monitoring And Services Department,

Legal & Corporate Affairs Department, GBS Department (Global Banking Services), Human Resources Unit, Compliance Referent Unit, and the Identity & Communication Team.
The organizational model identifies four main functional lines, which govern:
• the sales network (Network PFA Department);
• investment services (Investment Services and Wealth Management Department);
• direct banking (Direct Bank Department);
• operational functioning (GBS Department).

In summary:
- The Network PFA Department is responsible for overseeing the management and development of Fineco's network of financial advisors;
- The Investment Services And Wealth Management Department is responsible for monitoring the development of products placed by the Bank and the financial advisory services provided to all Customers;
- The Direct Bank Department is responsible for overseeing the development of new products and services in the two core components of Fineco (Trading and Banking) and the related placement process through direct channels (Internet and telephone);
- The Investment Services And Wealth Management Department and the Direct Bank Department work closely with each other in order to develop a combined and synergistic offering of products and services to customers, in line with the Bank's marketing and business strategies;
- The GBS (Global Banking Services) Department coordinates the organizational units in charge of monitoring the organizational/ operating processes and the ICT and logistics systems needed to ensure the effective and efficient operation of business support systems. The following organizational units report to the GBS Department: Information Security & Fraud Management Team, ICT – Information & Communication Technology Department, CRM – Customer Relationship Management Department, Organization & Bank Operations Department, Financial Operations Department, Network Services Unit, General Services Unit.

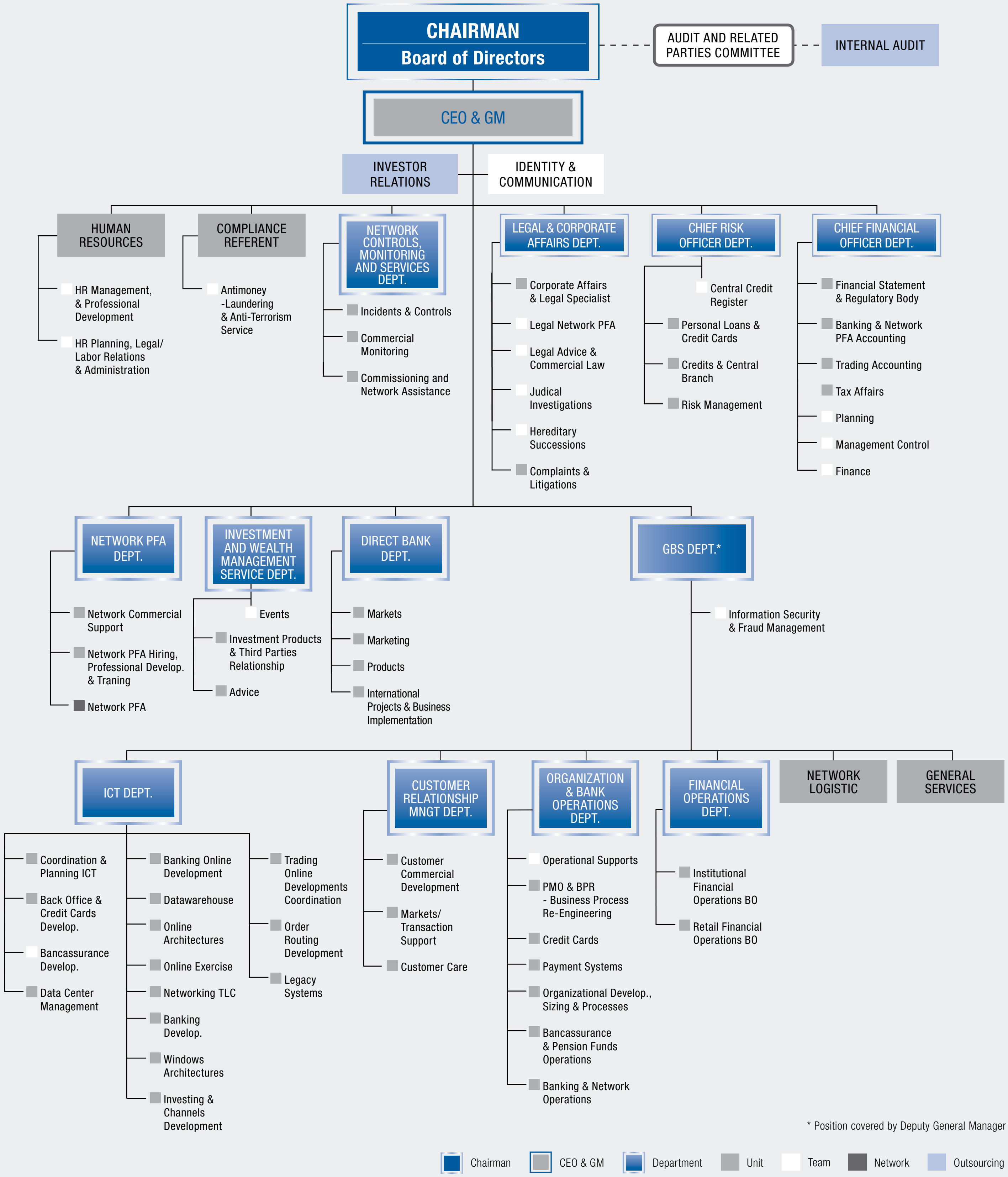
The synergies between the distribution channels and the monitoring of decision-making processes that cut across the Departments are ensured by a Management Committee.

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

Moreover, with regard to the activities of the Investor Relator, who manages relations with investors and intermediaries and who represents the Company in the national and international financial community, Fineco has adopted an outsourcing model based on a signed service contract with UniCredit S.p.A..

# Organizational structure (CONTINUED)

The organizational structure of Fineco is as follows:



# Business continuity plan (BCP)

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

FinecoBank's Business Continuity and Crisis Management system includes a business continuity plan (the "BCP"), a disaster recovery plan (the "DRP"), a Pandemic Management Plan and a Crisis Management Plan. These plans describe how crises are to be managed in FinecoBank and/or how the impacts on the UniCredit group are to be managed through predefined "stages", made up of objectives, activities and expected results. In particular, the BCP sets out the strategies and procedures adopted by the Bank to guarantee the continuity of critical services in emergencies. The DRP (incorporated in the BCP) establishes the measures to recover applications and information systems hit by "disaster".

To guarantee the effectiveness and adequacy of these plans and identifying any areas for improvement, test plans were drawn up at the start of 2014 and tests were carried out during the year. The outcomes of the resulting tests carried out during the year were positive.

# Main balance sheet aggregates

(Amounts in € thousand)

| ASSETS | 12.31.2014 | 12.31.2013 | CHANGES AMOUNT | % |
|---|---|---|---|---|
| Cash and cash balances | 5 | 5 | - | - |
| Financial assets held for trading | 3,054 | 4,700 | (1,646) | -35.0% |
| Loans and receivables with banks | 13,892,197 | 16,330,912 | (2,438,715) | -14.9% |
| Loans and receivables with customers | 695,594 | 641,250 | 54,344 | 8.5% |
| Financial investments | 1,695,555 | 93,114 | 1,602,441 | 1720.9% |
| Hedging instruments | 24,274 | 179,265 | (154,991) | -86.5% |
| Property, plant and equipment | 10,892 | 10,772 | 120 | 1.1% |
| Goodwill | 89,602 | 89,602 | - | - |
| Other intangible assets | 8,142 | 8,014 | 128 | 1.6% |
| Tax assets | 18,550 | 47,075 | (28,525) | -60.6% |
| Other assets | 326,756 | 256,629 | 70,127 | 27.3% |
| **Total assets** | **16,764,621** | **17,661,338** | **(896,717)** | **-5.1%** |

(Amounts in € thousand)

| LIABILITIES AND SHAREHOLDERS' EQUITY | 12.31.2014 | 12.31.2013 | CHANGES AMOUNT | % |
|---|---|---|---|---|
| Deposits from banks | 1,428,568 | 1,648,675 | (220,107) | -13.4% |
| Deposits from customers | 13,914,712 | 12,732,309 | 1,182,403 | 9.3% |
| Debt securities in issue | 424,710 | 2,322,511 | (1,897,801) | -81.7% |
| Financial liabilities held for trading | 3,135 | 2,301 | 834 | 36.2% |
| Hedging instruments | 46,220 | 178,574 | (132,354) | -74.1% |
| Provisions for risks and charges | 118,031 | 105,421 | 12,610 | 12.0% |
| Tax liabilities | 33,358 | 16,842 | 16,516 | 98.1% |
| Other liabilities | 243,633 | 235,556 | 8,077 | 3.4% |
| *Shareholders' equity* | *552,254* | *419,149* | *133,105* | *31.8%* |
| *- capital and reserves* | *400,085* | *329,719* | *70,366* | *21.3%* |
| *- revaluation reserves for available-for-sale financial assets and for actuarial gains (losses) from defined benefit plans* | *2,262* | *4,214* | *(1,952)* | *-46.3%* |
| *- net profit (loss)* | *149,907* | *85,216* | *64,691* | *75.9%* |
| **Total liabilities and shareholders' equity** | **16,764,621** | **17,661,338** | **(896,717)** | **-5.1%** |

## Financial assets held for trading

Financial assets held for trading consist of:

- bonds and equities classified as HFT (held for trading), amounting to €71 thousand, held in the Bank's portfolio as a result of trading activity, and intended to be traded in the short term;
- the positive valuation of spot contracts for securities in the HFT portfolio and currencies to be settled in time frames established by market practices ("regular way") for €2.1 million, which correspond to negative valuations booked under item 40 "Financial liabilities held for trading";
- the positive valuation of CFDs and futures on indices and interest rates and of CFDs on Forex for €0.9 million.

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

**Loans and receivables with banks**

(Amounts in € thousand)

| | | | CHANGES | |
|---|---|---|---|---|
| | 12.31.2014 | 12.31.2013 | AMOUNT | % |
| Current accounts and demand deposits | 1,476,280 | 9,433,356 | (7,957,076) | -84.4% |
| Time deposits | 2,894,321 | 3,563,334 | (669,013) | -18.8% |
| Other loans: | | | | |
| 1 Reverse repos | 5,794 | 5,584 | 210 | 3.8% |
| 2 Other | 27,472 | 6,022 | 21,450 | 356.2% |
| Debt securities | 9,488,330 | 3,322,616 | 6,165,714 | 185.6% |
| **Total** | **13,892,197** | **16,330,912** | **(2,438,715)** | **-14.9%** |

Loans and receivables with banks for current accounts and demand deposits mainly consist of accounts held with UniCredit, with a book value of €1,450.7 million and to a lesser extent, of current accounts held with non-Group Banks for transactions in securities.
The time deposits recognized under assets consist of the deposit held with UniCredit for compulsory reserves, with a book value of €131.9 million, in addition to time deposits held with UniCredit with a book value of €2,762.4 million, opened in order to invest the funds collected through repos and CashPark transactions with retail customers and repos with credit institutions, with the same maturities.
In the item Other Loans, the item Other relates to the amount of the initial 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 €9,488.3 million (€3,322.5 million at December 31, 2013).

Regarding to the increase in UniCredit securities held compared to December 31, 2013, the most significant investment was realised in early April 2014, for an amount totalling €7,650 million and $250 million. In the subsequent months, two further investments were realised: €200 million in July and €400 million in October.
These types of investment were determined by taking into account the overall structure of the Bank's balance sheet and with a view to optimizing its liquidity risk profile, in line with the amount of structural liquidity (whose main component is sight deposits considered as "Core"), with the objective of diversifying these investments in terms of maturities. The bonds issued by UniCredit and reserved for FinecoBank are freely transferable to third parties throughout the term of the bond.

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

# Main balance sheet aggregates (CONTINUED)

**Loans and receivables with customers**

(Amounts in € thousand)

| | 12.31.2014 | 12.31.2013 | CHANGES AMOUNT | % |
|---|---|---|---|---|
| Current accounts | 130,765 | 101,195 | 29,570 | 29.2% |
| Reverse repos | 118,014 | 120,860 | (2,846) | -2.4% |
| Mortgages | 58 | 76 | (18) | -23.7% |
| Credit cards and personal loans | 346,465 | 319,087 | 27,378 | 8.6% |
| Other loans | 100,291 | 100,031 | 260 | 0.3% |
| Debt securities | 1 | 1 | - | 0.0% |
| **Total** | **695,594** | **641,250** | **54,344** | **8.5%** |

Loans and receivables with customers, amounting to €695.6 million, can essentially be broken down as follows:

- €478.8 million in loans to ordinary customers;
- €118 million in reverse repos;
- €23.1 million in collateral deposits, initial and variance margins with clearing houses for derivative transactions;
- €75.7 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.

(Amounts in € thousand)

| LOANS AND RECEIVABLES WITH CUSTOMERS (MANAGEMENT RECLASSIFICATION) | 12.31.2014 | 12.31.2013 | CHANGES AMOUNT | % |
|---|---|---|---|---|
| Current accounts | 128,270 | 98,455 | 29,815 | 30.3% |
| Use of credit cards | 243,115 | 219,010 | 24,105 | 11.0% |
| Personal loans | 101,697 | 98,241 | 3,456 | 3.5% |
| Other loans | 1,438 | 1,402 | 36 | 2.6% |
| *Performing loans* | *474,520* | *417,108* | *57,412* | *13.8%* |
| Current accounts | 2,495 | 2,740 | (245) | -8.9% |
| Mortgages | 58 | 76 | (18) | -23.7% |
| Use of credit cards | 104 | 130 | (26) | -20.0% |
| Personal loans | 1,549 | 1,706 | (157) | -9.2% |
| Other loans | 26 | 24 | 2 | 8.3% |
| *Impaired loans* | *4,232* | *4,676* | *(444)* | *-9.5%* |
| **Loan receivables with ordinary customers** | **478,752** | **421,784** | **56,968** | **13.5%** |
| Reverse repos | 117,987 | 120,804 | (2,817) | -2.3% |
| Reverse repos - impaired | 27 | 56 | (29) | -51.8% |
| Collateral deposits and initial and variation margins | 23,122 | 32,007 | (8,885) | -27.8% |
| Current receivables associated with the provision of financial services | 75,705 | 66,598 | 9,107 | 13.7% |
| Debt securities | 1 | 1 | - | 0.0% |
| **Current receivables and other receivables** | **216,842** | **219,466** | **(2,624)** | **-1.2%** |
| **Loans and receivables with customers** | **695,594** | **641,250** | **54,344** | **8.5%** |

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 increased by 13.5%, due to a greater use of credit cards with full payment of the balance at term and greater use of current account credit lines.

## Impaired assets

(Amounts in € thousand)

| | GROSS AMOUNT | | IMPAIRMENT PROVISION | | NET AMOUNT | | COVERAGE RATIO | |
|---|---|---|---|---|---|---|---|---|
| CATEGORY | 12.31.2014 | 12.31.2013 | 12.31.2014 | 12.31.2013 | 12.31.2014 | 12.31.2013 | 12.31.2014 | 12.31.2013 |
| Non-performing loans | 19,845 | 17,664 | (16,686) | (14,387) | 3,159 | 3,277 | 84.08% | 81.45% |
| Doubtful loans | 1,393 | 2,065 | (936) | (1,392) | 457 | 673 | 67.19% | 67.41% |
| Past-due loans | 1,260 | 1,444 | (617) | (663) | 643 | 781 | 48.97% | 45.91% |
| **Total** | **22,498** | **21,173** | **(18,239)** | **(16,442)** | **4,259** | **4,731** | **81.07%** | **77.66%** |

The amount of impaired loans net of impairment losses was €4.3 million, €3.2 million of which in non-performing loans, €0.5 million in doubtful loans and €0.6 million in past-due loans. Impaired loans mostly relate to current account overdrafts, credit card use and personal loans.

Impaired customer loans represent 0.89% of loan receivables with ordinary customers, down against the figure of 1.12% as at December 31, 2013 as a result of the increase in loans for use of credit cards with full payment of the balance at term and current account overdrafts.

### Financial investments flow

(Amounts in € thousand)

| | | | CHANGES | |
|---|---|---|---|---|
| | 12.31.2014 | 12.31.2013 | AMOUNT | % |
| Financial assets designated at fair value through profit or loss | - | 3,199 | (3,199) | -100.0% |
| Available-for-sale financial assets | 1,695,555 | 89,915 | 1,605,640 | 1785.7% |
| **Total** | **1,695,555** | **93,114** | **1,602,441** | **1720.9%** |

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

*Available-for-sale financial assets* consist of debt securities issued by governments, including in particular Italian government bonds with a book value of €1,685.1 million, French government bonds with a book value of €10.4 million, and investments in companies in which the Bank does not exercise control or significant influence amounting to €5 thousand, including 20 shares of UniCredit Business Integrated Solutions S.c.p.A. totalling €172.

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

A portion of debt securities classified in the *Available-for-sale financial assets* portfolio are entirely used as collateral for bankers’ drafts or guarantees with third parties for a book value of €126.7 million.

# Main balance sheet aggregates (Continued)

## Hedging instruments

(Amounts in € thousand)

| | 12.31.2014 | 12.31.2013 | CHANGES AMOUNT | CHANGES % |
|---|---|---|---|---|
| Asset hedging derivatives - positive valuations | 11,554 | 47,784 | (36,230) | -75.8% |
| Liability hedging derivatives - positive valuations | 7,693 | 75,359 | (67,666) | -89.8% |
| Adjustment to the value of assets under portfolio hedge | 5,027 | 56,122 | (51,095) | -91.0% |
| **Total assets** | **24,274** | **179,265** | **(154,991)** | **-86.5%** |
| of which: | | | | |
| Positive valuations | 19,842 | 125,197 | (105,355) | -84.2% |
| Related accrued assets and liabilities | (595) | (2,054) | 1,459 | -71.0% |
| Adjustments to the value of hedged assets | 5,027 | 56,122 | (51,095) | -91.0% |
| **Total assets** | **24,274** | **179,265** | **(154,991)** | **-86.5%** |
| Asset hedging derivatives - negative valuations | 36,993 | 93,987 | (56,994) | -60.6% |
| Liability hedging derivatives - negative valuations | - | 47,814 | (47,814) | -100.0% |
| Adjustment to the value of assets under portfolio hedge | 9,227 | 36,773 | (27,546) | -74.9% |
| **Total liabilities** | **46,220** | **178,574** | **(132,354)** | **-74.1%** |
| of which: | | | | |
| Negative valuations | 30,793 | 144,546 | (113,753) | -78.7% |
| Related accrued assets and liabilities | 6,200 | (2,745) | 8,945 | n.c. |
| Adjustments to the value of hedged liabilities | 9,227 | 36,773 | (27,546) | -74.9% |
| **Total liabilities** | **46,220** | **178,574** | **(132,354)** | **-74.1%** |

(Amounts in € thousand)

| Summary of hedging derivative valuations 12.31.2014 | Assets | Liabilities | Difference |
|---|---|---|---|
| Valuation of asset and liability hedging derivatives | 19,842 | 30,793 | (10,951) |
| Change in fair value of hedged assets/liabilities | 5,027 | 9,227 | (4,200) |
| Revaluation reserve before related taxation | - | (15,151) | 15,151 |
| **Total** | **24,869** | **24,869** | **-** |

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 €-0.6 million and €6.2 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 branches.

(Amounts in € thousand)

| PROPERTY, PLANT AND EQUIPMENT | BALANCE 01.01.2014 | INVESTMENTS AS AT 12.31.2014 | OTHER CHANGES-SALES | DEPRECIATION AND WRITE-DOWNS AS AT 12. 31.2014 | BALANCE 12.31.2014 |
|---|---|---|---|---|---|
| Properties | 2,734 | - | - | (113) | 2,621 |
| Electronic machines | 5,846 | 2,876 | - | (2,586) | 6,136 |
| Furniture and fixtures | 834 | 901 | 10 | (818) | 927 |
| Plant and machinery | 1,358 | 369 | - | (519) | 1,208 |
| **TOTAL** | **10,772** | **4,146** | **10** | **(4,036)** | **10,892** |

## Goodwill

Impairment testing on goodwill, performed on December 31, 2014, did not identify any impairment; for all further information on the impairment test, refer to Part B) – Balance Sheet Information in the Notes to the Accounts.

As at December 31, 2014, the goodwill recorded in the financial statements was made up as follows:

(Amounts in € thousand)

| | 12.31.2014 | 12.31.2013 |
|---|---|---|
| Goodwill relating to Fineco On Line Sim S.p.A. | 16,087 | 16,087 |
| Goodwill relating to the trading and banking division of Banca della Rete | 2,034 | 2,034 |
| Goodwill relating to PFA division formerly FinecoGroup S.p.A. | 3,463 | 3,463 |
| Goodwill relating to PFA division formerly UniCredit Xelion Banca S.p.A. | 68,018 | 68,018 |
| **Total** | **89,602** | **89,602** |

### 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 at that time 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

# Main balance sheet aggregates (CONTINUED)

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.

(Amounts in € thousand)

| INTANGIBLE ASSETS | BALANCE 01.01.2014 | INVESTMENTS AS AT 12.31.2014 | OTHER CHANGES-SALES | AMORTISATION AND WRITE-DOWNS AS AT 12.31.2014 | BALANCE 12.31.2014 |
|---|---|---|---|---|---|
| Software | 6,853 | 4,523 | - | (4,407) | 6,969 |
| Other intangible assets | 1,161 | 378 | - | (366) | 1,173 |
| **TOTAL** | **8,014** | **4,901** | **-** | **(4,773)** | **8,142** |

## Tax Assets and Other Assets

(Amounts in € thousand)

| | 12.31.2014 | 12.31.2013 | CHANGES AMOUNT | CHANGES % |
|---|---|---|---|---|
| **Tax assets** | | | | |
| Current assets | 2,179 | 25,264 | (23,085) | -91.4% |
| Deferred tax assets | 12,532 | 18,338 | (5,806) | -31.7% |
| Deferred tax assets pursuant to Law 214/2011 | 3,839 | 3,473 | 366 | 10.5% |
| **Total** | **18,550** | **47,075** | **(28,525)** | **-60.6%** |
| **Other assets** | | | | |
| Items in processing | 9,193 | 9,488 | (295) | -3.1% |
| Definitive items not recognised under other items | 53,600 | 62,491 | (8,891) | -14.2% |
| Current receivables not related to the provision of financial services | 4,576 | 1,707 | 2,869 | 168.1% |
| Tax items other than those included in the item "Tax assets" | 235,072 | 160,908 | 74,164 | 46.1% |
| Prepayments | 15,109 | 10,940 | 4,169 | 38.1% |
| Improvement and incremental expenses incurred on leasehold assets | 9,081 | 10,962 | (1,881) | -17.2% |
| Other items | 125 | 133 | (8) | -6.0% |
| **Total** | **326,756** | **256,629** | **70,127** | **27.3%** |

The decrease in "Tax assets" of €23 million is mainly due to the use of previously paid IRES income tax and IRAP corporate tax advances.

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

## Deposits from banks

(Amounts in € thousand)

| | 12.31.2014 | 12.31.2013 | CHANGES AMOUNT | % |
|---|---|---|---|---|
| **Deposits from central banks** | - | - | - | - |
| **Deposits from banks** | | | | |
| Current accounts and demand deposits | 89,607 | 29,139 | 60,468 | 207.5% |
| Loans | | | | |
| Repos | 1,337,843 | 1,619,295 | (281,452) | -17.4% |
| Other liabilities | 1,118 | 241 | 877 | 363.9% |
| **Total** | **1,428,568** | **1,648,675** | **(220,107)** | **-13.4%** |

The item current accounts and demand deposits mainly consists of reciprocal current accounts and loans with UniCredit group companies, with a book value of €17.3 million, as well as reciprocal current accounts and loans with banks outside the Group of €7.7 million. The item also includes margin variations for trading in repos received by UniCredit, with a book value of €64.6 million.

Repos include €1,256.6 million of transactions performed with UniCredit and €27.1 million of transactions with UniCredit AG Monaco.

## Deposits from customers

Deposits from customers, mainly consisting of current accounts, the Cash Park deposit account and Supersave repos, totalled €13,914.7 million, an increase of 9.3% compared to December 31, 2013.

(Amounts in € thousand)

| | 12.31.2014 | 12.31.2013 | CHANGES AMOUNT | % |
|---|---|---|---|---|
| Current accounts and demand deposits | 12,247,454 | 10,666,363 | 1,581,091 | 14.8% |
| Time deposits | 1,315,731 | 1,699,635 | (383,904) | -22.6% |
| Loans | | | | |
| Repos | 281,178 | 304,380 | (23,202) | -7.6% |
| Other liabilities | 70,349 | 61,931 | 8,418 | 13.6% |
| **Deposits from customers** | **13,914,712** | **12,732,309** | **1,182,403** | **9.3%** |

## Debt securities in issue

(Amounts in € thousand)

| | 12.31.2014 | 12.31.2013 | CHANGES AMOUNT | % |
|---|---|---|---|---|
| **Bonds** | **424.710** | **2.322.511** | **(1.897.801)** | **-81,7%** |

During the first half of 2014, the Bank reimbursed securities in issue for a nominal amount of €1,500 million (repurchased in previous years); it also partially repurchased bonds issued for a total nominal amount of €1,850 million and USD 70 million. These bonds had been issued at par in 2011 and had been fully underwritten by UniCredit, while the Bank had underwritten bonds issued by UniCredit, following the need for both the Bank and UniCredit to hold bonds in the portfolio useful for their operations with customers. As described above, by underwriting other bonds issued by UniCredit as part of the liquidity investment policy defined as of April 1, 2014 and following the gradual reduction in repo transactions with customers that had led the Bank and UniCredit to reciprocally underwrite and issue such bonds, both parties were able to sell part of the securities held in the portfolio and to repurchase the securities in issue.

# Main balance sheet aggregates (Continued)

## Financial liabilities held for trading

Financial liabilities held for trading consist of:
- technical overdrafts classified under as HFT (held for trading), held in the Bank's portfolio as a result of trading activity, for an immaterial amount;
- 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 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 €1.1 million.

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

## Provisions for risks and charges

Provisions for risks and charges include allowances for a total of €118 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.

(Amounts in € thousand)

| | | | CHANGES | |
|---|---|---|---|---|
| | 12.31.2014 | 12.31.2013 | AMOUNT | % |
| **Legal disputes** | **49,650** | **55,578** | **(5,928)** | **-10.7%** |
| - Pending proceedings | 36,205 | 40,573 | (4,368) | -10.8% |
| - Claims | 13,445 | 15,005 | (1,560) | -10.4% |
| **Staff expenses** | **7,805** | **-** | **7,805** | **-** |
| **Other** | **60,576** | **49,843** | **10,733** | **21.5%** |
| - Supplementary customer indemnity provision | 44,114 | 32,178 | 11,936 | 37.1% |
| - Contractual payments and payments under non-competition agreements | 2,269 | 1,916 | 353 | 18.4% |
| - Tax disputes | 7,298 | 7,439 | (141) | -1.9% |
| - Other provisions | 6,895 | 8,310 | (1,415) | -17.0% |
| **Total provisions for risks and charges - other provisions** | **118,031** | **105,421** | **12,610** | **12.0%** |

## Tax liabilities and Other liabilities

(Amounts in € thousand)

| | 12.31.2014 | 12.31.2013 | CHANGES | |
|---|---|---|---|---|
| | | | AMOUNT | % |
| **Tax liabilities** | | | | |
| Current liabilities | 33,358 | 16,842 | 16,516 | 98.1% |
| **Total** | **33,358** | **16,842** | **16,516** | **98.1%** |
| **Other liabilities** | | | | |
| Impairment of financial guarantees issued | 1,416 | 5,885 | (4,469) | -75.9% |
| Items in processing | 42,366 | 47,398 | (5,032) | -10.6% |
| Definitive items not recognised under other items | 33,913 | 32,445 | 1,468 | 4.5% |
| Payables to employees and other personnel | 6,549 | 15,229 | (8,680) | -57.0% |
| Payables to Directors and Statutory auditors | 212 | 244 | (32) | -13.1% |
| Current payables not related to the provision of financial services | 25,075 | 27,400 | (2,325) | -8.5% |
| Tax items other than those included in the item "Tax liabilities" | 107,717 | 83,854 | 23,863 | 28.5% |
| Social security contributions to be paid | 5,576 | 4,853 | 723 | 14.9% |
| Adjustments for illiquid portfolio items | 15,197 | 13,847 | 1,350 | 9.7% |
| Other items | 786 | 640 | 146 | 22.8% |
| **Employee severance pay provision** | **4,826** | **3,761** | **1,065** | **28.3%** |
| **Total** | **243,633** | **235,556** | **12,546** | **5.3%** |

The increase in "Tax liabilities" of €16.5 million was due to higher income taxes for the year resulting from an increase in taxable income.

With regard to the "Other Liabilities", there was a decrease in "Items in processing" relating to incoming and outgoing bank transfers; the reduction in "Payables to employees and other personnel" caused by the recognition within the Provision for risks and charges, as of 2014, of provisions made for the variable remuneration to be paid to employees in subsequent years, which have an uncertain due date and/or amount; the increase in "Tax items other than those included in the item Tax liabilities", as a result of the higher payables to the tax authorities for stamp duty and for withholding taxes in our capacity as withholding agent.
In addition, the item "Impairment losses on financial guarantees given" includes the expenses resulting from the measures already approved by the National Interbank Deposit Guarantee Fund.

## Shareholders' equity

As at December 31, 2014, the Bank's share capital came to €200 million, and was divided into 606,274,033 shares with a par value of €0.33 each. Reserves comprise the legal reserve amounting to €33.1 million, the extraordinary reserve amounting to €142.7 million, the reserve for purchase of treasury shares amounting to €14.9 million, the reserve connected to the Equity Settled plans amounting to €7.2 million, and retained earnings amounting to €0.2 million.

The Bank does not hold, and did not hold during the period ended December 31, 2014, any treasury shares in the portfolio.

Following the Shareholders' Meeting resolution of April 15, 2014, the profit for the year 2013 of €85.2 million was allocated as follows:
- €4.3 million to the legal reserve;
- €58.9 million to the extraordinary reserve;
- €20 million, equal to €0.033 per share, to the shareholder;
- €2 million to charitable donations.

# Main balance sheet aggregates (CONTINUED)

## Equity

(Amounts in € thousand)

| ITEM/AMOUNT | 12.31.2014 | 12.31.2013 | CHANGES AMOUNT | CHANGES % |
|---|---|---|---|---|
| Share capital | 200,070 | 200,070 | - | - |
| Share premium reserve | 1,934 | 1,934 | - | - |
| Reserves | | | | - |
| - Legal reserve | 33,061 | 28,800 | 4,261 | 14.8% |
| - Extraordinary reserve | 142,739 | 98,744 | 43,995 | 44.6% |
| - Other reserves | 22,281 | 171 | 22,110 | n.c. |
| Revaluation reserves | 2,262 | 4,214 | (1,952) | -46.3% |
| Net Profit (Loss) for the year | 149,907 | 85,216 | 64,691 | 75.9% |
| **Total** | **552,254** | **419,149** | **133,105** | **31.8%** |

## Shareholders

The share capital, fully subscribed and paid up, totalled €200,070,430.89 divided into 606,274,033 ordinary shares with a face value of €0.33.
As at December 31, 2014, according to analysis performed on data from heterogeneous sources, as the content of the Register of Shareholders, communications to CONSOB, public filings available on the market:

- there were approximately 10,200 shareholders;
- resident shareholders held around 76.06% of the capital and foreign shareholders 23.94%;
- 97.04% of the ordinary share capital is held by legal entities, the remaining 2.96% by individuals.

Also as of that date, the main shareholders were:

(Amounts in € thousand)

| MAJOR SHAREHOLDERS | ORDINARY SHARES | % OWNED |
|---|---|---|
| UniCredit S.p.A | 397,108,033 | 65.500% |
| Threadneedle Asset Management Holdings LTD | 13,500,000 | 2.227% |

# Capital resources and prudential requirements

(Amounts in € thousand)

| | 12.31.2014 | 12.31.2013 |
|---|---|---|
| Common Equity Tier 1 - CET1 | 353,133 | 316,008 |
| Tier 1 | - | - |
| **Total Own Funds** | **353,133** | **316,008** |
| **Total risk weighed assets** | **1,850,331** | **2,580,595** |
| Common Equity Tier 1 Capital Ratio (Tier 1 capital/Risk-weighted assets -TIER 1 capital ratio at December 31, 2013) | 19.08% | 12.25% |
| Tier 1 Capital Ratio (Tier 1 capital/Risk-weighted assets -TIER 1 capital ratio at December 31, 2013) | 19.08% | 12.25% |
| Total Own Funds Capital Ratio (Regulatory capital/Risk-weighted assets - Total capital ratio at December 31, 2013) | 19.08% | 12.25% |

Total own funds as at December 31, 2014 amounted to €353.1 million, including the portion of the 2014 profit that will not be distributed, calculated on the year-end profit for 2014, as per article 26.2 of the Regulation (EU) 575/2013 (CRR).

The Common Equity Tier 1 Capital ratio, the Tier 1 Capital Ratio and the Total Own Funds Capital Ratio as at December 31, 2014 were calculated by applying the supervisory regulations in force according to the Basel III regulatory framework.

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

# Income statement figures

## Condensed Income Statement

(Amounts in € thousand)

| | 2014 | 2013 | CHANGES AMOUNT | CHANGES % |
|---|---|---|---|---|
| Net interest | 228,247 | 180,278 | 47,969 | 26.6% |
| Net fee and commission income | 195,744 | 166,736 | 29,008 | 17.4% |
| Net trading, hedging and fair value income | 29,742 | 28,281 | 1,461 | 5.2% |
| Net other expenses/income | (5,719) | (3,013) | (2,706) | 89.8% |
| **OPERATING INCOME** | **448,014** | **372,282** | **75,732** | **20.3%** |
| Payroll costs | (69,151) | (63,338) | (5,813) | 9.2% |
| Other administrative expenses | (208,189) | (174,636) | (33,553) | 19.2% |
| Recovery of expenses | 77,170 | 56,997 | 20,173 | 35.4% |
| Amortization, depreciation and impairment losses on intangible and tangible assets | (8,809) | (8,081) | (728) | 9.0% |
| **Operating costs** | **(208,979)** | **(189,058)** | **(19,921)** | **10.5%** |
| **OPERATING PROFIT (LOSS)** | **239,035** | **183,224** | **55,811** | **30.5%** |
| Net impairment losses on loans and provisions for guarantees and commitments | (4,596) | (9,160) | 4,564 | -49.8% |
| **NET OPERATING PROFIT (LOSS)** | **234,439** | **174,064** | **60,375** | **34.7%** |
| Provisions for risks and charges | (4,705) | (12,125) | 7,420 | -61.2% |
| Net income from investments | (4) | (6) | 2 | -33.3% |
| **PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS** | **229,730** | **161,933** | **67,797** | **41.9%** |
| Income tax for the period | (79,823) | (76,717) | (3,106) | 4.0% |
| **PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS** | **149,907** | **85,216** | **64,691** | **75.9%** |
| **NET PROFIT (LOSS) FOR THE PERIOD** | **149,907** | **85,216** | **64,691** | **75.9%** |

## Net interest

The net interest as at December 31, 2014 was €228 million, up 26.6% compared to 2013 due to the consistent increase in transactional liquidity – driving customer trading overall – a consistently declining cost of funding and a careful liquidity investment policy.
In particular, as of April 1, 2014, structural liquidity has been invested in UniCredit bonds. The most significant investment was realised in early April 2014, for an amount totalling €7,650 million and $250 million. In the subsequent months, two further investments were realised: €200 million in July and €400 million in October.
These types of investment were determined by taking into account the overall structure of the Bank's balance sheet and with a view to optimize the risk/return profile of the investments and diversify their maturities. The portion of liquidity classified as non-core was invested in liquid assets or assets readily convertible into cash, including Italian government bonds, for a nominal amount of €1,500 million (while derivative contracts were entered into at the same time in order to convert the fixed rate into a floating rate in compliance with pre-defined limits on interest rate risk).

This new investment structure contributed to an increased flow of interest income resulting from the investment of deposits. The average lending rate from the investment of sight deposits changed from 1.49% in 2013 to 1.91% in 2014, whereas the average lending rate from the overall investment of sight and term deposits changed from 1.66% in 2013 to 1.82% in 2014.

(Amounts in € thousand)

| | | | CHANGES | |
|---|---|---|---|---|
| INTEREST INCOME | 2014 | 2013 | AMOUNT | % |
| Financial assets held for trading | 1 | 3 | (2) | -66.7% |
| Available-for-sale financial assets | 14,922 | 1,798 | 13,124 | 729.9% |
| Loans and receivables with banks | 235,882 | 266,077 | (30,195) | -11.3% |
| Loans and receivables with customers | 28,793 | 26,155 | 2,638 | 10.1% |
| Financial assets designated at fair value through profit or loss | 5 | 84 | (79) | -94.0% |
| Hedging derivatives | 2,658 | - | 2,658 | - |
| Other assets | 76 | 48 | 28 | 58.3% |
| **Total interest income** | **282,337** | **294,165** | **(11,828)** | **-4.0%** |

(Amounts in € thousand)

| | | | CHANGES | |
|---|---|---|---|---|
| INTEREST EXPENSE | 2014 | 2013 | AMOUNT | % |
| Deposits from banks | (4,589) | (9,621) | 5,032 | -52.3% |
| Deposits from customers | (49,500) | (78,920) | 29,420 | -37.3% |
| Debt securities in issue | - | (19,936) | 19,936 | -100.0% |
| Other liabilities | (1) | (2) | 1 | -50.0% |
| Hedging derivatives | - | (5,408) | 5,408 | -100.0% |
| **Total interest expense** | **(54,090)** | **(113,887)** | **59,797** | **-52.5%** |
| **Net interest** | **228,247** | **180,278** | **47,969** | **26.6%** |

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

(Amounts in € thousand)

| | | | CHANGES | |
|---|---|---|---|---|
| BREAKDOWN OF INTEREST INCOME | 2014 | 2013 | AMOUNT | % |
| **Interest income on loans and receivables with banks** | **235,882** | **266,077** | **(30,195)** | **-11.3%** |
| - current accounts | 56,166 | 140,311 | (84,145) | -60.0% |
| - reverse repos | 697 | 743 | (46) | -6.2% |
| - time deposits for compulsory reserve | 212 | 671 | (459) | -68.4% |
| - time deposits | 33,259 | 90,933 | (57,674) | -63.4% |
| - other loans | 23 | 12 | 11 | 91.7% |
| - debt securities | 145,525 | 33,407 | 112,118 | 335.6% |
| **Interest income on loans and receivables with customers** | **28,793** | **26,155** | **2,638** | **10.1%** |
| - current accounts | 4,704 | 3,659 | 1,045 | 28.6% |
| - reverse repos | 11,632 | 9,731 | 1,901 | 19.5% |
| - mortgages | 1 | - | 1 | n.c. |
| - credit cards | 3,620 | 3,430 | 190 | 5.5% |
| - personal loans | 8,692 | 9,215 | (523) | -5.7% |
| - other loans | 144 | 120 | 24 | 20.0% |

**Interest income on loans and bank receivables** amounted to €235.9 million decreasing by €30.2 million compared to the same period of the previous year. The decrease in interest income on current accounts, amounting to €84.1 million, was mainly due to the reduction in the volume of mutual current accounts, partially offset by the positive effect of the aforementioned revision of liquidity investment policies in the first quarter. In contrast there was an increase in interest income on debt securities amounting to €112.1 million, due to the investment of "Core" liquidity in UniCredit bonds.

Finally, interest income on time deposits decreased due to lower volumes and changes in market rates, which steadily declined; on the contrary, in 2013 interest was boosted by the positive effect

# Income statement figures (CONTINUED)

of transactions launched in 2012 and concluded in the first few months of 2013.

**Interest income on loans and receivables with customers** amounted to €28.8 million, showing an increase of 10.1% 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:

(Amounts in € thousand)

| BREAKDOWN OF INTEREST EXPENSE | 2014 | 2013 | CHANGES AMOUNT | % |
|---|---|---|---|---|
| **Interest expense on deposits from banks** | **(4,589)** | **(9,621)** | **5,032** | **-52.3%** |
| - current accounts | (234) | (74) | (160) | 216.2% |
| - demand deposits | (1) | - | (1) | n.c. |
| - other loans | (26) | (21) | (5) | 23.8% |
| - reverse repos | (4,328) | (9,526) | 5,198 | -54.6% |
| **Interest expense on deposits from customers** | **(49,500)** | **(78,920)** | **29,420** | **-37.3%** |
| - current accounts | (13,794) | (13,931) | 137 | -1.0% |
| - demand deposits | (44) | (71) | 27 | -38.0% |
| - time deposits | (31,882) | (59,159) | 27,277 | -46.1% |
| - reverse repos | (3,780) | (5,759) | 1,979 | -34.4% |

**Interest expense on deposits from banks** amounted to €4.6 million, down by €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 to €49.5 million, down by €29.4 million compared to December 31, 2013, due to a reduction in volumes and in the interest rate paid on "Cash Park" time deposits.

## Income from brokerage and other income

(Amounts in € thousand)

| | 2014 | 2013 | CHANGES AMOUNT | % |
|---|---|---|---|---|
| **Net interest** | **228,247** | **180,278** | **47,969** | **26.6%** |
| Net fee and commission income | 195,744 | 166,736 | 29,008 | 17.4% |
| Net trading, hedging and fair value income | 29,742 | 28,281 | 1,461 | 5.2% |
| Net other expenses/income | (5,719) | (3,013) | (2,706) | 89.8% |
| **Operating income** | **448,014** | **372,282** | **75,732** | **20.3%** |

## Net fees and commissions

(Amounts in € thousand)

| MANAGEMENT RECLASSIFICATION | 2014 | 2013 | CHANGES AMOUNT | % |
|---|---|---|---|---|
| Management, brokerage and consultancy services: | | | | |
| 1. securities trading and order collection | 79,202 | 70,278 | 8,924 | 12.7% |
| 2. currency trading | (174) | (375) | 201 | -53.6% |
| 3. custody and administration of securities | (3,165) | (3,073) | (92) | 3.0% |
| 4. placement of securities, investment fund units and segregated accounts | 124,400 | 106,967 | 17,433 | 16.3% |
| 6. investment advisory services | 124 | (8) | 132 | n.c. |
| 7. distribution of insurance products | 14,985 | 12,282 | 2,703 | 22.0% |
| 8. distribution of other products | (236) | (230) | (6) | 2.6% |
| Collection and payment services | 11,215 | 10,814 | 401 | 3.7% |
| Holding and management of current/deposit accounts | (5,960) | (7,524) | 1,564 | -20.8% |
| Other fee expense personal financial advisors | (27,182) | (23,125) | (4,057) | 17.5% |
| Securities lending | (1,978) | (3,346) | 1,368 | -40.9% |
| Other services | 4,513 | 4,076 | 437 | 10.7% |
| **Total** | **195,744** | **166,736** | **29,008** | **17.4%** |

**Net fees and commissions** amounted to €195.7 million, increasing by 17.4% 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, driven in particular by managed open architecture products, and securities trading and order collection commissions, as a result of the increase in the number of orders executed.

**Net trading, hedging and fair value income** is mainly determined from gains realized from the internalisation of securities and CFDs, including forex. The increase of €1.5 million is attributable to higher profits deriving from trading in CFDs on indices and exchange differences on assets and liabilities denominated in currency, partially offset by lower profits from the internalisation of securities and forex CFDs.

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

This item also includes net loss of €3 thousand, from the gains and losses on disposals and repurchases related to the sale to UniCredit of securities issued by it and classified in the "Loans and Receivables" and the repurchase of securities issued by the Bank and subscribed by UniCredit.
As described above, by underwriting bonds issued by UniCredit as part of the new liquidity investment policy and following the gradual reduction in repo transactions with customers that had led the Bank and UniCredit to reciprocally underwrite and issue such bonds, both parties were able to sell part of the securities held in the portfolio and to repurchase the securities in issue, thereby realizing a loss on the disposal or the repurchase. For more details see the section "Loans and receivables with banks".

# Income statement figures (Continued)

## Operating costs

(Amounts in € thousand)

| BREAKDOWN OF OPERATING COSTS | 2014 | 2013 | CHANGES AMOUNT | CHANGES % |
|---|---|---|---|---|
| Payroll costs | (69,151) | (63,338) | (5,813) | 9.2% |
| Other administrative expenses | (208,189) | (174,636) | (33,553) | 19.2% |
| Recovery of expenses | 77,170 | 56,997 | 20,173 | 35.4% |
| Amortisation, depreciation and impairment losses on intangible and tangible assets | (8,809) | (8,081) | (728) | 9.0% |
| **Total operating costs** | **(208,979)** | **(189,058)** | **(19,921)** | **10.5%** |

(Amounts in € thousand)

| PAYROLL COSTS | 2014 | 2013 | CHANGES AMOUNT | CHANGES % |
|---|---|---|---|---|
| **1) Employees** | **(67,613)** | **(61,283)** | **(6,330)** | **10.3%** |
| - wages and salaries | (44,928) | (41,721) | (3,207) | 7.7% |
| - social security contributions | (11,934) | (11,323) | (611) | 5.4% |
| - severance pay | (871) | (803) | (68) | 8.5% |
| - allocation to employee severance pay provision | (135) | (139) | 4 | -2.9% |
| - payments to external pension funds: | | | | |
| a) defined contribution | (2,375) | (2,276) | (99) | 4.3% |
| - costs related to share-based payments | (3,799) | (465) | (3,334) | 717.0% |
| - other employee benefits | (3,571) | (4,556) | 985 | -21.6% |
| **2) Other staff** | **(133)** | **(101)** | **(32)** | **31.7%** |
| **3) Directors and statutory auditors** | **(976)** | **(864)** | **(112)** | **13.0%** |
| **4) Early retirement costs** | **-** | **-** | **-** | **n.c.** |
| **5) Recovery of expenses for employees seconded to other companies** | **195** | **71** | **124** | **174.6%** |
| **6) Recovery of expenses for employees seconded to the Company** | **(624)** | **(1,161)** | **537** | **-46.3%** |
| **Total** | **(69,151)** | **(63,338)** | **(5,813)** | **9.2%** |

**Payroll costs** as at December 31, 2014 increased by 9.2%, due to the increase in the number of employees from 976 as at December 31, 2013 to 1,022 as at December 31, 2014 and to the increase in costs related to share-based payments, due to the new incentive plans whose guidelines were approved by the Board of Directors on April 15, 2014 and the related regulation by the Board of Directors on May 15, 2014, with execution conditional on listing, aiming retaining Top management and key people.

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..

The total of other administrative expenses and recovery of expenses amounted to €131 million, an increase of €13.4 million compared to the same period of the previous year. They included €5.4 million for costs related to the listing of FinecoBank and €4.4 million for costs deriving from the new incentive plans for personal financial advisors. Net of these costs, there was an approximately 3% increase compared to the previous year, which – considering the growth in customers and volumes seen in 2014 – confirms the Bank's excellent operating leverage.

(Amounts in € thousand)

| OTHER ADMINISTRATIVE EXPENSES AND RECOVERY OF EXPENSES | 2014 | 2013 | CHANGES AMOUNT | % |
|---|---|---|---|---|
| **1) INDIRECT TAXES AND DUTIES** | **(80,256)** | **(59,389)** | **(20,867)** | **35.1%** |
| **2) MISCELLANEOUS COSTS AND EXPENSES** | | | | |
| **A) Advertising expenses - Marketing and communication** | **(20,149)** | **(19,541)** | **(608)** | **3.1%** |
| Mass media campaigns | (14,986) | (13,903) | (1,083) | 7.8% |
| Marketing and promotions | (5,110) | (5,566) | 456 | -8.2% |
| Sponsorships | (33) | (46) | 13 | -28.3% |
| Conventions and internal communications | (20) | (26) | 6 | -23.1% |
| **B) Expenses related to credit risk** | **(1,039)** | **(914)** | **(125)** | **13.7%** |
| Credit recovery expenses | (455) | (495) | 40 | -8.1% |
| Commercial information and company searches | (584) | (419) | (165) | 39.4% |
| **C) Expenses related to personnel** | **(22,812)** | **(12,663)** | **(10,149)** | **80.1%** |
| Personnel training | (357) | (361) | 4 | -1.1% |
| Car rental and other payroll costs | (47) | (51) | 4 | -7.8% |
| Personal financial advisor expenses | (21,824) | (11,724) | (10,100) | 86.1% |
| Travel expenses | (522) | (457) | (65) | 14.2% |
| Premises rentals for personnel | (62) | (70) | 8 | -11.4% |
| **D) ICT expenses** | **(28,320)** | **(29,458)** | **1,138** | **-3.9%** |
| Lease of ICT equipment and software | (4,135) | (5,083) | 948 | -18.7% |
| Software expenses: lease and maintenance | (5,555) | (6,441) | 886 | -13.8% |
| ICT communication systems | (3,849) | (3,996) | 147 | -3.7% |
| ICT services: external personnel/outsourced services | (7,079) | (6,685) | (394) | 5.9% |
| Financial information providers | (7,702) | (7,253) | (449) | 6.2% |
| **E) Consulting and professional services** | **(6,320)** | **(3,023)** | **(3,297)** | **109.1%** |
| Consultancy for ordinary operations | (762) | (886) | 124 | -14.0% |
| Consultancy for strategy, business development and organisational optimisation | (2,229) | (45) | (2,184) | 4.853.3% |
| Legal expenses | (1,261) | (11) | (1,250) | 11.363.6% |
| Legal disputes | (2,068) | (2,081) | 13 | -0.6% |
| **F) Real estate expenses** | **(19,997)** | **(21,646)** | **1,649** | **-7.6%** |
| Real estate services | (685) | (685) | - | 0.0% |
| Repair and maintenance of furniture, machinery, and equipment | (1,137) | (159) | (978) | 615.1% |
| Maintenance of premises | (760) | (1,294) | 534 | -41.3% |
| Premises rentals | (14,991) | (16,428) | 1,437 | -8.7% |
| Cleaning of premises | (485) | (485) | - | 0.0% |
| Utilities | (1,939) | (2,595) | 656 | -25.3% |
| **G) Other functioning costs** | **(29,296)** | **(28,002)** | **(1,294)** | **4.6%** |
| Surveillance and security services | (291) | (295) | 4 | -1.4% |
| Money counting services and transport | (1) | (1) | - | 0.0% |
| Postage and transport of documents | (2,827) | (3,048) | 221 | -7.3% |
| Administrative and logistic services | (14,323) | (13,711) | (612) | 4.5% |
| Insurance | (3,522) | (3,892) | 370 | -9.5% |
| Printing and stationery | (685) | (747) | 62 | -8.3% |
| Association dues and fees | (7,371) | (6,078) | (1,293) | 21.3% |
| Other administrative expenses | (276) | (230) | (46) | 20.0% |
| **H) Recovery of costs** | **77,170** | **56,997** | **20,173** | **35.4%** |
| Recovery of ancillary expenses | 319 | 166 | 153 | 92.2% |
| Recovery of taxes | 76,851 | 56,831 | 20,020 | 35.2% |
| **Total** | **(131,019)** | **(117,639)** | **(13,380)** | **11.4%** |

**Indirect taxes and duties** net of **Recovery of taxes** increased by €0.8 million, mainly attributable to the amount of “Tobin Tax” paid on transactions executed by the Bank on its own behalf.

**Advertising expenses - marketing and communication** increased by €0.6 million, due to greater investments in advertising of the period ended December 31, 2014 compared to 2013.

# Income statement figures (CONTINUED)

**Other administrative expenses**, net of **Indirect taxes and duties**, **Recovery of taxes** and **Advertising expenses - marketing and communication**, include €4.4 million for costs resulting from the new incentive plans, whose guidelines were approved by the Board of Directors on April 15, 2014 and the related regulation by the Board of Directors on May 15, 2014, with execution conditional on listing, and higher expenses for financial advisors, as a result of the intensification of recruitment, which began in 2012. The increased number of advisors also resulted in higher costs for trade association dues and fees mainly owing to the increase in charges for the ENASARCO association and the FIRR termination compensation fund.
These were in addition to "Legal expenses", "Consultancy for strategy, business development and organisational optimization" and "Association dues and fees" linked to the listing project, totalling €5.4 million.

**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 relating to to the previous year.

**Impairment losses on tangible assets** refer to the depreciation applied to electronic machines, plant and machinery, office furniture and fittings. Compared to the previous year the increase by €0.6 million is mainly due to greater depreciation applied to electronic machines.

## Profit (loss) before tax from continuing operations

(Amounts in € thousand)

| | | | CHANGES | |
|---|---|---|---|---|
| | 2014 | 2013 | AMOUNT | % |
| **Operating profit (loss)** | **239,035** | **183,224** | **55,811** | **30.5%** |
| Net impairment losses on loans and provisions for guarantees and commitments | (4,596) | (9,160) | 4,564 | -49.8% |
| **Net operating profit (loss)** | **234,439** | **174,064** | **60,375** | **34.7%** |
| Provisions for risks and charges | (4,705) | (12,125) | 7,420 | -61.2% |
| Net income from investments | (4) | (6) | 2 | -33.3% |
| **Profit before tax** | **229,730** | **161,933** | **67,797** | **41.9%** |

**Net impairment losses on loans and provisions for guarantees and commitments**, net of adjustments made as a result of the measures already approved by the National Interbank Deposit Guarantee Fund, did not show any significant changes compared to the previous year. The decrease of €4.6 million was mainly attributable to adjustments connected to participation in the deposit guarantee system referred to above, amounting to €1.4 million in the year 2014 compared to €5.9 million for the previous year.

**Provisions for risks and charges** decreased due to lower provisions for legal disputes, partially offset by a revised accounting method for marketing campaigns, which in 2013 had resulted in reallocations through profit or loss for a total of €2.2 million. Starting from 2014, the net provisions for risks and charges in relation to marketing campaigns are booked in a specific item (item 20 Interest expense and similar charges), in order to provide a more accurate accounting recognition.

**Profit (loss) before tax from continuing operations** amounted to a profit of €229.7 million, increasing by 41.9% on December 31, 2013, due to the positive contribution from net interest margin, as a result of the increase in transactional liquidity – driving customer trading overall – a consistently declining cost of funding and a careful liquidity investment policy, as already mentioned, as well as net fee and commission income, owing to the increase in commission income deriving from assets under management, driven in particular by managed open architecture products and securities trading and order collection, which largely offset the increase in administrative costs related to the listing project.

## Income tax for the period

(Amounts in € thousand)

| BREAKDOWN OF TAXES FOR THE YEAR | 2014 | 2013 | CHANGES AMOUNT | CHANGES % |
|---|---|---|---|---|
| Current IRES income tax charges | (59,503) | (59,001) | (502) | 0.9% |
| Current IRAP corporate tax charges | (16,995) | (13,536) | (3,459) | 25.6% |
| Adjustment to current tax of prior years | - | (2,500) | 2,500 | -100.0% |
| **Total current taxes** | **(76,498)** | **(75,037)** | **(1,461)** | **1.9%** |
| Change in deferred tax assets | (1,546) | 121 | (1,667) | -1.377.7% |
| Change in deferred tax liabilities | (1,333) | (1,355) | 22 | -1.6% |
| **Total deferred tax liabilities** | **(2,879)** | **(1,234)** | **(1,645)** | **133.3%** |
| Gain from substitute tax exemption | (446) | (446) | - | - |
| **Income tax for the period** | **(79,823)** | **(76,717)** | **(3,106)** | **4.0%** |

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

Net profit for the period is equal to €149.9 million, an increase of 75.9% on the previous year mainly due to the increase in net interest margin associated with the new liquidity investment policy; the increase in net fee and commission income resulting from the higher volume of assets under management; the increase in commissions on securities trading and order collection, as a result of the increase in the number of orders executed; lower income taxes for the period, since Italian Law Decree 133/2013 (converted by Law 5 of January 29, 2014) had introduced an additional 8.5% IRES income tax for the tax year 2013 alone. These positive effects largely offset the increase in administrative costs mainly connected to the listing project.

# Related-party transactions

In order to ensure full compliance with current legislation and regulatory provisions on disclosure of related-party transactions, on December 13, 2010, FinecoBank approved the provisions for related-party transactions, in compliance with the provisions of the Consob Regulation, approved by Resolution no. 17221 of March 12, 2010 and subsequently amended by Resolution no. 17389 of June 23, 2010.

On December 17, 2013 and January 27, 2014, respectively, the Board of Directors of the Bank then approved the "Global Policy for the management of transactions with related parties involving conflict of interest" (Related Parties as defined by Consob, Associated Persons as defined by the Bank of Italy and Bank Officers pursuant to Article 136 of the Consolidated Law on Banking (TUB)" and the "Global Operational Instructions for the management of transactions with parties involving conflicts of interest", issued by the Parent Company UniCredit as part of its management and coordination of subsidiaries. Lastly, in order to establish principles and rules that the Bank should apply as protection against the risks arising from situations of potential conflict of interest due to specific parties having close relations with the Bank's decision-making centers, the Board of Directors of FinecoBank in the meeting of May 15, 2014 approved, with the prior favourable opinion of the Audit and Related Parties Committee and the Board of Statutory Auditors, its "Procedures for the management of transactions with parties involving conflicts of interest (the" Procedures").

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

- Related-Party transactions pursuant to the Consob Regulation adopted by resolution 17221 of March 12, 2010 as amended 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".

Considering the above, during 2014:

1. two non-standard transactions were carried out with related parties/associated persons, based on the approval of the Board of Directors on March 27, 2014, In particular:
   - a significant transaction, resulting from the change in the liquidity investment policy of FinecoBank with the Parent Company UniCredit, concluded with the subscription of €7,650 million and $250 million in UniCredit bonds issued at market conditions; and
   - a minor transaction, concerning the appointment of Mediobanca S.p.A. as sponsor for the admission to the listing of the ordinary shares of the Bank, carried out at market conditions.

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

2. three transactions were carried out with related parties/associated persons, based on the approval of the Board of Directors on April 15, 2014 and the prior favourable opinion of the Audit and Related Parties Committee. Specifically:
   - a minor, non-standard transaction was carried out at market conditions with UniCredit Bank AG concerning the appointment of the mentioned bank as Joint Global Coordinator and Joint Bookrunner in the placement of the Bank's shares for the purpose of the listing; the fees due to the Syndicate were paid by the selling Shareholder;
   - a minor, non-standard transaction was carried out at market conditions, concerning the appointment of Mediobanca as Joint Bookrunner in the placement of the Company's shares for the purpose of the listing; the fees due to the Syndicate were paid by the selling Shareholder; and
   - a minor, non-standard transaction, was carried out with UniCredit at non-market conditions, as it was free of charge, concerning the signing of an agreement acknowledging the licence agreement for the "Fineco" trademark;

3. based on the approval of the Board of Directors on June 27, 2014, and the prior favourable opinion of the Audit and Related Parties Committee, an ordinary significant transaction was carried out at market conditions with UniCredit S.p.A., consisting of a framework resolution "Repo transactions with institutional clients, term deposits from retail customers and related use of liquidity", valid until October 31, 2014. The above transaction was approved by the Parent's Related-Parties and Equity Investments Committee with the issue of a non-binding opinion on the matter, in compliance with the current Procedures.

4. based on the approval of the Board of Directors on July 15, 2014 and the prior favourable opinion of the Audit and Related Parties Committee. Specifically:
   - an ordinary significant transaction was carried out at market conditions with UniCredit S.p.A., relating to the addition to the framework resolution "Repo transactions with institutional clients, term deposits from retail customers and related use of liquidity", already approved by the Board on June 27, 2014, with the following limits: for institutional clients, €900 million in repos and €900 million in term deposits; for retail clients, €800 million in repos, valid until October 31, 2014;
   - an ordinary significant transaction was carried out at market conditions with UniCredit S.p.A., represented by a medium to long-term investment in the structural liquidity raised in the period April 1, 2014/June 30, 2014, completed with the subscription of €200 million in UniCredit bonds issued at market conditions.

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

5. based on the approval of the Board of Directors on September 23, 2014 and the prior favourable opinion of the Audit and Related Parties Committee. Specifically:
   - two ordinary significant transactions at market conditions with (i) UniCredit S.p.A., Dab Bank AG and Direktanlage. AT AG, consisting of a "Framework Resolution related to current accounts held with UniCredit Group companies", valid until September 23, 2015; and with UniCredit S.p.A., represented by a medium to long-term investment in the structural liquidity raised in the period July 1, 2014/ September 30, 2014, completed with the subscription of €400 million in UniCredit bonds issued at market conditions. For both transactions the Parent's Related-Parties and Equity Investments Committee, asked to issue a non-binding opinion on the matter, gave its approval.

6. based on the approval of the Board of Directors on November 7, 2014 and the prior favourable opinion of the Audit and Related Parties Committee. Specifically:
   - an ordinary significant transaction at market conditions with UniCredit S.p.A., consisting of a Framework Resolution "Repos and Term Deposits with the Parent Bank" (as a renewal of the framework resolution already approved by the Board of Directors on June 27, 2014, supplemented by the Board Directors' meeting of July 15, 2014 and expired October 31, 2014), effective until May 31, 2015 which sets out a maximum amount: (i) for Reverse repos of approximately €2 billion and (ii) for Term Deposits of approximately €2.9 billion.
   Since this transaction was classified for UniCredit as a transaction of "Lesser relevance with a significant amount" under the Global Policy, a 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.

7. based on the approval of the Board of Directors on December 16, 2014 and the prior favourable opinion of the Audit and Related Parties Committee. Specifically:
   - an ordinary transaction of greater materiality at market conditions with UniCredit Bank AG and Mediobanca S.p.A., consisting of framework resolution "Stock Lending Activities with Institutional Clients" valid until October 31, 2015, concerning equity lending transactions with institutional counterparties under which FinecoBank can undertake the above transactions for a maximum amount of approximately €500 million for trading with UniCredit Bank AG and approximately €200 million in trades with Mediobanca S.p.A.; it was approved by the UniCredit's Related-Parties and Equity Investments Committee with the issue of a non-binding opinion on the matter.

During 2014, inter-group 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.

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 compared 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 detractions, 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

# Related-party transactions (Continued)

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

The following table provides a summary of outstanding assets, liabilities, guarantees and commitments as at December 31, 2014 in relation to Group companies.

(Amounts in € thousand)

| | ASSETS | LIABILITIES | GUARANTEES AND COMMITMENTS |
|---|---|---|---|
| Transactions with the Parent Company UniCredit S.p.A. | 13,861,356 | 1,737,979 | 256,070 |
| Transactions with companies controlled by UniCredit S.p.A. | 41,114 | 51,838 | - |

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..

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

No atypical and/or unusual transactions were carried out.

# Other information

## Report on corporate governance and proprietary structures

Pursuant to Article 123-bis, paragraph 3 of Legislative Decree no. 58 of February 24, 1998, the Report on Corporate Governance and Proprietary Structures is available at the "Governance" section of the FinecoBank website (http://www.fineco.it).

## Report on remuneration

Pursuant to Art. 84-quater, paragraph 1, of the Issuers' Regulations implementing the Legislative Decree no. 58 of February 24, 1998, the "Report on remuneration" is available on FinecoBank's website (http:// www.fineco.it).

## Information on the time limits for convening the ordinary Shareholders' Meeting

Pursuant to Article 2364, paragraph 2, of the Italian Civil Code and Art. 6, paragraph 4, of Fineco's Articles of Association, the draft Accounts will be submitted to the Ordinary Shareholders' Meeting for approval within 120 days from the end of the financial year.

# Subsequent events and outlook

## Subsequent events

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 Company 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".

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

### Evolution of Italian households' wealth

Our country is characterized by significant household wealth and a historically high propensity to save. The net wealth of Italian households at the end of 2013 was approximately €8,728 billion (source: Bank of Italy, T*he Wealth of Italian households, 2013*), 40% of which (€3,848 billion) is invested in financial assets.
On an international level, Italian households show a comparatively high net wealth, amounting in 2012 to 8 times their gross disposable income; this ratio is comparable to that of France, the UK and Germany, and higher than that of the United States, Japan and Canada. During 2013, savings started to grow again, after eight years of decline, to reach €46 billion versus on €34 billion for the previous year (source: Bank of Italy, *The Wealth of Italian households, 2013*).
Given increasing market complexity and a growing need for professionally managed investments, Italians have shown an increasing propensity to rely on financial advisors when selecting their investments. As a result the sales network appear to be favourable.

## Impact of the digitization of the market

In recent years there has been an increasing digitization of Italian society, directly related to demographic and technological factors.
In the new, integrated multi-channel approach, as a general rule no individual channel is used exclusively, as customers tend to combine them according to their preferences and current needs; accordingly, it has become increasingly frequent for banking services to be offered together with brokerage and investing services.

**Estimates of assets under management by distribution channel - AuM 2011 - 16F**

(Billions of Euro) [2]

| | 2011 | 2012 | 2013F | 2014F | 2015F | 2016F | CAGR 11-13 (%) | CAGR 13F-16F (%) |
|---|---|---|---|---|---|---|---|---|
| Bank branches | 269.6 | 273.3 | 304.3 | 326.9 | 345.0 | 363.2 | 6.2 | 6.1 |
| Financial advisors | 113.1 | 128.0 | 144.9 | 161 | 177.0 | 194.6 | 13.2 | 10.3 |
| Institutional | 368.3 | 407.3 | 427.9 | 452.8 | 478.0 | 502.8 | 7.8 | 5.5 |
| **Total** | **751.0** | **808.6** | **877.1** | **940.7** | **1,000.0** | **1,060.6** | **8.1** | **6.5** |

Source: Prometeia, *Osservatorio risparmi delle famiglie 2013* (Household saving monitor 2013), november 2013 edition.
2. Figures net of duplications.

# Proposal for the approval of the accounts and allocation of profit for the year

FinecoBank's 2014 ended with a net profit of €149,906,667.70.
We recommend the following allocation of the net profit:
- €6,968,796.04 to the **Legal Reserve**, equal to 4.65% of profit for the year, having reached the limit of a fifth of the share capital;
- €21,634,725.06 to the **Extraordinary Reserve**
- €121,303,146.60 to the **Shareholders**, equal to a dividend of €0.20 for each of the 606,515,733 ordinary shares with nominal value of €0.33 comprising the share capital following the capital increase approved by the Board of Directors on February 9, 2015.

We also inform you that €169,961.57 will be released from **Unavailable retained earnings** under Italian Legislative Decree 38/2005, art. 6, allocating it to the **Extraordinary Reserve**, since the reasons for its unavailability no longer exist.

In conclusion, the Shareholders Meeting is invited to approve:
- the Annual Report and Accounts for the year 2014 in their entirety;
- the allocation of profit (loss) for the year of €149,906,667.70 as follows:
  - €6,968,796.04 to the **Legal Reserve**, equal to 4.65% of profit for the year, having reached the limit of a fifth of the share capital;
  - €21,634,725.06 to the **Extraordinary Reserve**
  - €121,303,146.60 to the **Shareholders**, equal to a dividend of €0.20 for each of the 606,515,733 ordinary shares with nominal value of €0.33 comprising the share capital following the capital increase approved by the Board of Directors on February 9, 2015.

Payment of the aforesaid dividend amount, in accordance with legal regulations, will take place with the value date of April 29, 2015.

If the accounts and the allocation of the profit for the year obtain your approval, the shareholders' equity of the Bank, net of revaluation reserves and after the capital increase approved by the Board of Directors on February 9, 2015, will be as follows:

(Amounts in €)

| | |
|---|---|
| Share capital | 200,150,191.89 |
| Legal reserve | 40,030,038.38 |
| Share premium reserve | 1,934,112.62 |
| Other reserves | 186,574,233.38 |
| **Shareholders' equity** | **428,688,576.27** |

The Board of Directors

Milan, March 10, 2015

FinecoBank S.p.A.
Managing Director
Alessandro Foti

FinecoBank S.p.A.
Chairman
Enrico Cotta Ramusino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# Bank Financial Statements

# Balance sheet

| BALANCE SHEET - ASSETS | 12.31.2014 | 12.31.2013 |
|---|---|---|
| 10. Cash and cash equivalents | 5,166 | 4,634 |
| 20. Financial assets held for trading | 3,053,707 | 4,700,335 |
| 30. Financial assets designated at fair value through profit or loss | - | 3,199,399 |
| 40. Available-for-sale financial assets | 1,695,554,562 | 89,914,773 |
| 60. Loans and receivables with banks | 13,892,196,843 | 16,330,912,207 |
| 70. Loans and receivables with customers | 695,594,232 | 641,249,951 |
| 80. Hedging derivatives | 19,246,853 | 123,142,677 |
| 90. Changes in fair value of portfolio hedged financial assets (+/-) | 5,026,907 | 56,122,418 |
| 110. Property, plant and equipment | 10,892,420 | 10,771,844 |
| 120. Intangible assets | 97,743,596 | 97,615,790 |
| of which | | |
| *- goodwill* | *89,601,768* | *89,601,768* |
| 130. Tax assets | 18,550,495 | 47,075,211 |
| *a) current tax assets* | *2,178,546* | *25,264,179* |
| *b) deferred tax assets* | *16,371,949* | *21,811,032* |
| *out of which for purposes of Law 214/2011* | *3,838,902* | *3,473,290* |
| 150. Other assets | 326,756,231 | 256,629,063 |
| **Total assets** | **16,764,621,012** | **17,661,338,302** |

| BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY | 12.31.2014 | 12.31.2013 |
|---|---|---|
| 10. Deposits from banks | 1,428,568,269 | 1,648,675,366 |
| 20. Deposits from customers | 13,914,711,969 | 12,732,308,955 |
| 30. Debt securities in issue | 424,709,661 | 2,322,511,058 |
| 40. Financial liabilities held for trading | 3,134,683 | 2,301,409 |
| 60. Hedging derivatives | 36,992,811 | 141,800,654 |
| 70. Changes in fair value of portfolio hedged financial liabilities (+/-) | 9,227,504 | 36,773,395 |
| 80. Tax liabilities | 33,358,091 | 16,841,629 |
| a) current tax liabilities | 33,358,091 | 16,841,629 |
| 100. Other liabilities | 238,807,723 | 231,795,160 |
| 110. Provision for employee severance pay | 4,825,798 | 3,760,989 |
| 120. Provisions for risks and charges | 118,030,959 | 105,420,771 |
| b) other provisions | 118,030,959 | 105,420,771 |
| 130. Revaluation reserves | 2,261,820 | 4,214,349 |
| 160. Reserves | 198,080,512 | 127,714,418 |
| 170. Share premium reserve | 1,934,113 | 1,934,113 |
| 180. Share capital | 200,070,431 | 200,070,431 |
| 200. Net Profit (Loss) for the year | 149,906,668 | 85,215,605 |
| **Total liabilities and shareholders' equity** | **16,764,621,012** | **17,661,338,302** |

Starting with the financial statements ended December 31, 2014, deferred tax assets are shown in the Balance Sheet net of Deferred tax liabilities where the requirements set out in IAS 12 are met. In addition, the expenses resulting from the measures already approved by the National Interbank Deposit Guarantee Fund, and not yet paid, have been presented in item 100 of the Balance Sheet "Other Liabilities".
The corresponding figures at December 31, 2013 have also been restated to enable a like-for-like comparison.

# Income statement

| INCOME STATEMENT | 2014 | 2013 |
|---|---|---|
| 10. Interest income and similar revenues | 282,336,693 | 294,165,037 |
| 20. Interest expenses and similar charges | (54,089,714) | (113,886,814) |
| **30. Net interest income** | **228,246,979** | **180,278,223** |
| 40. Fee and commission revenues | 409,828,011 | 359,631,069 |
| 50. Fee and commission expenses | (214,084,108) | (192,895,035) |
| **60. Net fee and commission income** | **195,743,903** | **166,736,034** |
| 70. Dividend income and similar revenue | 4,406 | 3,026 |
| 80. Gains (losses) on financial assets and liabilities held for trading | 29,719,234 | 27,937,157 |
| 90. Fair value adjustments in hedge accounting | - | - |
| 100. Gains (losses) from disposal or repurchase of: | (2,794) | (35,263) |
| a) loans and receivables | 49,160,469 | 52,445,828 |
| d) financial liabilities | (49,163,263) | (52,481,091) |
| 110. Gains (losses) on financial assets/liabilities designated at fair value through profit or loss | 18,204 | 340,613 |
| **120. Operating income** | **453,729,932** | **375,259,790** |
| 130. Impairment losses/write-backs on: | (4,596,234) | (9,159,510) |
| a) loans and receivables | (3,224,482) | (3,274,680) |
| d) other financial assets | (1,371,752) | (5,884,830) |
| **140. Net profit (loss) from financial activities** | **449,133,698** | **366,100,280** |
| 150. Administrative costs | (277,340,179) | (237,974,609) |
| a) payroll costs | (69,151,399) | (63,338,282) |
| b) other administrative expenses | (208,188,780) | (174,636,327) |
| 160. Net provisions for risks and charges | (4,704,591) | (12,125,087) |
| 170. Impairment/write-backs on property, plant and equipment | (4,035,945) | (3,424,154) |
| 180. Impairment/write-backs on intangible assets | (4,773,420) | (4,657,306) |
| 190. Other net operating income | 71,453,787 | 54,019,755 |
| **200. Operating costs** | **(219,400,348)** | **(204,161,401)** |
| 240. Gains (losses) on disposal of investments | (3,915) | (6,301) |
| **250. Total profit (loss) before tax from continuing operations** | **229,729,435** | **161,932,578** |
| 260. Tax expense (income) related to profit or loss from continuing operations | (79,822,767) | (76,716,973) |
| **270. Total profit (loss) after tax from continuing operations** | **149,906,668** | **85,215,605** |
| **290. Net Profit (Loss) for the year** | **149,906,668** | **85,215,605** |

Starting from the financial statements for the year ended December 31, 2014, the expenses resulting from the measures already approved by the National Interbank Deposit Guarantee Fund have been presented in item 130 of the Income Statement “Impairment losses on: d) other financial assets”. The corresponding figures at December 31, 2013 have also been restated to enable a like-for-like comparison.

| | 2014 | 2013 |
|---|---|---|
| **Earnings per share (€)** | **0.25** | **0.14** |
| **Diluted earnings per share (€)** | **0.25** | **0.14** |

**Note**:
For further information on “Earnings per share” and “Diluted earnings per share” please see Notes to the Accounts, Part C - Information on the Income Statement, Section 21.

# Statement of comprehensive income

| | 2014 | 2013 |
|---|---|---|
| **10. Net Profit (Loss) for the year** | **149,906,668** | **85,215,605** |
| **Other comprehensive income after tax without reclassification through profit or loss** | | |
| 40. Defined benefit plans | (6,640,210) | 165,957 |
| **Other comprehensive income after tax with reclassification through profit or loss** | | |
| 100. Available-for-sale financial assets | 4,687,681 | 356,443 |
| **130. Total of other comprehensive income after tax** | **(1,952,529)** | **522,400** |
| **140. Comprehensive income (item 10+130)** | **147,954,139** | **85,738,005** |

# Statement of changes in shareholders' equity

### Statement of Changes in Shareholders' Equity as at 31.12.2014

| | | | | ALLOCATION OF PROFIT FROM PREVIOUS YEAR | | CHANGE DURING THE YEAR | SHAREHOLDERS' EQUITY TRANSACTIONS | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | BALANCE AS AT 12.31.2013 | CHANGE IN OPENING BALANCE | BALANCE AS AT 01.01.2014 | RESERVES | DIVIDENDS AND OTHER DISTRIBUTIONS | CHANGES IN RESERVES | ISSUES OF NEW SHARES | PURCHASE OF OWN SHARES | DISTRIBUTION OF EXTRAORDINARY DIVIDENDS | CHANGES IN EQUITY INSTRUMENTS | OWN SHARE DERIVATIVES | STOCK OPTIONS | COMPREHENSIVE INCOME AS AT 12.31.14 | SHAREHOLDERS' EQUITY AT 12.31.14 |
| Share capital: | | | | | | | | | | | | | | |
| a) ordinary shares | 200,070,431 | | 200,070,431 | | | | | | | | | | | 200,070,431 |
| b) other shares | | | | | | | | | | | | | | |
| Share premium reserve | 1,934,113 | | 1,934,113 | | | | | | | | | | | 1,934,113 |
| Reserves: | | | | | | | | | | | | | | |
| a) from profits | 127,714,418 | | 127,714,418 | 63,208,562 | | | | | | | | | | 190,922,980 |
| b) other | | | | | | | | | | | | 7,157,532 | | 7,157,532 |
| Revaluation reserves | 4,214,349 | | 4,214,349 | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | (1,952,529) | 2,261,820 |
| Treasury Shares | | | | | | | | | | | | | | |
| Net Profit (Loss) for the period | 85,215,605 | | 85,215,605 | (63,208,562) | (22,007,043) | | | | | | | | 149,906,668 | 149,906,668 |
| **Shareholders' equity** | **419,148,916** | | **419,148,916** | | **(22,007,043)** | **-** | **-** | **-** | **-** | **-** | **-** | **7,157,532** | **147,954,139** | **552,253,544** |

The dividends paid to shareholders in 2014 amount to €20,007,043.09, equal to €0.033 per share.

The "Stock options" column includes "Stock granting" incentive plans served by FinecoBank shares.

### Statement of Changes in Shareholders' Equity as at 31.12.2013

| | | | | ALLOCATION OF PROFIT FROM PREVIOUS YEAR | | CHANGE DURING THE YEAR | SHAREHOLDERS' EQUITY TRANSACTIONS | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | BALANCE AS AT 12.31.2012 | CHANGE IN OPENING BALANCE | BALANCE AS AT 01.01.2013 | RESERVES | DIVIDENDS AND OTHER DISTRIBUTIONS | CHANGES IN RESERVES | ISSUES OF NEW SHARES | PURCHASE OF OWN SHARES | DISTRIBUTION OF EXTRAORDINARY DIVIDENDS | CHANGES IN EQUITY INSTRUMENTS | OWN SHARE DERIVATIVES | STOCK OPTIONS | COMPREHENSIVE INCOME AS AT 12.31.13 | SHAREHOLDERS' EQUITY AT 12.31.13 |
| Share capital: | 200,070,431 | | 200,070,431 | | | | | | | | | | | 200,070,431 |
| a) ordinary shares | | | | | | | | | | | | | | |
| b) other shares | | | | | | | | | | | | | | |
| Share premium reserve | 1,934,113 | | 1,934,113 | | | | | | | | | | | 1,934,113 |
| Reserves: | | | | | | | | | | | | | | |
| a) from profits | 116,304,721 | | 116,304,721 | 11,409,126 | | 571 | | | | | | | | 127,714,418 |
| b) other | | | | | | | | | | | | | | |
| Revaluation reserves | 3,691,949 | | 3,691,949 | | | | | | | | | | 522,400 | 4,214,349 |
| Equity instruments | | | | | | | | | | | | | | |
| Treasury Shares | | | | | | | | | | | | | | |
| Net Profit (Loss) for the period | 125,466,685 | | 125,466,685 | (11,409,126) | (114,057,559) | | | | | | | | 85,215,605 | 85,215,605 |
| **Shareholders' equity** | **447,467,899** | | **447,467,899** | | **(114,057,559)** | **571** | **-** | **-** | **-** | **-** | **-** | **-** | **85,738,005** | **419,148,916** |

The dividends paid to shareholders in 2013 amount to €111,857,559.09, equal to €0.1845 per share.

# Cash flow statement

## Indirect method

| A. OPERATING ACTIVITIES | 12.31.2014 | 12.31.2013 |
|---|---|---|
| **1. Operations** | **172,136,394** | **149,734,816** |
| - profit (loss) for the period | 149,906,668 | 85,215,605 |
| - capital gains/losses on financial assets/liabilities held for trading and on assets/liabilities at fair value through profit or loss | 484,601 | (453,694) |
| - capital gains/losses on hedging transactions | - | - |
| - net write-offs/write-backs due to impairment | 4,999,418 | 9,542,232 |
| - net write-offs/write-backs on tangible and intangible assets | 8,809,365 | 8,081,460 |
| - provisions and other income/expenses | 16,920,816 | 12,251,087 |
| - duties, taxes and tax credits not paid | 19,010,046 | 2,945,612 |
| - net impairment/write-backs on disposal groups classified as held for sale after tax | - | - |
| - other adjustments | (27,994,520) | 32,152,514 |
| **2. Cash flows from/used by financial assets** | **(7,868,316,493)** | **1,393,554,411** |
| - financial assets held for trading | 3,725,374 | 5,506,298 |
| - financial assets designated at fair value through profit or loss | 3,196,673 | 7,428,349 |
| - available-for-sale financial assets | (1,594,752,031) | (30,139,814) |
| - loans and receivables with banks: on demand | - | - |
| - loans and receivables with banks: other loans and receivables | (6,176,632,637) | 1,619,105,443 |
| - loans and receivables with customers | (58,129,611) | (91,123,760) |
| - other assets | (45,724,261) | (117,222,105) |
| **3. Cash flows from/used by financial liabilities** | **(907,369,258)** | **(686,490,246)** |
| - deposits from banks: on demand | - | - |
| - deposits from banks: other liabilities | (213,873,115) | (402,798,040) |
| - deposits from customers | 1,206,745,254 | 474,515,264 |
| - debt securities in issue | (1,897,801,397) | (750,000,000) |
| - financial liabilities held for trading | (1,729,610) | (7,177,375) |
| - financial liabilities at fair value through profit or loss | - | - |
| - other liabilities | (710,390) | (1,030,095) |
| **Net cash flows from/used in operating activities** | **(8,603,549,357)** | **856,798,981** |
| **B. INVESTMENT ACTIVITIES** | | |
| **1. Cash flows from** | | |
| - sales of equity investments | - | - |
| - collected dividends on equity investments | - | - |
| - sales of financial assets held to maturity | - | - |
| - sales of tangible assets | 143 | 229 |
| - sales of intangible assets | - | - |
| - disposal of businesses | - | - |
| **2. Cash flows used in** | | |
| - purchases of equity investments | - | - |
| - purchases of financial assets held to maturity | - | - |
| - purchases of tangible assets | (4,145,955) | (5,493,421) |
| - purchases of intangible assets | (4,901,227) | (4,503,485) |
| - purchases of businesses | | |
| **Net cash flows from/used in investing activities** | **(9,047,039)** | **(9,996,677)** |
| **C. FINANCING ACTIVITIES** | | |
| - issue/purchase of treasury shares | - | - |
| - issue/purchase of equity instruments | - | - |
| - dividends and other distributions | (22,007,043) | (114,057,559) |
| **Net cash flows from/used in financing activities** | **(22,007,043)** | **(114,057,559)** |
| **NET LIQUIDITY GENERATED / ABSORBED DURING THE PERIOD** | **(8,634,603,439)** | **732,744,745** |

## Reconciliation

| BALANCE SHEET ITEMS | | |
|---|---|---|
| Cash and cash equivalents at the beginning of the year | 10,038,098,537 | 9,305,413,792 |
| Net liquidity generated/absorbed during the period | (8,634,603,439) | 732,744,745 |
| Cash and cash equivalents: effect of changes in exchange rates | 47,733,856 | - |
| Cash and cash equivalents at the end of the year | 1,451,228,954 | 10,038,158,537 |

As described above, starting from the financial statements for the year ended December 31, 2014, the presentation of the expenses resulting from the measures already approved by the National Interbank Deposit Guarantee Fund has been changed; the corresponding figures at December 31, 2013 have also been restated to enable a like-for-like comparison.
The term "cash and cash equivalents" means cash recorded under item 10 of assets "cash and cash equivalents" and the equivalent liquid assets recorded under item 60 of assets "Loans and receivables with banks" (consisting of current accounts and deposits maturing within 3 months) net of the equivalent liquid liabilities recorded under item 10 of liabilities "Deposits from banks" (represented by current accounts and deposits maturing within 3 months).


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# Notes to the Accounts



The following conventional symbols have been used in the tables:

a dash (-) indicates that the item/figure is inexistent or that the figure do not reach the minimum considered significant;
"X" indicates an item not to be completed according to Bank of Italy Circular n. 262/2005

# Part A - Accounting Policies

# Part A - Accounting Policies

## A.1 General

### Section 1 - Statement of compliance with IFRS

These Accounts have been prepared in accordance with the IAS/IFRS issued by the International Accounting Standards Board (IASB), including the interpretation documents issued by the SIC and the IFRIC, and endorsed by the European Commission, pursuant to EU Regulation 1606/2002 of July 19, 2012, which was incorporated into Italian legislation through Italian Legislative Decree no. 38 of February 28, 2005, and in force as at December 31, 2014 (see Section 4 - Other matters).

They are an integral part of the Annual Financial Report as required by art. 154-ter, paragraph 1 of the Consolidated Finance Act (TUF, Italian Legislative Decree no. 58 of February 24,1998).

In its circular 262 of December 22, 2005 the Bank of Italy - whose powers regarding the accounts of banks and regulated financial companies, previously established under Italian Legislative Decree 87/92, were confirmed in the above mentioned Italian Legislative Decree 58/98 - laid down the formats for the financial statements and explanatory notes used to prepare these Accounts.

In addition, on December 22, 2014 the Bank of Italy issued a third revision to this circular incorporating the amendments to IAS/IFRS, as endorsed by the European Commission, applicable to reporting periods beginning on or after December 31, 2014.

### Section 2 - Preparation criteria

As mentioned above, these Accounts have been prepared in accordance with the IFRS endorsed by the European Commission. The following documents have been used to interpret and support the application of IFRS, even though not all of them have been endorsed by the European Commission:
- Framework for the Preparation and Presentation of Financial Statements issued by the IASB in 2010;
- Implementation Guidance, Basis for Conclusions, IFRICs and any other documents prepared by the IASB or International Financial Reporting Interpretations Committee (IFRIC) supplementing the IFRS;
- Interpretation documents on the application of IFRS in Italy prepared by the *Organismo Italiano di Contabilità* (Italian Accounting Body) ;
- ESMA (European Securities and Markets Authority) and Consob documents on the application of specific IFRS provisions;
- the documents prepared by the Italian Banking Association (ABI).

The Accounts comprise the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Cash flow Statement (compiled using the indirect method), and these Notes to the Accounts, together with the Directors' Report on Operations.

Pursuant to Art. 123-bis par. 3 of TUF, as noted in the " Other Information" section of the Report on Operations, the Report on Corporate Governance and Ownership Structures is available in the "Governance" section of the FinecoBank website.

The figures in the financial statements are provided in euros, and in thousands of euros in the Notes, unless otherwise indicated. In accordance with the Bank of Italy Circular 262/2005, items in the Balance Sheet, Income Statement and Statement of Comprehensive Income for which there is no significant information to be disclosed for the reporting period and the previous year, are not provided.

In addition, the tables in the Notes that do not have any significant information to be disclosed are not shown either for the reporting period or the previous year.

With reference to IAS 1, these Financial Statements have been prepared on a going concern basis, as there are no doubts or uncertainties as to the Bank's ability to continue its business operations and to continue operating for the foreseeable future (at least for the next 12 months).

The measurement criteria adopted are therefore consistent with this assumption and with the principles of accrual-based accounting, the relevance and materiality of accounting information, and the prevalence of economic substance over legal form. These criteria have not changed with respect to the previous year.

It is also noted that starting with the financial statements ended December 31, 2014, deferred tax assets are shown in the Balance Sheet net of Deferred tax liabilities where the requirements set out in IAS 12 are met. In addition, the expenses resulting from the measures already approved by the National Interbank Deposit Guarantee Fund have been presented in item 130 of the Income Statement "Impairment losses on: d) other financial assets" as a contra entry, for the amount not yet paid, to the balance sheet item 100 "Other liabilities".

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

### Section 3 - Subsequent events

On January 15, 2015 the Swiss Central Bank decided to cease operations in support of the EUR/CHF exchange rate and to allow its national currency to float freely, resulting in a violent disruption in the cross trading between the two currencies: institutional traders in the foreign exchange market essentially suspended their EUR/CHF cross trading for around half an hour. The stop losses for customers who had long positions on CFDs with underlying EUR/CHF crosses were only triggered when the liquidity for the underlying returned to the market and at the new pricing conditions established by the market at that time. This resulted, in some cases, in losses exceeding margins placed.

FinecoBank is managing the individual positions relating to disputes and credit recovery. Appropriate investigations and detailed analysis are being conducted, according to which, at present, no significant impact is expected on the bank's financial position.

No significant events have occurred after the balance sheet date that would make it necessary to change any of the information given in the Accounts as at December 31, 2014. Further details and information are represented in the Report on Operations.

The Accounts were approved by the Board of Directors' meeting of 10 March 2015, which authorised their publication.

## Section 4 - Other matters

In 2014, the following accounting standards, amendments and interpretations have become effective for reporting periods beginning on or after January 1, 2014:
- IAS 27 revised – Separate Financial Statements (EU Regulation 1254/2012);
- IAS 28 revised - Investments in Associates and Joint Ventures (EU Regulation 1254/2012);
- IFRS 10 - Consolidated Financial Statement (EU Regulation 1254/2012);
- IFRS 11 - Joint Arrangements (EU Regulation 1254/2012);
- IFRS 12 - Disclosure of Interests in Other Entities (EU Regulation 1254/2012);
- Amendments to IAS 36 - Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets (EU Regulation 1374/2013);
- Amendments to IAS 32 – Financial Instruments: presentation – Offsetting Financial Assets and Financial Liabilities (EU Regulation 1256/2012);
- Amendments to IAS 39 - Financial Instruments: Novation of Derivatives and Continuation of Hedge Accounting (EU Regulation 1375/2013);
- Amendments to IFRS 10, IFRS 11 and IFRS 12 – Transition Guidance (EU Regulation 313/2013);
- Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment Entities (EU Regulation 1174/2013);

Where applicable, these accounting standards, amendments and interpretations had no impact on the financial position and results of the Bank as at December 31, 2014.

The European Commission endorsed the following accounting standards whose application is not yet mandatory in preparing the financial statements at December 31, 2014 and which were not applied in advance by the Bank:
- IFRIC 21 – Levies (EU Regulation 634/2014).
- Improvements to IFRSs (2011-2013) (EU Regulation 1361/2014).
- Improvements to IFRSs (2010-2012) (EU Regulation 28/2015).
- Amendments to IAS 19 - Defined benefit plans: employee contributions (Reg. UE 29/2015).

Finally, as at December 31, 2014, the IASB issued the following accounting standards and interpretations or revisions thereof, whose application is subject to completion of the approval process by the European Union, which is still ongoing:
- IFRS 9 - Financial Instruments (July 2014);
- IFRS 14 - Rate-regulated activities (January 2014);
- IFRS 15 - Revenue from contracts with customers (May 2014);
- Amendments to IAS 16 and IAS 41: Agriculture Bearer plants (June 2014)
- Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortization (May 2014);
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (May 2014);
- Amendments to IAS 27: The equity method in the Separate Financial Statements (August 2014);
- Amendments to IAS 10 and IAS 28: Sale or transfer of assets to a joint venture or associate (September 2014);
- Annual Improvements to International Financial Reporting Standards, 2012-2014 Cycle (September 2014);
- Amendments to IAS 1: Disclosure Initiative (December 2014);
- Amendments to IFRS 10, IFRS 12 and IAS 28: Application of consolidation exception to investment entities (December 2014).

### Risks and uncertainties related to the use of estimates

In the application of the accounting policies, the management is required to make judgments, estimates and assumptions about the carrying amounts of certain assets and liabilities as well as the information regarding potential assets and liabilities. Estimates and related assumptions are based on previous experience and other factors considered reasonable under the circumstances and have been used to estimate the carrying values of assets and liabilities not readily available from other sources.

Estimated figures have been used for the recognition of some of the largest value-based items in the financial statements as at December 31, 2014, as required by the accounting standards and regulations. These estimates are largely based on calculations of future recoverability of the values recognised in the accounts according to the rules laid down in current legislation and have been made on the assumption of a going concern, i.e. without contemplating the possibility of the forced sale of the estimated items.
The processes adopted support the carrying values at December 31, 2014. Valuation is particularly complex given the uncertainty of the macroeconomic and market situation, characterised by the significant volatility of financial indicators used in the valuation process and still high levels of credit quality impairment.

# Part A - Accounting Policies (CONTINUED)

The parameters and information used to check the above-mentioned values are therefore significantly affected by such factors, which could change rapidly in ways that are currently unforeseeable, such that further effects on future book values cannot be ruled out.

The estimates and underlying assumptions are reviewed on an ongoing basis. Any changes resulting from these reviews are recognised in the period in which the review was carried out, provided the change only concerns that period. If the revision concerns both current and future periods it is recognised accordingly in both current and future periods.

Uncertainty affecting estimates is generally inherent in the determination of:
- fair value of financial instruments not listed in active markets;
- receivables, and in general, all other financial assets/liabilities;
- employee severance pay provision (Italy) and other employee and financial advisor benefits;
- provisions for risks and charges;
- goodwill;
- deferred tax assets;
- tax liabilities;

This is because the quantification of these items is mainly influenced by the evolution of domestic and international socio-economic conditions and the performance of the financial markets, which affect interest rates, price fluctuations, actuarial assumptions and, more generally, the creditworthiness of borrowers and counterparties, as well as the progress and developments of ongoing or potential litigation.

With specific reference to future cash flow projections used in the valuation of goodwill, it should be noted that the parameters and information used are significantly influenced by the macro-economic market situation, which may change unpredictably. For further information see Part B - Balance Sheet - Section 12 - Intangible assets.

With specific reference to valuation techniques, unobservable inputs used in the fair value measurement and sensitivities to changes in those inputs, please refer to section A.4. Information on fair value.

### Contributions to guarantee and resolution funds

The European Directive no. 49/2014 relating to the deposit guarantee systems, which is due to be transposed into national law by July 2015, introduces significant changes to the previously existing national guarantee funds. 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, corresponding to 0.8 % of guaranteed deposits. 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, the European Directive no. 59/2014 on recovery and resolution of credit institutions, has introduced a requirement for the 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 of 1% of guaranteed deposits. These payments will be made, for 2015 and 2016, to the national resolution funds and then directly to the European fund.

These two contributions will result in an increase in recurring costs from 2015, whose amount will depend over time on the specific characteristics established by the national transposing legislation.

## A.2 The main items of the accounts

### 1 - Financial Assets held for trading (HfT)

A financial asset is classified as held for trading if it is:
- acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
- a derivative (except for derivatives which constitute financial guarantees, see Section 17, and derivatives designated as hedging instruments – see Section 6).

Like other financial instruments, on initial recognition, at settlement date, a held-for-trading financial asset is measured at its fair value, usually equal to the amount paid, excluding transaction costs and income, which are recognised through profit or loss even when directly attributable to the financial assets. Trading book derivatives are recognised at trade date.
After initial recognition these financial assets are measured at their fair value through profit or loss. An exception is represented by derivatives settled by delivery of an unlisted equity instrument whose fair value cannot be reliably measured, and which are therefore measured at cost.

A gain or loss arising from sale or redemption or a change in the fair value of a HfT financial asset is recognised in profit or loss in item 80 "Gains (losses) on financial assets and liabilities held for trading", with the exception of financial derivatives relating to a *fair value option* of which gains and losses, whether realised or measured, are booked in item 110. "Gains (losses) on financial assets/liabilities at fair value through profit or loss" (please see Ch.5). If the fair value of a financial asset falls below zero, which may happen with derivative contracts, it is recognised in item 40. "Financial liabilities held for trading".

A derivative is a financial instrument or other contract with all three of the following characteristics:
- its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable (usually called the 'underlying') provided that in case of non-financial variable, this is not specific of one of the parties;
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- it is settled at a future date.

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract, with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

An embedded derivative is separated from the host contract and recognised as a derivative if:
- the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative;
- the hybrid (combined) instrument is not measured entirely at fair value through profit or loss.

If it is necessary to separate an embedded derivative from its host contract, but it is not possible to measure the embedded derivative separately either at acquisition or at a subsequent financial reporting date, the entire combined contract is treated as a financial asset or financial liability at fair value through profit or loss.

When an embedded derivative is separated, the host contract is recognised according to its accounting classification.
A derivative that is attached to a financial instrument but is contractually transferable independently of that instrument, or has a different counterparty from that instrument, is not an embedded derivative, but a separate financial instrument.

### 2 - Available-for-sale Financial Assets (AfS)

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments, financial assets held for trading or financial assets at fair value through profit or loss. These assets are held for an indefinite period of time and meet the need to ensure liquidity and face changes in interest rates, exchange rates and prices.

AfS financial assets are money market instruments, other debt instruments (included host contract of hybrid instruments from which embedded derivative has been bifurcated) or equity instruments; they include shares held as minority stakes where these do not constitute controlling, or joint control, or associate interests.

On initial recognition, at settlement date, an AfS financial asset is measured *at fair value*, which is usually equal to the consideration of the transaction, plus transaction costs and income directly attributable to the instrument.
In subsequent periods AfS assets are measured at fair value, the interest on interest-bearing instruments being recognised at amortised cost in the income statement. Gains or losses arising out of changes in fair value are recognised in equity item 130. "Revaluation reserves" - except losses due to

significant impairment and exchange rate gains or losses on monetary items (debt instruments) which are recognised under item 130. b) “Impairment losses on AfS available for sale financial assets” and item 80. “Gains (losses) on financial assets and liabilities held for trading” in the income statement, respectively - until the financial asset is sold, at which time cumulative gains and losses are recognised in profit or loss in item 100.b) “Gains (losses) on disposal or repurchase of AfS financial assets”.

The fair value changes recorded in item 130. “Revaluation reserves” are also reported in the Statement of Comprehensive Income.

Equity instruments (shares) not listed in an active market and whose fair value cannot be reliably determined due to lack or unreliability of information for the fair value measurement are valued at cost, equivalent to the last fair value reliably measured.

If there is objective evidence of a significant loss or impairment on an available-for-sale financial asset, the cumulative loss that, until then, had been recognised directly in equity item 130.”Revaluation reserves”, is removed from equity and recognised in profit or loss under item 130.b) “Impairment losses on available-for-sale financial assets”.

In respect of debt instruments, any circumstances indicating that the borrower/issuer is experiencing financial difficulties which could prejudice the collection of the principal or interest, represent a significant or lasting loss.
Significant or lasting loss of value of equity instruments is assessed on the basis of indicators such as fair value below cost and adverse changes in the environment in which the company operates, as well as the issuer’s debt service difficulties.
The loss of value is normally considered significant or lasting if fair value falls to less than 50% of cost or lasts for more than 18 months, in which case the financial assets is impaired.
If however the fall in the fair value of the financial instrument is over 20% but less than or equal to 50% or continues for no less than 9 but no longer than 18 months, the Bank reviews further income and market indicators. If the results of the review are such as to prejudice the recovery of the amount originally invested, a lasting loss of value is recognised (impairment).
The amount taken to profit and loss is the difference between the carrying amount (value of initial recognition less any impairment loss already recognised in profit or loss) and current fair value.
Where instruments are valued at cost, the amount of the loss is determined as the difference between their carrying value and the present value of estimated future cash flows, discounted at the current market yield on similar financial assets (the recoverable amount).
If, in a subsequent period, the fair value of an impaired debt instrument increases and the increase can be objectively related to an event such as an improvement in the debtor’s credit worthiness occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed and the amount of the reversal is recognised in the same profit or loss item. The reversal cannot result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale are not reversed through profit or loss, but recognised at equity.

## 3 - Held to Maturity Investments (HtM)

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity for which there is the positive intention and ability to hold them to maturity (included host contract of hybrid instruments from which embedded derivative has been bifurcated whose value is represented by the difference between the total amount received and the fair value of the embedded derivative).

If, during the financial year, more than an insignificant amount of held-to-maturity investments are sold or reclassified before maturity, the remaining HtM financial assets shall be reclassified as available-for-sale and no financial assets shall be classified as HtM investments for the two following financial years, unless the sales or reclassifications:
- are so close to maturity or the financial asset’s call date that changes in the market rate of interest would not have a significant effect on the financial asset’s *fair value*;
- occur after substantially all of the financial asset’s original principal has been collected through scheduled payments or prepayments; or
- are attributable to an isolated event that is beyond the entity’s control, is non-recurring and could not have been reasonably anticipated by the entity.

After initial recognition at its fair value, which will usually be the price paid including transaction costs and income directly attributable to the acquisition or provision of the financial asset (even if not yet settled), a held-to-maturity financial asset is measured at amortised cost using the effective interest method. The difference between the carrying value of the asset and the amount received is taken to profit and loss under item 100.c) “Gains (losses) on disposal of HtM financial assets” when the financial asset is derecognised.

If there is objective evidence that a held-to-maturity investment is impaired, the impairment loss is measured as the difference between the asset’s carrying amount and the present value of the estimated future cash flows discounted using the original effective interest rate of the financial asset. The carrying amount of the asset is reduced accordingly and the loss is recognised in profit or loss under item 130.c) “Impairment losses (c) held-to-maturity investments”.
If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event such as an improvement in the debtor’s credit worthiness occurring after the impairment loss was recognised, the previously recognised impairment loss is

reversed. The reversal cannot result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised. The amount of the reversal is recognised in the same profit or loss item.
Held-to-maturity investments cannot be hedged for other than the credit/non performance risk.

At the balance sheet date the Bank did not hold any financial assets classified as "Held-to-maturity investments".

## 4 - Loans and Receivables

### Loans and Advances

Loans and receivables with banks and with customers are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are recognised on the date of contract signing, which normally coincides with the date of disbursement to the borrower.
These items include debt instruments with the above characteristics (included host contract of hybrid instruments from which embedded derivative has been bifurcated) or those subject to portfolio reclassification in accordance with the rules of IAS 39 (see Part A.3.1 below - Transfers between portfolios).

After initial recognition at fair value, which is usually the price paid including transaction costs and income directly attributable to the acquisition or issuance of the financial asset (even if not yet paid), a loan or receivable is measured at amortised cost, which can be adjusted to take account of any write-downs/write-backs resulting from the valuation process.

A gain or loss on loans and receivables, where not hedged, is recognised in profit or loss:
- when a loan or receivable is derecognised: in item 100. a) "Gains (losses) on disposal";

or:
- when a financial asset is impaired (or the impairment loss previously recognised is reversed: in item 130.a) "Net impairment losses on (a) loans and receivables".

Interest on loans and receivables is recognised in profit or loss on an accrual basis using the effective interest rate method under item 10. "Interest income and similar revenue".

Delay interest is taken to the income statement on collection or receipt.

Loans and receivables are reviewed in order to identify those that, following events occurring after initial recognition, show objective evidence of possible impairment. These impaired loans are reviewed and analysed periodically at least once a year.

A loan or receivable is deemed impaired when it is considered that it will probably not be possible to recover all the amounts due according to the contractual terms, or equivalent value.
Allowances for impairment of loans and receivables are based on the present value of expected cash flows of principal and interest; in determining the present value of future cash flows, the basic requirement is the identification of estimated collections, the timing of payments and the rate used.
The amount of the loss on impaired exposure classified as non-performing, doubtful or restructured according to the categories specified below, is the difference between the carrying value and the present value of estimated cash flows discounted at the original interest rate of the financial asset.

For all fixed-rate positions, the rate determined in this manner is also held constant in future years, while for floating rate positions the interest rate is updated according to contractual terms.
If the original interest rate is not readily available, or if finding it would be excessively onerous, the interest rate that best approximates the original one is applied, including through practical expedients that do not affect the substance and ensure consistency with international accounting standards.
Recovery times are estimated on the basis of business plans or forecasts based on historical recovery experience observed for similar classes of loans, taking into account the customer segment, type of loan, type of security and any other factors considered relevant.
Any subsequent change with respect to initial expectations of the amount or timing of expected cash flows of principal and interest causes a change in allowances for impairment and is recognised in profit or loss in item 130. (a)"Impairment losses on loans and receivables".
In the Notes to the Accounts, write-downs of impaired loans are classified as specific in the relevant income statement item even when the calculation is flat-rate or statistical, as indicated below.
When the reasons for the impairment no longer exist, and this assessment is objectively attributable to an event such as an improvement in the debtor's credit worthiness occurred after the impairment, a reversal is made in the same profit or loss item, within the amount of the amortised cost that there would have been if there had been no impairments.
Derecognition of a loan or receivable in its entirety is made when the underlying cause of the loan or receivable no longer exists, or when the loan or receivable is deemed to be irrecoverable or is written off. Write-offs are recognised directly in profit or loss under item 130.a) "Impairment losses on loans and receivables" and reduce the amount of the principal of the loan or receivable. Reversals of all or part of amounts previously written off are recognised in the same item.

# Part A - Accounting Policies (Continued)

According to Bank of Italy regulations, impaired loans (i.e. those with the characteristics identified in paragraphs 58-62 of IAS 39, are classified into the following categories:

- **Non-performing loans** - formally impaired loans, being exposure to insolvent borrowers, even if the insolvency has not been recognised in a court of law, or borrowers in a similar situation. They are measured individually (including by verifying statistically and automatically defined coverage levels for some loan portfolios below a predefined threshold) or, for individually insignificant amounts, on a flat basis by type of homogeneous exposures;
- **Doubtful loans** - exposure to borrowers experiencing temporary difficulties, which the Group believes may be overcome within a reasonable period of time. Doubtful loans also include loans not classified as non-performing granted to borrowers other than government entities where the following conditions are met:
  - they have fallen due and remained unpaid for more than 270 days (or for more than 150 or 180 days for consumer credit exposure with an original term of less than 36 months, or 36 months or over, respectively);
  - the amount of the above exposure to the same borrower and other defaulted payments that are less than 270 days overdue, is at least 10% of the total exposure to that borrower.

  Doubtful loans are valued individually when special elements make this advisable or by individually applying flat percentages on a historical or stochastic basis in the remaining cases;
- **Restructured loans** - exposure to borrowers with whom a rescheduling agreement has been entered into including renegotiated pricing at interest rates below market, the conversion of part of a loan into shares ("debt to equity swap") and/or any reduction of principal; measurement is on a loan-by-loan basis, including discounted cost due to renegotiation of the interest rate at a rate lower than the original contractual rate. Restructured exposures can be reclassified under unimpaired loans only after two years have passed from the date of signing of the restructuring agreement and a resolution has been adopted by the competent corporate bodies declaring that the debtor's full solvency has been restored and that there are no outstanding balances on all existing lines of credit. Loans under renegotiation involving a "debt/equity swap" are valued, pending swap finalization, on the basis of the conversion agreements entered into on the balance-sheet date. Any differences between the value of the loans and value at which the shares were initially recognised are taken to profit and loss as write-downs.
- **Past-due impaired loans** - total exposure to any borrower not included in the other categories, which at the balance-sheet date has expired facilities or unauthorised overdrafts that are more than 90 days past due and meet the requirements set out by supervisory regulations for their classification under the "past due exposures" category (TSA banks).

  Total exposure is recognised in this category if, at the reporting date, either of the following amounts, whichever is larger, is equal to or more than 5%:
  - the expired/overdrawn portion out of the entire exposure as at the reporting date

  and
  - the average of the past-due and/or overdrawn portions out of the entire exposure, as measured daily in the last preceding quarter.

  Past-due exposures are valued at a flat rate on a historical/stochastic basis by applying where available the risk rating referred to Loss Given Default (LGD) under Regulation (EU) No. 575/2013 (CRR) on prudential requirements for credit institutions and investment firms.

It should be noted in this regard that 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 not -performing exposures" (EBA/ITS /2013/03/rev1 24/7/2014).

Collective assessment is used for groups of loans for which individually there are no indicators of impairment: to these portfolios a latent impairment can be attributed, according to the method described below, inter alia on the basis of the risk factors used under CRR prudential regulation.
Each loan with similar characteristics in terms of credit risk - in relation to loan type, the borrower's sector of economic activity, geographical location, type of security or other relevant factors - is assessed in terms of its PD (Probability of Default) and LGD (Loss Given Default); these are uniform for each class of loan.
The methods used combine the CRR prudential regulation recommendations and IFRS. The latter exclude future loan losses not yet sustained, but include losses already sustained even if they were not manifest at the time of measurement, on the basis of past experience of losses on assets having a similar risk profile to the assets being measured.
The parameter for the average period from deterioration of a borrower's financial condition and its classification as an impaired loan is the Loss Confirmation Period.
The portfolio valuation is the product of the risk factors derived from the parameters used under CRR prudential regulation requirements, with a one-year time horizon, and the above loss confirmation periods (LCP) expressed as part of a year and diversified according to classes of loans and receivables on the basis of customer segments/portfolios characteristics.
If these indicators are not available, estimated value and standard loss percentages, based on internal historical series and sectoral studies, shall be used.
Allowances for unsecured loans to residents of countries experiencing debt service difficulties, where the transfer risk is not included in the rating system applied, are generally determined, country by country, with the aim of attributing latent impairment on the basis of shared parameters.
Allowances for impairment reduce the loan or receivable's carrying amount.

**Guarantees, etc.**
These include all personal guarantees issued by the bank to secure third parties' obligations.
This portfolio is valued on the basis of impairment losses due to a worsening of the solvency of the guaranteed party calculated on a case-by-case basis in respect of guarantees given on behalf of debtors classified as non-performing or restructured. Impairment of guarantees given on behalf of debtors classified as doubtful is calculated as for loans and advances.
In respect of guarantees issued on behalf of debtors classified as "Impaired Past due Exposures", expected loss is estimated on the basis of the riskiness of the type of guarantee and underlying risk mitigation instruments.
In respect of guarantees issued on behalf of debtors classified as "Not impaired past due exposures", Expected Loss is calculated on the basis of the amount of losses incurred but not reported due to the time elapsed between the deterioration of creditworthiness and the calling of the guarantee.
Risk arising from off-balance sheet items, e.g. loan commitments, is recognised in profit and loss under item 130.d) "Impairment Losses on other financial assets" contra liability item 120 .b) "Provisions for risks and charges - other provisions" (except for impairment losses on guarantees given and derivatives considered similar by IAS 39, which are written down or back contra liability item 100 "Other Liabilities").
Subsequent write-backs may not exceed the amount of write-downs (whether individual or generic) previously recognised due to impairment.

## 5 - Financial Instruments at Fair Value through Profit or Loss (FIaFV)

Any financial asset may be designated, in accordance with the provisions of IAS 39 as a financial instrument measured at fair value through profit or loss on initial recognition, except for the following:
- investments in equity instruments for which there is no price quoted in active markets and whose fair value cannot be reliably determined;
- derivatives.

FIaFV includes financial assets:
(i) not belonging to regulatory trading book, whose risk is:
- connected with debt positions measured at fair value (see also item 15 "Financial liabilities at fair value through profit or loss");
- managed by the use of derivatives not treatable as accounting hedges.

(ii) represented by hybrid (combined) instruments containing embedded derivatives that otherwise would have been separated from the host contract.
FIaFV are accounted for in a similar manner to HfT financial assets (see Section 1), however gains and losses, both realised and unrealised, are recognised in item 110. "Gains (losses) on financial assets and liabilities at fair value through profit or loss".

## 6 - Hedge Accounting

Hedging derivatives are those created to hedge market risks (interest-rate, currency and price) to which the hedged positions are exposed.
They may be described as follows:
- fair value hedge: a hedge of the exposure to changes in fair value of a recognised asset or liability, or an identifiable portion of such an asset or liability;
- cash flow hedge: a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction which could affect profit or loss in future periods;
- hedge of a net investment in a foreign entity, whose operations are presented in a currency other than euro.

Hedging derivatives are initially recognised on trade date and are valued at their fair value.

A hedging relationship qualifies for hedge accounting if there is formal designation and documentation of the hedging relationship including the risk management objective, the strategy for undertaking the hedge, and how the hedging instrument's prospective and retrospective effectiveness will be assessed. It is necessary to assess the hedge's effectiveness, at inception and in subsequent periods, in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

A hedge is regarded as highly effective if, at the inception of the hedge and in subsequent periods, it is determined prospectively to remain highly effective, and the retrospectively verified that the hedge ratio (i.e.. the changes in fair value of hedged items and hedging instruments) is within a range of 80-125 per cent. The hedge is assessed on an ongoing basis and thus must prospectively remain highly effective throughout the financial reporting periods for which the hedge has been designated.

The assessment of effectiveness is made at each balance-sheet date or other reporting date. If the assessment does not confirm the effectiveness of the hedge, from that time on hedge accounting is discontinued in respect of the hedge and the hedging derivative is reclassified as a held-for-trading instrument.
In addition, the hedging relationship ceases when the hedging instrument expires or is sold, terminated or exercised; the hedged item is sold, expires or is repaid; or it is no longer highly probable that the forecast transaction will occur.

# Part A - Accounting Policies (Continued)

Hedging derivatives are measured at fair value. In particular:

- **Fair Value Hedging** - an effective fair value hedge is accounted for as follows: the gain or loss from remeasuring the hedging instrument at fair value is recognised through profit or loss in item 90. "Fair value adjustments in hedge accounting". the gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognised through profit or loss in the same item. If the hedging relationship is terminated for reasons other than the sale of the hedged item, this is measured according to the original criterion dictated by the accounting standard applied to the relevant portfolio. In the case of interest-bearing instruments, the difference between the carrying amount of the hedged item on termination of the hedging and the carrying amount it would have had if the hedge had never existed, is recognised through profit or loss in interest receivable or payable over the residual life of the original hedge. The difference in fair value of the hedging derivative since the latest effectiveness testing date is recognised in profit or loss under item 90. "Fair value adjustments in hedge accounting". If the hedged item is sold or repaid, the portion of fair value which is still unamortised is recognised immediately under item 100. "Gains (losses) on disposal or repurchase". With regard to specific Fair Value hedging derivatives of securities included in the portfolio of "Available-for-sale financial assets", the fair value changes of the hedging instrument were recognised through profit or loss in item 90. "Fair value adjustments in hedge accounting"; fair value changes of the hedged item attributable to the hedged risk (interest rate risk) were recognised through profit or loss in the same item; fair value changes of the hedged item attributable to the non-hedged risk (essentially, credit risk) were recognised in shareholders' equity item 130 "Revaluation reserves for available-for-sale financial assets".
- **Cash Flow Hedging** - hedges are valued at fair value Change in the fair value of a hedging instrument that is considered effective is recognised in equity item 130 "Revaluation reserves". The ineffective portion of the gain or loss is recognised through profit or loss in item 90. "Fair value adjustments in hedge accounting". If a cash flow hedge is determined to be no longer effective or the hedging relationship is terminated, the cumulative gain or loss on the hedging instrument that remains recognised in "Revaluation reserves" from the period when the hedge was effective remains separately recognised in "Revaluation reserves" until the forecast hedged transaction occurs or is determined to be no longer possible; in the latter case, the gains or losses are transferred from shareholders' equity to item 80. "Gains and losses on financial assets and liabilities held for trading". The fair value changes recorded in item 130. "Revaluation reserves" are also reported in the Statement of Comprehensive Income.
- **Hedging a Net Investment in a Foreign entity** - hedges of a net investment in a foreign entity, whose operations are presented in a currency other than euro, are accounted for similarly to cash flow hedges.
  The gain or loss on the hedging instrument relating to the effective portion of the hedge that has been recognised directly in equity is recognised through profit or loss on disposal of the foreign entity.
  The fair value changes recorded in item 130. "Revaluation reserves" are also reported in the Statement of Comprehensive Income. The ineffective portion of the gain or loss is recognised through profit or loss in item 90. "Fair value adjustments in hedge accounting";
- **macro-hedged financial assets (liabilities)** - IAS 39 allows a fair-value item hedged against interest rate fluctuations to be not only a single asset or liability but also a monetary position contained in a number of financial assets or liabilities (or parts of them); accordingly, a group of derivatives can be used to offset fair-value fluctuations in hedged items due to changes in market rates. Macro hedging may not be used for net positions resulting from the offsetting of assets and liabilities. As for fair value micro hedging, macro hedging is considered highly effective if, at the inception of the hedge and in subsequent periods, changes in the fair value attributable to the hedged position are offset by changes in fair value of the hedging instrument and if the hedge ratio is retrospectively assessed falling within the range of 80-125 per cent. Net changes – gains or losses – in the value of the macro-hedged assets and liabilities attributable to the hedged risk are recognised in asset item 90 and liability item 70 respectively and offset the profit and loss item 90 "Fair value adjustments in hedge accounting". The gain or loss from remeasuring the hedging instrument at fair value is recognised in the same profit and loss item.
  The ineffectiveness of the hedging arises to the extent that the change in the fair value of the hedging item differs from the change in the fair value of the hedged monetary position. The extent of hedge ineffectiveness is in any case recognised in profit and loss item 90. "Fair value adjustments in hedge accounting".
  If the hedging relationship is terminated, for reasons other than the sale of the hedged items, cumulative gain or loss in items 90 (Assets) and 70 (Liabilities) is recognised through profit or loss in interest income or expenses, along the residual life of the hedged financial assets or liabilities.

If the latter are sold or repaid, unamortised fair value is at once recognised through profit and loss in item 90. "Fair value adjustments in hedge accounting".

During the year 2014, the Bank carried out, and had in place at the reporting date, only specific fair value hedges of debt securities issued by governments and classified in the "Available-for-sale financial assets" portfolio and macro-hedges against the interest rate risk of personal loans to retail customers, of bonds issued by UniCredit subscribed by the Bank and classified under the "*Loans and receivables*" category, and of bonds issued by the Bank, fully subscribed by the Parent Company, recognised as debt securities in issue.

## 7 - Equity Investments

At the balance sheet date, the Bank held no investments in subsidiaries, associates and joint ventures.
Interests held – other than subsidiaries, associates and joint ventures, and interests recognised in items 150. "Non-current assets and disposal groups classified as held for sale" – are classified as "Available-for-sale financial assets".

## 8 - Property, Plant and Equipment

The item includes:
- buildings
- furniture and fixtures
- plant and machinery
- other machinery and equipment

and is divided between:
- assets used in the business;
- assets held as investments.

Assets used in the business are held for use in the production or supply of goods or services or for administrative purposes and are expected to be used during more than one period.

Property, plant and equipment also include leasehold improvements relating to assets which can be separately identified. They are classified according to the specific sub-items relating to the asset type (e.g. plants). Leasehold improvements are usually borne in order to make leased premises fit for the expected use. Improvements and additional expenses relating to property, plant and equipment identifiable but not separable are recognised in item 150 “Other assets”.

Assets held for investment purposes are properties covered by IAS 40, i.e. properties held in order to derive rentals and/or a capital gain.

Property, plant and equipment are initially recognised at cost including all costs directly attributable to bringing the asset into use (transaction costs, professional fees, direct transport costs incurred in bringing the asset to the desired location, installation costs and dismantling costs).
Subsequent costs are added to the carrying amount or recognised as a separate asset only when it is probable that there will be future economic benefits in excess of those initially foreseen and the cost can be reliably measured. Other expenses borne at a later time (e.g. normal maintenance costs) are recognised in the year they are incurred in profit and loss items:
- 150.b) “Other administrative expenses”, if they refer to assets used in the business;

or:
- 190. “Other net operating income”, if they refer to property held for investment.

After being recognised as an asset, an item of property, plant and equipment is carried at cost less any accumulated depreciation and any cumulative impairment losses.
An item with a finite useful life is subject to straight-line depreciation.

The depreciation rates used for the main categories of property, plant and equipment are as follows:

| | |
|---|---|
| • Furniture | 12 percent |
| • Fittings | 15 percent |
| • Ordinary office equipment | 12 percent |
| • Miscellaneous machines, devices and equipment | 15 percent |
| • Alarm and security systems | 30 percent |
| • Electronic machines | 20 percent |
| • Mobile phones and television camera systems | 20 percent |
| • Hoisting systems and equipment | 7.5 percent |
| • Motor vehicles | 25 percent |
| • Buildings | 3 percent |

Land and buildings, if separately quantifiable, are recognised separately, even if acquired together. Land is not depreciated since it usually has an indefinite useful life. Buildings, conversely, have a finite useful life and are therefore subject to depreciation.
The estimate of the useful life of an asset is reviewed at least at each accounting period-end on the basis inter alia of the conditions of use of the asset, of maintenance conditions and expected obsolescence, and, if expectations differ from previous estimates, the depreciation amount for the current and subsequent financial years is adjusted accordingly.
If there is objective evidence that an asset has been impaired, the carrying amount of the asset is compared with its recoverable value, equal to the greater of its fair value less selling cost and its value in use, i.e. the present value of future cash flows expected to originate from the asset. Any value adjustment is recognised in profit and loss item 170. “Impairment/Write-backs on property, plant and equipment”.

If the value of a previously impaired asset is restored, its increased carrying amount cannot exceed the net carrying amount it would have had if there had been no losses recognised on the prior-year impairment.

# Part A - Accounting Policies (Continued)

An item of Property, plant and equipment is de-recognised from the Balance sheet upon disposal or when no further economic benefits are expected to be generated by its use or its disposal and any difference between the disposal or recoverable value and the book value is recognised in the Income Statement under item 240. "Gains (losses) on disposal of investments".

## 9 - Intangible Assets

An intangible asset is an identifiable non-monetary without physical substance which is expected to be used during more than one period and from which future economic benefits are probable.

Intangible assets mainly consist of goodwill, software and costs incurred for the creation of the new Fineco website.
Intangible assets other than goodwill are recognised at purchase cost, i.e. including any cost incurred to bring the asset into use, less accumulated amortisation and any recognised impairment losses.
Costs sustained after purchase are:
- added to initial cost, provided they increase future economic benefits arising from the underlying asset (i.e. if they increase its value or productive capacity);
- in other cases (i.e. when they do not increase the asset's original value, but are intended merely to preserve its original functionality) are taken to profit or loss in a single amount in the year in which they have been borne.

An intangible asset with a finite life is subject to straight-line amortisation over its estimated useful life.

Residual useful life is usually assessed as follows:
- software maximum 3 years;
- other intangible assets maximum 5 years.

There are no intangible assets with an indefinite life, except for goodwill.

If there is objective evidence that an asset has been impaired, the carrying amount of the asset is compared with its recoverable value, equal to the greater of its fair value less selling cost and its value in use, i.e. the present value of future cash flows expected to originate from the asset. Any impairment loss is recognised in profit and loss item 180. "Impairment/write-backs on intangible assets".

If the value of a previously impaired intangible asset, other than goodwill is restored, its increased carrying amount cannot exceed the net carrying amount it would have had if there were no losses recognised on the prior-year impairment.

An intangible asset is de-recognised from the Balance sheet upon disposal or when no further economic benefits are expected to be generated by its use or its disposal and any difference between the disposal or recoverable value and the book value is recognised in the Income Statement under item 240. "Gains (losses) on disposal of investments".

### Goodwill

In accordance with IFRS3, goodwill is the excess of the cost of a business combination over the net fair value of the assets and liabilities acquired at the acquisition date.

Goodwill arising from the acquisition of companies through merger or absorption is recognised as an intangible asset, whereas goodwill arising from the acquisition of subsidiaries, associates and joint ventures is included in the acquisition cost and, then, shown as an increase in the value of the investments.
At a subsequent financial reporting date, goodwill is recognised net of any cumulative impairment losses and is not amortised.

Goodwill is tested for impairment annually, in the same way as other intangible assets with an indefinite life.
Impairment losses on goodwill are recognised in profit and loss item 230. "Impairment of goodwill". In respect of goodwill, no write-backs are allowed.

Goodwill relates to buy-outs of divisions or companies engaged in trading activities or the distribution of financial, banking and insurance products through personal financial advisors. These activities have been fully integrated with FinecoBank's ordinary operations; as a result it is not possible to isolate the contribution of each company/business division from the Bank's overall business. This means that to establish the reasonableness of the value of goodwill recognised in the financial statements it is necessary to take account of the Bank's comprehensive income. The cash generating unit (CGU) is the Bank as a whole.
In view of the specific business model adopted by FinecoBank, which involves a high level of integration between personal financial advisors and the trading and banking platform, so that the financial advisors' network is an integral part of the overall offer, which includes banking, brokerage and investing services, an allocation of costs/revenues for business units is not considered relevant or meaningful.

Please see Section 12.3 Intangible assets - Other information in Part B below for further information on goodwill and related impairment tests.

## 10 - Non-current Assets Held for Sale

These categories include individual assets held for disposal (tangible, intangible and financial assets) or groups of assets held for sale, with the related liabilities, as required by IFRS 5.
Individual assets (or groups of assets held for sale) are recognised in item 140. “Non-current assets and disposal groups held for sale” and 90. “Liabilities included in disposal groups classified as held for sale”, respectively, at the lower of their carrying amounts and fair values less costs to sell.
The revaluation reserves relating to Non-current assets held for sale, which are recorded as a contra item to changes in value relevant for this purpose, are reported separately in the Statement of Comprehensive Income (see Part D - Comprehensive Income).
The net balance of profits (dividends, interest income, etc.) and losses (interest expense, etc.) attributable to groups of assets or liabilities held for sale are recognised in the income statement under item 280. “Profit (Loss) after tax from discontinued operations”. Profits and losses attributable to individual assets held for disposal are recognised in the income statement under the most appropriate item.

At the balance sheet date the Bank held no non-current assets classified as held for sale.

## 11 - Current and Deferred Tax

Current tax assets are shown in the balance sheet net of related current tax liabilities, where the following requirements are met:
- there is a right to offset the recognised amounts; and
- there is an intention to settle the asset and liability positions with a single payment on a net basis or to realize the asset and settle the liability simultaneously.

As of the year ended December 31, 2014, similarly to current tax assets and liabilities, also deferred tax assets are shown in the balance sheet net of related deferred tax liabilities, where the following requirements are met:
- there is a right to offset the underlying current assets with the current liabilities; and
- deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or different taxable entities which intend to settle current tax assets and liabilities on a net basis (usually under a tax consolidation agreement).

Consequently, for the purposes of like-for-like comparison, the corresponding figures relating to the previous year have been restated.
In compliance with the “Balance sheet liability method”, current and deferred tax items are:
- current tax assets, i.e. amount of tax paid in excess of income tax due in accordance with current tax regulations on business income;
- current tax liabilities, i.e. amounts of corporate tax due in accordance with current tax regulations on business income;
- deferred tax assets, i.e. amounts of income tax recoverable in future fiscal years as a consequence of:
    - deductible temporary differences;
    - the carry-forward of unused tax losses;
    - the carry-forward of unused tax credits;
- deferred tax liabilities, i.e. the amounts of income tax due in future fiscal years in respect of taxable temporary differences.

Current tax assets and tax liabilities are calculated in accordance with local tax regulations and are recognised in profit or loss on an accrual basis. More specifically, for current IRES income tax, a rate of 27.50% has been calculated; for IRAP corporate tax, the rate applied was 5.57%.
In general, deferred tax assets and liabilities arise when there is a difference between the accounting treatment and the tax treatment of the carrying amount of an asset or liability.
Deferred tax assets and liabilities are recognised applying tax rates that at the balance sheet date are expected to apply in the period when the carrying amount of the asset will be recovered or the liability will be settled on the basis of tax regulations in force, and are periodically reviewed in order to reflect any changes in regulations.
Deferred tax assets are recognised only to the extent that it is probable that sufficient taxable profit evaluated based on the Bank’s ability to generate it in future financial years will be available.
Deferred tax liabilities are always recognised. In accordance with the provisions of IAS12, the probability that sufficient future taxable profit against which the deferred tax assets can be utilised will be available is reviewed periodically. The carrying amount of deferred tax assets should be reduced to the extent that it is not probable that sufficient taxable profit will be available.
Current and deferred taxes are recognised in profit and loss item 260. “Tax expense (income) related to profit or loss from continuing operations”, except for tax referred to items that in the same or in another fiscal year are credited or charged directly to equity, such as those relating to gains or losses on available-for-sale financial assets and those relating to changes in the fair value of cash flow hedging instruments (not present in the Bank’s financial statements), whose changes in value are recognised, net of tax, directly in the statement of comprehensive income.

Current IRES income tax is calculated on the basis of the “tax consolidation” introduced by Italian Legislative Decree 344/03. UniCredit S.p.A. opted to apply tax consolidation of the Group’s Italian entities for the three-year period 2013-2015 (see also Part B of these Notes - Section 13.7 - Further Information).

# Part A - Accounting Policies (Continued)

## 12 - Provisions for Risks and Charges

**Retirement Payments and Similar Obligations**

Retirement provisions – i.e. provisions for employee benefits paid after leaving employment – are defined as defined contribution plans or defined benefit plans according to the economic nature of the plan.
In particular:

- Defined-benefit plans provide a series of benefits depending on factors such as age, years of service and compensation policies. Under this type of plan actuarial and investment risks are borne by the company.
- Defined-contribution plans are plans under which the company makes fixed contributions. Benefits are the result of the amount of contributions paid and return on contributions invested. The employer bears no actuarial and/or investment risks connected with this type of benefit as it has no legal or implicit obligation to make further contributions, should the plan not be sufficient to provide benefit to all employees.

Defined-benefit plans are present-valued by an external actuary using the unit credit projection method.

This method distributes the cost of the benefit evenly over the employee's working life. The liability is determined as the present value of average future payments adjusted according to the ratio of years of service to theoretical total years of service at the time of payment of the benefit.
More specifically, the amount recognised according to IAS 19 Revised, as a net liability/asset in item 120. Provisions for risks and charges - a) Post-retirement benefit obligations is the present value of the obligation at the balance sheet date, less any pension charges relating to benefits already provided but not yet recognised, less the fair value at the balance sheet date of plan assets other than those due to directly settle the obligations adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. Actuarial gains or losses arising from the valuation of defined-benefit liabilities are recognised against Revaluation reserves.

The discount rate used to discount obligations (whether financed or not) relating to benefits to be provided after retirement varies according to the currency of denomination and country where the liabilities are allocated and is determined on the basis of market yield at the balance sheet date of prime issuers' bonds with an average life in keeping with that of the relevant liability.

At the balance sheet date, the Bank did not have provisions for retirement payments and similar obligations.

**Other Provisions**

Provisions for risks and charges consist of liabilities recognised when:
- the entity has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amounts recognised as provisions are the best estimate of the expenditure required to settle the present obligation. The risks and uncertainties that inevitably surround the relevant events and circumstances are taken into account in reaching the best estimate of a provision.
Where the effect of the time value of money is significant (generally when payment is to be made more than 18 months from recognition), the amount of the provision should be the present value of the best estimate of the cost required to settle the obligation. The discount rate used reflects the current market assessments.

Provisions are reviewed periodically and adjusted to reflect the current best estimate. If it becomes clear that it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Provisions are used only for expenses for which they were originally recognised.

Allocations made in the year are recognised in profit and loss item 160. "Provisions for risks and charges" and include increases due to the passage of time; they are also net of any re-attributions.

"Other provisions" also include obligations relating to benefits due to agents, specifically supplementary customer portfolio payments and contractual payments, which are measured as per defined benefit plans; accordingly these obligations are calculated using the unit credit projection method (see paragraph "Retirement Payments and Similar Obligations"), and payments under non-competition agreements.

In certain cases, provisions for risks and charges have been classified under their own item in the income statement to better reflect their nature.

## 13 - Liabilities and Securities in Issue

The items “Deposits from banks”, “Deposits from customers” and “Debt Securities in issue” are used for all forms of third-party funding other than trading liabilities or those valued at fair value through profit or loss.

These financial liabilities are recognised on the settlement date principle initially at fair value, which is normally the consideration received less transaction costs directly attributable to the financial liability. Subsequently these instruments are measured at amortised cost using the effective interest method.

Hybrid debt instruments relating to equity instruments, foreign exchange, credit instruments or indexes, are treated as structured instruments. The embedded derivative is separated from the host contract and recognised as a derivative, provided that separation requirements are met, and recognised at fair value. The embedded derivative is initially recognised at fair value and subsequently reassessed. Any subsequent changes in fair value are recognised in profit and loss item 80. “Gains (losses) on financial assets and liabilities held for trading”.

The difference between the total amount received and the fair value of the embedded derivative is attributed to the host contract.

Securities in issue are recognised net of repurchased amounts; the difference between the carrying value of the liability and the amount paid to buy it in is taken to profit and loss under item 100.d) “Gains (losses) on buy-ins of financial liabilities”. Subsequent disposal by the issuer is considered as a new issue which doesn’t produce gains or losses.

The Bank’s debts do not include covenants that would cause default or restructuring events. There are no debt instruments involving convertibility to equity instruments (under IASB IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments).

## 14 - Financial Liabilities Held for Trading

Financial liabilities held for trading include:
- derivatives that are not designated as hedging instruments;
- obligations to deliver financial assets borrowed by a short seller (i.e., an entity that sells financial assets it does not yet own);
- financial liabilities issued with an intention to repurchase them in the near term;
- financial liabilities that are part of a portfolio of financial instruments considered as a unit and for which there is evidence of a recent pattern of trading.

An HfT liability, including a derivative, is measured at fair value initially and for the life of the transaction, except for a derivative liability settled by delivery of an unlisted equity instrument whose fair value cannot reliably be measured, and which is therefore measured at cost.

## 15 - Financial Liabilities at Fair Value through profit or loss

According to IAS 39, financial liabilities, as well as financial assets, may also be designated on initial recognition as measured at fair value, provided that:
- this designation eliminates or considerably reduces the discrepancy that could arise from the application of different methods of measurement of assets and liabilities and related gains or losses;

or
- a group of financial assets, financial liabilities or both are managed and measured at fair value under risk management or investment strategy which is internally documented with the entity’s Board of Directors or equivalent body.

This category may also include financial liabilities represented by hybrid (combined) instruments containing embedded derivatives that otherwise should have been separated from the host contract.
These transactions are recognised in the same was as the HfT financial liabilities, with gains and losses, both realised and unrealised, recognised in item 110. “Gains (losses) on financial assets and liabilities at fair value through profit or loss”.

At the balance sheet date the Bank did not hold any financial liabilities classified as “Financial liabilities at fair value through profit or loss”.

# Part A - Accounting Policies (Continued)

## 16 - Foreign Currency Transactions

A foreign currency transaction is recognised at the spot exchange rate of the transaction date.

Foreign currency monetary assets and liabilities are translated at the closing rate of the period.

Exchange differences arising from settlement of monetary items at rates different from those of the transaction date and unrealised exchange rate differences on foreign currency assets and liabilities not yet settled, other than assets and liabilities designated as measured at fair value and hedging instruments, are recognised in profit and loss item 80. "Gains and losses on financial assets and liabilities held for trading".
Non-monetary assets and liabilities recognised at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated at the closing rate. In this case the exchange differences are recognised:
• in profit and loss if the financial asset is HfT;
• in revaluation reserves if the financial asset is AfS.

All exchange differences recorded under revaluation reserves in shareholders' equity are also reported in the Statement of Comprehensive Income.

## 17 - Other Information

### Business combinations

A business combination is a transaction through which an entity obtains control of a company or of a business segment, thus bringing together different businesses into one reporting entity.
A business combination may result in a Parent-subsidiary relationship in which the acquirer is the Parent and the acquiree a subsidiary of the acquirer. A business combination may involve the purchase of the net assets of another entity, in which case goodwill can arise, or the purchase of the equity of the other entity (mergers).
IFRS 3 requires that all business combinations shall be accounted for by applying the purchase method, that involves the following steps:
- identifying an acquirer;
- measuring the cost of the business combination;
and
- allocating, at the acquisition date, the cost of the business combination to the assets acquired and liabilities and contingent liabilities assumed.

The cost of a business combination is the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the acquirer, in exchange for control of the acquiree.
The acquisition date is the date on which the acquirer effectively obtains control of the acquiree. When this is achieved through a single exchange transaction, the date of exchange coincides with the acquisition date.
A business combination may involve more than one exchange transaction; nevertheless, the cost of the business combination remains equal to the fair value of the total shareholding acquired. This involves the revaluation at fair value - and the recognition of the effects in the Income Statement - of the equity investments previously held in the acquired entity.
The cost of a business combination is allocated by recognizing the assets, the liabilities and the identifiable contingent liabilities of the acquired company at their acquisition-date fair value. Exceptions to this principle are deferred income tax assets and liabilities, employee benefits, indemnification assets, reacquired rights, non-current assets held for sale, and share-based payment transactions that are subject to review in accordance with the principle applicable to them.
Positive difference between the cost of the business combination and the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities so recognised is accounted for as goodwill.
After initial recognition, goodwill is tested for impairment at least annually.
If the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the acquirer shall reassess the fair values and immediately recognise any excess remaining after that reassessment in profit or loss.
In the case of business combinations resulting in a Parent company-subsidiary (acquirer-acquiree) relationship, the equity investment is accounted for under the cost method.

### Derecognition of financial assets

Derecognition is the removal of a previously recognised financial asset from an entity's balance sheet.

Before evaluating whether, and to what extent, derecognition is appropriate, under IAS 39 an entity should determine whether the relevant conditions apply to a financial asset in its entirety or to a part of a financial asset. The standard is applied to a part of financial assets being transferred if, and only if, the part being considered for derecognition meets one of the following conditions:
• the part comprises only specifically identified cash flows from a financial asset (or a group of assets), e.g. interest cash flows from an asset;
• the part comprises a clearly identified percentage of the cash flows from a financial asset, e.g., a 90 per cent share of all cash flows from an asset;
• the part comprises only a fully proportionate (pro rata) share of specifically identified cash flow, e.g. 90 per cent share of interest cash flows from an asset.

In all other cases, the standard is applied to the financial asset in its entirety (or to the group of similar financial assets in their entirety).
An entity shall derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the contractual rights to receive the cash flows of the financial asset to a third party.
Rights to cash flow are considered to be transferred even if contractual rights to receive the asset's cash flow are retained but there is an obligation to pay this cash flow to one or more entities and all the following conditions are fulfilled (pass-through agreement):
• there is no obligation on the Bank to pay uncollected amounts associated with the original asset;
• sale or pledge of the original asset is not allowed, unless it secures the obligation to pay cash flow;
• the Bank is obliged to transfer forthwith all cash flows received and may not invest them, except for liquidity invested for the short period between the date of receipt and that of payment, provided that the interest accrued in that period is paid on.

Recognition is also subject to verification of effective transfer of all the risks and rewards of ownership of the financial asset. If the entity transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognise the asset (or group of assets) and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer.
Conversely, if the entity substantially retains all the risks and rewards of ownership of the asset (or group of assets), the entity shall continue to recognize the transferred asset(s). In this case it is necessary to recognize a liability corresponding to the amount received under the transfer and subsequently recognize all income accruing on the asset or expense accruing on the liability.
The main transactions that do not allow, under the above rules, total derecognition of a financial asset are securitizations, repurchase (sell and buy- backs) and stock lending transactions.
In the case of repurchase transactions and stock lending, the assets transacted are not derecognised since the terms of the transaction entail the retention of all their risks and rewards.

Lastly, it should be noted that securities lending transactions collateralised by other securities or not collateralised were recorded as off-balance sheet items.

### Repos

Securities received in a transaction that entails a contractual obligation to sell them at a later date or delivered under a contractual obligation to repurchase are neither recognised nor derecognised. In respect of securities purchased under an agreement to resell, the consideration is recognised as a loan to customers or banks, or as an assets held for trading; In respect of securities held in a repurchase agreement, the liability is recognised as due to banks or customers, or as held for trading financial liabilities. Revenue from these loans, being the coupons accrued on the securities and the difference between the sale/purchase and resale/repurchase prices, is recognised in profit or loss through interest income and expenses on an accruals basis.

These transactions can only be offset if, and only if, they are carried out with the same counterparty and provided that such offset is provided for in the underlying contracts.

The same rules apply to securities lending transactions collateralised by cash fully available to the lender.
The P&L items connected with these transactions are booked respectively:
• in item Interest, with respect to the positive item (borrower) and the negative item (lender) related to the return on cash paid to the lender;
• in item Fees and commissions, with respect to the negative item (borrower) and the positive item (lender) related to the service provided by the lender by making the security available.

With reference to securities lending transactions collateralised by other securities, or not collateralised, the security lent or the security put up as collateral are still recognised as assets in the balance sheet, depending on the role - lender or borrower, respectively - played in the transaction. Counterparty risk related to the latter securities lending or borrowing transactions is shown under the tables of Part E - Section 1 - Credit risk - A. Credit quality.

### Treasury Shares

Changes in treasury shares are reported as a direct contra item to shareholders' equity, i.e. as a reduction to the latter in the amount of any purchases, and as an increase in the amount of any sales proceeds. This entails that, if treasury shares are subsequently sold, the difference between the sale price and the related post-tax repurchase cost is recognised entirely as a contra item to shareholders' equity.

The Bank does not hold, nor did it hold during the period, any treasury shares in the portfolio.

### Provision for employee severance pay

The "TFR" provision for Italy-based employee benefits is to be construed as a "post-retirement defined benefit". It is therefore recognised on the basis of an actuarial estimate of the amount of benefit accrued by employees discounted to present value. This benefit is calculated by an external actuary using the unit credit projection method (see Section 12 - under Provisions for Risks and Charges - Retirement Payments and Similar Obligations). This method distributes the cost of the benefit evenly over the employee's working life. The liability is determined as the present value of average future payments adjusted according to the ratio of years of service to total years of service at the time of payment of the benefit.

# Part A - Accounting Policies (Continued)

Following pension reform by Law 252 of December 5, 2005, TFR instalments accrued to December 31, 2006 (or to the date between Jan 1, 2007 and June 30, 2007 on which the employee opted to devolve their TFR to a supplementary pension fund) stay in the employer and are considered a post-employment defined benefit plan therefore incurring actuarial valuation, though with simplified actuarial assumptions, i.e., forecast future pay rises are not considered.
TFR instalments accrued since 01.01.2007 (date of Law 252 coming into effect) (or since the date between 01.01.2007 and 30.06.2007) are, at the employee's discretion, either paid into a pension fund or left in the company and (where the company has in excess of 50 employees) paid into an INPS Treasury fund by the employer, and are assimilated to a defined-contribution plan.
Costs relating to TFR are recognised in the Income Statement in item 150.a) "Administrative costs: staff expense" and include, for the part of the defined benefit plan: (i) interest cost accrued in the year, for the part of plan considered defined contribution plan (ii) the accrued instalments for the year paid into the complementary pension scheme or to the Treasury fund of INPS.
Actuarial gains (losses), i.e., the difference between the liabilities' carrying value and the present value of the obligation at the end of the period are recognised in equity item 130 Revaluation reserves according to IAS 19 Revised.

### Share-Based Payment

Equity-settled payments made to employees or other staff (in particular, financial advisors) in consideration of goods received or services rendered, using equity instruments (representing equity of the bank or the parent), which consist of:
- Stock options;
- Performance shares (i.e. awarded on attainment of certain objectives);
- Restricted shares (i.e. subject to a lock-up period).

Considering the difficulty of reliably measuring the fair value of the services acquired against equity-settled payments, reference is made to the fair value of the instruments themselves, measured at the date of the allocation.

The fair value of equity-settled payments in exchange of work or services is recognised as cost in profit and loss item 150.a) "Administrative costs" as a contra entry to shareholders' equity item 160. "Reserves", on an accruals basis over the period in which the services are acquired.

Share based payments consisting in the payment of shares of the parent company directly allocated to employees of the Bank, under agreements between the Bank and the Parent Company for their cash settlement, are measured at fair value recognised as a cost in profit and loss item 150 "Administrative expenses", as a contra entry to item 100. "Other Liabilities", on an accruals basis over the period in which the services are acquired.

### Other Long-term Employee Benefits

Long-term Employee Benefits are recognised in item 100. "Other liabilities" on the basis of the measurement of existing commitments at the balance sheet date.

### Credit derivatives treated as financial guarantees given

Credit derivatives are treated as financial guarantees given, in accordance with IAS 39, when they require the issuer to make specified payments to the holder to indemnify the latter for actual losses borne due to the default of a specific debtor on payment at a maturity set by a debt instrument.
The value of initial recognition is equal to their fair value, which is usually the amount received when the guarantee is issued, and is booked under item 100 "Other Liabilities".
The effects of valuation, related to any impairment of the underlying, are recognised in the same balance-sheet item contra item 130.d) "Write-downs and write-backs due to impairment of other financial transactions" in the income statement.

### Offsetting Financial assets and Financial liabilities

The accounting offsetting of assets and liabilities items has been performed according to IAS 32, assessing the fulfilment of the following requirements:
a) current legal enforceable right to set off the recognised amounts;
b) intention either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The Bank did not make any accounting offsets nor recognised the validity of Master Netting Agreements, or similar agreements, which create the right to set-off only following specified circumstances.

## RECOGNITION OF INCOME AND EXPENSES

### Interest Income and Expense

Interest income and expense and similar income and expense items relate to monetary items - i.e., liquidity and debt financial instruments, held for trading measured at fair value through profit or loss or available for sale, HtM financial assets, loans and receivables, deposits, and debt securities in issue.

Interest income and expense are recognised through profit or loss with respect to all instruments measured at amortised cost, using the effective interest method.

Interest also includes the net credit or debit balance of differentials and margins on financial derivatives:
- hedging interest-bearing assets and liabilities;
- HfT but linked for business purposes to assets and liabilities designated as measured at fair value (fair value option);
- linked for business purposes to HfT assets and liabilities paying differentials or margins on different maturities.

### Fees and Commissions
Fees and commissions are recognised according to the provision of the services from which they have arisen.
Securities trading commission is recognised at the time the service is rendered. Advisory fees and investment fund management fees are recognised on a pro-rata temporis basis.

Fees included in amortised cost used to calculate effective interest rates are not included under fees and commissions, since they are part of the effective interest rate.

### Dividends
Dividends are recognised in the profit and loss account for the year in which their distribution has been approved.

## RELEVANT IFRS DEFINITIONS
The main definitions introduced by IFRS are described below, other than those dealt with in previous sections.

### Amortised cost
The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

The effective interest method is a method of allocating the interest income or interest expense over the life of a financial asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. The calculation includes all fees and basis points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Commissions forming an integral part of the effective interest rate include loan drawdown fees or underwriting fees relating to a financial asset not designated at fair value, e.g., fees received as compensation for the assessment of the issuer's or borrower's financial situation, for valuation and registration of security, and generally for the completion of the transaction (management fees).

Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

### Impairment of financial assets
At each balance sheet date an entity assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

It may not be possible to identify a single, discrete event that caused the impairment. Rather the combined effect of several events may have caused the impairment.

Losses expected as a result of future events, no matter how likely, are not recognised.

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to our attention about the following loss events:
a) significant financial difficulty of the issuer or obligor;
b) a breach of contract, such as a default or delinquency in interest or principal payments;
c) the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting a concession to the borrower which the lender would not otherwise consider;
d) it becoming probable that the borrower will enter bankruptcy or other financial reorganization;
e) the disappearance of an active market for that financial asset because of financial difficulties; however, the disappearance of an active market due to the fact that a company's financial instruments are no longer traded publicly is no evidence of impairment;

f) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
• adverse changes in the payment status of borrowers;
or
• national or local economic conditions that correlate with defaults on the assets.

Objective evidence of impairment for an investment in an equity instrument includes information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment may not be recovered. A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also objective evidence of impairment.

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit and loss item 130. "Impairment losses" and the asset's carrying value is reduced.
For instruments classified as available-for-sale financial assets that amount is equal to the balance of the negative valuation Reserve (see chapter 2).
If the terms of a loan, receivable or held-to-maturity investment are renegotiated or otherwise modified because of financial difficulties of the borrower or issuer, impairment is measured using the original effective interest rate before the modification of terms. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. If a loan, receivable or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.
The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.
A reduction in the fair value of a financial asset below its cost or amortised cost is not necessarily an indication of impairment (e.g. reduction in the fair value of an investment in a debt instrument resulting from an increase in the risk-free interest rate).

Objective evidence of impairment is initially assessed individually; however, if it is determined that there is no objective evidence of individual impairment, the asset is included in a group of financial assets with similar credit risk characteristics and assessed collectively.

Formula-based approaches and statistical methods may be used to assess impairment losses on a group of financial assets. Models used incorporate the temporary value of money, and consider cash flows over the entire residual life of the asset (not just the following year) and do not give rise to an impairment loss on initial recognition of a financial asset. They take into account losses already sustained but not manifest in the group of financial assets at the time of measurement, on the basis of past experience of losses on assets having a similar credit risk to the group of assets being measured.
The process of estimating impairment losses considers all credit exposures, not only those of low credit quality, which reflect a serious impairment.

### Reversals of impairment losses

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed. The amount of the reversal is recognised in profit and loss item 130. "Impairment losses" except in the case of AfS equity instruments (see Section 2 above).
The reversal shall not result - at the date the impairment is reversed - in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised.

## A.3 Disclosure on transfers between portfolios of financial assets

### A.3.1 Reclassified financial assets: book value, fair value and effects on comprehensive income

FinecoBank has not reclassified any financial assets from the “held-for-trading” or the “available-for-sale” portfolios to the loan portfolio.

### A.3.2 Reclassified financial assets: Impact on comprehensive income before transfer

No data to report.

### A.3.3 Transfer of financial assets held for trading

No data to report.

### A.3.4 Effective interest rate and cash flows expected from reclassified assets

No data to report.

## A.4 Information on fair value

**QUALITATIVE INFORMATION**

This section presents a disclosure on fair value hierarchy as required by IFRS 13.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market at the measurement date (i.e. an exit price).
The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.
For financial instruments listed in active markets, fair value is determined on the basis of official prices in the principal market (most advantageous) to which the Bank has access (Mark to Market).
A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from a pricing service, dealer, broker, agency that determines prices or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s length basis. If a published price quotation in an active market does not exist for a financial instrument in its entirety, but active markets exist for its component parts, fair value is determined on the basis of the relevant market prices for the component parts.

If market quotations or other observable inputs, such as the quoted price of a similar instrument in an inactive market, are not available, the Bank should use other valuation techniques, such as:
(i) a market approach (e.g. using quoted prices for similar liabilities or equity instruments held by other parties as assets);
(ii) cost approach (e.g. it reflects the amount that would be required currently to replace the service capacity of an asset, that is the current replacement cost);
(iii) an income approach (e.g. a present value technique that takes into account the future cash flows that a market participant would expect to receive from holding the liability or equity instrument as an asset).
The Bank uses valuation models (Mark to Model) in keeping with the methods generally accepted and used by the market. Valuation models include techniques based on the discounting of future cash flows and on volatility estimates, and they are subject to revision both during their development and periodically in order to ensure their consistency with the objectives of the valuation.
These methods use inputs based on prices set in recent transactions for the instrument being valued and/or prices/quotations for instruments having similar characteristics in terms of risk profile.
Indeed, these prices/quotations are relevant for determining significant parameters in terms of the credit risk, liquidity risk and price risk of the instrument being valued. Reference to these “market” parameters makes it possible to limit the discretionary nature of the valuation, and ensures that the resulting fair value can be verified.
If, for one or more risk factors it is not possible to refer to market data, the valuation models employed use estimates based on historical data as inputs.
As a further guarantee of the objectivity of valuations derived from valuation models, the Bank employs:
• independent price verifications (IPVs);
• fair value adjustments (FVAs).
Independent price verification requires that the prices are verified monthly by Risk Management units that are independent from the units that assume the risk exposure. This verification calls for comparing and adjusting the daily price in line with valuations obtained from independent market participants.

# Part A - Accounting Policies (CONTINUED)

For instruments not quoted in active markets, the above verification process uses prices contributed by infoproviders as a reference, and assigns a greater weighting to those prices that are considered representative of the instrument being valued.
This valuation includes: the "executability" of the transaction at the price observed, the number of contributors, the degree of similarity of the financial instruments, the consistency of prices from different sources, and the process followed by the infoprovider to obtain the information.

## A.4.1 Fair value levels 2 and 3: valuation techniques and input used

Hereby we provide IFRS 13 disclosure requirements about accounting portfolios measured at fair value on a recurring basis.

### Assets and liabilities measured at fair value on recurring basis

***Fixed Income Securities***

Fixed Income Securities are priced in a two tier process depending on the liquidity in the respective market. Liquid instruments in active markets are marked to market and consequently positions in these instruments are disclosed in reference to Fair Value Hierarchy under Level 1.
Instruments not traded in active markets are marked to model based on implied credit spread curves derived from the former Level 1 instruments. The model maximizes the use of observable input and minimizes the use of unobservable inputs. With this respect, depending on the proximity of the credit spread curve applied, the bonds are disclosed as Level 2 or Level 3 respectively; Level 3 is applied in case a significant unobservable credit spread is used.

In the global bond Independent Price Verification (IPV) process market prices of Level 1 bonds and pricing models for illiquid bonds are regularly verified for accuracy.

***Structured Financial Products***

The Bank determines the fair value of structured financial products using the appropriate valuation methodology given the nature of the embedded structure. Such instruments are classified as Level 2 or Level 3 depending on the observability of significant inputs to the model.

***OTC derivatives***

Fair value of derivatives not traded in an active market is determined using a valuation technique. In such cases, where active markets exist for the components of the derivative, fair value is determined on the basis of the market prices for the individual components. Valuation techniques that are based on significant inputs that are observable are referred to as Level 2 valuations, while those based on techniques that use unobservable inputs are referred to as Level 3 valuations.

***Equity Instruments***

Equity Instruments are assigned to Level 1 when a quoted price is available on an active market and to Level 3 when no quotations are available or quotations have been suspended indefinitely. These instruments are classifies as Level 2 only when trading volume on the market where the instrument is quoted has decreased significantly.
For equity instruments measured at cost an impairment is given, if the carrying amount exceeds the recoverable amount significantly and/or over a prolonged period of time.

***Investment Funds***

Funds are usually assigned to Level 1 when a quoted price is available on an active market; they are disclosed as Level 2 or Level 3 depending on NAV availability, portfolio transparency and possible issues related to position write off.

### Fair Value Adjustments (FVAs)

Fair value adjustment is defined as the amount to be added either to the market observed mid-price or to the theoretical price generated by a valuation model with the aim of obtaining a fair value of the position. The FVA takes into account the uncertainty of a financial instrument valuation in order to: reduce the risk of incorrect assessments being recognised in the financial statements; ensure that fair value reflects the realisation amount from an actual possible market transaction; incorporate possible future costs.
Adopting the Credit/Debit Valuation Adjustments was considered necessary given the type of instruments held by the Bank.

***Credit and debit valuation adjustment (CVA/DVA)***

Credit valuation adjustments (CVAs) and debit valuation adjustments (DVAs) are incorporated into derivative valuations to reflect the impact on fair value of counterparty credit risk and the Bank's credit quality.
The CVA/DVA methodology used by the Parent Company, which is responsible for this calculation, is based on the following inputs:

- EAD derived by simulation techniques. Simulated exposures also take into account Specific Wrong Way Risk that arises for transactions where there is a correlation between counterparty credit risk and the underlying derivative risk factors;
- PD derived by actual historic default rates or implied by current market default rates, obtained from credit default swaps;
- LGD based on the estimated level of expected recovery should a counterparty default and obtained from a bank's own historical experience or implied by current market default rates, obtained from credit default swaps.

### Assets and Liabilities not measured at fair value or measured at fair value on a non-recurring basis

Financial instruments not carried at fair value, including loans and receivables with customers and banks, not handled on a fair value basis. For these instruments fair value is calculated for disclosure purposes only and does not impact the balance sheet or the profit or loss. Additionally, since these instruments generally do not trade, there is significant management judgment required to determine their fair values as defined by IFRS 13.

#### *Cash and cash equivalents*

Cash and cash equivalents are not carried at fair value on the Balance Sheets, but they are carried at amounts that approximate fair value, due to their short term nature and generally negligible credit risk.

#### *Loans and receivables with banks and customers*

Fair value for performing Loans and Receivables from customers and banks, recorded ad amortised cost, is determined using the discounted cash flow model adjusted for credit risk. Some portfolios are valued using simplified approaches, which however take into account their financial characteristics. Loans and Receivables with banks and customers with maturity less than 12 months, for which the fair value has been approximated as being equal to their book value, have been classified in level 3 of the fair value hierarchy.
For the UniCredit securities classified in the Loans and Receivables portfolio, the fair value is determined using the Group method based on discounted cash flow, which consists of developing an estimate of future cash flows expected to occur over the life of an instrument and the relating present value discounting to incorporate the credit spread. The credit spread is determined on the basis of the issuer's credit spread curve, which is constructed by selecting issues, also from the secondary market, that have the same specific characteristics.
The valuation of the UniCredit securities by Risk Management is, therefore, carried out for the purposes of disclosure and second-level control.

#### *Liabilities*

Fair value for liabilities, recorded at amortised cost, is determined using the discounted cash flow model adjusted for UniCredit credit risk. The Credit Spread is determined using UCG's subordinated and non-subordinated risk curves. Deposits from banks and customers with maturity less than 12 months, for which the fair value has been approximated as being equal to their book value, have been classified in level 3 of the fair value hierarchy.

#### *Debt securities in issue*

Fair value for debt securities in issue, recorded ad amortised cost, is determined using the discounted cash flow model adjusted for UniCredit credit risk. The Credit Spread is determined using UCG's subordinated and non-subordinated risk curves.

### Description of the valuation technique

Valuation techniques are used to value positions for which a market price is not available from market sources. The Bank uses well known valuation techniques for determining fair values of financial and non-financial instruments that are not actively traded and quoted. The valuation techniques used for Level 2 and 3 assets and liabilities, are described as follows.

#### *Discounted cash flow*

Discounted cash flow valuation techniques generally consist of developing an estimate of future cash flows that are expected to occur over the life of an instrument. The model requires the estimation of the cash flow and the adoption of market's parameters for the discounting: discount rate or discount margin reflects the credit and / or funding spreads required by the market for instruments with similar risk and liquidity profiles to produce a "present value". The fair value of the contract is given by the sum of the present values of future cash flow.

#### *Adjusted NAV*

Net asset value is the total value of a fund's assets less liabilities. An increase in net asset value would result in an increase in a fair value measurement.

## A.4.2 - Valuation processes and sensitivity of fair value measurements

The Bank verifies that the value attributed to each trading position reflects the current fair value in an appropriate way. Assets and liabilities subject to fair value measurements are determined using different techniques, among which (but not only) models such as discounted cash flow and internal models. On the basis of the observability of the input used, all instruments are classified as Level 1, Level 2 or Level 3 of the fair value hierarchy. When a position is characterised by one or more significant inputs that are not directly observable, a further price verification procedure is implemented. These procedures include the revision of relevant historical data, the analysis of profits and losses, the individual valuation of each component for structural products and benchmarking.
According to the Parent Group Market Risk guidelines, in order to ensure the appropriate level of separation between the functions in charge of development activities and those in charge of validation processes, all valuation models developed by the front offices of Group companies are independently and centrally tested and validated by the Group Internal Validation functions. The aim of this independent control structure is to evaluate the model risk deriving from theoretical robustness, calibration techniques where applicable and appropriateness of the model for a specific product in a defined market point of views.
In addition to the daily mark to market or mark to model valuation, the Independent Price Verification (IPV) is applied monthly by the Bank Market Risk with the aim of guaranteeing an independent fair value perspective for all illiquid instruments.

# Part A - Accounting Policies (Continued)

## A.4.3 Fair value hierarchy

The IFRS 13 principle establishes a fair value hierarchy according to the observability of the input used in the valuation techniques adopted for valuations. In particular, three levels are considered:

- Level 1: fair value for instruments classified within this level is determined according to the quoted prices (not adjusted) on active markets; this assessment provides the most reliable evidence of fair value;
- Level 2: fair value for instruments classified within this level is determined according to the valuation models which use directly or indirectly observable inputs; these inputs include for e.g. prices for similar instruments traded in active and inactive markets, observable interest rates and yield curves, volatility etc..
- Level 3: fair value for instruments classified within this level is determined according to valuation models which prevalently use inputs not directly observable on active markets.

## A.4.4 Other information

No further information to report.

**QUANTITATIVE INFORMATION**

The following tables show a breakdown of financial assets and liabilities designated at fair value according to the above-mentioned levels, transfers of assets and liabilities between level 1 and level 2 as well as the annual changes of Level 3 assets or liabilities.

## A.4.5 Fair value hierarchy

### *A.4.5.1 Assets and liabilities measured at fair value on a recurring basis: breakdown by level of fair value*

(Amounts in € thousand)

| ASSETS/LIABILITIES MEASURED AT FAIR VALUE | 12.31.2014 | | | 12.31.2013 | | |
|---|---|---|---|---|---|---|
| | L1 | L2 | L3 | L1 | L2 | L3 |
| 1. Financial assets held for trading | 2,125 | 908 | 21 | 3,717 | 969 | 14 |
| 2. Financial assets designated at fair value through profit or loss | - | - | - | 3,199 | - | - |
| 3. Available-for-sale financial assets | 1,695,550 | - | - | 89,910 | - | - |
| 4. Hedging derivatives | - | 19,247 | - | - | 123,143 | - |
| 5. Property, plant and equipment | - | - | - | - | - | - |
| 6. Intangible assets | - | - | - | - | - | - |
| **Total** | **1,697,675** | **20,155** | **21** | **96,826** | **124,112** | **14** |
| 1. Financial liabilities held for Trading | 1,986 | 1,146 | 3 | 1,709 | 592 | - |
| 2. Financial liabilities at fair value through profit or loss | - | - | - | - | - | - |
| 3. Hedging derivatives | - | 36,993 | - | - | 141,801 | - |
| **Total** | **1,986** | **38,139** | **3** | **1,709** | **142,393** | **-** |

**Key:**
L1 = Level 1
L2 = Level 2
L3 = Level 3

### A.4.5.1.1 Assets and liabilities measured at fair value on a recurring basis: transfers between levels of fair value hierarchy (level 1 and level 2)

(Amounts in € thousand)

| | | CHANGES FOR 2014 | |
|---|---|---|---|
| | | LEVEL 1 | LEVEL 2 |
| **Financial assets measured at fair value** | | | |
| Financial assets held for trading | | | |
| | Transfer from level 1 | X | 25 |
| | Transfer from level 2 | - | X |
| Financial assets designated at fair value through profit or loss | | | |
| | Transfer from level 1 | X | - |
| | Transfer from level 2 | - | X |
| Available-for-sale financial assets | | | |
| | Transfer from level 1 | X | - |
| | Transfer from level 2 | - | X |
| Hedging derivatives | | | |
| | Transfer from level 1 | X | - |
| | Transfer from level 2 | - | X |
| **Financial liabilities measured at fair value** | | | |
| Financial liabilities held for Trading | | | |
| | Transfer from level 1 | X | - |
| | Transfer from level 2 | - | X |
| Financial liabilities at fair value through profit or loss | | | |
| | Transfer from level 1 | X | - |
| | Transfer from level 2 | - | X |
| Hedging derivatives | | | |
| | Transfer from level 1 | X | - |
| | Transfer from level 2 | - | X |

# Part A - Accounting Policies (Continued)

### A.4.5.2 Annual changes in assets measured at fair value on a recurring basis (level 3)

(Amounts in € thousand)

| | FINANCIAL ASSETS HELD FOR TRADING | *FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS* | AVAILABLE-FOR-SALE FINANCIAL ASSETS | HEDGING DERIVATIVES | PROPERTY, PLANT AND EQUIPMENT | INTANGIBLE ASSETS |
|---|---|---|---|---|---|---|
| **1. Opening balance** | **14** | **-** | **-** | **-** | **-** | **-** |
| **2. Increases** | | | | | | |
| 2.1 Purchases | 5,973 | - | - | - | - | - |
| 2.2 Profits recognised in: | | | | | | |
| 2.2.1 Income Statement | 27 | - | - | - | - | - |
| - of which Unrealised gains | 6 | - | - | - | - | - |
| 2.2.2 Equity | | | - | - | - | - |
| 2.3 Transfers from other levels | 1 | - | - | - | - | - |
| 2.4 Other increases | - | - | - | - | - | - |
| **3. Decreases** | | | | | | |
| 3.1 Sales | (5,993) | - | - | - | - | - |
| 3.2 Redemptions | - | - | - | - | - | - |
| 3.3 Losses recognised in: | | | | | | |
| 3.3.1 Income Statement | (1) | - | - | - | - | - |
| - of which Unrealised losses | (1) | - | - | - | - | - |
| 3.3.2 Equity | | | - | - | - | - |
| 3.4 Transfers to other levels | - | - | - | - | - | - |
| 3.5 Other decreases | - | - | - | - | - | - |
| **4. Closing balance** | **21** | **-** | **-** | **-** | **-** | **-** |

Sub-item 2.2.1 Profits through profit and loss and 3.3.1 Losses through profit and loss are included, where present, in Profit and Loss in the following items:

- Item 80: Gains and losses on financial assets and liabilities held for trading;
- Item 110: Gains and losses on financial assets/liabilities at fair value through profit or loss;
- Item 90: Fair value adjustments in hedge accounting.

### A.4.5.3 Annual changes in financial liabilities at fair value level 3

(Amounts in € thousand)

| | FINANCIAL LIABILITIES HELD FOR TRADING | *FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS* | HEDGING DERIVATIVES |
|---|---|---|---|
| **1. Opening balance** | **-** | **-** | **-** |
| **2. Increases** | | | |
| 2.1 Issuance | - | - | - |
| 2.2 Losses recognized in: | | | |
| 2.2.1 Income Statement | 3 | - | - |
| - of which Unrealised losses | 3 | - | - |
| 2.2.2 Equity | | | - |
| 2.3 Transfers from other levels | - | - | - |
| 2.4 Other increases | - | - | - |
| **3. Decreases** | | | |
| 3.1 Redemptions | - | - | - |
| 3.2 Purchases | - | - | - |
| 3.3 Profits recognized in: | | | |
| 3.3.1 Income Statement | - | - | - |
| - of which Unrealised gains | - | - | - |
| 3.3.2 Equity | | | - |
| 3.4 Transfers to other levels | - | - | - |
| 3.5 Other decreases | - | - | - |
| **4. Closing balance** | **3** | **-** | **-** |

### A.4.5.4 Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by level of fair value

(Amounts in € thousand)

| ASSET/LIABILITIES NOT MEASURED AT FAIR VALUE OR MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS | 12.31.2014 | | | | 12.31.2013 | | | |
|---|---|---|---|---|---|---|---|---|
| | BV | L1 | L2 | L3 | BV | L1 | L2 | L3 |
| 1. Held-to-maturity investments | - | - | - | - | - | - | - | - |
| 2. Loans and receivables with banks | 13,892,197 | - | 9,907,356 | 4,373,322 | 16,330,912 | - | 4,090,562 | 12,335,344 |
| 3. Loans and receivables with customers | 695,594 | - | 1 | 730,740 | 641,250 | - | 1 | 655,502 |
| 4. Property, plant and equipment held for investment | 2,621 | - | - | 4,813 | 2,734 | - | - | 4,813 |
| 5. Non-current assets and disposal groups disposal groups classified as held for sale | - | - | - | - | - | - | - | - |
| **Total** | **14,590,412** | **-** | **9,907,357** | **5,108,875** | **16,974,896** | **-** | **4,090,563** | **12,995,659** |
| 1. Deposits from banks | 1,428,568 | - | - | 1,428,568 | 1,648,675 | - | - | 1,648,675 |
| 2. Deposits from customers | 13,914,712 | - | 55,191 | 13,860,288 | 12,732,309 | - | 642,507 | 12,096,595 |
| 3. Debt securities in issue | 424,710 | - | 438,958 | - | 2,322,511 | - | 2,422,470 | - |
| 4. Liabilities associated with assets classified as held for sale | - | - | - | - | - | - | - | - |
| **Total** | **15,767,990** | **-** | **494,149** | **15,288,856** | **16,703,495** | **-** | **3,064,977** | **13,745,270** |

**Key:**
L1 = Level 1 - L2 = Level 2 - L3 = Level 3 - BV = Book Value.

As of 2014, following the refinement of the processes for the allocation of fair value, Loans and Receivables with banks and customers and Deposits from banks and customers with maturity less than 12 months, for which the fair value has been considered as approximately equal to their book value, have been classified in level 3 of the fair value hierarchy. To enable a like-for-like comparison, the same type of receivables and payables at December 31, 2013 have been restated accordingly, assigning them the level 3 fair value hierarchy.

## A.5 Day-one profit/loss

Financial instruments are initially recognised at *fair value* on the recognition date.
The *fair value* of financial instruments, other than those measured at *fair value* through profit or loss, at their initial recognition date is usually assumed to be equal to the amount collected or paid (transaction price). The same applies to financial instruments held for trading and financial instruments measured at *fair value* classified in level 1 and, in many cases, level 2 of the *fair value* hierarchy, for which *fair value* - based on prices indirectly obtained from the market - and transaction price coincide; any difference from the amount collected or paid is recognised in the appropriate line items of the income statement on initial recognition of the instrument.
In the case of Level 3 financial instruments whose *fair value* is determined using valuation techniques, the transaction price, which generally represents the best estimate of *fair value* upon initial recognition, differs from the *fair value* determined at the same date, on the basis of valuation techniques. In this case, initial recognition must always be at price and the resulting profit/loss - “day-one profit/loss” - is only recognised in the income statement based on changes in the factors on which market participants base their valuations when setting prices.

There are no “day-one profits/losses” to disclose in accordance with paragraph 28 of IFRS 7.

# Part B - Balance Sheet

# Part B - Balance Sheet (Amounts in € thousand)

## Assets

### Section 1 - Cash and cash equivalents - Item 10

#### 1.1 Cash and cash equivalents: breakdown

| | 12.31.2014 | 12.31.2013 |
|---|---|---|
| (a) Cash | 5 | 5 |
| (b) Demand deposits with Central Banks | - | - |
| **Total** | **5** | **5** |

### Section 2 - Financial assets held for trading - Item 20

#### 2.1 Financial assets held for trading: product breakdown

| | 12.31.2014 | | | 12.31.2013 | | |
|---|---|---|---|---|---|---|
| ITEM/AMOUNT | LEVEL 1 | LEVEL 2 | LEVEL 3 | LEVEL 1 | LEVEL 2 | LEVEL 3 |
| **A. On-balance sheet assets** | | | | | | |
| 1. Debt securities | 44 | - | - | 48 | - | - |
| 1.1 Structured securities | 3 | - | - | 4 | - | - |
| 1.2 Other debt securities | 41 | - | - | 44 | - | - |
| 2. Equity Instruments | 9 | - | 17 | 9 | - | 14 |
| 3. Units in investment funds | - | - | 1 | 1,936 | - | - |
| 4. Loans | - | - | - | - | - | - |
| 4.1 Reverse repos | - | - | - | - | - | - |
| 4.2 Other | - | - | - | - | - | - |
| **Total A** | **53** | **-** | **18** | **1,993** | **-** | **14** |
| **B. Derivative instruments** | | | | | | |
| 1. Financial derivatives | 2,072 | 908 | 3 | 1,724 | 969 | - |
| 1.1 trading derivatives | 2,072 | 908 | 3 | 1,724 | 969 | - |
| 1.2 related to the fair value option | - | - | - | - | - | - |
| 1.3 other | - | - | - | - | - | - |
| 2. Credit derivatives | - | - | - | - | - | - |
| 2.1 trading derivatives | - | - | - | - | - | - |
| 2.2 related to the fair value option | - | - | - | - | - | - |
| 2.3 other | - | - | - | - | - | - |
| **Total B** | **2,072** | **908** | **3** | **1,724** | **969** | **-** |
| **Total (A+B)** | **2,125** | **908** | **21** | **3,717** | **969** | **14** |

Trading financial derivatives refer to the positive valuation of Forex Contracts for Difference (CFDs), CFDs on indices, CFDs on interest rates and Futures used to hedge CFDs. They amounted to €920 thousand (€908 thousand as at December 31, 2013).

Sub-item B.1.1 Derivative instruments - Trading financial derivatives includes the positive valuations of spot contracts for securities classified in the HFT portfolio and currencies to be settled in times established by market practices (“regular way”). They amounted to €2,063 thousand (€1,786 thousand as at December 31, 2013).

## 2.2 Financial assets held for trading: breakdown by issuer/borrower

| ITEM/AMOUNT | 12.31.2014 | 12.31.2013 |
|---|---|---|
| **A. ON-BALANCE SHEET ASSETS** | | |
| **1. Debt securities** | **44** | **48** |
| a) Governments and Central Banks | 8 | 11 |
| b) Other public entities | - | - |
| c) Banks | 33 | 35 |
| d) Other issuers | 3 | 2 |
| **2. Equity Instruments** | **26** | **23** |
| a) Banks | 4 | 4 |
| b) Other issuers: | 22 | 19 |
| - insurance companies | - | - |
| - financial companies | 3 | 1 |
| - non-financial companies | 19 | 18 |
| - other | - | - |
| **3. Units in investment funds** | **1** | **1,936** |
| **4. Loans** | **-** | **-** |
| a) Governments and Central Banks | - | - |
| b) Other public entities | - | - |
| c) Banks | - | - |
| d) Other entities | - | - |
| **Total A** | **71** | **2,007** |
| **B. DERIVATIVE INSTRUMENTS** | | |
| a) Banks | 560 | 559 |
| b) Customers | 2,423 | 2,134 |
| **Total B** | **2,983** | **2,693** |
| **Total (A+B)** | **3,054** | **4,700** |

Item B. Derivative instruments also includes the positive valuations of spot contracts for securities classified in the HFT portfolio and currencies to be settled within times established by market practices ("regular way").

Equity securities of issuers in default were classified by the Bank as non-performing in the financial statements for a total amount of 10 thousand euros.

## 2.3 Financial assets held for trading: annual changes

| | DEBT SECURITIES | EQUITY INSTRUMENTS | UNITS IN INVESTMENT FUNDS | LOANS | TOTAL |
|---|---|---|---|---|---|
| **A. Opening balance** | **48** | **23** | **1,936** | **-** | **2,007** |
| **B. Increases** | **307,783** | **26,433,927** | **1,762** | **-** | **26,743,472** |
| B1. Purchases | 307,719 | 26,428,029 | 1,761 | - | 26,737,509 |
| B2. Positive changes in fair value | 1 | 3 | - | - | 4 |
| B3. Other changes | 63 | 5,895 | 1 | - | 5,959 |
| **C. Decreases** | **(307,787)** | **(26,433,924)** | **(3,697)** | **-** | **(26,745,408)** |
| C1. Sales | (307,781) | (26,433,623) | (3,679) | - | (26,745,083) |
| C2. Repayments | (1) | - | - | - | (1) |
| C3. Negative changes in fair value | - | - | - | - | - |
| C4. Transfers to other portfolios | - | - | - | - | - |
| C5. Other changes | (5) | (301) | (18) | - | (324) |
| **D. Closing balance** | **44** | **26** | **1** | **-** | **71** |

Other increases and decreases include the variation in interest accrued relating to Financial assets held for trading, the gains or losses made, and any technical overdrafts relating to the end and beginning of the period.

# Part B - Balance Sheet - Assets (Continued)

## Section 3 - Financial assets at fair value through profit or loss - Item 30

### 3.1. Financial assets at fair value through profit or loss: product breakdown

| ITEM/AMOUNT | 12.31.2014 | | | 12.31.2013 | | |
|---|---|---|---|---|---|---|
| | LEVEL 1 | LEVEL 2 | LEVEL 3 | LEVEL 1 | LEVEL 2 | LEVEL 3 |
| **A. On-balance sheet assets** | | | | | | |
| 1. Debt securities | - | - | - | 3,199 | - | - |
| 1.1 Structured securities | - | - | - | 844 | - | - |
| 1.2 Other debt securities | - | - | - | 2,355 | - | - |
| 2. Equity Instruments | - | - | - | - | - | - |
| 3. Units in investment funds | - | - | - | - | - | - |
| 4. Loans | - | - | - | - | - | - |
| 4.1 Structured | - | - | - | - | - | - |
| 4.2 Other | - | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **3,199** | **-** | **-** |
| **Cost** | **-** | **-** | **-** | **3,211** | **-** | **-** |

Securities classified as Financial assets designated at fair value through profit or loss as at December 31, 2013 were sold during the first half of 2014.

### 3.2. Financial assets at fair value through profit or loss: breakdown by issuer/borrower

| ITEM/AMOUNT | 12.31.2014 | 12.31.2013 |
|---|---|---|
| **1. Debt securities** | **-** | **3,199** |
| a) Governments and Central Banks | - | - |
| b) Other public entities | - | - |
| c) Banks | - | 3,199 |
| d) Other issuers | - | - |
| **2. Equity Instruments** | **-** | **-** |
| a) Banks | - | - |
| b) Other issuers: | - | - |
| - insurance companies | - | - |
| - financial companies | - | - |
| - non-financial companies | - | - |
| - other | - | - |
| **3. Units in investment funds** | **-** | **-** |
| **4. Loans** | **-** | **-** |
| a) Governments and Central Banks | - | - |
| b) Other public entities | - | - |
| c) Banks | - | - |
| d) Other entities | - | - |
| **Total** | **-** | **3,199** |

### 3.3 Financial assets at fair value through profit or loss: annual changes

| | DEBT SECURITIES | EQUITY INSTRUMENTS | UNITS IN INVESTMENT FUNDS | LOANS | TOTAL |
|---|---|---|---|---|---|
| **A. Opening balance** | **3,199** | **-** | **-** | **-** | **3,199** |
| **B. Increases** | **20** | **-** | **-** | **-** | **20** |
| B1. Purchases | - | - | - | - | - |
| B2. Positive changes in fair value | - | - | - | - | - |
| B3. Other changes | 20 | - | - | - | 20 |
| **C. Decreases** | **(3,219)** | **-** | **-** | **-** | **(3,219)** |
| C1. Sales | (3,215) | - | - | - | (3,215) |
| C2. Repayments | - | - | - | - | - |
| C3. Negative changes in fair value | - | - | - | - | - |
| C4. Other changes | (4) | - | - | - | (4) |
| **D. Closing balance** | **-** | **-** | **-** | **-** | **-** |

Other increases and decreases include the variation in interest accrued relating to *Financial assets held* for trading and the realised trading income.

# Section 4 - Available-for-sale financial assets - Item 40

### 4.1 Available-for-sale financial assets: product breakdown

| | 12.31.2014 | | | 12.31.2013 | | |
|---|---|---|---|---|---|---|
| ITEM/AMOUNT | LEVEL 1 | LEVEL 2 | LEVEL 3 | LEVEL 1 | LEVEL 2 | LEVEL 3 |
| 1. Debt securities | 1,695,550 | - | - | 89,910 | - | - |
| 1.1 Structured securities | - | - | - | - | - | - |
| 1.2 Other debt securities | 1,695,550 | - | - | 89,910 | - | - |
| 2. Equity Instruments | - | - | 5 | - | - | 5 |
| 2.1 Carried at fair value | - | - | - | - | - | - |
| 2.2 Carried at cost | - | - | 5 | - | - | 5 |
| 3. Units in investment funds | - | - | - | - | - | - |
| 4. Loans | - | - | - | - | - | - |
| **Total** | **1,695,550** | **-** | **5** | **89,910** | **-** | **5** |

Equity instruments carried at cost refer to equity investments in companies in which the Bank does not exercise control or have a significant influence, for an amount equal to €5 thousand. These instruments are not listed, therefore the fair value may not be reliably determined.

The other debt securities are issued by the Italian Government, for a book value of €1,685,157 thousand (€79,871 thousand as at December 31, 2013) and by the French Government, for a book value of €10,393 thousand (€10,039 thousand as at December 31, 2013).

As regards the increase in debt securities compared to December 31, 2013, in the first half of 2014, as part of the guidelines for the new liquidity investment policy that entered into force on April 1, 2014, the portion of liquid assets classified as “Non Core” was invested in Italian government bonds for a nominal amount of €1,500,000 thousand while derivative contracts were entered into at the same time in order to convert the fixed rate into a floating rate in compliance with pre-defined limits on interest rate risk.

A portion of debt securities classified in the *Available-for-sale financial assets* portfolio are entirely used as collateral for bankers’ drafts or guarantees with third parties for a book value of €126,717 thousand.

### 4.2 Available-for-sale financial assets: breakdown by issuer/borrower

| ITEM/AMOUNT | 12.31.2014 | 12.31.2013 |
|---|---|---|
| **1. Debt securities** | **1,695,550** | **89,910** |
| a) Governments and Central Banks | 1,695,550 | 89,910 |
| b) Other public entities | - | - |
| c) Banks | - | - |
| d) Other issuers | - | - |
| **2. Equity Instruments** | **5** | **5** |
| a) Banks | - | - |
| b) Other issuers: | 5 | 5 |
| - insurance companies | - | - |
| - financial companies | - | - |
| - non-financial companies | 5 | 5 |
| - other | - | - |
| **3. Units in investment funds** | **-** | **-** |
| **4. Loans** | **-** | **-** |
| a) Governments and Central Banks | - | - |
| b) Other public entities | - | - |
| c) Banks | - | - |
| d) Other entities | - | - |
| **Total** | **1,695,555** | **89,915** |

# Part B - Balance Sheet - Assets (Continued)

### 4.3 Available-for-sale financial assets: subject to micro-hedging

| ITEM/AMOUNT | 12.31.2014 | 12.31.2013 |
|---|---|---|
| **Financial assets subject to micro-hedging of fair value** | **1,614,200** | **-** |
| a) Interest rate risk | 1,614,200 | - |
| b) Price risk | - | - |
| c) Exchange | - | - |
| d) Credit | - | - |
| e) Multiple risks | - | - |
| **Financial assets subject to micro-hedging of cash flows** | **-** | **-** |
| a) Interest rate risk | - | - |
| b) Exchange | - | - |
| c) Other | - | - |
| **Total** | **1,614,200** | **-** |

The reported value is the value recognised in the financial statements at December 31, 2014.

### 4.4 Available-for-sale financial assets: annual changes

| | DEBT SECURITIES | EQUITY INSTRUMENTS | UNITS IN INVESTMENT FUNDS | LOANS | TOTAL |
|---|---|---|---|---|---|
| **A. Opening balance** | **89,910** | **5** | **-** | **-** | **89,915** |
| **B. Increases** | **1,641,983** | **-** | **-** | **-** | **1,641,983** |
| B1. Purchases | 1,614,752 | - | - | - | 1,614,752 |
| B2. Increases in FV | 22,416 | - | - | - | 22,416 |
| B3. Write-backs | - | - | - | - | - |
| - through profit or loss | - | X | - | - | - |
| - in equity | - | - | - | - | - |
| B4. Transfers from other portfolios | - | - | - | - | - |
| B5. Other changes | 4,815 | - | - | - | 4,815 |
| **C. Decreases** | **(36,343)** | **-** | **-** | **-** | **(36,343)** |
| C1. Sales | - | - | - | - | - |
| C2. Repayments | (20,000) | - | - | - | (20,000) |
| C3. Decreases in FV | (261) | - | - | - | (261) |
| C4. Impairment | - | - | - | - | - |
| - through profit or loss | - | - | - | - | - |
| - in equity | - | - | - | - | - |
| C5. Transfers to other portfolios | - | - | - | - | - |
| C6. Other changes | (16,082) | - | - | - | (16,082) |
| **D. Closing balance** | **1,695,550** | **5** | **-** | **-** | **1,695,555** |

Other increases and decreases of Debt securities include the variation in interest accrued and amortised cost relating to *Available-for-sale financial assets.*

## Section 5 - Held-to-maturity investments - Item 50

FinecoBank did not recognise any financial assets under “Held-to-maturity investments”.

## Section 6 - Loans and receivables with banks - Item 60

### 6.1 Loans and receivables with banks: product breakdown

| | 12.31.2014 | | | | 12.31.2013 | | | |
|---|---|---|---|---|---|---|---|---|
| | | FV | | | | FV | | |
| TYPE OF TRANSACTION/AMOUNT | BV | LEVEL 1 | LEVEL 2 | LEVEL 3 | BV | LEVEL 1 | LEVEL 2 | LEVEL 3 |
| **A. Loans and receivables with Central Banks** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| 1. Time deposits | - | X | X | X | - | X | X | X |
| 2. Compulsory reserves | - | X | X | X | - | X | X | X |
| 3. Reverse repos | - | X | X | X | - | X | X | X |
| 4. Other | - | X | X | X | - | X | X | X |
| **B. Loans and receivables with banks** | **13,892,197** | **-** | **9,907,356** | **4,373,322** | **16,330,912** | **-** | **4,090,562** | **12,335,344** |
| **1. Loans** | **4,403,867** | **-** | **30,613** | **4,373,322** | **13,008,296** | **-** | **678,358** | **12,335,344** |
| 1.1 Current accounts and demand deposits | 1,476,280 | X | X | X | 9,433,356 | X | X | X |
| 1.2 Time deposits | 2,894,321 | X | X | X | 3,563,334 | X | X | X |
| 1.3 Other loans | | X | X | X | | X | X | X |
| - Reverse repos | 5,794 | X | X | X | 5,584 | X | X | X |
| - Finance leases | - | X | X | X | - | X | X | X |
| - Other | 27,472 | X | X | X | 6,022 | X | X | X |
| **2. Debt securities** | **9,488,330** | **-** | **9,876,743** | **-** | **3,322,616** | **-** | **3,412,204** | **-** |
| 2.1 Structured securities | - | X | X | X | 12 | X | X | X |
| 2.2 Other debt securities | 9,488,330 | X | X | X | 3,322,604 | X | X | X |
| **Total** | **13,892,197** | **-** | **9,907,356** | **4,373,322** | **16,330,912** | **-** | **4,090,562** | **12,335,344** |

**Key:**
FV = Fair Value
BV = Book Value

Loans and receivables with banks for current accounts and demand deposits mainly consist of accounts held with UniCredit, with a book value of €1,450,699 thousand (€9,415,098 thousand as at December 31, 2013), 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 €131,855 thousand (€124,028 thousand as at December 31, 2013), in addition to time deposits held with UniCredit with a book value of €2,762,466 thousand (€3,439,306 thousand as at December 31, 2013), opened to invest the liquidity collected through repos and CashPark transactions with retail customers and through repos with credit institutions, with the same maturities.

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 €9,488,327 thousand (€3,322,523 thousand at December 31, 2013).
As regards the increase in UniCredit securities held compared to December 31, 2013, the most significant investment was realised in early April 2014, for an amount totalling €7,650,000 thousand and $250,000 thousand. In the subsequent months, two further investments were realised: of €200,000 thousand in July and €400,000 thousand in October.
These types of investment were determined by taking into account the overall structure of the Bank's balance sheet and with a view to optimizing its liquidity risk profile, in line with the amount of structural liquidity (whose main component is sight deposits considered as "Core"), with the objective of diversifying these investments in terms of maturities. The bonds issued by UniCredit and reserved for FinecoBank are freely transferable to third parties throughout the term of the bond.

At the same time, debt securities included in the category "Loans and receivables", issued by UniCredit and held by Fineco at December 31, 2013, with a nominal value of €1,850,000 thousand and USD 70,000 thousand were sold to UniCredit, as, following the subscription of the bonds mentioned above, maintaining these securities in the portfolio was no longer considered appropriate.

At the reporting date there were no impaired assets with respect to banks.

### 6.2 Loans and receivables with banks: assets subject to micro-hedging
No data to report.

### 6.3 Finance leases
No data to report.

# Part B - Balance Sheet - Assets (Continued)

## Section 7 - Loans and receivables with customers - Item 70

### 7.1 Loans and receivables with customers: product breakdown

| TYPE OF TRANSACTION/ AMOUNT | 12.31.2014 | | | | | | 12.31.2013 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | BOOK VALUE | | | FAIR VALUE | | | BOOK VALUE | | | FAIR VALUE | | |
| | | IMPAIRED | | | | | | IMPAIRED | | | | |
| | PERFORMING | PURCHASED | OTHER | L1 | L2 | L3 | PERFORMING | PURCHASED | OTHER | L1 | L2 | L3 |
| **Loans** | **691,334** | **-** | **4,259** | **-** | **-** | **730,740** | **636,518** | **-** | **4,731** | **-** | **-** | **655,502** |
| 1. Current accounts | 128,270 | - | 2,495 | X | X | X | 98,455 | - | 2,740 | X | X | X |
| 2. Reverse repos | 117,987 | - | 27 | X | X | X | 120,804 | - | 56 | X | X | X |
| 3. Mortgages | - | - | 58 | X | X | X | - | - | 76 | X | X | X |
| 4. Credit cards personal loans and wage assignment loans | 344,812 | - | 1,653 | X | X | X | 317,252 | - | 1,835 | X | X | X |
| 5. Finance leases | - | - | - | X | X | X | - | - | - | X | X | X |
| 6. Factoring | - | - | - | X | X | X | - | - | - | X | X | X |
| 7. Other loans | 100,265 | - | 26 | X | X | X | 100,007 | - | 24 | X | X | X |
| **Debt securities** | **1** | **-** | **-** | **-** | **1** | **-** | **1** | **-** | **-** | **-** | **1** | **-** |
| 8. Structured securities | - | - | - | X | X | X | - | - | - | X | X | X |
| 9. Other debt securities | 1 | - | - | X | X | X | 1 | - | - | X | X | X |
| **Total** | **691,335** | **-** | **4,259** | **-** | **1** | **730,740** | **636,519** | **-** | **4,731** | **-** | **1** | **655,502** |

### 7.2 Loans and receivables with customers: breakdown by issuer/borrower

| TYPE OF TRANSACTION/AMOUNT | 12.31.2014 | | | 12.31.2013 | | |
|---|---|---|---|---|---|---|
| | | IMPAIRED | | | IMPAIRED | |
| | PERFORMING | PURCHASED | OTHER | PERFORMING | PURCHASED | OTHER |
| **1. Debt securities** | **1** | **-** | **-** | **1** | **-** | **-** |
| a) Governments | - | - | - | - | - | - |
| b) Other public entities | 1 | - | - | 1 | - | - |
| c) Other issuers: | - | - | - | - | - | - |
| - non-financial companies | - | - | - | - | - | - |
| - financial companies | - | - | - | - | - | - |
| - insurance companies | - | - | - | - | - | - |
| - other | - | - | - | - | - | - |
| **2. Loans to:** | **691,334** | **-** | **4,259** | **636,518** | **-** | **4,731** |
| a) Governments | - | - | - | - | - | - |
| b) Other public entities | - | - | - | - | - | - |
| c) Other entities: | 691,334 | - | 4,259 | 636,518 | - | 4,731 |
| - non-financial companies | 14,071 | - | 23 | 7,800 | - | 34 |
| - financial companies | 85,269 | - | 15 | 92,797 | - | 11 |
| - insurance companies | 7,096 | - | - | 4,328 | - | - |
| - other | 584,898 | - | 4,221 | 531,593 | - | 4,686 |
| **Total** | **691,335** | **-** | **4,259** | **636,519** | **-** | **4,731** |

### 7.3 Loans and receivables with customers: assets subject to micro-hedging

No data to report.

### 7.4 Finance leases

No data to report.

## Section 8 - Hedging derivatives - Item 80

### 8.1 Hedging derivatives: breakdown by type of hedge and by hierarchical level

| ITEM/AMOUNT | FV 12.31.2014 L1 | FV 12.31.2014 L2 | FV 12.31.2014 L3 | NA 12.31.2014 | FV 12.31.2013 L1 | FV 12.31.2013 L2 | FV 12.31.2013 L3 | NA 12.31.2013 |
|---|---|---|---|---|---|---|---|---|
| **A. Financial derivatives** | **-** | **19,247** | **-** | **889,575** | **-** | **123,143** | **-** | **2,322,511** |
| 1) Fair value | - | 19,247 | - | 889,575 | - | 123,143 | - | 2,322,511 |
| 2) Cash flows | - | - | - | - | - | - | - | - |
| 3) Net investment in foreign subsidiaries | - | - | - | - | - | - | - | - |
| **B. Credit derivatives** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| 1) Fair value | - | - | - | - | - | - | - | - |
| 2) Cash flows | - | - | - | - | - | - | - | - |
| **Total** | **-** | **19,247** | **-** | **889,575** | **-** | **123,143** | **-** | **2,322,511** |

**Key:**
NA = Nominal or Notional Amount.
L1 = Level 1.
L2 = Level 2.
L3 = Level 3.

### 8.2 Hedging derivatives: breakdown by hedged assets and risk

| TRANSACTION/TYPE OF HEDGE | FAIR VALUE | | | | | | CASH FLOWS | | |
|---|---|---|---|---|---|---|---|---|---|
| | MICRO | | | | | | | | |
| | INTEREST RATE RISK | CURRENCY EXCHANGE RATE RISK | CREDIT RISK | PRICE RISK | MULTIPLE RISK | MACRO | MICRO | MACRO | FOREIGN INVESTMENTS |
| 1. Available-for-sale financial assets | - | - | - | - | - | X | - | X | X |
| 2. Loans and receivables | - | - | - | X | - | X | - | X | X |
| 3. Held-to-maturity investments | X | - | - | X | - | X | - | X | X |
| 4. Portfolio | X | X | X | X | X | 11,554 | X | - | X |
| 5. Other transactions | - | - | - | - | - | X | - | X | - |
| **Total assets** | **-** | **-** | **-** | **-** | **-** | **11,554** | **-** | **-** | **-** |
| 1. Financial liabilities | - | - | - | X | - | X | - | X | X |
| 2. Portfolio | X | X | X | X | X | 7,693 | X | - | X |
| **Total liabilities** | **-** | **-** | **-** | **-** | **-** | **7,693** | **-** | **-** | **-** |
| 1. Expected transactions | X | X | X | X | X | X | - | X | X |
| 2. Financial assets and financial liabilities | X | X | X | X | X | - | X | - | - |

# Part B - Balance Sheet - Assets (Continued)

## Section 9 - Changes in fair value of portfolio hedged financial assets - Item 90

### 9.1 Adjustments to the value of hedged financial assets: breakdown by hedged portfolio

| ADJUSTMENTS TO THE VALUE OF HEDGED ASSETS/AMOUNT | 12.31.2014 | 12.31.2013 |
|---|---|---|
| **1. Positive changes** | **15,641** | **100,241** |
| 1.1 of specific portfolios | 15,641 | 100,241 |
| a) loans and receivables | 15,641 | 100,241 |
| b) available-for-sale financial assets | - | - |
| 1.2 overall | - | - |
| **2. Negative changes** | **(10,614)** | **(44,119)** |
| 2.1 of specific portfolios | (10,614) | (44,119) |
| a) loans and receivables | (10,614) | (44,119) |
| b) available-for-sale financial assets | - | - |
| 2.2 overall | - | - |
| **Total** | **5,027** | **56,122** |

### 9.2 Assets macro-hedged against interest rate risk

| HEDGED ASSETS | 12.31.2014 | 12.31.2013 |
|---|---|---|
| 1. Loans and receivables | 1,505,077 | 3,419,840 |
| 2. Available-for-sale financial assets | - | - |
| 3. Portfolio | - | - |
| **Total** | **1,505,077** | **3,419,840** |

Receivables subject to macro-hedging against interest rate risk consist of fixed-rate personal loans and debt securities issued by UniCredit S.p.A. and classified as Loans and Receivables.
The value stated corresponds to the residual contractual debt on the balance sheet date.

## Section 10 - Equity investments - Item 100

No data to report.

## Section 11 - Property, plant and equipment - Item 110

### 11.1 Property, plant and equipment used in the business: breakdown of assets carried at cost

| ASSET/AMOUNT | 12.31.2014 | 12.31.2013 |
|---|---|---|
| **1. Owned assets** | **8,271** | **8,038** |
| a) land | - | - |
| b) buildings | - | - |
| c) office furniture and fittings | 927 | 834 |
| d) electronic systems | 6,136 | 5,846 |
| e) other | 1,208 | 1,358 |
| **2. Assets under financial lease** | **-** | **-** |
| a) land | - | - |
| b) buildings | - | - |
| c) office furniture and fittings | - | - |
| d) electronic systems | - | - |
| e) other | - | - |
| **Total** | **8,271** | **8,038** |

A description of the methods used to calculate depreciation is provided in Section 11 of the income statement.

### 11.2 Property, plant and equipment held for investment: breakdown of assets carried at cost

| ASSET/AMOUNT | 12.31.2014 | | | | 12.31.2013 | | | |
|---|---|---|---|---|---|---|---|---|
| | BOOK VALUE | FAIR VALUE | | | BOOK VALUE | FAIR VALUE | | |
| | | L1 | L2 | L3 | | L1 | L2 | L3 |
| **1. Owned assets** | **2,621** | **-** | **-** | **4,813** | **2,734** | **-** | **-** | **4,813** |
| a) land | - | - | - | - | - | - | - | - |
| b) buildings | 2,621 | - | - | 4,813 | 2,734 | - | - | 4,813 |
| **2. Assets under financial lease** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| a) land | - | - | - | - | - | - | - | - |
| b) buildings | - | - | - | - | - | - | - | - |
| **Total** | **2,621** | **-** | **-** | **4,813** | **2,734** | **-** | **-** | **4,813** |

### 11.3 Property, plant and equipment used in the business: breakdown of revalued assets

No data to report.

### 11.4 Property, plant and equipment held for investment: breakdown of assets measured at fair value

No data to report.

### 11.5 Property, plant and equipment used in the business: annual changes

| | LAND | BUILDINGS | OFFICE FURNITURE AND FITTINGS | ELECTRONIC SYSTEMS | OTHER | TOTAL |
|---|---|---|---|---|---|---|
| **A. Gross opening balance** | **-** | **-** | **12,598** | **28,367** | **9,708** | **50,673** |
| A.1 Total net reduction in value | - | - | (11,764) | (22,521) | (8,350) | (42,635) |
| **A.2 Net opening balance** | **-** | **-** | **834** | **5,846** | **1,358** | **8,038** |
| **B. Increases:** | **-** | **-** | **912** | **2,876** | **369** | **4,157** |
| B.1 Purchases | - | - | 901 | 2,876 | 369 | 4,146 |
| B.2 Capitalised expenditure on improvements | - | - | - | - | - | - |
| B.3 Write-backs | - | - | - | - | - | - |
| B.4 Positive changes in fair value: | | | | | | |
| a) in equity | - | - | - | - | - | - |
| b) through profit or loss | - | - | - | - | - | - |
| B.5 Positive Exchange differences | - | - | - | - | - | - |
| B.6 Transfers from properties held for investment | - | - | - | - | - | - |
| B.7 Other changes | - | - | 11 | - | - | 11 |
| **C. Decreases:** | **-** | **-** | **(819)** | **(2,586)** | **(519)** | **(3,924)** |
| C.1 Sales | - | - | - | - | - | - |
| C.2 Depreciation | - | - | (811) | (2,586) | (512) | (3,909) |
| C.3 Impairment losses recognised | | | | | | |
| a) in equity | - | - | - | - | - | - |
| b) through profit or loss | - | - | (7) | - | (7) | (14) |
| C.4 Negative changes in fair value: | | | | | | |
| a) in equity | - | - | - | - | - | - |
| b) through profit or loss | - | - | - | - | - | - |
| C.5 Negative exchange differences | - | - | - | - | - | - |
| C.6 Transfers to: | | | | | | |
| a) property, plant and equipment held for investment | - | - | - | - | - | - |
| b) assets held for sale | - | - | - | - | - | - |
| C.7 Other changes | - | - | (1) | - | - | (1) |
| **D. Net closing balance** | **-** | **-** | **927** | **6,136** | **1,208** | **8,271** |
| D.1 Total net reduction in value | - | - | (10,908) | (14,010) | (8,113) | (33,031) |
| **D.2 Gross closing balance** | **-** | **-** | **11,835** | **20,146** | **9,321** | **41,302** |
| E. Carried at cost | - | - | 927 | 6,136 | 1,208 | 8,271 |

The asset classes specified in the table above are carried at cost.

# Part B - Balance Sheet - Assets (Continued)

### 11.6 Property, plant and equipment held for investment: annual changes

| | 12.31.2014 | |
|---|---|---|
| | LAND | BUILDINGS |
| **A. Gross opening balance** | **-** | **3,745** |
| A.1 Total net reduction in value | - | (1,011) |
| **A.2 Net opening balance** | **-** | **2,734** |
| **B. Increases:** | **-** | **-** |
| B.1 Purchases | - | - |
| B.2 Capitalised expenditure on improvements | - | - |
| B.3 Net increases in fair value | - | - |
| B.4 Write-backs | - | - |
| B.5 Positive exchange differences | - | - |
| B.6 Transfer from properties used in the business | - | - |
| B.7 Other changes | - | - |
| **C. Decreases:** | **-** | **(113)** |
| C.1 Sales | - | - |
| C.2 Depreciation | - | (113) |
| C.3 Negative changes in fair value | - | - |
| C.4 Impairment losses | - | - |
| C.5 Negative exchange differences | - | - |
| C.6 Transfers to other asset portfolios | | |
| a) properties used in the business | - | - |
| b) non-current assets classified as held for sale | - | - |
| C.7 Other changes | - | - |
| **D. Net closing balance** | **-** | **2,508** |
| D.1 Total net reduction in value | - | (1,123) |
| **D.2 Gross closing balance** | **-** | **3,631** |
| **E. Fair value measurement** | **-** | **4,813** |

The buildings specified in the table above are carried at cost.

### 11.7 Commitments to purchase property, plant and equipment
As at December 31, 2014 the Bank had contractual commitments to purchase property, plant and equipment amounting to €1,136 thousand. We also report that there are no restrictions on the ownership of tangible assets and there are no tangible assets pledged as security for liabilities.

## Section 12 - Intangible assets - Item 120

### 12.1 Intangible assets: breakdown by type assets

| | 12.31.2014 | | 12.31.2013 | |
|---|---|---|---|---|
| ASSET/AMOUNT | FINITE LIFE | INDEFINITE LIFE | FINITE LIFE | INDEFINITE LIFE |
| A.1 Goodwill | X | 89,602 | X | 89,602 |
| A.2 Other Intangible assets | 8,142 | | 8,014 | |
| A.2.1 Assets carried at cost: | | | | |
| a) Intangible assets generated internally | - | - | - | - |
| b) Other assets | 8,142 | - | 8,014 | - |
| A.2.2 Assets valued at fair value: | | | | |
| a) Intangible assets generated internally | - | - | - | - |
| b) Other assets | - | - | - | - |
| **Total** | **8,142** | **89,602** | **8,014** | **89,602** |

The useful life of software, considered for the calculation of amortisation, is 3 years, while the useful life of other intangible assets with definite life is 5 years. A description of the methods used to calculate amortisation and depreciation is provided in section 12 of the income statement.

### 12.2 Intangible assets: annual changes

| | | OTHER INTANGIBLE ASSETS: GENERATED INTERNALLY | | OTHER INTANGIBLE ASSETS: OTHER | | |
|---|---|---|---|---|---|---|
| | GOODWILL | FIN | INDEF | FIN | INDEF | TOTAL |
| **A. Gross opening balance** | **124,729** | **-** | **-** | **60,255** | **-** | **184,984** |
| A.1 Total net reduction in value | (35,127) | - | - | (52,241) | - | (87,368) |
| **A.2 Net opening balance** | **89,602** | **-** | **-** | **8,014** | **-** | **97,616** |
| **B. Increases** | **-** | **-** | **-** | **4,901** | **-** | **4,901** |
| B.1 Purchases | - | - | - | 4,901 | - | 4,901 |
| B.2 Increases in internal intangible assets | X | - | - | - | - | - |
| B.3 Write-backs | X | - | - | - | - | - |
| B.4 Positive changes in fair value: | | | | | | |
| - in equity | X | - | - | - | - | - |
| - through profit or loss | X | - | - | - | - | - |
| B.5 Positive exchange differences | - | - | - | - | - | - |
| B.6 Other increases | - | - | - | - | - | - |
| **C. Decreases** | **-** | **-** | **-** | **(4,773)** | **-** | **(4,773)** |
| C.1 Sales | - | - | - | - | - | - |
| C.2 Write-downs | | | | | | |
| - Amortisation | X | - | - | (4,773) | - | (4,773) |
| - Write-downs | | | | | | |
| + in equity | X | - | - | - | - | - |
| + through profit or loss | - | - | - | - | - | - |
| C.3 Negative changes in fair value | | | | | | |
| - in equity | X | - | - | - | - | - |
| - through profit or loss | X | - | - | - | - | - |
| C.4 Transfers to non-current assets classified as held for sale | - | - | - | - | - | - |
| C.5 Negative exchange differences | - | - | - | - | - | - |
| C.6 Other decreases | - | - | - | - | - | - |
| **D. Net closing balance** | **89,602** | **-** | **-** | **8,142** | **-** | **97,744** |
| D.1 Total net impairments | (35,127) | - | - | (57,015) | - | (92,142) |
| **E. Gross closing balance** | **124,729** | **-** | **-** | **65,157** | **-** | **189,886** |
| F. Carried at cost | 89,602 | - | - | 8,142 | - | 97,744 |

**Key:**
FIN: finite life.
IND: indefinite life.

The asset classes specified in the table above are carried at cost.

### 12.3 Other information
As at December 31, 2014 the Bank had contractual commitments to purchase intangible assets amounting to €583 thousand.
We also report that there are no intangible assets acquired through government concession; no intangible assets were used as collateral for own debts; no intangible assets are held under a finance lease; there are no revalued intangible assets and, therefore, there are no impediments to the distribution of the related capital gains to shareholders.

### *Other information - Impairment test*
Under IAS 36, impairment testing of intangible assets with indefinite useful lives must be performed at least annually and, in any case, whenever there is objective evidence of the occurrence of events that may have reduced their value.
Recoverable value is the greater of the value in use (present value of future cash flows generated by the asset being valued) and the associated fair value, net of sales costs.
The recoverable value of the assets subject to impairment testing must be determined for the individual assets, unless both of the following conditions exist:
- the value in use of the asset is not estimated to be close to the fair value net of selling costs;
- the asset does not generate incoming cash flows largely independent of those coming from other assets (or group of assets).

If these conditions exist, the impairment test is conducted at the level of the Cash Generating Unit (CGU) of the asset, as required by the accounting principle.
According to IAS 36, when determining the value in use of assets subject to impairment testing, reference must be made to the cash flows of assets in their current conditions at the testing date and representing the best estimate by the management of the overall economic conditions in place during the residual useful life of the asset.

# Part B - Balance Sheet - Assets (Continued)

For the impairment testing, the value in use of the Cash Generating Units (CGUs) to which these intangible assets are assigned must be calculated taking into account the cash flows for all assets and liabilities included in the CGUs and not only those for which goodwill and/or the intangible asset were recorded when applying IFRS 3.

### *Definition of CGU*

Estimating the value in use for the purposes of any impairment testing of intangible assets, including goodwill, which do not independently generate cash flows, but only in conjunction with other business assets, requires that these assets first be attributed to operating units that are relatively autonomous in the business context (from the points of view of independent cash flows generated and of internal planning and reporting). These operating units are defined as Cash Generating Units (CGU).

Goodwill relates to buy-outs of divisions or companies engaged in trading activities or the distribution of financial, banking and insurance products through personal financial advisors. These activities have been fully integrated with FinecoBank's ordinary operations, as a result it is not possible to isolate the contribution of each company/business division from the Bank's overall income; this means that to establish the reasonableness of the value of goodwill recognised in the financial statements it is necessary to take account of the Bank's comprehensive income.

The cash generating unit (CGU) to be considered for the impairment test is therefore the Bank as a whole. In view of the specific business model adopted by FinecoBank, which envisages a high level of integration between personal financial advisors and the trading and banking platform, so that the financial advisors' network is an integral part of the overall offering of the Bank, which includes banking, brokerage and investing services, an allocation of costs/revenues for business units is not considered relevant or meaningful.

### *Estimating cash flows to determine the value in use of the CGU*

The applicable accounting principles require that the impairment test be carried out by comparing the book value of the CGU to its recoverable value. When the latter proves to be less than the book value, a write-down must be recorded in the financial statements. The recoverable value is the greater of its fair value (net of sales costs) and the related value in use.

The recoverable amount of the CGU is the greater of its fair value (net of costs to sell) and the related value in use.

### *Impairment test model*

The calculation of the value in use for the purposes of impairment testing is made using the Discounted Cash Flow (DCF) model. The cash flows are determined by subtracting the annual capital requirement generated by the change in the risk-weighted assets from net profit. This capital requirement is determined by considering the long-term capitalization to be achieved, also in light of the minimum regulatory capital requirements.

### *Cash flows*

The discounted cash flow model used is based on future cash flows estimated by management in four steps:
- year 2015, which considers the budget data approved by the Board of Directors on January 22, 2015;
- period from 2016 to 2018, which considers the financial forecasts of the Strategic Plan submitted to the approval of the Board of Directors' meeting on April 15, 2014;
- intermediate period of 5 years, from 2019 to 2023, for which the projections of the financial flows are extrapolated by applying, beginning in the last explicit estimate period (2018), rates of growth decreasing (from 4% to 2%) to the terminal value;
- terminal value calculated using a nominal growth rate of 2%. The average nominal growth rate of GDP in the eurozone from 1996 to 2014 was 2.9% (of which 1.9% was due to inflation). The choice of nominal 2%, corresponding to ~ 0% real growth, was made for prudential reasons.

### *Discount rates of cash flows*

The main assumptions used by management in determining the discount rate to calculate the value in use are summarised below:
- Initial discount rate net of tax (Ke); 8.18%
- Final discount rate net of tax (Ke); 10.00%
- Nominal growth rate used to calculate Terminal Value: 2.00%

Future financial flows were discounted using a conservative estimate of the discount rate, incorporating the various risk factors linked to the business sector into the cost of equity (Ke). The discount rate is a nominal rate, net of taxes.

In particular, the cost of capital for the Company is the sum of the following:
- Risk-free rate: the average of the last six years of the 5-year Bund. The six-year horizon was adopted in line with the average economic cycle in the eurozone;
- Debt risk premium: the average over the last six years of the Credit Default Swap paid by UniCredit;
- Risk premium on own equity: calculated using the option-based model, based on the average volatility over the last six years of the share price of banks operating primarily in the same sector.

The cost of capital as defined above, converges in a linear fashion to the cost of capital of the Terminal Value, over the 9 years envisaged in the model.

### *Impairment test results*
For the purpose of impairment testing, the book value of goodwill was compared to the value in use calculated using the above-illustrated method. The result of the test conducted as at December 31, 2014 confirms the sustainability of goodwill as recognised in the balance sheet.

### *Sensitivity analysis*
Since this assessment is made particularly complex by the current macroeconomic and market environment affecting the financial sector and the resulting difficulty in making predictions about future long-term profitability, sensitivity analyses were conducted, assuming changes to the main parameters used in the impairment test.

The table below shows the change in the value in use, net of book value and of shareholders' equity, in relation to changes in the main parameters used in the DCF model.

| | 1% INCREASE OF THE DISCOUNT RATE AFTER TAXES (KE) | 1% INCREASE OF CORE TIER 1 RATIO TARGET | 1% DECREASE OF THE NOMINAL GROWTH RATE FOR THE CALCULATION OF TERMINAL VALUE | 5% DECREASE OF ANNUAL EARNINGS |
|---|---|---|---|---|
| Change of value in use | -14,7% | -0,2% | -9,4% | -6,2% |

The results confirm the sustainability of goodwill as recognised in the balance sheet; the value in use, determined by applying these changes, was significantly higher than the book value in the various scenarios, thereby ruling out any need for a write-down.
It should also be noted, that the impairment test reaches the break-even assuming changes in the above parameters that are currently unreasonable. More specifically, the impairment test reaches break even with a positive absolute change in the discount rate after tax (Ke) by more than 28 percentage points, or a reduction of about 80% in annual earnings (while keeping the other parameters and information unchanged in both cases).

We should also point out that the share price of "FinecoBank" results in a market capitalization significantly higher than the Bank shareholders' equity: the market value of the Bank as at December 31, 2014 amounted to €2,830 million compared with shareholders' equity of €552 million.

## Section 13 - Tax Assets and Tax Liabilities - Asset item 130 and liability item 80

### General aspects
The item "Tax assets" amounting to €18,550 thousand comprises:
- "Current tax assets" of €2,178 thousand;

and
- "Deferred tax assets" of €16,372 thousand; Deferred tax assets are shown in the balance sheet net of the related deferred tax liabilities; the detail is as follows:
  - "Deferred tax assets" of €39,075 thousand recognised as a balancing entry in the income statement;
  - "Deferred tax assets" of €1,790 thousand as a contra entry of Shareholders' equity, mainly associated with the loss resulting from the assignment of non-performing receivables to Aspra Finance S.p.A., merged into UniCredit Credit Management Bank S.p.A., recorded in a negative reserve under shareholders' equity;
  - "Deferred tax liabilities" of -€21,860 thousand recognised as a balancing entry in the income statement;
  - "Deferred tax liabilities" of -€2,633 thousand recognised as a balancing entry of shareholders' equity.

The calculation of the aforementioned asset and liability items was affected by the impact of the adoption of "national tax consolidation" and the application of IAS/IFRS.

### Current Tax Assets and Liabilities

| ASSET/AMOUNT | 12.31.2014 | 12.31.2013 |
|---|---|---|
| **Current tax assets** | **2,178** | **25,264** |
| **Current tax liabilities** | **33,358** | **16,842** |

### National tax consolidation
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..

### Prepaid/deferred tax assets/liabilities
In accordance with the law and regulations currently in force:
- the valuation of deferred tax assets for IRES income tax purposes takes into account the expected income figures for future years, according to the decisions made by the competent company bodies;

# Part B - Balance Sheet - Assets (Continued)

- the valuation of deferred tax assets for IRAP corporate tax purposes takes place on the basis of the Company's expected income figures for future years, and takes into account changes in the legal context;
- deferred tax liabilities are recognised whenever the relevant requirements are satisfied.

Deferred tax assets and liabilities were determined assuming an IRES income tax rate of 27.5% and an IRAP corporate tax rate of 5.57%.
More detailed information on "Deferred tax assets" is provided in sections 13.1, 13.3 and 13.5 below. Similar information concerning "Deferred tax liabilities" is provided in sections 13.2, 13.4 and 13.6 below.

### 13.1 Deferred tax assets: breakdown

| ASSET/AMOUNT | 12.31.2014 | 12.31.2013 |
|---|---|---|
| Allocations through equity | 35,236 | 37,843 |
| Allocations through equity | 1,790 | 1,354 |
| Impairment losses on receivables (of which pursuant to Law 214/2011) | 3,839 | 3,473 |
| **Total before IAS 12 offset** | **40,865** | **42,670** |
| Offset against Deferred tax liabilities - IAS 12 | (24,493) | (20,859) |
| **Total** | **16,372** | **21,811** |

### 13.2 Deferred tax liabilities: breakdown

| ASSET/AMOUNT | 12.31.2014 | 12.31.2013 |
|---|---|---|
| Allocations through equity | 21,860 | 20,527 |
| Allocations through equity | 2,633 | 332 |
| **Total before IAS 12 offset** | **24,493** | **20,859** |
| Offset against Deferred tax assets - IAS 12 | (24,493) | (20,859) |
| **Total** | **-** | **-** |

### 13.3 Changes in deferred tax assets (through profit or loss)

| | 12.31.2014 | 12.31.2013 |
|---|---|---|
| **1. Opening balance** | **41,316** | **41,633** |
| **2. Increases** | **5,842** | **7,048** |
| 2.1 Deferred tax assets recognised in the year | 5,842 | 7,048 |
| a) relating to previous years | - | - |
| b) due to changes in accounting policies | - | - |
| c) write-backs | - | - |
| d) other | 5,842 | 7,048 |
| 2.2 New taxes or increases in tax rates | - | - |
| 2.3 Other increases | - | - |
| **3. Decreases** | **(8,083)** | **(7,365)** |
| 3.1 Deferred tax assets cancelled in the year | (7,388) | (6,928) |
| a) reversals of temporary differences | (7,388) | (6,928) |
| b) write-downs of non-recoverable items | - | - |
| c) change in accounting policies | - | - |
| d) other | - | - |
| 3.2 Reduction in tax rates | - | - |
| 3.3 Other decreases | (695) | (437) |
| a) conversion of tax credits as per Law 214/2011 | - | - |
| b) other | (695) | (437) |
| **4. Closing balance** | **39,075** | **41,316** |

Increases in deferred tax assets recorded in the financial year through profit or loss refer to the following main items:
- allocations to provisions for risks and charges;
- future personnel costs;
- write-downs and credit losses deferred to the extent of 4/5th pursuant to art. 106, paragraph 3 of the Income Tax Code (TUIR);
- listing-related expenses deferred to the extent of 4/5th pursuant to art. 108, paragraph 3 of the Income Tax Code (TUIR).

Decreases in deferred tax assets recorded in the financial year through profit or loss mainly refer to the following items:
- tax recovery for deferred expenses;
- use of provisions for future personnel costs;
- use of provisions for risks and charges;
- tax recovery of receivables write-downs.
The Bank did not recognize any deferred tax assets in relation to tax loss carry-forwards.

### 13.3.1 Changes in deferred tax assets under Law 214/2011 (through profit or loss)

| | 12.31.2014 | 12.31.2013 |
|---|---|---|
| **1. Opening balance** | **3,473** | **3,159** |
| **2. Increases** | **366** | **945** |
| **3. Decreases** | **-** | **(631)** |
| 3.1 Reversals | - | (243) |
| 3.2 Conversion into tax credits | | |
| a) resulting from operating losses | - | - |
| b) resulting from tax losses | - | - |
| 3.3 Other decreases | - | (388) |
| **4. Closing balance** | **3,839** | **3,473** |

### 13.4 Changes in deferred tax liabilities (through profit or loss)

| | 12.31.2014 | 12.31.2013 |
|---|---|---|
| **1. Opening balance** | **20,527** | **19,172** |
| **2. Increases** | **1,333** | **1,374** |
| 2.1 Deferred tax liabilities arising during the year | 1,333 | 1,374 |
| a) relating to previous years | - | - |
| b) due to changes in accounting policies | - | - |
| c) other | 1,333 | 1,374 |
| 2.2 New taxes or increases in tax rates | - | - |
| 2.3 Other increases | - | - |
| **3. Decreases** | **-** | **(19)** |
| 3.1 Deferred tax liabilities de-recognised during the year | - | (19) |
| a) reversals of temporary differences | - | (19) |
| b) due to changes in accounting policies | - | - |
| c) other | - | - |
| 3.2 Reduction in tax rates | - | - |
| 3.3 Other decreases | - | - |
| **4. Closing balance** | **21,860** | **20,527** |

Increases in deferred tax liabilities recorded in the financial year as a balancing item of the income statement refer to the recognition of deferred tax liabilities resulting from the accounting and tax treatment of goodwill.

# Part B - Balance Sheet - Assets (Continued)

### 13.5 Changes in deferred tax assets (through equity)

| | 12.31.2014 | 12.31.2013 |
|---|---|---|
| **1. Opening balance** | **1,354** | **1,597** |
| **2. Increases** | **546** | **26** |
| 2.1 Deferred tax assets recognised in the year | 546 | 26 |
| a) relating to previous years | - | - |
| b) due to changes in accounting policies | - | - |
| c) other | 546 | 26 |
| 2.2 New taxes or increases in tax rates | - | - |
| 2.3 Other increases | - | - |
| **3. Decreases** | **(110)** | **(269)** |
| 3.1 Deferred tax assets cancelled in the year | (110) | (269) |
| a) reversals of temporary differences | (16) | (223) |
| b) write-downs of non-recoverable items | - | - |
| c) due to changes in accounting policies | - | - |
| d) other | (94) | (46) |
| 3.2 Reduction in tax rates | - | - |
| 3.3 Other decreases | - | - |
| **4. Closing balance** | **1,790** | **1,354** |

The increase in deferred tax assets recognised during the year through equity refers to the recognition of deferred tax assets on actuarial gains recognised in equity revaluation reserves as per IAS 19 Revised.

### 13.6 Changes in deferred tax liabilities (through equity)

| | 12.31.2014 | 12.31.2013 |
|---|---|---|
| **1. Opening balance** | **332** | **148** |
| **2. Increases** | **2,387** | **271** |
| 2.1 Deferred tax liabilities arising during the year | 2,387 | 271 |
| a) relating to previous years | - | - |
| b) due to change in accounting policies | - | - |
| c) other | 2,387 | 271 |
| 2.2 New taxes or increases in tax rates | - | - |
| 2.3 Other increases | - | - |
| **3. Decreases** | **(86)** | **(87)** |
| 3.1 Deferred tax liabilities de-recognised during the year | (86) | (87) |
| a) reversals of temporary differences | (86) | (87) |
| b) due to change in accounting policies | - | - |
| c) other | - | - |
| 3.2 Reduction in tax rates | - | - |
| 3.3 Other decreases | - | - |
| **4. Closing balance** | **2,633** | **332** |

Increases and decreases in deferred tax liabilities recorded in the financial year through equity refer to the recognition and reversal of deferred tax liabilities resulting from the fair value measurement of debt securities classified as “Available-for-sale financial assets”.

### 13.7 Other information

No information to report.

## Section 14 - Non-current assets and disposal groups classified as held for sale and associated liabilities - Assets item 140 and liabilities item 90

### 14.1 Non-current assets and disposal groups classified as held for sale: breakdown by type assets

No data to report.

### 14.2 Other information

No information to report.

### 14.3 Information on equity investments in companies subject to significant influence not valued according to the equity method

No information to report.

## Section 15 - Other assets - Item 150

### 15.1 Other assets: breakdown

| | 12.31.2014 | 12.31.2013 |
|---|---|---|
| Items in transit not allocated to relevant accounts | 6 | 13 |
| Items in processing: | | |
| - notes, cheques and other documents | 9,169 | 9,108 |
| - POS and ATM cards | 8 | 379 |
| - other items in processing | 16 | 1 |
| Current receivables not related to the provision of financial services | 4,576 | 1,707 |
| Definitive items not recognised under other items: | | |
| - securities and coupons to be settled | 13,494 | 8,283 |
| - fees to be charged to customers | 28,240 | 33,020 |
| - amounts to be settled via clearing houses | - | 908 |
| - other transactions | 11,866 | 20,281 |
| Tax items other than those recognised under item 130: | | |
| - tax advances | 225,208 | 151,540 |
| - tax credit | 9,850 | 9,356 |
| - tax advances on employee severance indemnities | 14 | 12 |
| Receivables due to disputed items not deriving from lending | 119 | 119 |
| Prepayments | 15,109 | 10,940 |
| Improvement and incremental expenses incurred on leasehold assets | 9,081 | 10,962 |
| **Total** | **326,756** | **256,629** |

# Part B - Balance Sheet - Liabilities (Continued)

# Liabilities

## Section 1 - Deposits from banks - Item 10

### 1.1 Deposits from banks: product breakdown

| TYPE OF TRANSACTION/AMOUNT | 12.31.2014 | 12.31.2013 |
|---|---|---|
| **1. Deposits from central banks** | **-** | **-** |
| **2. Deposits from banks** | **1,428,568** | **1,648,675** |
| 2.1 Current accounts and demand deposits | 89,607 | 29,139 |
| 2.2 Time deposits | - | - |
| 2.3 Loans | 1,337,843 | 1,619,295 |
| 2.3.1 Repos | 1,337,843 | 1,619,295 |
| 2.3.2 Other | - | - |
| 2.4 Liabilities in respect of commitments to repurchase treasury shares | - | - |
| 2.5 Other liabilities | 1,118 | 241 |
| **Total** | **1,428,568** | **1,648,675** |
| ***Fair value - level 1*** | **-** | **-** |
| ***Fair value - level 2*** | **-** | **-** |
| ***Fair value - level 3*** | **1,428,568** | **1,648,675** |
| **Total fair value** | **1,428,568** | **1,648,675** |

### 1.2 Breakdown of item 10 “Deposits from banks”: subordinated debts
No data to report.

### 1.3 Breakdown of item 10 “Deposits from banks”: structured debts
No data to report.

### 1.4 Deposits from banks subject to micro-hedging
No data to report.

### 1.5 Amounts payable under finance leases
No data to report.

## Section 2 - Deposits from customers - Item 20

### 2.1 Deposits from customers: product breakdown

| TYPE OF TRANSACTION/AMOUNT | 12.31.2014 | 12.31.2013 |
|---|---|---|
| 1. Current accounts and demand deposits | 12,247,454 | 10,666,363 |
| 2. Time deposits | 1,315,731 | 1,699,635 |
| 3. Loans | 281,178 | 304,380 |
| 3.1 Repos | 281,178 | 304,380 |
| 3.2 Other | - | - |
| 4. Liabilities in respect of commitments to repurchase treasury shares | - | - |
| 5. Other liabilities | 70,349 | 61,931 |
| **Total** | **13,914,712** | **12,732,309** |
| ***Fair value - level 1*** | **-** | **-** |
| ***Fair value - level 2*** | **55,191** | **642,507** |
| ***Fair value - level 3*** | **13,860,288** | **12,096,595** |
| **Total fair value** | **13,915,479** | **12,739,102** |

### 2.2 Breakdown of item 20 “Deposits from customers”: subordinated debts
No data to report.

### 2.3 Breakdown of item 20 “Deposits from customers”: structured debts
No data to report.

### 2.4 Deposits from customers subject to micro-hedging
No data to report.

### 2.5 Amounts payable under finance leases
No data to report.

## Section 3 - Debt securities in issue - Item 30

### 3.1. Debt securities in issue: product breakdown

| TYPE OF TRANSACTION/AMOUNT | 12.31.2014 | | | | 12.31.2013 | | | |
|---|---|---|---|---|---|---|---|---|
| | | FAIR VALUE | | | | FAIR VALUE | | |
| | BOOK VALUE | LEVEL 1 | LEVEL 2 | LEVEL 3 | BOOK VALUE | LEVEL 1 | LEVEL 2 | LEVEL 3 |
| **A. Securities** | | | | | | | | |
| 1. Bonds | 424,710 | - | 438,958 | - | 2,322,511 | - | 2,422,470 | - |
| 1.1 structured | - | - | - | - | - | - | - | - |
| 1.2 other | 424,710 | - | 438,958 | - | 2,322,511 | - | 2,422,470 | - |
| 2. Other securities | - | - | - | - | - | - | - | - |
| 2.1 structured | - | - | - | - | - | - | - | - |
| 2.2 other | - | - | - | - | - | - | - | - |
| **Total** | **424,710** | **-** | **438,958** | **-** | **2,322,511** | **-** | **2,422,470** | **-** |

During the first half of 2014, the Bank reimbursed securities in issue for a nominal amount of €1,500,000 thousand (repurchased in previous years); it also partially repurchased bonds issued for a total nominal amount of €1,850,000 thousand and USD 70,000.
These bonds had been issued at par in 2011 and had been fully underwritten by UniCredit, while the Bank had underwritten bonds issued by UniCredit, following the need for both the Bank and UniCredit to hold bonds in the portfolio useful for their operations. As described above, by underwriting other bonds issued by UniCredit as part of the liquidity investment policy defined as of April 1, 2014 and following the gradual reduction in repo transactions with customers that had led the Bank and UniCredit to reciprocally underwrite and issue such bonds, both parties were able to sell part of the securities held in the portfolio and to repurchase the securities in issue.

### 3.2 Breakdown of item 30 “Debt securities in issue”: subordinated debt securities

No data to report.

### 3.3. Debt securities in issue subject to micro-hedging

No data to report.

## Section 4 - Financial liabilities held for trading - Item 400

### 4.1 Financial liabilities held for trading: product breakdown

| TYPE OF TRANSACTION/AMOUNT | 12.31.2014 | | | | | 12.31.2013 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | FV | | | | | FV | | | |
| | NA | L1 | L2 | L3 | FV* | NA | L1 | L2 | L3 | FV* |
| **A. On-balance sheet liabilities** | | | | | | | | | | |
| 1. Deposits from banks | - | - | - | - | - | - | - | - | - | - |
| 2. Deposits from customers | 576 | - | - | - | - | 633 | - | - | - | - |
| 3. Debt securities | - | - | - | - | X | - | - | - | - | X |
| 3.1 Bonds | - | - | - | - | X | - | - | - | - | X |
| 3.1.1 Structured | - | - | - | - | X | - | - | - | - | X |
| 3.1.2 Other bonds | - | - | - | - | X | - | - | - | - | X |
| 3.2 Other securities | - | - | - | - | X | - | - | - | - | X |
| 3.2.1 Structured | - | - | - | - | X | - | - | - | - | X |
| 3.2.2 Other | - | - | - | - | X | - | - | - | - | X |
| **Total A** | **576** | **-** | **-** | **-** | **-** | **633** | **-** | **-** | **-** | **-** |
| **B. Derivative instruments** | | | | | | | | | | |
| 1. Financial derivatives | X | 1,986 | 1,146 | 3 | X | X | 1,709 | 592 | - | X |
| 1.1 Trading derivatives | X | 1,986 | 1,146 | 3 | X | X | 1,709 | 592 | - | X |
| 1.2 Related to the fair value option | X | - | - | - | X | X | - | - | - | X |
| 1.3 Other | X | - | - | - | X | X | - | - | - | X |
| 2. Credit derivatives | X | - | - | - | X | X | - | - | - | X |
| 2.1 Trading derivatives | X | - | - | - | X | X | - | - | - | X |
| 2.2 Related to the fair value option | X | - | - | - | X | X | - | - | - | X |
| 2.3 Other | X | - | - | - | X | X | - | - | - | X |
| **Total B** | **X** | **1,986** | **1,146** | **3** | **X** | **X** | **1,709** | **592** | **-** | **X** |
| **Total (A+B)** | **X** | **1,986** | **1,146** | **3** | **X** | **X** | **1,709** | **592** | **-** | **X** |

**Key:**
FV = Fair Value. - FV* = Fair value calculated excluding the changes in value due to the change in the issuer’s credit rating since the issue date. - NA = Nominal or Notional Amount.
L1 = Level 1. - L2 = Level 2. - L3 = Level 3.

# Part B - Balance Sheet - Liabilities (Continued)

Trading financial derivatives refer to the negative valuation of Forex Contracts for Difference (CFDs), CFDs on indices, CFDs on interest rates and Futures used to hedge CFDs. They amounted to €1,138 thousand (€572 thousand as at December 31, 2013).
Sub-item B.1.1 Derivative instruments - Trading financial derivatives includes the negative valuations of spot contracts for securities classified in the HFT portfolio and currencies to be settled in times established by market practices ("regular way"). They amounted to €1,997 thousand (€1,730 thousand as at December 31, 2013).

### 4.2 Item 40 "Financial liabilities held for trading": subordinated liabilities

No data to report.

### 4.3 Item 40 "Financial liabilities held for trading": structured debts

No data to report.

### 4.4 On-balance sheet financial liabilities (excluding "technical overdrafts") held for trading: annual changes

No data to report.

## Section 5 - Financial liabilities at fair value through profit or loss - Item 50

FinecoBank has not booked any financial liabilities under the item "Financial liabilities at fair value through profit or loss".

## Section 6 - Hedging derivatives - Item 60

### 6.1 Hedging derivatives: breakdown by type of hedge and by hierarchical level

| | FAIR VALUE 12.31.2014 | | | NA | FAIR VALUE 12.31.2013 | | | NA |
|---|---|---|---|---|---|---|---|---|
| ITEM/AMOUNT | L1 | L2 | L3 | 12.31.2014 | L1 | L2 | L3 | 12.31.2013 |
| **A. Financial derivatives** | **-** | **36,993** | **-** | **2,559,363** | **-** | **141,801** | **-** | **3,382,879** |
| 1) Fair value | - | 36,993 | - | 2,559,363 | - | 141,801 | - | 3,382,879 |
| 2) Cash flows | - | - | - | - | - | - | - | - |
| 3) Net investment in foreign subsidiaries | - | - | - | - | - | - | - | - |
| **B. Credit derivatives** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| 1) Fair value | - | - | - | - | - | - | - | - |
| 2) Cash flows | - | - | - | - | - | - | - | - |
| **Total** | **-** | **36,993** | **-** | **2,559,363** | **-** | **141,801** | **-** | **3,382,879** |

**Key:**
NA = Nominal or Notional Amount.
L1 = Level 1.
L2 = Level 2.
L3 = Level 3.

### 6.2 Hedging derivatives: breakdown by hedged assets and risk

| | FAIR VALUE | | | | | | CASH FLOWS | | |
|---|---|---|---|---|---|---|---|---|---|
| | MICRO | | | | | | | | |
| TRANSACTION/TYPE OF HEDGE | INTEREST RATE RISK | CURRENCY EXCHANGE RATE RISK | CREDIT RISK | PRICE RISK | MULTIPLE RISK | MACRO | MICRO | MACRO | FOREIGN INVESTMENTS |
| 1. Available-for-sale financial assets | 22,929 | - | - | - | - | X | - | X | X |
| 2. Loans and receivables | - | - | - | X | - | X | - | X | X |
| 3. Held-to-maturity investments | X | - | - | X | - | X | - | X | X |
| 4. Portfolio | X | X | X | X | X | 14,064 | X | - | X |
| 5. Other transactions | - | - | - | - | - | X | - | X | - |
| **Total assets** | **22,929** | **-** | **-** | **-** | **-** | **14,064** | **-** | **-** | **-** |
| 1. Financial liabilities | - | - | - | X | - | X | - | X | X |
| 2. Portfolio | X | X | X | X | X | - | X | - | X |
| **Total liabilities** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| 1. Expected transactions | X | X | X | X | X | X | - | X | X |
| 2. Financial assets and financial liabilities | X | X | X | X | X | - | X | - | - |

## Section 7 - Changes in fair value of portfolio hedged items - Item 70

### 7.1 - Adjustments to the value of hedged financial liabilities

| CHANGES TO HEDGED FINANCIAL LIABILITIES/AMOUNTS | 12.31.2014 | 12.31.2013 |
|---|---|---|
| 1. Positive changes to financial liabilities | 9,228 | 81,077 |
| 2. Negative changes to financial liabilities | - | (44,304) |
| **Total** | **9,228** | **36,773** |

### 7.2 Financial liabilities subject to macro-hedging of interest rate risk: breakdown

| HEDGED LIABILITIES | 12.31.2014 | 12.31.2013 |
|---|---|---|
| 1. Debt securities in issue | 424,710 | 2,322,511 |
| **Total** | **424,710** | **2,322,511** |

Liabilities subject to macro-hedging of interest rate risk consist of debt securities issued by FinecoBank. The value stated corresponds to the residual contractual debt on the balance sheet date.

## Section 8 - Tax liabilities - Item 80

See section 13 of assets.

## Section 9 - Liabilities included in disposal groups classified as held for sale - Item 900

See section 14 of assets.

## Section 10 - Other liabilities - Item 100

### 10.1 Other liabilities: breakdown

| | 12.31.2014 | 12.31.2013 |
|---|---|---|
| Impairment of financial guarantees issued | 1,416 | 5,885 |
| Accrued expenses other than those to be capitalised for the financial liabilities concerned | 140 | 183 |
| Other liabilities relative to employees | 6,533 | 15,229 |
| Other liabilities relative to other personnel | 16 | - |
| Other liabilities due to Directors and Statutory Auditors | 212 | 244 |
| Sums available to be paid to customers | 244 | 181 |
| Items in processing: | | |
| - incoming bank transfers | 985 | 2,819 |
| - outgoing bank transfers | 41,031 | 44,326 |
| - POS and ATM cards | 132 | - |
| - other items in processing | 218 | 253 |
| Current payables not related to the provision of financial services | 25,075 | 27,400 |
| Definitive items not recognised under other items: | | |
| - securities and coupons to be settled | 18,343 | 12,417 |
| - other items | 15,570 | 20,028 |
| Adjustments for illiquid portfolio items | 15,197 | 13,847 |
| Tax items other than those included in item 80: | | |
| - sums withheld from third parties as withholding agent | 30,615 | 26,157 |
| - other | 77,102 | 57,697 |
| Prepayments | 403 | 276 |
| Social security contributions to be paid | 5,576 | 4,853 |
| **Total** | **238,808** | **231,795** |

# Part B - Balance Sheet - Liabilities (Continued)

## Section 11 - Provision for employee severance pay - Item 110

### 11.1 Provision for employee severance pay: annual changes

| | 12.31.2014 | 12.31.2013 |
|---|---|---|
| **A. Opening balance** | **3,761** | **3,909** |
| **B. Increases** | **1,124** | **273** |
| B.1 Provisions for the year | 122 | 126 |
| B.2 Other increases | 1,002 | 147 |
| of which adjustments for actuarial losses on Employee Severance Fund (IAS19R) | 424 | - |
| **C. Decreases** | **(59)** | **(421)** |
| C.1 Payments made | (18) | (124) |
| C.2 Other decreases | (41) | (297) |
| of which adjustments for actuarial gains on Employee Severance Fund (IAS19R) | - | (176) |
| **D. Closing balance** | **4,826** | **3,761** |

### 11.2 Other information

The "TFR" provision for Italy-based employee benefits is considered to be a "post-retirement defined benefit". It is therefore recognised on the basis of an actuarial estimate of the amount of benefit accrued by employees discounted to present value. This benefit is calculated by an external actuary using the unit credit projection method (see Part A.2 - The Main Items of the Accounts).

The Provision for employee severance pay covers the amount of the rights accrued in that respect up to December 31, 2014 by employees, under current legal regulations, as well as national collective bargaining agreements and supplementary company agreements.

The financial year under review was characterised by:

1) normal events relating to the employee severance pay provision in accordance with legal provisions and company agreements in force;

2) changes associated with employment contracts pursuant to Article 1406 and following of the Civil Code dealing with individual mobility within the Group.

In 2007, the new supplementary pension reform pursuant to Italian Legislative Decree no. 252/2005 became effective and, as a result the amounts accrued up to 31 December 2006 were kept with the Company, whilst the amounts of employee severance pay provision accruing as of 1 January 2007 were transferred to the supplementary pension funds or the INPS Treasury fund according to the option adopted by the employees (within 30 June 2007). The result is that:

- the employee severance fund accrued up to 31 December 2006 (or until the date of the option - falling between 1 January 2007 and 30 June 2007 - adopted by the employees if the they decided to transfer their employee severance pay provision to a supplementary pension fund) continues to be a "defined-benefit" plan and therefore subject to actuarial valuation, although based on simplified actuarial assumptions which no longer take account of estimated future pay rises;
- the amounts accrued from 1 January 2007 (or from the date of the option - falling between 1 January 2007 and 30 June 2007 - by the employees if they decided to transfer their employee severance pay provision to a supplementary pension fund), were considered as a "defined-benefit" plan (as the Company's liability ceases at the time it pays the employee severance pay provision accrued to the pension fund chosen by the employee) and therefore the related cost for the period is equal to the amounts paid to the Supplementary Pension fund or the INPS Treasury fund.

The following table shows the main actuarial assumptions used to measure the liability.

| DESCRIPTION OF THE MAIN ACTUARIAL ASSUMPTIONS | 12.31.2014 | 12.31.2013 |
|---|---|---|
| Discount rate | 1.60% | 3.30% |
| Expected inflation rate | 1.10% | 1.80% |

| EMPLOYEE SEVERANCE PAY PROVISION: OTHER INFORMATION | 12.31.2014 | 12.31.2013 |
|---|---|---|
| **Provisions for the year** | **122** | **126** |
| - Current service cost | - | - |
| - Interest expense on defined-benefit obligations | 122 | 126 |
| - Gains and losses on curtailments and settlements | - | - |
| - Past service cost | - | - |
| **Actuarial gains (losses) recognised in Revaluation reserves (OCI)** | **424** | **(176)** |
| - Actuarial gains (losses) for the year | (308) | (109) |
| - Actuarial gains/losses on demographic assumptions | - | - |
| - Actuarial gains/losses on financial assumptions | 732 | (67) |

As required by IAS 19 Revised, a sensitivity analysis was conducted aimed at identifying how the present value of the liability changes when the actuarial assumptions considered most significant are changed, while keeping the other actuarial assumptions constant. A change of -25 basis points in the discount rate would result in a increase in the liability of €165 thousand (+3.43%); an equivalent increase in the rate, on the other hand, would reduce the liability by €158 thousand (-3.27%). A change of -25 basis points in the inflation rate would result in a reduction in the liability of €97 thousand (-2.00%); an equivalent increase in the rate, on the other hand, would increase the liability by €99 thousand (+2.05%).

# Section 12 - Provisions for risks and charges - Item 120

### 12.1 - Provisions for risks and charges: breakdown

| ITEM/AMOUNT | 12.31.2014 | 12.31.2013 |
|---|---|---|
| 1. Pensions and other post-retirement benefit obligations | - | - |
| 2. Other provisions for risks and charges | 118,031 | 105,421 |
| 2.1 legal disputes | 49,650 | 55,577 |
| 2.2 staff expenses | 7,805 | - |
| 2.3 other | 60,576 | 49,844 |
| **Total** | **118,031** | **105,421** |

Sub-item 2.2 “staff expenses” includes provisions made in relation to the variable remuneration to be paid to employees in subsequent years which have an uncertain due date and/or amount. The related income component is recognised as “Payroll costs”.

Other provisions for risks and charges under sub-item 2.3 include the supplementary customer indemnity provision amounting to €44,114 thousand compared with €32,178 thousand as at December 31, 2013.

### 12.2 Provisions for risks and charges: annual changes

| | PENSION FUNDS | OTHER PROVISIONS | TOTAL |
|---|---|---|---|
| **A. Opening balance** | **-** | **105,421** | **105,421** |
| **B Increases** | **-** | **23,459** | **23,459** |
| B.1 Provisions for the year | - | 17,865 | 17,865 |
| B.2 Changes due to the passage of time | - | 1,114 | 1,114 |
| B.3 Changes due to variations in the discount rate | - | 46 | 46 |
| B.4 Other increases | - | 4,434 | 4,434 |
| **C Decreases** | **-** | **(10,849)** | **(10,849)** |
| C.1 Amounts used in the year | - | (10,849) | (10,849) |
| C.2 Changes due to variations in the discount rate | - | - | - |
| C.3 Other decreases | - | - | - |
| **D. Closing balance** | **-** | **118,031** | **118,031** |

### 12.3 Pensions and other post-retirement defined-benefit obligations

No data to report.

### 12.4 Provisions for risks and charges - other provisions

| | 12.31.2014 | 12.31.2013 |
|---|---|---|
| **Legal disputes** | **49,650** | **55,578** |
| - Pending proceedings | 36,205 | 40,573 |
| - Claims | 13,445 | 15,005 |
| **Staff expenses** | **7,805** | **-** |
| **Other** | **60,576** | **49,843** |
| - Supplementary customer indemnity provision | 44,114 | 32,178 |
| - Contractual payments and payments under non-competition agreements | 2,269 | 1,916 |
| - Tax disputes | 7,298 | 7,439 |
| - Other provisions | 6,895 | 8,310 |
| **Total provisions for risks and charges - other provisions** | **118,031** | **105,421** |

# Part B - Balance Sheet - Liabilities (Continued)

| PROVISIONS FOR RISKS AND CHARGES | 12.31.2013 | USES | TRANSFERS AND OTHER CHANGES | ACTUARIAL GAINS (LOSSES) IAS 19R * | PROVISIONS ** | 12.31.2014 |
|---|---|---|---|---|---|---|
| **Legal disputes** | **55,578** | **(8,661)** | **45** | **-** | **2,688** | **49,650** |
| - Pending proceedings | 40,573 | (4,920) | 778 | - | (226) | 36,205 |
| - Claims | 15,005 | (3,741) | (733) | - | 2,914 | 13,445 |
| **Staff expenses** | **-** | **-** | **4,303** | **-** | **3,502** | **7,805** |
| **Other** | **49,843** | **(2,188)** | **86** | **9,384** | **3,451** | **60,576** |
| - Supplementary customer indemnity provision | 32,178 | (884) | - | 9,107 | 3,713 | 44,114 |
| - Contractual payments and payments under non-competition agreements | 1,916 | - | - | 277 | 76 | 2,269 |
| - Tax disputes | 7,439 | (141) | - | - | - | 7,298 |
| - Other provisions | 8,310 | (1,163) | 86 | - | (338) | 6,895 |
| **Total provisions for risks and charges - other provisions** | **105,421** | **(10,849)** | **4,434** | **9,384** | **9,641** | **118,031** |

* The item " IAS 19R actuarial gains (losses)" includes the actuarial gains (losses) recognised in the item "Revaluation reserves" in application of IAS 19R.

** The item "Provisions" includes the costs recognised under "Payroll costs" and "Interest expenses and similar charges".

The following table shows the main actuarial assumptions used to measure the liability for the Agents' supplementary indemnity provision.

| DESCRIPTION OF THE MAIN ACTUARIAL ASSUMPTIONS | 12.31.2014 | 12.31.2013 |
|---|---|---|
| Discount rate | 1.60% | 3.30% |
| Expected inflation rate | 2.60% | 3.00% |

As required by IAS 19 Revised, a sensitivity analysis was conducted aimed at identifying how the present value of the liability changes when the actuarial assumptions considered most significant are changed, while keeping the other actuarial assumptions constant.
With regard to the supplementary customer indemnity, a change of -25 basis points in the discount rate would result in a increase in the liability of €1,396 thousand (+3.16%); an equivalent increase in the rate, on the other hand, would reduce the liability by €1,332 thousand (-3.02%). A change of -25 basis points in the salary base would result in a reduction in the liability of €482 thousand (-1.09%); an equivalent increase in the base, on the other hand, would increase the liability by €497 thousand (+1.13%).
With regard to contractual payments, a change of -25 basis points in the discount rate would result in a increase in the liability of €40 thousand (+2.21%); an equivalent increase in the rate, on the other hand, would reduce the liability by €38 thousand (-2.12%). A change of -25 basis points in the salary base would result in a reduction in the liability of €2 thousand (-0.13%); an equivalent increase in the base, on the other hand, would increase the liability by €2 thousand (+0.12%).

The **Provision for legal disputes** includes provisions made to cover disputes for damage to customers arising from the unlawful behaviour of the company's financial advisors, provisions relating to pending disputes with financial advisors and other ongoing court and out-of-court litigation with customers and other parties.

The **Supplementary customer indemnity provision** is accrued to cover the amount of indemnity to be paid to financial advisors pursuant to art. 1751 of the Italian Civil Code, in the event of termination of the contract for reasons not attributable to the advisor, such as, for example, when reaching retirement age. The amount of the obligation at year-end is assessed with the support of an independent actuary.

The **Provision for staff expenses** includes provisions made in relation to the variable remuneration to be paid to employees in subsequent years which have an uncertain due date and amount; The related income component is recognised as "Payroll costs".

The **Provision for contractual payments and payments under non-competition agreements** is related to a limited number of financial advisors; these payments are contractually provided. More specifically, the non-competition agreement is an extension of the loyalty obligation at the end of the employment contract which protects the Bank from competition from former financial advisors; contractual payments are a special indemnity that the Bank agrees to pay to financial advisors, who opted to transfer the rights and obligations arising from their contract with the Bank to third parties, where these advisors continue to keep an ethical and professional conduct with the Bank after termination of employment, with specific regard to the client portfolio. The amount of the obligation for contractual payments is assessed with the support of an independent actuary.

The **Provision for tax disputes** is allocated to cover tax demands received from the Italian Revenue Agency following tax audits carried out on the Bank over the years.
The Bank believes that its tax payments were properly and legitimately calculated and, accordingly, it has appealed in the various stages of the proceedings. However, the current legislation requires that the payments demanded by the Financial Authorities, through tax bills or payment notices, are to be made in advance, both with regard to the higher taxes in dispute and the penalties and interest thereon.
The above provision for risks and charges includes the amounts paid in advance to the Treasury to cover the payments made and expected for penalties and interest, and the expected legal costs to be incurred in the various stages of proceedings.
For more details see Part E - Information on risks and hedging policies - Section 4 - Operational risk - paragraph "Risks arising from tax disputes and audits" of the Notes to the Accounts.

The **Other provisions** are mainly allocated to cover the risks related to the business and operations of the Bank. The provision specifically includes provisions for marketing and customer loyalty campaigns.

## Section 13 - Redeemable shares - Item 140

### 13.1 Redeemable shares: breakdown

No data to report.

## Section 14 - Bank's shareholders' equity - Items 130, 150, 160, 170, 180, 190 and 200

### 14.1 "Share capital" and "Treasury shares": breakdown

Share capital amounts to €200,070,430.89, fully paid-up, comprising 606,274,033 ordinary shares with a par value of €0.33.

| ITEM/AMOUNT | 12.31.2014 | 12.31.2013 |
|---|---|---|
| 1. Share capital | 200,070 | 200,070 |
| 2. Share premium reserve | 1,934 | 1,934 |
| 3. Reserves | 198,081 | 127,715 |
| - Legal reserve | 33,061 | 28,800 |
| - Extraordinary reserve | 142,739 | 98,744 |
| - Other reserves | 22,281 | 171 |
| 4. (Treasury shares) | - | - |
| 5. Revaluation reserves | 2,262 | 4,214 |
| 6. Equity instruments | - | - |
| 7. Net Profit (Loss) for the year | 149,907 | 85,216 |
| **Total** | **552,254** | **419,149** |

Following the Shareholders' Meeting resolution of April 15, 2014, the profit for the year 2013 of €85,216 thousand was allocated as follows:

- €4,261 thousand to the legal reserve;
- €58,948 thousand to the extraordinary reserve;
- €20,007 thousand, equal to €0.033 per share, to the shareholder;
- €2,000 thousand as charitable donations.

### 14.2 Share capital - Number of shares: annual changes

| | 12.31.2014 | |
|---|---|---|
| ITEMS/TYPE | ORDINARY | OTHER |
| **A. Shares outstanding at the beginning of the year** | | |
| - fully paid | 606,274,033 | - |
| - not fully paid | - | - |
| A.1 Treasury shares (-) | - | - |
| **A.2 Shares outstanding: opening balance** | **606,274,033** | **-** |
| **B. Increases** | | |
| B.1 New issues | | |
| - against payment: | | |
| - business combinations | - | - |
| - bonds converted | - | - |
| - warrants exercised | - | - |
| - other | - | - |
| - free | | |
| - to employees | - | - |
| - to directors | - | - |
| - other | - | - |
| B.2 Sale of treasury shares | - | - |
| B.3 Other changes | - | - |
| **C. Decreases** | | |
| C.1 Cancellation | - | - |
| C.2 Purchase of treasury shares | - | - |
| C.3 Business transfers | - | - |
| C.4 Other changes | - | - |
| **D. Shares outstanding: closing balance** | **606,274,033** | **-** |
| D.1 Treasury shares (+) | | - |
| D.2 Shares outstanding as at the end of the year | - | - |
| - fully paid | 606,274,033 | - |
| - not fully paid | - | - |

# Part B - Balance Sheet - Liabilities (CONTINUED)

### 14.3 Share capital: other information

The shares are not subject to any right, privilege or constraint; there are no shares reserved for issue under option and sales contracts.

### 14.4 Reserves from allocation of profit from previous years: other information

Reserves from allocation of profit from previous years comprise the legal reserve amounting to €33,061 thousand, the extraordinary reserve amounting to €142,739 thousand, the reserve for purchase of treasury shares amounting to €14,953 thousand, the reserve connected to the Equity Settled plans amounting to €7,158 thousand, and retained earnings amounting to €170 thousand.

### *Information on the availability and distribution of shareholders' equity*

In accordance with art. 2427, paragraph 7-bis of the Italian Civil Code, and according to document no. 1 issued by the Italian Accounting Body on October 25, 2004, a detailed description of equity items is provided below, with a breakdown in terms of availability, eligibility for distribution and use in the last three years.

| TYPE/DESCRIPTION | AMOUNT | POSSIBLE USE | AMOUNT AVAILABLE | SUMMARY OF THE AMOUNTS USED IN THE PAST THREE YEARS: TO COVER LOSSES | SUMMARY OF THE AMOUNTS USED IN THE PAST THREE YEARS: FOR OTHER REASONS |
|---|---|---|---|---|---|
| **Share capital** | **200,070** | **-** | **-** | **-** | **-** |
| **Share premium reserve** | **1,934** | **A, B, C** | **1,934** (1) | **-** | **-** |
| **Reserves:** | | | | | |
| Legal reserve | 33,061 | B | 33,061 | - | - |
| Extraordinary reserve | 142,739 | A, B, C | 142,739 | - | - |
| Unavailable reserve (Article 6 Leg Dec. 38/2005) | 170 | B | 170 (2) | - | - |
| reserve related to equity-settled plans | 7,158 | - | - | - | - |
| Reserve for treasury shares to be purchased | 14,953 | B | 14,953 | - | - |
| **Revaluation reserves:** | | | | | |
| Revaluation reserves for Available-for-sale financial assets | 5,329 | - | - (3) | - | - |
| Revaluation reserves actuarial gains (losses) from defined benefit plans | (3,067) | - | - | - | - |
| **TOTAL** | **402,347** | | **192,857** | | |
| Undistributable amount | | | 50,118 | | |
| Distributable amount | | | 142,739 | | |

**Key:**
A: for capital increase.
B: to cover losses.
C: for distribution to shareholders.

**Note:**
(1) Pursuant to Article 2431 of the Civil Code, the sum total of this reserve may be distributed only on condition that the legal reserve has reached the limit set in Article 2430 of the Civil Code.
(2) If this Reserve is used to cover losses, profits cannot be distributed until this Reserve has been replenished by allocating profits from future years.
(3) The reserve, when positive, is not available pursuant to article 6 of Italian Legislative Decree 38/2005.

### 14.5 Equity instruments: breakdown and annual changes

No data to report.

### 14.6 Other information

No data to report.

# Section 15 - Other information

### 1 Guarantees given and commitments

| TRANSACTIONS | 12.31.2014 | 12.31.2013 |
|---|---|---|
| 1) Financial guarantees given | 292,124 | 306,815 |
| a) Banks | 291,361 | 306,033 |
| b) Customers | 763 | 782 |
| 2) Commercial guarantees given | 4 | 4 |
| a) Banks | 4 | 4 |
| b) Customers | - | - |
| 3) Irrevocable commitments to lend funds | 158,159 | 178,000 |
| a) Banks | - | 28,028 |
| i) certain to be called on | - | 28,028 |
| ii) not certain to be called on | - | - |
| b) Customers | 158,159 | 149,972 |
| i) certain to be called on | 158,159 | 149,972 |
| ii) not certain to be called on | - | - |
| 4) Commitments underlying credit derivatives: protection sales | - | - |
| 5) Assets given as collateral for third-party obligations | - | - |
| 6) Other commitments | - | - |
| **Total** | **450,287** | **484,819** |

Financial guarantees given to banks include 5 guarantees issued on request of UniCredit, with indefinite duration, for a total amount of €256,065 thousand and the commitment with the National Interbank Deposit Guarantee Fund (FITD), for measures still to be approved, for an amount of €36,713 thousand, net of provisions for commitments and guarantees of €1,416 thousand.
Irrevocable commitments to lend funds mainly refer to spot contracts for the purchase and sale of securities to be settled in times established by market practices ("regular way").

### 2. Assets given as collateral for own liabilities and commitments

| PORTFOLIOS | 12.31.2014 | 12.31.2013 |
|---|---|---|
| 1. Financial assets held for trading | - | - |
| *2. Financial assets designated at fair value through profit or loss* | - | - |
| 3. Available-for-sale financial assets | - | - |
| 4. Held-to-maturity investments | - | - |
| 5. Loans and receivables with banks | 205,909 | 188,989 |
| 6. Loans and receivables with customers | - | - |
| 7. Property, plant and equipment | - | - |
| **Total** | **205,909** | **188,989** |

Assets given as collateral for own liabilities and commitments shown in item "*Loans and receivables with banks*" refer to bonds issued by UniCredit, classified in the "*Loans and Receivables*" category, subscribed by the Bank in order to conduct repos with the obligation for the buyer to resell the assets covered by the transaction upon expiration of said transaction; bonds are given as collateral for the entire duration of the repos.

FinecoBank also used debt securities issued by governments as collateral for bankers' drafts or as guarantee with third parties in relation to transactions on foreign markets: more specifically, the Bank used bonds issued by the Italian and French governments, classified as *Available-for-sale* assets, for a book value of €126,717 thousand (€89,910 thousand as at December 31, 2013). Securities are used as collateral until the Bank decides to stop the transactions for which the collateral or guarantees are granted.

### 3. Information on operating leases

With regard to outstanding non-cancellable leases, the future payments amount to:
- €3,844 thousand up to twelve months;
- -€575 thousand from one to five years.

There are no sub-leases in place.

# Part B - Balance Sheet - Liabilities (Continued)

### 4. Asset management and trading on behalf of others

| TYPE OF SERVICE | AMOUNT 12.31.2014 | AMOUNT 12.31.2013 |
|---|---|---|
| **1. Execution of orders for customers** | **346,368,648** | **308,293,224** |
| **Securities** | **121,797,736** | **106,727,116** |
| a) purchases | 60,684,094 | 53,443,200 |
| 1. Settled | 60,408,362 | 52,846,365 |
| 2. Unsettled | 275,732 | 596,835 |
| b) sales | 61,113,642 | 53,283,916 |
| 1. Settled | 60,832,456 | 52,697,184 |
| 2. Unsettled | 281,186 | 586,732 |
| **Derivative contracts** | **224,570,912** | **201,566,108** |
| a) purchases | 112,337,954 | 100,788,072 |
| 1. Settled | 112,197,633 | 100,624,537 |
| 2. Unsettled | 140,321 | 163,535 |
| b) sales | 112,232,958 | 100,778,036 |
| 1. Settled | 112,093,872 | 100,594,652 |
| 2. Unsettled | 139,086 | 183,384 |
| **2. Segregated accounts** | **-** | **-** |
| a) individual | - | - |
| b) collective | - | - |
| **3. Custody and administration of securities** | | |
| a) third party securities on deposits: relating to depositarybank activities (excluding segregated accounts) | - | - |
| 1. securities issued by the bank preparing the accounts | - | - |
| 2. other securities | - | - |
| b) third party securities held in deposits (excluding segregated accounts): other | 10,919,911 | 12,580,382 |
| 1. securities issued by the bank preparing the accounts | 2,482 | - |
| 2. other securities | 10,917,429 | 12,580,382 |
| c) third-party securities deposited with third parties | 10,919,911 | 12,580,382 |
| d) own securities deposited with third parties | 11,076,157 | 3,430,300 |
| **4. Other transactions** | **26,187,756** | **19,928,994** |
| Order receipt and transmission | 26,187,756 | 19,928,994 |
| a) purchases | 13,111,249 | 10,055,945 |
| b) sales | 13,076,507 | 9,873,049 |

### 5. Assets subject to accounting offsetting, to master netting agreements or similar agreements
No data to report.

### 6. Liabilities subject to accounting offsetting or under master netting agreements and similar ones
No data to report.

### 7. Securities lending transactions
FinecoBank conducts securities lending transactions on a continuous and systematic basis, with the objective of optimizing the returns of customer portfolios, satisfying the requests of institutional counterparties and obtaining a profit for the Bank. FinecoBank operates as the borrower, borrowing the securities of its customers and using them in repos and securities lending transactions guaranteed by cash amounts with retail and institutional customers interested in the temporary ownership of the securities. In the case of securities lending transactions guaranteed by other securities, which are not recognised as liabilities or commitments in the accounts, FinecoBank has used bond issues of UniCredit, classified as *"Loans and Receivables"*, as guarantees; for this purpose, the Bank has deposited debt securities issued by UniCredit in a dedicated portfolio held at the Custodian bank, representing an amount higher than that of the securities borrowed from customers, in order to provide a collective guarantee.

The nominal value of the underlying securities not recognised as assets in the accounts totalled €1,188,213 thousand, broken down as follows:

| | TYPE OF SECURITIES (NOMINAL VALUE AT DECEMBER 31, 2014) | | |
|---|---|---|---|
| SECURITIES RECEIVED ON LOAN FROM: | SOLD | SOLD IN REPOS | OTHER PURPOSES |
| Banks | - | - | - |
| Financial companies | - | 3,001 | - |
| Insurance | - | - | - |
| Non-financial companies | - | 3,432 | - |
| Other entities | 576 | 1,181,144 | 60 |
| **Total nominal value** | **576** | **1,187,577** | **60** |

| | TYPE OF SECURITIES (FAIR VALUE AT DECEMBER 31, 2014) | | |
|---|---|---|---|
| SECURITIES RECEIVED ON LOAN FROM: | SOLD | SOLD IN REPOS | OTHER PURPOSES |
| Banks | - | - | - |
| Financial companies | - | 3,169 | - |
| Insurance | - | - | - |
| Non-financial companies | - | 3,434 | - |
| Other entities | - | 1,409,862 | 53 |
| **Total nominal value** | **-** | **1,416,465** | **53** |

# Part C - Income statement

# Part C - Income statement (Amounts in € thousand)

## Section 1 - Interest income and expense - Items 10 and 20

### 1.1 Interest income and similar revenues: breakdown

| ITEMS/TYPE | DEBT SECURITIES | LOANS | OTHER TRANSACTIONS | 2014 | 2013 |
|---|---|---|---|---|---|
| 1. Financial assets held for trading | 1 | - | - | 1 | 3 |
| 2. Available-for-sale financial assets | 14,922 | - | - | 14,922 | 1,798 |
| 3. Held-to-maturity investments | - | - | - | - | - |
| 4. Loans and receivables with banks | 145,526 | 90,356 | - | 235,882 | 266,077 |
| 5. Loans and receivables with customers | - | 28,793 | - | 28,793 | 26,155 |
| 6. Financial assets designated at fair value through profit or loss | 5 | - | - | 5 | 84 |
| 7. Hedging derivatives | - | - | 2,658 | 2,658 | - |
| 8. Other assets | - | - | 76 | 76 | 48 |
| **Total interest income** | **160,454** | **119,149** | **2,734** | **282,337** | **294,165** |

Interest accrued on impaired assets, relating exclusively to the item Loans and receivables with customers, amounted to €446 thousand (€343 thousand as at December 31, 2013).

### 1.2 Interest income and similar revenues: hedging differentials

| ITEMS | 2014 | 2013 |
|---|---|---|
| A. Positive hedging differentials | 97,850 | 141,095 |
| B. Negative hedging differentials | (95,192) | (146,503) |
| **C. Balance (A-B)** | **2,658** | **(5,408)** |

### 1.3 Interest income and similar revenues: other information

No information to report.

#### 1.3.1 Interest income from financial assets denominated in currency

| ITEMS/TYPE | 2014 | 2013 |
|---|---|---|
| Interest income on foreign currency financial assets | 8,076 | 7,994 |

#### 1.3.2 Interest income on finance lease transactions

No data to report.

### 1.4 Interest expense and similar charges: breakdown

| ITEMS/TYPE | PAYABLES | SECURITIES | OTHER TRANSACTIONS | 2014 | 2013 |
|---|---|---|---|---|---|
| 1. Deposits from central banks | - | - | - | - | - |
| 2. Deposits from banks | (4,589) | - | - | (4,589) | (9,621) |
| 3. Deposits from customers | (49,500) | - | - | (49,500) | (78,920) |
| 4. Debt securities in issue | - | - | - | - | (19,936) |
| 5. Financial liabilities held for trading | - | - | - | - | - |
| 6. Financial liabilities at fair value through profit or loss | - | - | - | - | - |
| 7. Other liabilities and provisions | - | - | (1) | (1) | (2) |
| 8. Hedging derivatives | - | - | - | - | (5,408) |
| **Total** | **(54,089)** | **-** | **(1)** | **(54,090)** | **(113,887)** |

### 1.5 Interest expenses and similar charges: hedging differentials

This table has been omitted as the balance of hedging differentials is positive (please refer to the above table 1.2).

### 1.6 Interest expense and similar charges: other information

No information to report.

#### 1.6.1 Interest expense on liabilities denominated in currency

| ITEMS/TYPE | 2014 | 2013 |
|---|---|---|
| Interest expense on liabilities denominated in currency | (1,130) | (956) |

#### 1.6.2 Interest expense on finance leases

No data to report.

## Section 2 - Fee and commission income and expense - Items 40 and 50

### 2.1 Fee and commission income: breakdown

| TYPE OF SERVICE/AMOUNT | 2014 | 2013 |
|---|---|---|
| (a) guarantees given | 68 | 67 |
| (b) credit derivatives | - | - |
| (c) management, brokerage and consulting services: | 371,705 | 322,919 |
| 1. securities trading | 75,271 | 68,271 |
| 2. currency trading | - | - |
| 3. portfolio management | - | - |
| 3.1. individual | - | - |
| 3.2. collective | - | - |
| 4. custody and administration of securities | 868 | 640 |
| 5. custodian bank | - | - |
| 6. placement of securities | 26,206 | 29,664 |
| 7. reception and transmission of orders | 12,652 | 9,958 |
| 8. advisory services | 17,514 | 11,048 |
| 8.1. related to investments | 17,514 | 11,048 |
| 8.2. related to financial structure | - | - |
| 9. distribution of third-party services: | 239,194 | 203,338 |
| 9.1. portfolio management | 211,327 | 182,093 |
| 9.1.1 individual | 105 | 1,515 |
| 9.1.2 collective | 211,222 | 180,578 |
| of which maintenance commissions for UCIT units | 209,671 | 179,340 |
| 9.2. insurance products | 27,835 | 21,235 |
| 9.3. other products | 32 | 10 |
| (d) collection and payment services | 27,890 | 26,421 |
| (e) securitisation servicing | - | - |
| (f ) factoring | - | - |
| (g) tax collection services | - | - |
| (h) management of multilateral trading systems | - | - |
| (i) management of current accounts | 5,379 | 5,861 |
| (j) other services | 4,786 | 4,363 |
| **Total** | **409,828** | **359,631** |

As of December 31, 2014, maintenance commissions earned by product companies following the placement of units of UCITS are presented in section 9.1.2 “collective portfolio management”. For comparison purposes, 2013 commissions were restated, for an amount of €179,340 thousand.

### 2.2 Fee and commission income: distribution channels for products and services

| CHANNEL/AMOUNT | 2014 | 2013 |
|---|---|---|
| **(a) at own branches:** | **-** | **-** |
| 1. portfolio management | - | - |
| 2. placement of securities | - | - |
| 3. third-party services and products | - | - |
| **(b) cold-calling:** | **195,092** | **174,334** |
| 1. portfolio management | 148,553 | 130,734 |
| 2. placement of securities | 18,883 | 22,624 |
| 3. third-party services and products | 27,656 | 20,976 |
| **(c) other distribution channels:** | **70,308** | **58,668** |
| 1. portfolio management | 62,774 | 51,359 |
| 2. placement of securities | 7,323 | 7,040 |
| 3. third-party services and products | 211 | 269 |
| **Total** | **265,400** | **233,002** |

As of December 31, 2014, maintenance commissions earned by product companies following the placement of units of UCITS are presented in section 1. “portfolio management”. For comparison purposes, 2013 commissions were restated, for an amount of €127,981 thousand in relation to products offered off-site and €51,359 for products offered through other distribution channels.
The fee and commission income described in point (c) “other distribution channels” refer to commissions earned through the online channel and also include fees and commissions collected by product companies and placement and maintenance commissions from the online subscription of units of UCITS and insurance products.

# Part C - Income statement (Continued)

### 2.3 Fee and commission expense: breakdown

| SERVICE/AMOUNT | 2014 | 2013 |
|---|---|---|
| (a) guarantees received | (27) | (30) |
| (b) credit derivatives | - | - |
| (c) management and brokerage services: | (195,090) | (173,995) |
| 1. securities trading | (6,870) | (6,046) |
| 2. currency trading | (175) | (375) |
| 3. portfolio management | - | - |
| 3.1 own | - | - |
| 3.2 delegated to third parties | - | - |
| 4. custody and administration of securities | (4,032) | (3,713) |
| 5. placement of financial instruments | - | - |
| 6. cold-calling to offer securities, products and services | (184,013) | (163,861) |
| (d) collection and payment services | (16,675) | (15,606) |
| (e) other services | (314) | (322) |
| (f) securities lending transactions | (1,978) | (2,942) |
| **Total** | **(214,084)** | **(192,895)** |

## Section 3 - Dividend income and similar revenue - Item 70

### 3.1 Dividend income and similar revenue: breakdown

| ITEM/INCOME | 2014 | | 2013 | |
|---|---|---|---|---|
| | DIVIDENDS | INCOME FROM UNITS IN INVESTMENT FUNDS | DIVIDENDS | INCOME FROM UNITS IN INVESTMENT FUNDS |
| A. Financial assets held for trading | 4 | - | 3 | - |
| B. Available-for-sale financial assets | - | - | - | - |
| C. Financial assets designated at fair value through profit or loss | - | - | - | - |
| D. Equity investments | - | X | - | X |
| **Total** | **4** | **-** | **3** | **-** |

## Section 4 - Gains (losses) on financial assets and liabilities held for trading - Item 80

### 4.1 Gains (losses) on financial assets and liabilities held for trading: breakdown - As at December 31, 2014

| TRANSACTION/INCOME ITEM | UNREALISED GAINS (A) | REALISED PROFITS (B) | UNREALISED LOSSES (C) | REALISED LOSSES (D) | NET PROFIT (LOSS) [(A+B)-(C+D)] |
|---|---|---|---|---|---|
| **1. Financial assets held for trading** | **3** | **78,294** | **-** | **(72,755)** | **5,542** |
| 1.1 Debt securities | - | 46 | - | (13) | 33 |
| 1.2 Equity instruments | 3 | 78,246 | - | (72,728) | 5,521 |
| 1.3 Units in investment funds | - | 2 | - | (14) | (12) |
| 1.4 Loans | - | - | - | - | - |
| 1.5 Other | - | - | - | - | - |
| **2. Financial liabilities held for trading** | **-** | **41** | **-** | **-** | **41** |
| 2.1 Debt securities | - | - | - | - | - |
| 2.2 Payables | - | - | - | - | - |
| 2.3 Other | - | 41 | - | - | 41 |
| **3. Other financial assets and liabilities: exchange differences** | **X** | **X** | **X** | **X** | **4,282** |
| **4. Derivatives** | **2,306** | **24,183** | **(2,259)** | **(13,774)** | **19,854** |
| 4.1 Financial derivatives: | 2,306 | 24,183 | (2,259) | (13,774) | 19,854 |
| - On debt securities and interest rates | 16 | 305 | (10) | (139) | 172 |
| - On equity securities and share indices | 2,290 | 23,462 | (2,249) | (13,475) | 10,028 |
| - On currency and gold | X | X | X | X | 9,398 |
| - Other | - | 416 | - | (160) | 256 |
| 4.2 Credit derivatives | - | - | - | - | - |
| **Total** | **2,309** | **102,518** | **(2,259)** | **(86,529)** | **29,719** |

### 4.1 Gains (losses) on financial assets and liabilities held for trading: breakdown - As at December 31, 2013

| TRANSACTION/INCOME ITEM | UNREALISED GAINS (A) | REALISED PROFITS (B) | UNREALISED LOSSES (C) | REALISED LOSSES (D) | NET PROFIT (LOSS) [(A+B)-(C+D)] |
|---|---|---|---|---|---|
| **1. Financial assets held for trading** | **4** | **78,207** | **(70)** | **(63,474)** | **14,667** |
| 1.1 Debt securities | - | 183 | (4) | (19) | 160 |
| 1.2 Equity instruments | 4 | 71,139 | (2) | (63,454) | 7,687 |
| 1.3 Units in investment funds | - | 1 | (64) | (1) | (64) |
| 1.4 Loans | - | - | - | - | - |
| 1.5 Other | - | 6,884 | - | - | 6,884 |
| **2. Financial liabilities held for trading** | **-** | **92** | **-** | **(9)** | **83** |
| 2.1 Debt securities | - | - | - | - | - |
| 2.2 Payables | - | - | - | - | - |
| 2.3 Other | - | 92 | - | (9) | 83 |
| **3. Other financial assets and liabilities: exchange differences** | **X** | **X** | **X** | **X** | **2,699** |
| **4. Derivatives** | **1,863** | **10,730** | **(1,780)** | **(5,752)** | **10,488** |
| 4.1 Financial derivatives: | 1,863 | 10,730 | (1,780) | (5,752) | 10,488 |
| - On debt securities and interest rates | 116 | 2 | (108) | (2) | 8 |
| - On equity securities and share indices | 1,747 | 10,627 | (1,672) | (5,691) | 5,011 |
| - On currency and gold | X | X | X | X | 5,427 |
| - Other | - | 101 | - | (59) | 42 |
| 4.2 Credit derivatives | - | - | - | - | - |
| **Total** | **1,867** | **89,029** | **(1,850)** | **(69,235)** | **27,937** |

## Section 5 - Fair value adjustments in hedge accounting - Item 90

### 5.1 Fair value adjustments in hedge accounting: breakdown

| INCOME ITEM/AMOUNT | 2014 | 2013 |
|---|---|---|
| **A. Gains on:** | | |
| A.1 Fair value hedging instruments | 200,331 | 232,935 |
| A.2 Hedged asset items (in fair value hedge relationship) | 28,503 | 125,734 |
| A.3 Hedged liability items (in fair value hedge relationship) | 42,654 | - |
| A.4 Cash-flow hedging derivatives | - | - |
| A.5 Assets and liabilities denominated in currency | - | - |
| **Total gains on hedging activities (A)** | **271,488** | **358,669** |
| **B. Losses on:** | | |
| B.1 Fair value hedging instruments | (192,428) | (228,548) |
| B.2 Hedged asset items (in fair value hedge relationship) | (65,782) | (4,156) |
| B.3 Hedged liability items (in fair value hedge relationship) | (13,278) | (125,965) |
| B.4 Cash-flow hedging derivatives | - | - |
| B.5 Assets and liabilities denominated in currency | - | - |
| **Total losses on hedging activities (B)** | **(271,488)** | **(358,669)** |
| **C. Fair value adjustments in hedge accounting (A-B)** | **-** | **-** |

# Part C - Income statement (Continued)

## Section 6 - Gains (Losses) on disposals/repurchases - Item 100

### 6.1 Gains (Losses) on disposals/repurchases: breakdown

| ITEM/INCOME ITEM | 2014 | | | 2013 | | |
|---|---|---|---|---|---|---|
| | PROFIT | LOSS | NET PROFIT (LOSS) | PROFIT | LOSS | NET PROFIT (LOSS) |
| **Financial assets** | | | | | | |
| 1. Loans and receivables with banks | 78,806 | (29,646) | 49,160 | 52,446 | - | 52,446 |
| 2. Loans and receivables with customers | - | - | - | - | - | - |
| 3. Available-for-sale financial assets | - | - | - | - | - | - |
| 3.1 Debt securities | - | - | - | - | - | - |
| 3.2 Equity instruments | - | - | - | - | - | - |
| 3.3 Units in investment funds | - | - | - | - | - | - |
| 3.4 Loans | - | - | - | - | - | - |
| 4. Held-to-maturity investments | - | - | - | - | - | - |
| **Total assets** | **78,806** | **(29,646)** | **49,160** | **52,446** | **-** | **52,446** |
| **Financial liabilities** | | | | | | |
| 1. Deposits from banks | - | - | - | - | - | - |
| 2. Deposits from customers | - | - | - | - | - | - |
| 3. Debt securities in issue | 29,408 | (78,571) | (49,163) | - | (52,481) | (52,481) |
| **Total liabilities** | **29,408** | **(78,571)** | **(49,163)** | **-** | **(52,481)** | **(52,481)** |

Net gains and losses on disposals and repurchases, amounting to €-3 thousand, refer to securities issued by the Bank and classified in the "Loans and Receivables" portfolio, which were sold to UniCredit, and securities issued by the Bank and underwritten by UniCredit, which were repurchased by the Bank; these transactions are described in Section 6 - Loans and receivables with banks - Item 60 and in Section 3 - Debt securities in issue - Item 30.

## Section 7 - Gains (losses) on financial assets and liabilities measured at fair value - Item 110

### 7.1 Gain (losses) on financial assets and liabilities measured at fair value through profit or loss: breakdown - As at December 31, 2014

| TRANSACTION/INCOME ITEM | UNREALISED GAINS (A) | REALISED PROFITS (B) | UNREALISED LOSSES (C) | REALISED LOSSES (D) | NET PROFIT (LOSS) [(A+B)-(C+D)] |
|---|---|---|---|---|---|
| **1. Financial assets** | **-** | **19** | **-** | **(1)** | **18** |
| 1.1 Debt securities | - | 19 | - | (1) | 18 |
| 1.2 Equity instruments | - | - | - | - | - |
| 1.3 Units in investment funds | - | - | - | - | - |
| 1.4 Loans | - | - | - | - | - |
| **2. Financial liabilities** | **-** | **-** | **-** | **-** | **-** |
| 2.1 Debt securities | - | - | - | - | - |
| 2.2 Deposits from banks | - | - | - | - | - |
| 2.3 Deposits from customers | - | - | - | - | - |
| **3. Financial assets and liabilities in foreign currency: exchange differences** | **X** | **X** | **X** | **X** | **-** |
| **4. Credit and financial derivatives** | **-** | **-** | **-** | **-** | **-** |
| **Total** | **-** | **19** | **-** | **(1)** | **18** |

### 7.1 Gain (losses) on financial assets and liabilities measured at fair value through profit or loss: breakdown - As at December 31, 2013

| TRANSACTION/INCOME ITEM | UNREALISED GAINS (A) | REALISED PROFITS (B) | UNREALISED LOSSES (C) | REALISED LOSSES (D) | NET PROFIT (LOSS) [(A+B)-(C+D)] |
|---|---|---|---|---|---|
| **1. Financial assets** | **128** | **391** | **-** | **(178)** | **341** |
| 1.1 Debt securities | 128 | 391 | - | (178) | 341 |
| 1.2 Equity instruments | - | - | - | - | - |
| 1.3 Units in investment funds | - | - | - | - | - |
| 1.4 Loans | - | - | - | - | - |
| **2. Financial liabilities** | **-** | **-** | **-** | **-** | **-** |
| 2.1 Debt securities | - | - | - | - | - |
| 2.2 Deposits from banks | - | - | - | - | - |
| 2.3 Deposits from customers | - | - | - | - | - |
| **3. Financial assets and liabilities in foreign currency: exchange differences** | **X** | **X** | **X** | **X** | **-** |
| **4. Credit and financial derivatives** | **-** | **-** | **-** | **-** | **-** |
| **Total** | **128** | **391** | **-** | **(178)** | **341** |

# Section 8 - Impairment losses - Item 130

### 8.1 Impairment losses on loans and receivables: breakdown

| | IMPAIRMENTS (1) | | | WRITE-BACKS (2) | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | MICRO | | | MICRO | | MACRO | | | |
| TRANSACTION/INCOME ITEM | WRITE-OFFS | OTHER | MACRO | A | B | A | B | 2014 | 2013 |
| A. Loans and receivables with banks | - | - | - | - | - | - | - | - | - |
| - Loans | - | - | - | - | - | - | - | - | - |
| - Debt securities | - | - | - | - | - | - | - | - | - |
| B. Loans and receivables with customers | (88) | (4,510) | (505) | 188 | 1,076 | - | 615 | (3,224) | (3,275) |
| Impaired related to purchase agreements | - | - | | - | - | - | | - | - |
| - Loans | - | - | X | - | - | - | X | - | - |
| - Debt securities | - | - | X | - | - | - | X | - | - |
| Other loans | (88) | (4,510) | (505) | 188 | 1,076 | - | 615 | (3,224) | (3,275) |
| - Loans | (88) | (4,510) | (505) | 188 | 1,076 | - | 615 | (3,224) | (3,275) |
| - Debt securities | - | - | - | - | - | - | - | - | - |
| **C. Total** | **(88)** | **(4,510)** | **(505)** | **188** | **1,076** | **-** | **615** | **(3,224)** | **(3,275)** |

**Key:**
A = From interest. - B = Other write-backs.

### 8.2 Impairment losses on available for sale financial assets: breakdown

No data to report.

### 8.3 Impairment losses on held-to-maturity investments: breakdown

No data to report.

### 8.4 Impairment losses on other financial transactions: breakdown

| | IMPAIRMENTS (1) | | | WRITE-BACKS (2) | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | MICRO | | | MICRO | | MACRO | | | |
| TRANSACTION/INCOME ITEM | WRITE-OFFS | OTHER | MACRO | A | B | A | B | 2014 | 2013 |
| A. Guarantees given | - | (1,416) | - | - | - | - | - | (1,416) | (5,885) |
| B. Credit derivatives | - | - | - | - | - | - | - | - | - |
| C. Commitments to disburse funds | - | - | - | - | - | - | - | - | - |
| D. Other transactions | - | - | - | - | 44 | - | - | 44 | - |
| **E. Total** | **-** | **(1,416)** | **-** | **-** | **44** | **-** | **-** | **(1,372)** | **(5,885)** |

**Key:**
A = From interest. - B = Other write-backs.

# Part C - Income statement (CONTINUED)

## Section 9 - Administrative costs - Item 150

### 9.1 Payroll costs: breakdown

| TYPE OF EXPENSE/AMOUNT | 2014 | 2013 |
|---|---|---|
| 1) Employees | (67,613) | (61,283) |
| a) wages and salaries | (44,928) | (41,721) |
| b) social security contributions | (11,934) | (11,323) |
| c) employee severance fund | (871) | (803) |
| d) pension costs | - | - |
| e) allocation to employee severance pay provision | (135) | (139) |
| f) provision for retirements and similar provisions | | |
| - defined contribution | - | - |
| - defined benefit | - | - |
| g) payments to external pension funds | | |
| - defined contribution | (2,375) | (2,276) |
| - defined benefit | - | - |
| h) costs related toshare-based payments | (3,799) | (465) |
| i) other employee benefits | (3,571) | (4,556) |
| 2) Other staff | (133) | (101) |
| 3) Directors and statutory auditors | (976) | (864) |
| 4) Early retirement costs | - | - |
| 5) Recovery of expenses for employees seconded to other companies | 195 | 71 |
| 6) Recovery of expenses for employees seconded to the company | (624) | (1,161) |
| **Total** | **(69,151)** | **(63,338)** |

Sub-item h) "costs related to share-based payments", includes costs incurred by FinecoBank in relation to payment agreements based on financial instruments issued by FinecoBank and UniCredit.

### 9.2 Average number of employees by category

| | 2014 | 2013 |
|---|---|---|
| **Employees** | **982** | **949** |
| (a) executives | 23 | 21 |
| (b) managers | 275 | 259 |
| (c) remaining employees | 684 | 669 |
| **Other personnel** | **17** | **17** |

### 9.3 Pensions and other post-retirement defined-benefit obligations costs and revenues

No data to report.

### 9.4 Other employee benefits

| TYPE OF EXPENSE/AMOUNT | 2014 | 2013 |
|---|---|---|
| Leaving incentives | (122) | (291) |
| Medical plan | (727) | (728) |
| Luncheon vouchers | (796) | (761) |
| Seniority premiums | (249) | (1,554) |
| Other | (1,677) | (1,222) |
| **Total** | **(3,571)** | **(4,556)** |

### 9.5 Other administrative expenses: breakdown

| | 2014 | 2013 |
|---|---|---|
| 1) INDIRECT TAXES AND DUTIES | (80,256) | (59,389) |
| 2) MISCELLANEOUS COSTS AND EXPENSES | | |
| A) Advertising expenses - Marketing and communication | (20,149) | (19,541) |
| Mass media campaigns | (14,986) | (13,903) |
| Marketing and promotions | (5,110) | (5,566) |
| Sponsorships | (33) | (46) |
| Conventions and internal communications | (20) | (26) |
| B) Expenses related to credit risk | (1,039) | (914) |
| Credit recovery expenses | (455) | (495) |
| Commercial information and company searches | (584) | (419) |
| C) Expenses related to personnel | (22,812) | (12,663) |
| Personnel training | (357) | (361) |
| Car rental and other payroll costs | (47) | (51) |
| Personal financial advisor expenses | (21,824) | (11,724) |
| Travel expenses | (522) | (457) |
| Premises rentals for personnel | (62) | (70) |
| D) ICT expenses | (28,320) | (29,458) |
| Lease of ICT equipment and software | (4,135) | (5,083) |
| Software expenses: lease and maintenance | (5,555) | (6,441) |
| ICT communication systems | (3,849) | (3,996) |
| ICT services: external personnel/outsourced services | (7,079) | (6,685) |
| Financial information providers | (7,702) | (7,253) |
| E) Consulting and professional services | (6,320) | (3,023) |
| Consultancy for ordinary operations | (762) | (886) |
| Consultancy for strategy, business development and organisational optimisation | (2,229) | (45) |
| Legal expenses | (1,261) | (11) |
| Legal disputes | (2,068) | (2,081) |
| F) Real estate expenses | (19,997) | (21,646) |
| Real estate services | (685) | (685) |
| Repair and maintenance of furniture, machinery, and equipment | (1,137) | (159) |
| Maintenance of premises | (760) | (1,294) |
| Premises rentals | (14,991) | (16,428) |
| Cleaning of premises | (485) | (485) |
| Utilities | (1,939) | (2,595) |
| G) Other functioning costs | (29,296) | (28,002) |
| Surveillance and security services | (291) | (295) |
| Money counting services and transport | (1) | (1) |
| Postage and transport of documents | (2,827) | (3,048) |
| Administrative and logistic services | (14,323) | (13,711) |
| Insurance | (3,522) | (3,892) |
| Printing and stationery | (685) | (747) |
| Association dues and fees | (7,371) | (6,078) |
| Other administrative expenses | (276) | (230) |
| Total | (208,189) | (174,636) |

Charges related to the listing project, amounting to €5,419 thousand, were mainly included in items “Legal expenses”, “Consultancy for strategy, business development and organizational optimization”, “Association duties and fees” and “Advertising expenses – Marketing and communication”.

# Part C - Income statement (Continued)

## Section 10 - Net provisions for risks and charges - Item 160

### 10.1 Net provisions for risks and charges: breakdown

| | 2014 | | | 2013 | | |
|---|---|---|---|---|---|---|
| | PROVISIONS | REALLOCATIONS | TOTAL | PROVISIONS | REALLOCATIONS | TOTAL |
| Legal disputes | (14,260) | 11,572 | (2,688) | (21,690) | 11,713 | (9,977) |
| Supplementary customer indemnity provision | (3,713) | - | (3,713) | (3,031) | - | (3,031) |
| Other provisions for risks and charges | (1,097) | 2,793 | 1,696 | (2,147) | 3,030 | 883 |
| **Total** | **(19,070)** | **14,365** | **(4,705)** | **(26,868)** | **14,743** | **(12,125)** |

## Section 11 - Impairments/write-backs on property, plant and equipment - Item 170

### 11.1 Impairment/write-backs on property, plant and equipment: breakdown

| ASSET/INCOME ITEM | DEPRECIATION (A) | WRITE-DOWNS FOR IMPAIRMENT (B) | WRITE-BACKS (C) | NET PROFIT (LOSS) 2014 (A+B-C) | NET PROFIT (LOSS) 2013 |
|---|---|---|---|---|---|
| A. Property, plant and equipment | | | | | |
| A.1 Owned | (4,022) | (14) | - | (4,036) | (3,424) |
| - Used in the business | (3,909) | (14) | - | (3,923) | (3,312) |
| - Held for investment | (113) | - | - | (113) | (112) |
| A.2 Finance lease | - | - | - | - | |
| - Used in the business | - | - | - | - | - |
| - Held for investment | - | - | - | - | - |
| **Total** | **(4,022)** | **(14)** | **-** | **(4,036)** | **(3,424)** |

Impairment losses were recognised in the year for insignificant amounts and mainly in relation to office furniture and fittings for which a zero value in use was determined.
Percent depreciation rates applied during the reporting period:
- 3% instrumental properties
- 15% fittings
- 15% miscellaneous plant and equipment
- 12% furniture and ordinary machines
- 20% EDP machines
- 20% mobile phones and television camera systems
- 30% alarm and security systems
- 7.5% hoisting equipment and systems
- 25% motor vehicles

## Section 12 - Impairments/write-backs on intangible assets - Item 180

### 12.1 Impairment on intangible assets: breakdown

| ASSET/INCOME ITEM | AMORTIZATION (A) | WRITE-DOWNS FOR IMPAIRMENT (B) | WRITE-BACKS (C) | NET PROFIT (LOSS) 2014 (A+B-C) | NET PROFIT (LOSS) 2013 |
|---|---|---|---|---|---|
| A. Intangible assets | | | | | |
| A.1 Owned | (4,773) | - | - | (4,773) | (4,657) |
| - Generated internally by the Company | - | - | - | - | - |
| - Other | (4,773) | - | - | (4,773) | (4,657) |
| A.2 Finance lease | | | | | |
| **Total** | **(4,773)** | **-** | **-** | **(4,773)** | **(4,657)** |

Impairments on intangible assets relate to software, amortised over three years and the costs incurred to create the new Fineco website, amortised over 5 years.

For the disclosures required by IAS 36 paragraph 134, d), e), f) and 135, c), d), e), see Part B paragraph 12.3 Other information.

# Section 13 - Other net operating income - Item 190

### 13.1 Other operating expenses: breakdown

| TYPE/AMOUNT | 2014 | 2013 |
|---|---|---|
| Refunds and allowances | (284) | (288) |
| Penalties, fines and unfavourable rulings | (2,642) | (2,665) |
| Improvements and incremental expenses incurred on leasehold properties | (3,122) | (2,778) |
| Improvements and incremental expenses incurred on group properties | (7) | (13) |
| Exceptional write-downs of assets | (1,008) | (847) |
| Other operating expense | (1,208) | (397) |
| **Total** | **(8,271)** | **(6,988)** |

Exceptional write-downs of assets include costs incurred for credit card fraud of €966 thousand (€758 thousand as at December 31, 2013).

### 13.2 Other operating income: breakdown

| TYPE/AMOUNT | 2014 | 2013 |
|---|---|---|
| Recovery of costs: | 77,170 | 56,996 |
| - ancillary expenses - other | 319 | 166 |
| - taxes | 76,851 | 56,830 |
| Rental income from real estate investments | 231 | 230 |
| Other income from current year | 2,324 | 3,782 |
| **Total** | **79,725** | **61,008** |

# Section 14 - Profit (loss) of associates - Item 210

### 14.1 Profit (Loss) of associates: breakdown

No data to report.

# Section 15 - Gains (losses) on tangible and intangible assets measured at fair value - Item 220

### 15.1 Net gains (losses) on property, plant and equipment and intangible assets measured at fair value: breakdown

No data to report.

# Section 16 - Impairment of goodwill - Item 230

### 16.1 Impairment of goodwill: breakdown

No data to report.

# Part C - Income statement (Continued)

## Section 17 - Gains (losses) on disposal of investments - Item 240

### 17.1 Gains (losses) on disposal of investments: composition

| INCOME ITEM/AMOUNT | 2014 | 2013 |
|---|---|---|
| A. Properties | | |
| - Gains on disposal | - | - |
| - Losses on disposal | - | - |
| B. Other assets | | |
| - Gains on disposal | - | - |
| - Losses on disposal | (4) | (6) |
| **Net profit (loss)** | **(4)** | **(6)** |

## Section 18 - Tax expense (income) related to profit or loss from continuing operations - Item 260

### 18.1 Tax expense (income) related to profit or loss from continuing operations: breakdown

| INCOME ITEM/AMOUNT | 2014 | 2013 |
|---|---|---|
| 1. Current tax (-) | (76,944) | (72,983) |
| 2. Adjustment to current tax of prior years (+/-) | - | (2,500) |
| 3. Reduction of current tax for the year (+) | - | - |
| 3.bis Reduction of current tax for the year due to tax receivables pursuant to Law 214/2011 (+) | - | - |
| 4. Changes in deferred tax assets (+/-) | (1,546) | 121 |
| 5. Changes in deferred tax liabilities (+/-) | (1,333) | (1,355) |
| 6. Tax expense for the period (-) (-1+/-2+3+/-4+/-5) | (79,823) | (76,717) |

### 18.2 Reconciliation of theoretical tax charge to actual tax charge

| | 2014 | 2013 |
|---|---|---|
| Profit before tax | 229,730 | 161,933 |

| | IRES INCOME TAX | IRAP TAX | 2014 | 2013 |
|---|---|---|---|---|
| **Amount corresponding to theoretical tax rate** | **(63,176)** | **(12,796)** | **(75,972)** | **(67,316)** |
| + Tax effects of charges not relevant to the calculation of taxable income | 3,673 | (4,199) | (526) | (5,221) |
| - Tax effects of income not relevant to the calculation of taxable income | - | - | - | - |
| - Tax effects deriving from the use of tax losses from previous years | - | - | - | - |
| - Tax effects deriving from the application of substitute taxes | (446) | - | (446) | (446) |
| **Amount corresponding to actual tax rate** | **(59,949)** | **(16,995)** | **(76,944)** | **(72,983)** |

## Section 19 - Profit (Loss) after tax from discontinued operations - Item 280

### 19.1 Profit (Loss) after tax from discontinued operations: breakdown

No data to report.

### 19.2 Breakdown of tax on discontinued operations

No data to report.

## Section 20 - Other information

### 1.1 Designation of Parent Company

UniCredit S.p.A.
Rome Register of Companies
Registered in the Register of Banking Groups and Parent Company of the UniCredit Banking Group with code 2008.1

### 1.2 Registered Office of Parent Company

Registered Office: Rome, Via A. Specchi, 16 -
Head Office: Milan, Piazza Gae Aulenti

### 1.3 Key figures for the Parent Company (income statement, balance sheet, structure)

The Bank is subject to management and coordination of UniCredit S.p.A.; therefore, in accordance with Article 2497 bis, paragraph 4 of the Italian Civil Code the key figures of the last approved financial statements of the parent company are provided below:

**UniCredit S.p.A. – Reclassified balance sheet as at December 31, 2013**

(Amounts in € million)

| ASSETS | 12.31.2013 |
|---|---|
| Cash and cash balances | 3,227 |
| Financial assets held for trading | 12,254 |
| Loans and receivables with banks | 21,869 |
| Loans and receivables with customers | 231,171 |
| Financial investments | 97,716 |
| Hedging instruments | 7,858 |
| Property, plant and equipment | 2,666 |
| Goodwill | - |
| Other intangible assets | 1 |
| Tax assets | 14,766 |
| Non-current assets and disposal groups classified as held for sale | 368 |
| Other assets | 6,411 |
| **Total assets** | **398,307** |

(Amounts in € million)

| LIABILITIES AND SHAREHOLDERS' EQUITY | 12.31.2013 |
|---|---|
| Deposits from banks | 47,379 |
| Deposits from customers and debt securities in issue | 270,751 |
| Financial liabilities held for trading | 10,804 |
| Financial liabilities at fair value through profit and loss | - |
| Hedging instruments | 8,141 |
| Provisions for risks and charges | 2,284 |
| Tax liabilities | 862 |
| Liabilities included in disposal groups classified as held for sale | - |
| Other liabilities | 12,008 |
| Shareholders' equity | 46,078 |
| *- capital and reserves* | *57,290* |
| *- revaluation reserves for available-for-sale financial assets - cash flow hedges - from defined benefit plans* | *389* |
| *- net profit (loss)* | *(11,601)* |
| **Total liabilities and shareholders' equity** | **398,307** |

# Part C - Income statement (Continued)

**UniCredit S.p.A. – Condensed Income Statement 2013**

(Amounts in € million)

| | 2013 |
|---|---|
| Net interest | 3,994 |
| Dividends and other income from equity investments | 3,180 |
| Net fee and commission income | 3,487 |
| Net trading, hedging and fair value income | 355 |
| Net other expenses/income | 32 |
| **OPERATING INCOME** | **11,048** |
| Payroll costs | (3,245) |
| Other administrative expenses | (2,739) |
| Recovery of expenses | 544 |
| Amortization, depreciation and impairment losses on intangible and tangible assets | (166) |
| **Operating costs** | **(5,606)** |
| **GROSS OPERATING PROFIT (LOSS)** | **5,442** |
| Net write-downs of loans and provisions for guarantees and commitments | (9,915) |
| **NET OPERATING PROFIT (LOSS)** | **(4,473)** |
| Provisions for risks and charges | (665) |
| Integration costs | (153) |
| Net income from investments | (5,866) |
| **COGROSS PROFIT (LOSS) FROM CONTINUING OPERATIONS** | **(11,157)** |
| Income tax for the year | 2,371 |
| **Goodwill impairment** | **(2,815)** |
| **PROFIT (LOSS) AFTER TAX** | **(11,601)** |

### 1.4 Disclosure of auditing fees pursuant to art. 160 paragraph 1 bis of Italian Legislative Decree 58/98

The table below provides details of the fees (net of VAT and expenses) paid to the auditing firm Deloitte & Touche S.p.A. and entities within the network that the auditing firm belongs to.

(Amounts in €)

| TYPE OF SERVICE | SERVICE PROVIDER | FEES |
|---|---|---|
| Audit | Deloitte & Touche S.p.A. | 154,285 |
| Other services | Deloitte & Touche S.p.A. | 330,000 |
| | | **484,285** |

Other services relate to certification services provided as part of the process of admission to listing of the Bank's ordinary shares and the related global offering for their sale.

## Section 21 - Earnings per share

### 21.1 Average number of diluted shares

Basic earnings per share are calculated by dividing the net profit by the average number of ordinary shares outstanding during the year (note that the number of ordinary shares outstanding is the same during the years presented).

| | 12.31.2014 | 12.31.2013 |
|---|---|---|
| Net Profit for the year (€ thousands) | 149,907 | 85,216 |
| Average number of outstanding shares | 606,274,033 | 606,274,033 |
| Average number of outstanding shares (including potential ordinary shares with dilution effect) | 608,143,928 | 606,274,033 |
| **Basic Earnings Per Share** | **0.25** | **0.14** |
| **Diluted Earnings Per Share** | **0.25** | **0.14** |

### 21.2 Other information

No data to report.

# Part D - Comprehensive income

# Part D - Comprehensive income (Amounts in € thousand)

### Statement of comprehensive income

| | ITEMS | GROSS AMOUNT | INCOME TAX | NET AMOUNT |
|---|---|---|---|---|
| **10.** | **Profit (loss) for the year** | **X** | **X** | **149,907** |
| | **Other comprehensive income without reclassification through profit or loss** | | | |
| 20. | Property, plant and equipment | - | - | - |
| 30. | Intangible assets | - | - | - |
| 40. | Defined benefit plans | (9,808) | 3,168 | (6,640) |
| 50. | Non current assets classified as held for sale | - | - | - |
| 60. | Revaluation reserve from investments accounted for using the equity method | - | - | - |
| | **Other comprehensive income with reclassification through profit or loss** | | | |
| **70.** | **Hedges of foreign investments:** | | | |
| | a) fair value changes | - | - | - |
| | b) reclassification through profit or loss | - | - | - |
| | c) other variations | - | - | - |
| **80.** | **Exchange differences:** | | | |
| | a) fair value changes | - | - | - |
| | b) reclassification through profit or loss | - | - | - |
| | c) other variations | - | - | - |
| **90.** | **Cash flow hedges:** | | | |
| | a) fair value changes | - | - | - |
| | b) reclassification through profit or loss | - | - | - |
| | c) other variations | - | - | - |
| **100.** | **Available-for-sale financial assets:** | | | |
| | a) fair value changes | 7,098 | (2,348) | 4,750 |
| | b) reclassification through profit or loss | | | |
| | - due to impairment | - | - | - |
| | - gains/losses on disposals | (94) | 31 | (63) |
| | c) other variations | - | - | - |
| **110.** | **Noncurrent assets classified held for sale:** | | | |
| | a) fair value changes | - | - | - |
| | b) reclassification through profit or loss | - | - | - |
| | c) other variations | - | - | - |
| **120.** | **Revaluation reserve from investments accounted for using the equity method** | | | |
| | a) fair value changes | - | - | - |
| | b) reclassification through profit or loss | | | |
| | - due to impairment | - | - | - |
| | - gains/losses on disposals | - | - | - |
| | c) other variations | - | - | - |
| **130.** | **Other comprehensive income after tax** | **(2,804)** | **851** | **(1,953)** |
| **140.** | **Comprehensive income (item 10+130)** | | | **147,954** |

# Part E - Information on risks and hedging policies

# Part E - Information on risks and hedging policies

(Amounts in € thousand)

## Introduction

In order to ensure lean and efficient management of risks, the risk management process is structured in accordance with the organizational choices made by the Group and the provisions of the Supervisory Instructions for Banks pertaining to the internal control system.
Risk management and control is performed by the Risk Management function of the Bank in collaboration with the same function of the Parent Company, which performs its role of guidance, coordination and control of risks at Group level. The organizational model considers a specific point of reference for Italy through the Chief Risk Officer function (CRO) of the Parent Company, to which has been assigned the responsibilities related to credit risks, operational risks and reputational risks of the Italian perimeter, as well as the managerial coordination of Risk Management functions in the Italian Legal Entities - among which FinecoBank - have been assigned.
FinecoBank is responsible for first and second-level monitoring, especially for verifying that the risk level of individual companies is compatible with the guidelines set by the Parent Company, individual company equity, and prudential supervisory rules.

As an aid to the reader, an explanatory glossary of terms used is provided at the end of this section.

In addition, it is noted that the “Disclosure by Institutions” (Pillar III Basel 3), required by Regulation (EU) 575/2013, is published on FinecoBank’s website (www.fineco.it).

**Organizational structure**
The Board of Directors of FinecoBank (“Board”) is tasked with setting the strategic policies and the guidelines for the organizational and operational structures, overseeing and monitoring their timely execution within the risk profiles of assigned. The Board is responsible for promoting a company culture that empowers controls, in compliance with the indications and principles contained in the Supervisory Instructions, setting and approving strategies for identifying and evaluating risk, and approving the strategic guidelines and risk management policies. The Board also verifies that the internal control structure is consistent with the risk tolerance established and approves policies for the management of risks. On June 5, 2014, the Board of Directors identified one of its members, Mr. Alessandro Foti, as the director designated by the institution as responsible for maintaining an effective internal control and risk management system (“Designated Director”).

The Managing Director and General Manager has been assigned specific powers by the Board of Directors in all the Bank’s areas of activity. These powers are to be exercised in accordance with the applicable regulations and within the limits of the Parent Company directives and the policies, instructions, limits, risk assumption procedures and using the operational methods governed by the applicable information notices. The Managing Director and General Manager puts in place the necessary measures to ensure the establishment and maintenance of an efficient and effective internal control system.

The CRO Department, in line with the instructions and the guidelines of the Parent Company, is responsible for credit operations and risk management. The disclosure, at various levels, is provided by the Strategic Bodies and Officers (Managing Director and General Manager, Board of Directors, Audit Committee and Risk Committee). In relation to the Basel II Pillar 2 instructions, reputational and business risk and, in collaboration with the CFO, liquidity risk are also monitored and reported.
The CRO and the CFO are responsible for proposing and adapting the Group Risk Appetite Framework to FinecoBank and setting risk management strategies and policies, in line with the Bank’s strategies and objectives, coordinating and monitoring their implementation by the units responsible, also in the various company areas.
The CRO Department ensures the control of the Bank’s overall risk profile monitoring the various types of exposure, in accordance with the methods established by the Parent Company.

The Risk Management Unit prevents and monitors different components of Bank risks. The function specifically controls credit, market and operational risks to which the Bank is exposed. The Risk Management function also monitors business, reputational and liquidity risk. The Risk Management Unit supports the CRO, in the area of responsibility of the Department, in monitoring and reporting to the Strategic Bodies and Officers.

Given the complexity of the Bank’s activities and the significant risks involved, the Board of Directors of the Bank decided to establish an Audit Committee to carry out internal control tasks; the committee is made up of non-executive members of the same Board and its task is to carry out adequate investigations to support the Board of Directors in its assessments and decisions on the internal control system and risk management.

The corporate governance structure for operational risk involves the establishment of the Risks Committee, which defines the strategies for the mitigation and assessment of all types of risk, within the directives issued by the Parent Company, and approves and validates the internal procedures and operating manuals for operational risk.
Lastly, the participation by the Chief Risk Officer and Head of Risk Management in the Products Committee ensures oversight of the operational risk associated with the Bank’s new business activities, as well as creating and disseminating a risk culture in the various functional areas.

# Section 1 - Credit Risk

## QUALITATIVE INFORMATION

### 1. General Matters
FinecoBank's objective is to provide an adequate range of products able to satisfy and encourage loyalty among customers, through a competitive and complete offer. The development of the products and of the product line must also seek to maintain portfolio quality and, in any event, adequate processes to monitor profitability.
Lending is expanded through the development of new products, or modification of existing ones, as well as through the protection of market share achieved. The factors that generate credit risk are determined by acceptance and creditworthiness polices, which are always adequately correlated to the risk/return ratio, and therefore remuneration of the product.

In line with the Risk Appetite established by the Group, FinecoBank sets the Credit Risk Strategies as an instrument for credit risk management. The Strategies focus on loans and receivables with customers and are aimed at reducing cost of risk and rates of default by setting the Target Risk and optimizing the loan portfolio.
The quality of the loan portfolio, which is constantly monitored and supported by risk mitigation instruments, is protected by scoring models that contribute to evaluation during the approval process, ensuring that it is consistent and controlled. In addition to adequate coverage of the risk levels, monitoring of the portfolio and its segmentation by product and seniority allow a better understanding of the best loan issue strategies. The identification of any high-risk areas permits intervention on the automated measurement systems as well as on disbursement standards, with the possibility to take measures to limit credit risk in advance.

In 2014, lending activity continued to focus on granting credit lines, mostly backed by assets, issuing credit cards with full payment of the balance at term to current account holders, and granting personal loans.

During the year, loans to ordinary customers grew due to an increased number of credit lines approved for the product "Fido con Mandato a Vendere su Amministrato e Sicav" (Credit line backed by assets under management and SICAVs, with mandate for selling): with this product, customers can obtain a credit line in proportion to the amount of securities they hold. The offering is designed to meet the liquidity needs of affluent customers to avoid divestitures.

Choices concerning the investment of the Bank's liquidity are governed by a prudential approach aimed at containing credit risk and mainly involve deposits with UniCredit S.p.A. and the subscription of bonds issued by the latter.

FinecoBank also issued and approved the policy "Issuer risk in bonds - Contingency Plan" aimed at defining principles and rules to efficiently and comprehensively evaluate, control and limit the issuer's risk associated with bonds in FinecoBank's banking portfolio. In accordance with the policy, FinecoBank Risk Management monitors a series of indicators to analyse the exposure of the Bank's portfolio to issuer risk; through this analysis it is possible to identify the emergence of abnormal situations and assess the need for corrective actions to avoid deterioration of the portfolio position.

### 2. Credit Risk Management Policy
#### *2.1 Organizational aspects*
The credit process can be broken down into the following stages:
- assessment of creditworthiness
- granting/disbursement of credit
- credit monitoring
- management of impaired loans
- risk measurement and control.

The assessment of creditworthiness entails ascertaining the ability of the borrower to repay. It is performed by specific centralised and specialist operating units in the various product lines disbursed to customers (personal loans, credit cards, credit lines). On receipt of the request, the offices in question assess the reliability of documentation, evaluate the equity and income situation, and gather information, also by consulting public records, private banks and system data such as the information contained in the Bank of Italy's risk center and in the Group archives.

In addition to an assessment of creditworthiness by the dedicated functions, credit approval also requires that they assess the compatibility of the request with the customer's overall situation, considering the amount requested and agreeing on a different amount with the customer, where necessary, evaluate and finalize guarantees, if any, linking them to credit lines and filing them according to specific processes. Lastly, the decision-making parties approve or reject the application on the basis of their powers or send the application to a higher decision-making body.

Credit monitoring is carried out on credit lines to check that the economic situation of the Customer and of the guarantor that resulted in the approval has not changed. This check may entail collecting updated system data and information, as well as information from private banks. Checks are carried out according to established processes at set intervals, and may vary according to the amount of the credit line granted.
In line with the general principles laid down by the Regulatory Authority, receivables are classified on the basis of the level of impairment, which may be established on the basis of qualitative or quantitative criteria.

# Part E - Information on risks and hedging policies (CONTINUED)

The management of impaired loans entails taking all action necessary to restore them to normality or to recover the credits in situations where the relationship cannot be continued. All of these measures are established by specific processes based on the type and amount of the past-due loan and the past-due period as well as taking into account any financial assets of the customer, which may be offered as collateral. Credit collection is performed through payment reminders directly carried out by FinecoBank as well as through reminders and debt recovery carried out by specialised, authorised external companies.
Lastly, management also entails forecasting losses on an individual basis, which is continuously updated based on the progress of recovery actions for the amounts due or based on information collected during the recovery actions.

The measurement and control of credit risk takes place at the assessment stage with the support of scoring tools that analyse the customers' socio-demographic profiles, making an assessment of individual counterparties on a statistical basis and supplementing the assessment, on one hand, with the support of credit bureaus for a better knowledge of public and private data and on the other hand, with information contained in the Bank of Italy's risk center.
Credit risk control is also performed through the systematic assessment of the performance of loan portfolios in order to estimate expected losses and intervene on disbursement policies where necessary.

### *2.1.1 Factors that generate Credit Risk*

In the course of its credit business activities FinecoBank is exposed to the risk that its loans may, due to the deterioration of the debtor's financial condition, not be repaid at maturity, and thus result in a partial or full write-down. This risk is always inherent in traditional lending operations regardless of the form of the credit facility. The main reasons for default lie in the borrower's lack of autonomous ability to ensure the repayment of the debt.

In addition to the granting and disbursement of credit, FinecoBank is also exposed to counterparty risk for all the activities for all clearing and pre-clearing operations with the institutional and banking counterparties necessary to conduct the Bank's business. Counterparty risk is defined as the risk that a counterparty to one of the transactions is in default prior to the final settlement of the financial flows involved in the transaction. The counterparties in these transactions could default as a result of insolvency, political and economic events, lack of liquidity, operating problems or other reasons.
Other transactions involving counterparty risk are:

- entering into derivative contracts;
- purchasing and selling securities, futures, or currencies;
- holding third-party securities.

In addition, "Non-Traditional Credit Risk" is generated by leverage/short transactions conducted through securities lending. Leverage/short transactions conducted through securities lending, also when there are automatic stop losses performed within the margins, can generate credit risk if the security lacks liquidity (for example, in the case of dramatic events that affect the normal functioning of markets) and/or the margin is insufficient. To anticipate such events, scenario analyses are conducted periodically to assess the impacts and implement appropriate mitigation policies.

FinecoBank monitors and manages the specific risk of each counterparty and the overall risk of loan portfolios through procedures, structures and rules that steer, govern and standardize the assessment and management of credit risk, in line with the Group principles and best practice, and which are capable of extending their effectiveness to all phases of the economic cycle.

FinecoBank reports all information to the Parent Company that can help it in its assessment of each FIBS counterparty ("Financial Institutions, Banks and Sovereigns") that FinecoBank intends to have dealings with and with respect to whom a risk limit (ceiling) is to be set within which the Group intends to operate.
The assessment is conducted within the risk limits assigned to the counterparty's Economic Group, i.e. considering the Group's exposure towards all the parties legally and economically linked to the counterparty. At the end of the assessment, the Parent Company assigns FinecoBank a risk limit that has to be monitored.

### *2.2 Management, measurement and control system*

The measurement of credit risk during the issue process is supported by automated assessment systems (so-called credit scoring systems). These systems also incorporate all available information and facts: public and private data provided by Credit rating bureaus, Risk Center data flows or information requests submitted to the Bank of Italy, Group archives with data relating to positions shared with other Group banks and other performance information on customers, historicised by FinecoBank. During the loan application process, attention is always focused on the possibility of optimizing all information concerning customers that has been provided by the Bank, the Group and the System.
The collection of any guarantees, their assessment and the margins between the fair value of the guarantee and the amount of the loan granted are a simple kind of support to risk mitigation, but there is no relevant positive correlation between the value of the financial guarantee and the applicant's creditworthiness.

The collective write-downs of the "performing" loan portfolio are determined using migration rates, through transition matrices, both from performing loans to non-performing loans and for each classification status (past due, doubtful, non-performing) by combining the default rates with the expected recovery rates individually calculated for non-performing loans and taking account of any supporting guarantees.

The global assessment of portfolio risks, in order to identify the sustainability of the asset and the remuneration margins, is made both with the assistance of a tool shared with the Parent Company (Credit Tableau de Bord), which contains all the main risk indicators and the largest receivables of those listed, and with the support of specific product reports that identify the trend of default rates, broken down by disbursement period and default level.

The monitoring of credit risk as part of the management of the trading book is conducted by breaking it down into rating class and issuer sector, which determine the implicit risk of contracts.

### *2.2.1 Credit Risk Strategies*

The Group Credit Risk Strategies (GCRS) are one of the advanced instruments for managing credit risk. Consistent both with the budget process and industry expert views, the GCRS provide a set of guidelines and operative targets on the loan portfolio evolution (new business), aimed at improving the overall risk-return profile of the portfolio.
Based on the Group's risk appetite, FinecoBank identifies its own targets related to credit quality and profitability of its loan portfolio which are then defined in FinecoBank's risk appetite.
FinecoBank's Credit Risk Strategies focus on loans and receivables with customers. The objective is therefore to keep risk/default levels within the limits.
Credit risk strategies are set by using the main credit risk measures established by the Parent Company in order to correctly and prudentially manage credit portfolio risk.

### *2.3 Credit risk mitigation techniques*

In order to mitigate risk when granting the different types of credit facilities, various types of collateral are obtained: liens on shares, bonds or investment funds, insurance contracts and government bonds are used to guarantee current account overdraft facilities, whilst the registration of first mortgages is quite rare.

### *2.4 Impaired loans*

Loans are classified as past due, doubtful or non-performing in accordance with the criteria set forth by the Bank of Italy and the thresholds established by the Parent Company, with methods differing according to product type. Generally speaking, the classification of problem loans is usually objective, while the classification as non-performing, linked to the customer's insolvency, is always individual and defined on the basis of the progress of debt recovery actions.
The loss estimate for classified positions is also individual.
The classification criterion used for overdrawn accounts is related to the performance of debt recovery activity or the forced sale of securities to cover debts.
The restructuring of loans is only authorised if the amount past due has been paid in full in observance of the original payment schedule, or if considerable payments have been made leading the Bank to believe the debt exposure is very likely to be repaid.
The procedure for the management of irregularly performing loans involves actions that may be taken to recover debts by ranking them by seniority of expiration.

# Part E - Information on risks and hedging policies (CONTINUED)

## QUANTITATIVE INFORMATION

## A. Credit quality

### A.1 Impaired and performing loans: amounts, write-downs, changes, distribution by business activity/region

#### A.1.1 Breakdown of financial assets by portfolio and credit quality (book value)

| PORTFOLIO/QUALITY | NON-PERFORMING LOANS | DOUBTFUL LOANS | RESTRUCTURED LOANS | PAST-DUE IMPAIRED LOANS | PAST-DUE NON-IMPAIRED LOANS | OTHER ASSETS | TOTAL |
|---|---|---|---|---|---|---|---|
| 1. Financial assets held for trading | - | - | - | - | - | 3,028 | 3,028 |
| 2. Available-for-sale financial assets | - | - | - | - | - | 1,695,549 | 1,695,549 |
| 3. Held-to-maturity investments | - | - | - | - | - | - | - |
| 4. Loans and receivables with banks | - | - | - | - | - | 13,892,197 | 13,892,197 |
| 5. Loans and receivables with customers | 3,159 | 457 | - | 643 | 17,941 | 673,394 | 695,594 |
| 6. Financial assets designated at fair value through profit or loss | - | - | - | - | - | - | - |
| 7. Financial instruments classified as held for sale | - | - | - | - | - | - | - |
| 8. Hedging derivatives | - | - | - | - | - | 19,247 | 19,247 |
| **Total December 31, 2014** | **3,159** | **457** | **-** | **643** | **17,941** | **16,283,415** | **16,305,615** |
| **Total December 31, 2013** | **3,277** | **673** | **-** | **781** | **18,662** | **17,167,763** | **17,191,156** |

As at December 31, 2014 there were no impaired purchased loans.

#### A.1.2 Breakdown of credit exposures by portfolio and credit quality (gross and net values)

| PORTFOLIO/QUALITY | IMPAIRED ASSETS | | | PERFORMING | | | TOTAL (NET EXPOSURE) |
|---|---|---|---|---|---|---|---|
| | GROSS EXPOSURE | SPECIFIC IMPAIRMENT | NET EXPOSURE | GROSS EXPOSURE | SPECIFIC IMPAIRMENT | NET EXPOSURE | |
| 1. Financial assets held for trading | - | - | - | X | X | 3,028 | 3,028 |
| 2. Available-for-sale financial assets | - | - | - | 1,695,549 | - | 1,695,549 | 1,695,549 |
| 3. Held-to-maturity investments | - | - | - | - | - | - | - |
| 4. Loans and receivables with banks | - | - | - | 13,892,197 | - | 13,892,197 | 13,892,197 |
| 5. Loans and receivables with customers | 22,498 | (18,239) | 4,259 | 698,945 | (7,610) | 691,335 | 695,594 |
| 6. Financial assets designated at fair value through profit or loss | - | - | - | X | X | - | - |
| 7. Financial instruments classified as held for sale | - | - | - | - | - | - | - |
| 8. Hedging derivatives | - | - | - | X | X | 19,247 | 19,247 |
| **Total December 31, 2014** | **22,498** | **(18,239)** | **4,259** | **16,286,691** | **(7,610)** | **16,301,356** | **16,305,615** |
| **Total December 31, 2013** | **21,174** | **(16,443)** | **4,731** | **17,065,063** | **(7,722)** | **17,186,425** | **17,191,156** |

As at December 31, 2014, there were no performing loans to customers renegotiated under collective agreements and no impaired purchased loans. During 2014 a partial write-off was made on impaired financial assets for an amount of €10 thousand.

Breakdown by maturity of net performing loans to customers, amounting to €691,335 thousand (€636,519 thousand as at December 31, 2013), is as follows:
- not past due of €673,394 thousand (€617,858 thousand as at December 31, 2013);
- not-impaired, past due between 1 day and 90 days of €17,644 thousand (€18,015 thousand as at December 31, 2013);
- not-impaired, past due between 90 days and 180 days of €206 thousand (€451 thousand as at December 31, 2013);
- not-impaired, past due between 180 days and 1 year of €86 thousand (€191 thousand as at December 31, 2013);
- not-impaired, past due by more than 1 year of €5 thousand (€5 thousand as at December 31, 2013).

Other performing loans shown in table A.1.2 are all not past due.

### A.1.3 On-balance sheet and off-balance-sheet credit exposures to banks: gross and net values

| TYPE OF EXPOSURE/AMOUNT | GROSS EXPOSURE | SPECIFIC IMPAIRMENTS | PORTFOLIO IMPAIRMENTS | NET EXPOSURE |
|---|---|---|---|---|
| **A. On-balance sheet exposures** | | | | |
| a) Non-performing loans | - | - | X | - |
| b) Doubtful loans | - | - | X | - |
| c) Restructured loans | - | - | X | - |
| d) Past-due impaired loans | - | - | X | - |
| e) Other assets | 13,892,230 | X | - | 13,892,230 |
| **Total A** | **13,892,230** | **-** | **-** | **13,892,230** |
| **B. Off-balance sheet exposures** | | | | |
| a) Impaired | - | - | X | - |
| b) Other | 543,289 | X | (1,416) | 541,873 |
| **Total B** | **543,289** | **-** | **(1,416)** | **541,873** |

In the above table, item B. “Off-balance sheet exposures” includes the counterparty risk related to repos that can be classified as “Securities Financing Transactions” (SFT) defined in prudential regulations, amounting to €230,684 thousand.
There were no securities lending transactions collateralised by other securities or without a cash guarantee with banks.

### A.1.4 On-balance sheet credit exposures to banks: gross change in impaired exposures:
No data to report.

### A.1.5 On-balance sheet credit exposures to banks: trend in total write-downs
No data to report.

### A.1.6 On-balance sheet and off-balance-sheet credit exposures to customers: gross and net values

| TYPE OF EXPOSURE/AMOUNT | GROSS EXPOSURE | SPECIFIC IMPAIRMENTS | PORTFOLIO IMPAIRMENTS | NET EXPOSURE |
|---|---|---|---|---|
| **A. On-balance sheet exposures** | | | | |
| a) Non-performing loans | 19,845 | (16,686) | X | 3,159 |
| b) Doubtful loans | 1,393 | (936) | X | 457 |
| c) Restructured loans | - | - | X | - |
| d) Past-due impaired loans | 1,260 | (617) | X | 643 |
| e) Other assets | 2,394,505 | X | (7,610) | 2,386,895 |
| **Total A** | **2,417,003** | **(18,239)** | **(7,610)** | **2,391,154** |
| **B. Off-balance sheet exposures** | | | | |
| a) Impaired | 1 | - | X | 1 |
| b) Other | 491,529 | X | - | 491,529 |
| **Total B** | **491,530** | **-** | **-** | **491,530** |

In the above table, item B. “Off-balance sheet exposures” includes the counterparty risk related to securities lending transactions collateralised by other securities and to repos that can be classified as “Securities Financing Transactions” (SFT) defined in prudential regulations, amounting to €470,234 thousand.
There were no securities lending transactions without cash guarantees with customers.

# Part E - Information on risks and hedging policies (Continued)

### A.1.7 On-balance sheet credit exposures to customers: gross change in impaired exposures:

| SOURCE / CATEGORIES | NON-PERFORMING LOANS | DOUBTFUL LOANS | RESTRUCTURED LOANS | PAST-DUE LOANS |
|---|---|---|---|---|
| **A. Opening balance - gross exposure** | **17,664** | **2,065** | **-** | **1,444** |
| of which: assets sold but not derecognised | - | - | - | - |
| **B. Increases** | **4,528** | **4,759** | **-** | **6,798** |
| B.1 inflows from performing loans | 76 | 699 | - | 6,050 |
| B.2 transfers from other categories of impaired exposures | 4,061 | 3,630 | - | - |
| B.3 Other increases | 391 | 430 | - | 748 |
| **C. Decreases** | **(2,347)** | **(5,431)** | **-** | **(6,982)** |
| C.1 outflows to performing loans | - | (681) | - | (764) |
| C.2 de-recognitions | (1,687) | (42) | - | (4) |
| C.3 collections | (631) | (700) | - | (2,477) |
| C.4 disposals | - | - | - | - |
| C.4 bis losses on disposal | - | - | - | - |
| C.5 transfers to other categories of impaired exposures | - | (3,997) | - | (3,694) |
| C.6 other decreases | (29) | (11) | - | (43) |
| **D Gross exposure closing balance** | **19,845** | **1,393** | **-** | **1,260** |
| of which: assets sold but not derecognised | - | - | - | - |

### A.1.8 On-balance sheet credit exposures to customers: trend in total write-downs

| SOURCE / CATEGORIES | NON-PERFORMING LOANS | DOUBTFUL LOANS | RESTRUCTURED LOANS | PAST-DUE LOANS |
|---|---|---|---|---|
| **A. Total opening impairment** | **(14,387)** | **(1,393)** | **-** | **(663)** |
| of which: assets sold but not derecognised | - | - | - | - |
| **B. Increases** | **(4,565)** | **(865)** | **-** | **(587)** |
| B.1 impairment | (3,363) | (824) | - | (587) |
| B.1.a losses on disposal | - | - | - | - |
| B.2 transfers from other categories of impaired exposures | (1,171) | (41) | - | - |
| B.3 Other increases | (31) | - | - | - |
| **C. Decreases** | **2,266** | **1,322** | **-** | **633** |
| C.1 write-backs from assessments | 354 | 211 | - | 254 |
| C.2 write-backs from recoveries | 225 | 93 | - | 139 |
| C.2.a gains on disposal | - | - | - | - |
| C.3 de-recognitions | 1,687 | 42 | - | 4 |
| C.4 transfers to other categories of impaired exposures | - | 976 | - | 236 |
| C.5 other decreases | - | - | | - |
| **D Final overall impairment** | **(16,686)** | **(936)** | **-** | **(617)** |
| of which: assets sold but not derecognised | - | - | - | - |

## Breakdown of exposures according to external and internal ratings

### A.2.1 Breakdown of on-balance sheet and off-balance-sheet exposures by external rating class

| | EXTERNAL RATING CLASSES | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| EXPOSURES | CLASS 1 | CLASS 2 | CLASS 3 | CLASS 4 | CLASS 5 | CLASS 6 | NO RATING | TOTAL |
| **A. On-balance sheet exposures** | **10,393** | **10,565** | **15,524,445** | **4** | **-** | **-** | **737,979** | **16,283,386** |
| **B. Derivatives** | **-** | **511** | **19,247** | **-** | **-** | **-** | **2,472** | **22,230** |
| B.1 Financial derivatives | - | 511 | 19,247 | - | - | - | 2,472 | 22,230 |
| B.2 Credit derivatives | - | - | - | - | - | - | - | - |
| **C. Guarantees given** | **-** | **-** | **256,070** | **-** | **-** | **-** | **36,059** | **292,129** |
| **D Other commitments to disburse funds** | **-** | **10** | **483** | **-** | **-** | **-** | **17,632** | **18,125** |
| **E. Other** | **-** | **7,336** | **214,946** | **540** | **-** | **-** | **478,095** | **700,917** |
| **Total** | **10,393** | **18,422** | **16,015,191** | **544** | **-** | **-** | **1,272,237** | **17,316,787** |

The table below shows the breakdown of on-balance sheet and off-balance-sheet exposures to counterparties with an external rating. Rating agencies provide a summary assessment on the creditworthiness of different type of counterparties: Countries, Banks, Public Bodies, Insurance Companies and Businesses, usually large-scale.
The table refers to the classification set forth in the Bank of Italy Circular no. 262/2005 regarding external ratings, which envisages 6 classes of creditworthiness.
The above presentation refers to the Standard and Poor's ratings, which are also associated to the ratings of the other two main Agencies, Moody's and Fitch. If two ratings from two rating agencies were available for one credit exposure, the less favourable was retained; if three different ratings were available, the best two ratings were identified and, if different, the worst was retained.
FinecoBank establishes the regulatory requirements by applying the Basel III Traditional Standardised Approach which involves the subdivision of the exposures into different classes ("portfolios") according to the status of counterparty, i.e. the technical characteristics of the relationship or the methods adopted to manage the relationship and the application of different weighting ratios to each portfolio. In order to determine credit risk, FinecoBank only uses the ratings of agencies specific to individual countries, which lead to the weighting of the "Central governments and central banks", "Entities" and "Public-sector entities" portfolios; in general, a weighting factor of 100 percent is applied to the remaining credit exposures, subject to the main exceptions established by CRR 575/2013.
As at December 31, 2014, credit exposure to retail customers was limited to personal loans, credit cards spending (full payment of balance or revolving), unsecured and secured loans and securities lending. Exposures to non-retail customers mainly derive from amounts due to the Parent Company for treasury activities and for hedging banking book positions through interest-rate derivatives.
The remaining exposures regard receivables relating to customer trading, whose counterparties are leading banks with a high credit rating.
In the above table, item E "Other" includes the counterparty risk related to securities lending transactions guaranteed by other securities and to repos.
In the above table, equity instruments have been excluded whereas units in investment funds have been included, unlike the previous tables in this section in which both were excluded.

### A.2.2 Breakdown of on-balance sheet and off-balance-sheet exposures by internal rating class

This table has not been included because internal ratings are not used to managed credit risk.

# Part E - Information on risks and hedging policies (CONTINUED)

### A. 3 Breakdown of secured exposures by type of guarantee

#### A.3.1 Secured exposures to banks

| | NET EXPOSURE VALUE | REAL GUARANTEES (1) | | | |
|---|---|---|---|---|---|
| | | MORTGAGE PROPERTIES | FINANCE LEASE PROPERTIES | SECURITIES | OTHER REAL GUARANTEES |
| **1. Secured on-balance sheet exposures:** | | | | | |
| 1.1 totally secured | 5,794 | - | - | 5,789 | - |
| - of which impaired | - | - | - | - | - |
| 1.2 partially secured | - | - | - | - | - |
| - of which impaired | - | - | - | - | - |
| **2. Secured off-balance Sheet credit exposures:** | | | | | |
| 2.1 totally secured | 28 | - | - | - | 89 |
| - of which impaired | - | - | - | - | - |
| 2.2 partially secured | - | - | - | - | - |
| - of which impaired | - | - | - | - | - |

#### A.3.2 Secured exposures to customers

| | NET EXPOSURE VALUE | REAL GUARANTEES (1) | | | |
|---|---|---|---|---|---|
| | | MORTGAGE PROPERTIES | FINANCE LEASE PROPERTIES | SECURITIES | OTHER REAL GUARANTEES |
| **1. Secured on-balance sheet exposures:** | | | | | |
| 1.1 totally secured | 170,948 | 2,174 | - | 239,442 | 23,264 |
| - of which impaired | 55 | 344 | - | 42 | - |
| 1.2 partially secured | 436 | - | - | 1,779 | - |
| - of which impaired | - | - | - | - | - |
| **2. Secured off-balance Sheet credit exposures:** | | | | | |
| 2.1 totally secured | 17,972 | - | - | 22,124 | 5,762 |
| - of which impaired | 1 | - | - | 1 | - |
| 2.2 partially secured | - | - | - | - | - |
| - of which impaired | - | - | - | - | - |

## B. Distribution and concentration of credit exposures

### B.1 Breakdown of on-balance sheet and off-balance-sheet exposures to customers by sector (carrying value)

| EXPOSURE/ COUNTERPARTY | GOVERNMENTS | | | OTHER PUBLIC ENTITIES | | |
|---|---|---|---|---|---|---|
| | NET EXPOSURE | SPECIFIC IMPAIRMENTS | PORTFOLIO IMPAIRMENTS | NET EXPOSURE | SPECIFIC IMPAIRMENTS | PORTFOLIO IMPAIRMENTS |
| **A. On-balance sheet exposures** | | | | | | |
| A.1 Non-performing loans | - | - | | - | - | |
| A.2 Doubtful loans | - | - | | - | - | |
| A.3 Restructured loans | - | - | | - | - | |
| A.4 Past-due loans | - | - | | - | - | |
| A.5 Other exposures | 1,695,557 | | - | 1 | | - |
| **Total A** | 1,695,557 | **-** | **-** | **1** | **-** | **-** |
| **B. "Off-balance" sheet exposures** | | | | | | |
| B.1 Non-performing loans | - | - | | - | - | |
| B.2 Doubtful loans | - | - | | - | - | |
| B.3 Other impaired assets | - | - | | - | - | |
| B.4 Other exposures | 494 | | - | - | | - |
| **Total B** | **494** | **-** | **-** | **-** | **-** | **-** |
| **TOTAL A + B December 31, 2014** | **1,696,051** | **-** | **-** | **1** | **-** | **-** |
| **TOTAL A + B December 31, 2013** | **126,882** | **-** | **-** | **1** | **-** | **-** |

| | PERSONAL GUARANTEES (2) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | CREDIT DERIVATIVES | | | | | GUARANTEES, ETC. | | | | |
| | | OTHER DERIVATIVES | | | | | | | | |
| | CLN | GOVERNMENTS AND CENTRAL BANKS | OTHER PUBLIC ENTITIES | BANKS | OTHER ENTITIES | GOVERNMENTS AND CENTRAL BANKS | OTHER PUBLIC ENTITIES | BANKS | OTHER ENTITIES | TOTAL (1) + (2) |
| | | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - | 5,789 |
| | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - | 89 |
| | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - |

| | PERSONAL GUARANTEES (2) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | CREDIT DERIVATIVES | | | | | GUARANTEES, ETC. | | | | |
| | | OTHER DERIVATIVES | | | | | | | | |
| | CLN | GOVERNMENTS AND CENTRAL BANKS | OTHER PUBLIC ENTITIES | BANKS | OTHER ENTITIES | GOVERNMENTS AND CENTRAL BANKS | OTHER PUBLIC ENTITIES | BANKS | OTHER ENTITIES | TOTAL (1) + (2) |
| | | | | | | | | | | |
| | - | - | - | - | - | - | - | - | 10 | 264,890 |
| | - | - | - | - | - | - | - | - | - | 386 |
| | - | - | - | - | - | - | - | - | - | 1,779 |
| | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - | 27,886 |
| | - | - | - | - | - | - | - | - | - | 1 |
| | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - |

| | FINANCIAL COMPANIES | | | INSURANCE COMPANIES | | | NON-FINANCIAL COMPANIES | | | OTHER ENTITIES | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | NET EXPOSURE | SPECIFIC IMPAIRMENTS | PORTFOLIO IMPAIRMENTS | NET EXPOSURE | SPECIFIC IMPAIRMENTS | PORTFOLIO IMPAIRMENTS | NET EXPOSURE | SPECIFIC IMPAIRMENTS | PORTFOLIO IMPAIRMENTS | NET EXPOSURE | SPECIFIC IMPAIRMENTS | PORTFOLIO IMPAIRMENTS |
| | | | | | | | | | | | | |
| | 9 | (44) | | - | | | 12 | (106) | | 3,139 | (16,536) | |
| | 1 | (1) | | - | | | 1 | (2) | | 455 | (933) | |
| | - | - | | - | | | - | - | | - | - | |
| | 5 | - | | - | | | 10 | (10) | | 628 | (607) | |
| | 85,269 | | (139) | 7,096 | | - | 14,071 | | (3,332) | 584,901 | | (4,139) |
| | **85,284** | **(45)** | **(139)** | **7,096** | **-** | **-** | **14,094** | **(118)** | **(3,332)** | **589,123** | **(18,076)** | **(4,139)** |
| | | | | | | | | | | | | |
| | - | - | | - | - | | - | - | | - | - | |
| | - | - | | - | - | | - | - | | - | - | |
| | - | - | | - | - | | - | - | | 1 | - | |
| | 160 | | - | - | | - | 82 | | - | 20,560 | | - |
| | **160** | **-** | **-** | **-** | **-** | **-** | **82** | **-** | **-** | **20,561** | **-** | **-** |
| | **85,444** | **(45)** | **(139)** | **7,096** | **-** | **-** | **14,176** | **(118)** | **(3,332)** | **609,684** | **(18,076)** | **(4,139)** |
| | **93,406** | **(60)** | **(141)** | **4,344** | **-** | **-** | **8,914** | **(96)** | **(3,316)** | **539,590** | **(16,287)** | **(4,265)** |

# Part E - Information on risks and hedging policies (CONTINUED)

### B.2 Breakdown of on-balance sheet and off-balance-sheet exposures to customers by geographical area (carrying value)

| EXPOSURE/GEOGRAPHICAL AREA | ITALY | | OTHER EUROPEAN COUNTRIES | | AMERICA | | ASIA | | REST OF THE WORLD | |
|---|---|---|---|---|---|---|---|---|---|---|
| | NET EXPOSURE | TOTAL IMPAIRMENT | NET EXPOSURE | TOTAL IMPAIRMENT | NET EXPOSURE | TOTAL IMPAIRMENT | NET EXPOSURE | TOTAL IMPAIRMENT | NET EXPOSURE | TOTAL IMPAIRMENT |
| **A. On-balance sheet exposures** | | | | | | | | | | |
| A.1 Non-performing loans | 3,159 | (16,686) | - | - | - | - | - | - | - | - |
| A.2 Doubtful loans | 457 | (936) | - | - | - | - | - | - | - | - |
| A.3 Restructured loans | - | - | - | - | - | - | - | - | - | - |
| A.4 Past-due loans | 643 | (617) | - | - | - | - | - | - | - | - |
| A.5 Other exposures | 2,326,906 | (7,610) | 59,857 | - | 60 | - | 66 | - | 6 | - |
| **TOTAL** | **2,331,165** | **(25,849)** | **59,857** | **-** | **60** | **-** | **66** | **-** | **6** | **-** |
| **B. "Off-balance" sheet exposures** | | | | | | | | | | |
| B.1 Non-performing loans | - | - | - | - | - | - | - | - | - | - |
| B.2 Doubtful loans | - | - | - | - | - | - | - | - | - | - |
| B.3 Other impaired assets | 1 | - | - | - | - | - | - | - | - | - |
| B.4 Other exposures | 21,053 | - | 40 | - | 135 | - | 2 | - | 66 | - |
| **TOTAL** | **21,054** | **-** | **40** | **-** | **135** | **-** | **2** | **-** | **66** | **-** |
| **TOTAL December 31, 2014** | **2,352,219** | **(25,849)** | **59,897** | **-** | **195** | **-** | **68** | **-** | **72** | **-** |
| **TOTAL December 31, 2013** | **718,340** | **(24,164)** | **54,658** | **(1)** | **113** | **-** | **21** | **-** | **5** | **-** |

| EXPOSURE/GEOGRAPHICAL AREA | NORTHWEST ITALY | | NORTH-EAST ITALY | | CENTRAL ITALY | | SOUTHERN ITALY AND ISLANDS | |
|---|---|---|---|---|---|---|---|---|
| | NET EXPOSURE | TOTAL IMPAIRMENT | NET EXPOSURE | TOTAL IMPAIRMENT | NET EXPOSURE | TOTAL IMPAIRMENT | NET EXPOSURE | TOTAL IMPAIRMENT |
| **A. On-balance sheet exposures** | | | | | | | | |
| A.1 Non-performing loans | 758 | (4,035) | 390 | (2,203) | 657 | (3,334) | 1,355 | (7,113) |
| A.2 Doubtful loans | 117 | (239) | 44 | (92) | 93 | (186) | 203 | (420) |
| A.3 Restructured loans | - | - | - | - | - | - | - | - |
| A.4 Past-due loans | 140 | (136) | 75 | (80) | 157 | (129) | 271 | (272) |
| A.5 Other exposures | 231,770 | (2,632) | 90,514 | (1,063) | 1,856,027 | (2,441) | 148,595 | (1,473) |
| **TOTAL** | **232,785** | **(7,042)** | **91,023** | **(3,438)** | **1,856,934** | **(6,090)** | **150,424** | **(9,278)** |
| **B. "Off-balance" sheet exposures** | | | | | | | | |
| B.1 Non-performing loans | - | - | - | - | - | - | - | - |
| B.2 Doubtful loans | - | - | - | - | - | - | - | - |
| B.3 Other impaired assets | 1 | - | - | - | - | - | - | - |
| B.4 Other exposures | 8,384 | - | 3,711 | - | 5,433 | - | 3,524 | - |
| **TOTAL** | **8,385** | **-** | **3,711** | **-** | **5,433** | **-** | **3,524** | **-** |
| **TOTAL December 31, 2014** | **241,170** | **(7,042)** | **94,734** | **(3,438)** | **1,862,367** | **(6,090)** | **153,948** | **(9,278)** |
| **TOTAL December 31, 2013** | **202,782** | **(6,580)** | **85,760** | **(3,127)** | **294,747** | **(5,669)** | **135,049** | **(8,788)** |

### B.3 Breakdown of on-balance sheet and off-balance-sheet exposures to banks by geographical area

| EXPOSURE/GEOGRAPHICAL AREA | ITALY | | OTHER EUROPEAN COUNTRIES | | AMERICA | | ASIA | | REST OF THE WORLD | |
|---|---|---|---|---|---|---|---|---|---|---|
| | NET EXPOSURE | TOTAL IMPAIRMENT | NET EXPOSURE | TOTAL IMPAIRMENT | NET EXPOSURE | TOTAL IMPAIRMENT | NET EXPOSURE | TOTAL IMPAIRMENT | NET EXPOSURE | TOTAL IMPAIRMENT |
| **A. On-balance sheet exposures** | | | | | | | | | | |
| A.1 Non-performing loans | - | - | - | - | - | - | - | - | - | - |
| A.2 Doubtful loans | - | - | - | - | - | - | - | - | - | - |
| A.3 Restructured loans | - | - | - | - | - | - | - | - | - | - |
| A.4 Past-due loans | - | - | - | - | - | - | - | - | - | - |
| A.5 Other exposures | 13,860,725 | - | 31,503 | - | - | - | - | - | 3 | - |
| **TOTAL** | **13,860,725** | **-** | **31,503** | **-** | **-** | **-** | **-** | **-** | **3** | **-** |
| **B. "Off-balance" sheet exposures** | | | | | | | | | | |
| B.1 Non-performing loans | - | - | - | - | - | - | - | - | - | - |
| B.2 Doubtful loans | - | - | - | - | - | - | - | - | - | - |
| B.3 Other impaired assets | - | - | - | - | - | - | - | - | - | - |
| B.4 Other exposures | 310,612 | (1,416) | 576 | - | - | - | - | - | - | - |
| **TOTAL** | **310,612** | **(1,416)** | **576** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **TOTAL December 31, 2014** | **14,171,337** | **(1,416)** | **32,079** | **-** | **-** | **-** | **-** | **-** | **3** | **-** |
| **TOTAL December 31, 2013** | **16,754,303** | **-** | **10,100** | **-** | **-** | **-** | **73** | **-** | **9** | **-** |

| EXPOSURE/GEOGRAPHICAL AREA | NORTHWEST ITALY | | NORTH-EAST ITALY | | CENTRAL ITALY | | SOUTHERN ITALY AND ISLANDS | |
|---|---|---|---|---|---|---|---|---|
| | NET EXPOSURE | TOTAL IMPAIRMENT | NET EXPOSURE | TOTAL IMPAIRMENT | NET EXPOSURE | TOTAL IMPAIRMENT | NET EXPOSURE | TOTAL IMPAIRMENT |
| **A. On-balance sheet exposures** | | | | | | | | |
| A.1 Non-performing loans | - | - | - | - | - | - | - | - |
| A.2 Doubtful loans | - | - | - | - | - | - | - | - |
| A.3 Restructured loans | - | - | - | - | - | - | - | - |
| A.4 Past-due loans | - | - | - | - | - | - | - | - |
| A.5 Other exposures | 18,331 | - | - | - | 13,842,394 | - | - | - |
| **TOTAL** | **18,331** | **-** | **-** | **-** | **13,842,394** | **-** | **-** | **-** |
| **B. "Off-balance" sheet exposures** | | | | | | | | |
| B.1 Non-performing loans | - | - | - | - | - | - | - | - |
| B.2 Doubtful loans | - | - | - | - | - | - | - | - |
| B.3 Other impaired assets | - | - | - | - | - | - | - | - |
| B.4 Other exposures | - | - | - | - | 310,612 | (1,416) | - | - |
| **TOTAL** | **-** | **-** | **-** | **-** | **310,612** | **(1,416)** | **-** | **-** |
| **TOTAL December 31, 2014** | **18,331** | **-** | **-** | **-** | **14,153,006** | **(1,416)** | **-** | **-** |
| **TOTAL December 31, 2013** | **17,139** | **-** | **-** | **-** | **16,737,165** | **-** | **-** | **-** |

### B.4 Significant exposures

At December 31, 2014 the following “risk positions” constituted “significant exposures” pursuant to Circular 286 of December 17, 2013, “Instructions for the prudential reporting of banks and securities firms” issued by the Bank of Italy:

a) non-weighted value: €17,512,175 thousand, of which €15,510,896 thousand with the UniCredit Group;
b) weighted value: €11,793 thousand, none with the UniCredit Group;
c) number of “risk positions”: 3, including the UniCredit Group.

# Part E - Information on risks and hedging policies (CONTINUED)

### C. Securitization transactions

No data to report.

### D. Disclosure of structured entities not consolidated in the accounts (other than special purpose vehicles for securitization transactions)

No data to report.

### E. Sales Transactions

*A. Financial assets sold and partially derecognised*

#### QUALITATIVE INFORMATION

FinecoBank undertakes reverse repos on securities not recognised in the balance sheet, received through repos and securitised lending, on securities in the Bank's portfolio.

With regard to transactions on securities in the Bank's portfolio, the financial assets transferred are bonds issued by UniCredit S.p.A., recognised under Loans and Receivables, which have not been derecognised because FinecoBank undertakes repos with the obligation for the buyer to resell at the end of the activities object of the transaction and maintains all the risks associated with ownership of the securities.

#### QUANTITATIVE INFORMATION

**E.1 Financial assets sold but not derecognised: book value and full value**

| | FINANCIAL ASSETS HELD FOR TRADING | | | FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS | | | AVAILABLE-FOR-SALE FINANCIAL ASSETS | | | HELD-TO-MATURITY INVESTMENTS | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TYPE/ PORTFOLIO | A | B | C | A | B | C | A | B | C | A | B | C |
| **A. On-balance sheet assets** | | | | | | | | | | | | |
| 1. Debt securities | | | | | | | | | | | | |
| 2. Equity Instruments | | | | | | | | | | | | |
| 3. Units in investment funds | | | | | | | | | | | | |
| 4. Loans | | | | | | | | | | | | |
| **B. Derivative instruments** | | | | | | | | | | | | |
| **Total December 31, 2014** | | | | | | | | | | | | |
| *of which impaired* | | | | | | | | | | | | |
| **Total December 31, 2013** | | | | | | | | | | | | |
| *of which impaired* | | | | | | | | | | | | |

**Key:**
A = financial assets sold and fully recognised (book value)
B = financial assets sold and partially recognised (book value)
C = financial assets sold and partially recognised (entire value).

**E.2 Financial liabilities relating to financial assets sold and not derecognised: book value**

| LIABILITY/ASSET PORTFOLIO | FINANCIAL ASSETS HELD FOR TRADING | FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS | AVAILABLE-FOR-SALE FINANCIAL ASSETS |
|---|---|---|---|
| **1. Deposits from customers** | | | |
| a) from fully-recognised assets | | | |
| b) from partially-recognised assets | | | |
| **2. Deposits from banks** | | | |
| a) from fully-recognised assets | | | |
| b) from partially-recognised assets | | | |
| **Total December 31, 2014** | | | |
| **Total December 31, 2013** | | | |

| | LOANS AND RECEIVABLES WITH BANKS | | | LOANS AND RECEIVABLES WITH CUSTOMERS | | | TOTAL | |
|---|---|---|---|---|---|---|---|---|
| | A | B | C | A | B | C | 12.31.2014 | 12.31.2013 |
| | **205,909** | | | | | | **205,909** | **188,989** |
| | 205,909 | | | | | | 205,909 | 188,989 |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | **205,909** | | | | | | **205,909** | |
| | | | | | | | | |
| | **188,989** | | | | | | | **188,989** |
| | | | | | | | | |

| | HELD-TO-MATURITY INVESTMENTS | LOANS AND RECEIVABLES WITH BANKS | LOANS AND RECEIVABLES WITH CUSTOMERS | TOTAL |
|---|---|---|---|---|
| | | **206,286** | | **206,286** |
| | | 206,286 | | 206,286 |
| | | - | | - |
| | | **1,505** | | **1,505** |
| | | 1,505 | | 1,505 |
| | | - | | - |
| | | **207,791** | | **207,791** |
| | | **190,618** | | **190,618** |

# Part E - Information on risks and hedging policies (CONTINUED)

**E.3 Sales transactions relating to financial liabilities with repayment exclusively based on assets sold and not derecognised: fair value**
The table below only shows own securities not derecognised and used for repos.

| TYPE/ PORTFOLIO | FINANCIAL ASSETS HELD FOR TRADING | | FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS | | AVAILABLE-FOR-SALE FINANCIAL ASSETS | |
|---|---|---|---|---|---|---|
| | A | B | A | B | A | B |
| **A. On-balance sheet assets** | | | | | | |
| 1. Debt securities | | | | | | |
| 2. Equity Instruments | | | | | | |
| 3. Units in investment funds | | | | | | |
| 4. Loans | | | | | | |
| **B. Derivative instruments** | | | | | | |
| **Total assets** | | | | | | |
| **C. Associated liabilities** | | | | | | |
| 1. Deposits from customers | | | | | | |
| 2. Deposits from banks | | | | | | |
| **Total liabilities** | | | | | | |
| **Net value December 31, 2014** | | | | | | |
| **Net value December 31, 2013** | | | | | | |

**Key:**
A = financial assets sold and wholly recognised.
B= financial assets sold and partially recognised.

## B. Assets sold and fully derecognised with recognition of continuing involvement
No data to report.

### E.4 Covered bond transactions
No data to report.

## F. Credit Risk Measurement Models

### F.1. Credit Risk Measurement – Trading Book
The monitoring of credit risk as part of the management of the trading book is conducted through the rating of all financial instruments held.

### F.2. Credit Risk Measurement – Banking Book
The banking portfolio of FinecoBank is composed of securities, current accounts and deposits with the Parent Company. Retail customer activities are limited to the granting of personal loans and credit lines, as well as the issue of credit cards.

## INFORMATION ON SOVEREIGN EXPOSURES
The Bank is exposed to the sovereign debt of some countries, having invested a portion of its assets in debt securities issued by governments and, specifically, in securities issued by the Italian and French governments. The following table shows the nominal value, the book value and the fair value of these exposures as at December 31, 2014.

| | FACE VALUE 12.31.2014 | BOOK VALUE 12.31.2014 | FAIR VALUE 12.31.2014 | % OF FINANCIAL STATEMENT ITEM |
|---|---|---|---|---|
| **Exposures to the Italian government** | **1,569,004** | **1,685,163** | **1,685,163** | |
| Financial assets held for trading | 4 | 6 | 6 | 0,20% |
| Available-for-sale financial assets | 1,569,000 | 1,685,157 | 1,685,157 | 99,39% |
| **Exposures to the French government** | **10,000** | **10,393** | **10,393** | |
| Available-for-sale financial assets | 10,000 | 10,393 | 10,393 | 0,61% |
| **Total Sovereign exposures** | **1,579,004** | **1,695,556** | **1,695,556** | |

| HELD-TO-MATURITY INVESTMENTS (FAIR VALUE) | | LOANS AND RECEIVABLES WITH BANKS (FAIR VALUE) | | LOANS AND RECEIVABLES WITH CUSTOMERS (FAIR VALUE) | | TOTAL | |
|---|---|---|---|---|---|---|---|
| A | B | A | B | A | B | 12.31.2014 | 12.31.2013 |
| | | **211,315** | | | | **211,315** | **200,329** |
| | | 211,315 | | | | 211,315 | 200,329 |
| | | | | | | - | - |
| | | | | | | - | - |
| | | - | | | | - | - |
| | | | | | | | |
| | | **211,315** | | | | **211,315** | **200,329** |
| | | **207,791** | | | | **207,791** | **187,807** |
| | | 206,286 | | | | 206,286 | 187,807 |
| | | 1,505 | | | | 1,505 | 2,811 |
| | | **207,791** | | | | **207,791** | **190,618** |
| | | **3,524** | | | | **3,524** | |
| | | **9,711** | | | | | **9,711** |

The following table shows the sovereign ratings as at December 31, 2014 for countries to which the Bank is exposed as at December 31, 2014, provided by Fitch Ratings, Moody's and Standard & Poor's.

| | Italy | France |
|---|---|---|
| FITCH RATINGS | BBB+ | AA |
| MOODY'S | Baa2 | Aa1 |
| STANDARD & POOR'S | BBB- | AA |

As at December 31, 2014, investments in debt securities issued by sovereign states accounted for 10.11% of the Bank's total assets.
There were no structured debt securities among the sovereign debt securities held by the Bank.

The Bank is therefore exposed to fluctuations in the price of Italian and French public debt securities. Tensions or volatility in the government bond market could negatively impact on the Bank's financial position and performance.

# Part E - Information on risks and hedging policies (Continued)

## Section 2 - Market risk

Market risk derives from the effect that changes in market variables (interest rates, securities prices, exchange rates, etc.) can cause to the economic value of the Bank's portfolio, if it includes the assets held in the trading book (assets held for trading) as well as those in the banking book, i.e. the transactions connected to strategic investment choices.

### Risk Management Strategies and Processes

The Parent Company's Board of Directors lays down strategic guidelines for taking on market risks by calculating capital allocation for the Parent company and its subsidiaries, depending on risk appetite and value creation objectives in proportion to risks assumed.
The Board of Directors of FinecoBank, in line with the Group's approach, approves a general framework of reference for market risk and any significant changes, relating to the organizational structure, strategies, and methods.
FinecoBank's strategy is to keep the minimum level of market risk in line with business needs and the limits set by the Parent Company.
Market risk in FinecoBank is defined through two sets of limits:
- Global measures of market risk (e.g. VaR): which are meant to establish a boundary to the economic capital absorption and to the economic loss accepted in trading activities; these limits must be consistent with assigned revenue targets and the defined risk taking capacity;
- Granular measures of market risk (Sensitivity limits, Stress scenario limits, Nominal limits): which exist independently of, but act in concert with the global limits; in order to control more effectively and more specifically different risk types, desks and products, these limits are generally granular sensitivity or stress-related limits. The levels set for granular limits aim at limiting the concentration in individual risk factors and the excessive exposure in risk factors which are not sufficiently covered under VaR.

### Structure and Organization

In order to ensure the effective implementation of operations and the consistency of policies, methods and practices related to market risk in the Group legal entities, the Group model for activities related to market risk is based on the definition of specific responsibilities.
In its relations with FinecoBank, the Parent Company is mainly responsible for:
- establishing, implementing and refining appropriate measures at global level for measuring exposure to market risk;
- setting risk limits, based on measurements identified, in line with the risk appetite approved by the Group.

The Market Risk function of FinecoBank, within the Risk Management Unit, in full compliance with local legal and regulatory obligations, works together with the Market Risk Management Italy Function of the Parent Company and is tasked primarily – but not exclusively – with:
- calculating the risk measurements for the global and granular measures for the Bank's portfolios;
- checking that the measurements are compatible with the approved limits;
- initiating the escalation process when limits are exceeded, engaging the Market Risk Management Italy function of the Parent Company;
- discussing and approving new products with innovative and complex market risk profiles, providing the Financial Risk Italy function of the Parent Company with adequate information in order for the said function to issue a non-binding opinion on the matter.

### Risk measurement and reporting systems

***Trading Book***

The main tool used by FinecoBank to measure the market risk of trading positions is Value at Risk (VaR), calculated using the historic simulation approach.
The historic simulation method involves the daily revaluation of positions on the basis of market price trends over an appropriate observation period. The resulting distribution of gains and losses is analysed to determine the effect of extreme market fluctuations on portfolios. The percentile value of the distribution corresponding to the set confidence level represents the VaR. The following parameters are used to calculate VaR: confidence level 99%; time horizon of 1 day; daily update of the time series; observation period of 500 days.

***Banking Book***

The primary responsibility for monitoring and controlling Market Risk management in the Banking Book lies with the Bank's competent Bodies. The Parent Company is responsible for monitoring market risk in the banking book at consolidated level, while sharing this responsibility with the relevant functions of the Legal Entities at local level.
The Parent Company, defines structure, data and frequency of the necessary Group and local level reporting.

Market risk in the banking book mainly consists of credit spread risk, interest rate risk and foreign exchange risk. Credit spread risk mainly arises from investments in debt securities held for liquidity purposes. Market risk associated with the bond portfolio is monitored and subject to limits on the notional amount, the sensitivity to Economic Value and the Value at Risk.
The management of interest rate risk focuses on stabilizing this second type of risk. The banking book interest rate risk measure covers both the value and net interest income risk aspects. More precisely, the different, and complementary, perspectives involve:

- Economic value perspective: variation in interest rates can affect the economic value of assets and liabilities. The economic value of the Bank can be viewed as the present value of the expected net cash flows, defined as the expected cash flows on assets minus the expected cash flows on liabilities. A relevant risk measure from this perspective is the economic value sensitivity per time bucket for a 1bp rate shock. This measure is reported to the relevant committees to assess the economic value impact of various changes in the yield curve. The economic value sensitivity is also calculated for a 200bp parallel shock. A monitoring variable from this perspective is the value at risk resulting from interest rate risk exposure;
- Income perspective: the focus of analysis is the impact of changes of interest rates on accrual or reported Net Interest Income that is the difference between revenues generated by interest sensitive assets and the cost related to interest sensitive liabilities. An example of a measure of risks used is Net Interest Income sensitivity for a 100bp parallel shock in rates. This measure provides an indication of the impact that such a shock would have on the net interest income over the next 12 months. For these scenarios, a limit is set to interest payable (customers current accounts) and receivable (bond coupons): both of them cannot have negative values.

The third type of risk is foreign exchange risk. This exposure mainly derives from a mismatching of assets and liabilities in USD. Exchange rate risk is hedged through the matching of assets and liabilities denominated in currency or through spot transactions in foreign currencies.

### Procedures and methodologies for Valuation of Trading Book positions

FinecoBank ensures that the value applied to each trading book position appropriately reflects the current fair (market) value, i.e. the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of each financial instrument is based on, or derived from, observable market prices or inputs. The availability of observable prices or inputs differs by product and market, and might change over time.
If observable prices or parameters are readily and regularly available (i.e. satisfying adequate liquidity requirements), they are directly employed in the determination of fair value (mark-to-market).
In non-active markets or for certain instruments, for which observable prices or inputs are not available, fair value is calculated using valuation techniques that are appropriate for the specific instrument (mark-to-model). This approach involves estimation and judgment and, therefore, might require valuation adjustments which take into account bid-ask spreads, liquidity and counterparty risk, besides the employed pricing model. In addition, each pricing model used for fair value calculation is validated by a dedicated function independent from business units.
According to the Group Market Risk Governance Guidelines, which define principles and rules for managing and controlling activities potentially involving a market risk, in order to ensure the adequate separation between functions in charge of development activities and functions in charge of validation, all valuation models developed by the front-office functions of Group companies need to be centrally and independently tested and validated by the Market Risk functions of the Parent Company. Model validation is also carried out centrally for any novel system or analysis framework whose utilization has a potential impact on the Bank's economic results.
In addition to daily marking to market or marking to model, Independent Price Verification (IPV) shall be performed by FinecoBank's Risk Management. This is the process by which market prices or model inputs are regularly verified for accuracy and independence. While daily marking to market or marking to model may be performed by front-office dealers, verification of market prices and model inputs is performed at least monthly.

### Risk measures

#### *VaR*

The VaR calculated within the measurement of the market risk of the banking and trading book uses a historical simulation approach. The choice of model adopted by the Parent Company has a series of advantages:

- easy to understand and communicate;
- does not require any explicit assumptions about the particular functional form of the distribution of yields of the risk factors;
- does not require estimation of the variance-covariance matrix of the market factors that may affect the value of the portfolio.
- captures the correlation structure reflected in the simultaneous changes in market factors, implicitly assuming that it will remain constant in the future.

On the other hand VaR models based on historical simulations do not provide any information on the amount of the loss exceeding the VaR. This why the framework established by the Parent Company uses additional instruments such as stress tests.

# Part E - Information on risks and hedging policies (Continued)

## 2.1 Interest rate risk and price risk – regulatory trading book

### QUALITATIVE INFORMATION

*A. General Matters*

The trading book is used to hold debt securities (ordinary and subordinated, structured and plain vanilla), equity instruments, and certificates – listed and non-listed – related to brokerage activities with retail customers.

FinecoBank does not perform proprietary trading and does not assume speculative positions in its books. Entries in the Bank's trading book are recorded against brokerage activities with retail customers particularly during the sale of OTC instruments. Other entries in the trading book are made for the internalisation of various financial instruments when the Bank is a counterparty to the customer. This activity is performed as a result of the options introduced by the MiFID which allow the execution of orders for financial instruments in a number of execution venues including internal execution.

*B. Processes for managing and methods for measuring interest rate risk and price risk*

For both a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyse exposure, please refer to the introduction.

### QUANTITATIVE INFORMATION

**1. Regulatory trading book: distribution by maturity (repricing date) of on-balance sheet financial assets and liabilities and financial derivatives Currency: Euro**

| TYPE/UNEXPIRED TERM | ON DEMAND | UP TO 3 MONTHS | BETWEEN 3 AND 6 MONTHS | BETWEEN 6 MONTHS AND 1 YEAR | BETWEEN 1 AND 5 YEARS | BETWEEN 5 AND 10 YEARS | OVER 10 YEARS | INDEFINITE DURATION |
|---|---|---|---|---|---|---|---|---|
| **1. On-balance sheet assets** | **30** | **-** | **1** | **4** | **2** | **4** | **3** | **-** |
| 1.1 Debt securities | 30 | - | 1 | 4 | 2 | 4 | 3 | - |
| - with earlyredemption option | - | - | - | - | - | - | - | - |
| - other | 30 | - | 1 | 4 | 2 | 4 | 3 | - |
| 1.2 Other assets | - | - | - | - | - | - | - | - |
| **2. On-balance sheet liabilities** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| 2.1 Repos | - | - | - | - | - | - | - | - |
| 2.2 Other liabilities | - | - | - | - | - | - | - | - |
| **3. Financial derivatives** | | | | | | | | |
| 3.1 With underlying security | | | | | | | | |
| - Options | | | | | | | | |
| + Long positions | - | - | - | - | - | - | - | - |
| + Short positions | - | - | - | - | - | - | - | - |
| - Other derivatives | | | | | | | | |
| + Long positions | - | 33,744 | - | - | 6 | 70 | 414 | - |
| + Short positions | - | 32,346 | - | - | 6 | 849 | 685 | - |
| 3.2 Without underlying security | | | | | | | | |
| - Options | | | | | | | | |
| + Long positions | - | - | - | - | - | - | - | - |
| + Short positions | - | - | - | - | - | - | - | - |
| - Other derivatives | | | | | | | | |
| + Long positions | - | 189,521 | 3,540 | 35,056 | - | - | - | - |
| + Short positions | - | 129,335 | 15,250 | 93,817 | - | - | - | - |

Item 3.1 Financial Derivatives with underlying securities - Other Derivatives includes spot contracts for the purchase and sale of securities, other than shares and units of UCITS, to be settled in times established by market practices ("regular way").

Item 3.2 Financial Derivatives without underlying securities - Other Derivatives includes spot contracts for the purchase and sale of foreign currencies, to be settled in times established by market practices ("regular way").

**Currency: US dollar**

| TYPE/UNEXPIRED TERM | ON DEMAND | UP TO 3 MONTHS | BETWEEN 3 AND 6 MONTHS | BETWEEN 6 MONTHS AND 1 YEAR | BETWEEN 1 AND 5 YEARS | BETWEEN 5 AND 10 YEARS | OVER 10 YEARS | INDEFINITE DURATION |
|---|---|---|---|---|---|---|---|---|
| **1. On-balance sheet assets** | **-** | **-** | **-** | **-** | **-** | **-** | **1** | **-** |
| 1.1 Debt securities | - | - | - | - | - | - | 1 | - |
| - with earlyredemption option | - | - | - | - | - | - | - | - |
| - other | - | - | - | - | - | - | 1 | - |
| 1.2 Other assets | - | - | - | - | - | - | - | - |
| **2. On-balance sheet liabilities** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| 2.1 Repos | - | - | - | - | - | - | - | - |
| 2.2 Other liabilities | - | - | - | - | - | - | - | - |
| **3. Financial derivatives** | | | | | | | | |
| 3.1 With underlying security | | | | | | | | |
| - Options | | | | | | | | |
| + Long positions | - | - | - | - | - | - | - | - |
| + Short positions | - | - | - | - | - | - | - | - |
| - Other derivatives | | | | | | | | |
| + Long positions | - | 108,240 | - | - | - | 21 | - | - |
| + Short positions | - | 108,209 | - | - | - | 21 | - | - |
| 3.2 Without underlying security | | | | | | | | |
| - Options | | | | | | | | |
| + Long positions | - | - | - | - | - | - | - | - |
| + Short positions | - | - | - | - | - | - | - | - |
| - Other derivatives | | | | | | | | |
| + Long positions | - | 120,420 | 154 | 47,601 | - | - | - | - |
| + Short positions | - | 121,437 | 3,577 | 38,954 | - | - | - | - |

**Currency: other currencies**

| TYPE/UNEXPIRED TERM | ON DEMAND | UP TO 3 MONTHS | BETWEEN 3 AND 6 MONTHS | BETWEEN 6 MONTHS AND 1 YEAR | BETWEEN 1 AND 5 YEARS | BETWEEN 5 AND 10 YEARS | OVER 10 YEARS | INDEFINITE DURATION |
|---|---|---|---|---|---|---|---|---|
| **1. On-balance sheet assets** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| 1.1 Debt securities | - | - | - | - | - | - | - | - |
| - with earlyredemption option | - | - | - | - | - | - | - | - |
| - other | - | - | - | - | - | - | - | - |
| 1.2 Other assets | - | - | - | - | - | - | - | - |
| **2. On-balance sheet liabilities** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| 2.1 Repos | - | - | - | - | - | - | - | - |
| 2.2 Other liabilities | - | - | - | - | - | - | - | - |
| **3. Financial derivatives** | | | | | | | | |
| 3.1 With underlying security | | | | | | | | |
| - Options | | | | | | | | |
| + Long positions | - | - | - | - | - | - | - | - |
| + Short positions | - | - | - | - | - | - | - | - |
| - Other derivatives | | | | | | | | |
| + Long positions | - | 87 | - | - | 71 | - | 10 | - |
| + Short positions | - | 87 | - | - | 71 | - | 10 | - |
| 3.2 Without underlying security | | | | | | | | |
| - Options | | | | | | | | |
| + Long positions | - | - | - | - | - | - | - | - |
| + Short positions | - | - | - | - | - | - | - | - |
| - Other derivatives | | | | | | | | |
| + Long positions | - | 334,350 | 15,295 | 75,983 | - | - | - | - |
| + Short positions | - | 394,697 | 145 | 24,960 | - | - | - | - |

*The effects of changes in the yield curve on net interest margin arising from instruments in the trading book are negligible. For similar considerations regarding the banking book, see paragraph 2. Banking book: Internal models and other methods of sensitivity analysis.*

# Part E - Information on risks and hedging policies (CONTINUED)

**2. Regulatory trading book: distribution of exposures in equity instruments and share indices for the main stock market countries**

| TYPE OF TRANSACTION/ LISTING INDEX | LISTED | | | | | | |
|---|---|---|---|---|---|---|---|
| | USA | NETHERLANDS | ITALY | GERMANY | CANADA | OTHER | UNLISTED |
| **A. Equity Instruments** | | | | | | | |
| - Long positions | - | - | 3 | 3 | - | 8 | 11 |
| - Short positions | - | - | - | - | - | - | - |
| **B. Unsettled transactions on equity instruments** | | | | | | | |
| - Long positions | 102,809 | 4,040 | 26,976 | 499 | 823 | 305 | - |
| - Short positions | 102,809 | 4,040 | 26,983 | 835 | 823 | 305 | - |
| **C. Other derivatives on equity instruments** | | | | | | | |
| - Long positions | - | - | - | - | - | - | - |
| - Short positions | - | - | - | - | - | - | - |
| **D. Derivatives on share indices** | | | | | | | |
| - Long positions | 6,960 | - | 2,138 | 1,671 | - | 1,135 | - |
| - Short positions | 6,887 | 4 | 2,163 | 1,375 | - | 1,634 | - |

In relation to the lack of speculative activity and as discussed in section 2.1, the positions in equity instruments and equity indices in the regulatory trading book as at December 31, 2014 are negligible and only arise from settlement activities with institutional counterparties on behalf of customers; equally negligible is their impact on operating income, profit (loss) for the year and shareholders' equity.

**3. Regulatory trading book: internal models and other methods of sensitivity analysis**
FinecoBank monitors the VaR of the Trading Book on a weekly basis.
As at December 31, 2014, the daily VaR of the trading book amounted to €73.7 thousand.

## 2.2 Interest rate risk and price risk – banking book

### QUALITATIVE INFORMATION

### *A. General aspects, management processes and measurement methods for interest rate risk and price risk*
Interest rate risk consists of changes in interest rates that are reflected in:
• interest income sources, and thus, the Bank's earnings (cash flow risk);
• the net present value of assets and liabilities, due to their impact on the present value of future cash flows (fair value risk).
In line with the Group approach, FinecoBank measures and monitors interest rate risk daily, within the methodological framework and the corresponding limits or thresholds set by the Parent Company. These relate to the sensitivity of the net interest margin and the economic value.
Interest rate risk has an impact on all owned positions resulting from strategic investment decisions (banking book).
The main sources of interest rate risk can be classified as follows:
• repricing risk - the risk resulting from timing mismatches in maturities and the repricing of the Bank's assets and liabilities; the main features of this risk are:
  - yield curve risk – risk resulting from exposure of the bank's positions to changes in the slope and shape of the yield curve;
  - basis risk – risk resulting from the imperfect correlation in lending and borrowing interest rate changes for different instruments that may also show similar repricing characteristics.
• optionality risk – risk resulting from implicit or explicit options in the Group's banking book positions.

Within the organizational framework described above, the Board of Directors of FinecoBank approves the limits on interest rate risk previously agreed with the Parent Company. These limits are set in terms of VaR (calculated using the methodology described above in relation to the trading book). FinecoBank is responsible for managing the exposure to interest rate risk within the limits assigned.

To assess effects of the change in the interest rate curve on the banking book, scenario analyses are conducted that involve the parallel shifts in the rate curve of +/- 100 bps and +/- 200 bps at weekly intervals. For more details see section *2. Banking book: Internal models and other methods of sensitivity analysis.*

### *B. Fair value hedging activities*
Hedging strategies aimed at complying with interest rate risk limits for the banking portfolio are carried out with unlisted derivative contracts. These derivatives, which are usually interest rate swaps, are the type of contracts most used.
Macro-hedging is generally used, meaning hedges related to the amounts of cash contained in asset or liability portfolios.

### *C. Cash flow hedging activity*
There are currently no cash flow hedges generated by FinecoBank business operations.

### *D. Hedges of foreign investments*
There are currently no hedges of foreign investments within FinecoBank's business operations.

## QUANTITATIVE INFORMATION

### 1. Banking book: distribution by maturity (repricing date) of financial assets and liabilities - Currency: Euro

| TYPE/UNEXPIRED TERM | ON DEMAND | UP TO 3 MONTHS | BETWEEN 3 AND 6 MONTHS | BETWEEN 6 MONTHS AND 1 YEAR | BETWEEN 1 AND 5 YEARS | BETWEEN 5 AND 10 YEARS | OVER 10 YEARS | INDEFINITE DURATION |
|---|---|---|---|---|---|---|---|---|
| **1. On-balance sheet assets** | **1,322,234** | **9,831,952** | **989,437** | **1,421,772** | **2,109,635** | **4,196** | **64** | **-** |
| 1.1 Debt securities | - | 7,890,254 | 26,658 | 1,000,003 | 2,036,215 | - | - | - |
| - with early redemption option | - | - | - | - | - | - | - | - |
| - other | - | 7,890,254 | 26,658 | 1,000,003 | 2,036,215 | - | - | - |
| 1.2 Loans to banks | 1,174,522 | 1,564,897 | 935,208 | 381,458 | - | - | - | - |
| 1.3 Loans to customers | 147,712 | 376,801 | 27,571 | 40,311 | 73,420 | 4,196 | 64 | - |
| - current accounts | 128,503 | 158 | 107 | 196 | 1,277 | - | - | - |
| - other loans | 19,209 | 376,643 | 27,464 | 40,115 | 72,143 | 4,196 | 64 | - |
| - with early redemption option | 3,304 | 19,365 | 16,300 | 25,636 | 67,827 | 4,055 | - | - |
| - other | 15,905 | 357,278 | 11,164 | 14,479 | 4,316 | 141 | 64 | - |
| **2. On-balance sheet liabilities** | **11,878,817** | **1,461,222** | **826,583** | **986,322** | **23,425** | **-** | **-** | **-** |
| 2.1 Deposits from customers | 11,790,497 | 586,653 | 444,592 | 505,039 | 23,425 | - | - | - |
| - current accounts | 11,722,966 | - | - | - | - | - | - | - |
| - other payables | 67,531 | 586,653 | 444,592 | 505,039 | 23,425 | - | - | - |
| - with early redemption option | - | - | - | - | - | - | - | - |
| - other | 67,531 | 586,653 | 444,592 | 505,039 | 23,425 | - | - | - |
| 2.2 Deposits from banks | 88,320 | 874,569 | 381,991 | 81,283 | - | - | - | - |
| - current accounts | 22,652 | - | - | - | - | - | - | - |
| - other payables | 65,668 | 874,569 | 381,991 | 81,283 | - | - | - | - |
| 2.3 Debt securities | - | - | - | 400,000 | - | - | - | - |
| - with early redemption option | - | - | - | - | - | - | - | - |
| - other | - | - | - | 400,000 | - | - | - | - |
| 2.4 Other liabilities | - | - | - | - | - | - | - | - |
| - with early redemption option | - | - | - | - | - | - | - | - |
| - other | - | - | - | - | - | - | - | - |
| **3. Financial derivatives** | | | | | | | | |
| 3.1 With underlying security | | | | | | | | |
| - Options | | | | | | | | |
| + Long positions | - | - | - | - | - | - | - | - |
| + Short positions | - | - | - | - | - | - | - | - |
| - Other derivatives | | | | | | | | |
| + Long positions | - | - | - | - | - | - | - | - |
| + Short positions | - | - | - | - | - | - | - | - |
| 3.2 Without underlying security | | | | | | | | |
| - Options | | | | | | | | |
| + Long positions | - | - | - | - | - | - | - | - |
| + Short positions | - | - | - | - | - | - | - | - |
| - Other derivatives | | | | | | | | |
| + Long positions | 382,500 | 2,534,653 | - | 400,000 | - | - | - | - |
| + Short positions | - | 402,772 | 11,865 | 1,013,489 | 1,889,027 | - | - | - |
| **4. Other off-balance sheet transactions** | | | | | | | | |
| + Long positions | 7,847 | 3,997 | - | - | 537 | - | - | - |
| + Short positions | 3,346 | 8,384 | - | - | 651 | - | - | - |

# Part E - Information on risks and hedging policies (CONTINUED)

**Currency: US dollar**

| TYPE/UNEXPIRED TERM | ON DEMAND | UP TO 3 MONTHS | BETWEEN 3 AND 6 MONTHS | BETWEEN 6 MONTHS AND 1 YEAR | BETWEEN 1 AND 5 YEARS | BETWEEN 5 AND 10 YEARS | OVER 10 YEARS | INDEFINITE DURATION |
|---|---|---|---|---|---|---|---|---|
| **1. On-balance sheet assets** | **262,049** | **145,523** | **24,710** | **19,044** | **41,184** | **41,183** | **-** | **-** |
| 1.1 Debt securities | - | 123,675 | 24,710 | - | 41,183 | 41,183 | - | - |
| - with early redemption option | - | - | - | - | - | - | - | - |
| - other | - | 123,675 | 24,710 | - | 41,183 | 41,183 | - | - |
| 1.2 Loans to banks | 260,042 | - | - | 19,018 | - | - | - | - |
| 1.3 Loans to customers | 2,007 | 21,848 | - | 26 | 1 | - | - | - |
| - current accounts | 1,270 | - | - | - | - | - | - | - |
| - other loans | 737 | 21,848 | - | 26 | 1 | - | - | - |
| - with early redemption option | - | - | - | - | - | - | - | - |
| - other | 737 | 21,848 | - | 26 | 1 | - | - | - |
| **2. On-balance sheet liabilities** | **461,833** | **21,056** | **31,696** | **6,553** | **-** | **-** | **-** | **-** |
| 2.1 Deposits from customers | 461,833 | 21,056 | 6,986 | 6,553 | - | - | - | - |
| - current accounts | 458,625 | - | - | - | - | - | - | - |
| - other payables | 3,208 | 21,056 | 6,986 | 6,553 | - | - | - | - |
| - with early redemption option | - | - | - | - | - | - | - | - |
| - other | 3,208 | 21,056 | 6,986 | 6,553 | - | - | - | - |
| 2.2 Deposits from banks | - | - | - | - | - | - | - | - |
| - current accounts | - | - | - | - | - | - | - | - |
| - other payables | - | - | - | - | - | - | - | - |
| 2.3 Debt securities | - | - | 24,710 | - | - | - | - | - |
| - with early redemption option | - | - | - | - | - | - | - | - |
| - other | - | - | 24,710 | - | - | - | - | - |
| 2.4 Other liabilities | - | - | - | - | - | - | - | - |
| - with early redemption option | - | - | - | - | - | - | - | - |
| - other | - | - | - | - | - | - | - | - |
| **3. Financial derivatives** | | | | | | | | |
| 3.1 With underlying security | | | | | | | | |
| - Options | | | | | | | | |
| + Long positions | - | - | - | - | - | - | - | - |
| + Short positions | - | - | - | - | - | - | - | - |
| - Other derivatives | | | | | | | | |
| + Long positions | - | - | - | - | - | - | - | - |
| + Short positions | - | - | - | - | - | - | - | - |
| 3.2 Without underlying security | | | | | | | | |
| - Options | | | | | | | | |
| + Long positions | - | - | - | - | - | - | - | - |
| + Short positions | - | - | - | - | - | - | - | - |
| - Other derivatives | | | | | | | | |
| + Long positions | 82,366 | 24,710 | 24,710 | - | - | - | - | - |
| + Short positions | - | 24,710 | 24,710 | - | 41,183 | 41,183 | - | - |
| **4. Other off-balance sheet transactions** | | | | | | | | |
| + Long positions | 9,116 | 2,987 | - | - | - | - | - | - |
| + Short positions | 2,649 | 9,116 | - | - | 339 | - | - | - |

### Currency: other currencies

| TYPE/UNEXPIRED TERM | ON DEMAND | UP TO 3 MONTHS | BETWEEN 3 AND 6 MONTHS | BETWEEN 6 MONTHS AND 1 YEAR | BETWEEN 1 AND 5 YEARS | BETWEEN 5 AND 10 YEARS | OVER 10 YEARS | INDEFINITE DURATION |
|---|---|---|---|---|---|---|---|---|
| **1. On-balance sheet assets** | **69,795** | **474** | **42** | **48** | **-** | **-** | **-** | **-** |
| 1.1 Debt securities | - | - | - | - | - | - | - | - |
| - with early redemption option | - | - | - | - | - | - | - | - |
| - other | - | - | - | - | - | - | - | - |
| 1.2 Loans to banks | 68,673 | - | - | 48 | - | - | - | - |
| 1.3 Loans to customers | 1,122 | 474 | 42 | - | - | - | - | - |
| - current accounts | 3 | - | - | - | - | - | - | - |
| - other loans | 1,119 | 474 | 42 | - | - | - | - | - |
| - with early redemption option | - | - | - | - | - | - | - | - |
| - other | 1,119 | 474 | 42 | - | - | - | - | - |
| **2. On-balance sheet liabilities** | **68,268** | **126** | **8** | **-** | **-** | **-** | **-** | **-** |
| 2.1 Deposits from customers | 65,863 | 126 | 8 | - | - | - | - | - |
| - current accounts | 65,863 | - | - | - | - | - | - | - |
| - other payables | - | 126 | 8 | - | - | - | - | - |
| - with early redemption option | - | - | - | - | - | - | - | - |
| - other | - | 126 | 8 | - | - | - | - | - |
| 2.2 Deposits from banks | 2,405 | - | - | - | - | - | - | - |
| - current accounts | 2,405 | - | - | - | - | - | - | - |
| - other payables | - | - | - | - | - | - | - | - |
| 2.3 Debt securities | - | - | - | - | - | - | - | - |
| - with early redemption option | - | - | - | - | - | - | - | - |
| - other | - | - | - | - | - | - | - | - |
| 2.4 Other liabilities | - | - | - | - | - | - | - | - |
| - with early redemption option | - | - | - | - | - | - | - | - |
| - other | - | - | - | - | - | - | - | - |
| **3. Financial derivatives** | | | | | | | | |
| 3.1 With underlying security | | | | | | | | |
| - Options | | | | | | | | |
| + Long positions | - | - | - | - | - | - | - | - |
| + Short positions | - | - | - | - | - | - | - | - |
| - Other derivatives | | | | | | | | |
| + Long positions | - | - | - | - | - | - | - | - |
| + Short positions | - | - | - | - | - | - | - | - |
| 3.2 Without underlying security | | | | | | | | |
| - Options | | | | | | | | |
| + Long positions | - | - | - | - | - | - | - | - |
| + Short positions | - | - | - | - | - | - | - | - |
| - Other derivatives | | | | | | | | |
| + Long positions | - | - | - | - | - | - | - | - |
| + Short positions | - | - | - | - | - | - | - | - |
| **4. Other off-balance sheet transactions** | | | | | | | | |
| + Long positions | 17 | 7 | - | - | - | - | - | - |
| + Short positions | 7 | 17 | - | - | - | - | - | - |

For a description of the effects of a change in interest rates on net interest margin, profit (loss) for the year, shareholders' equity and the results of scenario analysis, see paragraph *2. Banking book: Internal models and other methods of sensitivity analysis.*

# Part E - Information on risks and hedging policies (CONTINUED)

**2. Banking book: internal models and other methods of sensitivity analysis**

The following table provides the results of the analyses conducted.

| CURRENCY | VALUE ANALYSIS (SHIFT + 200 BP) | VALUE ANALYSIS (SHIFT - 200 BP) | VALUE ANALYSIS (SHIFT + 1 BP) | IRVAR* |
|---|---|---|---|---|
| EUR | 14,609 | -15,358 | 74,83 | 351,9 |
| USD | 499 | -505 | 2,51 | 6,7 |
| Other currencies | 113 | -116 | 0,56 | |
| **Total** | **15,221** | **15,979** | **77,91** | **351,3** |

* 1 day holding period, 99% confidence level.

The sensitivity analysis on the value of shareholders' equity, which was conducted assuming a shift of + 200 basis points on the euro interest rate curve, showed an impact of €15,221 thousand. A shift of -200 basis points showed an impact of €15,979 thousand.
The sensitivity analysis on the value of shareholders' equity, which was conducted assuming a shift of + 1 basis point, showed an overall impact of €77.91 thousand.
The interest rate VaR figure for FinecoBank came to approximately €351.3 thousand.
Total VaR, including the Credit Spread Risk component arising from Italian government securities held as investment of liquidity, amounted to €5,613.7 thousand.

## 2.3 Exchange Rate Risk

### QUALITATIVE INFORMATION

*A. General aspects, management processes and measurement methods for exchange rate risk*

As part of its treasury activities, FinecoBank collects funds in foreign currencies, mainly US dollars, through customer current accounts and repos, subsequently investing these funds in bonds, current accounts and time deposits, in the same currency, with the Parent Company.
The impact on the value of balance sheet items is estimated using the Forex VaR indicator.

The VaR of the Bank's positions is not used for the calculation of the Pillar 1 capital requirement because the traditional standardised approach is used. The VaR is only used for management purposes.

*B. Exchange rate risk hedging*

Exchange rate risk is hedged through the matching of assets and liabilities denominated in currency or through spot transactions in foreign currencies. The component of exchange rate risk that contributes to the formation of the overall VaR is usually tied to the temporal mismatch between assets and liabilities in US dollars.

## QUANTITATIVE INFORMATION

### 1. Breakdown by currency of assets, liabilities and derivatives

| | CURRENCIES | | | | | |
|---|---|---|---|---|---|---|
| ITEMS | U.S. DOLLAR | POUND STERLING | SWISS FRANC | YEN | AUSTRALIAN DOLLAR | OTHER CURRENCIES |
| **A. Financial assets** | **533,693** | **38,188** | **28,754** | **146** | **388** | **2,893** |
| A.1 Debt securities | 230,751 | - | - | - | - | - |
| A.2 Equity instruments | 1 | 3 | - | 5 | - | 1 |
| A.3 Loans to banks | 279,060 | 37,200 | 28,503 | 94 | 388 | 2,537 |
| A.4 Loans to customers | 23,881 | 985 | 251 | 47 | - | 355 |
| A.5 Other financial assets | - | - | - | - | - | - |
| **B. Other assets** | **130** | **93** | **-** | **-** | **5** | **64** |
| **C. Financial liabilities** | **521,139** | **37,702** | **28,251** | **100** | **312** | **2,037** |
| C.1 Deposits from banks | - | - | - | 100 | 312 | 1,993 |
| C.2 Deposits from customers | 496,429 | 37,702 | 28,251 | - | - | 44 |
| C.3 Debt securities | 24,710 | - | - | - | - | - |
| C.4 Other financial liabilities | - | - | - | - | - | - |
| **D. Other liabilities** | **14,615** | **204** | **444** | **22** | **1** | **179** |
| **E. Financial derivatives** | | | | | | |
| - Options | | | | | | |
| + Long positions | - | - | - | - | - | - |
| + Short positions | - | - | - | - | - | - |
| - Other derivatives | | | | | | |
| + Long positions | 168,176 | 46,366 | 103,416 | 93,404 | 38,658 | 143,784 |
| + Short positions | 163,968 | 46,902 | 103,503 | 86,911 | 38,813 | 143,672 |
| **Total assets** | **701,999** | **84,647** | **132,170** | **93,550** | **39,051** | **146,741** |
| **Total liabilities** | **699,722** | **84,808** | **132,198** | **87,033** | **39,126** | **145,888** |
| **Difference** | **2,277** | **(161)** | **(28)** | **6,517** | **(75)** | **853** |

The impact of changes in exchange rates are quantified by the daily Forex VaR of the overall portfolio, as described in the following paragraph.

### 2. Internal models and other methods of sensitivity analysis

As at December 31, 2014, the daily Forex VaR of the overall portfolio (banking and trading books) was approximately €132.1 thousand.

# Part E - Information on risks and hedging policies (Continued)

## 2.4 Derivative instruments

*A. Financial derivatives*

### A.1 Regulatory trading book: end of period notional amounts and average

| UNDERLYING ASSET/TYPE OF DERIVATIVE | 12.31.2014 | | 12.31.2013 | |
|---|---|---|---|---|
| | OVER THE COUNTER | CENTRAL COUNTER-PARTIES | OVER THE COUNTER | CENTRAL COUNTER-PARTIES |
| **1. Debt securities and interest rate indexes** | **1,283** | **1,050** | **384** | **115** |
| a) Options | - | - | - | - |
| b) Swaps | - | - | - | - |
| c) Forwards | - | - | - | - |
| d) Futures | - | 1,050 | - | 115 |
| e) Other | 1,283 | - | 384 | - |
| **2. Equity instruments and share indices** | **15,931** | **8,050** | **7,222** | **2,301** |
| a) Options | - | 5 | - | - |
| b) Swaps | - | - | - | - |
| c) Forwards | - | - | - | - |
| d) Futures | - | 8,045 | - | 2,297 |
| e) Other | 15,931 | - | 7,222 | 4 |
| **3. Currencies and gold** | **796,045** | **-** | **529,958** | **-** |
| a) Options | - | - | - | - |
| b) Swaps | - | - | - | - |
| c) Forwards | - | - | - | - |
| d) Futures | 13 | - | - | - |
| e) Other | 796,032 | - | 529,958 | - |
| **4. Commodities** | **-** | **-** | **-** | **-** |
| **5. Other underlying assets** | **-** | **-** | **-** | **-** |
| **Total** | **813,259** | **9,100** | **537,564** | **2,416** |
| **Average amounts** | **568,766** | **7,563** | **349,734** | **1,533** |

Item e) Other OTC derivatives primarily includes CFDs on interest rates, indices and currencies.

### A.2 Banking book: end of period notional amounts and average

#### A.2.1 Hedging instruments

| UNDERLYING ASSET/TYPE OF DERIVATIVE | 12.31.2014 | | 12.31.2013 | |
|---|---|---|---|---|
| | OVER THE COUNTER | CENTRAL COUNTER-PARTIES | OVER THE COUNTER | CENTRAL COUNTER-PARTIES |
| **1. Debt securities and interest rate indexes** | **3,448,938** | **-** | **5,705,390** | **-** |
| a) Options | - | - | - | - |
| b) Swaps | 3,448,938 | - | 5,705,390 | - |
| c) Forwards | - | - | - | - |
| d) Futures | - | - | - | - |
| e) Other | - | - | - | - |
| **2. Equity instruments and share indices** | **-** | **-** | **-** | **-** |
| a) Options | - | - | - | - |
| b) Swaps | - | - | - | - |
| c) Forwards | - | - | - | - |
| d) Futures | - | - | - | - |
| e) Other | - | - | - | - |
| **3. Currencies and gold** | **-** | **-** | **-** | **-** |
| a) Options | - | - | - | - |
| b) Swaps | - | - | - | - |
| c) Forwards | - | - | - | - |
| d) Futures | - | - | - | - |
| e) Other | - | - | - | - |
| **4. Commodities** | **-** | **-** | **-** | **-** |
| **5. Other underlying assets** | **-** | **-** | **-** | **-** |
| **Total** | **3,448,938** | **-** | **5,705,390** | **-** |
| **Average amounts** | **3,452,310** | **-** | **6,331,222** | **-** |

#### A.2.2 Other derivatives

No data to report.

## A.3 Financial derivatives: gross positive fair value – breakdown by product

| TRANSACTION TYPES/UNDERLYINGS | POSITIVE FAIR VALUE | | | |
|---|---|---|---|---|
| | 12.31.2014 | | 12.31.2013 | |
| | OVER THE COUNTER | CENTRAL COUNTER-PARTIES | OVER THE COUNTER | CENTRAL COUNTER-PARTIES |
| **A. Regulatory trading book** | **860** | **60** | **903** | **5** |
| a) Options | - | - | - | - |
| b) Interest rate swaps | - | - | - | - |
| c) Cross currency swaps | - | - | - | - |
| d) Equity swaps | - | - | - | - |
| e) Forwards | - | - | - | - |
| f) Futures | - | 60 | - | 5 |
| g) Other | 860 | - | 903 | - |
| **B. Banking book - hedges** | **19,247** | **-** | **123,143** | **-** |
| a) Options | - | - | - | - |
| b) Interest rate swaps | 19,247 | - | 123,143 | - |
| c) Cross currency swaps | - | - | - | - |
| d) Equity swaps | - | - | - | - |
| e) Forwards | - | - | - | - |
| f) Futures | - | - | - | - |
| g) Other | - | - | - | - |
| **C. Banking book - other derivatives** | **-** | **-** | **-** | **-** |
| a) Options | - | - | - | - |
| b) Interest rate swaps | - | - | - | - |
| c) Cross currency swaps | - | - | - | - |
| d) Equity swaps | - | - | - | - |
| e) Forwards | - | - | - | - |
| f) Futures | - | - | - | - |
| g) Other | - | - | - | - |
| **Total** | **20,107** | **60** | **124,046** | **5** |

## A.4 Financial derivatives: gross negative fair value - breakdown by product

| TRANSACTION TYPES/UNDERLYINGS | NEGATIVE FAIR VALUE | | | |
|---|---|---|---|---|
| | 12.31.2014 | | 12.31.2013 | |
| | OVER THE COUNTER | CENTRAL COUNTER-PARTIES | OVER THE COUNTER | CENTRAL COUNTER-PARTIES |
| **A. Regulatory trading book** | **1,127** | **10** | **548** | **24** |
| a) Options | - | - | - | - |
| b) Interest rate swaps | - | - | - | - |
| c) Cross currency swaps | - | - | - | - |
| d) Equity swaps | - | - | - | - |
| e) Forwards | - | - | - | - |
| f) Futures | - | 10 | - | 24 |
| g) Other | 1,127 | - | 548 | - |
| **B. Banking book - hedges** | **36,993** | **-** | **141,801** | **-** |
| a) Options | - | - | - | - |
| b) Interest rate swaps | 36,993 | - | 141,801 | - |
| c) Cross currency swaps | - | - | - | - |
| d) Equity swaps | - | - | - | - |
| e) Forwards | - | - | - | - |
| f) Futures | - | - | - | - |
| g) Other | - | - | - | - |
| **C. Banking book - other derivatives** | **-** | **-** | **-** | **-** |
| a) Options | - | - | - | - |
| b) Interest rate swaps | - | - | - | - |
| c) Cross currency swaps | - | - | - | - |
| d) Equity swaps | - | - | - | - |
| e) Forwards | - | - | - | - |
| f) Futures | - | - | - | - |
| g) Other | - | - | - | - |
| **Total** | **38,120** | **10** | **142,349** | **24** |

# Part E - Information on risks and hedging policies (Continued)

### A.5 Over the counter financial derivatives – regulatory trading book: notional values, positive and negative gross fair values by counterparty – contracts not covered by clearing agreements

| CONTRACTS NOT INCLUDED IN NETTING AGREEMENT | GOVERNMENTS AND CENTRAL BANKS | OTHER PUBLIC ENTITIES | BANKS | FINANCIAL COMPANIES | INSURANCE COMPANIES | NON-FINANCIAL COMPANIES | OTHER ENTITIES |
|---|---|---|---|---|---|---|---|
| **1. Debt securities and interest rate indexes** | | | | | | | |
| - notional value | - | - | - | - | - | - | 1,283 |
| - positive fair value | - | - | - | - | - | - | 8 |
| - negative fair value | - | - | - | - | - | - | 1 |
| - future exposure | - | - | - | - | - | - | - |
| **2. Equity instruments and share indices** | | | | | | | |
| - notional value | - | - | 537 | - | - | 2 | 15,392 |
| - positive fair value | - | - | 28 | - | - | - | 104 |
| - negative fair value | - | - | 2 | - | - | - | 126 |
| - future exposure | - | - | 54 | - | - | - | 1,539 |
| **3. Currencies and gold** | | | | | | | |
| - notional value | - | - | 603,067 | 5,603 | - | 8,218 | 179,157 |
| - positive fair value | - | - | 524 | 3 | - | 15 | 179 |
| - negative fair value | - | - | 818 | - | - | 3 | 177 |
| - future exposure | - | - | 167 | 50 | - | 73 | 1,561 |
| **4. Other instruments** | | | | | | | |
| - notional value | - | - | - | - | - | - | - |
| - positive fair value | - | - | - | - | - | - | - |
| - negative fair value | - | - | - | - | - | - | - |
| - future exposure | - | - | - | - | - | - | - |

### A.6 Over the counter financial derivatives - regulatory trading book: notional values, positive and negative gross fair values by counterparty – contracts not covered by clearing agreements

No data to report.

### A.7 Over the counter financial derivatives – banking book: notional values, positive and negative gross fair values by counterparty – contracts not covered by clearing agreements

| CONTRACTS NOT INCLUDED IN NETTING AGREEMENT | GOVERNMENTS AND CENTRAL BANKS | OTHER PUBLIC ENTITIES | BANKS | FINANCIAL COMPANIES | INSURANCE COMPANIES | NON-FINANCIAL COMPANIES | OTHER ENTITIES |
|---|---|---|---|---|---|---|---|
| **1. Debt securities and interest rate indexes** | | | | | | | |
| - notional value | - | - | 3,448,938 | - | - | - | - |
| - positive fair value | - | - | 19,247 | - | - | - | - |
| - negative fair value | - | - | 36,993 | - | - | - | - |
| - future exposure | - | - | 13,269 | - | - | - | - |
| **2. Equity instruments and share indices** | | | | | | | |
| - notional value | - | - | - | - | - | - | - |
| - positive fair value | - | - | - | - | - | - | - |
| - negative fair value | - | - | - | - | - | - | - |
| - future exposure | - | - | - | - | - | - | - |
| **3. Currencies and gold** | | | | | | | |
| - notional value | - | - | - | - | - | - | - |
| - positive fair value | - | - | - | - | - | - | - |
| - negative fair value | - | - | - | - | - | - | - |
| - future exposure | - | - | - | - | - | - | - |
| **4. Other instruments** | | | | | | | |
| - notional value | - | - | - | - | - | - | - |
| - positive fair value | - | - | - | - | - | - | - |
| - negative fair value | - | - | - | - | - | - | - |
| - future exposure | - | - | - | - | - | - | - |

### A.8 Over the counter financial derivatives – banking book: notional values, positive and negative gross fair values by counterparty – contracts not covered by clearing agreements
No data to report.

### A.9 OTC financial derivatives - residual life: notional amounts

| UNDERLYING/UNEXPIRED TERM | UP TO 1 YEAR | BETWEEN 1 AND 5 YEARS | OVER 5 YEARS | TOTAL |
|---|---|---|---|---|
| **A. Regulatory trading book** | **797,328** | **-** | **15,931** | **813,259** |
| A.1 Financial derivatives on debt securities and interest rates | 1,283 | - | - | 1,283 |
| A.2 Financial derivatives on equity instruments and share indices | - | - | 15,931 | 15,931 |
| A.3 Financial derivatives on exchange rates and gold | 796,045 | - | - | 796,045 |
| A.4 Financial derivatives on other instruments | - | - | - | - |
| **B. Banking Book** | **1,477,545** | **1,930,210** | **41,183** | **3,448,938** |
| B.1 Financial derivative contracts on debt securities and interest rates | 1,477,545 | 1,930,210 | 41,183 | 3,448,938 |
| B.2 Financial derivatives on equity instruments and share indices | - | - | - | - |
| B.3 Financial derivatives on exchange rates and gold | - | - | - | - |
| B.4 Financial derivatives on other instruments | - | - | - | - |
| **Total December 31, 2014** | **2,274,873** | **1,930,210** | **57,114** | **4,262,197** |
| **Total December 31, 2013** | **3,878,568** | **2,357,164** | **7,222** | **6,242,954** |

### A.10 Over the counter financial derivatives: Counterparty risk/financial risk – Internal models
No data to report.

## B. Credit derivatives
### B.1 Credit derivatives: end of period notional amounts and average
No data to report.

### B.2 Credit derivatives: positive fair value - breakdown by product
No data to report.

### B.3 Credit derivatives: negative fair value - breakdown by product
No data to report.

### B.4 OTC Credit derivatives: gross FV (positive and negative) by counterpart - contracts not in netting agreement
No data to report.

### B.5 OTC Credit derivatives: gross FV (positive and negative) by counterpart – contracts included in netting agreements
No data to report.

### B.6. Credit derivatives residual life: notional amounts
No data to report

### B.7 Credit derivatives: Counterparty risk/financial risk – Internal models
No data to report

## C. Financial and credit derivatives
### C.1 OTC Financial and credit derivatives: net fair values and future exposures by counterparty
No data to report.

# Part E - Information on risks and hedging policies (Continued)

## Section 3 - Liquidity Risk

### QUALITATIVE INFORMATION

### A. General aspects, management processes and measurement methods for liquidity risk

Liquidity risk can be succinctly defined as the risk that the Bank, also due to unexpected future events, is unable to meet its payment obligations or to efficiently match expected cash inflows and outflows. Generally, there are two distinct types of liquidity risk: i) the funding liquidity risk, i.e. the risk that the Bank is unable to meet its payment commitments and obligations in an efficient manner due to its inability to raise funds without jeopardizing its core business and/or its financial situation; and (ii) the market liquidity risk, i.e. the risk that the Bank is unable to sell a financial asset without incurring capital losses due to an illiquid market and/or the timing required to complete the transaction.

To address its exposure to liquidity risk - in terms of both funding liquidity risk and market liquidity risk - the Bank invests the portion of liquidity that according to its internal analyses is less stable (“non-core liquidity”) in liquid assets or assets readily convertible into cash, such as, for example, demand deposits, short-term loans or government bonds that can be used as a source of short-term financing with the central bank.

At the reporting date, there were no “Contingent liquidity and funding needs”, such as, for example, accelerated repayment clauses or the issue of additional guarantees relating to a downgrade of the bank.

#### *The key principles*

“Fineco Liquidity Policy” approved by the Board of Directors of FinecoBank establishes the managerial autonomy of FinecoBank Treasury and sets forth the principles and rules that the Bank applies to both normal and emergency liquidity management in line with the Group liquidity risk management.

#### *Roles and responsibilities*

“Fineco Liquidity Policy” establishes the principles adopted in terms of internal governance, which envisage the involvement of the Finance, Treasury and Risk Management Departments, in line with the Group’s approach.

The operational management of liquidity is carried out by the Finance Department, which ensures effective and efficient management of liquidity in the short and medium/long term, monitoring of liquidity exposure and first-level controls on the management process.
The Risk Control function is responsible for implementing the rules on liquidity risk, the application of selected risk metrics and methodologies and the approval and compliance with risk limits.

To this end, “Fineco Liquidity Policy” explicitly refers to Group rules regarding the implementation of first and second level monitoring, both from a regulatory and management standpoint:
1. Short-term liquidity risk management (operational liquidity), which considers the events that will impact upon the Bank’s liquidity position from 1 day up to one year. The primary objective is to maintain the Bank’s capacity to fulfill its ordinary and extraordinary payment obligations while minimizing the relevant costs.
2. Structural liquidity risk management (structural risk), which considers the events that will impact upon the Bank’s liquidity position over one year. The primary objective is to maintain an adequate ratio between medium/long term liabilities and medium to long-term assets, with a view to avoiding pressures on short-term funding sources (both current and future).
3. Stress tests: Liquidity risk is a low probability, high impact event. Therefore stress testing is a tool to reveal potential vulnerabilities in the Balance Sheet. The Bank uses several scenarios ranging from general market crisis to idiosyncratic crisis, and combinations hereof.

In this context, FinecoBank takes into account all of the assets, liabilities, off-balance sheet positions and present and future events that generate certain or potential cash flows, thereby protecting the Bank from risks related to the transformation of maturity.

#### *Short term liquidity management*

Short-term liquidity management aims at ensuring that the Bank remains in a position to fulfill its cash payment obligations always, whether expected or unexpected, focused on the exposure for the first 12 months.
The Bank calculate also the indicator “Cash Horizon” which is a synthetic indicator of the short term liquidity risk levels; this indicator is monitored through the Operative Maturity Ladder, which measures the cash inflows and outflows affecting the monetary base, with details of the main temporal buckets. The Cash Horizon identifies the number of days after which the Bank is no longer able to meet its contractual obligations as expressed in the operative Maturity Ladder, after having exhausted the available Counterbalancing Capacity (i.e. amount of uncommitted securities accepted as collateral by Central Banks or normally accepted by the market).
The objective of the Bank is to guarantee a cash horizon of at least 3 months.
The Cash Horizon is one of the liquidity metrics included in FinecoBank’s Risk Appetite Framework.

### *Structural liquidity management*
The objective of the Bank's structural liquidity management is to maintain an adequate ratio between medium/long term assets and liabilities (generally over one year), with a view to avoiding pressures on short-term funding sources, both current and future. To this end, FinecoBank adopts a prudent approach to its investments of liquidity, taking into account funding maturities.

### *Liquidity Stress Test*
Stress testing is a risk management technique used to evaluate the potential effects of a specific event on an entity's financial position. As a forward looking tool, liquidity stress testing diagnostics the institution's liquidity risk.

Periodically, the Bank uses scenario analysis to evaluate the impact of simultaneous changes in various risk factors, defining an hypothetical and consistent stress event whose assumptions and size are shared and agreed with the parent company's functions.

### *Behavioural modelling of Assets and Liabilities*
The Group has developed specific behavioural models aimed at estimating the maturity profile of asset and liability items that do not have a contractual maturity; Indeed, what is perceived to be sight maturing in reality shows some stickiness.
More specifically, modelling of assets and liabilities aims to construct a replication profile that best reflects the behavioural characteristics of the items. An example is on demand items: estimates of the maturity profile reflect the perceived stickiness. These behavioural models are developed by the Planning, Finance and Administration function of the Parent Company and validated by the Risk Management function of the Parent Company and FinecoBank.

### *FinecoBank Contingency Liquidity Policy*
A liquidity crisis is a high impact, low probability event. Therefore, a specific crisis-mode operating model, that can be activated effectively in case of crisis according to an approved procedure, has been defined in FinecoBank "Contingency Plan for liquidity risk".

The ability to act in time is essential to minimize the potentially disruptive consequences of a liquidity crisis. The analytics of the Stress tests form a valuable tool to identify the expected consequences and to define up front the most suitable actions in a certain crisis scenario. In combination with Early Warning Indicators (EWI) the Bank may be able to reduce the liquidity effects in the initial stages of a crisis.

FinecoBank "Contingency Plan on liquidity risk" has the objective of ensuring effective interventions starting from the very outset of the liquidity crisis, through the clear identification of individuals, powers, responsibilities, communication, and reporting criteria, with a view of increasing significantly the probability of successfully overcoming the state of emergency. This is achieved through:
- activation of extraordinary liquidity governance and operating model;
- consistent communication both internally and to the Group;
- a set of available mitigating liquidity actions;
- a set of early warning indicators that may point towards a developing crisis.

# Part E - Information on risks and hedging policies (CONTINUED)

## QUANTITATIVE INFORMATION

### 1. Breakdown by contractual residual maturity of financial assets and liabilities
**Currency: Euro**

| ITEM/TIME BRACKETS | ON DEMAND | BETWEEN 1 AND 7 DAYS | BETWEEN 7 AND 15 DAYS | BETWEEN 15 DAYS AND 1 MONTH | BETWEEN 1 AND 3 MONTHS | BETWEEN 3 AND 6 MONTHS | BETWEEN 6 MONTHS AND 1 YEAR | BETWEEN 1 AND 5 YEARS | OVER 5 YEARS | INDEFINITE DURATION |
|---|---|---|---|---|---|---|---|---|---|---|
| **On-balance sheet assets** | **1,322,952** | **299,918** | **237,019** | **294,258** | **1,050,746** | **1,026,798** | **1,136,487** | **6,956,359** | **3,364,672** | **131,851** |
| A.1 Government securities | - | - | - | - | 28,788 | 13,586 | 53,562 | 1,537,501 | 4 | - |
| A.2 Debt securities | 1 | 3,279 | 4,252 | 7,009 | 29,121 | 42,883 | 655,456 | 5,340,039 | 3,360,001 | - |
| A.3 Units in investment funds | 1 | - | - | - | - | - | - | - | - | - |
| A.4 Loans | 1,322,950 | 296,639 | 232,767 | 287,249 | 992,837 | 970,329 | 427,469 | 78,819 | 4,667 | 131,851 |
| - Banks | 1,174,522 | 285,992 | 20,236 | 222,046 | 905,797 | 937,327 | 382,999 | - | - | 131,851 |
| - Customers | 148,428 | 10,647 | 212,531 | 65,203 | 87,040 | 33,002 | 44,470 | 78,819 | 4,667 | - |
| **On-balance sheet liabilities** | **11,882,973** | **314,837** | **54,910** | **92,886** | **998,504** | **828,230** | **1,003,947** | **23,229** | **-** | **-** |
| B.1 Deposits and current accounts | 11,814,714 | 31,190 | 46,781 | 80,104 | 328,730 | 387,155 | 419,381 | 23,229 | - | - |
| - Banks | 87,202 | - | - | - | - | - | - | - | - | - |
| - Customers | 11,727,512 | 31,190 | 46,781 | 80,104 | 328,730 | 387,155 | 419,381 | 23,229 | - | - |
| B.2 Debt securities | - | - | - | - | - | - | 414,536 | - | - | - |
| B.3 Other liabilities | 68,259 | 283,647 | 8,129 | 12,782 | 669,774 | 441,075 | 170,030 | - | - | - |
| **Off-balance sheet transactions** | | | | | | | | | | |
| C.1 Financial derivatives with exchange of capital | | | | | | | | | | |
| - Long positions | - | 42,914 | 3 | - | 1,050 | - | - | 5 | 389 | - |
| - Short positions | - | 46,336 | 108 | - | - | - | - | 5 | 1,439 | - |
| C.2 Financial derivatives without exchange of capital | | | | | | | | | | |
| - Long positions | 101 | 798 | 2,170 | - | 14,175 | 13,952 | 34,451 | - | - | - |
| - Short positions | 69 | - | 24 | - | 16,005 | 12,238 | 37,856 | - | - | - |
| C.3 Deposits and loans to be collected | | | | | | | | | | |
| - Long positions | - | 3,997 | - | - | - | - | - | - | - | - |
| - Short positions | - | - | - | - | - | 3,647 | 350 | - | - | - |
| C.4 Irrevocable commitments to lend funds | | | | | | | | | | |
| - Long positions | - | - | - | - | - | 7,847 | - | 537 | - | - |
| - Short positions | - | 7,847 | - | 537 | - | - | - | - | - | - |
| C.5 Financial guarantees given | - | - | - | - | - | - | - | - | - | - |
| C.6 Financial guarantees received | - | - | - | - | - | - | - | - | - | - |
| C.7 Credit derivatives with exchange of capital | | | | | | | | | | |
| - Long positions | - | - | - | - | - | - | - | - | - | - |
| - Short positions | - | - | - | - | - | - | - | - | - | - |
| C.8 Credit derivatives without exchange of capital | | | | | | | | | | |
| - Long positions | - | - | - | - | - | - | - | - | - | - |
| - Short positions | - | - | - | - | - | - | - | - | - | - |

### Currency: US dollar

| ITEM/TIME BRACKETS | ON DEMAND | BETWEEN 1 AND 7 DAYS | BETWEEN 7 AND 15 DAYS | BETWEEN 15 DAYS AND 1 MONTH | BETWEEN 1 AND 3 MONTHS | BETWEEN 3 AND 6 MONTHS | BETWEEN 6 MONTHS AND 1 YEAR | BETWEEN 1 AND 5 YEARS | OVER 5 YEARS | INDEFINITE DURATION |
|---|---|---|---|---|---|---|---|---|---|---|
| **On-balance sheet assets** | **262,123** | **4,800** | **244** | **1,903** | **15,610** | **26,330** | **20,947** | **123,549** | **82,367** | **-** |
| A.1 Government securities | - | - | - | - | - | - | - | - | 1 | - |
| A.2 Debt securities | - | 97 | - | 162 | 521 | 26,330 | 1,723 | 123,548 | 82,366 | - |
| A.3 Units in investment funds | - | - | - | - | - | - | - | - | - | - |
| A.4 Loans | 262,123 | 4,703 | 244 | 1,741 | 15,089 | - | 19,224 | 1 | - | - |
| - Banks | 260,042 | - | - | - | - | - | 19,198 | - | - | - |
| - Customers | 2,081 | 4,703 | 244 | 1,741 | 15,089 | - | 26 | 1 | - | - |
| **On-balance sheet liabilities** | **461,834** | **3,911** | **942** | **2,855** | **13,390** | **32,563** | **6,608** | **-** | **-** | **-** |
| B.1 Deposits and current accounts | 458,625 | - | - | - | - | - | - | - | - | - |
| - Banks | - | - | - | - | - | - | - | - | - | - |
| - Customers | 458,625 | - | - | - | - | - | - | - | - | - |
| B.2 Debt securities | - | - | - | - | - | 25,539 | - | - | - | - |
| B.3 Other liabilities | 3,209 | 3,911 | 942 | 2,855 | 13,390 | 7,024 | 6,608 | - | - | - |
| **Off-balance sheet transactions** | | | | | | | | | | |
| C.1 Financial derivatives with exchange of capital | | | | | | | | | | |
| - Long positions | - | 119,557 | 13 | - | - | - | - | - | 25 | - |
| - Short positions | - | 116,241 | - | - | - | - | - | - | 25 | - |
| C.2 Financial derivatives without exchange of capital | | | | | | | | | | |
| - Long positions | 250 | 205 | - | - | 750 | 1,430 | 1,278 | - | - | - |
| - Short positions | 240 | - | - | - | 384 | 832 | - | - | - | - |
| C.3 Deposits and loans to be collected | | | | | | | | | | |
| - Long positions | - | 2,987 | - | - | - | - | - | - | - | - |
| - Short positions | - | - | - | - | - | 2,758 | 229 | - | - | - |
| C.4 Irrevocable commitments to lend funds | | | | | | | | | | |
| - Long positions | - | - | - | - | - | - | - | - | - | - |
| - Short positions | - | - | - | - | - | - | - | - | - | - |
| C.5 Financial guarantees given | - | - | - | - | - | - | - | - | - | - |
| C.6 Financial guarantees received | - | - | - | - | - | - | - | - | - | - |
| C.7 Credit derivatives with exchange of capital | | | | | | | | | | |
| - Long positions | - | - | - | - | - | - | - | - | - | - |
| - Short positions | - | - | - | - | - | - | - | - | - | - |
| C.8 Credit derivatives without exchange of capital | | | | | | | | | | |
| - Long positions | - | - | - | - | - | - | - | - | - | - |
| - Short positions | - | - | - | - | - | - | - | - | - | - |

# Part E - Information on risks and hedging policies (CONTINUED)

**Currency: other currencies**

| ITEM/TIME BRACKETS | ON DEMAND | BETWEEN 1 AND 7 DAYS | BETWEEN 7 AND 15 DAYS | BETWEEN 15 DAYS AND 1 MONTH | BETWEEN 1 AND 3 MONTHS | BETWEEN 3 AND 6 MONTHS | BETWEEN 6 MONTHS AND 1 YEAR | BETWEEN 1 AND 5 YEARS | OVER 5 YEARS | INDEFINITE DURATION |
|---|---|---|---|---|---|---|---|---|---|---|
| **On-balance sheet assets** | **69,798** | **-** | **12** | **1** | **459** | **42** | **48** | **-** | **-** | **-** |
| A.1 Government securities | - | - | - | - | - | - | - | - | - | - |
| A.2 Debt securities | - | - | - | - | - | - | - | - | - | - |
| A.3 Units in investment funds | - | - | - | - | - | - | - | - | - | - |
| A.4 Loans | 69,798 | - | 12 | 1 | 459 | 42 | 48 | - | - | - |
| - Banks | 68,673 | - | - | - | - | - | 48 | - | - | - |
| - Customers | 1,125 | - | 12 | 1 | 459 | 42 | - | - | - | - |
| **On-balance sheet liabilities** | **68,268** | **-** | **1** | **-** | **125** | **8** | **-** | **-** | **-** | **-** |
| B.1 Deposits and current accounts | 68,268 | - | - | - | - | - | - | - | - | - |
| - Banks | 2,405 | - | - | - | - | - | - | - | - | - |
| - Customers | 65,863 | - | - | - | - | - | - | - | - | - |
| B.2 Debt securities | - | - | - | - | - | - | - | - | - | - |
| B.3 Other liabilities | - | - | 1 | - | 125 | 8 | - | - | - | - |
| **Off-balance sheet transactions** | | | | | | | | | | |
| C.1 Financial derivatives with exchange of capital | | | | | | | | | | |
| - Long positions | - | 2,859 | 92 | - | - | - | - | 80 | 10 | - |
| - Short positions | - | 2,342 | 3 | - | - | - | - | 80 | 10 | - |
| C.2 Financial derivatives without exchange of capital | | | | | | | | | | |
| - Long positions | 569 | - | - | - | - | - | - | - | - | - |
| - Short positions | 828 | - | - | - | - | - | - | - | - | - |
| C.3 Deposits and loans to be collected | | | | | | | | | | |
| - Long positions | - | 7 | - | - | - | - | - | - | - | - |
| - Short positions | - | - | - | - | - | 7 | - | - | - | - |
| C.4 Irrevocable commitments to lend funds | | | | | | | | | | |
| - Long positions | - | - | - | - | - | 9,132 | - | - | - | - |
| - Short positions | - | 9,132 | - | - | - | - | - | - | - | - |
| C.5 Financial guarantees given | - | - | - | - | - | - | - | - | - | - |
| C.6 Financial guarantees received | - | - | - | - | - | - | - | - | - | - |
| C.7 Credit derivatives with exchange of capital | | | | | | | | | | |
| - Long positions | - | - | - | - | - | - | - | - | - | - |
| - Short positions | - | - | - | - | - | - | - | - | - | - |
| C.8 Credit derivatives without exchange of capital | | | | | | | | | | |
| - Long positions | - | - | - | - | - | - | - | - | - | - |
| - Short positions | - | - | - | - | - | - | - | - | - | - |

### 2. Disclosures about encumbered assets recognised in the Financial Statements

| TYPE | ENCUMBERED | | UNENCUMBERED | | | |
|---|---|---|---|---|---|---|
| | BV | FV | BV | FV | BV 12.31.2014 | BV 12.31.2013 |
| 1. Cash and cash balances | - | X | 5 | X | 5 | 5 |
| 2. Debt securities | 1,659,029 | 1,756,799 | 9,524,895 | 9,815,538 | 11,183,924 | 3,415,774 |
| 3. Equity Instruments | - | - | 30 | 30 | 30 | 28 |
| 4. Loans | 47,606 | X | 5,051,854 | X | 5,099,460 | 13,649,546 |
| 5. Other financial assets | - | X | 27,258 | X | 27,258 | 183,895 |
| 6. Other non-financial assets | - | X | 453,943 | X | 453,943 | 432,949 |
| **Total December 31, 2014** | **1,706,635** | **1,756,799** | **15,057,985** | **9,815,568** | **16,764,620** | **X** |
| **Total December 31, 2013** | **2,030,007** | **2,027,613** | **15,652,190** | **1,477,777** | **X** | **17,682,197** |

### 3. Disclosures about own encumbered assets not recognised in the Financial Statements

| TYPE | ENCUMBERED | UNENCUMBERED | 12.31.2014 | 12.31.2013 |
|---|---|---|---|---|
| 1. Financial assets | 1,447,263 | 2,797,740 | 4,245,003 | 4,208,203 |
| - securities in issue | 1,447,263 | 2,797,740 | 4,245,003 | 4,208,203 |
| - Others | - | - | - | - |
| 2. Other non-financial assets | - | - | - | - |
| **Total December 31, 2014** | **1,447,263** | **2,797,740** | **4,245,003** | **X** |
| **Total December 31, 2013** | **1,752,187** | **2,456,016** | **X** | **4,208,203** |

The “Non encumbered” column in the above table also lists the bonds issued by the Bank and redeemed for a fair value of €2,659,768 thousand (€2,329,626 thousand at December 31, 2013).

No refinancing transactions were carried out with the European Central Bank.

### Assets received as collateral or loaned as part of repos and securities lending

| | 12.31.2014 | 12.31.2013 |
|---|---|---|
| Fair value of securities received as guarantee in repos and securities lending with cash guarantee | 168,717 | 173,381 |
| Fair value of securities received on loan | 1,416,518 | 1,705,195 |
| Of which fair value of the securities delivered through reverse repos and securities lending with cash guarantee | (1,447,261) | (1,752,187) |

# Part E - Information on risks and hedging policies (Continued)

## Section 4 - Operational risk

### QUALITATIVE INFORMATION

#### A. General aspects, operational processes and methods for measuring operational risk

*Operational risk definition*

Operational risk is defined as the risk of losses due to errors, violations, interruptions, or damage caused by internal processes, personnel, systems or by external events. This definition includes legal and compliance risks, but excludes strategic and reputational risk.
For example, losses arising from the following can be defined as operational: internal or external fraud, employment practices and workplace safety, customer claims, product distribution, fines and penalties for regulatory breaches, damage to the Company's physical assets, business disruption and system failures, and management of processes.

*Group operational risk framework*

The recognition, measurement, control and management of operational risk are carried out according to the principles established by Basel II in the "New Basel agreement on Capital" and in line with the "New regulations for the prudential supervision of banks" (Bank of Italy Circular no. 263 of December 27, 2006 as amended), which incorporate instructions on international convergence for the measurement of capital and of capital ratios. These principles and provisions have been set out in the Group Framework for the management of operational risk and adopted in FinecoBank's Operational Risk Manual approved by the Board of Directors.
The methods for classifying data and verifying its completeness, scenario analysis, risk indicators and risk capital reporting and measurement are set by the Group Operational & Reputational Risks department of the Parent Company and applied by FinecoBank in its capacity as a Group Legal Entity. A pivot element of the risk control framework is the operational risk management application, allowing the collection of the data required for operational risk control and capital measurement.
The compliance of the risk control and measurement system with external regulations and Group standards is assessed through an internal validation process, under the responsibility of the Group Internal Validation department of the Parent Company, which is independent from the Group Operational & Reputational Risks department.
FinecoBank has obtained the approval of the Bank of Italy for the use of advanced approaches (AMA) to calculate its capital requirement for operational risk with effect from June 30, 2010.

*Organizational structure*

The Strategic Direction Body is responsible for approving all aspects relating to the Group operational risk framework and verifying the adequacy of the measurement and control system and is regularly updated on changes to the risk profile and operational risk exposure, with support from the appropriate risk committees if required.
In addition to the Strategic Direction Body, the corporate governance structure for operational risk consists of the **Risks Committee** – introduced from June 24, 2009 – which examines all risk issues submitted to it, and approves and validates the internal procedures and operating manuals for operational risk.
The reports produced by Risk Management for the Risks Committee and for the Board of Directors ensure that management and the control bodies are constantly updated on the trend in operational risk within the Bank and can actively intervene in the management and mitigation of the risks. The Chief Risk Officer's participation in the **Products Committee** ensures oversight of the operational risk associated with the Bank's new business activities.
The Operational Risk Management (ORM) team is part of the broader Risk Management office which reports to the Chief Risk Officer of FinecoBank who in turn reports directly to the Managing Director and General Manager.
The main activities carried out by the Risk Management office in terms of operational risk are:
- recognition, classification, validation and reporting of operating losses with consequent identification of problem areas;
- assessment of potential risks through scenario analyses and risk indicators (Key Risk Indicator-KRI);
- monitoring and optimisation of the internal control system;
- policies to mitigate and transfer risk through insurance cover;
- development of an operational risk culture within the Bank;
- generating reports for Senior Management on risk trends.

*Internal validation process*

In compliance with external regulations, the operational risk control and measurement system is subject to an internal validation process established by the Parent Company, in order to verify its compliance with minimum requirements and Group standards. This process is owned by the Pillar 2 Risks and Operational Risk Validation unit, within the Group Internal Validation department.
The use of the Advanced Measurement Approach (AMA) to calculate regulatory capital requires the preparation of an annual report on the management and control system for operational risk by the Operational Risk team. This Annual Report contains a self-assessment of the system and a detailed examination of the governance structure, the process for collecting data on losses, the scenario analyses and internal control system, as well as the operational use of the measurement system.

The Report is submitted to the approval of the Board of Directors and is validated by the Internal Audit department and Group GIV (Group Internal Validation). For 2014, the Internal Audit department and Group GIV confirmed that adequate protection measures are in place for operating risk as well as the adequacy of the existing management and control system.

### *Operational risk management*

Operational risk management consists of the review of processes to reduce the risks found and the management of the related insurance policies, with the identification of the suitable deductibles and limits.
The Risks Committee and the Product Committee, from September 2011, have been joined by a Permanent Work Group (PWG), whose members include the CRO, the Risk Manager and the Organization function aimed at sharing their respective expertise in relation to the projects planned or in under way, new processes and products, or changes to them, and anything else that may affect the Bank's risk profile. The PWG's ultimate objective is to identify and then develop new mitigation measures.
As part of the prevention of operational risk and to control sales channels remotely, the Risk Management office has focused on fraud prevention measures. The development of remote monitoring to prevent fraud has led to the creation of a system called System of Fraud Identification and Analysis (SoFIA). This system enables a larger amount of data and information on individual indicators to be analysed at the same time and enables possible irregularities to be detected on a daily basis through an alert system.
In this way, all of the names put forward to be checked are assessed at the same time with regard to all remote indicators (30 indicators).
On the basis of qualitative and quantitative assessments of these indicators, the assigned staff select any cases that need to be reported to the Network Controls Department, Monitoring and Network Services Department – reporting directly to the Managing Director – for subsequent examination.
Moreover, the Operational Risk team is updated annually on the results of the tests conducted in accordance with the Business Continuity and Disaster Recovery plans.

### *Risk capital measurement and allocation mechanism*

Operational risk is measured internally by means of:
- collecting data on losses;
- monitoring Key Risk Indicators (KRI);
- scenario analysis
- remote control of sales channels

The collection and classification of operating losses is managed by a Group system called Application for Risk Gauging On line (ARGO).
In addition to being used for internal prevention and improvement purposes, the information gathered is also used to calculate Pillar 1 and 2 capital requirements.
In terms of key risk indicators, there are currently 40 risk indicators split into nine control areas (Legal, Claims, Credit Cards, Back Office, PFA, IT systems, Payment Systems, Current Accounts, HR) which the Bank uses to measure its exposure to operational risk. If an indicator shows an irregular value, this may be related to changes in the exposure to operational risk.
Scenario analyses enable FinecoBank's exposure to operational risk, characterised by low frequency but high potential impact, to be estimated. The scenarios are identified by analysing internal losses, external events, risk indicator trends, critical processes, products and risk classes.
The inclusion of the data generated through the analyses of the scenario and of the trend of risk indicators are a forward-looking element of the risk capital calculation model.
Data collection and control is managed at local level, while the management and maintenance of the model to calculate regulatory capital is centralised for all Legal Entities of the Group at the Parent Company.
Risk capital for operational risk used for regulatory purposes as at December 31, 2014, amounted to €61,584 thousand.

### *Risks arising from significant legal disputes*

FinecoBank is involved in individually insignificant legal proceedings over which there is considerable uncertainty regarding the outcome and the amount of possible charges. Where it is possible to reliably estimate the amount of possible charges and the charges are considered likely, provisions have been made in an appropriate amount based on the circumstances and consistent with international accounting standards. Specifically, as a precaution against these obligations and customers' complaints that have not yet resulted in legal proceedings, as at December 31, 2014, FinecoBank had a provision in place for risks and charges of €49,650 thousand.

### *Risks arising from tax disputes and audits*

Risks arising from tax disputes and audits as at December 31, 2014 relate to:
- notice of assessment for the year 2003 containing an objection to the use of tax credits for €2.3 million, in relation to which the bank has appealed to the Supreme Court as it considers its position to be well-founded. The bank has already paid the additional taxes, penalties and interest due. With regard to this dispute, the higher taxes and the penalties have already been recognised in the income statement with a contra entry in the tax provision and the provision for risks and charges. Furthermore, a tax credit for the amount paid has been recognised;
- notice of assessment for the year 2007 containing an objection to the deduction of costs in relation to a foreign subsidiary for €1.6 million; in relation to this assessment, the bank has appealed to the Provincial Tax Commission as it considers the costs in dispute to be deductible. With regard to this dispute, the taxes and penalties have already been recognised in the income statement with a contra entry in the tax provision and the provision for risks and charges;

# Part E - Information on risks and hedging policies (Continued)

- tax audit completed in the year 2013 for the years 2008-2011. The following notices of assessment were received by the Bank:
  - year 2008, with reference to an extraordinary transaction of an acquired company; the bank has appealed to the Provincial Tax Commission of Milan as it considers its position to be well-founded;
  - year 2009, with reference to both the aforementioned extraordinary transaction and to costs deemed to be non-deductible; the bank has applied for a tax settlement to the Revenue Agency of Milan.

With regard to this tax audit a provision has been allocated, in view of a reasonable settlement of the case, which is characterised by notably misleading and specious arguments.

In light of the foregoing, as at December 31, 2014 FinecoBank had in place provisions that adequately reflect the specific circumstances and are in line with international accounting standards; specifically, a tax provision for a total of €10.1 million and a provision for risks and charges of €7.3 million, for penalties and interest.

***Recovery of Banca delle Marche in receivership***

In support of the recovery project for Banca delle Marche presented by Fonspa, the bodies of the receivership requested the intervention of the National Interbank Deposit Guarantee Fund, which FinecoBank participates in according to the amount of deposits covered by the fund. In July 2014, the Fund approved an intervention, conditional on approval of the recovery plan by the Bank of Italy and the related authorisations to the shareholders, as well as the positive outcome of the Shareholders' Meeting of Banca delle Marche in relation to the capital increase and the related subscription requirements and payment. The intervention approved by the fund would involve the issue of a guarantee (enforceable at the end of the eight years established for the recovery of a portfolio of impaired loans) for the maximum amount of €800 million and the assumption of an equity interest for a maximum amount of €100 million, as part of the capital increase of Banca delle Marche (these figures refer to the entire Italian banking system, the cost of which would be allocated to the balance sheets of the individual member banks according to their respective share of the deposits guaranteed). At present the conditions precedent have not yet arisen.

## QUANTITATIVE INFORMATION

Internal operating loss data is the main component used to calculate capital requirements against operational risk. Loss analyses enable the ORM team to make assessments on FinecoBank's exposure to operational risk and to identify any critical areas.
As at December 31, 2014, operating losses recorded in the accounts amounted to €5.5 million.

The main sources of operating losses are shown below by "event type", i.e. by type of event that generated them according to the New Basel II Accord:
- Internal fraud: losses due to unauthorised activities, fraud, embezzlement or infringement of laws, regulations or company directives that involve at least one internal staff member of the bank or a resource hired under an agency contract;
- External fraud: losses owing to fraud, embezzlement or violation of laws by subjects external to the bank;
- employment practices and workplace safety: losses due to actions not compliant with the law or to agreements regarding employment, health and safety, to the payment of compensation for bodily harm, or to cases of discrimination or non-application of equality conditions;
- customers, products and professional practices: losses arising from non-fulfilment of professional obligations towards customers or from the nature or characteristics of the products or services provided;
- damage from external events: losses arising from external events, including natural disasters, acts of terrorism and vandalism;
- business disruption and system failures: losses owing to business disruption and system failures or interruptions;
- process management, execution and delivery: losses due to deficiencies in the completion of transactions or management of processes, as well as losses due to relations with commercial counterparties, vendors and suppliers.

## Section 5 - Other Risks and information

Although the types of risk described above represent the main categories, there are, other types that FinecoBank considers important. In accordance with the provisions of Basel II Pillar 2, FinecoBank – with the support of the Parent Company – has identified other types of risk in addition to the credit, market, operational and liquidity risks described above:

- **Business risk** is defined as adverse, unexpected changes in business volume and/or margins that are not due to credit, market and operational risks. Business risk can result, above all, from a serious deterioration in the market environment, changes in the competitive situation or customer behaviour, as well as changes in the legal framework;
- **Strategic risk** is the risk of suffering potential losses due to decisions or radical changes in the business environment, improper implementation of decisions, lack of responsiveness to changes in the business environment, which result in negative impacts to the risk profile, capital and earnings as well as the overall direction and scope of a bank over the long run;
- **Reputational risk**, which represents the current or future risk of a fall in profits resulting from a negative perception of the Bank's image by Customers, counterparties, shareholders, investors or Supervisory Authorities.

FinecoBank has not included Real Estate Risk within the Bank's scope of risk, because it does not hold significant positions in real estate, nor does it include Financial Investment Risk, as it does not possess large non-speculative financial investments.
Following the identification of the significant risks, the Parent Company establishes the best way to analyse them in qualitative and quantitative terms. The quantitative measurement is carried out by the Parent Company using data sent by FinecoBank and is used to calculate the Internal Capital.
Credit, market, operational and business risks are measured quantitatively by the Parent Company, using:
- economic capital, calculation of the benefit of diversification and aggregation as a component of internal capital (including prudential cushion for model risk and variability of the economic cycle);
- Stress tests.

Internal Capital is the capital set aside as a buffer against the potential losses inherent in the Group's business activities and it takes into consideration all risk types that the Group has identified as measurable in terms of Economic Capital in line with Pillar II requirements.
For control purposes, Internal Capital is calculated quarterly by the Parent Company based on the periodic figures sent by FinecoBank; it is also projected for budgeting purposes.
The multi-dimensional nature of risk makes it necessary to supplement the measurement of economic capital with stress testing, not only in order to estimate losses in certain scenarios, but also to ascertain the impact of their determinants.
The stress test is one of the instruments used control significant risks in order to assess the Bank's vulnerability to "exceptional but plausible" events, providing additional information to the monitoring activities.

Stress testing, in accordance with regulatory requirements, is conducted on the basis of a set of internally defined stress scenarios and is performed at least twice a year by specific Parent Company functions.

### ICAAP - Internal Capital Adequacy Assessment Process

Measuring the risk profile is a fundamental element of the Internal Capital Adequacy Assessment Process under Basel II Pillar 2 (ICAAP).

The Group's approach to ICAAP relies on the definition of the "Risk Governance", as a preliminary requirement, while the process consists of following phases:
- defining the scope and identifying the risks;
- assessing the risk profile;
- risk appetite setting and capital allocation;
- monitoring and reporting.

Capital adequacy is assessed by considering the balance between assumed risks, both Pillar I and Pillar II, and the available capital. With respect to Pillar II, the relevant metric is the Risk Taking Capacity, which is the ratio of available capital (Available Financial Resources - AFR) to Internal Capital.

The main elements of the internal process for determining capital adequacy include the setting and monitoring of the risk appetite. The risk appetite is defined as the level of risk that the Bank is willing to accept for the pursuit of its strategic objectives and business plan, taking into account the interests of its Customers and Shareholders, capital requirements and other requirements.
The main objectives of the risk appetite are:
- Explicitly assessing the risks, and their interconnections at local and Group level, that the Bank decides to assume (or avoid) in a long-term perspective;
- Specifying the types of risk that the Bank intends to assume, setting targets, triggers and limits under both normal operating and stress conditions;
- Ensuring a risk-return profile "ex-ante" consistent with sustainable long-term growth, as defined by the return forecasts of the strategic plan/budget;
- Ensuring that the business developed within the limits of risk tolerance established by the Board of Directors of FinecoBank, in accordance with the applicable national and international regulations;

# Part E - Information on risks and hedging policies (CONTINUED)

• Supporting discussions on future policy options with regard to the risk profile;
• Guiding the vision of internal and external stakeholders towards a risk profile consistent with the strategic plan;
• Providing qualitative descriptions for risks that are difficult to quantify (e.g. strategic, reputational, compliance) to strategically guide the review of processes and the internal control system.

The Risk appetite is defined consistently with FinecoBank business model and local and Group ICAAP. For this reason, the Risk Appetite is incorporated in the budget process.
The risk appetite includes a statement and a set of KPIs. The Statement sets out the Bank's positioning in terms of strategic objectives and associated risk profiles, while the KPIs are designed to quantitatively measure the Bank's in the following categories:
• Risk ownership and positioning, to explicitly specify the main activities of FinecoBank and the Group and their overall risk positioning;
• Regulatory requirements, to include the KPIs required by the Regulatory Authority (e.g., capital requirements, including the Risk Taking Capacity);
• Profitability and risk, to ensure alignment with the budget;
• Control over specific types of risk, to ensure control of all major risks (such as credit, market, operational, liquidity and interest rate risks).
For each of the above mentioned factors, one or more KPIs are identified, in order to quantitatively measure FinecoBank positioning under several respects: absolute values, ratio between comparable measures, sensitivity analysis on defined parameters.

The Targets represent the amount of risk that the Group is willing to take in normal operating conditions in line with its Ambitions. The Targets should be considered as reference thresholds for business development. Triggers are the maximum acceptable deviation from the targets; they are defined to ensure operations under stress within the maximum acceptable level of risk.

Limits are the maximum level of risk that FinecoBank accepts to assume.

The setting of the thresholds is evaluated on a case by case basis, also through managerial decisions by the Board of Directors of FinecoBank, in compliance with the regulatory requirements and of the supervisory bodies and considering the consistency with the Group risk appetite.
The metrics are the subject of regular monitoring and reporting, at least quarterly. The monitoring is respectively carried out by the CRO Department and the CFO Department.

## Glossary

| | |
|---|---|
| **Available financial resources (AFR)** | AFR are the resources that can be used to safeguard the bank from insolvency. The AFR are an economic measure that consider the potential reserves, hybrid debt instruments, IFRS reserves, goodwill and other intangible assets, treasury shares held and the expected profits. |
| **Economic capital** | Capital level that is required to cover the losses that may occur with at a time horizon of one year and a certain probability or confidence level. Economic Capital is a measure of the variability of the Expected Loss of the portfolio and depends on the degree of diversification of the portfolio itself. |
| **Internal Capital** | Represents the amount of capital required to cover potential losses and is required to support the business activities and positions held. Internal Capital is the sum of the aggregated Economic Capital and a cushion that considers the effects of the cycle and model risk. |
| **Cost of Risk** | The ratio between loan loss provisions and loans and receivables with customers. It is one of the indicators of the bank assets' level of risk: the lower the ratio, the less risky the bank assets. |
| **Credit Quality – EL** | EL%= EL/EAD<br>Represents the expected loss as a percentage of the exposure in the event of default (EAD) of the performing portfolio.<br>The perimeter is the customers of the performing portfolio. |
| **Funding** | Provision, in various forms, of the funds necessary to finance business activities or particular financial transactions. |
| **Key Risk Indicators** | The risk indicators are quantitative metrics that reflect exposure to Operational Risks of specific processes or products: the value expressed by an indicator should be related to changes in risk levels. |
| **Model Risk Category** | The MRCs have been introduced at the group level in order to characterize the types of operational loss in more detail. They are obtained from the combination of the seven event types established by Basel II with one or more of products offered to customers. |
| **Banking book** | The set of positions other than those included in the regulatory trading book are recorded in the banking book. |
| **Trading Book** | Positions held for trading are those held intentionally for a subsequent sale in the near term and/or assumed with the intention of benefiting, in the short term, from the differences between buying and selling prices, or other price or interest rate interest variations. |
| **Risk Taking Capacity** | Ratio between Available Financial Resources and Internal Capital.<br>Includes a prudential buffer (cushion). |
| **Sensitivity** | The greater or lesser degree of sensitivity with which certain assets or liabilities react to changes in rates or other reference parameters. |
| **Sensitivity Analysis** | Sensitivity analysis quantifies the change in value of a financial portfolio resulting from an unfavourable change in major risk factors (interest rate, exchange rate, equity) |
| **Value at Risk** | A method used for quantifying risk. It measures potential future losses which will not be exceeded within a specified period and with a specified probability. |
| **RWA - Risk-Weighted Assets** | It is the value of on-balance sheet and off-balance sheet risk-weighted assets on the basis of different weighting factors according to the class in which the exposure is classified and its credit quality. |

# Part F - Shareholders' Equity

# Part F - Shareholders' Equity (Amounts in € thousand)

## Section 1 - Bank's shareholders' equity

### A. QUALITATIVE INFORMATION

The management and allocation of capital, aimed at ensuring that the amount of capital and the related ratios are consistent with the risk profile assumed and comply with regulatory provisions, is carried out at Group level, given that the quality and the amount of capital resources of the individual Group companies are established on the basis of more general Group objectives and under Group management and coordination.

### B. QUANTITATIVE INFORMATION

#### B.1 Bank's shareholders' equity: breakdown

| | 12.31.2014 | 12.31.2013 |
|---|---|---|
| 1. Share capital | 200,070 | 200,070 |
| 2. Share premium reserve | 1,934 | 1,934 |
| 3. Reserves | 198,081 | 127,715 |
| - from profits | 190,923 | 127,715 |
| a) legal | 33,061 | 28,800 |
| b) statutory | - | - |
| c) treasury shares | - | - |
| d) other | 157,862 | 98,915 |
| - other | 7,158 | - |
| 4. Equity instruments | - | - |
| 5. (Treasury shares) | - | - |
| 6. Revaluation reserves | 2,262 | 4,214 |
| - Available-for-sale financial assets | 5,329 | 641 |
| - Property, plant and equipment | - | - |
| - Intangible assets | - | - |
| - Hedging instruments of foreign investments | - | - |
| - Cash flow hedges | - | - |
| - Exchange differences | - | - |
| - Non-current assets classified as held for sale | - | - |
| - Actuarial gains (losses) on defined benefits plans | (3,067) | 3,573 |
| - Revaluation reserves for associates carried at equity | - | - |
| - Special revaluation laws | - | - |
| 7. Net Profit (Loss) for the year | 149,907 | 85,216 |
| **Total** | **552,254** | **419,149** |

#### B.2 Revaluation reserves for available-for-sale financial assets: breakdown

| | 12.31.2014 | | 12.31.2013 | |
|---|---|---|---|---|
| ASSET/AMOUNT | POSITIVE RESERVE | NEGATIVE RESERVE | POSITIVE RESERVE | NEGATIVE RESERVE |
| 1. Debt securities | 5,329 | - | 673 | (32) |
| 2. Equity Instruments | - | - | - | - |
| 3. Units in investment funds | - | - | - | - |
| 4. Loans | - | - | - | - |
| **Total** | **5,329** | **-** | **673** | **(32)** |

### B.3 Revaluation reserves for available-for-sale financial assets: annual changes

| | DEBT SECURITIES | EQUITY INSTRUMENTS | UNITS IN INVESTMENT FUNDS | LOANS |
|---|---|---|---|---|
| **1. Opening balance** | **641** | **-** | **-** | **-** |
| **2. Increases** | **4,863** | **-** | **-** | **-** |
| 2.1 Fair value increases | 4,863 | - | - | - |
| 2.2 Reclassification through profit or loss of negative reserves | - | - | - | - |
| *- from impairment* | - | - | - | - |
| *- from disposal* | - | - | - | - |
| 2.3 Other increases | - | - | - | - |
| **3. Decreases** | **(175)** | **-** | **-** | **-** |
| 3.1 Fair value reductions | (112) | - | - | - |
| 3.2 Impairment losses | - | - | - | - |
| 3.3 Reclassification through profit or loss of positive reserves | (63) | - | - | - |
| *- from disposal* | *(63)* | - | - | - |
| 3.4 Other increases | - | - | - | - |
| **4. Closing balance** | **5,329** | **-** | **-** | **-** |

### B.4 Revaluation Reserve on Defined benefit obligations: annual changes

| | ACTUARIAL GAINS (LOSSES) ON DEFINED BENEFITS PLANS |
|---|---|
| **1. Opening balance** | **3,573** |
| **2. Increases** | **-** |
| 2.1 Fair value increases | - |
| 2.2 Other increases | - |
| **3. Decreases** | **(6,640)** |
| 3.1 Fair value reductions | (6,640) |
| 3.2 Other increases | - |
| **4. Closing balance** | **(3,067)** |

# Section 2 - Own funds and regulatory ratios

## 2.1 Own founds

### *A. Qualitative information*

Own funds are measured on a quarterly basis in accordance with regulatory provisions. The results are reported to the Parent Company's Board of Directors.

Own Funds at December 31, 2014 amounted to €353,133 thousand and were calculated by applying the supervisory regulations in force according to the Basel III regulatory framework.

The Core Tier 1 Capital and the Regulatory capital as at December 31, 2013 were calculated in accordance with the regulatory provisions in force at that time, according to the Basel II regulatory framework.

| | 12.31.2014 | 12.31.2013 |
|---|---|---|
| Common Equity Tier 1 - CET1 (Core Tier 1 Capital for 2013) | 353,133 | 316,008 |
| Additional Tier 1 – AT1 (Tier 1 for 2013) | - | - |
| TIER 2 – T2 (Tier 2 capital for 2013) | - | - |
| **Total Own Funds (Total Regulatory Capital for 2013)** | **353,133** | **316,008** |

In addition, it is noted that the "Disclosure by Institutions" (Pillar III Basel 3), required by Regulation (EU) 575/2013, is published on FinecoBank's website (www.fineco.it).

### *1. Common Equity Tier 1 - CET1*

Common Equity Tier 1 - CET1 consists of the following elements:

- share capital of €200,070 thousand, made up of 606,274,033 ordinary shares of a nominal value of €0.33 each;
- the share premium reserve of €1,934 thousand;
- the legal reserve, the extraordinary reserve and other reserves of €198,081 thousand;
- accumulated other comprehensive income (OCI), which consists of the positive reserve of debt securities issued by central governments of EU member countries, held in the "available-for-sale financial assets" portfolio after December 31, 2009, amounting to €5,329 thousand, and the negative IAS19 Reserve, amounting to €3,067 thousand;
- the share of non-distributed 2014 profits, amounting to €28,604 thousand, calculated on profit for the year 2014, as provided by CRR 575/2013, Article 26.2.

# Part F - Shareholders' Equity (Continued)

The following deductions have been made from Common Equity Tier 1:
• book value of goodwill, net of deferred taxes, amounting to €67,742 thousand;
• other intangible assets, amounting to €8,142 thousand.

Finally, the effects from applying the transitional provisions laid down in Bank of Italy Circular no. 285, concerning own funds, were taken into account; specifically:
• the positive revaluation reserves related to debt securities issued by central governments of EU member countries, held in the "available-for-sale financial assets" portfolio after December 31, 2009, were neutralised for an amount of €5,329 thousand,
• a 100% negative prudential filter was applied for 2014 for an amount of €3,396 thousand, on the IAS19 reserve in order to essentially restore the situation prior to IAS 19.

With regard to defined benefit plans under IAS 19, the entry into force on January 1, 2013 of the amendments (IAS 19R) that prescribe the elimination of the corridor method – with the resulting recognition of the present value of the defined benefit obligation – had an impact on FinecoBank shareholders' equity due to the recognition of net actuarial gains/losses in revaluation reserves, which were not previously recognised, in application of the said method. From a regulatory point of view, the supervisory authority ordered the implementation of a prudential filter designed to neutralize the full impact of these amendments on 2014. As at December 31, 2014 the positive prudential filter amounted to €3,396 thousand.

| | |
|---|---|
| a) Value of liabilities for defined benefits - old IAS 19 | (45,835) |
| b) Value of liabilities for defined benefits - new IAS 19 | (50,734) |
| c) Amount subject to "prudential filter" | (3,067) |

With regard to the indications provided in the Bank of Italy Supervisory Bulletin of December 12, 2013 on transitional own funds provisions, relating to the treatment of unrealised gains and losses from exposures to Central Governments classified as "Available-for-sale Financial Assets (AFS) pursuant to IAS 39, FinecoBank exercised the right, provided in Part Two, Chapter 14, Section II, par. 2, last sentence of Circular no. 285 setting out "Supervisory regulations for banks", to fully neutralize the related unrealised gains and losses recognised after December 31, 2009, limited to the debt securities issued by Central Governments of European Union countries. As at December 31, 2014 the net balance of neutralised capital gains and losses amounted to €5,329 thousand.

### *2. Additional Tier 1 – AT1*
No data to report.

### *3. TIER 2 – T2*
No data to report.

## B. QUANTITATIVE INFORMATION

| | 12.31.2014 | 12.31.2013 |
|---|---|---|
| **A. Common Equity Tier 1 Capital - CET1 before prudential filters** | **430,950** | **397,141** |
| of which CET1 instruments subject to transitional provisions | - | - |
| B. Prudential filters for CET1 (+/-) | - | - |
| **C. CET1 gross of items to be deducted and effects of the transitional regime (A +/- B)** | **430,950** | **397,141** |
| **D. Items to be deducted from CET1** | **75,884** | **77,089** |
| **E. Transitional regime - Impact on CET1 (+/-)** | **(1,933)** | **(4,044)** |
| **F. Total Common Equity Tier 1 -CET1 (C - D +/- E)** | **353,133** | **316,008** |
| **G. Additional Tier 1 - AT1 gross of items to be deducted and effects of the transitional regime** | **-** | **-** |
| of which AT1 instruments subject to transitional provisions | - | - |
| **H. Items to be deducted from AT1** | **-** | **-** |
| **I. Transitional regime - Impact on AT1 (+/-)** | **-** | **-** |
| **L. Total Additional Tier 1 - AT1 (G - H +/- I)** | **-** | **-** |
| **M. Tier 2 - T2 gross of items to be deducted and effects of the transitional regime** | **-** | **-** |
| **of which T2 instruments subject to transitional provisions** | **-** | **-** |
| **N. Items to be deducted from T2** | **-** | **-** |
| **O. Transitional regime - Impact on T2 (+/-)** | **-** | **-** |
| **P. Total Tier 2 - T2 (M - N +/- O)** | **-** | **-** |
| **Q. Total Own Funds (F + L + P)** | **353,133** | **316,008** |

**Reconciliation of Regulatory capital with Carrying amounts**

| | 12.31.2014 | 12.31.2013 |
|---|---|---|
| Share capital, issue-premium reserves and other reserves | 428,688 | 392,927 |
| Accumulated other comprehensive income (OCI) | 2,262 | 4,214 |
| Intangible assets - Goodwill | (67,742) | (69,075) |
| Intangible assets - Other intangible assets | (8,142) | (8,014) |
| Other deferred taxes resulting from temporary differences (amount above the 10% threshold) | - | - |
| Other transitional adjustments to Common Equity Tier 1 Capital | (1,933) | - |
| Other national filters prior to January 1, 2014 | - | (4,044) |
| **Common Equity Tier 1 - CET1 (Core Tier 1 Capital for 2013)** | **353,133** | **316,008** |
| **Additional Tier 1 – AT1 (Tier 1 for 2013)** | **-** | **-** |
| **T1 = CET1 + AT1 (Tier 1 capital for 2013)** | **-** | **-** |
| **TIER 2 – T2 (Tier 2 capital for 2013)** | **-** | **-** |
| **Total Own Funds (Total Regulatory Capital for 2013)** | **353,133** | **316,008** |

The item “Other national filters prior to January 1, 2014” as at December 31, 2013 refers to the amount of prudential filters aimed at neutralizing the amendment introduced with effect from January 1, 2013 (IAS 19R) to the defined benefit plans governed by IAS 19, which resulted in the elimination of the corridor method with subsequent recognition of the present value of the defined benefit, and at completely neutralizing the gains and losses recognised in the revaluation reserves relating to debt securities held in the “Available-for-sale financial assets” portfolio after December 31, 2009, limited only to debt securities issued by Central Governments of EU member countries.

**Changes in Own Funds**

| | 01.01.2014-12.31.2014 | 01.01.2013-12.31.2013 |
|---|---|---|
| **Common Equity Tier 1 - CET1 (Core Tier 1 Capital for 2013)** | | |
| **Beginning of period** | **316,008** | **251,095** |
| **Instruments and Reserves** | | |
| Share capital, issue-premium reserves and other reserves | 7,157 | - |
| Accumulated other comprehensive income (OCI) | (1,952) | 4,214 |
| Profit for the period (net of donations and expected dividends) | 28,604 | 63,209 |
| **Regulatory adjustments** | | |
| Intangible assets - Goodwill | 1,333 | 1,371 |
| Intangible assets - Other intangible assets | (128) | 163 |
| Other transitional adjustments to Common Equity Tier 1 Capital | (1,933) | - |
| Other national filters prior to January 1, 2014 | 4,044 | (4,044) |
| **End of period** | **353,133** | **316,008** |
| **Additional Tier 1 – AT1 (Tier 1 for 2013)** | | |
| **Beginning of period** | **-** | **-** |
| **End of period** | **-** | **-** |
| **TIER 2 – T2 (Tier 2 capital for 2013)** | | |
| **Beginning of period** | **-** | **-** |
| **End of period** | **-** | **-** |
| **Total Own Funds (Total Regulatory Capital for 2013)** | **353,133** | **316,008** |

The opening balance of the Common Equity Tier 1 Capital for the period Jan 1, 2014/Dec 31, 2014 is the Core Tier 1 Capital as at December 31, 2013. The new rules introduced by the CRR are reflected in the changes recorded by capital items in 2014. The changes for the period Jan 1, 2013/Dec 31, 2013 reflect the regulatory amounts on the basis of the legislation in force at that time.

## 2.2 Capital adequacy

## A. QUALITATIVE INFORMATION

As at December 31, 2014, FinecoBank prudential regulatory requirements were determined by applying the current supervisory regulations of the Basel III Traditional Standardised Approach, except for capital requirements for operational risk, which were calculated using Advanced Measurement Approaches.

According to Basel III supervisory regulations, entities that use internal ratings-based approaches for calculating capital requirements for credit risk and Advanced Measurement Approaches for calculating own funds requirements for operational risk must hold, until December 31, 2017, own funds that are at all times equal to or greater than 80% of the Basel I requirements (CRR 575/2013 art. 500), thereby replacing the requirement to supplement the Basel I floor set forth in the previous Bank of Italy regulation (Bank of Italy Circular no. 263).

# Part F - Shareholders' Equity (Continued)

This led to a reduction in capital requirements, which more than offset the elimination of the 25% reduction in capital requirements granted to banks belonging to a banking group under the previous legislation in force until December 31, 2013.
The Bank has made a priority of capital management and allocation on the basis of the risk assumed in order to expand its operations and create value. These activities involve the various planning and control stages and, specifically, the planning, budgeting and monitoring processes (analysis of expected and actual performance, analysis and monitoring of limits, performance analysis and monitoring of capital ratios).
Capital and its allocation are therefore extremely important in defining strategies, since on the one hand it represents the shareholders' investment in the Bank which must be adequately remunerated, on the other hand it is a scarce resource on which there are external limitations imposed by regulatory provisions.
Capital is managed dynamically: the CFO Department prepares the financial plan, monitors capital ratios for regulatory purposes and anticipates the appropriate steps required to achieve goals.
Monitoring refers, on one hand, to both shareholders' equity and the composition of own funds and, on the other hand, to the planning and performance of risk-weighted assets (RWA).

## B. QUANTITATIVE INFORMATION

| | NON WEIGHTED ASSETS | | WEIGHTED ASSETS | |
|---|---|---|---|---|
| CATEGORY/AMOUNT | 12.31.2014 | 12.31.2013 | 12.31.2014 | 12.31.2013 |
| **A. RISK ASSETS** | | | | |
| **A.1 Credit and counterparty risk** | **17,567,110** | **18,756,147** | **1,051,859** | **1,073,917** |
| 1. Traditional standardised approach | 17,567,110 | 18,756,147 | 1,051,859 | 1,073,917 |
| 2. Internal rating method | - | - | - | - |
| 2.1 Basic | - | - | - | - |
| 2.2 Advanced | - | - | - | - |
| 3. Securitisations | - | - | - | - |
| **B. REGULATORY CAPITAL REQUIREMENTS** | | | | |
| **B.1 Credit and counterparty risk** | | | **84,149** | **85,913** |
| **B.2 Risk of adjustment of valuation of credit** | | | **13** | **-** |
| **B.3 Regulatory risk** | | | **-** | **2** |
| **B.4 Market risk** | | | **2,281** | **3,333** |
| 1. Traditional standardised approach | | | 2,281 | 3,333 |
| 2. Internal models | | | - | - |
| 3. Concentration risk | | | - | - |
| **B.5 Operational risk** | | | **61,584** | **64,912** |
| 1. Basic method | | | - | - |
| 2. Traditional standardised approach | | | - | - |
| 3. Advanced measurement approach | | | 61,584 | 64,912 |
| **B.6 Other calculation elements** | | | **-** | **52,288** |
| **B.7 Total prudential requirements** | | | **148,027** | **206,448** |
| **C. RISK ASSETS AND CAPITAL RATIOS** | | | | |
| **C.1 Risk-weighted assets** | | | **1,850,331** | **2,580,595** |
| C.2 Common Equity Tier 1 Capital/Risk-weighted assets (CET1 capital ratio) | | | 19,08% | 12,25% |
| C.3 Tier 1/Risk-weighted assets (Tier 1 capital ratio) | | | 19,08% | 12,25% |
| C.3 Own funds/Risk-weighted assets (Total capital ratio) | | | 19,08% | 12,25% |

Risk-weighted assets have been calculated by multiplying the total of prudential requirements by 12.5 (the inverse of the minimum compulsory coefficient of 8%).

The amounts as at December 31, 2013 were calculated in accordance with the regulatory provisions in force at that time. More specifically, as at December 31, 2013, FinecoBank prudential regulatory requirements were determined by applying the supervisory regulations of the Basel II Traditional Standardised Approach, except for capital requirements for operational risk, which were calculated using advanced approaches. To this end, the Bank supplemented the total capital requirements for the "floor" set by Bank of Italy regulations in force at the time, corresponding to the positive difference between 80% of the capital requirements calculated on the basis of regulations in force as at December 31, 2006, and the sum of capital requirements for credit, counterparty, market and operational risks, calculated using the current supervisory regulations of the Basel II Traditional Standardised Approach.
Item B.6 Other calculation elements, as at December 31, 2013 referred to the floor supplement mentioned above, amounting to €121 million, net of the 25% reduction granted until December 31, 2013 to banks belonging to a banking group, amounting to €69 million (the 25% reduction in capital requirements granted to banks belonging to a banking group was cancelled by Regulation (EU) 575/2013 as of January 1, 2014).

### Exposure to credit and counterparty risk: breakdown by type of portfolio

| PORTFOLIO | 12.31.2014 BASEL III EXPOSURE TO CREDIT AND COUNTERPARTY RISK | 12.31.2014 BASEL III RISK WEIGHED ASSETS | 12.31.2013 BASEL II EXPOSURE TO CREDIT AND COUNTERPARTY RISK | 12.31.2013 BASEL II RISK WEIGHED ASSETS |
|---|---|---|---|---|
| **Exposures subject to the IRB approach** | | | | |
| **Total - IRB approach** | **-** | **-** | **-** | **-** |
| **Exposures subject to the standardised approach** | | | | |
| Exposures to or guaranteed by Central governments and central banks | 1,971,033 | 89,822 | 442,828 | - |
| Exposures to or guaranteed by Public Entities | 14,426,384 | 23,965 | 17,019,549 | 24,456 |
| Exposures to or guaranteed by Regional governments or local authorities | 1 | - | 1 | - |
| Exposures to or guaranteed by Multilateral development banks | 3 | - | 3 | - |
| Exposures to or guaranteed by International organisations | - | - | - | - |
| Exposures to or guaranteed by Companies and other entities | 126,029 | 124,423 | 114,846 | 112,352 |
| Retail exposures | 920,738 | 690,553 | 967,491 | 725,618 |
| Exposures secured by real estate property | 452 | 197 | - | - |
| Exposures in default | 4,242 | 4,290 | 4,685 | 4,751 |
| Exhibitions equity instruments | 5 | 5 | 5 | 5 |
| Other exposures | 118,223 | 118,217 | 206,739 | 206,735 |
| **Total - standardised approach** | **17,567,110** | **1,051,472** | **18,756,147** | **1,073,917** |
| **Risk assets - Credit and counterparty risk** | **17,567,110** | **1,051,472** | **18,756,147** | **1,073,917** |
| **Exposures to central counterparties in the form of pre-financed contributions to the Guarantee Fund** | | **387** | | **-** |
| **Capital requirement - Credit and counterparty risk** | | **84,149** | | **85,913** |

The amounts as at December 31, 2013 were calculated in accordance with the regulatory provisions in force at that time.

### Capital requirement per type of risk and approach adopted

| TYPE OF RISK | APPROACH USED | CAPITAL REQUIREMENTS BASEL III 12.31.2014 | CAPITAL REQUIREMENTS BASEL II 12.31.2013 |
|---|---|---|---|
| 1. On-balance-sheet risk assets | Traditional standardised approach | 51,608 | 46,675 |
| 2. Guarantees issued and commitments to disburse funds | Traditional standardised approach | 3,077 | 3,287 |
| 3. Derivative contracts | Current value approach | 138 | 78 |
| 4. Securities Financing Transactions | CRM - Comprehensive method with regulatory adjustments for volatility | 29,295 | 35,874 |
| **Capital requirements credit and counterparty risk** | | **84,118** | **85,913** |
| **Capital requirements Exposures to central counterparties in the form of pre-financed contributions to the Guarantee Fund** | | **31** | **-** |
| **Market risk** | | | |
| 1. Currency exchange rate risk | Traditional standardised approach | 832 | 1,173 |
| 2. Risk position debt securities | Traditional standardised approach | 1,316 | 1,254 |
| 3. Risk position equity instruments | Traditional standardised approach | 133 | 906 |
| 4. Position risk commodities | Traditional standardised approach | - | - |
| **Capital requirements market risk** | | **2,281** | **3,333** |
| 1. Concentration risk | Traditional standardised approach | - | - |
| **Capital requirements - concentration risk** | | **-** | **-** |
| 1. Risk of adjustment of valuation of credit | Traditional standardised approach | 13 | - |
| **Capital requirements - risk of adjustment of valuation of credit** | | **13** | **-** |
| 1. Settlement risk | Traditional standardised approach | - | 2 |
| **Capital requirements - settlement risk** | | **-** | **2** |
| 1. Advanced measurement approach | Advanced measurement approach | 61,584 | 64,912 |
| **Capital requirements operational risk** | | **61,584** | **64,912** |
| **Supplement for Basel I floor** | | **-** | **121,103** |
| **Reduction for banks belonging to a Banking Group*** | | **-** | **(68,815)** |
| **Total capital requirements** | | **148,027** | **206,448** |

* The 25% reduction in capital requirements granted to banks belonging to a banking group was cancelled by Regulation (EU) 575/2013 as of January 1, 2014.

### 2.3 Minimum ratios established by the Bank

| CAPITAL ADEQUACY INDICATORS | 12.31.2014 | TARGET 2014 | TRIGGER 2014 | LIMIT 2014 |
|---|---|---|---|---|
| Core Tier 1 ratio | 19.08% | 9.00% | 8.00% | 6.00% |
| Total capital ratio | 19.08% | 9.00% | 8.00% | 6.00% |

The Core Tier 1 and Total Capital Ratio respect the limits provided in the Risk Appetite Framework approved by the Board of Directors on April 15, 2014.

# Part G - Business combinations

## Section 1 - Business combinations completed during the year

No information to report.

## Section 2 - Business combinations completed after year-end

No information to report.

## Section 3 - Retrospective adjustments

No information to report.

# Part H - Related-party transactions

# Part H - Related-party transactions (Amounts in € thousand)

Information on the fees paid to key management personnel and on related-party transactions, according to IAS 24, are shown below.

## 1. Details of Top Managers' Compensation

Key management personnel are persons having authority and responsibility for planning, directing, and controlling FinecoBank's activities, directly or indirectly. This category includes Board members and members of the Board of Statutory Auditors, pursuant to requirements of the Bank of Italy Circular no. 262 of December 22, 2005 as amended, as well as the Managing Director and General Manager, the Deputy General Manager/GBS Manager, the Chief Financial Officer, the PFA Network Commercial Manager, the Direct Bank Manager and the Investment & Wealth Management Services Manager. [1]

| | 12.31.2014 | 12.31.2013 |
|---|---|---|
| Fees paid to "Key Management Personnel", Directors | | |
| a) short-term benefits | 5,089 | 2,127 |
| b) post-employment benefits | 258 | 67 |
| *of which: under defined benefit plans* | - | - |
| *of which: under defined contribution plans* | *258* | *67* |
| c) other long-term employee benefits | 6 | - |
| d) termination benefits | - | - |
| e) share-based payments | 2,058 | 292 |
| **TOTAL** | **7,411** | **2,486** |

## 2. Related-Party transactions

With regard to related-party transactions in 2014:

1. two non-standard transactions were carried out with related parties/associated persons, based on the approval of the Board of Directors on March 27, 2014, In particular:
   - a significant transaction, resulting from the change in the liquidity investment policy of FinecoBank with the Parent Company UniCredit, concluded with the subscription of €7,650 million and $250 million in UniCredit bonds issued at market conditions;

   and
   - a minor transaction, concerning the appointment of Mediobanca S.p.A. as sponsor for the admission to the listing of the ordinary shares of the Bank, carried out at market conditions.

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

2. three transactions were carried out with related parties/associated persons, based on the approval of the Board of Directors on April 15, 2014 and the prior favourable opinion of the Audit and Related Parties Committee. Specifically:
   - a minor, non-standard transaction was carried out at market conditions with UniCredit Bank AG concerning the appointment of the mentioned bank as Joint Global Coordinator and Joint Bookrunner in the placement of the Bank's shares for the purpose of the listing; the fees due to the Syndicate were paid by the selling Shareholder;
   - a minor, non-standard transaction was carried out at market conditions, concerning the appointment of Mediobanca as Joint Bookrunner in the placement of the Company's shares for the purpose of the listing; the fees due to the Syndicate were paid by the selling Shareholder;

   and
   - a minor, non-standard transaction, was carried out with UniCredit at non-market conditions, as it was free of charge, concerning the signing of an agreement acknowledging the licence agreement for the "Fineco" trademark;

3. based on the approval of the Board of Directors on June 27, 2014, and the prior favourable opinion of the Audit and Related Parties Committee, an ordinary significant transaction was carried out at market conditions with UniCredit S.p.A., consisting of a framework resolution "Repo transactions with institutional clients, term deposits from retail customers and related use of liquidity", valid until October 31, 2014. The above transaction was approved by the Parent's Related-Parties and Equity Investments Committee with the issue of a non-binding opinion on the matter, in compliance with the current Procedures.

1. As at December 31, 2013, the key managers of the Bank comprised Board members, members of the Board of Statutory Auditors and the Managing Director. As at December 31, 2014, key managers of the Bank also include the Deputy General Manager/GBS Manager, the Chief Financial Officer, the PFA Network Commercial Manager, the Direct Bank Manager and the Investment & Wealth Management Services Manager, as they were identified as key managers by the Board of Directors on March 27, 2014.

4. based on the approval of the Board of Directors on July 15, 2014 and the prior favourable opinion of the Audit and Related Parties Committee. Specifically:

- an ordinary significant transaction was carried out at market conditions with UniCredit S.p.A., relating to the addition to the framework resolution "Repo transactions with institutional clients, term deposits from retail customers and related use of liquidity", already approved by the Board on June 27, 2014, with the following limits: for institutional clients, €900 million in repos and €900 million in term deposits; for retail clients, €800 million in repos, valid until October 31, 2014;
- an ordinary significant transaction was carried out at market conditions with UniCredit S.p.A., represented by a medium to long-term investment in the structural liquidity raised in the period April 1, 2014/June 30, 2014, completed with the subscription of €200 million in UniCredit bonds issued at market conditions.

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

5. based on the approval of the Board of Directors on September 23, 2014 and the prior favourable opinion of the Audit and Related Parties Committee. Specifically:
   - two ordinary significant transactions at market conditions with (i) UniCredit S.p.A., Dab Bank AG and Direktanlage.AT AG, consisting of a "Framework Resolution related to current accounts held with UniCredit Group companies", valid until September 23, 2015; and with UniCredit S.p.A., represented by a medium to long-term investment in the structural liquidity raised in the period July 1, 2014/September 30, 2014, completed with the subscription of €400 million in UniCredit bonds issued at market conditions. For both transactions the Parent's Related-Parties and Equity Investments Committee, asked to issue a non-binding opinion on the matter, gave its approval.

6. based on the approval of the Board of Directors on November 7, 2014 and the prior favourable opinion of the Audit and Related Parties Committee. Specifically:
   - an ordinary significant transaction at market conditions with UniCredit S.p.A., consisting of a Framework Resolution "Repos and Term Deposits with the Parent Bank" (as a renewal of the framework resolution already approved by the Board of Directors on June 27, 2014, supplemented by the Board Directors' meeting of July 15, 2014 and expired October 31, 2014), effective until May 31, 2015 which sets out a maximum amount: (i) for Reverse repos of approximately €2 billion and (ii) for Term Deposits of approximately €2.9 billion.

   Since this transaction was classified for UniCredit as a transaction of "Lesser relevance with a significant amount" under the Global Policy, a 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.

7. based on the approval of the Board of Directors on December 16, 2014 and the prior favourable opinion of the Audit and Related Parties Committee. Specifically:
   - an ordinary transaction of greater materiality at market conditions with UniCredit Bank AG and Mediobanca S.p.A., consisting of framework resolution "Stock Lending Activities with Institutional Clients" valid until October 31, 2015, concerning equity lending transactions with institutional counterparties under which FinecoBank can undertake the above transactions for a maximum amount of approximately €500 million for trading with UniCredit Bank AG and approximately €200 million in trades with Mediobanca S.p.A.; it was approved by the UniCredit's Related-Parties and Equity Investments Committee with the issue of a non-binding opinion on the matter.

During 2014, inter-group 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.

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 detractions, 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

# Part H - Related-party transactions (Continued)

exceptions. In the previous year, 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.

The following statement shows the outstanding assets, liabilities, guarantees and commitments as at December 31, 2014, for each group of related parties pursuant to IAS 24:

| | BALANCES AT DECEMBER 31, 2014 | | | |
|---|---|---|---|---|
| | DIRECTORS, BOARD OF STATUTORY AUDITORS AND KEY MANAGEMENT PERSONNEL | OTHER RELATED PARTIES | TOTAL | % OF CARRYING AMOUNT |
| Financial assets held for trading | - | 29 | 29 | 0.95% |
| Loans and receivables with customers | 17 | 5,447 | 5,464 | 0.79% |
| **Total assets** | **17** | **5,476** | **5,493** | **0.03%** |
| Deposits from banks | - | 480 | 480 | 0.03% |
| Deposits from customers | 1,431 | 15,876 | 17,307 | 0.12% |
| Other liabilities | - | 97 | 97 | 0.04% |
| **Total liabilities** | **1,431** | **16,453** | **17,884** | **0.11%** |
| **Guarantees issued and commitments** | **-** | **-** | **-** | **-** |

The following table sets out the impact of the above transactions with related parties on the main Income Statement items, for each group of related parties.

| | INCOME STATEMENT AS AT DECEMBER 31, 2014 | | | |
|---|---|---|---|---|
| | DIRECTORS, BOARD OF STATUTORY AUDITORS AND KEY MANAGEMENT PERSONNEL | OTHER RELATED PARTIES | TOTAL | % OF CARRYING AMOUNT |
| Interest income and similar revenues | - | 2 | 2 | 0.00% |
| Interest expenses and similar charges | (9) | (13) | (22) | 0.04% |
| Fee and commission revenues | 1 | 28,117 | 28,118 | 6.86% |
| Fee and commission expenses | (1) | (524) | (525) | 0.25% |
| Other administrative expenses | - | (3,922) | (3,922) | 1.88% |
| Other net operating income | 13 | 12 | 25 | 0.03% |
| **Total Income Statement** | **4** | **23,672** | **23,676** | |

With regard to the category "Directors, Board of Statutory Auditors, and key personnel", in application of the special regulations laid down in Article 136 of Legislative Decree 385/93 (Consolidated Law on Banking), the obligations established for persons that perform administrative, management and control functions pursuant to those regulations were unanimously approved by a resolution of the Board of Directors with the favourable vote of all members of the Board of Statutory Auditors, in accordance with Article 136 of said Consolidated Law on Banking.
The category "Directors, Board of Statutory Auditors, and key personnel" includes their dealings with FinecoBank (excluding their fees, which are discussed in point *1. Details of Top Managers' Compensation)* and the Parent Company UniCredit, mainly concerning assets for credit card use, liabilities for funds held by them with the Bank and costs and revenues generated from the aforesaid assets and liabilities.

The "other related parties" category includes:
- close family members of key management personnel (i.e., relatives who could be expected to influence, or be influenced by the party involved);
- companies controlled (or jointly controlled) by, or associated with, "key management personnel" or their close family members;
- associates, and their subsidiaries, of the Parent Company UniCredit;
- shareholders, and their subsidiaries, of the Parent Company UniCredit.

Transactions with "Other related parties", mainly refer to:
- assets for credit card use, liabilities for funds held with the Bank or securities lending transactions guaranteed by sums of money;
- assets for current receivables associated with the provision of financial services, mainly referring to fees for the placement of asset management and insurance products;
- costs and revenues generated from the above assets and liabilities, mainly referring to subscription and management fee and commission income relative to the placement of asset management and insurance products, insurance premiums, and costs related to the appointment of Mediobanca as Joint Bookrunner in the placement of the Bank's shares for the listing.

Amounts as at December 31, 2014 and the income components accrued in 2014 relating to the Parent Company UniCredit and the UniCredit group companies are not included, as they are presented further below.

### Transactions with the parent company and other UniCredit Group companies

| TOTAL TRANSACTIONS WITH UNICREDIT GROUP COMPANIES | 12.31.2014 | % OF CARRYING AMOUNT |
|---|---|---|
| **Assets** | **13,902,470** | **82.93%** |
| Loans and receivables with banks | 13,861,192 | 99.78% |
| Loans and receivables with customers | 14,952 | 2.15% |
| Hedging derivative assets | 19,247 | 100.00% |
| Other assets | 7,079 | 2.17% |
| **Liabilities** | **1,789,817** | **10.68%** |
| Deposits from banks | 1,365,544 | 95.59% |
| Debt securities in issue | 424,710 | 100.00% |
| Hedging derivative liabilities | 36,993 | 100.00% |
| Tax liabilities | (44,243) | n.c. |
| Other liabilities | 6,813 | 2.85% |
| **Guarantees and Commitments** | **256,070** | **56.69%** |
| Guarantees given | 256,070 | 56.69% |
| **Income Statement** | **312,258** | |
| Interest income and similar revenues | 238,075 | 84.32% |
| Interest expenses and similar charges | (4,433) | 8.20% |
| Fee and commission revenues | 90,563 | 22.10% |
| Fee and commission expenses | (5,213) | 2.44% |
| Gains (losses) on financial assets and liabilities held for trading | 1,208 | 4.06% |
| Fair value adjustments in hedge accounting | 7,903 | n.c. |
| Gains (losses) from disposal or repurchase | 483 | n.c. |
| Administrative costs | (16,579) | 5.98% |
| Other net operating income | 251 | 0.35% |

The following table summarizes transactions with UniCredit group companies as at December 31, 2014:

| COMPANY | ASSETS | LIABILITIES | GUARANTEES AND COMMITMENTS | INCOME STATEMENT |
|---|---|---|---|---|
| Unicredit S.p.A. | 13,861,356 | 1,737,979 | 256,070 | 252,382 |
| Unicredit Bank AG | 23,663 | 27,079 | - | 2,582 |
| Unicredit Bank AG Milano | - | 23,429 | - | (17,902) |
| Direktanlage.AT AG | - | - | - | 230 |
| Unicredit Credit Management Bank S.p.A. | - | 56 | - | (82) |
| Unicredit Factoring S.p.A. | - | - | - | 3 |
| Unicredit Leasing S.p.A. | 1 | 1 | - | 447 |
| Localmind S.p.A. | - | - | - | (2) |
| Unicredit Luxemburg Finance SA | - | - | - | 62 |
| Unicredit Business Integrated Solutions S.C.p.A. | 2,494 | 998 | - | (11,716) |
| Pioneer Investment Management SGR p.A. | 1,576 | 244 | - | 10,398 |
| Dab Bank AG | - | - | - | 515 |
| Cordusio Società Fiduciaria per Azioni | 30 | 31 | - | 1 |
| Pioneer Asset Management SA Luxemburg | 13,346 | - | - | 75,334 |
| Unicredit Bank Austria AG | 2 | - | - | 3 |
| Unicredit Bank Czech Republic A.S. | 1 | - | - | 1 |
| Unicredit Bank Hungary ZRT. | 1 | - | - | 1 |
| Unicredit BulBank AD | - | - | - | 1 |
| **TOTAL** | **13,902,470** | **1,789,817** | **256,070** | **312,258** |

# Part H - Related-party transactions (Continued)

The following tables contain a breakdown of the items relating to Assets, Liabilities, Costs and Revenue for each individual Group company.

## Transactions with parent companies

| TRANSACTIONS WITH UNICREDIT S.P.A. | 12.31.2014 |
|---|---|
| **Assets** | **13,861,356** |
| Loans and receivables with banks | 13,837,538 |
| Hedging derivative assets | 19,247 |
| Other assets | 4,571 |
| **Liabilities** | **1,737,979** |
| Deposits from banks | 1,338,465 |
| Debt securities in issue | 424,710 |
| Hedging derivative liabilities | 13,747 |
| Tax liabilities | (44,243) |
| Other liabilities | 5,300 |
| **Guarantees and Commitments** | **256,070** |
| Guarantees given | 256,070 |
| **Income Statement** | **252,382** |
| Interest income and similar revenues | 241,300 |
| Interest expenses and similar charges | (4,412) |
| Fee and commission revenues | 1,044 |
| Fee and commission expenses | (4,400) |
| Fair value adjustments in hedge accounting | 22,742 |
| Gains (losses) from disposal or repurchase | 483 |
| Administrative costs | (4,394) |
| Other net operating income | 19 |

## Transactions with companies controlled by UniCredit S.p.A.

| TRANSACTIONS WITH UNICREDIT BANK AG | 12.31.2014 |
|---|---|
| **Assets** | **23,663** |
| Loans and receivables with banks | 23,654 |
| Other assets | 9 |
| **Liabilities** | **27,079** |
| Deposits from banks | 27,079 |
| **Income Statement** | **2,582** |
| Interest income and similar revenues | 255 |
| Interest expenses and similar charges | (12) |
| Fee and commission revenues | 2,339 |

| TRANSACTIONS WITH UNICREDIT BANK AG, MILAN | 12.31.2014 |
|---|---|
| **Liabilities** | **23,429** |
| Hedging derivative liabilities | 23,246 |
| Other liabilities | 183 |
| **Income Statement** | **(17,902)** |
| Interest income and similar revenues | (3,480) |
| Fee and commission revenues | 571 |
| Fee and commission expenses | (4) |
| Fair value adjustments in hedge accounting | (14,839) |
| Administrative costs | (150) |

| TRANSACTIONS WITH DIREKTANLAGE.AT AG | 12.31.2014 |
|---|---|
| **Income Statement** | **230** |
| Interest expenses and similar charges | (2) |
| Fee and commission revenues | 26 |
| Fee and commission expenses | (87) |
| Gains (losses) on financial assets and liabilities held for trading | 293 |

| TRANSACTIONS WITH UNICREDIT CREDIT MANAGEMENT BANK S.P.A. | 12.31.2014 |
|---|---|
| **Liabilities** | **56** |
| Other liabilities | 56 |
| **Income Statement** | **(82)** |
| Administrative costs | (82) |

| TRANSACTIONS UNICREDIT FACTORING S.P.A. | 12.31.2014 |
|---|---|
| **Income Statement** | **3** |
| Fee and commission revenues | 1 |
| Administrative costs | 2 |

| TRANSACTIONS WITH UNICREDIT LEASING S.P.A. | 12.31.2014 |
|---|---|
| **Assets** | **1** |
| Other assets | 1 |
| **Liabilities** | **1** |
| Other liabilities | 1 |
| **Income Statement** | **447** |
| Interest expenses and similar charges | (2) |
| Fee and commission revenues | 450 |
| Administrative costs | (1) |

| TRANSACTIONS WITH LOCALMIND S.P.A. IN LIQUIDATION | 12.31.2014 |
|---|---|
| **Income Statement** | **(2)** |
| Interest expenses and similar charges | (2) |

| TRANSACTIONS WITH UNICREDIT LUXEMBOURG FINANCE SA | 12.31.2014 |
|---|---|
| **Income Statement** | **62** |
| Interest expenses and similar charges | 62 |

| TRANSACTIONS WITH UNICREDIT BUSINESS INTEGRATED SOLUTIONS S.C.P.A. | 12.31.2014 |
|---|---|
| **Assets** | **2,494** |
| Other assets | 2,494 |
| **Liabilities** | **998** |
| Other liabilities | 998 |
| **Income Statement** | **(11,716)** |
| Fee and commission revenues | 8 |
| Administrative costs | (11,956) |
| Other net operating income | 232 |

| TRANSACTIONS WITH PIONEER INVESTMENT MANAGEMENT SGR P.A. | 12.31.2014 |
|---|---|
| **Assets** | **1,576** |
| Loans and receivables with customers | 1,576 |
| **Liabilities** | **244** |
| Other liabilities | 244 |
| **Income Statement** | **10,398** |
| Fee and commission revenues | 10,598 |
| Fee and commission expenses | (200) |

# Part H - Related-party transactions (Continued)

| TRANSACTIONS WITH DAB BANK AG | 12.31.2014 |
|---|---|
| **Income Statement** | **515** |
| Interest expenses and similar charges | (3) |
| Fee and commission revenues | 72 |
| Fee and commission expenses | (469) |
| Gains (losses) on financial assets and liabilities held for trading | 915 |

| TRANSACTIONS WITH CORDUSIO SOCIETÀ FIDUCIARIA PER AZIONI | 12.31.2014 |
|---|---|
| **Assets** | **30** |
| Loans and receivables with customers | 30 |
| **Liabilities** | **31** |
| Other liabilities | 31 |
| **Income Statement** | **1** |
| Fee and commission revenues | 52 |
| Fee and commission expenses | (53) |
| Administrative costs | 2 |

| TRANSACTIONS WITH PIONEER ASSET MANAGEMENT SA LUXEMBOURG | 12.31.2014 |
|---|---|
| **Assets** | **13,346** |
| Loans and receivables with customers | 13,346 |
| **Income Statement** | **75,334** |
| Fee and commission revenues | 75,334 |

| TRANSACTIONS WITH UNICREDIT BANK AUSTRIA AG | 12.31.2014 |
|---|---|
| **Assets** | **2** |
| Other assets | 2 |
| **Income Statement** | **3** |
| Fee and commission revenues | 3 |

| TRANSACTIONS WITH UNICREDIT BANK CZECH REPUBLIC A.S. | 12.31.2014 |
|---|---|
| **Assets** | **1** |
| Other assets | 1 |
| **Income Statement** | **1** |
| Fee and commission revenues | 1 |

| TRANSACTIONS WITH UNICREDIT BANK HUNGARY ZRT | 12.31.2014 |
|---|---|
| **Assets** | **1** |
| Other assets | 1 |
| **Income Statement** | **1** |
| Fee and commission revenues | 1 |

| TRANSACTIONS WITH UNICREDIT BULBANK AD | 12.31.2014 |
|---|---|
| **Income Statement** | **1** |
| Fee and commission revenues | 1 |

# Part I - Share-based payments

# Part I - Share-based payments (Amounts in € thousand)

**A. QUALITATIVE INFORMATION**

## 1. Description of share-based payments

### 1.1 Outstanding instruments

The Company's Medium & Long Term Incentive Plans for the employees and financial advisors of the Bank include the following types of instruments that involve the award of shares of the Parent Company, UniCredit S.p.A. and the Bank (equity-settled share based payments):

- **Stock Options** allocated to selected Top & Senior Managers and Key Talents and consisting of rights to subscribe UniCredit shares;
- **Performance Stock Options** allocated to selected Top & Senior Managers and Key Talents of the Group and represented by UniCredit share options that the Parent Company undertakes to grant, conditional upon achieving performance targets approved by the Parent Company's Board of Directors;
- **Employee Share Ownership Plan (ESOP)** which offers eligible Bank employees the possibility to buy UniCredit ordinary shares with the advantage of the granting of free ordinary shares ("Free Shares" or rights to receive them) measured on the basis of the shares purchased by each Participant ("Investment Shares") during the "Enrolment Period" . The granting of free ordinary shares is subordinated to vesting conditions (other than market conditions) stated in the Plan Rules.
- **Group Executive Incentive System** that offers eligible Group Executives a variable remuneration for which payment will be made within a maximum of five years. For the first two years, the beneficiaries receive cash payments, while in the subsequent years they receive payment in cash and UniCredit shares, in relation to the achievement of performance targets (other than Market conditions) set in the Plan Rules.
- **Share Plan For Talent**, offering selected personnel free UniCredit ordinary shares that the Parent Company undertakes to grant, conditional upon achieving performance targets set by the Parent Company's Board of Directors.
- **Group Executive Incentive System 2014 (Bonus Pool),** offering selected Executives and relevant personnel identified on the basis of regulatory requirements, a bonus structure consisting of immediate payments (following performance evaluation) and deferred payments in cash and ordinary UniCredit or FinecoBank shares, over a period of 6 years (immediate payment for 1 year and deferred payments for 5 years). This payment structure ensures that bonuses are aligned to shareholders' interests and is subject to malus clauses (which apply in the event that specific profitability, liquidity and capital thresholds are not met both at Group level and at Country/Division level) and clawback clauses (to the extent they are legally applicable) in accordance with the plan rules (both vesting conditions other than market conditions);
- **Stock granting for employees** offering the allocation of free shares of FinecoBank to beneficiaries belonging to Top Management *("2014-2017 Multi-year Plan Top Management")* and to executives and employees of the Bank (other than Top Management) who, in the Bank's opinion, can significantly contribute to the Bank's profitability and sustainability due to their role, skills and potential *("2014 Key People Plan"),*. The shares will be allocated to the respective beneficiaries, once the vesting period has elapsed and satisfaction of the conditions established has been verified, in 4 annual tranches for the *"2014-2017 Multi-year Top Management Plan"* from 2017, and in 3 annual tranches for the *"2014 Key People Plan"* from 2015;
- **Stock granting for personal financial** advisors offering the allocation of free shares of FinecoBank to the network's personal financial advisors, subject to the achievement by the entire network of personal financial advisors of the Bank of a set net sales target for the year *2014 ("2014 PFA Plan")* and for the three-year period 2015–2017 ("2015-2017 PFA Plan"). The shares will be allocated to the respective beneficiaries in 3 annual tranches from 2015 for the *"2014 PFA Plan"* and from 2018 for the *"2015-2017 PFA Plan".*

Shares for employee incentive plans envisaging the allocation of FinecoBank shares will be issued through free capital increases in accordance with Article 2349 of the Italian Civil Code.
Shares for PFA incentive plans envisaging the allocation of FinecoBank shares will be obtained through market purchases in implementation of the Resolution of the Company's Shareholders' meeting pursuant to Article 2357 of the Italian Civil Code.

### 1.2 Measurement model

#### *1.2.1 Stock Options and Performance Stock Options*

The Hull and White Evaluation Model has been adopted to measure the economic value of Stock Options.
This model is based on a trinomial tree price distribution using the Boyle's algorithm and estimates the early exercise probability on the basis of a deterministic model connected to:

- reaching a Market Share Value equal to an exercise price-multiple (M);
- probability of beneficiaries' early exit (E) after the end of the Vesting Period.

No new plans were granted during 2014, but the income statement and balance sheet effects of the plans allocated in previous years were recognised.

#### *1.2.2 Share Plan for Talent*

The economic value of Shares is measured considering the share market price at the grant date less the present value of future dividends, not available to beneficiaries, during the performance period. Parameters are estimated by applying the same model used for Stock Options measurement.
No new plans were granted during 2014, but the income statement and balance sheet effects of the plans allocated in previous years were recognised.

### *1.2.3 Group Executive Incentive System from 2011 to 2013*

The amount of the incentive is determined on the basis of the achievement of quantitative and qualitative goals stated by the plan. In particular, the overall evaluation is expressed as a percentage, from a minimum of 0% to a maximum of 150% (non market vesting conditions). This percentage, adjusted by the application of a risk/opportunity factor – Group Gate – at first payment, multiplied by the incentive determines the actual amount that will be paid to the beneficiary.

The balance-sheet and income statement effects are spread according to the term of the Plans.
No new plans were granted during 2014, but the income statement and balance sheet effects of the plans allocated in previous years were recognised. Details are provided below of the plans whose shares were defined during the current year.

*Group Executive Incentive System 2013 - Shares*

The economic value of the Shares is measured considering the share market price at the grant date less the present value of future dividends during the vesting period.

| | SHARES GRANTED | | |
|---|---|---|---|
| | FIRST INSTALMENT 2016 | SECOND INSTALMENT 2017 | THIRD INSTALMENT 2018 * |
| Bonus Opportunity Economic Value - (Grant Date) | 01.29.2013 | 01.29.2013 | 01.29.2013 |
| Number of Shares - Date of Board resolution | 03.11.2014 | 03.11.2014 | 03.11.2014 |
| Vesting Period Start Date | 01.01.2013 | 01.01.2013 | 01.01.2013 |
| Vesting Period End Date | 12.31.2015 | 12.31.2016 | 12.31.2017 |
| UniCredit Share Market Price [€] | 5.862 | 5.862 | 5.862 |
| Average Economic Value of Vesting conditions [€] | -0.2 | -0.299 | -0.427 |
| **Performance Shares Fair Value per unit at Grant Date [€]** | **5.662** | **5.563** | **5.435** |

* Only for Plans assigned to the Executive Vice Presidents.

### *1.2.4 Group Executive Incentive System 2014 (Bonus Pool)*

The new incentive system 2014 is based on a bonus pool approach, in line with regulatory requirements and market practices; this approach sets out:

- the system's sustainability, by linking it directly to business results and aligning it to relevant risk categories through specific indicators that reflect the risk appetite framework;
- the link between the bonus and our organizational structure, the bonus pool being defined at local level with a further revision at Group level;
- the allocation of bonuses to beneficiaries identified as Executives and other key personnel on the basis of criteria laid down in the Regulation of the European Banking Authority, and to other specific roles, based on local regulatory requirements;
- a structure of payments spread over a period of 6 years (immediate payment for 1 year plus 5 deferred years) and consisting of a mix of cash and shares, aligned with the latest regulatory requirements.

The balance-sheet and income statement effects are spread across the term of the Plan.
The plan was assigned during the current years and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

### *1.2.5 Employee Share Ownership Plan (Piano Let's Share 2014)*

The following tables show the parameters used in relation to free shares (or rights to receive them) connected to the "Employee Share Ownership Plan" approved in 2013, with enrolment period January 2014 - December 2014.
The unit value of the free shares (or the rights to receive them) is measured at the beginning of Enrolment Period according to the price paid by Participants to acquire the first instalment of the Investment Shares on the market.

**Measurement of Free Shares ESOP 2014**

| | FREE SHARES 1ST ENROLMENT PERIOD | FREE SHARES 2ND ENROLMENT PERIOD |
|---|---|---|
| Date of granting of Free Shares to employees | 01.31.2014 | 01.31.2014 |
| Vesting Period Start Date | 01.31.2014 | 07.31.2014 |
| Vesting Period End Date | 01.31.2015 | 07.31.2015 |
| **Free Shares Fair Value per unit [€]** | **5.774** | **5.972** |

All income statement and balance sheet effects related to free shares are booked during the vesting period (except adjustments, according to Plan Rules, that will be booked during the next closing after vesting period).
The UniCredit ordinary shares assigned under this plan are acquired on the market.

# Part I - Share-based payments (Continued)

### *1.2.6 Stock granting for employees*

The economic value of the Shares is measured considering the share market price at the grant date less the present value of future dividends during the vesting period.

**2014 - 2017 Multi-year – Top management Plan**

| | SHARES GRANTED TOP MANAGEMENT | | | |
|---|---|---|---|---|
| | FIRST INSTALMENT 2017 | SECOND INSTALMENT 2018 | THIRD INSTALMENT 2019 | FOURTH INSTALMENT 2020 |
| Bonus Opportunity Economic Value - (Grant Date) | 07.02.2014 | 07.02.2014 | 07.02.2014 | 07.02.2014 |
| Number of Shares - Date of Board resolution | 07.15.2014 | To be defined | To be defined | To be defined |
| Vesting Period Start Date | 07.02.2014 | 07.02.2014 | 07.02.2014 | 07.02.2014 |
| Vesting Period End Date | 12.31.2016 | 12.31.2017 | 12.31.2018 | 12.31.2019 |
| Fineco Share Market Price [€] | 3,7 | To be defined | To be defined | To be defined |
| Average Economic Value of Vesting conditions [€] | -0,27 | To be defined | To be defined | To be defined |
| **Performance Shares Fair Value per unit at Grant Date [€]** | **3,43** | **To be defined** | **To be defined** | **To be defined** |

The balance-sheet and income statement effects are spread according to the term of the Plans.
The plan was assigned during the current years and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

**2014 Key people Plan**

| | SHARES GRANTED KEY PEOPLE | | |
|---|---|---|---|
| | FIRST INSTALMENT 2015 | SECOND INSTALMENT 2016 | THIRD INSTALMENT 2017 |
| Bonus Opportunity Economic Value - (Grant Date) | 07.02.2014 | 07.02.2014 | 07.02.2014 |
| Number of Shares - Date of Board resolution | 07.15.2014 | 07.15.2014 | 07.15.2014 |
| Vesting Period Start Date | 07.02.2014 | 07.02.2014 | 07.02.2014 |
| Vesting Period End Date | 12.31.2014 | 12.31.2015 | 12.31.2016 |
| FinecoBank Share Market Price [€] | 3.7 | 3.7 | 3.7 |
| Average Economic Value of Vesting conditions [€] | 0 | -0.13 | -0.27 |
| **Performance Shares Fair Value per unit at Grant Date [€]** | **3.7** | **3.57** | **3.43** |

The balance-sheet and income statement effects are spread according to the term of the Plans.
The plan was assigned during the current years and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

### *1.2.7 Stock granting for financial advisors*

The economic value of the Shares is measured considering the share market price at the grant date less the present value of future dividends during the vesting period.

## 2014 PFA Plan

The amount of the incentive will be determined on the basis of the achievement of the goals stated by the plan, subject to the Bank's entire network of financial advisors meeting their net sales targets in 2014.
The plan helps align the interests of beneficiaries, shareholders and other stakeholders and implement effective remuneration practices, in accordance with the applicable legislative and regulatory framework.
The plan is subject to access conditions (profitability and capital thresholds) and clawback clauses (as legally applicable) in accordance with the plan rules.

## 2015 - 2017 PFA Plan

The amount of the incentive will be determined on the basis of the achievement of the goals stated by the plan, subject to the Bank's entire network of financial advisors meeting their cumulative net sales targets for the three-year period 2015-2017.
The plan helps align the interests of beneficiaries, shareholders and other stakeholders and implement effective remuneration practices, in accordance with the applicable legislative and regulatory framework.
The plan is subject to access conditions (profitability and capital thresholds) and clawback clauses (as legally applicable) in accordance with the plan rules.

## B. QUANTITATIVE INFORMATION

*2. Annual changes*

**Stock granting**

| ITEMS/NUMBER OF OPTIONS AND EXERCISE PRICE | 12.31.2014 NUMBER OF OPTIONS | 12.31.2014 AVERAGE EXERCISE PRICE | 12.31.2014 AVERAGE MATURITY | 12.31.2013 NUMBER OF OPTIONS | 12.31.2013 AVERAGE EXERCISE PRICE | 12.31.2013 AVERAGE MATURITY |
|---|---|---|---|---|---|---|
| **A. Opening balance** | **-** | **-** | **-** | **-** | **-** | **-** |
| B. Increases | 1,427,240 | - | | - | - | |
| B.1 New issues | 1,427,240 | - | | - | - | |
| B.2 Other increases | - | - | | - | - | |
| C. Decreases | - | - | | - | - | |
| C.1 Cancelled | - | - | | - | - | |
| C.2 Exercised | - | - | | - | - | |
| C.3 Expired | - | - | | - | - | |
| C.4 Other changes | - | - | | - | - | |
| **D. Closing balance** | **1,427,240** | **-** | **June-16** | **-** | **-** | **-** |
| **E. Vested Options at end of period** | **241,700** | **-** | | **-** | **-** | |

The number of shares specified in the above table only refers to plans for which the number of shares allotted to individual beneficiaries has already been defined. The average prices for the year were not included as the Stock Granting only concerns freely granted shares.

# 2. Other information

### Let’s Share for 2015 (ex 2014) - Employee Share Ownership Plan for 2015

In May 2014 the Ordinary Shareholders’ Meeting of UniCredit approved the “UniCredit Group Employee Share Ownership Plan for 2015” (“Let’s Share for 2015”) that offers eligible Group employees the opportunity to purchase UniCredit ordinary shares at favourable conditions, starting from January 2015, in order to strengthen employee loyalty and commitment to achieve the corporate goals.
Let’s Share for 2015 was launched on November 27, 2014 in 12 countries in which the Group operates, including Italy.

Let’s Share for 2015 is a broad based share plan under which:

- during the “Enrolment Periods” (from January 2015 to December 2015 for the first subscription and/or from July 2015 to December 2015 for the second subscription) Participants can buy UniCredit ordinary shares (“Investment Shares”) by means of monthly or one-off contributions (via one instalment in January or July 2015). In case, during this Enrolment Period, a Participant leaves the Plan, he/she will lose the right to receive any free ordinary shares at the end of the Enrolment Period, except for cases of termination of service for reasons permitted by the Plan Rules;
- at the beginning of the Enrolment Period (January 2015/July 2015), each Participant will receive a 25% discount, as “Free Shares”, on the overall amount of shares purchased; the Free Shares will be locked up for one year (“Holding Period” or “Restriction Period”). The Participants will lose the entitlement to the Free Share if, before the end of the holding period, they are no longer an employee of a UniCredit group Company, unless the employment has been terminated for one of the reasons allowed in the Plan Rules;
- during the “Holding Period” (from January 2015 to January 2016 and/or from July 2015 to July 2016), the Participants can sell the Investment Shares purchased at any moment, but they will lose the corresponding Free Shares (or right to receive them).

The Free Shares are qualified as “Equity Settled Share-based Payments” as Participants, according to Plan’s Rules, will receive UniCredit Equity Instruments as consideration for the services rendered to the legal entity where they are employed. The fair value will be measured at the beginning of Enrolment Period according to the price paid by Participants to acquire the first instalment of the Investment Shares on the market.
All Profit and Loss and Net Equity effects related to Let’s Share for 2015 will be booked during the holding period.
Let’s Share for 2015 has had no effect on 2014 Consolidated Financial Statement.

### *Effects on Profit and Loss*

The income statement effects of incentive systems based on Fineco and UniCredit shares are shown below as well as the balance-sheet effects of incentive systems based only on shares of the parent UniCredit.
The income statement impact is determined each year based on the vesting period of the instruments.

# Part I - Share-based payments (Continued)

**Financial statement presentation related to payments based on shares of Fineco and of the Parent Company UniCredit**

| | 12.31.2014 | | 12.31.2013 | |
|---|---|---|---|---|
| | TOTAL | VESTED PLANS | TOTAL | VESTED PLANS |
| Costs | 8,159 | | 465 | |
| - *connected to Equity Settled Plans* | *8,159* | | *465* | |
| Sums paid to UniCredit S.p.A. in relation to vested plans | | 480 | | - |
| Payable due to the UniCredit S.p.A. | 2,025 | | 1,504 | |

# Part L - Segment reporting

The Bank does not provide segment reporting information as its business model provides for a high level of integration among its different activities.
FinecoBank offers its services (banking and investment services) through a network of financial advisors and online and mobile channels, that operate in a coordinated and integrated manner. The fully-comprehensive nature of the services offered allows the Bank to act as a one-stop solution for customers' banking and investment requirements.
This strategy, which is strongly anchored to the customer, means that revenues and margins relative to various products/services (investing, banking and brokerage) are highly interdependent on each other.
This integration approach has also inspired top management in setting company targets and identifying the means to achieve them.
As regards information on revenues from customers by product/service, in view of the above, reference should be made to information in Part C - Information on the income statement of these notes.
FinecoBank mainly targets retail customers in Italy; information concerning geographic segments and the degree of dependency on main customers is therefore considered by top management as not being of material importance for information purposes, and is not therefore disclosed.


FINECOBANK AZIONI
INDIETRO
DATI IN TEMPO REALE - 16:09:53
02 feb 2015
VALORE
4,8100 €
OGGI
0,0380
VAR. %
+0,80%
GRAFICO INTERATTIVO
DETTAGLI
BOOK
ULTIME NEWS
STORICO
ALTRE NOTIZIE
MENU
FINECO
THE NEW BANK
TRADING N.1
FINECO. THE BANK THAT SEMPLIFIES BANKING.

# Reconciliation of condensed accounts to mandatory reporting schedule

# Reconciliation of condensed accounts to mandatory reporting schedule

| ASSETS | 12.31.2014 | 12.31.2013 |
|---|---|---|
| Cash and cash balances = *item 10* | 5 | 5 |
| Financial assets held for trading = *item 20* | 3,054 | 4,700 |
| Loans and receivables with banks = *item 60* | 13,892,197 | 16,330,912 |
| Loans and receivables with customers = *item 70* | 695,594 | 641,250 |
| Financial investments | 1,695,555 | 93,114 |
| *30. Financial assets designated at fair value through profit or loss* | - | *3,199* |
| *40. Available-for-sale financial assets* | *1,695,555* | *89,915* |
| Hedging instruments | 24,274 | 179,265 |
| *80. Hedging derivatives* | *19,247* | *123,143* |
| *90. Changes in fair value of portfolio hedged financial liabilities* | *5,027* | *56,122* |
| Property, plant and equipment = *item 110* | 10,892 | 10,772 |
| Goodwill = item 120. Intangible assets of which: goodwill | *89,602* | *89,602* |
| Other intangible assets = item 120 net of goodwill | 8,142 | 8,014 |
| Tax assets = item 130 | *18,550* | *47,075* |
| *Other assets = item 150* | 326,756 | 256,629 |
| **Total assets** | **16,764,621** | **17,661,338** |

| LIABILITIES AND SHAREHOLDERS' EQUITY | 12.31.2014 | 12.31.2013 |
|---|---|---|
| Deposits from banks = *item 10* | 1,428,568 | 1,648,675 |
| Deposits from customers | 13,914,712 | 12,732,309 |
| 20. Deposits from customers | 13,914,712 | 12,732,309 |
| Debt securities in issue | 424,710 | 2,322,511 |
| 30. Debt securities in issue | 424,710 | 2,322,511 |
| Financial liabilities held for trading = *item 40* | 3,135 | 2,301 |
| Hedging instruments | 46,220 | 178,574 |
| 60. Hedging derivatives | 36,993 | 141,801 |
| 70. Changes in fair value of portfolio hedged financial assets | 9,227 | 36,773 |
| Provisions for risks and charges = *item 120* | 118,031 | 105,421 |
| Tax liabilities = *item 80* | 33,358 | 16,842 |
| Other liabilities | 243,633 | 235,556 |
| *100. Other liabilities* | 238,807 | 231,795 |
| *110. Employee severance pay provision* | 4,826 | 3,761 |
| Shareholders' equity | 552,254 | 419,149 |
| - capital and reserves | *400,085* | *329,719* |
| *160. Reserves* | *198,081* | *127,715* |
| *170. Share premium reserve* | *1,934* | *1,934* |
| *180. Share capital* | *200,070* | *200,070* |
| - revaluation reserves | *2,262* | *4,214* |
| *130. Revaluation reserves of which: Available-for-sale financial assets* | *5,329* | *641* |
| *130. Revaluation reserves actuarial gains (losses) from defined benefit plans* | *(3,067)* | *3,573* |
| - net profit = *item 200* | 149,907 | 85,216 |
| **Total liabilities and shareholders' equity** | **16,764,621** | **17,661,338** |

| INCOME STATEMENT | 2014 | 2013 |
|---|---|---|
| Net interest | 228,247 | 180,278 |
| *30. Net interest margin* | 228,247 | 180,278 |
| Dividends and other income from equity investments | - | - |
| *70. Dividend income and similar revenue* | *4* | *3* |
| *less: dividends from held for trading equity instruments included in item 70* | *(4)* | *(3)* |
| Net fee and commission income = *item 60* | 195,744 | 166,736 |
| *60. Net fee and commission income* | *195,744* | *166,736* |
| Net trading, hedging and fair value income | 29,742 | 28,281 |
| *80. Gains (losses) on financial assets and liabilities held for trading* | *29,720* | *27,937* |
| *+ dividends from held for trading equity instruments (from item 70)* | *4* | *3* |
| *90. Fair value adjustments in hedge accounting* | - | - |
| *110. Gains (losses) on assets and liabilities at fair value through profit and loss* | *18* | *341* |
| Net other expenses/income | (5,719) | (3,013) |
| *190. Other net operating income* | *71,454* | *54,019* |
| *less: other operating income - of which: recovery of costs* | *(77,170)* | *(56,997)* |
| *100. Gains (losses) on disposal and repurchase of: a) loans and receivables* | *49,160* | *52,446* |
| *less: Gains (losses) on disposal and repurchase of: a) impaired loans* | - | - |
| *100. Gains (losses) on disposal and repurchase of: d) financial liabilities* | *(49,163)* | *(52,481)* |
| **OPERATING INCOME** | **448,014** | **372,282** |
| Payroll costs | (69,151) | (63,338) |
| *150. Administrative costs - a) payroll costs* | *(69,151)* | *(63,338)* |
| Other administrative expenses | (208,189) | (174,636) |
| *150. Administrative costs - b) other administrative expenses* | *(208,189)* | *(174,636)* |
| Recovery of expenses | 77,170 | 56,997 |
| *190. Other net operating income - of which: recovery of costs* | *77,170* | *56,997* |
| Amortization, depreciation and impairment losses on intangible and tangible assets | (8,809) | (8,081) |
| *170. Impairment/write-backs on property, plant and equipment* | *(4,036)* | *(3,424)* |
| *180. Impairments/write-backs on intangible assets* | *(4,773)* | *(4,657)* |
| **Operating costs** | **(208,979)** | **(189,058)** |
| **OPERATING PROFIT (LOSS)** | **239,035** | **183,224** |
| Net impairment losses on loans and provisions for guarantees and commitments | (4,596) | (9,160) |
| *+ Gains (losses) on disposal or repurchase of: a) impaired loans (from item 100 a))* | - | - |
| *130. Impairment losses/write-backs on: a) loans and receivables* | *(3,224)* | *(3,275)* |
| *130. Impairment losses/write-backs on: d) other financial assets* | *(1,372)* | *(5,885)* |
| **NET OPERATING PROFIT (LOSS)** | **234,439** | **174,064** |
| Provisions for risks and charges | (4,705) | (12,125) |
| *160. Provisions for risks and charges* | *(4,705)* | *(12,125)* |
| Net income from investments | (4) | (6) |
| *240. Gains (losses) on disposal of investments* | *(4)* | *(6)* |
| **PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS** | **229,730** | **161,933** |
| Income tax for the period | (79,823) | (76,717) |
| *260. Tax expense (income) related to profit or loss from continuing operations* | *(79,823)* | *(76,717)* |
| **PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS** | **149,907** | **85,216** |
| **NET PROFIT (LOSS) FOR THE PERIOD** | **149,907** | **85,216** |


# FINECO CENTERS
## AND ADVISORS AT YOUR DISPOSAL

**FINECO. THE BANK THAT SEMPLIFIES BANKING.**

# Certification of Annual Financial Statements pursuant to Article 81-ter of Consob Regulation no. 11971 of May 14, 1999 and subsequent amendments

# Certification of Annual Financial Statements pursuant to Article 81-ter of Consob Regulation no. 11971 of May 14, 1999 and subsequent amendments

1. The undersigned, Alessandro Foti, as Managing Director and General Manager of FinecoBank S.p.A., and Lorena Pelliciari, as Nominated Official in charge of drawing up the Company Accounts of FinecoBank S.p.A, taking into account the provisions of Article 154-bis, par. 3 and 4 of Italian Legislative Decree 58 of February 24, 1998, do hereby certify:
   - the adequacy in relation to the Company's features and
   - the actual application

   of the administrative and accounting procedures used in the preparation of the financial statements for the year ended December 31, 2014.

2. The adequacy of the administrative and accounting procedures employed to draw up the financial statements for the year has been evaluated by applying a model defined by the UniCredit Group, in accordance with the "Internal Control - Integrated Framework (CoSO)" and the "Control Objective for IT and Related Technologies (Cobit)", which are international commonly accepted standards for the internal control system and for financial reporting.

3. The undersigned also certify that:

3.1 The Annual Report and Accounts:

a) were prepared in compliance with applicable international accounting standards recognised by the European Community pursuant to European Parliament and Council Regulation 1606/2002 of July 19, 2002;

b) correspond to the results of the books and accounting records;

c) are suitable to provide an accurate representation of the financial position and performance of the issuer;

3.2. the Directors' Report on operations contains a reliable operating and financial review of the issuer, as well as the description of its exposure to the main risks and uncertainties.

Milan, March 10, 2015

FinecoBank S.p.A
The Managing Director and
General Manager
Alessandro Foti

FinecoBank S.p.A.
The Manager Responsible for Preparing
the Company's Financial Reports
Lorena Pelliciari


# INNOVATION AND GROWTH

**FINECO. THE BANK THAT SEMPLIFIES BANKING.**

# Report of the External Auditors

Deloitte & Touche S.p.A.
Via Tortona, 25
20144 Milano
Italia

Tel: +39 02 83322111
Fax: +39 02 83322112
www.deloitte.it

# AUDITORS' REPORT PURSUANT TO ART. 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

**To the Shareholders of**
**FINECOBANK BANCA FINECO S.p.A.**

1. We have audited the financial statements of FinecoBank Banca Fineco S.p.A. which comprise the balance sheet as of December 31, 2014, and the income statement, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and the related explanatory notes. These financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005 are the responsibility of the Directors of FinecoBank Banca Fineco S.p.A. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

   The financial statements present for comparative purposes prior year data. As explained in the notes to the financial statements, the Directors have reclassified certain comparative data related to the prior year's financial statements with respect to the data previously reported and audited by us, on which we issued auditors' report dated March 28, 2014. We have examined the methods used to reclassify the comparative data and the related disclosures included in the notes to the financial statements for the purposes of expressing our opinion on the financial statements as of December 31, 2014.

3. In our opinion, the financial statements give a true and fair view of the financial position of FinecoBank Banca Fineco S.p.A. as of December 31, 2014, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005.

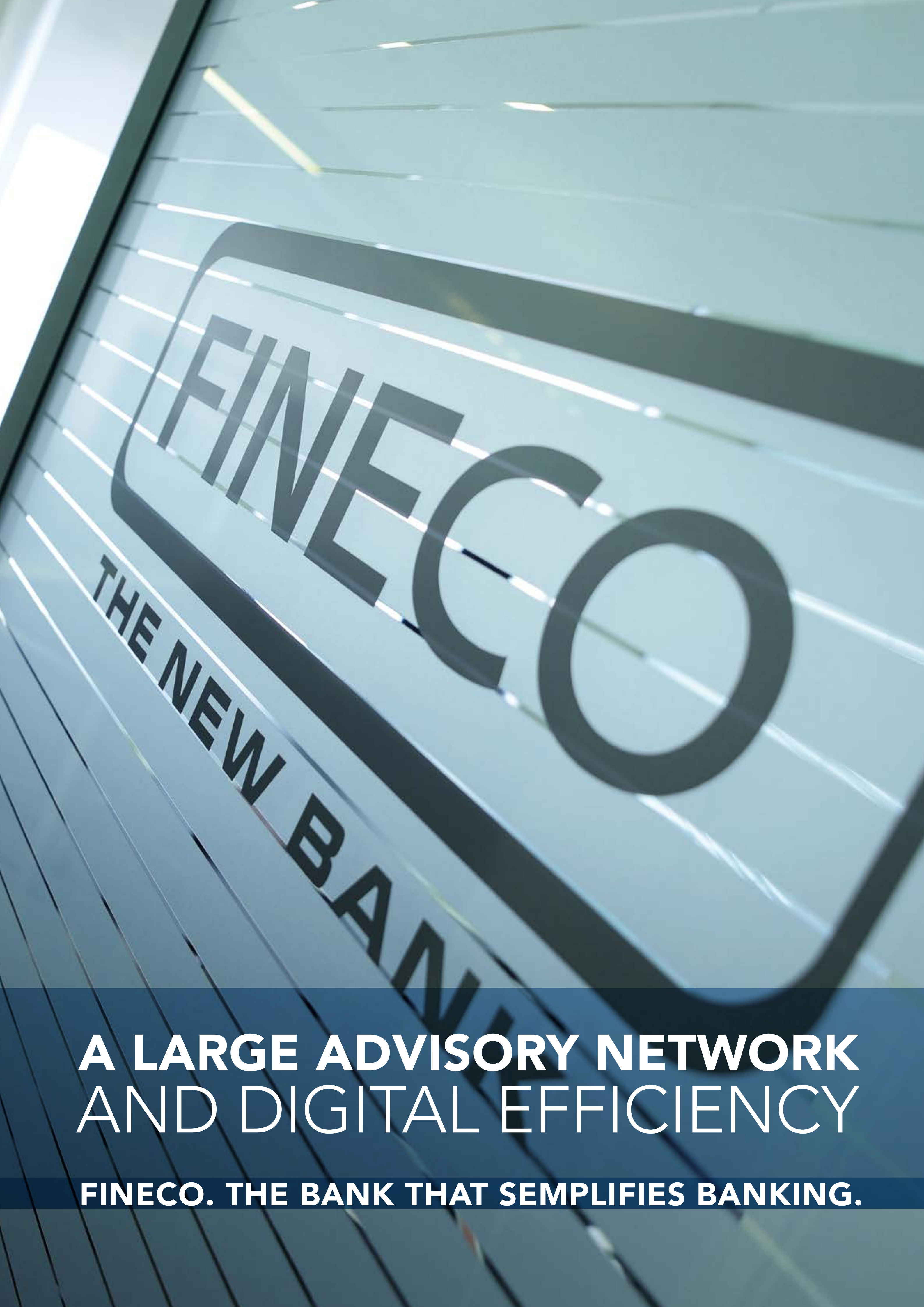
4. The Directors of FinecoBank Banca Fineco S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and proprietary structures, available in the "Governance" section of FinecoBank Banca Fineco S.p.A.'s website, in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the report on corporate governance and proprietary structures, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion the report on operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the report on corporate governance and proprietary structures are consistent with the financial statements of FinecoBank Banca Fineco S.p.A. as of December 31, 2014.

DELOITTE & TOUCHE S.p.A.

*Signed by*
Paolo Gibello Ribatto
Partner

Milan, Italy
March 30, 2015

*This report has been translated into the English language solely for the convenience of international readers.*




# A LARGE ADVISORY NETWORK
# AND DIGITAL EFFICIENCY

**FINECO. THE BANK THAT SEMPLIFIES BANKING.**

# Report of the Board of Statutory Auditors

# Report of the Board of Statutory Auditors

Dear Shareholders,
pursuant to Article 2429, paragraph 2, of the Italian Civil Code and Article 153 of Italian Legislative Decree No. 58 of 24 February 1998, (TUF), the Board of Statutory Auditors reports on the audit activity for the financial year that ended on 31 December 2014.

In 2014, the Board of Statutory Auditors performed its institutional tasks in compliance with the Italian Civil Code, Italian Legislative Decrees no. 385/1993 (TUB), no. 58/1998 (TUF) and no. 39/2010 (Consolidated Law on Statutory Audits), with statutory regulations and regulations issued by surveillance and control Authorities, also taking into account the principles recommended by the National Council of Chartered Accountants and Accounting Experts.

When implementing its work programme, the Board met several times with Top Management the Managers of Operational Areas, discussing in depth the main issues pertaining to the Company's management and organisation and monitoring the adequacy of the organisation and administrative structure and its correct operation. Also in compliance with the guidelines issued by CONSOB, published with notice no. DEM/ 1025564 of 06 April 2001, we would like to specify as follows.

### Appointment of the Management Body

The Board of Directors in office at the date of this Report was appointed by the Ordinary Shareholders' Meeting of FinecoBank on 15 April 2014 and shall remain in office until the Shareholders' Meeting held to approve the Financial Statements at 31 December 2016. We hereby acknowledge that the members of the Management Body have - apart from the eligibility, proficiency and integrity requirements provided for by the regulations applicable to Banks and by the Articles of Association - also those set out by the Corporate Governance Code for Listed companies and comply with the interlocking prohibition.

### Appointment of the Board of Statutory Auditors

The Board of Statutory Auditors in office on the date of this Report was appointed by the Ordinary Shareholders' Meeting of FinecoBank of 15 April 2014. The Board of Statutory Auditors shall remain in office until the Shareholders' Meeting held to approve the Financial Statements as at 31 December 2016. The Board of Statutory Auditors assessed its composition and verified the presence of legal and statutory requirements and compliance with the independence requirement.

### Listing on the MTA (Mercato Telematico Azionario) of FinecoBank S.p.A. shares – New Articles of Association

On 12 June 2014, Borsa Italiana S.p.A., with provision no. 7890, provided for the admission to listing on the MTA (Mercato Telematico Azionario) for FinecoBank S.p.A. shares and, on the same date, CONSOB resolved on the approval of the Public Offering Prospectus and the admission of ordinary shares issued by FinecoBank S.p.A. to listing on the Mercato Telematico Azionario. The Public Offering and Institutional Placement started on 16 June 2014 and ended on 26 June 2014; the conclusion of the Global offering (Public Offering and Institutional Placement) saw the placement of no. 209,166,000 ordinary shares of FinecoBank, equal to approx. 34.5% of the Share Capital.

The Extraordinary Shareholders' Meeting of FinecoBank S.p.A., in compliance with the requirements of applicable regulations and legislation for Companies that resort to the risk capital market, as well as with the provisions of the Corporate Governance Code for Listed Companies, approved the new text of the Articles of the Association for the Bank.

The acquisition of listed Issuer status entailed, *inter alia*, the approval by the Board of Directors of the procedure for the processing of privileged information and the internal dealing procedure, pursuant to the provisions of Article 114, seventh paragraph, of TUF and Article 152-*sexies* and subsequent of the Issuers' Regulation.

### Company's compliance with the Corporate Governance Code - Actual implementation of the Code

In April 2014 the Board of Directors of FinecoBank resolved on the Bank's systematic subscription to the Corporate Governance Code approved by the Corporate Governance Committee. In compliance with the Code, the Remuneration and Appointments Committee and the Audit (Control and Risk) Committee and relevant parties are operational within the Board of Directors. The Committees consist of independent non-executive Directors.

The self-assessment process on the size, composition and operation of the Board and its Committees was initiated with the help of an external professional acting as an independent expert.

On 10 March 2015, the Board of Directors, with favourable opinion by the Remuneration and Appointments Committee, verified the independence requirement for independent Directors on the basis of the declarations provided by the latter. The Board of Statutory Auditors verified the correct implementation of criteria and procedures used to express such an assessment.

### Parent Company's direction and co-ordination activity.

As part of the UniCredit Group, FinecoBank S.p.A. is subject to the discipline for banking groups enshrined in TUB and in the Bank of Italy Supervisory Regulations aimed at ensuring the stability and unity of companies belonging to the same banking Group. Within this framework, UniCredit S.p.A. provides direction, government and control to FinecoBank S.p.A. pursuant to Articles 60 and subsequent of TUB, as well as carrying out direction and co-ordination activities pursuant to Article 2497 and subsequent of the Italian Civil Code.

### Liquidity investment policy

Within the framework of its activity aimed at optimising the use of liquidity gathered and employed in its capacity of asset gatherer, during the financial year the Bank further enhanced internal regulatory and organisational tools aimed at limiting and monitoring risks, whilst continuing to pursue value creation.

Based on the assumption that the obligation of direction and co-ordination under a unified basis imposed to the Parent Company by the applicable legislation and "Governance Instructions" issued by the Bank of Italy are reconciled with the autonomy the Bank requires to manage its own liquidity in the way it deems most

appropriate and suitably justified - in light of economic considerations but also prevailing market conditions, recurrent risk profiles, the relevant financial and regulatory capital absorption and the accounting and regulatory issues arising from being part of a banking Group - in 2014 the Bank approved:
- the "*Liquidity Policy Fineco*", establishing the principles and the rules that the Bank applies to manage its liquidity;
- the *"Short and medium to long-term financial investments"* document and relevant support documentation, and the *"Technical instruction - Short and medium to long-term financial investments - Assessment of market conditions"* pertaining to the management of core and non-core liquidity and the assessment of market conditions that need to support any proprietary financial investment transaction by the Bank. The assessment of the suitability of executed investment transactions to market conditions is performed by the CFO Department's Treasury and is subject to a further check by FinecoBank's CRO Department;
- resolutions on the methods for recognising and determining the price of shares that are the subject of the investment and for analysing alternative investments, with an in-depth study of regulatory issues and the accounting effects of the aforementioned investments;
- the *"Liquidity Risk Contingency Plan"* document, which sets outs the principles and the rules for managing liquidity under crisis or stress conditions, defining the limits and the tools to be used in order to monitor operating and structural liquidity;
- the *"Contingency Plan for Bond Instruments Issuer Risk"* document, which sets outs the principles and the rules for the efficient and comprehensive assessment, control and containment of the issuer risk linked to financial instruments in FinecoBank's banking book. Such policy is integrated into the wider framework of Credit Risk Management the monitoring of the issuer risk linked to the banking book.

The Treasury of the CFO Department and the CRO Department regularly monitor the
investments already made on the basis of the aforementioned *"Liquidity Risk Contingency Plan"* and *"Contingency Plan for Bond Instruments Issuer Risk"*, constantly verifying compliance with "threshold" and "trigger" values; to this end, within the scope of their remit, each of the aforementioned structures provides regular information to the Board of Directors to enable it to verify the ongoing consistency and fairness of the investments.

For investment transactions, the Board of Statutory Auditors verified the implementation of
the procedures established for ensuring the information basis and reasonableness of managerial choices, and, where applicable, the procedures envisaged for transactions with Related Parties, requesting the opinion of the Audit Committee in its Related Party Committee configuration, where needed (see the relevant section of this Report).

## Compliance with the Law and Articles of Association - Sound governance principles

The Board monitored compliance with the Law, the Articles of Association and sound governance principles both when performing its activity, including participating in meetings of the Board of Directors, the Audit Committee and other bodies, and during meetings with Top Management and the Managers of the Bank's various Departments and Functions.
During 2014 the serving Board of Statutory Auditors took part in no. 2 Shareholders' Meetings, no. 15 Board of Directors' Meetings, no. 22 meetings of the Audit and Related Parties Committee, no. 5 meetings with Independent Statutory Auditors, no. 1 meeting with the Managing Director and the General Manager and no. 18 meetings with the Managers of Departments and organisational Units and Professional Financial Advisors.
Participating in Board of Directors' Meetings enabled the Board to ascertain, *inter alia*, that delegated parties reported on transactions executed in view of the powers granted to them, pursuant to Article 150, paragraph 1, of TUF. In our opinion, the frequency of Board of Directors' Meetings and the information provided during such meetings meet the obligations set out by the Law and the Articles of Association and are sufficient to acquire the necessary information on sound governance principles.

*Atypical and/or unusual transactions*
The Report of Operations, the information received during Board of Director's Meetings and those provided by the Chairman and the Managing Director, the management and the Independent Statutory Auditor did not evidence the existence of atypical and/or unusual transactions, including infra-group ones or ones with Related Parties.

*Particularly significant transactions.*
The most significant transactions are detailed in the Report on Operations.

*Infra-group transactions or transactions with Related Parties – Transactions approved pursuant to Article 136 of TUB*
Infra-group transactions or transactions with Related Parties, with an indication of assets, liabilities, guarantees and commitments as at 31 December 2014, split by type of related party pursuant to IAS 24, are highlighted in the Report on Operations and in the dedicated section of the Notes to the Financial Statements. The Notes to the Financial Statements acknowledge that infra-group transactions were executed on the basis of reciprocal economic benefits and the definition of the terms and conditions applied meets criteria of substantive fairness.

In April 2014, the Board of Directors of FinecoBank appointed the Audit and Related Parties Committee, consisting of Directors having the independence requirements provided for by Article 147 *ter*, paragraph 4, and 148, paragraph 3, of TUF, as well as by section 3.C.1 of the Corporate Governance Code, and performing the functions deferred not only by the Corporate Governance Code, but also by CONSOB regulations on transactions with related parties.

In May 2014, the Board of Directors of FinecoBank SpA approved, following the favourable opinion of the Audit and Related Parties Committee and the Board of Statutory Auditors, the Board of Directors of FinecoBank SpA approved the "Procedures for managing transactions with subjects in conflict of interest", which the Bank has to adhere to when managing transactions with Related Parties in line with the "Regulation on transactions with Related Parties" adopted by CONSOB with resolution no. 17221 of 12 March 2010 and transactions with Connected Parties pursuant to the discipline about "Risk activities and conflicts of interest with Connected Parties" set out in the Bank of Italy Circular no. 263/2006, and when managing obligations of banking representatives pursuant to Article 136 of Italian Legislative Decree no. 385/1993, without prejudice to disclosure obligations under Article 114 and 154-*ter* of TUF and the aforementioned CONSOB Regulation. The

# Report of the Board of Statutory Auditors

aforementioned *"Procedures for managing transactions with subjects in conflict of interest"* also refer to UniCredit's *"Global Policy for managing transactions with subjects in conflict of interest"* and *"Global Operational Instructions issued by UniCredit to manage transactions with subjects in conflict of interest".*

The *"Procedures for managing transactions with subjects in conflict of interest"* for FinecoBank SpA's entail periodical disclosure to management bodies, the Audit and Related Parties Committee and Compliance with respect to transactions with Related Parties implemented by the Bank in the reference period and the Board of Statutory Auditors acknowledges the effectiveness of the relevant quarterly reports and the indication therein also of the opinions issued by the Bank's Audit and Related Parties Committee and the "non-binding" opinions requested from the Related Party and Equity Investment Committee and the Parent Company's Board of Directors.
The Board of Statutory Auditors, moreover, acknowledges that is has always participated in the proceedings of the Audit Committee in its configuration as Related Parties Committee required to provide its opinion on transactions identified by existing procedures.

With respect to detailed information about individual infra-group transactions and transactions with Related Parties, see the relevant sections of the Report on Operations and the Notes to the Financial Statements.

With respect to transactions approved by the Board of Directors pursuant to Article 136 of TUB, the members of the Board of Statutory Auditors acknowledge that they have expressed their approval after verifying compliance with the execution requirements provided for by the Law.

### Comments on the adequacy of the organisational structure

The Board of Statutory Auditors monitored the adequacy of the organisational structure and its correct operation over the course of various meetings with Top Management and the Managers of different Departments and functions. Such monitoring activity did not discover any significant organisational deficiencies.

Specifically, in 2014 the Board monitored initiatives aimed at improving the company's corporate management and acknowledged changes made to the Central Head Office and Network Head Offices, the Organisational Chart, with a clear indication of functions, roles and reporting lines, and the Bank's Internal Regulations.

The Bank's Internal Regulations – whose most up-to-date version was approved by the Board of Directors in January 2015 – describes the organisational model and the structure it consists of (bodies, departments, teams). Apart from the Board of Directors' internal Committees, established pursuant to the *"Regulations of the Board of Directors"* "(Audit and Related Party Committee" and "Remuneration and Appointments Committee"), the following managerial Committees are established as collegiate bodies aimed at providing united and participatory guidelines and guaranteeing continuity of direction:
- Strategic Committee
- Management Committee
- Advisory Committee
- *Internal Control Business Committee*
- Business Continuity & Crisis Management Committee
- Project Committee
- Risk Committee
- Network Committee
- Product Committee
- Disciplinary Committee.

The Board of Statutory Auditors has verified the effective operation of the aforementioned Committees, particularly that of the "Audit and Related Parties Committee", in whose meetings it has always participated and for which it acknowledges the submission of periodical activity reports to the Board of Directors.

We nearby acknowledge that, following Bank of Italy's findings and comments after a 2013 audit at FinecoBank (all findings pertained to managerial issues and did not entail any penalty measures) the corrective measures identified and communicated to the Surveillance Body with a relevant action plan were implemented and ascertained with no manor exceptions, apart from one measure whose completion is scheduled by June and whose execution is being monitored by this Board.

The Board has acknowledged the ongoing implementation of the Guidelines issued by the Parent Company - to whose direction and co-ordination activity the Bank is subject - and the relevant organisational changes put in place by the Bank in order to improve the efficiency and effectiveness of operations.

Furthermore, the Board has monitored the adequacy of the Bank's organisational structure with respect to the in-sourcing of the margin-setting service implemented within the framework of specific internal policies with appropriate limits, which were always complied with, in order to mitigate relevant risks.
The Board acknowledges the ongoing updating and implementation of the Banks Business Continuity Plan, also in compliance with Supervisory provisions on business continuity and the by and large successful performance of annual Business Continuity and Disaster Recovery tests. In 2014 FinecoBank approved the FinecoBank "Vulnerability Management" Policy aimed at guaranteeing the integrity, confidentiality and availability of processed information. In this respect, the Business Continuity & Crisis Management Committee tasked with managing activities linked to business continuity and crisis management during ordinary operations and emergency situations has been found to be set up and operational. FinecoBank approved the Cyber Attack Plan, also in compliance with amendment no. 15 to Bank of Italy Circular no. 263/2006.

During meetings with Area and Function Managers, the Board always checked the adequacy of human resources both in terms of quantity and quality, with further in-depth investigation where needed.

Based on the documentation analysed and the information gathered when performing its monitoring activities, given an Organisational Chart and relevant Company

Regulations that detail roles and responsibilities of organisational structures, having verified the correct implementation of the system of Proxies issued by the Board of Directors and the definition, implementation and monitoring of specific company regulations aimed at the performance of the activities of each function of FinecoBank S.p.A., the Board of Statutory Auditors assesses the Bank's organisational structure as adequate as a whole.

### Comments on the adequacy of the Internal Control system

In 2014 the new Bank of Italy guidelines (amendment no. 15 of Circular no. 263/2006) on company risk management, internal control systems, information systems and business continuity systems of banks were implemented.

FinecoBank S.p.A. – after forwarding to the Bank of Italy through the Parent Company, within the applicable deadline, the Self-Assessment Document (gap analysis) about the company's situation with respect to amendment no. 15 of Circular no. 263 /2006 – approved the *"Supervisory Bodies and Functions Document"*, the *"Outsourcing/In-sourcing Policy"*, the Organisational Model for Business Continuity and the relevant update to Internal Regulations and Indirect Coverage Model, by 1 July 2014, in compliance with the provisions of Circular n. 263 – amendment no. 15. The aforementioned *"Supervisory Bodies and Functions Document"* defines the Bank's Internal Control System with detailed definition of roles and responsibilities of corporate Bodies and control functions and was suitably amended in January 2015 by incorporating tasks and activities linked to the management of the Information System (which is key to the achievement of the Bank's strategic and operational objectives) as provided for by chapter 8 of the aforementioned Circular no. 263/2006.

The Bank set up permanent and independent corporate control functions for: i) compliance with regulations; ii) risk management; iii) internal audit.
The Managing Director and General Manager was appointed as the Director Responsible for the Internal Control and Risk Management System in compliance with the provisions of the Corporate Governance Code of Borsa Italiana (the Italian Stock Exchange); the Board of Statutory Auditors has met with the Managing Director in this capacity. The Managing Director, in the *"2014 Statement on ICS Managerial Assessment"* document declared that the Internal Control System is "*mostly satisfactory*".

With respect to the Personal Financial Advisers network, the "Risk Management" organisational structure also co-ordinates the activity of the "Operational and reputational risks" team, which carries out systematic remote checks on the entire network of Personal Financial Advisers using Risk Indicators, submitting relevant reports. Moreover, FinecoBank, in order to manage and prevent its own Personal Financial Advisers (PFAs) from adopting behaviours that are non-compliant with regulations, has adopted a number of first and second tier checks by several internal functions and an information flow that, for the purpose of the immediate implementation of any actions deemed necessary for PFAs, gathers all information on a centralised basis and forwards it to the Network Control, Monitoring and Network Service Departments on behalf of Risk Management, Compliance, the Anti-Money Laundering and Anti-Terrorism Service, the Information Security and Fraud Management team, other Bank functions and Internal Audit. Every six months, in compliance with the requirements of the New Prudential Supervisory Provisions for Banks, the Incidents and Controls unit – operating within the Network Control, Monitoring and Network Service Department – submits to the Audit Committee and the Board of Directors a relevant Report on the activity of Financial Advisers that details, on the basis of specific anomaly indicators, the audits performed, their findings, any critical issues and the actions aimed at eliminating them. The Board of Statutory Auditors has examined the aforementioned six-monthly Reports, using the information therein contained to plan its own audit activity.

We have found that the quarterly *Internal Audit Activity and Results Reports (IAAR)* , prepared by the Audit Function to assess the Internal Control System and including sections dedicated to the findings of the Audit activity on the Personal Financial Advisers Network were regularly submitted to the Audited and Related Parties Committee and the Board of Directors and discussed within such bodies.

Following reports received by the Incidents and Controls Unit, the Disciplinary Committee – whose effective operation was monitored by the Auditors – assesses any anomalies that may have emerged with respect to the behaviour of PFAs, in order to apply appropriate disciplinary sanctions to them.

The Bank approved the Policy on "Outsourcing/In-sourcing" and, following the 15 July 2013 amendment to Bank of Italy Circular no. 263/2006 with respect to outsourcing, carried out a review of outsourcing agreements and implemented the relevant procedures. The Statutory Auditors acknowledge that the Internal Audit function assessed the overall adequacy and compliance with regulations of the procedures adopted by FinecoBank to manage existing outsourcing agreements or to start new outsourcing initiatives and monitor the relevant service levels, but highlighted the need to strengthen monitoring for some activities. This assessment is expressed in the document *"Outsourcing of company functions (Outsourcing). Annual Report of the Internal Audit function"*, which, together with the Remarks of the Board of Statutory Auditors, was approved by the Bank's Board of Directors on 10 March 2104. In particular, in its Remarks, the Board of Statutory Auditors recommended checking that the adoption of the procedures implemented to activate and manage outsourcing agreements should take place with the Bank retaining the ability to control outsourced activities and the relevant accountability.

The Internal Audit activity for FinecoBank is carried out in outsourced mode by resources of the Internal Audit Department of UniCredit S.p.A. on the basis of a specific service agreement and in compliance with the terms and conditions of the relevant *"Group Audit Mandate"* adopted by FinecoBank's Board of Directors.
In December 2014 the Board of Directors approved the 2015 annual Audit Plan and the multi-year plan for 2015-2019, which were developed also on the basis of the Guidelines issued by the Parent Company's Internal Department and the suggestions of the Board of Statutory Auditors.

During its activity, the Board ascertained compliance with the previously defined Audit plan both for central structures and processes and Network structures.

The Board successfully and systematically liaised with the Chief Audit Executive (CAE) of the Internal Audit function. In meetings, the periodical reports prepared for the Board of Directors and the Board of Statutory Auditors were examined, *inter alia*, and the Board acknowledges that they always rated the Internal Control System - with specific respect to the *"Report on FinecoBank S.p.A.'s Internal Audit activity pursuant to Article 14 of the joint CONSOB-Bank of Italy Regulation, as per CONSOB Resolution no. 17297 of 28 April 2010"* - as "satisfactory".

# Report of the Board of Statutory Auditors

At any rate, they also highlighted areas for improvement and some corrective actions, whose implementation will be subject to the monitoring activity of the Board of Statutory Auditors.

The Board of Statutory Auditors examined the *"Information Report on the activity performed by the Supervisory Authority (SA) pursuant to Italian Legislative Decree no. 231 of 8 June 2001, as at 31 December 2014"* The findings of the activities performed by the SA did not highlight any significant breaches of regulations and showed that FinecoBank's Organisation Model has been adapted, taking into account both the same Model adopted by UniCredit S.p.A. and the specific characteristics of FinecoBank; to this end, within the framework of the Organisation and Management Model approved by the Supervisory Authority and the Board of Directors, and the relevant Decision Protocols, the Board deems the Supervisory Authority's assessment and recommendations as consistent and appropriate. FinecoBank deemed it appropriate to avail itself of the possibility of entrusting the Supervisory Authority function under Italian Legislative Decree 231/2001 to an especially established Body, rather than delegating it to the Control Body. The Board of Statutory Auditors participated in no. 2 meetings of the Supervisory Authority established pursuant to Italian Legislative Decree No. 231 of 2001.

Based on the documentation analysed, the information received and the audits performed during its monitoring activity, in consideration of the Bank's swift implementation of the corrective measures required as a result of the deficiencies detected, the Board of Statutory Auditors deems the Internal Control System adequate as a whole.

## Comments on the adequacy of risk management systems.

FinecoBank SpA has an active Chief Risk Office (CRO) function aimed at assessing and monitoring the adequacy of the measurement, control and management of typical risks linked to the performance of financial and banking activities, in particular, liquidity risk, credit and counterparty risk, market risk, exchange rate risk, as well as operational risks, reputational risk and in-sourcing risks. The CRO function also verifies that mitigation transactions for the aforementioned corporate risks (risk management) are performed.

In February 2015 the CRO function, in compliance with Bank of Italy's regulations, submitted the *"Report on Risk Management Activity in 2014 and 2015 Plan"* in which, *inter alia*, it reported on the monitoring of the Risk Appetite Framework, the quarterly monitoring of the adequacy of the Bank's internal capital (ICAAP) and on information flows towards the Board of Directors, the Audit and Related Parties Committee, the Risk Committee and Top Management. The Board of Statutory Auditors verified the effectiveness and the adequacy of the aforementioned information flows (including the reports that provide evidence of structural liquidity and the Bank's ability of fulfilling short-term obligations, and those aimed at verifying compliance of individual limits for the management of liquidity itself), as well as of the aforementioned monitoring, including the risk indicators identified in the *"Liquidity Risk Contingency Plan"* and *"Contingency Plan on Bond Instruments' Issuer"* mentioned above. In 2014 VaR and loss limits for the in-sourcing activity and VaR limits for the banking book, the trading book and exchange rate risk were not exceeded. Risk Management, in compliance with the Supervisory Authority's instructions, carried out stress tests on the Bank's liquidity position.

In January 2015 FinecoBank SpA approved the *"Group Risk Appetite Framework Global Policy"* document and the local Risk Appetite, described in document "2015 *FinecoBank Risk Appetite*", whose metrics were assessed by the Audit and Related Parties Committee also in order to verify the coherence of the business model, the aforementioned RAF and the budgeting process. A measurement method for IT Risk is currently being developed; at the end of all relevant implementations, the quarterly reporting on the Risk Appetite Framework to the Board of Directors shall also include IT Risk.

The Bank's Board of Directors approved the *"Local Validation Report on Management and Control System for Operational Risks"* that presents and details the adoption by FinecoBank of a control, measurement and prevention framework for operational risks. The aforementioned Local Validation Report assessed the ORM System as adequate as a whole with respect to external regulations and internal standards, as well as suitable to guaranteeing adequate management and control of operational risks. The findings of the Local Validation Report were confirmed by the Bank's Internal Audit function, which assessed the Operational Risk Management system as adequate and with a low criticality level.

FinecoBank drafted the document *"Fineco Bank SpA's ICAAP Handbook"* about the Bank's internal Capital Adequacy Assessment Process (ICAAP). The latest version of the aforementioned document was approved by the Bank's Board of Directors in December 2014. The ICAAP Process directly influences FinecoBank's strategic planning as it establishes any economic capital limits and, therefore, it is also considered in the budgeting process.

The Internal Audit Report prepared on the basis of the 2014 ICAAP and the processes for defining and monitoring the Risk Appetite Framework submitted to the Board of Directors expresses an assessment about the adequacy of the Bank's 2014 Internal Capital Adequacy Assessment Process and its compliance with internal and external reference guidelines. The Board of Statutory Auditors finds that the ICAAP process complies with the provisions of Supervisory Bodies and the Parent Company.

During its activity, the Board periodically met with the Chief Risk Officer in order to assess, *inter alia*, his/her work and analyse in more detail the information reports submitted by him/her to the Corporate Bodies.

The Board deems the risk management system broadly adequate to the company's size and characteristics.

### Remarks on Compliance activity

The Board of Statutory Auditors acknowledged the *"Report on the 2014 activities of FinecoBank's Compliance Function"*, where, in line with the new prudential supervisory instructions for banks with respect to internal controls issued by the Bank of Italy, as well as with Bank of Italy and CONSOB Regulations pursuant to Article 6, paragraph 2-*bis*, of TUF, the Compliance Function of UniCredit SpA, as FinecoBank's Compliance service outsourcer, expresses a positive opinion about the management of non-conformities by FinecoBank.

The Board of Statutory Auditors also considered the *"Report on total complaints received by FinecoBank S.p.A. in 2014"* prepared by the Compliance function, in which the latter stressed that it had not identified significant shortcomings in the Bank's product/service offering and noted that average claim processing times show a marked improvement and issues detected during the audits were adequately managed.

The Bank's Board of Directors approved the Compliance Function's 2015 activity plan, which, in continuation with the activity performed in 2014 and in line with UniCredit's Compliance plans, focuses on structural issues regarding the dissemination of the Compliance culture, the enhancement of the Compliance Risk Assessment and Controls activity and the strengthening and implementation of activities in "key" areas, such as MIFID, AML, Market Abuse, Anti-corruption, "Controls pursuant to 263 Bankit in presence of specialist coverage (indirect coverage)" etc..

The Annual Report of FinecoBank's Anti-Money Laundering Manager for 2014 – which analyses and describes, *inter alia*, the organisational structure, main activities and the results of first and second-level AML controls, training delivered, corrective actions identified and closed out, information flows towards the Bank's Corporate Bodies, activities performed, operations of the anti-money laundering coverage and the 2015 activity plan - synthetically classifies risk as "medium", identifying the necessary mitigation measures performed and indicating the deadlines for activities in progress. The aforementioned Annual Report of the Anti-Money Laundering Manager also acknowledges that all AML-related corrective actions defined following Bank of Italy's general audit of September-December 2012 had been implemented.

Whilst performing its activity, the Board met with the Compliance Representative on several occasions, focussing in particular on compliance with the deadlines provided for during Compliance Risk Evaluation monitoring for closing corrective actions identified from time to time and residual risks highlighted during these audits. The 2014 Compliance monitoring did not identify any critical risks.

### Surveillance activity pursuant to the Consolidated Law on Statutory Audits - Relationship with the Independent Statutory Auditors.

The Board of Statutory Auditors, identified in the Consolidated Law on Statutory Audits as the "Committee for internal control and the statutory audit", monitored the: (i) financial reporting process; (ii) efficiency of internal control, audit and risk management systems; (iii) yearly statutory audit of the Bank's Financial Statements; (iv) independence of the Independent Statutory Audit, particularly with respect to the provision of non-audit services.
The Statutory Board of Auditors examined the Report prepared by the Independent Statutory Auditor Deloitte e Touche S.p.A. that FinecoBank, in line with the provisions of the Regulatory instructions for the financial reporting system (Bank of Italy Circular no. 263/23006) considers as an agent of the Internal Control System.

The Report issued without any remarks on 30 March 2015 pursuant to Articles 14 and 16 of Italian Legislative Decree 39/2010 highlights that the individual Financial Statements were prepared on the basis of international accounting standards IAS/IFRS issued by the *International Standards Board* and adopted by the European Union applicable as at 31 December 2014, as well as pursuant to the provisions issued in implementation of Article 9 of Italian Legislative Decree. 38/2005. Therefore, they were prepared clearly and were a true and correct reflection of the assets and financial situation, the income statement result and the cash flows for the financial year ended at 31 December 2014. Moreover, in the opinion of the Independent Statutory Auditor, the report on Operations and the information under paragraph 1 c), d), f), l) m) and paragraph 2b) of Article 123-*bis* of TUF, included in the Report on Corporate Governance, were coherent with the Financial Statements documentation.
The Board of Statutory Auditors, moreover, also examined the Report issued on 30 March 2015 by the Independent Statutory Auditors pursuant to Article19 of Italian Legislative Decree no. 39/2010, which evidences that the internal control system did not show deficiencies for the financial disclosure process that were sufficiently major to deserve to be brought to the attention of the Internal Control and Audit Committee.

The Board met periodically with the Independent Statutory Auditor, pursuant to Article no. 150, paragraph 3, of Italian Legislative Decree no. 58/98 and the provisions of Italian Legislative Decree no. 39/2010 – examining the 2014 audit activity plan and exchanging data and information relevant to the performance of respective tasks in a timely manner - with no particular results that need to be reported or any omissions requiring the drafting of specific reports pursuant to Article 155, paragraph 2, of TUF being identified. The Notes to the Financial Statements provide information about statutory audit fees as well as fees for other services provided as at 31 December 2014 to FinecoBank by the Independent Statutory Auditor and other entities belonging to its network.

The Board finds that the Company Deloitte & Touche S.p.A. regularly performed the task of Independent Statutory Audit of the Financial Statements for the financial year, as well as monitoring the correct keeping of corporate accounts, the faithful presentation of the results of operation, the signing (as far as this is within its remit based on the mandate received) of tax records and the limited audit of the Interim Financial Statements.

The Board also notes that it has received confirmation by the Independent Statutory Auditors, pursuant to Article 17, paragraph 9, of Italian Legislative Decree no. 39/2010 of the fact that in the period from 1 January 2014 to 30 March 2015 it did not find either situations that may have compromised the independence of the aforementioned Company or grounds for incompatibility pursuant to Articles 10 and 17 of Italian Legislative Decree no. 39/2010 and the relevant implementing provisions.

Finally, the fees (net of VAT and expenses) paid to the auditing company and other entities of the network to which the aforementioned Independent Statutory Auditor belongs:

(Amounts in €)

| TYPE OF SERVICE | SERVICE PROVIDER | FEES |
|---|---|---|
| Audit | Deloitte & Touche S.p.A. | 154,285 |
| Other services | Deloitte & Touche S.p.A. | 330,000 |
| | | **484,285** |

# Report of the Board of Statutory Auditors

other services relate to certification services provided as part of the process of admission to listing of the Bank's ordinary shares and the related global offering for their sale.

### Surveillance activities on the financial reporting process - Comments on the adequacy of the administrative and accounting system.

The Responsible Manager was appointed for an indefinite term on 13 May 2014 with the favourable opinion of the Board of Statutory Auditors. The Board of Directors of 1 August 2014 verified its compliance with the "interlocking ban" .

The Board of Statutory Auditors verified compliance with the internal regulations pertaining to the process that allows the Manager responsible for preparing accounting and corporate documents and the Managing Directors to issue the certifications provided for by Article 154-*bis* of TUF. The administrative and accounting procedures for preparing the Financial Statements and any other financial communication were drafted under the Responsibility of the relevant Manager who, together with the Managing Director, in the periodical reporting of the aforementioned information and, finally, in the *"Report on the internal control system on financial reporting in compliance with Law no. 262/2005"* approved by the Board of Directors of 10 March 2015, certifies their adequacy and effective implementation on the basis of tests of the effective implementation of controls. The Responsible Manager also analysed the training received by the employees responsible for financial reporting and aimed at improving the effectiveness of the process assessment managed by them. The Responsible Manager, during his/her meetings with the Board of Statutory Auditors, did not highlight any deficiencies in the operating and control processes that may impact on the assessment of adequacy and effective implementation of administrative and accounting procedures for correct economic, asset and financial reporting of the events of operations in compliance with the accounting principles adopted.

During the periodical meetings organised to exchange information, just like in the report prepared pursuant to Article 19 of Italian Legislative Decree no. 39/2010, the Independent Statutory Auditor did not report any substantial issues of the internal control system with respect to the financial reporting process.

The Board acknowledges that the Financial Statements as at 31 December 2014 were drawn up in application of Italian Legislative Decree 38 of February 28, 2005, in accordance with the accounting standards issued by the International Accounting Standards Board, including the SIC and IFRIC interpretation documents, approved by the European Commission, as established by European Union Regulation no. 1606/2002 of 19 July 2002, and in force at December 31, 2014.

The Financial Statements as at 31 December 2014 consist of the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Statement of Cash Flow and the Notes to the Financial Statements, in addition to the "Directors' Report on Operations" and the Certification of the Financial Statements provided for by Article 81-*ter* of CONSOB Regulation no. 11971 of 14 May 1999 and subsequent amendments and additions. The Financial Statements also follow Financial Statements and relevant Notes formats and provisions set out by Bank of Italy with Circular no. 262 of 22 December 2005, and subsequent updates and amendments.

Pursuant to Bank of Italy/Consob/Isvap Document no. 4 of 3 March 2010 and the internal regulations implementing Law no. 262/2005, it is hereby acknowledged that the Board of Directors approved, priorly to and separately from the approval of the Financial Statements, the impairment test procedure for goodwill and intangible assets with an indefinite useful life. The results confirm the sustainability of the goodwill recorded in the Financial Statements, with the fair value being significantly greater than the book value, also on the basis of sensitivity analysis.

In 2014, the Administration Department periodically forwarded information to the Parent Company for the purposes of calculating the Regulatory Capital and the Second Pillar Capital. As at 31 December 2014, the Tier 1 capital ratio (Core capital/Weighted assets) was 19.08%.

The Board of Statutory Auditors, in light of the information received and the documentation examined, assesses the process of the preparation of financial reporting as substantially adequate.

### Compensation Policy

In 2014, pursuant to the provisions of the Supervisory Authority, at last with the issue by Bank of Italy of new regulations pertaining to "Compensation and incentive policies and practices" on 18 November 2014, the Board of Statutory Auditors verified the adequacy and compliance of FinecoBank S.p.A.'s compensation policies and practices with the internal and external regulatory framework .

The Bank's Board of Directors, in its meeting of 13 May 2014, in compliance with the Corporate Governance Code of Listed Companies, resolved on the appointment of the "Remuneration and Appointments Committee" and approved the *"FinecoBank 2014 Compensation Policy"* (validated by the Compliance function), a document prepared by the Bank for the first time separately from the Parent Company, in view of the listing process. The aforementioned Document describes the principles and standards that FinecoBank applies to develop, implement and monitor its own compensation policies and plans – based on a bonus pool approach - for its Top Management and Key People as well as its Network Managers and Personal Financial Advisors.

The 2015 Audit Plan still approved as of today provides for (also on request of the Board of Statutory Auditors) measures aimed at ascertaining variable the compensation system, performance assessment, bonus setting, the assessment of behavioural compliance and the payouts pertaining to the 2014 Compensation Policy adopted by FinecoBank. The audit results, submitted to the Remuneration and Appointments Committee on the meeting of 20 March in which one of the members of the Board of the Statutory Auditors participated, are satisfactory, even if they highlight some remedial actions.

In January 2015, the Board of Directors, with prior positive opinion of the Remuneration and Appointments Committee and validation by the Compliance function, resolved to approve and, as a result ,submit to the Ordinary Shareholders' Meeting, the adoption of the 2015 Incentive System and the confirmation of the increase of the ratio between variable and fixed compensation elements to 2:1 for employees belonging to the "Key People" category (except control functions).

The Incentive System is aimed at granting a cash and/or free ordinary shares incentive payable over a multi-year period.

The Board of Directors also resolved to submit to the Extraordinary Shareholders' Meeting the proposal to grant a the Board of Directors a Delegated Power to increase share capital as a bonus to service the aforementioned 2015 Incentive System, with relevant amendment of the Articles of Association.

On 10 May, the Board of Directors, with prior favourable opinion of the Remuneration and Appointments Committee, approved FinecoBank' 2015 Remuneration Policy, Post-Employment Benefit Policy and Incentive System pursuant to Article 114-*bis* of Italian Legislative Decree 58/1998. In line with the new regulatory requirements provided for by the European Banking Authority (EBA), the Board of Directors performed an annual assessment of the categories of personnel whose professional activity has a significant impact on the Bank's risk profile; the *ex-ante* assessment was performed at local and Group level, as requested by the Bank of Italy.

The Board of Statutory Auditors verified compliance with the regulatory framework of the remuneration policies adopted by the Bank and acknowledges that the 2015 Retribution Policy, including the "Annual Remuneration Report", has been made available to the public in line with applicable legislation; the report also complies with public disclosure requirements pursuant to Article 123-*ter* of TUB and with the obligations provided for by banking regulations.

### Complaints under Article 2408 of the Italian Civil Code – Reports

In 2013 the Board of Statutory Auditors did not receive any complaints under Article 2408 of the Italian Civil Code or petitions from third parties.

### Opinions and remarks pursuant to the Law

The Board was asked to express its opinion in the following circumstances:

- opinion issued on the *"Memorandum on the Management Control System"* approved by the Board of Directors of FinecoBank in view of the listing application;
- opinion issued on the overall adequacy of the *"Procedures for managing transactions with subjects in conflict of interest"*;
- opinion issued on the allocation of Director remuneration pursuant to Article 2389 of the Italian Civil Code;
- opinion issued on the adoption in principle and the systematic implementation of the Corporate Governance Code;
- opinion issued on the appointment of the Audit and Related Parties Committee;
- opinion issued on the proposal to submit to the Extraordinary Shareholders' Meeting the proposal of granting to the Board of Directors, for a period of five years, pursuant to Article 2443 of the Italian Civil Code, the delegated power to increase the share capital as a bonus to service incentive plan;
- opinion issued on the appointment of the Remuneration and Appointments Committee;
- opinion issued on the appointment of the Responsible Manager pursuant to Article 154-*bis* of Italian Legislative Decree no. 58/1998;
- opinion issued on the approval of the Regulation of the Board of Directors;
- favourable opinion of all members of the Board issued about the provision of a credit facility to a company representative, apart from expressing its remarks pursuant to Articles 14 and 16 of Bank of Italy and CONSOB Regulation in line with Article 6, paragraph 2-*bis*, of TUF.

### Conclusions

The Board of Statutory Auditors, on the basis of the surveillance activity carried out, can reasonably assure that FinecoBank S.p.A. has been performed its activity in compliance with the Law and the Articles of Association. The Board also points out that, in the performance of its duties, it did not find any irregularities, omissions and/or anomalies and did not become aware of any transactions that did not comply with sound administration principles, that were not resolved on or implemented in compliance with the Law and the Articles of Association, were not in the interest of FinecoBank, were against the resolutions taken by the Shareholders' Meeting, were manifestly imprudent or risky, such as to compromise the integrity of the share capital or, at any rate, such as to have to be reported to the competent Authority and Supervisory or Control Bodies or in this Report.

The Board of Statutory Auditors acknowledges that, pursuant to Article 123-*bis*, paragraph 3, of Italian Legislative Decree no. 58/1998, the *"Report on Corporate Governance and the Ownership Structure of FinecoBank"*, and the *"Disclosure by the Bodies pursuant to (UE) Regulation no. 575/2013 – 31 December 2014"* are also available on FinecoBank's website.

The Board of Statutory Auditors does not deem it necessary to exercise the right to submit proposals to the Shareholders' Assembly pursuant to Article 153, second paragraph, of TUF.

Noting the results of the Financial Statements and the content of the relevant *"Directors' Report on Operations"*, of the specific independent and prior approval by the Management Body of the impairment procedure pertaining to the goodwill recorded in the aforementioned Financial Statements and confirming their sustainability, and having considered the content of the reports prepared by the Independent Statutory Auditors, the Board of Statutory Auditors does not find, insofar this is within its remit, any impediments to the approval of the draft Financial Statements as at 31 December 2014 submitted by the Board of Directors and the relevant profit allocation proposal.

Milan, March 31, 2015

The Auditors
Gian-Carlo Noris Gaccioli - Chairman
Barbara Aloisi
Marziano Viozzi

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April 2014

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ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

# DIRECTORS' REPORTS

# <u>ORDINARY SHAREHOLDERS' MEETING</u>

**Items no. 3 and 4 on the Agenda**

**DIRECTORS' REPORT**

**2015 FINECOBANK COMPENSATION POLICY AND TERMINATION PAYMENTS POLICY**

Dear Shareholders,

We have called this Ordinary Shareholders' Meeting to request your approval of the "2015 FinecoBank Compensation Policy" (hereinafter also "2015 Policy"), set out in the attached document which forms an integral part of the present Report, in compliance with the provisions set by the "*Supervisory Provisions concerning Banks Organisation and Corporate Governance*" issued by Bank of Italy which prescribe that the Shareholders' Meeting approves, amongst other items, the remuneration policy for members of the Board of Directors, employees and collaborators not related to the company by an employment agreement as well as according to section 123-ter of the Legislative Decree 58/1998 (Consolidated Finance Act, known as TUF from its Italian initials). The approval of remuneration policy and incentive systems must evidence their conformity with prudent risk management and the company's long-term objectives, ensuring also an appropriate balance between the fixed and variable components of remuneration as required by regulators and, in the case of the latter, risk-weighting systems and mechanisms designed to ensure that compensation is linked to effective and lasting results.

In addition, in compliance with indications of the regulators, information is provided on the implementation of the 2014 FinecoBank Compensation Policy approved by the Shareholders' Meeting on June 5th, 2014 ("Annual Compensation Report").

It is therefore proposed that this Shareholders' Meeting approves the annual review of the FinecoBank Compensation Policy which defines the principles and standards that FinecoBank applies and which are used to design, implement and monitor the compensation policy and systems. The proposal was formulated by the Human Resources function, with the contribution of Compliance, Risk and Finance functions on the topics under their scope. Shareholders are also invited to consult the information regarding the implementation of the Compensation Policy approved by the Shareholders' Meeting on June 5th, 2014.

**FinecoBank Compensation Policy**

The key principles of the 2015 Policy, which are confirmed with respect to those approved by Shareholders' Meeting on June 5th, 2014, are described in the 2015 Policy - that has been made available to Shareholders and the market – and they are summarised here below:

(a) the FinecoBank compensation approach is performance oriented, market aware and aligned with business strategy and Stakeholder interests, ensuring remuneration competitiveness and effectiveness as well as internal and external equity and transparency, by driving sustainable behaviours and performance;

(b) within FinecoBank's governance structure, rules and processes for delegation of authority and for compliance have been defined with the aim of ensuring adequate control, coherence and compliance of remuneration framework throughout the Bank;

(c) the key pillars of the 2015 Policy are:

- clear and transparent governance;
- compliance with regulatory requirements and principles of good professional conduct;
- continuous monitoring of market trends and practices;
- sustainable pay for sustainable performance;
- motivation and retention of all staff

(d) on the basis of these principles, the 2015 Policy establishes the framework for a consistent approach and an homogeneous implementation of sustainable remuneration in FinecoBank, with particular reference to Identified Staff.

In line with the new regulatory requirements provided by European Banking Authority (EBA), FinecoBank has performed the yearly assessment of the staff categories whose professional activities have a material impact on the Bank's risk profile. The self-assessment was performed at local and Group level, as requested by Bank of Italy, and is documented in the 2015 Policy. The estimated number of Identified Staff in 2015 amounted to 13 employees and 6 financial advisors.

Moreover, in line with the indications of national and international regulators, it was considered appropriate within the annual review of policy and incentive systems to make some updates, including:

i. the confirmation of the adoption of 2:1 ratio. This ratio is applicable in particular to the remuneration components of all employees belonging to Business functions, therefore Company Control Functions' employees are excluded, to whom a more conservative approach is provided;

ii. full description of the new 2015 FinecoBank Incentive System reserved for employees;

iii. full description of the new 2015 FinecoBank Incentive System reserved for financial advisors;

iv. the ex-ante definition of the 2015 Identified Staff population;

v. information about the role and activities of the Remuneration and Appointments Committee in 2014, as well as the role of Compliance, Audit and Risk functions;

vi. updates on the regulatory framework as well as the peer group for compensation benchmarking;

vii. continuous disclosure of all information requested by national regulators (Bank of Italy, Consob).

**Annual Compensation Report**

In line with national and international standards, the key implementation features and the main results of FinecoBank Compensation Policy and 2014 Incentive System, as well as evidence of the coherence of the rationale behind the long-term loyalty plans of FinecoBank with the principles of its compensation policy and with specific regulatory requests, are described in the Annual Compensation Report that has been made available for information to Shareholders and the market. The Annual Compensation Report provides a description of compensation practices adopted in FinecoBank and the implementation of incentive systems, as well as Remuneration Tables with a focus on Non-Executive Directors, the Chief Executive Officer and General Manager, Executives with strategic responsibilities and other Identified Staff with a material impact on risk, in compliance in particular with the VII Update of November 18th, 2014 of Bank of Italy Circular no. 285.

The Report provides also the disclosure as per section 84-quater of the Italian National Commission for Listed Companies (Consob) Issuers Regulation no. 11971, as amended by Resolution no. 18049 / December 23rd 2011, referring to Directors, Statutory Auditors, General Manager and Executives with strategic responsibilities. The document contains specific information regarding the approval and execution of equity plans, as requested by section 114-bis of Legislative Decree 58/1998 (TUF).

**Termination Payments Policy**

In line with the regulatory provisions contained in Title IV, Chapter 2, "Policies and practices regarding remuneration and incentives" in the VII Update of November 18th, 2014, of Bank of Italy Circular no. 285 that provide that the Ordinary Shareholders' Meeting should approve the criteria for determining the compensation to be granted in the event of early termination of employment or early retirement from appointment, including the maximum limits laid down in this amount in terms of the annual fixed remuneration and the maximum amount that results from their application, to the "Termination Payments Policy" (hereinafter also "Severance Policy") is submitted for approval, shown in the attached document, which forms an integral part of this Report.

In the general assumption that termination payment (hereinafter also "the *severances*") is defined in each case in the best interests of the company, such payments do not exceed the limits foreseen by the laws and/or collective labour agreements locally applicable in case of lay-off. In the absence of such regulations, termination payments, in excess of the indemnity in lieu of notice, in principle do not exceed 24 months of total compensation. With the only aim of meeting the regulatory provision introduced by the Bank of Italy, which requires the banks to set a maximum limit to the *severances* also in terms of number of fixed months' salary and in an absolute amount, it is reported that – in view of maximum 2:1 ratio between variable and fixed remuneration - 24 months of total compensation could arrive to correspond to a merely theoretical value of 72 months of fixed compensation in the case, purely hypothetical and improbable, of a subject who in the last three years prior to the termination has always received bonuses in a measure equal to 200% of his/her fixed compensation. The value of the *severance* so determined will not in any case exceed €5 million.

The value of each month's salary used to calculate the *severance* is set – in compliance with the law and the applicable collective labour agreement – considering the current fixed remuneration plus the average of the incentives actually cashed-in during the last three years prior to the termination.

Regarding the determination criteria, *severances*, due to the mechanism for the calculation of the compensation used for the determination, which includes the bonuses actually cashed-in after the application of *malus* clause, are as a matter of fact already differentiated just on the basis of the risk-adjusted individual performance. The definition of their amount also occurs on a case-by-case basis and the specific objective and subjective circumstances of the relationship resolution, considered within the specific legal and contractual framework, the following elements: duration of the employment, performance provided over time, assumption of inappropriate risks, behaviours not aligned with corporate values, personal and social impacts of the termination, willingness to take on additional commitments, interest of the company to come anyway to a consensual resolution of the relationship rather than a unilateral one.

*Severances* are paid out in forms and with timings fully consistent with the discipline, also regulatory, time by time applicable to the specific case.

□ □ □

Dear Shareholders,

If you agree with the above, you are invited to approve the proposal on the agenda and, as a result, to adopt the following resolutions:

"The Ordinary Shareholders' Meeting of FinecoBank S.p.A, having heard the Board of Directors' proposal,

RESOLVES

1. To approve the "2015 FinecoBank Compensation Policy", as contained in the attached document which forms an integral part of the present Report, in order to define the principles and standards that FinecoBank shall apply to the design, implementation and monitoring of compensation policy and remuneration plans throughout the organisation.

   To confer to the Chairman and the Chief Executive Officer and General Manager, also separately, every opportune power of attorney to make any additions and/or modifications to the above Policy that may be necessary for the implementation of the resolution, resulting from changes which are:

a. legislative and/or regulatory
b. required by the regulators
c. which could be appropriate in light of any further clarifications and recommendations that may be subsequently issued, or otherwise communicated by the regulators
d. contributed by the Shareholders' Meeting of UniCredit on May 13th, 2015 to 2015 Group Compensation Policy, which would render 2015 Policy of FinecoBank no longer consistent with that of the Group.

2. The approval of the "Termination Payment Policy", as per the attached document and which form an integral part of this Report, in order to define the general principles, the limits, the criteria and procedures for payment of compensation to be granted in the case of early termination of the employment relationship or early termination of the position.

   To confer to the Chairman and the Chief Executive Officer and General Manager, also separately, every opportune power of attorney to make any additions and/or modifications to the above Policy that may be necessary for the implementation of the resolution, resulting from changes which are:

   a. legislative and/or regulatory;
   b. required by the regulators;
   c. which might be appropriate in light of further clarifications and recommendations that may be subsequently issued, or otherwise communicated by the regulators;
   d. contributed by the Shareholders' Meeting of UniCredit on May 13th, 2015 to Termination Payments Group Policy of UniCredit, which would render the Termination Payments Policy of FinecoBank no longer consistent with that of the Group.

## ORDINARY SHAREHOLDERS' MEETING

**Item no. 5 on the Agenda**

**DIRECTORS' REPORT**

**2015 INCENTIVE SYSTEM**

Dear Shareholders,

We have called this Ordinary Shareholders' Meeting to request your approval of the 2015 Incentive System, providing for the allocation of an incentive, in cash and/or in free ordinary shares, to be granted in a multi-year period to selected resources of FinecoBank, in accordance with the modalities described below and subject to the achievement of specific performance conditions.

This proposal has been formulated in compliance with the provisions of section 114-bis of Decree 58 dated February 24th, 1998, and in accordance with the provisions set forth by Consob with reference to incentive plans based on financial instruments assigned to corporate officers, employees or collaborators; for this purpose, a document describing the details of the incentive system has been prepared pursuant to section 84-bis of the Consob Regulation no. 11971/99 and subsequent amendments, and has been made available to the public under the terms of law and reference is made to detailed description of the incentive system described in this report.

The proposal is also aligned with the Compensation Policy of FinecoBank, the indications issued by Bank of Italy on remuneration and incentives policies and practices, and the direction set by the European Directive 2013/36/EU (Capital Requirements Directive, also known as CRD IV), and by EBA (European Banking Authority) guidelines. With this regards, it should be recalled that FinecoBank, in respect of these provisions, has determined the adoption of a ratio between the variable and the fixed remuneration equal to 2:1, unless of the application of a lower limit as provided by Regulators.

### 1. 2015 INCENTIVE SYSTEM

#### GOALS

The 2015 Incentive System (hereinafter also **"2015 System"**) aims to attract, motivate and retain FinecoBank beneficiaries, in compliance with the national and international regulatory requirements with the aim to define - in the interest of all stakeholders - incentive systems aligned with long- term company strategies and goals, linked to bank results, adjusted in order to consider all risks, in coherence with capital and liquidity level necessary to cover the activities in place and, in any case, able to avoid misleading incentives that could drive excessive risks taking for the bank and the system in its whole.

**Beneficiaries**

The potential beneficiaries of the 2015 System, identified in line with the criteria issued by Commission Delegated Regulation (EU) no. 604/2014 of March 4th, 2014, are the following:

- the Chief Executive Officer and General Manager (CEO/GM), the Deputy General Manager (DGM), the Executive Vice President (EVP), the Senior Vice President
- Employees with total remuneration greater than € 500.000 in the last year
- Employees included within 0,3% of staff with the highest remuneration at local level
- Employees whose remuneration is within the remuneration ranges of senior management and other Identified Staff
- Other selected roles (including new hires)

The total estimated number of beneficiaries is around 10.

**Elements of the 2015 System**

(a) 2015 System provides for the same approach adopted in 2014 (based on the "bonus pool approach") for determining variable remuneration to be paid in 2016. The link between profitability, risk and reward is guaranteed by linking directly bonus pool with company results (at Group and local level), cost of capital and risk profiles relevant for the Group as stated in the Group Risk Appetite Framework.

(b) The bonus pool will be defined on the basis of local and Group performance and assigned to employees according to individual performance.

(c) The 2015 System aims to attract, retain and motivate the beneficiaries and to align FinecoBank incentive system to the most recent national and international regulatory requirements and provides for:

- allocation of a variable incentive defined based on available bonus pool, individual performance evaluation, internal benchmark for specific roles and ratio between fixed and variable component set by the Ordinary Shareholders' Meeting;
- definition of a balanced structure of upfront (done at the moment of performance evaluation) and deferred payments, in cash and/or in shares;
- distribution of share payments, coherently with the applicable regulatory requirements regarding the application of share retention periods. In fact the payment structure defined requires a retention period on shares (of 2 years for upfront shares and of 1 year for deferred shares;
- risk-adjusted metrics in order to guarantee long-term sustainability with respect to company's financial position and to ensure compliance with regulatory expectations;
- *malus* clause (Zero Factor) applies in case specific thresholds (profitability, capital and liquidity) are not met at both Group and local level. In particular, the bonus pool of 2015 will be zeroed, while previous systems deferrals could be reduced

from 50% to 100% of their value, based on final effective results and dashboards assessments done by CRO and CFO .

(d) Individual performance appraisal is based on specific goals, linked to the 5 fundamentals of UniCredit Group competency model :"Client obsession"; "Execution and Discipline"; "Cooperation and Synergies"; "Risk Management"; "People and Business Development".

(e) Incentive payouts shall be made over a multi-year period (2016-2021) subject to continuous employment at each date of payment and as follows:

- In 2016 the first instalment of the overall incentive ("1st instalment") will be paid in cash, in absence of any individual values / compliance breach, considering also the gravity of any internal/external findings (i.e. Audit, Bank of Italy, Consob and/or analogous local authorities);
- over the period 2017-2021 the remaining amount of the overall incentive will be paid in several instalments in cash and/or Fineco free ordinary shares; each further tranche will be subject to the application of the Zero Factor for the year of allocation and in absence of any individual values / compliance breach, considering also the gravity of any internal/external findings (i.e. Audit, Bank of Italy, Consob and/or analogous local authorities);

(f) The final evaluation of Group sustainable performance parameters and risk-reward alignment will be reviewed by the Remuneration and Appointments Committee and defined under the responsibility and governance of the Board of Directors of FinecoBank.

(g) The percentages of payments in cash and shares are defined considering beneficiary categories, as described in the following table:

| | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** |
|---|---|---|---|---|---|---|
| EVP & above and other Identified Staff with bonus >500K[1] | 20% cash | 10% cash | 20% shares | 10% shares | 10% shares | 20% cash + 10% shares |
| SVP & other Identified Staff with bonus <500K | 30% cash | 10% cash | 30% shares | 10% cash + 10% shares | 10% shares | - |

*(h)* Furthermore, in coherence with 2014, it is provided the introduction of a specific minimum threshold[2] below which deferral mechanism would not apply.

(i) The 2015 System can also be offered during the hiring process of outside employees, in the event that new hires are already beneficiaries of deferral incentive plans (known as "bonus buy-out"). In this circumstances, the payment scheme that would

[1]Including direct reports to strategic supervisory, management and control bodies and other Identified Staff as required by local regulation.
[2] Equal to € 75.000.

be offered will reflect the scheme defined by previous employers, in accordance to local Regulators.

(j) The number of shares to be allocated in the respective instalments shall be defined in 2016, on the basis of the arithmetic mean of the official market price of Fineco ordinary shares during the month preceding the Board resolution that evaluates 2015 performance achievements. The allocation of a maximum number of 496.816 Fineco ordinary shares is proposed, representing about 0,08% of FinecoBank share capital, of which a maximum n° of 27.100 Fineco ordinary shares devoted to the payment of so-called "bonus buy-out".

(k) The free Fineco ordinary shares to be allotted will be freely transferable.

### CHANGES TO THE 2015 SYSTEM

In order to guarantee the compliance with regulatory and legal dispositions (also in fiscal area), to ensure the implementation of the 2015 System, the Chairman and the Chief Executive Officer will be granted every opportune power to implement, also separately, some adaptations to the 2015 System that do not change substantially the content of resolution of Board of Directors and Shareholders' Meeting, also via alternative solutions that fully comply with the principles of 2015 System and allow achievement of the same results (e.g. a different percentage distribution of the various instalments of payments; a different period of deferral; a retention on granted shares; extension of 2015 System application to other beneficiaries considered as equivalent to Identified Staff; using a trust company; paying an equivalent amount in cash in lieu of granting shares; to be determined on the basis of the market value of Fineco shares, considering the arithmetic mean of the official market price of ordinary shares during the month preceding each Board resolution to execute the actual grant).

It is understood that these amendments will be adopted in any case in accordance with the applicable provisions and in particular as provided by the Regulation "Regulations on remuneration and incentive policies and practices of banks and banking groups".

## 2. SHARES REQUESTED FOR THE 2015 INCENTIVE SYSTEM

The issue of Fineco free ordinary shares necessary for the execution of the 2015 System, as in the past, will be performed in compliance with section 2349 of the Civil Code and will be object of a delegation of power of attorney to the Board of Directors, in compliance with section 2443 of the Civil Code.

Accordingly, the extraordinary session of today's Shareholders' Meeting will be asked to approve the proposal to delegate to the Board of Directors the related power of attorney.

For the issuance of Fineco ordinary shares to service the 2015 System the proposal will be submitted to the Extraordinary Shareholders' Meeting to transfer the powers of attorney to the Board of Directors as allowed by section 2443 of the Italian Civil Code, to proceed with the capital increase in accordance with the provisions of section 2349 of the

Civil Code for a maximum nominal amount of € 131.159,49 (attributable entirely to capital at €0,33 per share, equal to the par value), corresponding to up to 397.453 Fineco ordinary shares with a par value of €0,33 each, with the same characteristics as those in circulation with regular dividend entitlement.

Related to section 2443 of Civil Code that provides that the Directors can exercise the right to carry out a free capital increase for a maximum period of five years starting from the date when the Shareholders' Meeting resolution providing the delegation of power has been registered and therefore, until 2020, in order to assign last share instalment provided for 2021 it will be necessary to submit to a future Shareholders' Meeting approval a proposal aimed at integrating the delegation of power already provided to the Board of Directors so that the implementation of 2015 System can be completed.

The allocation of free ordinary shares needed for the execution of 2015 System shall be done using the special reserve known as "Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank" which, if case, may be restored or increased via allocation of profits or a portion of available statutory reserves, formed from the distribution of company profits that shall be identified by the Board of Directors at the moment of share issuance.

In case the amount of the "Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank" does not allow the issuance (full or partial) of Fineco ordinary shares to service the 2015 System, an equivalent amount in cash will be allocated to the beneficiaries, determined in base of arithmetic mean of the official market price of Fineco ordinary shares during the month preceding the Board resolution that evaluates performance achievements 2015.

Dear Shareholders,

If you agree with the above proposal, you are invited to approve it by adopting the following resolutions:

"The Ordinary Shareholders' Meeting of FinecoBank S.p.A., having heard the Board of Directors' proposal,

RESOLVES

1. to adopt the 2015 Incentive System which provides for the allocation of an incentive, in cash and/or Fineco free ordinary shares, to be performed by May 2021, to selected FinecoBank beneficiaries in the manner and terms described above;
2. to confer to the Chairman and the Chief Executive Officer and General Manager, also separately, every opportune power of attorney to implement the present resolution and the documents which represents part of it, also rendering any amendments and/or integrations which should be necessary to enact the present deliberations of today's Shareholders' Meeting (not changing substantially the content of the resolution).

## <u>ORDINARY SHAREHOLDERS' MEETING</u>

**Item no. 6 on the Agenda**

**DIRECTORS' REPORT**

**2015 INCENTIVE SYSTEM FOR THE FINANCIAL ADVISORS BELONGING TO IDENTIFIED STAFF**

Dear Shareholders,

We have called this Ordinary Shareholders' Meeting to request your approval of the 2015 Incentive System for Financial Advisors, providing for the allocation of an incentive, in cash and/or in Phantom shares, to be granted in a multi-year period to selected Financial Advisors of FinecoBank belonging to Identified Staff, in accordance with the modalities described below.

This proposal has been formulated in compliance with the provisions of section 114-bis of Decree 58 dated February 24th, 1998, and in accordance with the provisions set forth by Consob with reference to incentive plans based on financial instruments assigned to corporate officers, employees or collaborators; for this purpose, a document describing the details of the incentive system has been prepared pursuant to section 84-bis of the Consob Regulation no. 11971/99 and subsequent amendments, and has been made available to the public under the terms of law and reference is made to detailed description of the incentive system described in this report.

The proposal is also aligned with the Compensation Policy of FinecoBank, the provisions issued by Bank of Italy on remuneration and incentives policies and practices, and the direction set by the European Directive 2013/36/EU (Capital Requirements Directive, also known as CRD IV), and by EBA (European Banking Authority) guidelines. With this regards, it should be recalled that FinecoBank, in respect of these provisions, has determined the adoption of a ratio between the non-recurring and the recurring component of the remuneration equal to 2:1 within the period specified by the transitional provisions of Bank of Italy mentioned above (first half of 2016).

### 1. 2015 INCENTIVE SYSTEM 2015 FOR THE FINANCIAL ADVISORS BELONGING TO IDENTIFIED STAFF

#### GOALS

The 2015 Incentive System for Financial Advisors belonging to Identified Staff (hereinafter also the **"2015 PFA System"**) aims to retain and providing incentives to the beneficiary

Advisors, taking into account the objectives of growth in the medium and long term, in a general framework of overall sustainability.

**BENEFICIARIES**

The potential beneficiaries of the 2015 PFA System, identified in line with the criteria issued by Commission Delegated Regulation (EU) no. 604/2014 of March 4th, 2014 are:

- Financial Advisors with total remuneration (recurring and non-recurring) exceeding €750,000 in the last year and with an impact on the risk profiles of the Bank;
- Financial Advisors/Area Managers who coordinate a structure which is connected to a total portfolio equal to or greater than 5% of total assets associated with the network and with an impact on the risk profiles of the Bank;

The total estimated number of beneficiaries is 6.

**ELEMENTS OF THE 2015 PFA SYSTEM**

(l) The 2015 PFA System - in addition to attracting, retaining and motivating the beneficiaries - confirms the alignment of FinecoBank with the latest national and international regulatory requirements by providing:

- the allocation of an incentive based on mechanisms of sustainability with regard to the results;
- the definition of a balanced structure of "upfront" (done at the moment of performance evaluation) and "deferred" payments, in cash and Phantom shares (hereinafter also the "instruments");
- the distribution of payments in Phantom shares, coherently with the applicable regulatory requirements regarding the application of instruments retention periods. In fact, the payment structure defined requires a retention period on Phantom shares (of 2 years for the "upfront" payment and of 1 year for "deferred" payment);
- a *malus* clause (Zero Factor) applies in case specific conditions for access are not met. In particular, the bonus relating to the 2015 performance will be zeroed.

(m) Incentive payout shall be made over a multi-year period (2016-2020), as indicated below, and provided that the agency relationship of the beneficiaries is in place at the time of each payment:

- In 2016 the first instalment of the overall incentive ("1st instalment") will be paid in cash, in absence of any individual values / compliance breach , considering also the gravity of any internal/external findings (i.e. Audit, Bank of Italy, Consob and/or analogous local authorities);
- over the period 2017-2020 the remaining amount of the overall incentive will be paid in several instalments in cash and/or Phantom shares; each further instalments will be subject to the application of the Zero Factor for the year of

allocation and in absence of any individual values / compliance breach, considering also the gravity of any internal/external findings (i.e. Audit, Bank of Italy, Consob and/or analogous local authorities);

(n) The percentages of payments in cash and Phantom shares are defined as illustrated in the following table:

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| Financial Advisors belonging to Identified Staff | 30% cash | 10% cash | 30% Phantom shares | 10% cash + 10% Phantom shares | 10% Phantom shares |

(o) It's foreseen a specific minimum threshold[3] below which deferrals and instruments will not be applied.

(p) The number of Phantom shares to be allocated with the third, fourth and fifth instalments will be defined in the year 2016, on the basis of the arithmetic mean of the official closing price of the shares on each trading day at the electronic stock market organised and managed by Borsa Italiana S.p.A. in the period from the day preceding the date of the resolution by the Board of Directors that evaluates 2015 performance achievements to the same day in the previous month (both inclusive).

(q) In addition at the time of effective payment of each instalment, the number of Phantom shares granted will be converted to cash based on the arithmetic mean of the official closing price of the shares of each trading day at the electronic stock market organised and managed by Borsa Italiana S.p.A. in the month prior to the resolution by the Board of Directors approving the payment.

(r) The estimated IAS cost of the Plan is about €1.5 million over the entire period assuming a performance reaching a maximum level. This cost could decrease to 0 or increase in light of the movement in the share price relative to the Phantom share proportion.

**CHANGES TO THE 2015 PFA SYSTEM**

In order to guarantee the compliance with the regulatory and legal dispositions (also in fiscal area), to ensure the implementation of the 2015 PFA System, the Chairman and the Chief Executive Officer will be granted every opportune power to implement, also separately, some adaptions to the 2015 PFA System that do not change substantially the content of the resolution of Board of Directors and Shareholders' Meeting, also via alternative solutions that fully comply with the principles of 2015 PFA System and allow achievement of the same results (e.g. a different percentage distribution of the various instalments of payments; a different period of deferral; a retention on granted shares;

[3] Equal to € 75.000.

extension of 2015 PFA System application to other beneficiaries considered as equivalent to Identified Staff).

It is understood that these amendments will be adopted in any case in accordance with the applicable provisions and in particular as provided by the New Regulations.

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Dear Shareholders,

If you are agree with the above proposal, you are invited to approve it by adopting the following resolutions:

"The Ordinary Shareholders' Meeting of FinecoBank S.p.A., having heard the Board of Directors' proposal,

RESOLVES

3. to adopt the 2015 Incentive System for Financial Advisors belonging to Identified Staff which provides for the allocation of an incentive, in cash and/or Phantom shares, to be performed by July 2020, to selected beneficiaries among the Financial Advisors of FinecoBank, in the manner and terms described above;
4. to confer to the Chairman and the Chief Executive Officer and General Manager, also separately, every opportune power of attorney to implement the present resolution and the documents which represents part of it, also rendering any amendments and/or integrations which should be necessary to enact the present deliberations of today's Shareholders' Meeting (not changing substantially the content of the resolution).

FINECO
THE NEW BANK

Member of UniCredit

# 2015 FINECOBANK COMPENSATION POLICY

# CONTENTS

## SECTION I – COMPENSATION POLICY



## SECTION II – ANNUAL COMPENSATION REPORT



## ANNEX – 2015 COMPENSATION SYSTEMS BASED ON FINANCIAL INSTRUMENTS

# SECTION I – COMPENSATION POLICY

# 1. Introduction

## 1.1. Preamble

In accordance with the VII Update of November 18th 2014 of "*Regulations on remuneration and incentive policies and practices of Banks and Banking groups*", Circular 285 of 17 December 2013, issued by Bank of Italy (hereinafter also the "New Provisions"), FinecoBank S.p.A. has prepared this document, "2015 FinecoBank Compensation Policy" (hereinafter also the "Compensation Policy" on its own remuneration practices.

This document provides the necessary guidance on remuneration and incentives paid by FinecoBank (hereinafter also the "Bank") in accordance with directly applicable regulations coherently with what UniCredit Group has prepared.

FinecoBank's Compensation Policy is applicable to the entire organization and includes:

- all categories of employees, considering that the Group Compensation Policy, with specific reference to Identified Staff defined according to the regulatory requirements of the *European Banking Authority* (EBA), provides for a centralized, and homogeneous compensation and incentive system guidelines defined at Group level;
- members of the Company's Financial Advisors' Network, in line with the specific pay conditions applicable to them.

## 1.2. Reflecting Our Mission and Values

***We are committed to innovate and simplify our customers' life.***

***We are a reference point for our savers, we aim for excellence and we consistently strive to be easy to deal with.***

***Our continuous dedication to these commitments allows us to generate sustainable value for our shareholders.***

Our set of values is based on integrity as a condition to transform profit into value for our stakeholders: our leaders and all our employees are committed to the Values embedded within our Integrity Charter. We, also through appropriate compensation mechanism aim to create a work environment which is comprehensive of any form of diversity and which foster and unlock individual potential, to attract, retain and motivate a highly qualified, diverse, global workforce capable of creating a competitive advantage and to reward those who reflect our standards of consistently ethical behaviour in conducting sustainable business.

By upholding the standards of sustainability behaviours and values which drive our mission, our compensation strategy represents a key enabler to enhance and protect our reputation and to create long-term value for all stakeholders.

These standards define the principles of a Compensation Policy which, relying on our governance model, sets the framework for a consistent and coherent design, implementation and monitoring of compensation practices across our Company. Within this common policy framework, guidelines are defined to implement compensation programs and plans that reinforce sound risk management policies and our long-term strategy. In so doing, we most effectively meet the specific and evolving needs of our different businesses and employee populations, and ensure that business and people strategies are always appropriately aligned with our remuneration approach.

### 1.3. The Pillars of Our Compensation Policy

***FinecoBank compensation approach is performance-oriented, market-aware and aligned with business strategy and stakeholder interests.***

To ensure the competitiveness and effectiveness of remuneration as well as transparency and internal equity, the principles of sustainable conduct and performance define the key pillars of our Compensation Policy:

**Clear and transparent governance**

***Compliance* with regulatory requirements and principles of good professional conduct**

**Continuous monitoring of market trends and practices**

**Sustainable pay for sustainable performance**

**Motivation and retention of all staff**

# 2. Governance

***Effective organizational and corporate governance structures are an essential prerequisite for the pursuit of our Company's goals. In fact we have clear and rigorous governance and rules existing, in order to establish coherence and transparency also with specific reference to compensation.***

## 2.1. Corporate Governance

**Our Compensation Governance Model** aims to assure control of Company's remuneration practices by ensuring that decisions are made in an independent, informed and timely manner at appropriate levels, avoiding conflicts of interest and guaranteeing appropriate disclosure in full respect of the general principles defined by regulators.

**The Board of Directors** has established a Delegation of Powers system to appropriately regulate effective decision-making processes throughout the organization.

**The Remuneration and Appointments Committee**, instituted in 2014, is vested with the role of advising the Board of Directors on FinecoBank Remuneration Strategy. Availing itself also of the support of an independent external advisor, the Committee analyzes and monitors international market compensation trends, practices and pay levels to provide advice to the Board of Directors

**The FinecoBank Compensation Policy**, as drawn up by the HR function, with the involvement of the Risk function for all risk-related aspects, is validated by the Compliance function for all compliance-related aspects, before being submitted to the Remuneration and Appointments Committee. On annual basis the Compensation Policy, as proposed by the Remuneration and Appointments Committee, is submitted to the Board of Directors for approval and then presented to the Shareholders' Meeting for approval, in line with regulatory requirements.

## 2.2. Organizational Governance

FinecoBank's organizational model reflects the one used at Group level.

UniCredit Group has established appropriate governance mechanisms, by which it directs and coordinates the Group Legal Entities in line with current law and regulations.

In particular, UniCredit Group acts through a managerial / functional system of "*Group Managerial Golden Rules*" ("GMGR") which define the way in which the Group's management is coordinated, conferring to UniCredit *Competence Lines'* Managers specific responsibilities with regard to the corresponding functions in the Group Legal Entities.

With regard to the compensation policies, UniCredit *Competence Lines'* Managers, after consulting with the Group Human Resources function, can make recommendations for performance appraisal and incentive systems for Line Managers. The recommendations are sent to the division of FinecoBank with the power to make decisions in the relevant area. If FinecoBank decisions differ from the Group's recommendations, the relevant departments are informed as soon as possible.

With specific reference to Identified Staff, the Group HR function establishes guidelines and coordinates a centralized and consistent management of compensation and incentive systems. For the other employees, with reference to each category, FinecoBank is accountable for the respect of the compensation policy.

# 3. Compliance

***Compliance with laws, rules and regulations and integrity in conduct and behaviours are essential elements of our way of doing business, which is based on the concept of trust.***

Through full compliance with applicable legal and regulatory requirements, we protect and enhance our Company reputation in the short and long term. Compliant compensation guarantees that all our remuneration policies, practices and programs avoid conflicts of interest between roles within the Bank or with customers and are consistent with ethical codes of conduct, our Company values and business strategy, guaranteeing its long-term sustainability.

Compliance function[1] is vested with the role to verify whether the Company compensation system is consistent "*with the goal of complying with regulations, articles of association and any other code of ethics or other standards of conduct applicable to the Bank, so that legal and reputational risks mostly embedded in the relation with customers are duly contained*" (ref. Bank of Italy).

Upon performing its activity in this context:

- FinecoBank adopts – for all aspects that fall within its perimeter and in accordance with regulations time to time in force – a specific set of *Compliance drivers* which are designed to guarantee the compliance of the incentive systems for FinecoBank staff as drawn up by HR functions for the employees and by Network PFA Sales Department, Monitoring & Service Network for the Financial Advisors;
- Compliance function validates, for all aspects that fall within its perimeter, the Compensation Policy and – referring to applicable Regulations – the incentive systems for FinecoBank staff as drawn up by HR functions for the employees and by Network PFA Sales Department, Monitoring & Service Network for the Financial Advisors.

In compliance with regulatory requirements and in the spirit of transparency and accountability which forms the basis of the trust placed in us by our stakeholders, FinecoBank undertakes to guarantee proper disclosure of information with regard to the strategic approach and process by which our compensation policy is defined and by which compensation practices are designed. We support any law or regulatory initiative which implies an enhancement of transparency requirements and, subject to the limits set by privacy and data protection laws and by the opportunity of not eroding our competitive advantage, we wish to make clear to all our stakeholders what we do, how and why. Information about our compensation policy and remuneration approach is published in the Financial Statement, Annual Compensation Report, Corporate Governance Report and in other publications as required, which may be available for consultation also via our Company website.

[1] A « Compliance Outsourcing agreement » has been signed with UniCredit S.p.A.

# 4. Continuous Monitoring of Market Trends and Practices

***We aim to adopt remuneration practices capable of guaranteeing distinctive and effective compensation solutions that best drive our overall business strategies and people development.***
***Our continuous monitoring of market trends and awareness of practices contributes to sound formulation of competitive compensation as well as transparency and internal equity.***

With specific reference to Identified Staff, an independent external advisor supports the Remuneration and Appointments Committee on the definition of a list of selected competitors that represent our peer group with regards to whom compensation benchmarking analysis is performed, considering our main national and European competitors in terms of market capitalization, total assets, business scope and dimension, to assure a competitive alignment with the market of reference.

The results of this analysis will be at FinecoBank Remuneration and Appointments Committee's disposal, in order to support the formulation of opinions by the Bodies of the Bank responsible for taking such decisions.

On the basis of constant benchmarking, we aim to adopt competitive ranges in compensation levels, pay-mix and total reward structures for effective retention and motivation of our critical resources, as well as payments consistent with long-term value for stakeholders.

FinecoBank salary and compensation structures defined on the basis of business or market-specific benchmarking must, in any case, are fully aligned with the general principles of the Group Compensation Policy, with particular reference to the pillars of compliance and sustainability.

# 5. Sustainability

***Our Bank's greatest strength is our rigorous commitment to our customers, to our people, to our investors. We want this commitment to highlight our values and sustainability in everything we do.***

Our approach of "sustainable pay for sustainable performance" drives us to set coherent standards for the mechanisms by which we establish compensation levels and payouts (sustainable pay), as well as the results and behaviours we aim to incentive (sustainable performance). All incentive systems at all organizational levels are required to contribute to the sustainability of the Bank by aligning individual goals and behaviours to our common long-term mission.

## 5.1. Sustainable pay

Pay is considered sustainable when there is a direct link between pay and performance and when rewards are consistent with long-term stakeholder value creation.

The mechanisms by which we set compensation levels and payout should be based on the following principles:

| Principle | FinecoBank Practice |
|---|---|
| **Balanced total compensation structure** | ▪ In line with the applicable regulations, is paid particular attention in avoiding disequilibrium towards variable compensation which may induce behaviours not aligned with the Company's sustainable business results and risk appetite;<br>▪ in line with most recent regulations is set a maximum limit to the ratio between the variable and the fix component of compensation. FinecoBank, coherently with the powers recognized under that legislation, has deemed appropriate to establish, in general, a ratio between the former and the latter component of the remuneration of 2:1. This ratio is applicable in particular to the remuneration components of all employees belonging to Business functions; therefore for Company Control Functions personnel a more conservative approach is provided. With reference to the New Provisions, regarding the Financial Advisors belonging to Identified Staff, the 2:1 ratio will be adopted between the non-recurring and the recurring component of the remuneration, by the transitional provisions of Bank of Italy (1st half of 2016);<br>▪ where applicable, is set an appropriate mix between short and long term variable compensation as applicable and relevant on the basis of market and business specifics, and in line with long-term interests of the Bank. |

| | |
|---|---|
| **Direct link between pay and performance** | ▪ Align incentive payout levels with overall Company risk and cost-of-capital adjusted profitability;<br>▪ guarantee financial sustainability and affordability of bonus opportunity and program effectiveness, setting also caps on performance-related payouts as appropriate and consistent with market practice in the context of our specific business area;<br>▪ design flexible incentive system such as to manage payout levels in consideration of Group and FinecoBank performance results and individual achievements, adopting a meritocratic approach to selective performance-based reward;<br>▪ design incentive systems to set minimum performance thresholds below which zero bonus will be paid;<br>▪ take into consideration the long-term performance in terms of shareholder added-value for the calculation of any *severance* payouts prescribed or suggested by the specific market of reference, as well as any local legal requirements, collective/individual contractual provisions, and any individual circumstances, including the reason for termination;<br>▪ a specific policy on payments to be agreed in case of early termination of a contract (so called *severance*) will be submitted for approval to Shareholders' Meeting, according to the New Provisions. For details on criteria, limits and authorization processes, reference is made in the above mentioned Policy. |
| **Multi-year view of performance** | ▪ Ensure that pay moves over time in the same direction as sustainable profitability;<br>▪ evaluate the opportunity to phase, as foreseen by regulatory requirements, performance-based incentive payout to coincide with the risk timeframe of such performance by subjecting the payout of any deferred component of performance-based compensation to the actual sustainable performance demonstrated and maintained over the deferral timeframe, so that the variable remuneration takes into account the time trend of the risks assumed by the Bank (e.g. *malus* mechanisms);<br>▪ consider *claw back* actions as legally enforceable on any performance-based incentive paid out on the basis of a pretext subsequently proven to be erroneous. |

| | |
|---|---|
| **Incentive Systems compliant with organizational processes and with behaviours and conduct rewarded** | ▪ Include clauses for zero bonus in circumstances of non-compliant behaviour or qualified disciplinary action, subjecting payout to the absence of any proceeding undertaken by the Company for irregular activities or misconduct of the employee with particular reference to risk underwriting, sales processes of Banking and financial products and services, internal code of conduct or values breach;<br>▪ formalize incentive systems, plans and programs in legally solid and technically precise terms such as to uphold their validity in all circumstances;<br>▪ assure independence between front and back office functions in order to guarantee the effectiveness of cross-checks and avoid conflict of interest, with a particular focus on trading activities, as well as ensuring the appropriate independence levels for the functions performing control activities;<br>▪ guarantee that evaluations and appraisals linked to compensation are, as far as possible, available for the scrutiny of independent checks and controls;<br>▪ evaluate all incentive systems, programs and plans against the degree to which they enhance our Company reputation. |
| **Non-standard compensation aligned with our Company guidelines** | ▪ Non-standard compensation are those compensation elements not usually provided under our Compensation Policy and are considered exceptions (for instance welcome bonus, guaranteed bonus, special award, retention bonus);<br>▪ awards are limited only to specific situations related to hiring phases, launch of special projects, achievement of extraordinary results, high risk of leaving for critical/strategic people/roles;<br>▪ awards must in any case be in accordance with regulations time to time in force (e.g. cap on the ratio between variable and fix remuneration, technical features fixed by regulation for bonus payout) and subject to UniCredit and FinecoBank governance processes, periodically monitored and disclosed as for regulatory requirements and must be subject to *malus* conditions and *claw back* actions, as legally enforceable and where applicable. |

## 5.2. Sustainable performance

Performance is considered sustainable to the extent that it contributes to the achievement of our Company mission over time, to the creation of long-term value for all stakeholders and to the enhancement of our reputation, in adherence to our Integrity Charter and Code of Conduct values.

Sustainable performance refers to actual results achieved (the “what” of performance) and the means by which they are achieved (the “how” of performance):

| Principle | FinecoBank Practice |
|---|---|
| **Measurement of performance aligned with shareholder interests and firm-wide risk-adjusted profitability** | ▪ Establish coherence between annual objectives and sustainable, risk-adjusted value creation;<br>▪ consider performance on basis of annual achievements and on their impact over time;<br>▪ include reflection of the impact of individual’s / business units’ return on the overall value of related business groups and organization as a whole;<br>▪ base performance evaluation upon profitability and other drivers of sustainable business with particular reference to risk, cost of capital and efficiency;<br>▪ consider the customer as the central focus of our mission, placing customer satisfaction in the forefront of all incentive systems, at all levels, both internally and externally;<br>▪ design forward-looking incentive plans which balance internal key value driver achievement with external measures of value creation relative to the market;<br>▪ establish reward not on the sole basis of financially-based objectives and mechanisms, but also on other performance measures as appropriate, for example risk management, adherence to Company values or other behaviours. |
| **Balanced risk management** | ▪ Incentive systems must not in any way induce risk-taking behaviours in excess of strategic risk appetite; in particular they should be coherent to the Risk Appetite Framework (“RAF”);<br>▪ evaluate performance in terms of risk-adjusted profitability and provide for risk-weighted systems and mechanisms. |
| **Multi-perspective view of sustainable performance results and quality** | ▪ Maintain an adequate mix of financial goals with non-financial (quantitative and qualitative) performance objectives;<br>▪ use both absolute and relative performance achievement metrics as appropriate and relevant, where relative performance-based measures are based on comparison of achieved results to those of market peers;<br>▪ reinforce sustainability of quality performance over time. |

# 6. Motivation and retention

## 6.1. Employees

***We aim to attract, motivate and retain the best resources capable of achieving our Company mission in adherence to our Company values. Effective compensation strategies represent a key driver to positively reinforce employee commitment, engagement and alignment with organizational goals.***

Within the framework provided by the "Group Compensation Policy", FinecoBank is committed to ensure fair treatment in terms of compensation and benefits regardless of age, race, culture, gender, disability, sexual orientation, religion, political belief and marital status.

Our total compensation approach provides for a balanced package of fix and variable, monetary and non-monetary elements, each designed to impact in a specific manner the motivation and retention of employees.

| Type of remuneration | Purposes | Features |
|---|---|---|

## Fixed salary

| | | |
|---|---|---|
| **The fixed salary remunerates the role covered and the scope of responsibilities, reflecting the experience and skills required for each position, as well as the level of excellence demonstrated and the overall quality of the contribution to business results.** | The relevance of fix compensation weight is such as to reduce the risk of excessively risk-oriented behaviours, to discourage initiatives focused on short-term results which might jeopardize mid and long-term business sustainability and value creation, and to allow a flexible bonus approach. | Specific pay-mix guidelines for the weight of fix versus variable compensation are defined with respect to each target of employee population.<br>With particular reference to Identified Staff, the Remuneration and Appointments Committee establishes:<br>▪ the criteria and guidelines to perform market benchmarking analysis for each position in terms of compensation levels and pay-mix structure, including the definition of a specific peer group at local level and the identification of an external consultant to provide "executive compensation" services;<br>▪ the positioning in terms of compensation, in line with relevant market's competitive levels, defining operational guidelines to perform single compensation reviews as necessary;<br>▪ the compensation structure for top positions, defining the mix of fix and variable compensation elements, consistently with market trends and internal analyses performed;<br>▪ the remuneration policy for Company Control Functions, providing for total compensation weighted in favor of the fix part, in order to ensure the requirements of independence, professionalism and authority.<br>Moreover, the Board of Directors annually approves the criteria and features of Identified Staff incentive plans, ensuring the appropriate balance of variable reward opportunities within the pay-mix structure.<br>These recommendations, as formulated by the UniCredit's executive Bodies, are then submitted for approval to the relevant organs of FinecoBank. If FinecoBank's decisions differ from the UniCredit's recommendations, the relevant departments are informed as soon as possible. |

## Variable compensation

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| **The variable compensation includes payments depending on performance, independently from how it is measured (profitability/ revenues goals, etc.) or on other parameters (e.g. length of service).** | Variable compensation aims to remunerate achievements by directly linking pay to performance outcomes in the short, medium and long term, and risk adjusted.<br><br>To strengthen the alignment of shareholders' interest and the interests of management and employees, performance measurement reflects the actual results of the Company overall, the business unit of reference and the individual. As such, variable compensation constitutes a mechanism of meritocratic differentiation and selectivity. | Adequate range and managerial flexibility in performance-based payouts are an inherent characteristic of well-managed, accountable and sustainable variable compensation, which may be awarded via mechanisms differing by time horizon and typology of reward.<br>Incentives remunerate the achievement of performance objectives, both quantitative and qualitative, by providing for a variable bonus payment.<br>An appropriately balanced performance-based compensation element is encouraged for all employee categories as a key driver of motivation and alignment with organizational goals, and is set as a policy requirement for all business roles.<br>The design features, including performance measures and pay mechanisms, must avoid an excessive short-term focus by reflecting the principles of this policy, focusing on parameters linked to profitability and sound risk management, in order to guarantee sustainable performance in the medium and long term. In alignment with our overall mission, the characteristics of incentive systems also reflect the requirements of specialized businesses.<br>Group common guidelines on the key elements of contracts for Identified Staff ensure alignment with regulatory requirements and also with Audit recommendations, in particular regarding contract elements with specific regulatory provisions, such as variable compensation and *severance* provisions.<br>More details on the design of remuneration and incentive systems, with particular reference to Control Functions, are reported in the section "*Compliance Drivers*" at the end of this section. |

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| **Incentive Systems linked to yearly performance** | Incentive systems linked to yearly performance aim to attract, motivate and retain strategic resources and maintain full alignment with the latest national and international regulatory requirements and with best market's practices. | ▪ With particular reference to Identified Staff, common and homogeneous compensation guidelines are defined at Group level. Incentives take into account overall risk and do not induce risk-taking in excess of the risk appetite, and reflect the impact of business units' returns on the overall value of related business groups, the organization as a whole and the achievement of risk management and other sustainability goals.<br>▪ Reward is directly linked to performance, which is evaluated on the basis of results achieved and on the alignment with our leadership model and values. The *Executive Development Plan* (EDP) as the Group-wide framework for Identified Staff performance management is a cornerstone of fair and coherent appraisal across the organization.<br>▪ Each year, detailed information about our compensation governance, key figures and the features of FinecoBank incentive systems is fully disclosed in the Annual Compensation Report.<br>▪ Payout is based on a "*bonus pool*" approach providing for a comprehensive performance measurement at individual and at Group and local level and the elimination of the predetermined individual *bonus opportunity*.<br>▪ Moreover, the payout is phased to coincide with an appropriate risk time horizon. The design features of incentive plans for Identified Staff are aligned with shareholder interests and long-term, firm-wide profitability, providing for an appropriate allocation of a performance related incentive in cash and in shares, upfront and deferred.<br>▪ The yearly incentive system for Identified Staff is paid according to 2 payment schemes ("*EVP & above and* |

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| | | *other Identified Staff with bonus >500k*"[2] and "*SVP and other Identified Staff with bonus <500k*").<br>▪ Incentive systems are essential elements of the "sustainable pay for sustainable performance" approach. |
| **Long-term loyalty plans** | The aim of these plans is the allocation of free shares, in order to build retention, subject to the fulfilment of specific sustainability conditions. | FinecoBank's Board of Directors approved the following plans, when applied for listing on the Italian Stock Exchange and subject to the favourable outcome of it:<br>▪ *"2014-2017 Multi-year plan Top Management"* for the Chief Executive Officer and General Manager and for the Executives with strategic responsibilities;<br>▪ *"2014 Plan Key People"* per 80 selected people. |

[2] Including direct reports to strategic supervisory, management and control bodies and other Identified Staff.

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| **Incentive system for *below Executive* population** | The aim is to reward results by establishing a direct link between pay and performance over the short term, and is weighted according to risk. | ▪ For the remaining employees (the ones not belonging to Identified Staff), annual incentives are determined on a discretionary basis according to the individual performance appraisal.<br>▪ This process is mainly supported by *Performance Management*, which is the tool used to appraise performance and development for all employees. It includes a yearly, written, and documented process for the goals setting, self-assessment, managerial assessment and the definition of an individual development plan. In particular, individual goals are assessed on an *ex-ante* basis and are defined in accordance with the duties and responsibilities of each employees' role.<br>▪ While there is no a direct and definite link between the contents of the Performance Management appraisal and the payment of an incentive, the bonus will reflect the targets met and the performance appraisal, to ensure that the incentive is mechanism based on differentiation and meritocratic selection.<br>▪ The individuals' behaviours (compliance with internal and external rules and regulations, absence of disciplinary actions and completion of mandatory training) are also evaluation elements to assign individual incentives. |

## Benefit

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| **Benefits include welfare benefits that are supplementary to social security plans and are intended to provide substantial guarantees for the well-being of staff and their family members during their active career as well as their retirement.**<br>**In addition, special terms and conditions of access to various FinecoBank and UniCredit Banking products and other services may be offered to employees in order to support them during different stages of their lives.** | Benefits aim to reflect internal equity and overall coherence of our remuneration systems, catering to the needs of different categories as appropriate and relevant. | ▪ In coherence with Group governance framework and Global Job Model, benefits are aligned against general common criteria for each employee category, while benefits plans are established on the basis of FinecoBank practices.<br>▪ FinecoBank employees can also join the Group Employee Share Ownership Plan, named "Let's Share" which was launched for the first time in 2008. The plan offers to the participants the opportunity to buy ordinary UniCredit shares and to receive a 25% discount in the form of free shares allocated by the Company with a one-year restriction period. |

## 6.2. Financial Advisors

Financial Advisors are tied to the Company by an agency agreement, under which the Advisor is engaged on a permanent basis (without representation) to provide independent services, exclusively for the Bank, for the promotion and placement of financial instruments and Banking/financial services in Italy, as well as insurance and welfare products or any other products indicated in the contract. Advisors are also responsible for diligently monitoring the assistance to the existing and/or allocated customers in order to fulfil the Company's objectives.

In accordance with existing regulations, contractual relationships with customers acquired by the Financial Advisor, and any other that is subsequently allocated, are conducted exclusively between the customer and the Bank.

The Financial Advisors' Network has a hierarchical structure. The Advisors are coordinated by a managerial team made of Area Managers reporting directly to the PFA Commercial Network Department, and Group Managers.

The Commercial Department uses Company's employees, named Area Coordinators, to provide support to the network. Their tasks are to control the local activities and provide support for commercial activity.

Area Managers and Group Managers are Financial Advisors tasked by the Bank with additional tasks. A specific agreement disciplines their activities and remuneration.

Area Managers are responsible for coordinating Advisors in their geographic area, for growing the business and for reaching the targets set by Commercial Management, and are supported by Group Managers.

As mentioned in the preamble, the provisions of this Compensation Policy also apply to the members of the Financial Advisors' Network, in line with the Advisors' specific remuneration.

Financial Advisors are freelancers and their remuneration is entirely variable. This leads to a distinction between a "recurring" and a "non-recurring" pay component.

| Type of remuneration | Purposes | Features |
|---|---|---|
| **Recurring remuneration** | This is the most stable and ordinary part of the total remuneration, equivalent to the fixed salary of employees. | ▪ Sales commission, in other words the payment to the Financial Advisor of a percentage of the sales charge, paid by the customer at the time of purchase of investment instruments. It is paid on an individual basis or as a supplement if the Advisor has been given coordination tasks;<br>▪ Management and maintenance commission, in other words the Financial Advisor monthly remuneration for assistance provided to customers during the contract, commensurate with the average value of the investments and the type of product, paid on an individual basis or as a |

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| | | supplement if the Advisor has coordination tasks. |
| **Non-recurring remuneration** | This is the incentive element, in other words it is tied to reach certain goals, equivalent to the variable compensation of employees. | ▪ The so called "All in fee" bonus, based on the value attributed to the customer and the Advisor depending on the portfolio composition and the use of services offered by the Bank;<br>▪ "Net Inflows Bonus", in other words the bonus paid to the Financial Advisor on the basis of annual inflow targets for the Advisor, and group targets for Managers, as determined every years by the Bank. This bonus is paid if the agency agreement is in force on the bonus payment date, and there is no notice period in progress.<br>▪ "Loyalty Plan", which, if the conditions are met, provides for an amount to be invested in a unit-linked insurance policy, with the option of redemption on the stipulated deadlines, on condition that the Advisor's contract is in force at the time of payment.<br>▪ Benefit, e.g.:<br>- special conditions for Banking products and other services offered by FinecoBank, in order to provide financial support during the business relationship;<br>- insurance cover for death, permanent disability and illness. Also, if the conditions are met, there is coverage for medical expenses;<br>- full rent car;<br>- payment in kind, in relation to incentive travel. |
| **Incentive System for Financial Advisors** | The aim is to motivate, retain and incentive the Financial Advisors and the Managers, in full accordance with regulations. | ▪ For the Advisors belonging to Identified Staff, due to their business' peculiarities, there is a dedicated Incentive System;<br>▪ the incentive is determined according to KPIs aligned with the key elements of the incentive plans mentioned above, in order to guarantee continuity in terms of objectives and purposes;<br>▪ the annual incentive is paid in instalments of cash and/or Phantom shares over a multi-year period (2016-2020);<br>▪ payment is deferred to an appropriate time period, to reflect the risk assumed;<br>▪ the system is based on sustainability mechanisms according to results and is aligned with the regulations. |

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| **Long-term loyalty plans** | The aim is to retain and incentive the Financial Advisors and the Managers. | FinecoBank's Board of Directors approved the following plans, when applied for listing on the Italian Stock Exchange and subject to the favourable outcome of it:<br>▪ *"2014 Plan PFA"*, subject to the fulfilment of specific performance targets for 2014;<br>▪ *"2015-2017 Plan PFA"*, subject to the fulfilment of specific performance targets for the period 2015-2017. |

As required by the New Provisions, the "non-recurring" pay items referring to:

- 2015 Incentive System for Financial Advisors belonging to Identified Staff;
- Long-term loyalty plans ("2014 Plan PFA" and "2015-2017 Plan PFA");
- Loyalty Plan;
- Net Inflow Bonus;
- All In Fee,

except for benefits relating to insurance cover, provide for: *ex-ante* (entry conditions) and *ex-post* (*malus* on any deferred components) adjustment mechanisms, linked to the Bank's income status, appraisal criteria and *claw back* clauses.

In relation to the Net Inflows Bonus, for Area Managers there is an indicator that expresses the operational risks (Network operating losses / Bank's total intermediation margin), which reduces the amount of bonus if the tolerance threshold is exceeded.

## 6.3. *Compliance drivers*

| **To support the design of remuneration and incentive systems, and with particular reference to Company Control Functions, the following "compliance drivers" have been defined:** | |
|---|---|
| ✓ maintenance of an adequate ratio between financial and non-financial goals | ✓ qualitative measures must be accompanied by an *ex-ante* indication of objective parameters to be considered in the evaluation, the descriptions of expected performance and the person in charge for the evaluation |
| ✓ non-financial quantitative measures should be related to an area for which the employee perceives a direct link between her/his performance and the trend of the indicator | ✓ among the non-financial goals (quantitative and qualitative), include, where relevant, goals related to Risk as well as to Compliance (e.g. credit quality, operational risks, application of MIFID principles, products sale quality, respect of the customer, Anti Money Laundering requirements fulfillment) |
| ✓ set and communicate *ex-ante* clear and pre-defined parameters as drivers of individual performance | ✓ avoidance of incentives with excessively short timeframes (e.g. less than three months) |
| ✓ promotion of a customer-centric approach which places customer needs and satisfaction at the forefront and which will not constitute an incentive to sell unsuitable products to clients | ✓ take into account, even in remuneration systems of the external networks (Financial Advisors), the principles of fairness in relation with customers, management of legal and reputational risks, protection and loyalty of customers, compliance with the provisions of law, regulatory requirements, and applicable self-regulations |
| ✓ create incentives that are appropriate in avoiding potential conflicts of interest with customers, considering fairness in dealing with customers and the endorsement of appropriate business conduct | ✓ provide individual goals for employees in Company Control Functions that reflect primarily the performance of their own function (to minimise potential conflicts of interest) |
| ✓ define – for personnel providing investment services and activities – incentives that are not only based on financial parameters, but also take into account the qualitative aspects of the performance; this in order to avoid potential conflicts of interest in the relationship with customers[3] | ✓ avoid economic goals for Company Control Functions (Compliance, Risk Management, Audit and HR) and, for functions with a control role belonging to the Competence Line Planning, Finance & Administration, provide a set of goals which avoid possible conflict of interests in controlled activities and business |

[3] As for example:
- ESMA requirements, with reference to MIFID remuneration policies and practices
- Technical Advice ESMA on MiFid II (Final Report 2014/1569)
- MiFid II specific articles regarding remuneration/incentives for relevant subjects

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| ✓ avoidance of incentives on a single product/financial instrument, as well as single Banking product | ✓ for the purpose of granting incentive, take also into account any disciplinary sanctions and/or sanctions by regulatory authorities imposed on the resource. In the presence of these measures, the possible allocation of the incentive will require a written explanation, which will make possible a case-by-case verification of the managerial decisions |
| ✓ define – for the Commercial network roles – quantitative (financial and non-financial) goals aimed at sale of risk-controlled, sustainable, quality products, and in line with client risk profile | ✓ indicate clearly in all rewarding system communications and reporting phases that the final evaluation of employee's achievements cannot disregard a formal verification of compliant behaviour to the rules and regulations - external and internal - and to Code of Conduct. In particular, adopt systems of performance evaluation that keep adequate evidence of this approach (the performance is evaluated also on the basis of evidence of Compliance, Risk Management and Audit findings) |
| ✓ maintenance of adequate balance of fixed and variable compensation elements also with due regard to the role and the nature of the business performed. The fix portion is maintained sufficiently high in order to allow the variable part to decrease, and in some extreme cases to drop down to zero | ✓ the entire evaluation process must be conveniently put in writing and documented |
| ✓ in case of individual performance evaluation systems are fully or partially focused on a managerial discretional approach, the evaluation parameters should be defined *ex-ante*, should be clear and documented to the manager at the beginning of the evaluation period. Such parameters should reflect all applicable regulation requirements[4]. The results of managerial discretional evaluation should be formalized for the adequate and predefined monitoring process by the proper functions | |

Within network roles incentive systems, particular attention is put on "*Commercial Campaigns*".

Such Campaigns may be organized after the evaluation and authorization of the competent Product Committee.

They represent business actions aimed at providing guidance to the sales network towards the achievement of the period's commercial targets (also intermediate, for instance on a half-year basis) and with a direct impact on the budget and related incentive systems.

[4] Also in line with the regulation references reported in the note above

Among the distinctive features of commercial campaigns, there is the expectation of the award - in cash or non-monetary reward. Commercial Campaigns can also have the function to accelerate the achievement of certain objectives of the incentive system. The grant of awards related to a Campaign will be subordinated to behaviours compliant with the external and internal regulations.

Under no circumstances may the system of remuneration and evaluation of the sales network employees constitute an incentive to sell products unsuitable to the financial needs of the clients.

In particular the following "*compliance drivers*" have been defined:

- ✓ setting-up of the incentive mechanisms using criteria which are consistent with the best interest of the client, and which avoid in any case conditions of potential conflicts of interest with customers, and coherently with relevant regulatory provisions (e.g. MiFID)
- ✓ ensuring consistency between a Campaign's objectives with the objectives set when defining the budget and when assigning targets to the sales network
- ✓ avoidance of "commercial campaigns" on a single financial or Banking product/financial instrument
- ✓ inclusion of clauses for zero bonus payment in case of relevant non-compliant behaviour or qualified disciplinary actions
- ✓ avoidance of campaigns which – not being grounded an objective and customer interests related basis – may directly or indirectly lead to breaching the rules of conduct regarding clients
- ✓ avoidance of campaigns lacking a clear indication of the targets and of the maximum level of incentive to be granted for achieving those targets
- ✓ avoidance – in general – of campaigns that link incentives not only to the targets assigned to specific roles/structures but also to higher hierarchical levels or to the budget of the higher territorial structure.

# SECTION II –
# ANNUAL COMPENSATION REPORT

# 1. Introduction

The *Annual Compensation Report* discloses all relevant FinecoBank compensation-related information and methodologies with the aim to increasing Stakeholders' awareness of our compensation policies, practices and outcomes, demonstrating their coherence with business strategy and performance, responsible remuneration and sound risk management. The report provides *ex-post* information on 2014 outcomes, as well as *ex-ante* disclosure for 2015 approach, covering both our Identified Staff population and Corporate Bodies' members.

Remuneration solutions implemented in 2014 provided for:

- compliance of incentive structures with all relevant regulations, including deferred and equity incentives based on financial instruments;
- comprehensive performance measurement to foster sound behaviours aligned with different types of risk.

Over the year we constantly remained abreast of ongoing changes in national and international regulations. Among most recent innovations in the regulatory framework, we highlight the following: on January 1st, 2014 the *Capital Requirements Directive* (CRD IV) entered into force, providing for a cap on variable remuneration for Identified Staff and asking local regulators to issue regulations for local implementation; the *European Banking Authority* published on December 16th, 2013 the *Regulatory Technical Standards*, qualitative and quantitative criteria which are common at European level in order to define Identified Staff population; in order to introduce CRD IV requisites, Bank of Italy issued on November 18th, 2014 the final regulations which replace the "*Regulations on remuneration and incentive policies and practices of Banks and Banking groups*" issued in 2011.

In October 2014 we gave our contribution, through UniCredit by means we provided disclosure to Bank of Italy, to the *European Banking Authority*'s ("EBA") remuneration benchmarking exercise and data collection of high earners. In particular our contribution was related to information regarding remuneration for 2013 of all staff and of Identified Staff, including the number of individuals in pay brackets of at least 1 mln Euros.

The Annual Report, a unique document providing complete and comprehensive information on compensation, includes also this year details referring to Members of Administrative and Auditing bodies, General Managers and Executives with strategic responsibilities.

Data pursuant section 84-quater of the Italian National Commission for Listed Companies (Consob) Issuers Regulation no.11971, as well as the information on incentive systems under section 114-bis, are included in this report and in the annex to the 2015 FinecoBank Compensation Policy, named "*2015 Compensation Systems based on Financial Instruments for FinecoBank Staff*".

# 2. Governance & Compliance

***FinecoBank's corporate governance framework assures clarity and accountability in decision-making regarding remunerations.***

## 2.1 Remuneration and Appointments Committee

The Remuneration and Appointments Committee performs a strategic role in supporting Board of Directors' oversight of FinecoBank Compensation Policy and plans design.

The Board of Directors of FinecoBank, renewed on April 15th, 2014, during the first session started the process to adopt Corporate Governance system to the status of Listed Company, that is subjected, *inter alia*, to legislation and regulations for Companies that appeals to the market of capital risk, to TUF and Issuers Regulation provisions, as well as to the need to bring its own Corporate Governance model in line with the one foreseen by the Corporate Governance Code.

Later, on May 13th, 2014, the Board of Directors established an internal Remuneration and Appointments Committee, one committee with proposal making and advisory functions to the Board itself.

This Committee is composed of Directors Mr. Gianluigi Bertolli, Mrs. Mariangela Grosoli and Mr. Girolamo Ielo, who met the independence requirements set out in Article 3 of the Corporate Governance Code and also Article 148 (3) of the TUF and have adequate knowledge and experience in finance or remuneration policies.

The Chairman, Mr. Gianluigi Bertolli, has presided the Committee's meeting during 2014.

In performing its duties and if important and suitable, also availing itself with the support of an external consultant, The Remuneration and Appointments Committee:

A. provides opinions to the Board of Directors - on the proposals formulated, as appropriate, by the Chairman of the Board or by the Chief Executive Officer and General Manager - concerning:

   - the definition of policies for appointing the Company's directors (including the qualitative- quantitative characteristics required by the Supervisory Regulations of the Bank of Italy);
   - the appointment of the Chief Executive Officer and General Manager and the other Executives with strategic responsibilities;
   - the definition of any succession plans for the Chief Executive Officer and General Manager and for the other Executives with strategic responsibilities;
   - the identification of FinecoBank director candidates in the event of co-optation, and of independent director candidates to be submitted for approval by the Company shareholders' meeting, taking into account any reports received from shareholders;
   - the appointment of members of the Committees established within the Board of Directors, upon the proposal of the Chairman;

B. presents proposals to the Board for the definition of a general remuneration policy for the Chief Executive Officer and General Manager, for the other Executives with strategic responsibilities, for the Heads of Company Control Functions e for the other

Identified Staff – also so that the Board is able to prepare the Annual Compensation Report to be presented to the Shareholders' Meeting on an annual basis, and to periodically assess the suitability, overall consistency and effective application of the general remuneration policy approved by the Board;

C. presents proposals to the Board relating to the total remuneration of the Chief Executive Officer and General Manager, of the other Executives with strategic responsibilities, of the Heads of Company Control Functions e of the other Identified Staff, including the relevant performance targets related to the variable component of the remuneration;

D. monitors the implementation of the decisions adopted by the Board and verifies, in particular, the achievement of the performance targets;

E. examines any share-based or cash incentive plans for employees of the Company, and strategic staff development policies.

The Committee may, when it deems it appropriate, invite other individuals from within the Company to attend the meetings, in relation to the corporate functions and organizations concerned by the issues at hand, including members of other committees within the Board of Directors, or external parties, whose presence may facilitate the Committee in performing its functions. The Committee shall meet when convened by its Chairman, whenever he/she deems necessary, or upon the request of one of its members.

In 2014 the Head of Human Resources has been always invited to Committee's meetings. The Chairman has also invited the Chief Risk Officer of FinecoBank to have his evaluation on the consistency of Long-term Incentive Plans for employees and Financial Advisors with the risk policies of the Bank, and the Head of Network PFA Sales Department, Monitoring & Service Network to analyze the Guidelines of Stock Granting Plans for the Financial Advisors.

During 2014 the key activities of the Remuneration and Appointments Committee included:

- compensation package and performance targets of the Executives with strategic responsibilities;
- Compensation Policy and Guidelines of Incentive and Loyalty Plans for employees and Financial Advisors.

On December 2014 the Committee, by means of its budget assigned for the year, has started a collaboration with an independent external advisor.

In 2014 the Remuneration and Appointments Committee met 5 times. The meetings had an average duration of two hours. As of April 2015, 4 meetings of the Committee have been held this year. Minutes are taken of each meeting of the Remuneration and Appointments Committee and placed on record by the Secretary designated by Committee itself.

The main topics discussed by the Committee are also submitted to the attention of the Board of Statutory Auditors.

The following table summarizes the composition of the Committee in 2014 and, in addition to the information on the independency of the members, provides details regarding their attendance to the meetings that have been called during the year.

| REMUNERATION AND APPOINTMENTS COMMITTEE – (YEAR 13/05/2014 – 31/12/2014) | | | | | | |
|---|---|---|---|---|---|---|
| Office | Name | Independency according to | | * | ** | *** |
| | | Code | TUF | | | |
| **Members currently in office** | | | | | | |
| Chairman | Gianluigi Bertolli | Yes | Yes | C | 5 | 100% |
| Director | Mariangela Grosoli | Yes | Yes | M | 5 | 100% |
| Director | Girolamo Ielo | Yes | Yes | M | 5 | 100% |
| Notes<br>(*) In this column is pointed out the office covered in the Committee (C=Chairman; M=Member)<br>(**) In this column is pointed out the number of meetings attended during the period when the office has been covered<br>(***) In this column is pointed out the percentage of attending to Committee's meetings (no. of participation / no. of meetings taken during the effective period when the office has been covered) | | | | | | |

## 2.2 The Role of Company Control Functions: Compliance, Risk Management and Audit[5]

Key contributions in 2014 of FinecoBank Compliance function, for all aspects that fall within its perimeter and in collaboration with Group Compliance, included:

- validation of the 2014 Compensation Policy submitted to the Board of Directors for subsequent approval of the Shareholders' Meeting on June 5th, 2014;
- validation of the 2014 Incentive System for Identified Staff;
- preparation – in collaboration with the Human Resources function – and distribution of FinecoBank guidelines for the development and management of 2014 incentive systems for the population not belonging to Identified Staff (ref. *FinecoBank Internal Regulation 5/2013*);
- participation in specific initiatives of Human Resources function (e.g.: review of definition of Identified Staff for the application of Incentive System);
- analysis of specific non-standard compensation within the 2014 cycle.

In 2015, the Compliance function will continue to operate in close co-ordination with the Human Resources function to support not only in the validation but also in the design and definition of compensation policy and processes.

The link between compensation and risk has been maintained in 2014 with the involvement of the Risk Management function in compensation design and the definition of an explicit framework to base remuneration within an overarching *FinecoBank Risk Appetite*, which is consistent with *Group Risk Appetite*, so that incentives to take risk are appropriately constrained by incentives to manage risk. In particular, the Board of Directors and Remuneration and Appointments Committee draw upon the input of involved functions to define the link between profitability, risk and reward within FinecoBank incentive systems.

[5] Internal Audit function is centralized in UniCredit and works based on a specific service contract.

### *Internal Audit of the 2014 FinecoBank remuneration policies and practices*

The Internal Audit function performed the annual audit on FinecoBank variable remuneration system, in consistency with the new provisions issued by Bank of Italy on November 2014. The objective was to perform a follow-up of the recommendations issued by the previous audit in 2014 and to assess the correct implementation of the 2014 remuneration process, verifying the consistency with internal and external regulations.

The results of the audit have been presented to the Remuneration and Appointments Committee on March 20th, 2015.

The population in scope included the following categories, to whom FinecoBank Compensation Policy applies:

- all the employees belonging to “Identified Staff”;
- a sample of no. 160 employees not belonging to “Identified Staff” (*below executive*), chosen taking into consideration employees that have received in 2014 an incentive higher than Euro 5.000 (around 16% of the overall population on 31/12/14);
- members of Corporate Bodies;
- the Financial Advisors of the Bank, with particular attention to the “non-recurring” remuneration named “Net Inflows Bonus”, reprenting around 70% of the total variable compensation paid in 2014.

The annual Internal Audit assessment resulted in a satisfactory rating, based on the overall correct implementation of the bonus mechanism, as defined in FinecoBank Compensation Policy.

There still persist, however, some areas of improvement that have been suggested to the Management, to make the definition of incentive plans for employees and Financial Advisors more consistent with regulations. In particular:

- the need to integrate the internal regulation on the individual incentives for “*below executive*”, to formally disciplinate responsibilities and internal controls on goal setting and performance evaluation for each employee. In fact the incentive paid out must be consistent with *ex-post* performance evaluation compared with goals assigned, that should be done by the Manager in the available Company HR tools;
- regarding the process to identify employees belonging to “Identified Staff”, a more accurate formalization of the evaluations done by the relevant involved functions on the reasons behind the decision to not include managerial position that have been examinated;
- the need to foresee, in the internal regulation/guidelines for Financial Advisors’ incentive systems, *claw back* mechanisms, with a specific reference to the cash advance of the bonuses paid during the year to Advisors that have been subjected to a disciplinary action in a later stage.

It is signalled that the improvement proposed have been already submitted during the audit assessment to the Management, that will acknowledged them in the internal regulation.

# 3. Continuous Monitoring of Market Trends and Practices

***Remuneration and Appointments Committee and Board of Directors make informed decisions on compensation, in line with business strategy and based on appropriate market awareness.***

Key highlights of total compensation policy defined this year with the support of external benchmarking and trends analysis provided by the independent external advisor to the Remuneration and Appointments Committee include:

- the definition of executive compensation policy with particular reference to the design of the 2015 incentive systems;
- the pay recommendations based on specific benchmarking analysis versus our defined peer group to inform any decision.

Compensation levels and ratio between fix and variable component of overall remuneration for Identified Staff are planned, managed and reviewed based on our strategic framework and also aligned with FinecoBank relative performance over time. As policy target, total compensation is set around upper quartile, with individual positioning defined considering specific market of the business and talent, skills and competencies that the individual brings to the Bank. The level of fix pay should be sufficient so that inappropriate risk-taking is not encouraged.

The peer group used to benchmark compensation policy and practice with particular reference to Identified Staff has been defined by the Remuneration and Appointments Committee upon proposal of the independent external advisor on the basis of criteria including: comparability of size, complexity and business model, presence in customer, talent and capital markets, risk and legal-socio-economic environment.

The peer group is subject to annual review to assure its continuing relevance. For 2015 it has been defined a national peer group that includes:

- some Banks operating in the same industry of FinecoBank, in particular those listed as:
  - Generali
  - Mediolanum
  - Azimut
- positions of Asset Management, Wealth Management, Trading internal to national Banks:
  - Banco Popolare
  - Veneto Banca
  - Generali
  - Carige
  - Credem
  - Cariparma
  - BNP Paribas (Italy)
  - BPER
  - Deutsche Bank (Italy)
  - Monte Paschi di Siena

- Intesa SanPaolo
- UBI Banca

In addition to what mentioned above, for the Chief Executive Officer and General Manager and for the Executives with strategic responsibilities it will be realized a benchmark also with European market, based on a sample of European Banks listed, belonging to FT Europe 500 listing, and approximately of Banks with Wealth Management, Asset Management and Private Banking activities, trading platform, on top of a US comparables' analysis.

# 4. Compensation of Directors and Executives with Strategic Responsibilities

***The remuneration for members of the administrative and auditing Bodies of FinecoBank is represented only by a fix component, determined on the basis of the importance of the position and the time required for the performance of the tasks assigned. This policy applies to non-Executive Directors and to the Supervisory Body members that are not employees of FinecoBank or other Legal Entities of UniCredit Group, as well as to Statutory Auditors.***

## 4.1 Non-Executive Directors Compensation

The compensation paid to non-executive directors is not linked to the economic results achieved by FinecoBank, as it is represented only by a fix component, determined on the basis of the importance of the position and the time required for the performance of the tasks assigned.

In light of the above, and as detailed in the 2014 FinecoBank Compensation Policy, the Ordinary Shareholders' Meeting of April 15th, 2014 – also considering market practices – has resolved to assign to the Board of Directors, for each year of activity, the overall annual amount of Euro 370.000, an amount of Euro 50.000 for the Directors holding offices in the Board's Committees and an amount of Euro 20.000 for the Chairman of the Supervisory Body (pursuant to Legislative Decree 231/2001). It is also confirmed the attendance fee of Euro 300 for each meeting of the Board of Directors, of the Board's Committees, even if these meetings held on the same day.

Pursuant to section 2389, paragraph 3 of the Italian Civil Code, the Board of Directors has also established, after consultation with the Board of Statutory Auditors, to give FinecoBank's Directors vested with particular offices an additional remuneration consisting of a fix annual amount for each year of their term of office, whose amounts are reported in the Table 1 as per section 84-quater (Annex 3A, Schedule 7-bis) of Consob Issuers' Regulation (chapter 7 of this report).

Non-executive directors do not take part in any incentive plans based on stock options or, generally, based on financial instruments.

***Indemnities to directors in the event of resignations, dismissal or termination of employment following a public purchase offer (as per section 123/bis, paragraph 1, letter i), of TUF):***

None of the Directors have contracts containing clauses envisaging the payment of indemnities, or the right to keep post-retirement benefits, in the event of resignations or dismissal/revocation without just cause or if the employment relationship is terminated following a public purchase offer. In case of early termination of the mandate, the ordinary law provisions would therefore apply.

The individual employment, as Executive, of the Chief Executive Officer and General Manager, Mr. Alessandro Foti, is today governed - also with regards to the event of resignations, dismissal/revocation or termination - by the ordinary provisions of the law and National Labor Agreement for Banking Industry Executives dated February 29, 2012.

In such context, the annual remuneration used to define the possible indemnity due in the above mentioned instances would include the fix remuneration, any other continuative compensation and the average of the variable pay (inclusive of the components paid in equity - such as for example free shares, restricted shares, performance shares - with the only exclusion of the valorization of the stock options potentially assigned within long-term incentive plans) received in the last three years prior to the termination. The actual amount of such indemnity – in terms of months of compensation considered – is then bound to vary depending on the events which led to the termination and on the relationship's duration.

Non-executive Directors do not receive, within incentive plans, stock options or others equities. For the Chief Executive Officer and General Manager no specific provisions are provided with reference to the right to keep, in case of termination, the options received and the plans' provisions apply.

For none of the Directors currently in office, provisions exist regarding the establishment of advisory contracts for a term following the termination of the directorship, nor the right to keep post retirement perks. No agreements exist either providing compensation for non-competition undertakings.

## 4.2 Compensation of Statutory Auditors

The compensation paid to the Board of Statutory Auditors is in no way linked to the economic results achieved by FinecoBank; in fact their remuneration is represented only by a fix component, determined on the basis of the importance of the position and the time required for the performance of the tasks assigned.

In light of the above, the Ordinary Shareholders' Meeting held on April 15th, 2014, while appointing the Board of Statutory Auditors, resolved an annual compensation of Euro 50.000 for the Chairman of the Board of Statutory Auditors and of Euro 40.000 for each standing Statutory Auditor plus an attendance fee of Euro 300 for every meeting of the Board of Statutory Auditors they attend.

Alternate Auditors do not receive any compensation unless they are actually asked to join the Board of Statutory Auditors in substitution of a standing member.

No Statutory Auditor is beneficiary of any incentive plan, including those based on stock options or, generally, on financial instruments.

## 4.3 Compensation of Executives with Strategic Responsibilities

The Board of Directors has identified as "Executives with strategic responsibilities" – to the ends of the application of all statutory and regulatory instructions – the Chief Executive Officer and General Manager, the Deputy General Manager and Head of Global Banking

Services, the Head of Direct Banking, the Head of Commercial PFA Network, the Head of Investment Services and Wealth Management as well as the Chief Financial Officer.

For 2014, according to our Compensation Policy, in line with the provisions of CRD IV and the national and international authorities, the fix and variable components of the compensation of the Chief Executive Officer and General Manager (the sole executive director sitting on the Board of Directors and employee of the Company) – consistently with the other Executives with strategic responsibilities – are balanced through the *ex-ante* definition of the maximum ratio between variable and fix component of the compensation, considering also the Company's strategic goals, risk management policies and other elements influencing firm's business.

The fix component is defined taking into opportune consideration market information and in such a way to be sufficient to reward the activity rendered even if the variable part of the remuneration package were not paid due to non-achievement of performance goals.

The Chief Executive Officer and General Manager, as well as the Executives with strategic responsibilities have a balanced part of their remuneration linked to the economic results of FinecoBank and the Group, taking also into consideration the overall profitability, weighted by risk and cost of capital, as well as sustainability goals (based on capital and liquidity ratios) of FinecoBank. Such variable compensation considers the achievement of specific goals which, in compliance with the Board of Directors' Regulation, are previously approved by the Board upon proposal of the Remuneration and Appointments Committee.

*Ex-ante* defined specific metrics that reflect categories of our FinecoBank Risk Appetite Framework, which is consistent with Group Risk Appetite Framework, align the remuneration of the Chief Executive Officer and General Manager and of the others Executives with strategic responsibilities to sustainable performance and value creation for the shareholders in a medium/long term perspective. Specific individual goals are set out taking into consideration the market practices and the role assigned within the Bank, through the systematic use of specific indicators aimed at strengthening the sustainability of business, such as, for example, the satisfaction of the customer, risk and financial sustainability indicators and profitability measures. → *More information regarding our performance management and evaluation are provided further in chapter 5.4.*

2014 variable incentive systems provide for a cap to the variable pay. The maximum value of the variable compensation could not exceed the 200% of fix compensation, with the exception of Company Control Functions to whom a maximum ratio of 100% is applied.

It is also foreseen the deferral in cash and shares of minimum 70% of the incentive, including the percentage of "upfront" shares with payout subject to the achievement of future performance conditions over the following financial years. The measure and duration of the deferral are aligned with the provisions set by regulators and are consistent with the characteristics of the business and with the Company's risk profiles.

For the Heads of the Company Control Functions the goals, pursuant to the provisions of Bank of Italy, are established by the Board of Directors in line with the tasks assigned to them and avoiding, unless good reasons exist, goals connected to the Bank's performance.

In particular, for 2014, for the Manager in charge of preparing Company's financial reports (CFO), the Board of Directors has verified the existence of valid reasons to insert goals linked to the performance results of FinecoBank only in a very limited measure. → *More information regarding compensation approach for Company Control Functions is provided further in chapter 5.5.*

The 2014 Incentive System provides for 50% of the annual incentive to be deferred and paid in the five following years through the granting of Fineco shares. The number of such shares is set at the beginning of the deferring period, thus creating a link between the evolution of the share price and the actual value of the incentive. *→ More information regarding the 2014 incentive plan implementation and outcomes are provided further in chapter 5.2.*

The Chief Executive Officer and General Manager, on top of 2014 Incentive System, benefits also from:

- *“2011 Group Executive Variable Compensation System – Executive Vice President”*
- *“2012 Group Incentive System - Executive Vice President”*
- *“2013 Group Incentive System – Executive Vice President & Above”*
- *“2014-2017 Multi-year Plan Top Management”*

*→ More information regarding the plans above mentioned are provided further in chapters 6 and 7.*

# 5. Compensation Systems

## 5.1 Target Population

FinecoBank, starting from last year conducted, in alignment with specific regulation, the self-evaluation process to define Identified Staff population to whom, according to regulators, specific remuneration rules apply.

For 2014, the assessment process, documented into 2014 FinecoBank Compensation Policy, brought to the identification of 9 resources, pursuant to the *European Banking Authority Regulatory Technical Standard* (RTS)[6].

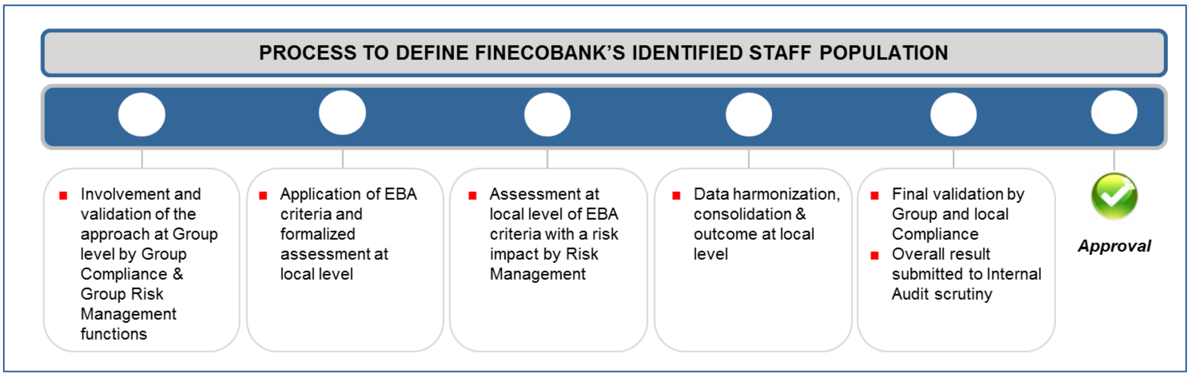
In 2015, Identified Staff population has been reviewed also taking into consideration the latest regulatory requirements (ref. Supervisory Provisions "*Regulations on remuneration and incentive policies and practices of Banks and Banking groups*" issued on November 18th, 2014).

The definition of 2015 Identified Staff followed a structured and formalized assessment process both at Group and local level, based on the qualitative and quantitative criteria common at European level defined by EBA and on the guidelines provided by the Group functions Human Resources, Risk Management and Compliance.

In particular, Risk Management function has been directly involved in the assessment at local level on the application of qualitative criteria with a risk impact.

Finally Compliance function validated FinecoBank approach both at Group and local level.

The application of qualitative criteria brought, based on role, decisional power and senior accountability of staff, to the identification of Management staff, risk takers and staff belonging to control functions, regardless of their remuneration; quantitative criteria have been used as residual criteria in order to include in the Identified Staff category those employees whose overall compensation reflects the impact of their professional activity on the risk profile of the Bank.




The result of the assessment process for the definition of Identified Staff, submitted to Internal Audit scrutiny, brought to the identification of a total number of 13 employees and 6 Financial Advisors for 2015[7].

[6] *European Banking Authority* (EBA) *Regulatory Technical Standards* on criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile under Article 94 (2) of Directive 2013/36/EU.

Regarding the employees, as a result of the analysis and as approved by the Board of Directors upon Remuneration and Appointments Committee proposal, the following categories of employees have been identified for 2015 as Identified Staff: Chief Executive Officer and General Manager, Executives with strategic responsibilities, executive positions in Company Control Functions (Compliance, Risk Management and Human Resources) and other positions that are responsible at local level for strategic decisions which may have a relevant impact on the Bank's risk profile.

*→ Compensation data and vehicles used for the target population in 2014 are disclosed in chapters 6 e 7.*

Regarding the Financial Advisors, FinecoBank has applied a qualitative criteria to select those belonging to Identified Staff, on the basis of their impact on business risk (represented by the risk that the Bank's profitability decreases consequently to the exit of Advisors from the Network and the related loss of customers and assets), the only type of risk that the Bank considers attributable to PFA, due to the absence of power of attorney they have to assume any other kind of risks.

As a result of the analysis and as approved by the Board of Directors upon Remuneration and Appointments Committee proposal, the following categories of employees have been identified for 2015 as Identified Staff:

- for the single PFA the criteria above mentioned has been applied selecting those Advisors who have a total yearly compension higher/equal to Euro 750.000;
- for PFA who have a managerial role have been selected Managers that coordinate Advisors with a total asset on their own higher/equal to 5% of the total asset of the PFA Network.

## 5.2 Implementation and Outcomes of 2014 Incentive System for employees belonging to Identified Staff

The 2014 Incentive System, approved by FinecoBank Board of Directors on April 15th, 2014, provides for a "*bonus pool*" approach which takes into consideration most recent national and international regulatory requirements and directly links bonuses with Company results at Group and local level, furtherly ensuring the link between profitability, risk and reward.

The System, implemented within the framework of our policy and governance, provides for the allocation of a performance related bonus in cash and/or free ordinary shares over maximum 6 years.

### *Bonus pool sizing*

The bonus pool dimension is related to the actual profitability measure multiplied for the percentage of the bonus pool funding rate defined in the budgeting phase.

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[7] Identified Staff data refers to the population at the date of March 2015, providing for an *ex-ante* definition, in line with regulatory requirements.

This calculation determines the so called “theoretical bonus pool”. After this step the process foresees a verification on the entry conditions at Group and local level, as described in the following paragraph.

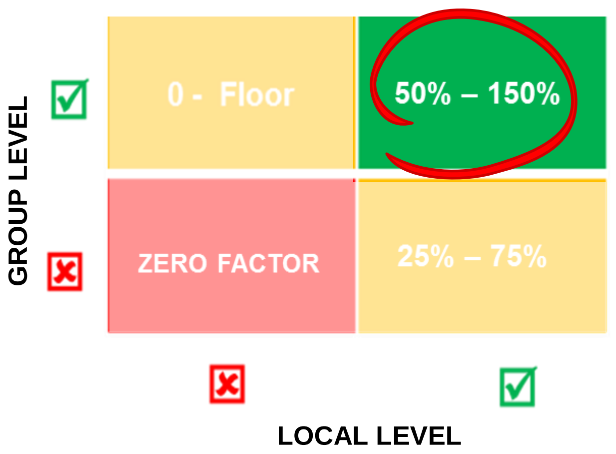
### *2014 Entry conditions at Group and local level*

In order to align to regulatory requirements, specific indicators measuring annual profitability, solidity and liquidity results had been set both local and Group level as Entry Conditions. In particular, risk metrics and thresholds for 2014 Incentive System as defined within the Entry Conditions that confirms, reduces or cancels upfront and deferred payouts include:

| Group level | Local level |
|---|---|
| Net Operating Profit adjusted ≥ 0 and | Net Operating Profit adjusted ≥ 0 and |
| Net Profit ≥ 0 and | Net Profit ≥ 0 |
| Core Tier 1 ≥ 9% and | |
| Cash Horizon ≥ 90 days | |

- **Net Operating Profit adjusted** (NOP excluding income from buy-back of own debt and from the fair value accounting of own liabilities) to measure profitability. In case of loss the Zero Factor is triggered.
- **Net Profit** to measure profitability considering the results stated in the balance sheet excluding any extraordinary item as considered appropriate by the Board of Directors upon Remuneration and Appointments Committee proposal. In case of loss the Zero Factor is triggered.
- **Core Tier 1 Ratio** to measure the Bank’s solidity in terms of highest quality common equity, consistent with regulatory limits and conservation buffers. As per regulatory requirements, this parameter threshold was set at EBA Limit 9%.
- **Cash Horizon** to measure the Bank’s capacity to face up to its liquidity obligations consistent with Basel 3 Horizon Liquidity Coverage. The threshold is set at 90 days.

According to the actual results, verified and approved by the Board of Directors of FinecoBank on February 9th, 2015, and by the Board of Directors of UniCredit on February 11th, 2015, at local and Group level the relevant entry conditions have been achieved. As a consequence, FinecoBank bonus pool falls in a range between 50% and 150% of the theoretical bonus pool value, calculated applying the funding rate percentage to the actual profitability results:




Based on the achievements, no *malus* condition is activated (at Group and local level) both for 2014 bonus and for payouts provided by previous years incentive plans deferred instalments

### *Risk & Financial sustainability*

After the verification of the Entry Conditions achievement, the actual bonus pool of FinecoBank had been adjusted within respective ranges, based on the assessment of the overall financial and risk sustainability evaluated by CRO & CFO dashboards including respectively:

- risk indicators linked to local *RAF*[8]
- performance indicators connected with the Strategic Plan, to evaluate the financial sustainability.

### *Evaluation and payout for Identified Staff*

In line with FinecoBank governance, 2014 evaluations for Chief Executive Officer and General Manager, Deputy General Manager, other Executives with strategic responsibilities, Chief Risk Officer, Head of Legal & Corporate Affairs and Head of Referente Compliance have been approved by the Board of Directors, based on favourable advice of Remuneration and Appointments Committee.

The Board of Directors of FinecoBank on February 9th, 2015, has approved the allocation of a total number of shares equal to 269.728 to be assigned in 2017, 2018, 2019 and 2020.

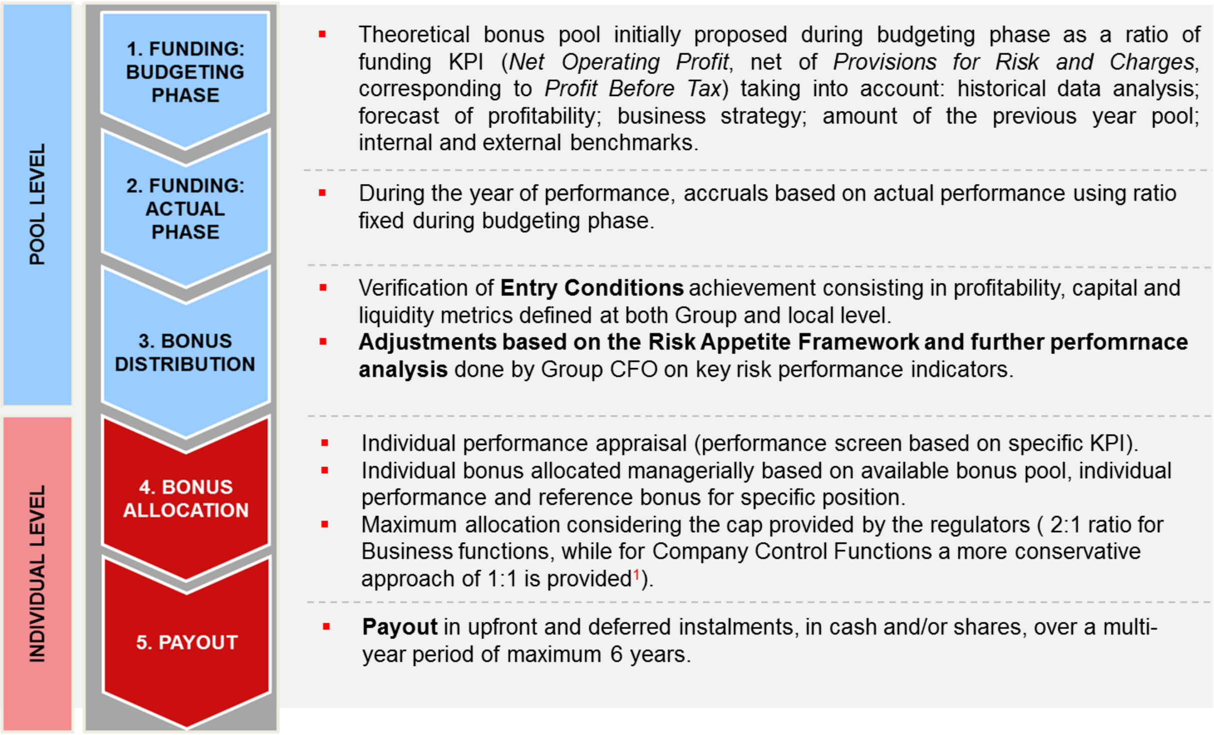
## 5.3 2015 Incentive System for employees belonging to Identified Staff

The 2015 Incentive System, as approved by the Board of Directors of FinecoBank on January 22nd, 2015, is based on a "*bonus pool*" approach which takes into consideration most recent national and international regulatory requirements and directly links bonuses with Company results at Group and local level, furtherly ensuring link between profitability, risk and reward. In particular, the system provides for:

- allocation of a variable incentive defined on the basis of the determined bonus pool;
- a *malus* clause (Zero Factor) which applies in case specific thresholds (profitability, capital and liquidity) are not met at both Group and local level;
- risk adjusted measures in order to guarantee long-term sustainability, regarding Company financial position and to ensure compliance with regulations;
- definition of a balanced structure of upfront (following the moment of performance evaluation) and deferred payments, in cash and in shares, to be paid over a period of up to maximum 6 years;
- distributions of share payments which take into account the applicable regulatory requirements regarding the application of share retention periods.

[8] *Risk Appetite Framework*

The 2015 Incentive System is based on a process that includes the following steps:




[1] Including also the 2015 allocation of «2014-2017 Multy-year Plan Top Management».

## 1. *FUNDING: BUDGETING PHASE*

- Theoretical bonus pool is initially proposed during the budgeting phase as a percentage of the funding KPI (*Net Operating Profit,* net of *Provisions for Risk and Charges*, corresponding to *Profit Before Tax*) considering: historical data analysis, expected profitability, business strategy and previous year pool. Budget is submitted for approval to the Board of Directors of FinecoBank.

## 2. *FUNDING: ACTUAL PHASE*

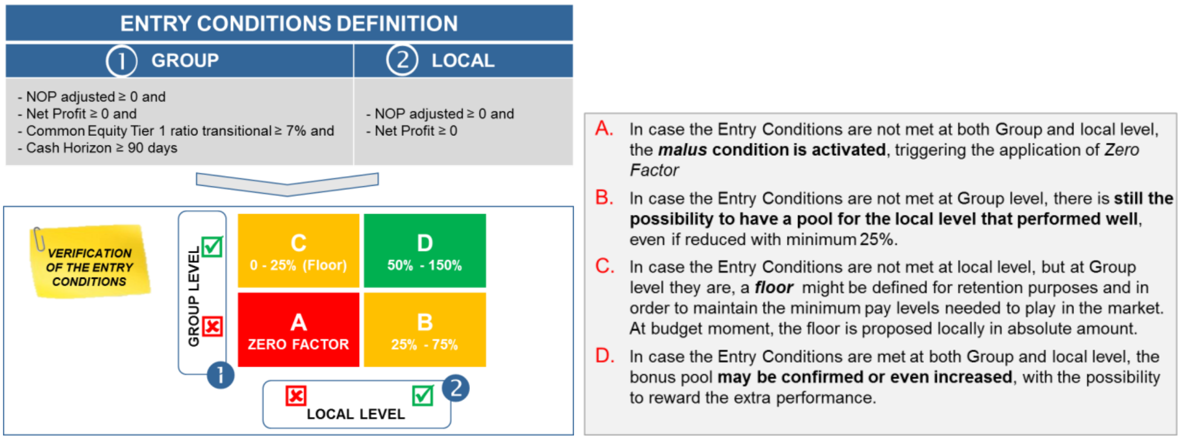
- During the year of performance, quarterly accruals are based on the actual results, with adjustments made throughout the year with 1st, 2nd and 3rd quarter forecast being affected by performance trends;
- for the pool the accruals would be determined according to the actual trend of the funding KPIs defined in the budgeting phase. In this way the bonus pool set is adjusted accordingly to the infra-annual trend of funding KPI.

## 3. *BONUS DISTRIBUTION*

- Consistency with FinecoBank performance and sustainability is ensured through specific “Entry Conditions” set at both Group and local level;
- application of a *malus* clause in case specific profitability, liquidity and capital thresholds are not reached at Group and local level;

- the distribution is risk adjusted in order to guarantee sustainability with respect to Company's financial position based on FinecoBank *Risk Appetite Framework* and further performance analysis done by CFO;
- the bonus pool is proposed by FinecoBank on the basis of the latest forecast data, taking into consideration the forecasted results evaluation – risk-adjusted – both at Group and local level.

The Entry Conditions is the mechanism that determines the possible application of *malus* clause (Zero Factor) on the basis of performance indicators in terms of profitability, capital and liquidity defined at both Group and local level.

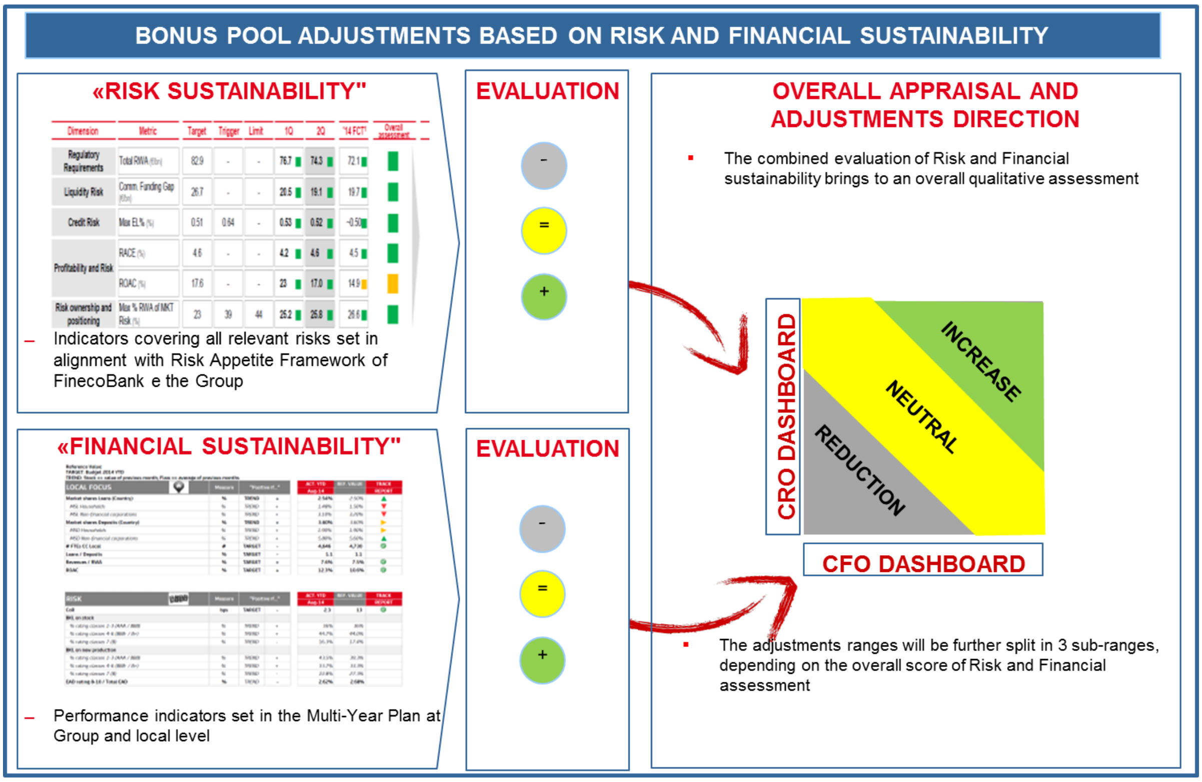



In order to align to regulatory requirements, in case both at Group and local level set KPIs are not met (box A of the matrix included in the scheme "Entry Conditions definition"), a Zero Factor will apply to the Identified Staff population[9] whereas for the rest of the population, a significant reduction will be applied. Moreover, at individual level it will be also considered the respect and the individual adherence to provisions of discipline, conduct and behaviour and the application of *claw back* clauses, as legally enforceable.

In case Zero Factor is not activated (boxes B and D of the matrix included in the scheme "Entry Conditions definition"), bonus pool adjustments will be applied within respective ranges based on the assessment of local and Group performance and risk factors:

- the Group and local risk dashboards include indicators covering all relevant risks including cost of capital and different risks such as credit, market and liquidity and are measured against their relevant thresholds (e.g. limit, trigger and target), which are set in alignment with Risk Appetite Framework of FinecoBank and the Group;
- Group and local CFO performs a further bonus pool analysis on the main performance and sustainability KPIs defined in the local and Group performance dashboard;
- the CRO and CFO Group function, via specific Memos, provide an overall qualitative assessment of the dashboards on the risk and financial sustainability, including a synthetic evaluation on the pool adjustments.

[9] The Bonus Pool of 2015 will be zeroed, while deferrals of previous year systems could be reduced from 50% to 100% of their value, based on final effective results and dashboard assessments done by CFO and CRO.




In any case, as requested by regulations as per Bank of Italy provisions, the final evaluation of sustainable performance parameters and the alignment between risk and remuneration will be assessed by Remuneration and Appointments Committee and defined under the governance and accountability of the Board of Directors.

In case the Entry Conditions are not met at local level, but at Group level they are (box C of the matrix included in the scheme “Entry Conditions definition”), a floor (equal to 25%) might be defined for retention purposes and in order to maintain the minimum pay levels needed to play in the market. In this specific case, no specific sub-ranges can be applied, however the decision regarding pool size from 0 to the Floor level will also consider CRO & CFO dashboards assessment.

The Board of Directors does not take into account, when deciding bonus, balance sheet extraordinary items which do not impact operational performance, regulatory capital and liquidity (e.g. goodwill impairment).

Moreover, following potential changes in current regulations and/or in relation to potential extraordinary and/or unpredictable contingencies which can impact the Group, the Company or the market in which it operates, the Board of Directors, having heard the opinion of Remuneration and Appointments Committee, maintains the right to amend the system and relevant rules.

## 4. BONUS ALLOCATION

- Individual bonus will be allocated to beneficiaries considering bonus pool, the individual performance appraisal, the internal benchmarking analysis on similar roles and the maximum ratio between variable and fix compensation as approved by Shareholder's Meeting;

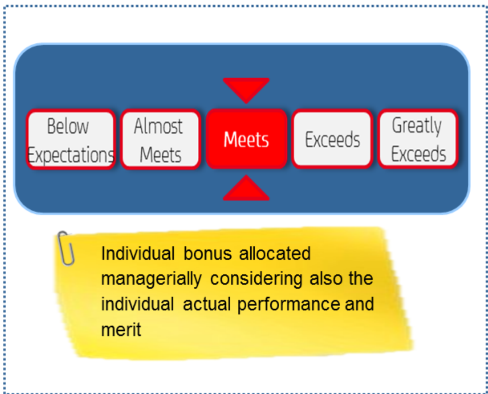
- individual performance appraisal is based on 2015 performance screen: 4 individual goals (suggested max. 6) assigned during the performance year, selected also from our catalogue of main key performance indicators ("*KPI Bluebook*") and based on the 5 Fundamentals of Group Competency Model[10]. Competencies and behaviours considered as relevant can be taken into account by the manager for the overall performance appraisal; *→ Further details in chapter 5.4*
- the goals appraisal system is based on a 1-5 rating scale with a descriptive outcome.

**EXAMPLE OF 2015 PERFORMANCE SCREEN**

| # | GOAL | PERIMETER | TARGET | LINK TO 5 FUNDAMENTALS |
|---|---|---|---|---|
| 1 | Goal 1 (RISK ADJUSTED) | FinecoBank | vs. budget | People & Business Development (S) |
| 2 | Goal 2 (RISK ADJUSTED) | FinecoBank | vs. qualitative assessment based on CRO report | Risk Management (S) |
| 3 | Goal 3 | FinecoBank | vs target | Execution & Discipline (S) |
| 4 | Goal 4 | FinecoBank | vs. qualitative assessment | Client Obsession (S) |
| 5 | Goal 5 | FinecoBank | vs. budget | Cooperation & Synergies (S) |

LEGEND:
S sustainability drivers
RISK ADJUSTED Risk adjusted KPI

**EXAMPLE OF 2015 APPRAISAL**




## 5. BONUS PAYOUT

- As approved by the Board of Directors of January 22nd, 2015, with reference to payout structure, the Identified Staff population will be differentiated into two clusters, using a combined approach of banding and compensation:
  - *Executive Vice President* (EVP) & *High Earner* (bonus ≥ 500k)[11]: 5-year deferral scheme;
  - *Senior Vice President* (SVP) & other Identified Staff (bonus < 500k): 3-year deferral scheme.

FOCUS

**REGULATORY REQUIREMENTS**

- The payment structure of 2015 Incentive System has been defined in line with the Bank of Italy provisions issued on November 2014:
  - 5-year deferral period maintained only for Top Management and selected key senior roles. In general a deferral period from 3 to 5 years is required, and the request for 5 years is limited to «high earners", Top Management and Head of key business lines[11]
  - minimum 50% of bonus to be allocated in shares or other financial instruments
  - minimum 40% of bonus to be paid out under a deferral period (minimum 60% for specific positions and particularly high amounts)
  - 2 years minimum retention period for the upfront shares and shorter retention period (1 year) for the deferred shares

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[10] *Group Competency Model* represents the framework in which the Executives are assessed within the *Executive Development Plan* process. The 5 Fundamental are: *Client Obsession, Execution & Discipline, Cooperation and Synergies, Risk management, People and Business Development*.
[11] Including other direct reports to strategic supervisory, management and control bodies and other Identified Staff.

- The payout of incentives will be done through upfront and deferred instalments, in cash or in Fineco ordinary shares, up to a maximum 6-year period:
  - in 2016 the first instalment of the total incentive will be paid in cash in absence of any individual/values compliance breach[12];
  - over the period 2017-2021 the remaining part of the overall incentive will be paid in cash and/or Fineco ordinary shares; each further tranche will be subject to the application of the Zero Factor for the year of allocation and in absence of any individual/values compliance breach[12].

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|
| *EVP & ABOVE AND OTHER IDENTIFIED STAFF WITH BONUS ≥ 500K*[11] | PERFORMANCE YEAR | 20% UPFRONT CASH | 10% DEFERRED CASH | 20% UPFRONT SHARES | 10% DEFERRED SHARES | 10% DEFERRED SHARES | 20% DEFERRED CASH<br>10% DEFERRED SHARES |
| *SVP AND OTHER IDENTIFIED STAFF WITH BONUS <500K* | PERFORMANCE YEAR | 30% UPFRONT CASH | 10% DEFERRED CASH | 30% UPFRONT SHARES | 10% DEFERRED CASH<br>10% DEFERRED SHARES | 10% DEFERRED SHARES | |

- All the instalments are subject to the application of *claw back* conditions, as legally enforceable;
- the number of shares to be allocated in the respective instalments shall be defined in 2016, on the basis of the arithmetic mean of the official closing market price of Fineco ordinary shares during the month preceding the Board resolution that evaluates 2015 performance achievements;
- the payment structure has been defined in line with Bank of Italy provisions requiring a share retention period for upfront and deferred shares. In particular, the implementation of the share retention periods may be carried out in line with the fiscal framework, either via the allocation of restricted shares or the promise of shares that shall subsequently be allocated at the end of the intended retention period;
- in line with national market practices, a minimum threshold13 will be introduced, below which no deferral mechanisms will be applied, accordingly with relevant regulatory indications;
- 2015 Incentive System provides for an expected impact on FinecoBank share capital of approximately 0,08%, assuming that all free shares for employees have been distributed. The overall dilution for all other current outstanding FinecoBank equity-based plans equals 0,69%;
- the beneficiaries cannot activate programs or agreements that specifically protect the value of unavailable financial instruments assigned within the incentive plans. Any form of coverage will be considered a violation of compliance rules and imply the consequences set out in the regulations, rules and procedures.

[12] Considering also the gravity of any internal/external findings (e.g. Audit, Bank of Italy, Consob).
[13] Equal to Euro 75.000.

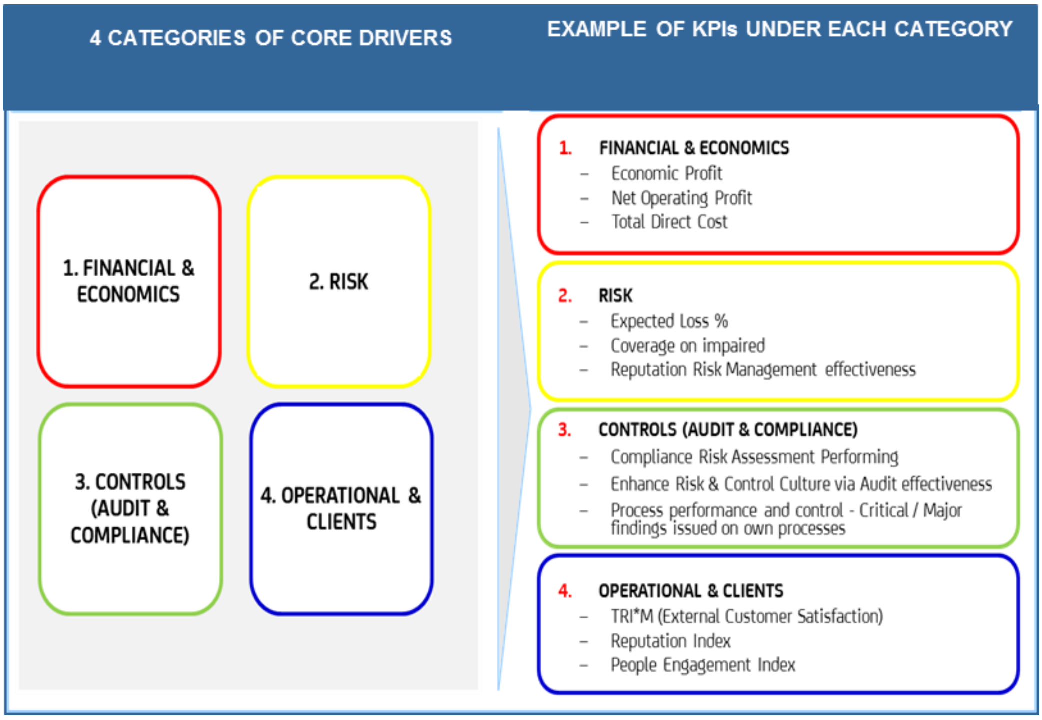
## 5.4 Comprehensive Performance Management

The 2015 Incentive System, described in the chapter 5.3, is supported by an annual performance measurement framework assuring coherence, consistency and clarity of performance objectives with business strategy, and encouraging and rewarding desired behaviours and risk orientation. Our performance management process ensures all Identified Staff know what is expected from them and includes a rigorous review of their goals achievements.

The *KPI Bluebook* supports Managers and Human Resources function in defining Performance Screens through a set of goals and guidelines. In particular, it provides guidelines for:

- target-setting: to define a reference target for expected performance;
- goal setting with focus on risk perspective by considering the main risks that the business/function itself could positively affect and mitigate;
- setting and evaluating qualitative goals;
- accurate goal selection for Company Control Functions, in order to ensure their independency.

The *KPI Bluebook* maps 4 categories of core drivers that include a list of goals (*KPI Dashboard*):




The 4 categories represent financial and non-financial performance and are mapped into 5 clusters of similar businesses (Overall, Commercial Banking, Wealth Management, Investment/Markets, Non-Commercial) to help identifying the most relevant standardized KPIs (all certified by relevant Group functions) according to each role, with specific focus on risk-adjusted, sustainability-driven metrics and economic measure.

*2015 Chief Executive Officer and General Manager Performance Screen*

5 KPIs defined and approved by FinecoBank Board of Directors as the core drivers of performance for FinecoBank Chief Executive Officer and General Manager include goals related to Bank profitability, risk management focus and sustainability indicators such as execution of Company strategic vision with focus on growth and development of strategic projects.

| # | CORE GOALS | REFERENCE PERIMETER | REFERENCE TARGET | LINK TO 5 FUNDAMENTALS |
|---|---|---|---|---|
| 1 | Net sales | FinecoBank | vs budget | Execution & Discipline |
| 2 | Net Profit | FinecoBank | vs budget | People & Business Development |
| 3 | Net growth of number of clients | FinecoBank | vs budget | Client Obsession |
| 4 | TRI*M Index | FinecoBank | vs target | Client Obsession |
| 5 | Operational Risk Management | FinecoBank | vs qualitative assessment | Risk Management |

For the other Identified Staff of FinecoBank KPIs that include profitability and risk management are reflected also in their Performance Screens, with differences given by the perimeter of reference and the relevant activities.

## 5.5 Compensation of Company Control Functions

In line with regulatory framework, a specific ratio between variable and fix compensation is defined for Company Control functions (Compliance, Risk Management and Human Resources). The fix compensation must be appropriate to the level of responsibility and commitment associated with the role. The incentive mechanisms for the Company Control Functions have to be "*in accordance with the achievement of the objectives linked to their function, independent of the performance of the business areas they control*" (CRD IV).

According to the Bank of Italy's new regulations, for Identified Staff belonging to Company Control Functions, the ratio between variable and fix component of the remuneration cannot be higher than 33%. Such ratio should be adopted by 1st half 2016, as requested by the Regulatory provisions.

In the perspective to adopt such ratio by 1st half of June and with the phased approach followed in previous years to balance the pay-mix, the ratio between variable and fix compensation for 2015 is equal to 1:1.

Incentive plans for Identified Staff in Company Control Functions are implemented in line with specific policies which assure independence in order to avoid conflict of interest.

Goals are defined to measure individual performance related to the activities of the specific Company Control Function:

- in order to assure independency of the function, no economic measure must be selected for Compliance, Risk Management and Human Resources functions;
- for Chief Risk Officer roles, or – where present – roles reporting to them which are responsible for Risk Management and Credit activities, selection of goals in individual performance screen should directly reflect correlation and integration among the Risk Management and Credit, in order to correctly balance individual responsibilities.

In compliance with regulatory requirements, FinecoBank Incentive System provides for a goals scheme definition that excludes financial goals for Company Control Function.

Moreover, in order to further limit connection with business results and to maintain the adequate independence level of Compliance and Risk Management (as guaranteed in 2014 with "Alternative Group Gate"), a specific governance process will be followed, providing for:

- *malus* condition is activated providing a reduction of bonus pool until 50% of the budgeted figure;
- bonus pool can be phased out to zero only in presence of an exceptionally negative situation (e.g.: Core Tier 1 Ratio Transitional dropping under the minimum regulatory requirement, persistent "recession" scenario, etc.) within an escalation process including a governance step in the Board of Directors.

## 5.6 2015 Incentive System for Financial Advisors belonging to Identified Staff

The 2015 Incentive System for Financial Advisors belonging to Identified Staff, approved by the Board of Directors on March 10th, 2015, aims to retain and provide incentives to the beneficiary Advisors and confirms the alignment of FinecoBank with the latest national and international regulatory requirements.

In particular the system provides for:

- the allocation of an incentive based on mechanisms of sustainability with regard to the results;
- the definition of a balanced structure of "upfront" (done at the moment of performance evaluation) and "deferred" payments, in cash and Phantom shares;
- the distribution of payments in Phantom shares, coherently with the applicable regulatory requirements regarding the application of instruments retention periods. In fact, the payment structure defined requires a retention period on Phantom shares (of 2 years for the "upfront" payment and of 1 year for "deferred" payment);
- a *malus* clause (Zero Factor) applies in case specific conditions for access are not met. In particular, the bonus relating to the 2015 performance will be zeroed.

Total incentive payout as defined will be made over a multi-year period (2016-2020), as indicated below, in absence of any individual/values compliance breach, considering also the gravity of any internal/external findings (e.g. Audit, Bank of Italy, Consob) and provided that the agency relationship of the beneficiaries is in place at the time of each payment:

- in 2016 the first instalment of the overall incentive will be paid in cash;
- over the period 2017-2020 the remaining amount of the overall incentive will be paid in several instalments in cash and/or Phantom shares; each further instalments will be subject to the application of the Zero Factor for the year of allocation;

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| Financial Advisors belonging to Identified Staff | 30% cash | 10% cash | 30% Phantom shares | 10% cash + 10% Phantom shares | 10% Phantom shares |

- it's foreseen a specific minimum threshold[14] below which deferrals and instruments will not be applied;
- the number of Phantom shares to be allocated with the third, fourth and fifth instalments will be defined in the year 2016, on the basis of the arithmetic mean of the official closing price of the shares on each trading day at the electronic stock market organised and managed by Borsa Italiana S.p.A. in the period from the day preceding the date of the resolution by the Board of Directors that evaluates 2015 performance achievements to the same day in the previous month (both inclusive);
- in addition at the time of effective payment of each instalment, the number of Phantom shares granted will be converted to cash based on the arithmetic mean of the official closing price of the shares of each trading day at the electronic stock market organised and managed by Borsa Italiana S.p.A. in the month prior to the resolution by the Board of Directors approving the payment;
- the beneficiaries cannot activate programs or agreements that specifically protect the value of unavailable financial instruments assigned within the incentive plans.

[14] Equal to Euro 75.000.

# 6. Compensation Data

## 6.1 2014 Remuneration Outcomes

| (€ thousand) | Aggregate Compensation Amounts[15] | | | |
|---|---|---|---|---|
| | Number of incumbents | Fixed & other non-performance related pay | Variable pay related to 2014 performance | |
| | | | Cash | Equity[16] |
| Chief Executive Officer and General Manager (CEO)[17] | 1 | 804 | 170 | 0 |
| Others Executive Directors[18] | 1 | 0 | 0 | 0 |
| Non-Executive Directors[18] | 7 | 547 | 0 | 0 |
| Executives with strategic responsibilities | 5 | 1.413 | 321 | 0 |
| Other Identified Staff | 4 | 515 | 147 | 7 |

[15] Considering pro-rata amounts for incumbents in office for part of the year.
[16] Amounts shown as equity compensation reflect the arithmetic mean of the UniCredit shares from January 8th to February 8th, 2015.
[17] It is highlighted that the amount represents the fixed remuneration paid in 2014, considering that from July 1st, 2014 his fixed remuneration is equal to Euro 850.000. Furthermore part of this amount has been paid by UniCredit S.p.A. (respectively 20% from 01/01/2014 to 30/06/2014, 10% from 01/07/2014 to 31/12/2014).
[18] Including employees of UniCredit Group. In compliance with what has been defined at Group level in the "*Policy in materia di struttura, composizione e remunerazione degli Organi Sociali della Società di Gruppo*", the Board of Directors' members who are employees of UniCredit Group renounce to the total amount of their appointment as Board members.

| (€ thousand) | Deferred Compensation Amounts[19] | | | | | |
|---|---|---|---|---|---|---|
| | Paid out in 2014 | | Outstanding based on future performance | | | |
| | | | Vested | | Unvested | |
| | Cash | Equity[20] | Cash | Equity[21] | Cash | Equity[22] |
| Chief Executive Officer and General Manager (CEO) | 355 | 279 | 141 | 579 | 432 | 4.790 |
| Others Executive Directors | 0 | 0 | 0 | 0 | 0 | 0 |
| Non-Executive Directors | 0 | 0 | 0 | 0 | 0 | 0 |
| Executives with strategic responsibilities | 462 | 233 | 190 | 482 | 413 | 7.288 |
| Other Identified Staff | 264 | 12 | 4 | 10 | 5 | 476 |

Deferred amounts paid out in 2014 include payouts based on demonstrated multi-year performance achievements. Amounts shown as outstanding deferred compensation represent the potential gain on deferred awards that remain subject to future performance. These amounts are not related to nor indicative of the benefit (if any) that may ultimately be realized on the cash award or the underlying stock options/shares that may become exercisable or be actually allocated.

Vested cash payments refers to *2013 Group Incentive System*.
Vested equity payments refers to *2011* and *2012 Group Incentive System*, whose price has been calculated on the basis of the arithmetic mean of the official closing market price of UniCredit shares from January 8th to February 8th, 2015.
Unvested cash payments refers to *2012, 2013* and *2014 Group Incentive System*.
Unvested equity payments refers to *2012, 2013* and *2014 Group Incentive System*, to *2014-2017 Multi-year Plan Top Management* and to *2014 Key People Plan*.

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[19] Considering pro-rata amounts for incumbents in office for part of the year.
[20] Amounts shown as equity compensation reflect the market value of the shares at the moment of actual grant.
[21] Based on the "Hull&White" option pricing model, the fair value estimates of the equity instruments (underlying UniCredit shares) as at 01/01/2015 would be (€ thousand): 1; 0; 0; 2 and 0 respectively, for each of the categories for which data is disclosed in the table.
[22] Economic value of financial instruments weighted by the probability of achieving the performance as at 01/01/2015 would be (€ thousand): 4.242; 0; 0; 6.372 and 422 respectively, for each of the categories for which data is disclosed in the table.

The unvested component refers to cash and equity awards to which the right has not yet matured and for which any potential future gain has not been yet realized and remains subject to future performance.

The value of shares shown as unvested equity is calculated considering:

- for *2014 Group Incentive System 2014* the arithmetic mean of the official closing market price of Fineco shares from January 8th to February 8th, 2015.
- for "*2014-2017 Multi-year Plan Top Management*" the listing price of Fineco shares;
- for "*2014 Key People Plan*" the arithmetic mean of the official closing market price of Fineco shares from January 8th to February 8th, 2015;
- for the other *Group Incentive System* (underlying UniCredit shares), consistently with the calculation for *2014 Group Incentive System*, the arithmetic mean of the official closing market price of UniCredit shares from January 8th to February 8th, 2015.

All stock options granted under existing Group LTI plans represent zero gain for the beneficiaries as long as the entry conditions will not allow the exercise.

The Chief Executive Officer and General Manager for 2014 have been rewarded with more than 1 mln Euros.

## 6.2 2015 Remuneration Policy

| (in percentage) | Target Total Compensation | |
|---|---|---|
| | **Fixed & other non-performance related pay** | **Target variable performance-related pay** |
| **NON-EXECUTIVE DIRECTORS** | | |
| Chairman and Vice Chairman | 100% | 0% |
| Directors | 100% | 0% |
| Statutory Auditors | 100% | 0% |
| **OVERALL EMPLOYEE POPULATION** | | |
| Business Areas | 77% | 23% |
| Support functions | 92% | 8% |
| Overall Company | 88% | 12% |

Total compensation policy for non-Executive Directors, Identified Staff and for the overall employee population demonstrates in particular how:

- remuneration of the non-Executive Directors, as approved by the Shareholders' Meeting, does not include variable performance-related pay;

- Identified Staff are offered opportunities for variable compensation in line with their strategic role, regulatory requirements and our pay for performance culture;
- the general employee population is offered a balanced pay-mix in line with the role, scope and business or market context of reference.

## 6.3. Benefits Data

Our employees enjoy welfare, healthcare and life balance benefits that supplement social security plans and minimum contractual requirements. These benefits are intended to provide substantial guarantees for the well-being of staff and their family members during their active careers as well as in retirement.

In Italy, among the complementary pension plans, there are both defined performance funds (whose performances, which come to fruition once the retirement requirements are reached, are known in advance as they are set by the fund statute) and defined contribution plans (whose performances depend on the results of the asset management).

Complementary pension plans can also be classified as external or internal pension funds, where external funds are legally autonomous from the Group, while internal funds are accounting items entered into UniCredit S.p.A.'s balance sheet, whose creditor counterparts are the employees enrolled (both active and retired).

Both these categories are closed and, as such, they do not allow new subscriptions. The only exception is represented by the individual capitalization section of the "Fondo Pensione per il Personale delle Aziende del Gruppo UniCredit". Within this section (which counted approximately 35.000 enrolled active employees in 2013) subscribers can distribute their contribution – depending on their own risk appetite – among four investment lines (Insurance, Short, Medium and Long Term) characterized by different risk/yield ratios. In addition, always in this section, the enrolled employees may open complementary pension plan positions in favor of their family members dependent for tax purposes.

# 7. Compensation Tables

## 7.1 Disclosure as per section 84-quater of the Italian National Commission for Listed Companies (Consob) Issuers Regulation no.11971

A set of tables presents in the following pages the information that the Company is required to provide as per Section 84-quater of Consob's Issuers Regulation nr. 11971.

For a more detailed understanding of the methodological criteria underlying the information reported in the various tables, reference is made to Annex 3A of the said Consob Regulation.

In particular:

***TABLE 1: Compensation paid to members of the Administrative and Auditing Bodies, to General Managers and to other Executives with strategic responsibilities***

Provides, at an individual level and on an accrual basis, the details of the compensation paid to the Chief Executive Officer and General Manager, to the members of the Board of Directors and of the Board of Statutory Auditors.

For the other 5 executives with strategic responsibilities the information is provided on an aggregate basis.

The overall compensation paid by FinecoBank to the Board of Directors for 2014 amounts to Euro 1.672.288.
The overall compensation paid by FinecoBank to the Board of Statutory Auditors for 2014 amounts to Euro 159.983.

The "Fair value of equity compensation" (column 7) does not represent a value actually paid to/gained by the beneficiaries of equity plans, being instead the cost that the Company is booking - on an accrual basis and during the vesting period - in consideration of the provision of the incentives based on financial instruments. More details on such plans are provided at the following Table 2 and Table 3A.

***TABLE 2: Stock Options assigned to the members of the Administrative Body, to General Managers and other Executives with strategic responsibilities***

Nor the non-executive members of the Board of Directors, nor the members of the Board of Statutory Auditors benefit from any incentive plan, be it based on financial instruments or cash.

Only the Chief Executive Officer and the Executives with strategic responsibilities benefit from Stock Option/Performance Stock Options plans launched by UniCredit Group in the previous years.

At current prices, all stock options, for which it could be possible to exercise the right ("vested"), are largely underwater.

***TABLE 3A: Incentive plans based on financial instruments other than stock options, in favor of members of the Administrative Body, General Managers and other Executives with strategic responsibilities***

The table reports - additionally to the shares granted within medium and/or long term incentive and retention equity plans - also the number of shares promised and/or granted in connection with the deferral of the annual incentive systems.

### *TABLE 3B: Monetary Incentive Plans in Favor of Members of the Administrative Body, General Managers and other Executives with strategic responsabilities*

Provides the details of all the cash incentives accrued during the year in favor of the Chief Executive Officer and General Manager and of the other Executives with strategic responsibilities. Neither the non-executive members of the Board of Directors, nor the Statutory Auditors receive any variable compensation.

### *Information on the investments held by the members of the Administrative and Auditing Bodies, by General Managers and by other Executives with strategic responsibilities*

Table 1 and Table 2, drafted in compliance with schedule 7-ter, provide the shareholding in FinecoBank held by the Chief Executive Officer and General Manager, the other members of the Board of Directors, the members of the Board of Statutory Auditors and the other Executives with strategic responsibilities.

# Consob Issuers Regulation nr. 11971 - Annex 3A / Schedule 7-bis

**Amounts in Euro** — **TABLE 1: Compensation paid to members of the administrative and auditing bodies, to general managers and to other executives with strategic responsibilities**

| | (A) | (B) | (C) | | (D) | (1) | | | | | | (2) | (3) | | (4) | (5) | (6) | (7) | (8) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Fixed compensation | | | | | | | Variable non-equity compensation | | | | | | |
| | Name and surname | Office | Period for which office was held | | Office expiry | Emoluments resolved by the Shareholders' Meeting | Attendance tokens | Lump sum expense reimbursements | Compensation for specific offices ex sec. 2389 Italian Civil Code | Employment fixed salary | Total | Compensation for committee participation | Bonuses and other incentives | Profit sharing | Non-monetary benefits | Other remuneration | Total | Fair value of equity compensation | Severance indemnity for end of office or termination of employment |
| BOARD OF DIRECTORS | Enrico Cotta Ramusino | Chairman of the Board of Directors | 01/01/2014 | 14/04/2014 | approv.AR al 31/12/14 | 11.397 | 1.040 | | 42.740 | | 55.177 | | | | 2.930 | | 58.107 | | |
| | | Member of the Audit Committee | 01/01/2014 | 14/04/2014 | approv.AR al 31/12/14 | 4.274 | 1.300 | | | | 5.574 | | | | | | 5.574 | | |
| | | Chairman of the Board of Directors | 15/04/2014 | 31/12/2014 | approv.AR al 31/12/16 | 35.753 | 3.300 | | 107.260 | | 146.314 | | | | | | 146.314 | | |
| | | **(I) Total compensation in the company preparing the financial statements** | | | | **51.425** | **5.640** | **-** | **150.000** | **-** | **207.065** | **-** | **-** | **-** | **2.930 *** | **-** | **209.995** | **-** | **-** |
| | | **(II) Compensation from subsidiaries and associates** | | | | | | | | | | | | | | | | | |
| | | **(III) Total** | | | | **51.425** | **5.640** | **-** | **150.000** | **-** | **207.065** | **-** | **-** | **-** | **2.930 *** | **-** | **209.995** | **-** | **-** |
| | Francesco Saita | Vice Chairman of the Board of Directors | 15/04/2014 | 31/12/2014 | approv.AR al 31/12/16 | 28.603 | 3.000 | | 35.753 | | 67.356 | | | | | | 67.356 | | |
| | | Chairman of the Audit and Related Parties Committee | 15/04/2014 | 31/12/2014 | approv.AR al 31/12/16 | 14.301 | 4.800 | | | | 19.101 | | | | | | 19.101 | | |
| | | **(I) Total compensation in the company preparing the financial statements** | | | | **42.904** | **7.800** | | **35.753** | | **86.458** | **-** | **-** | **-** | **-** | **-** | **86.458** | | |
| | | **(II) Compensation from subsidiaries and associates** | | | | | | | | | | | | | | | - | | |
| | | **(III) Total** | | | | **42.904** | **7.800** | **-** | **35.753** | **-** | **86.458** | **-** | **-** | **-** | **-** | **-** | **86.458** | | |
| | Alessandro Foti | Chief Executive Officer / General Manager** | 01/01/2014 | 31/12/2014 | approv.AR al 31/12/16 | | | | | 804.533 | 804.533 | | 311.075 | | 6.456 | - | 1.122.064 | 902.956 | |
| | | **(I) Total compensation in the company preparing the financial statements** | | | | **-** | **-** | **-** | **-** | **804.533** | **804.533** | **-** | **311.075** | **-** | **6.456** | **-** | **1.122.064** | **902.956** | |
| | | **(II) Compensation from subsidiaries and associates** | | | | | | | | | | | | | | | | | |
| | | **(III) Total** | | | | **-** | **-** | **-** | **-** | **804.533** | **804.533** | **-** | **311.075** | **-** | **6.456** | **-** | **1.122.064** | **902.956** | |
| | Girolamo Ielo | Vice Chairman of the Board of Directors | 01/01/2014 | 14/04/2014 | approv.AR al 31/12/14 | 8.548 | 1.040 | | 14.247 | | 23.835 | | | | | | 23.835 | | |
| | | Member of the Audit and Related Parties Committee | 01/01/2014 | 14/04/2014 | approv.AR al 31/12/14 | 3.699 | 1.300 | | | | 4.999 | | | | | | 4.999 | | |
| | | Chairman of the Audit and Related Parties Committee | 24/03/2014 | 14/04/2014 | approv.AR al 31/12/14 | 1.205 | | | | | 1.205 | | | | | | 1.205 | | |
| | | Chairman Corporate Governance | 01/01/2014 | 14/04/2014 | approv.AR al 31/12/14 | 5.699 | | | | | 5.699 | | | | | | 5.699 | | |
| | | Member of the Board of Directors | 15/04/2014 | 31/12/2014 | approv.AR al 31/12/16 | 28.603 | 3.000 | | | | 31.603 | | | | | | 31.603 | | |
| | | Chairman Corporate Governance | 15/04/2014 | 31/12/2014 | approv.AR al 31/12/16 | 14.301 | 1.200 | | | | 15.501 | | | | | | 15.501 | | |
| | | Member of the Remuneration and Appointments Committee | 13/05/2014 | 31/12/2014 | approv.AR al 31/12/16 | 9.575 | 1.200 | | | | 10.775 | | | | | | 10.775 | | |
| | | **(I) Total compensation in the company preparing the financial statements** | | | | **71.630** | **7.740** | **-** | **14.247** | **-** | **93.617** | **-** | **-** | **-** | **-** | **-** | **93.617** | **-** | **-** |
| | | **(II) Compensation from subsidiaries and associates** | | | | | | | | | | | | | | | | | |
| | | **(III) Total** | | | | **71.630** | **7.740** | **-** | **14.247** | **-** | **93.617** | - | - | - | - | - | **93.617** | - | - |
| | Pietro Angelo Guindani | Member of the Board of Directors | 15/04/2014 | 31/12/2014 | approv.AR al 31/12/16 | 28.603 | 2.400 | | | | 31.003 | | | | | | 31.003 | | |
| | | Member of the Audit and Related Parties Committee | 15/04/2014 | 31/12/2014 | approv.AR al 31/12/16 | 10.726 | 4.500 | | | | 15.226 | | | | | | 15.226 | | |
| | | **(I) Total compensation in the company preparing the financial statements** | | | | **39.329** | **6.900** | **-** | **-** | **-** | **46.229** | - | - | - | - | - | **46.229** | | |
| | | **(II) Compensation from subsidiaries and associates** | | | | | | | | | | | | | | | | | |
| | | **(III) Total** | | | | **39.329** | **6.900** | **-** | **-** | **-** | **46.229** | - | - | - | - | - | **46.229** | | |
| | Mariangela Grosoli | Member of the Board of Directors | 01/01/2014 | 14/04/2014 | approv.AR al 31/12/14 | 8.548 | 780 | | | | 9.328 | | | | | | 9.328 | | |
| | | Member of the Audit and Related Parties Committee | 24/03/2014 | 14/04/2014 | approv.AR al 31/12/14 | 904 | 520 | | | | 1.424 | | | | | | 1.424 | | |
| | | Member of the Board of Directors | 15/04/2014 | 31/12/2014 | approv.AR al 31/12/16 | 28.603 | 2.700 | | | | 31.303 | | | | | | 31.303 | | |
| | | Member of the Audit and Related Parties Committee | 15/04/2014 | 31/12/2014 | approv.AR al 31/12/16 | 10.726 | 4.200 | | | | 14.926 | | | | | | 14.926 | | |
| | | Member of the Remuneration and Appointments Committee | 13/05/2014 | 31/12/2014 | approv.AR al 31/12/16 | 9.575 | 1.200 | | | | 10.775 | | | | | | 10.775 | | |
| | | **(I) Total compensation in the company preparing the financial statements** | | | | **58.356** | **9.400** | **-** | **-** | **-** | **67.756** | | | | | | **67.756** | | |
| | | **(II) Compensation from subsidiaries and associates** | | | | | | | | | | | | | | | | | |
| | | **(III) Total** | | | | **58.356** | **9.400** | **-** | **-** | **-** | **67.756** | | | | | | **67.756** | | |
| | Gianluigi Bertolli | Member of the Board of Directors | 15/04/2014 | 31/12/2014 | approv.AR al 31/12/16 | 28.603 | 3.300 | | | | 31.903 | | | | | | 31.903 | | |
| | | Chairman of the Remuneration and Appointments Committee | 13/05/2014 | 31/12/2014 | approv.AR al 31/12/16 | 12.767 | 1.500 | | | | 14.267 | | | | | | 14.267 | | |
| | | **(I) Total compensation in the company preparing the financial statements** | | | | **41.370** | **4.800** | **-** | **-** | **-** | **46.170** | | | | | | **46.170** | | |
| | | **(II) Compensation from subsidiaries and associates** | | | | | | | | | | | | | | | | | |
| | | **(III) Total** | | | | **41.370** | **4.800** | **-** | **-** | **-** | **46.170** | | | | | | **46.170** | | |
| | Laura Stefania Penna*** | Member of the Board of Directors | 15/04/2014 | 31/12/2014 | approv.AR al 31/12/16 | | | | | | | | | | | | - | | |
| | | **(I) Total compensation in the company preparing the financial statements** | | | | - | - | - | - | - | - | | | | | | - | | |
| | | **(II) Compensation from subsidiaries and associates** | | | | | | | | | | | | | | | | | |
| | | **(III) Total** | | | | - | - | - | - | - | - | | | | | | - | | |
| | Marina Natale*** | Member of the Board of Directors | 15/04/2014 | 31/12/2014 | approv.AR al 31/12/16 | | | | | | | | | | | | - | | |
| | | **(I) Total compensation in the company preparing the financial statements** | | | | - | - | - | - | - | - | | | | | | - | | |
| | | **(II) Compensation from subsidiaries and associates** | | | | | | | | | | | | | | | | | |
| | | **(III) Total** | | | | - | - | - | - | - | - | | | | | | - | | |
| | * The amount is referred to the entire 2014. | | | | | | | | | | | | | | | | | | |
| | ** It is highlighted that the amount represents the fixed remuneration paid in 2014, considering that from July 1st, 2014 his fixed remuneration is equal to Euro 850.000. Part of this amount has been paid by UniCredit S.p.A. (respectively 20% from 01/01/2014 to 30/06/2014, 10% from 01/07/2014 to 31/12/2014). Furthermore it is highlighted that the General Manager office is held since 15/05/2014. | | | | | | | | | | | | | | | | | | |
| | *** Employees of UniCredit Group. In compliance with what has been defined at Group level in the "Policy in materia di struttura, composizione e remunerazione degli Organi Sociali della Società di Gruppo", the Board of Directors' members who are employees of UniCredit Group renounce to the total amount of their appointment as Board members. | | | | | | | | | | | | | | | | | | |
| | **TOTALE BOARD OF DIRECTORS** | **(I) Total compensation in the company preparing the financial statements** | | | | **305.014** | **42.280** | **-** | **200.000** | **804.533** | **1.351.827** | | **311.075** | | **9.386** | | **1.672.288** | **902.956** | |
| | | **(II) Compensation from subsidiaries and associates** | | | | - | - | - | - | - | - | | | | | | - | | |
| | | **(III) Total** | | | | **305.014** | **42.280** | **-** | **200.000** | **804.533** | **1.351.827** | | **311.075** | | **9.386** | | **1.672.288** | **902.956** | |

Amounts in Euro

**TABLE 1: Compensation paid to members of the administrative and auditing bodies, to general managers and to other executives with strategic responsibilities**

BOARD OF STATUTORY AUDITORS

| (A) | (B) | (C) | | (D) | (1) | | | | | | (2) | (3) | | (4) | (5) | (6) | (7) | (8) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Fixed compensation | | | | | | | Variable non-equity compensation | | | | | | |
| Name and surname | Office | Period for which office was held | | Office expiry | Emoluments resolved by the Shareholders' Meeting | Attendance tokens | Lump sum expense reimbursements* | Compensation for specific offices ex sec. 2389 Italian Civil Code | Employment fixed salary | Total | Compensation for committee participation | Bonuses and other incentives | Profit sharing | Non-monetary benefits | Other remuneration | Total | Fair value of equity compensation | Severance indemnity for end of office or termination of employment |
| Gian-Carlo Noris Gaccioli | Chairman of the Board of Statutory Auditors | 01/01/2014 | 14/04/2014 | approv.AR al 31/12/14 | 11.397 | 1.040 | 840 | | | 13.278 | | | | 5.758 | | 19.036 | | |
| | Chairman of the Board of Statutory Auditors | 15/04/2014 | 31/12/2014 | approv.AR al 31/12/16 | 35.753 | 3.300 | 2.990 | | | 42.043 | | | | | | 42.043 | | |
| | **(I) Total compensation in the company preparing the financial statements** | | | | **47.150** | **4.340** | **3.830** | **-** | **-** | **55.320** | | | | **5.758** | | **61.078** | | |
| | **(II) Compensation from subsidiaries and associates** | | | | | | | | | | | | | | | | | |
| | **(III) Total** | | | | **47.150** | **4.340** | **3.830** | **-** | **-** | **55.320** | | | | **5.758** | | **61.078** | | |
| Barbara Aloisi | Standing Auditor | 01/01/2014 | 14/04/2014 | approv.AR al 31/12/14 | 8.548 | 780 | | | | 9.328 | | | | 5.758 | | 15.086 | | |
| | Standing Auditor | 15/04/2014 | 31/12/2014 | approv.AR al 31/12/16 | 28.603 | 3.300 | 138 | | | 32.041 | | | | | | 32.041 | | |
| | **(I) Total compensation in the company preparing the financial statements** | | | | **37.151** | **4.080** | **138** | **-** | **-** | **41.369** | | | | **5.758** | | **47.127** | | |
| | **(II) Compensation from subsidiaries and associates** | | | | | | | | | | | | | | | | | |
| | **(III) Total** | | | | **37.151** | **4.080** | **138** | **-** | **-** | **41.369** | | | | **5.758** | | **47.127** | | |
| Mariano Viozzi | Standing Auditor | 01/01/2014 | 14/04/2014 | approv.AR al 31/12/14 | 8.548 | 1.040 | 1.400 | | | 10.988 | | | | 5.758 | | 16.746 | | |
| | Standing Auditor | 15/04/2014 | 31/12/2014 | approv.AR al 31/12/16 | 28.603 | 3.300 | 3.131 | | | 35.034 | | | | | | 35.034 | | |
| | **(I) Total compensation in the company preparing the financial statements** | | | | **37.151** | **4.340** | **4.531** | **-** | **-** | **46.022** | | | | **5.758** | | **51.780** | | |
| | **(II) Compensation from subsidiaries and associates** | | | | | | | | | | | | | | | | | |
| | **(III) Total** | | | | **37.151** | **4.340** | **4.531** | **-** | **-** | **46.022** | | | | **5.758** | | **51.780** | | |
| Federica Bonato | Alternate Auditor | 15/04/2014 | 31/12/2014 | approv.AR al 31/12/16 | | | | | | - | | | | | | - | | |
| | **(I) Total compensation in the company preparing the financial statements** | | | | **-** | **-** | **-** | **-** | **-** | **-** | | | | | | **-** | | |
| | **(II) Compensation from subsidiaries and associates** | | | | | | | | | | | | | | | | | |
| | **(III) Total** | | | | **-** | **-** | **-** | **-** | **-** | **-** | | | | | | **-** | | |
| Marzio Duilio Rubagotti | Alternate Auditor | 01/01/2014 | 14/04/2014 | approv.AR al 31/12/14 | | | | | | - | | | | | | - | | |
| | Alternate Auditor | 15/04/2014 | 31/12/2014 | approv.AR al 31/12/16 | | | | | | - | | | | | | - | | |
| | **(I) Total compensation in the company preparing the financial statements** | | | | **-** | **-** | **-** | **-** | **-** | **-** | | | | | | **-** | | |
| | **(II) Compensation from subsidiaries and associates** | | | | | | | | | | | | | | | | | |
| | **(III) Total** | | | | **-** | **-** | **-** | **-** | **-** | **-** | | | | | | **-** | | |
| **TOTAL BOARD OF STATUTORY AUDITORS** | **(I) Total compensation in the company preparing the financial statements** | | | | **121.452** | **12.760** | **8.499** | **-** | **-** | **142.710** | | | | **17.273**** | | **159.983** | | |
| | **(II) Compensation from subsidiaries and associates** | | | | - | - | | | | | | | | | | **-** | | |
| | **(III) Total** | | | | **121.452** | **12.760** | **8.499** | **-** | **-** | **142.710** | | | | **17.273**** | | **159.983** | | |

* To be considered as expense reimbursements "a piè di lista".

** The amount is referred to the fringe benefit of the insurance policy Directors & Officers (D&O) that covers the entire year.

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Other Executives with Strategic Responsibilities (total no. 5)** | **(I) Total compensation in the company preparing the financial statements** | | | | | | | | **1.413.182** | **1.413.182** | | **510.953** | | **38.875** | **4.860** | **1.967.869** | **1.154.678** | |
| | **(II) Compensation from subsidiaries and associates** | | | | | | | | | | | | | | | | | |
| | **(III) Total** | | | | | | | | **1.413.182** | **1.413.182** | | **510.953** | | **38.875** | **4.860** | **1.967.869** | **1.154.678** | |

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| Amounts in Euro | TABLE 2: Stock Options Assigned to the Members of theAdministrative Body, to General Managers and Other Executives with Strategic Responsibilities | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Options Held at Star of the Year | | | Options Assigned During the Year | | | | | | Options Exercised During the Year | | | | | | |
| (A) | (B) | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) |
| Name and surname | Office | Plan | Number of Options | Exercise Price | Period of Possible Exercise (from..to) | Number of Options | Exercise Price | Period of Possible Exercise (from..to) | Fair Value at Assignment Date | Assignment Date | Market Price of Underlying Shares upon Assignement of Options | Number of Options | Exercise Price | Market Price of Underlying Shares on Exercise Date | Options Lapsed During the Year (Number) | Options Held at the End of the Year | Options Relevant to the Year (Fair Value) |
| **Alessandro Foti** | **Chief Executive Officer/General Manager** | | | | | | | | | | | | | | | | |
| (I) Compensation in the Company preparing the Financial Statement | | LTI UniCredit Plan - 2008 Stock Options | 216.384 | 23,351 | 09/07/2012 09/07/2018 | | | | | | | | | | | 216.384 | |
| | | LTI UniCredit Plan - 2012-2015 Performance Stock Options* | 116.094 | 4,010 | 01/04/2016 31/12/2022 | | | | | | | | | | | 116.094 | 130.025 |
| (II) Compensation from Subsidiaries and Associates | | - | | | | | | | | | | | | | | | |
| **(III) Total** | | | **332.478** | | | | | | | | | | | | | **332.478** | **130.025** |
| Other Executives with Strategic Responsibilities | | | | | | | | | | | | | | | | | |
| (I) Compensation in the Company preparing the Financial Statement | **no. 2 Executives** | LTI UniCredit Plan - 2004 Stock Options | 24.000 | 22,420 | 03/09/2008 31/12/2017 | | | | | | | | | | | 24.000 | |
| | **no. 2 Executives** | LTI UniCredit Plan - 2005 Stock Options | 45.500 | 26,878 | 26/11/2009 31/12/2018 | | | | | | | | | | | 45.500 | |
| | **no. 2 Executives** | LTI UniCredit Plan - 2006 Stock Options | 34.400 | 33,205 | 28/06/2010 31/12/2019 | | | | | | | | | | | 34.400 | |
| | **no. 2 Executives** | LTI UniCredit Plan - 2007 Stock Options | 57.793 | 39,583 | 13/07/2011 15/07/2017 | | | | | | | | | | | 57.793 | |
| | **no. 2 Executives** | LTI UniCredit Plan - 2008 Stock Options | 194.748 | 23,351 | 09/07/2012 09/07/2018 | | | | | | | | | | | 194.748 | |
| (II) Compensation from Subsidiaries and Associates | | - | | | | | | | | | | | | | | | |
| **(III) Total** | | | **356.441** | | | | | | | | | | | | | **356.441** | |

* Plan also named "LTI UniCredit Plan - 2011 Performance Stock Options"

| Amounts in Euro | TABLE 3A: Incentive plans based on financial instruments other than stock options, in favour of members of the administrative body, general managers and other executives with strategic responsibilities | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Financial instruments assigned during previous years and not vested during the year | | Financial instruments assigned during the year | | | | | Financial instruments vested during the year and not assigned | Financial instruments vested during the year and asignable | | Financial instruments relevant to the year |
| (A) | (B) | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) |
| Name and surname | Office | Plan | Number and type of financial instruments | Vesting period | Number and type of financial instruments | Fair value on assignment date | Vesting period | Assignment date | Market price upon assignment | Number and type of financial instruments | Number and type of financial instruments | Value on maturity date | Fair Value |
| **Alessandro Foti** | **Chief Executive Officer/General Manager** | | | | | | | | | | | | |
| (I) Compensation in the Company preparing the Financial Statement | | UniCredit shares - 2011 Group Incentive System | | | | | | | | | 47.381 | 278.994 | 0 |
| | | UniCredit shares promised - 2011 Group Incentive System | 47.381 | 31.12.2014 | | | | | | | | | 54.859 |
| | | UniCredit shares promised - 2012 Group Incentive System | 151.810 | 40% 31.12.2014<br>40% 31.12.2015<br>20% 31.12.2016 | | | | | | | | | 143.907 |
| | | UniCredit shares promised - 2013 Group Incentive System | 60.165 | 40% 31.12.2015<br>40% 31.12.2016<br>20% 31.12.2017 | | | | | | | | | 87.213 |
| | | Fineco shares promised - 2014 Group Incentive System | | | 89.946 | 425.000 | 40% 31.12.2017<br>30% 31.12.2018<br>30% 31.12.2019 | 09.02.2015 | 4,725 | | | | 89.250 |
| | | Fineco shares promised - 2014-2017 Multy year Plan Top Management | | | 918.800 * | 3.399.560 | 25% 31.12.2016<br>25% 31.12.2017<br>25% 31.12.2018<br>25% 31.12.2019 | 15.07.2014 | 3,7 | | | | 397.702 |
| (II) Compensation from Subsidiaries and Associates | | - | | | | | | | | | | | |
| **(III) Total** | | | | | | **3.824.560** | | | | | | **278.994** | **772.931** |
| Other Executives with Strategic Responsibilities | | | | | | | | | | | | | |
| (I) Compensation in the Company preparing the Financial Statement | **no. 5 Executives** | UniCredit shares - 2011 Group Incentive System | | | | | | | | | 39.586 | 233.094 | 0 |
| | **no. 5 Executives** | UniCredit shares promised - 2011 Group Incentive System | 39.586 | 31.12.2014 | | | | | | | | | 53.922 |
| | **no. 5 Executives** | UniCredit shares promised - 2012 Group Incentive System | 101.062 | 50% 31.12.2014<br>50% 31.12.2015 | | | | | | | | | 122.676 |
| | **no. 5 Executives** | UniCredit shares promised - 2013 Group Incentive System | 64.700 | 50% 31.12.2015<br>50% 31.12.2016 | | | | | | | | | 125.771 |
| | **no. 5 Executives** | Fineco shares promised - 2014 Group Incentive System | | | 155.445 | 734.478 | 40% 31.12.2017<br>30% 31.12.2018<br>30% 31.12.2019** | 09.02.2015 | 4,725 | | | | 157.758 |
| | **no. 5 Executives** | Fineco shares promised - 2014-2017 Multy year Plan Top Management | | | 1.604.600 * | 5.937.020 | 25% 31.12.2016<br>25% 31.12.2017<br>25% 31.12.2018<br>25% 31.12.2019 | 15.07.2014 | 3,7 | | | | 694.551 |
| (II) Compensation from Subsidiaries and Associates | | - | | | | | | | | | | | |
| **(III) Total** | | | | | | **6.671.498** | | | | | | **233.094** | **1.154.678** |

* Maximum number of shares granted in 2014 that will be adjusted for each further assignments to respect the ratio between fixed and variable remuneration in line with current regulations.

** For no. 1 Executive 2014 Group Incentive System guidelines foresee the following payment deferral: 60% 31.12.2017 - 20% 31.12.2018 - 20% 31.12.2019

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| Amounts in Euro | TABLE 3B: Monetary Incentive Plans in Favour of Members of the Administrative Body, General Managers and Other Executives with Strategic Responsibilities | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| (A) | (B) | (1) | (2) | | | (3) | | | (4) |
| | | | Annual Bonus | | | Previous Years Bonuses | | | |
| | | | (A) | (B) | (C) | (A) | (B) | (C) | |
| Name and surname | Office | Plan | Payable / paid | Deferred | Deferral period | Non longer payable | Payable / paid | Still Deferred | Other Bonuses |
| | | | | | | | | | |
| **Alessandro Foti** | **Chief Executive Officer/General Manager** | | | | | | | | |
| (I) Compensation in the Company preparing the Financial Statement | | 2014 Group Incentive System | 170.000 | 255.000 | 50% 31.12.2015<br>50% 31.12.2016 | | | | |
| | | 2013 Group Incentive System | | | | | 141.075 | 70.538 | |
| | | 2012 Group Incentive System | | | | | | 106.875 | |
| (II) Compensation from Subsidiaries and Associates | | | | | | | | | |
| **(III) Total** | | | **170.000** | **255.000** | | | **141.075** | **177.413** | |
| **Other Executives with Strategic Responsibilities** | | | | | | | | | |
| (I) Compensation in the Company preparing the Financial Statement | **n. 5 Dirigenti** | 2014 Group Incentive System | 321.300 | 413.200 | 50% 31.12.2015<br>50% 31.12.2016 | | | | |
| | **n. 5 Dirigenti** | 2013 Group Incentive System | | | | | 189.653 | | |
| (II) Compensation from Subsidiaries and Associates | | | | | | | | | |
| **(III) Total** | | | **321.300** | **413.200** | | | **189.653** | | |

FINECO THE NEW BANK

Banca del Gruppo UniCredit

## Consob Issuers Regulation nr. 11971 - Annex 3A / Schedule 7-ter

**TABLE 1: Investments of the Members of the Administrative and Auditing Bodies and General Managers**

| Name and surname | Office | Investee Company | Type of shares | Number of shares | | | |
|---|---|---|---|---|---|---|---|
| | | | | Held at the end of 2013* | Acquired | Sold | Held at the end of 2014 |
| | | | | | | | |
| **BOARD OF DIRECTORS** | | | | | | | |
| Enrico Cotta Ramusino | Chairman | FinecoBank | Ord. | - | 25.000 | | 25.000 |
| Francesco Saita | Vice Chairman | | | | | | |
| Alessandro Foti | Chief Executive Officer / General Manager | | | | | | |
| Gianluigi Bertolli | Director | | | | | | |
| Mariangela Grosoli | Director | | | | | | |
| Pietro Angelo Guindani | Director | | | | | | |
| Girolamo Ielo | Director | | | | | | |
| Marina Natale | Director | | | | | | |
| Laura Stefania Penna | Director | | | | | | |
| | | | | | | | |
| **BOARD OF STATUTORY AUDITORS** | | | | | | | |
| Gian-Carlo Noris Gaccioli | Chairman of the Board Statutory Auditors | FinecoBank | Ord. | | 6.600 | | 6.600 |
| Barbara Aloisi | Standing Auditor | | | | | | |
| Marziano Viozzi | Standing Auditor | | | | | | |
| Federica Bonato | Alternate Auditor | | | | | | |
| Marzio Duilio Rubagotti | Alternate Auditor | | | | | | |

**TABLE 2: Investments of Other Executives with Strategic Responsibilities**

| Number of Executives with strategic responsibilities | Investee Company | Type of shares | Number of shares | | | |
|---|---|---|---|---|---|---|
| | | | Held at the end of 2013* | Acquired | Sold | Held at the end of 2014 |
| 4 | FinecoBank | Ord. | - | 11.000 | | 11.000 |

*The Company is listed since 02.07.2014

# 2015 COMPENSATION SYSTEMS BASED ON FINANCIAL INSTRUMENTS

# FOR FINECOBANK STAFF

## FinecoBank Shareholder's Meeting
## April 2015

## CONTENTS

## 1. INTRODUCTION

Pursuant to the provision set forth in Article 114-bis of legislative decree no. 58 of February 24th, 1998 as well as to the provisions of the issuer adopted by Consob with resolution no. 11971 of May 14th, 1999 (the “Issuers Regulations”) regarding the information to be disclosed to the market in relation to the granting of awarding plans based on financial instruments, the Board of Directors of FinecoBank (the “Board of Directors”) prepared this information memorandum which will be reported to the Ordinary General Shareholders’ Meeting of FinecoBank on April 23rd, 2015 which is called to resolve, *inter alia*, upon the approval for 2015 of the following new incentives plans:

- **“2015 Incentive System for employees”** defined in order to reward employees, belonging to Identified Staff, with an incentive payable in cash and/or free Fineco ordinary shares over a multi-year period, according to the modalities described below and subject to the achievement of specific performance objectives;
- **“2015 Incentive System for Financial Advisors”** defined in order to reward Financial Advisors, belonging to Identified Staff, with an incentive payable in cash and/or Phantom shares over a multi-year period, according to the modalities described below and subject to the achievement of specific performance objectives;

This Information Memorandum - prepared in compliance with Scheme 7 of Annex 3A to the Issuers Regulation – has also been prepared for the purpose of giving information concerning the execution of the following plans already approved by the Shareholders’ Meeting of June 5th, 2014:

- **“FinecoBank Compensation System”** defined in order to assign free shares to selected resources of FinecoBank, according to the modalities described below and subject to the achievement of specific performance objectives:
  - **2014 Incentive System**
  - **“2014-2017 Multi-year Plan Top Management”**
  - **“2014 Key People Plan”**
  - **“2014 Plan PFA”**

Pursuant to the definition set forth in article 84-bis of the issuer regulations, the above mentioned incentive plans, in consideration of their beneficiaries, have the nature of “relevant plans”.

## 2. 2015 INCENTIVE SYSTEM FOR EMPLOYEES BELONGING TO IDENTIFIED STAFF

In compliance with the recent Bank of Italy provisions set forth in Circular 285, December 17th, 2013 (Section "*Regulations on remuneration and incentive policies and practices of Banks and Banking groups*") – VII Update of November 18th, 2014, First Part, Title IV, Chapter 2, implementing the *Capital Requirements Directive* 2013/36/EU (CRD IV) and in line with the guidelines issued by *European Banking Authority* (EBA), FinecoBank defined compensation systems based on financial instruments in order to align shareholders and management interests, reward long-term value creation, share price appreciation and motivate and retain key resources of FinecoBank. For this purpose it has been proposed the adoption of the Plan "**2015 Incentive System**" (hereinafter also "**2015 System**"), which provides for the allocation of an incentive – in cash and/or free Fineco ordinary shares – to be granted in a multi-year period, subject to the achievement of specific performance objectives.

### 2.1 BENEFICIARIES OF THE PLAN

The employees of FinecoBank that benefit from the 2015 Incentive System are 13 Identified Staff whose activities have impacts on Bank's risks as specified in section 2.1.2.

On the basis of the criteria established by Shareholders' Meeting, the Board of Directors will be delegated to identify the actual beneficiaries belonging to the categories described in this section 2.1.

#### 2.1.1 Indication of the name of beneficiaries who are members of the Board of Directors of FinecoBank and of the companies directly or indirectly controlled by FinecoBank

Mr. Alessandro Foti, Chief Executive Officer and General Manager of FinecoBank, is among the beneficiaries of 2015 Incentive System.

#### 2.1.2 The categories of employees or collaborators of FinecoBank and companies controlling or controlled by this issuer

The employees of FinecoBank that are defined as Identified Staff and benefit from the 2015 Incentive System are defined based on criteria provided by *European Banking Authority* (EBA) *Regulatory Technical Standards* issued on December 16th, as follows:

- Chief Executive Officer (CEO) and General Manager (GM), Deputy General Manager (DGM), Executive Vice Presidents (EVP), Senior Vice Presidents (SVP), direct reports to strategic supervisory, management and control bodies;
- Employees with total remuneration greater than €500,000 in the last year;
- Employees included within 0,3% of staff with the highest remuneration at local level;
- Employees whose remuneration is within the remuneration ranges of senior management and other Identified Staff;
- Other selected roles (including new hires).

#### 2.1.3 Individuals who benefit from the Plan belonging to the following groups:

**a) General Manager of FinecoBank**

Mr. Alessandro Foti, Chief Executive Officer and General Manager of FinecoBank, is among the beneficiaries of 2015 Incentive System.

**b) other Executives with strategic responsibilities of FinecoBank not classed as "small", in accordance with Article 3, paragraph 1, letter *f*) of Regulation no. 17221 of 12 March 2010, if they have, during the course of the year, received total compensation (obtained by adding the monetary compensation to the financial instrument-based compensation) in excess of the highest total compensation assigned to the members of the Board of Directors or Management Board, and to the General Manager of FinecoBank**

None of FinecoBank executives meet the description; therefore no information is provided in connection thereto.

**b) natural persons controlling FinecoBank, who are employee or collaborator of FinecoBank**

No individual controls FinecoBank and, therefore, no information is provided in connection thereto.

### 2.1.4 Description and numerical indication, broken down according to category:

**a) Executives with strategic responsibilities other than those specified under lett. B) of paragraph 2.1.3**

Amongst the beneficiaries of the 2015 Incentive System, along with the Chief Executive Officer and General Manager, there are n. 5 executives of FinecoBank who have regular access to privileged information and are authorized to take resolutions capable of influencing the development and prospects of FinecoBank:

1. the Deputy General Manager and Head of Global Banking Services, Mr. Fabio Milanesi
2. the Head of Direct Banking, Mr. Paolo Di Grazia
3. the Head of Commercial PFA Network, Mr. Mauro Albanese
4. the Head of Investment Services and Wealth Management, Mr. Carlo Giausa
5. the Chief Financial Officer, Mrs. Lorena Pelliciari

**b) in the case of "small" companies, in accordance with Article 3, paragraph 1, letter *f*) of Regulation no. 17221 of 12 March 2010, the indication for the aggregate of all Executives with strategic responsibilities of the financial instrument issuer**

This provision is not applicable and, therefore, no information is provided in connection thereto.

**c) other categories of employees or collaborators for which different characteristics are envisaged for the plan (e.g. executives, middle management, employees etc.)**

There are no classes of employees to which different characteristics of the 2015 Incentive System apply.

## 2.2 THE REASONS FOR THE ADOPTION OF THE PLAN

### 2.2.1 The targets which the parties intend to reach through the adoption of the plan

The 2015 Incentive System aims to attract, retain and motivate FinecoBank beneficiaries in compliance with the most recent national and international regulatory requirements with the aim to define – in the interest of all stakeholders – incentive systems in line with long-term Company strategies and goals, linked to Bank results, adjusted in order to consider all risks, in coherence with capital and liquidity levels needed to cover the activities in place and, in any case, able to avoid misleading incentives that could drive to regulatory breaches or to assume excessive risks for the Bank and the system in its whole.

The 2015 Incentive System is compliant with FinecoBank Compensation Policy and with the most recent national and international regulatory requirements providing for:

- allocation of a variable incentive defined based on available bonus pool, individual performance evaluation, internal benchmark for specific roles and bonus cap as set by the Ordinary Shareholder's meeting;
- definition of a balanced structure of "upfront" (done at the moment of performance evaluation) and "deferred payments", in cash and in shares;
- distribution of share payments, coherently with the applicable regulatory requirements regarding the application of share retention periods. In fact the payment structure defined requires a retention period on shares (of 2 years for upfront shares and of 1 year for deferred shares;
- risk-adjusted metrics in order to guarantee long-term sustainability with respect to Company's financial position and to ensure compliance with regulatory expectations;
- *malus* clause (Zero Factor) applies in case specific thresholds (profitability, capital and liquidity) are not met at both Group and local level. In particular, the bonus pool of 2015 will be zeroed, while previous systems deferrals could be reduced from 50% to 100% of their value, based on final effective results and dashboards assessments done by CRO and CFO.

### 2.2.2 Principal factors of variation and performance indexes taken into account for the assignment of plans based on financial instruments

Individual bonuses will be allocated managerially based on available bonus pool, individual performance evaluation and bonus reference for specific roles.

Individual performance appraisal is based on specific goals, linked to the 5 fundamentals of UniCredit Group competency model: "*Client obsession*"; "*Execution and Discipline*"; "*Cooperation and Synergies*"; "*Risk Management*"; "*People and Business Development*".

Incentive payouts shall be made over a multi-year period (2016-2021) subject to continuous employment at each date of payment and as follows:

- In 2016 the first instalment of the overall incentive ("1st instalment") will be paid in cash, in absence of any individual/values compliance breach, considering also the gravity of any internal/external findings (e.g. Audit, Bank of Italy, Consob and/or analogous local authorities);
- over the period 2017-2021 the remaining amount of the overall incentive will be paid in several instalments in cash and/or Fineco free ordinary shares; each further tranche will be subject to the application of the Zero Factor for the year of allocation and in absence of any individual/values compliance breach, considering also the gravity of any internal/external findings (e.g. Audit, Bank of Italy, Consob and/or analogous local authorities);

- distribution of share payments takes into account the applicable regulatory requirements regarding the application of share retention periods.

**2.2.3 The factors assumed as basis for the determination of the compensation based upon financial instruments, or the criteria for the determination of the aforesaid compensation**

In 2015 Incentive System the link between profitability, risk and reward is assured by linking directly bonus pool with Company results (at Group and local level), cost of capital and risk profiles relevant for the Bank as stated in the Risk Appetite Framework.

At this stage, the 2015 Incentive System does not contain an exact indication of the value of free shares to be actually allocated to the beneficiaries, rather it merely fixes the maximum number of the free shares to be issued with reference to the Plan. In any case, are already established the criteria that the Board of Directors should follow, in the resolutions that after the Shareholders' Meeting approval will execute the Plan, to define the actual number of beneficiaries and the number of free shares to be granted.

The 2015 Incentive System provides that in 2016 will be formulated the promise to pay the incentive in cash and shares. The percentages of the payments in cash and shares are linked to the beneficiaries' categories as described in the following points of this document.

The final evaluation of sustainable performance parameters and risk-reward alignment will be reviewed by the Remuneration and Appointments Committee and defined under the responsibility and governance of the Board of Directors.

**2.2.4 The reasons justifying the decision to assign compensation plans based on financial instruments not issued by FinecoBank, such as financial instruments issued by its subsidiaries, its parent companies or third parties; in the event the aforesaid financial instruments are not negotiated on regulated markets, the issuer shall provide information as to the criteria adopted for the calculation of the value attributable to such financial instruments**

The 2015 Incentive System does not contemplate the allocation of similar financial instruments.

**2.2.5 The evaluations, with respect to the relevant tax and accounting implications, taken into account in the definition of the plans**

The 2015 Incentive System definition has not been influenced by significant tax or accounting consideration.

**2.2.6 The indication as to whether the plan enjoys any support from the special fund for encouraging worker participation in the companies, as provided for under Article 4, paragraph 112, of Law December, 24 2003 n. 350**

The 2015 Incentive System is not currently supported by the special fund for encouraging worker participation in the companies, as provided for under sect. 4, paragraph 112, of Law December 24, 2003 n. 350.

**2.3 PROCEDURE FOR THE ADOPTION OF THE PLAN AND TIMEFRAME FOR THE ASSIGNMENT OF THE FINANCIAL INSTRUMENTS**

FINECO THE NEW BANK

Banca del Gruppo UniCredit

### 2.3.1 Powers delegated to the Board of Directors by the Shareholders' Meeting for the implementation of the plan

The best solution identified to execute the 2015 Incentive System is to delegate the Board of Directors, pursuant to sect. 2443 of the Civil Code, the faculty to increase share capital as described in the Director's Report presented to the Extraordinary Shareholders' Meeting called for on April 23rd, 2015 (in single call).

In force of this delegation, the Board of Directors could resolve:

- on one or more occasions for a maximum period of five years - to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum nominal amount of 397.453 Fineco ordinary shares, to be granted to employees of FinecoBank. Such an increase in capital shall be carried out using the special reserve known as " Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank" set up for this purpose and increased each year or in accordance with other methods dictated by applicable laws and regulations.
- Related to section 2443 of Civil Code that provides that the Directors can exercise the right to carry out a free capital increase for a maximum period of five years starting from the date when the Shareholders' Meeting resolution providing the delegation of power has been registered and therefore, until 2020, in order to assign last share instalment provided for 2021 it will be necessary to submit to a future Shareholders' Meeting approval a proposal aimed at integrating the delegation of power already provided to the Board of Directors so that the implementation of 2015 System can be completed.

The number of shares to be allocated in the respective instalments (as described at paragraph 2.4.1.) shall be defined in 2016, on the basis of the arithmetic mean of the official market price of Fineco ordinary shares during the month preceding the Board resolution that evaluates 2015 performance achievements. The allocation of a maximum number of 496.816 Fineco ordinary shares is proposed, representing about 0,08% of FinecoBank share capital, of which a maximum n° of 27.100 Fineco ordinary shares devoted to the payment of so-called "bonus buy-out".

In case the amount of the "Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank" does not allow the issuance (full or partial) of Fineco ordinary shares to service the 2015 System, an equivalent amount in cash will be allocated to the beneficiaries, determined in base of arithmetic mean of the official market price of Fineco ordinary shares during the month preceding the Board resolution that evaluates performance achievements 2015.

### 2.3.2 Indication of the individuals in charge of the management of the plan, their powers authority

"Human Resources" function of FinecoBank is in charge for the management of the 2015 Incentive System, as well as of the definition of the FinecoBank Compensation Policy.

### 2.3.3 Procedures for the amendment of the plans, if any, also in connection with potential variation of the original targets

No specific procedures for the amendment of the 2015 Incentive System are provided for, other than the power of attorney that is provided by the Shareholders' Meeting to the Chairman and the Chief Executive Officer and General Manager, also separately, to possibly make changes to the 2015 System.

### 2.3.4 Description of the modalities for the determination of the availability and assignment of the financial instruments contemplated by the plan

The best solution identified to execute the 2015 Incentive System is to delegate the Board of Directors, pursuant to sect. 2443 of the Civil Code, the faculty to increase share capital as described in the Director's Report presented to the Extraordinary Shareholders' Meeting called for on April 23rd, 2015 (in single call).

In force of this delegation, the Board of Directors could resolve:

- on one or more occasions for a maximum period of five years - to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum nominal amount of 397.453 Fineco ordinary shares, to be granted to employees of FinecoBank. Such an increase in capital shall be carried out using the special reserve known as " Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank" set up for this purpose and increased each year or in accordance with other methods dictated by applicable laws and regulations.
- Related to section 2443 of Civil Code that provides that the Directors can exercise the right to carry out a free capital increase for a maximum period of five years starting from the date when the Shareholders' Meeting resolution providing the delegation of power has been registered and therefore, until 2020, in order to assign last share instalment provided for 2021 it will be necessary to submit to a future Shareholders' Meeting approval a proposal aimed at integrating the delegation of power already provided to the Board of Directors so that the implementation of 2015 System can be completed.

The number of shares to be allocated in the respective instalments (as described at paragraph 2.4.1.) shall be defined in 2016, on the basis of the arithmetic mean of the official market price of Fineco ordinary shares during the month preceding the Board resolution that evaluates 2015 performance achievements. The allocation of a maximum number of 496.816 Fineco ordinary shares is proposed, representing about 0,08% of FinecoBank share capital, of which a maximum n° of 27.100 Fineco ordinary shares devoted to the payment of so-called “bonus buy-out”.

Over the period 2017-2021 the remaining amount of the overall incentive will be paid in several instalments in cash and/or Fineco free ordinary shares; each further tranche will be subject to the application of the Zero Factor for the year of allocation and in absence of any individual/values compliance breach, considering also the gravity of any internal/external findings (e.g. Audit, Bank of Italy, Consob and/or analogous local authorities).

Distribution of share payments takes into account the applicable regulatory requirements regarding the application of share retention periods.

### 2.3.5 The influence exercised by each director in the determination of the characteristics of the plans; the potential conflict of interest which may trigger the obligation for the relevant director to abstain from exercising his vote in the relevant resolution

In the determination of the proposal submitted to the Shareholders' Meeting, the Board of Directors identified the essential characteristics of the 2015 Incentive System, unanimously approved, following the guidelines and criteria elaborated by the Remuneration and Appointments Committee of FinecoBank.

Since the 2015 System is aligned with the 2015 Group Incentive System defined and implemented by UniCredit and is also consistent with 2015 FinecoBank Compensation

Policy submitted for approval to the Shareholders' Meeting, there hasn't been a conflict of interest situation for the Chief Executive Officer and General Manager.

**2.3.6 The date on which the Board of Directors of FinecoBank resolved upon the assignment of the financial instruments contemplated by the plan**

The Board of Directors, on January 22nd, 2015 approved the proposal related to the 2015 Incentive System to be submitted to FinecoBank Shareholders' Meeting.

Furthermore, in exercising the delegation received by the Shareholders' Meeting, as described in point 2.3.1, the Board of Directors will resolve in one or more occasions to allocate the financial instruments related to the 2015 Incentive System.

**2.3.7 The date on which the Remuneration and Appointments Committee resolved upon the Plan of FinecoBank**

The Remuneration and Appointments Committee on January 16th, 2015 positively resolved upon the criteria and the methodology elaborated for the definition of the 2015 Incentive System, sharing the reasons and motivations thereof.

**2.3.8 The market price of Fineco ordinary shares, on the dates mentioned in points 2.3.6 and 2.3.7**

The market price of Fineco ordinary shares, registered on the date of Board of Directors approval of 2015 Incentive System proposal (January 22nd, 2015) and on the date of the decision made by the Remuneration and Appointments Committee of FinecoBank (January 16th, 2015), resulted equal to € 4,69 and to € 4,60 respectively.

**2.3.9 In which terms and modalities FinecoBank takes into account, in the determination of the timeframe for the assignment of the plans, of the possible time-coincidence between::**

**i) such assignment or the decision, if any, adopted thereon by the Remuneration and Appointments Committee, and**

**ii) the dissemination of relevant information, if any, pursuant to sect. 114, paragraph 1 of Legislative Decree 58/98; for instance, in cases in which such information is:**

a. **not already public and capable to positively affect the market quotation, or**
b. **already published and capable to negatively affect the market quotation**

In relation to the foregoing it is clarified that the resolution of the Board of Directors which approved the proposal to be submitted to the Shareholders' Meeting, has been communicated to the markets, in compliance with the current regulations. It is also clarified that analogous information to the market, if required, will be made available upon any other following resolution adopted by the Board of Directors of the 2015 Incentive System.

The resolutions related to the incentive plans based on financial instruments are examined by the Remuneration and Appointments Committee of FinecoBank in advance to provide for the positive opinion to the Corporate Bodies, the information to the market is given, if needed, after the relevant resolution of the Board of Directors

## 2.4. THE CHARACTERISTICS OF THE FINANCIAL INSTRUMENTS ASSIGNED

### 2.4.1 Description of the compensation plan

Individual bonuses will be allocated managerially based on available bonus pool, individual performance evaluation and bonus reference for specific roles.

Individual performance appraisal is based on specific goals, linked to the 5 fundamentals of UniCredit Group competency model: "*Client obsession*"; "*Execution and Discipline*"; "*Cooperation and Synergies*"; "*Risk Management*"; "*People and Business Development*".

The final evaluation of sustainable performance parameters and risk-reward alignment will be reviewed by the Remuneration and Appointments Committee and defined under the responsibility and governance of the Board of Directors.

The 2015 Incentive System provides that in 2016 the Board of Directors – once verified the achievement of the goals defined for 2015 – will define the percentage of payments in cash and shares established for each category of beneficiaries, as illustrated in the table below:

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|
| EVP & above and other Identified Staff with bonus >500K [23] | 20% cash | 10% cash | 20% shares | 10% shares | 10% shares | 20% cash + 10% shares |
| SVP & other Identified Staff with bonus <500k | 30% cash | 10% cash | 30% shares | 10% cash + 10% shares | 10% shares | - |

The number of shares to be allocated in the respective instalments shall be defined in 2016, on the basis of the arithmetic mean of the official market closing prices of Fineco ordinary shares during the month preceding the Board resolution that evaluates 2015 performance achievements. The maximum number of shares to service the 2015 System is estimated at 496.816 representing about 0,08% of FinecoBank share capital, of which maximum n° of 27.100 Fineco ordinary shares devoted to the payment of so called "bonus buy out".

Payouts in shares comply with the applicable regulatory provisions in terms of holding period.

### 2.4.2 Indication of the time period for the implementation of the plan also indicating different cycles, if any, of its implementation

Incentive payouts shall be made over a multi-year period (2016-2021) in a balanced structure of upfront (following the moment of performance evaluation) and deferred payments, in cash and in shares, subject to what mentioned above and continuous employment at each date of payment. The free shares related to the 2015 Incentive System will be allocated by FinecoBank in multiple instalments (as shown in the table above) subject to the Board assessment in 2016 of the goal achievement set for 2015.

[23] Including direct reports to strategic supervisory, management and control bodies and other Identified Staff as required by local regulation.

### 2.4.3 The termination date of the plan

The 2015 Incentive System will lapse by July 2021.

### 2.4.4 The overall maximum number of financial instruments, also in the form of options, assigned over any fiscal years with respect to the beneficiaries namely identified or identified by categories, as the case may be

The maximum number of Fineco free shares is estimated at 496.816, representing about 0,08% of FinecoBank share capital, of which maximum n° of 27.100 Fineco ordinary shares devoted to the payment of so called “bonus buy out”.

For the assignment of the last instalment of shares planned for 2021 it will be submitted to one of the future Shareholders’ Meetings the proposed integration of the power of attorney, already provided to the Board of Directors, for capital increase to service the above mentioned 2015 System.

At this stage it is not possible to indicate the maximum number of free shares allocated in each fiscal year during the life of the 2015 Incentive System, since the actual definition will be done by the Board of Directors on the basis of the criteria approved by the Shareholders’ Meeting.

### 2.4.5 The procedures and clauses for the implementation of the plan, specifying whether the assignment of the financial instruments is subject to the satisfaction of certain specific conditions and, in particular, to the achievement of specific results, including performance targets; a description of the aforesaid conditions and results

Bonus pool is defined as a percentage of the specific funding KPI (*Net Operating Profit,* net of *Provisions for Risk and Charges*, corresponding to *Profit Before Tax*) at local level, taking into consideration the “Entry Conditions” criteria assessment (based on forecasted results – risk-adjusted – both at Group and local level) e and local risk and performance assessment.

The Entry Conditions is the mechanism that determines the possible application of *malus* clause (Zero Factor) on the basis of performance indicators in terms of profitability, capital and liquidity defined at both Group and local level. In particular the bonus pool of 2015 will be zeroed, while previous systems deferrals could be reduced from 50% to 100% of their value, based on final effective results and dashboards assessments done by CRO and CFO.

In order to align to regulatory requirements, in case both at Group and local level set KPIs are not met, a Zero Factor will apply to the Identified Staff population whereas for the rest of the population, a significant reduction will be applied. In case Zero Factor is not activated, bonus pool adjustments will be applied within respective ranges based on the assessment of local and Group performance and risk factors.

In case the Entry Conditions are not met at local level, but at Group level they are, a floor (equal to 25%) might be defined for retention purposes and in order to maintain the minimum pay levels needed to play in the market.

### 2.4.6 Indication of the restrictions on the availability of the financial instruments allocated under the plan or of the financial instruments relating to the exercise of the options, with particular reference to the time limits within which the subsequent transfer of the stocks to the issuer or third parties is permitted or prohibited

The 2015 Incentive System provides that the free Fineco ordinary shares that will be allocated will be freely transferable, considering the applicable regulatory requirements regarding the application of share retention periods, as described in section 2.2.1.

**2.4.7 Description of any condition subsequent to the plan in connection with the execution, by the beneficiaries, of hedging transactions aimed at preventing the effects of potential limits to the transfer of the financial instruments assigned there under, also in the form of options, as well as to the transfer of the financial instruments relating to the exercise of the aforesaid options**

In accordance with national regulatory guidelines and the 2015 Compensation Policy, beneficiaries are required to undertake not to use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements. Involvement in any form of hedging transaction shall be considered in breach of the Bank compliance policies and therefore the relevant rights under the plan shall automatically expire.

**2.4.8 Description of the consequences deriving from the termination of the employment or working relationship**

The 2015 Incentive System provides that the Board of Directors will have the faculty to identify, in the resolution that will execute the 2015 System, the termination of the beneficiary with the Bank, as cause for the expiring of the right to receive the free shares, coherently with the Plan guidelines.

**2.4.9 The indication of any other provisions which may trigger the cancellation of the plan**

The 2015 Incentive System does not provide for any provision which may trigger its cancellation.

**2.4.10 The reasons justifying the redemption, pursuant to sect. 2357 and followings of the Italian Civil Code, by FinecoBank, of the financial instruments contemplated by the plan; the beneficiaries of such redemption, indicating whether the same is limited only to certain categories of employees; the consequences of the termination of the employment relationship with respect to such redemption rights**

The 2015 Incentive System does not provide for the redemption by FinecoBank with reference to the free shares.

**2.4.11 The loans or other special terms that may be granted for the purchase of stocks pursuant to sect. 2358, paragraph 3, of the Italian Civil Code**

The 2015 Incentive System does not provide for a loan or other special terms for the purchase of the shares.

**2.4.12 The evaluation of the economic burden for FinecoBank at date of the assignment of the plan, as determined on the basis of the terms and conditions already defined, with respect to the aggregate overall amount as well as with respect to each financial instrument contemplated by the plan**

The estimation of the overall cost expected by FinecoBank in relation to the 2015 Incentive System at the grant date of the free shares, has been made on the basis of the IAS principles, considering the accounting assumptions on the foreseeable beneficiaries exits before the allocation of the free shares and on the probability to achieve the performance targets related to the allocation of the free shares.

On the basis of these estimations, the overall expected cost for FinecoBank at the grant date of the target number of free shares is equal to € 3.666.500 to be split in 6 years.

Depending on actual performance achievements, actual IAS cost of the Plan will vary from € 0 to a maximum of € 3.666.500.

At this stage it is not possible to define the exact cost in each year of life of the 2015 Incentive System, since the definition of the actual number of the free shares to be allocated is subject to the Board of Directors resolution.

### 2.4.13 The indication of any dilution on the corporate capital of the issuer resulting from the compensation plan, if any

The maximum impact of the 2015 Incentive System on FinecoBank share capital shall be approx. 0,08% in case of the potential allocation of all free shares to employees.

### 2.4.14 Any limitation to the voting and to the economic rights

At this stage, the 2015 Incentive System does not provide for any limitation to the voting or economic rights for the shares allocated.

### 2.4.15 In the event the stocks are not negotiated on a regulated market, any and all information necessary for a complete evaluation of the value attributable to them

The 2015 Incentive System provides only for the use of shares negotiated on regulated markets.

### 2.4.16 The number of financial instruments belonging to each option

The 2015 Incentive System does not provide for options.

### 2.4.17 The termination date of the options

The 2015 Incentive System does not provide for options.

### 2.4.18 The modalities, time limits and clauses for the exercise of the options

The 2015 Incentive System does not provide for options.

### 2.4.19 The strike price of the options or the criteria and modalities for its determination, with respect in particular to:

**a) the formula for the calculation of the exercise price in connection with the fair market value; and to**

**b) the modalities for the calculation of the market price assumed as basis for the calculation of the exercise price**

The 2015 Incentive System does not provide for options.

**2.4.20 In case the strike price is different from the fair market value as determined pursuant to point 2.4.19.b, the indication of the reasons for such difference**

The 2015 Incentive System does not provide for options.

**2.4.21 The criteria justifying differences in the exercise prices between the relevant beneficiaries or class of beneficiaries**

The 2015 Incentive System does not provide for options.

**2.4.22 In the event the financial instruments underlying granted options are not negotiated on a regulated market, the indication of the value attributable to the same or of the criteria for its determination**

The 2015 Incentive System does not provide for options.

**2.4.23 The criteria for the adjustments required in connection with any extraordinary transaction involving the corporate capital of the issuer as well as in connection with transaction triggering a variation in the number of the financial instruments underlying granted options**

The 2015 Incentive System does not provide for adjustments applicable in connection with extraordinary transactions involving FinecoBank corporate capital (saving the provisions that the Board of Directors may define in the resolution in which the Board will exercise the delegation received from the Shareholders' Meeting).

## 3. 2015 INCENTIVE SYSTEM FOR FINANCIAL ADVISORS BELONGING TO IDENTIFIED STAFF

In compliance with the recent Bank of Italy provisions set forth in Circular 285, December 17th, 2013 (Section "*Regulations on remuneration and incentive policies and practices of Banks and Banking groups*") – VII Update of November 18th, 2014, First Part, Title IV, Chapter 2, implementing the *Capital Requirements Directive* 2013/36/EU (CRD IV) and in line with the guidelines issued by *European Banking Authority* (EBA), FinecoBank defined compensation systems based on financial instruments in order to align shareholders and management interests, reward long-term value creation, share price appreciation and motivate and retain key resources of FinecoBank. For this purpose it has been proposed the adoption of the Plan "**2015 Incentive System for Financial Advisors**" ("**2015 Incentive System PFA**"), which provides for, to selected Financial Advisors belonging to Identified Staff, the allocation of an incentive – in cash and/or Phantom shares – to be granted in a multi-year period, subject to the achievement of specific objectives.

### 3.1 BENEFICIARIES OF THE PLAN

The Financial Advisors of FinecoBank that benefit from the 2015 Incentive System PFA are 6 Identified Staff whose activities have impacts on Bank's risks.

On the basis of the criteria established by Shareholders' Meeting, the Board of Directors will be delegated to identify the actual beneficiaries belonging to the categories described in this section 3.1.

### 3.1.1 Indication of the name of beneficiaries who are members of the Board of Directors of FinecoBank and of the companies directly or indirectly controlled by FinecoBank

There are no members of the Board of Directors that benefit from the 2015 Incentive System PFA; therefore no information is provided in connection thereto.

### 3.1.2 The categories of employees or collaborators of FinecoBank and companies controlling or controlled by this issuer

There are no employees of FinecoBank that benefit from the 2015 Incentive System PFA; therefore no information is provided in connection thereto.

### 3.1.3 Individuals who benefit from the Plan belonging to the following groups:

**a) General Manager of FinecoBank**

Mr. Alessandro Foti, Chief Executive Officer and General Manager of FinecoBank, is not among the beneficiaries of 2015 Incentive System PFA.

**c) other Executives with strategic responsibilities of FinecoBank not classed as "small", in accordance with Article 3, paragraph 1, letter *f*) of Regulation no. 17221 of 12 March 2010, if they have, during the course of the year, received total compensation (obtained by adding the monetary compensation to the financial instrument-based compensation) in excess of the highest total compensation assigned to the members of the Board of Directors or Management Board, and to the General Manager of FinecoBank**

None of FinecoBank executives meet the description; therefore no information is provided in connection thereto.

**b) natural persons controlling FinecoBank, who are employee or collaborator of FinecoBank**

No individual controls FinecoBank and, therefore, no information is provided in connection thereto.

### 3.1.4 Description and numerical indication, broken down according to category:

**a) Executives with strategic responsibilities other than those specified under lett. B) of paragraph 3.1.3**

None of FinecoBank executives meet the description; therefore no information is provided in connection thereto.

**b) in the case of "small" companies, in accordance with Article 3, paragraph 1, letter *f*) of Regulation no. 17221 of 12 March 2010, the indication for the aggregate of all Executives with strategic responsibilities of the financial instrument issuer**

This provision is not applicable and, therefore, no information is provided in connection thereto.

**c) other categories of employees or collaborators for which different characteristics are envisaged for the plan (e.g. executives, middle management, employees etc.)**

There are no classes of employees to which different characteristics of the 2015 Incentive System PFA apply.

## 3.2 THE REASONS FOR THE ADOPTION OF THE PLAN

### 3.2.1 The targets which the parties intend to reach through the adoption of the plan

The 2015 Incentive System PFA aims to retain and provide incentives to the beneficiary Advisors, taking into account the objectives of growth in the medium and long term, in a general framework of overall sustainability. It also confirms the alignment of FinecoBank with the latest national and international regulatory requirements by providing:

- the allocation of an incentive based on mechanisms of sustainability with regard to the results;
- the definition of a balanced structure of “upfront” (done at the moment of performance evaluation) and “deferred” payments, in cash and Phantom shares;
- the distribution of payments in Phantom shares, coherently with the applicable regulatory requirements regarding the application of instruments retention periods. In fact, the payment structure defined requires a retention period on Phantom shares (of 2 years for the “upfront” payment and of 1 year for “deferred” payment);
- a *malus* clause (Zero Factor) applies in case specific conditions for access are not met. In particular, the bonus relating to the 2015 performance will be zeroed.

### 3.2.2 Principal factors of variation and performance indexes taken into account for the assignment of plans based on financial instruments

Total incentive payout as defined will be made over a multi-year period (2016-2020), as indicated below and provided that the agency relationship of the beneficiaries is in place at the time of each payment:

- in 2016 the first instalment of the overall incentive will be paid in cash (“1st instalment”), in absence of any individual/values compliance breach, considering also the gravity of any internal/external findings (e.g. Audit, Bank of Italy, Consob);
- over the period 2017-2020 the remaining amount of the overall incentive will be paid in several instalments in cash and/or Phantom shares; each further instalments will be subject to the application of the Zero Factor for the year of allocation and in absence of any individual/values compliance breach, considering also the gravity of any internal/external findings (e.g. Audit, Bank of Italy, Consob)

### 3.2.3 The factors assumed as basis for the determination of the compensation based upon financial instruments, or the criteria for the determination of the aforesaid compensation

Incentive determination is based on sustainability mechanisms linked to results, in particular on goals related to net inflow, development and value generated by direct and indirect activities.

At this stage, the 2015 Incentive System PFA does not contain an exact indication of the value of Phantom shares to be actually allocated to the beneficiaries. In any case, are already established the criteria that the Board of Directors should follow, in the resolutions that after the Shareholders' Meeting approval will execute the Plan, to define the actual number of beneficiaries and the number of Phantom shares to be granted.

The 2015 Incentive System PFA provides that in 2016 will be formulated the promise to pay the incentive in cash and Phantom shares.

The final evaluation of sustainable performance parameters and risk-reward alignment will be reviewed by the Remuneration and Appointments Committee and defined under the responsibility and governance of the Board of Directors.

### 3.2.4 The reasons justifying the decision to assign compensation plans based on financial instruments not issued by FinecoBank, such as financial instruments issued by its subsidiaries, its parent companies or third parties; in the event the aforesaid financial instruments are not negotiated on regulated markets, the issuer shall provide information as to the criteria adopted for the calculation of the value attributable to such financial instruments

The 2015 Incentive System PFA does not contemplate the allocation of similar financial instruments.

### 3.2.5 The evaluations, with respect to the relevant tax and accounting implications, taken into account in the definition of the plans

The 2015 Incentive System PFA definition has not been influenced by significant tax or accounting consideration.

### 3.2.6 The indication as to whether the plan enjoys any support from the special fund for encouraging worker participation in the companies, as provided for under Article 4, paragraph 112, of Law December, 24 2003 n. 350

The 2015 Incentive System PFA is not currently supported by the special fund for encouraging worker participation in the companies, as provided for under sect. 4, paragraph 112, of Law December 24, 2003 n. 350.

## 3.3 PROCEDURE FOR THE ADOPTION OF THE PLAN AND TIMEFRAME FOR THE ASSIGNMENT OF THE FINANCIAL INSTRUMENTS

### 3.3.1 Powers delegated to the Board of Directors by the Shareholders' Meeting for the implementation of the plan

To execute the 2015 Incentive System PFA, in 2016 the Board of Directors will define the number of Phantom shares to assign for the 3rd, 4th and 5th instalments (as described in paragraph 3.4.1), taking into consideration the arithmetic mean of the official closing price of the shares on each trading day at the electronic stock market organised and managed by Borsa Italiana S.p.A. in the period from the day preceding the date of the resolution by the Board of Directors that evaluates 2015 performance achievements to the same day in the previous month (both inclusive).

Furthermore at the moment of the effective payment of each instalments, the number of Phantom shares will be turned into cash on the basis of the arithmetic mean of the official closing price of the shares on each trading day at the electronic stock market organised and managed by Borsa Italiana S.p.A. in the period from the day preceding the date of the resolution by the Board of Directors that approves the payment to the same day in the previous month.

**3.3.2 Indication of the individuals in charge of the management of the plan, their powers authority**

"Human Resources" function and "Network PFA Sales Department, Monitoring & Service Network" function of FinecoBank are in charge for the management of the 2015 Incentive System PFA, as well as of the definition of the FinecoBank Compensation Policy for Financial Advisors.

**3.3.3 Procedures for the amendment of the plans, if any, also in connection with potential variation of the original targets**

No specific procedures for the amendment of the 2015 Incentive System PFA are provided for, other than the power of attorney that is provided by the Shareholders' Meeting to the Chairman and the Chief Executive Officer and General Manager, also separately, to possibly make changes to the 2015 Incentive System PFA.

**3.3.4 Description of the modalities for the determination of the availability and assignment of the financial instruments contemplated by the plan**

To execute the 2015 Incentive System PFA, in 2016 the Board of Directors will define the number of Phantom shares to assign for the 3rd, 4th and 5th instalments (as described in paragraph 3.4.1), taking into consideration the arithmetic mean of the official closing price of the shares on each trading day at the electronic stock market organised and managed by Borsa Italiana S.p.A. in the period from the day preceding the date of the resolution by the Board of Directors that evaluates 2015 performance achievements to the same day in the previous month (both inclusive).

Furthermore at the moment of the effective payment of each instalments, the number of Phantom shares will be turned into cash on the basis of the arithmetic mean of the official closing price of the shares on each trading day at the electronic stock market organised and managed by Borsa Italiana S.p.A. in the period from the day preceding the date of the resolution by the Board of Directors that approves the payment to the same day in the previous month.

Over the period 2018-2020 each instalments of Phantom shares assigned will be subject to the application of the Zero Factor for the year of allocation and in absence of any individual/values compliance breach, considering also the gravity of any internal/external findings (e.g. Audit, Bank of Italy, Consob).

Distribution of Phantom shares payments takes into account the applicable regulatory requirements regarding the application of retention periods.

**3.3.5 The influence exercised by each director in the determination of the characteristics of the plans; the potential conflict of interest which may trigger the obligation for the relevant director to abstain from exercising his vote in the relevant resolution**

In the determination of the proposal submitted to the Shareholders' Meeting, the Board of Directors identified the essential characteristics of the 2015 Incentive System PFA, unanimously approved, following the guidelines and criteria elaborated by the Remuneration and Appointments Committee of FinecoBank.

Since the Chief Executive Officer and General Manager of FinecoBank is not among the potential beneficiaries of the 2015 Incentive System PFA, he participated in the definition of the 2015 Incentive System PFA.

### 3.3.6 The date on which the Board of Directors of FinecoBank resolved upon the assignment of the financial instruments contemplated by the plan

The Board of Directors, on March 10th, 2015 approved the proposal related to the 2015 Incentive System PFA to be submitted to FinecoBank Shareholders' Meeting..

### 3.3.7 The date on which the Remuneration and Appointments Committee resolved upon the Plan of FinecoBank

The Remuneration and Appointments Committee on March 6th, 2015 positively resolved upon the criteria and the methodology elaborated for the definition of the 2015 Incentive System PFA, sharing the reasons and motivations thereof.

### 3.3.8 The market price of Fineco ordinary shares, on the dates mentioned in points 3.3.6 e 3.3.7

The market price of Fineco ordinary shares, registered on the date of Board of Directors approval of 2015 Incentive System PFA proposal (March 10th, 2015) and on the date of the decision made by the Remuneration and Appointments Committee of FinecoBank (March 6th, 2015), resulted equal to € 5,98 and to € 5,94 respectively.

### 3.3.9 In which terms and modalities FinecoBank takes into account, in the determination of the timeframe for the assignment of the plans, of the possible time-coincidence between:

**i) such assignment or the decision, if any, adopted thereon by the Remuneration and Appointments Committee, and**

**ii) the dissemination of relevant information, if any, pursuant to sect. 114, paragraph 1 of Legislative Decree 58/98; for instance, in cases in which such information is:**

**a. not already public and capable to positively affect the market quotation, or**

**b. already published and capable to negatively affect the market quotation**

In relation to the foregoing it is clarified that the resolution of the Board of Directors which approved the proposal to be submitted to the Shareholders' Meeting, has been communicated to the markets, in compliance with the current regulations. It is also clarified that analogous information to the market, if required, will be made available upon any other following resolution adopted by the Board of Directors of the 2015 Incentive System PFA.

The resolutions related to the incentive plans based on financial instruments are examined by the Remuneration and Appointments Committee of FinecoBank in advance to provide for the positive opinion to the Corporate Bodies, the information to the market is given, if needed, after the relevant resolution of the Board of Directors

## 3.4. THE CHARACTERISTICS OF THE FINANCIAL INSTRUMENTS ASSIGNED

### 3.4.1 Description of the compensation plan

Individual bonuses will be allocated based on performance evaluation and entry conditions.

The final evaluation of sustainable performance parameters and risk-reward alignment will be reviewed by the Remuneration and Appointments Committee and defined under the responsibility and governance of the Board of Directors.

The 2015 Incentive System PFA provides that in 2016 the Board of Directors – once verified the achievement of the goals defined for 2015 – will define the percentage of payments in cash and Phantom shares, as illustrated in the table below:

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| Financial Advisors belonging to Identified Staff | 30% cash | 10% cash | 30% Phantom shares | 10% cash + 10% Phantom shares | 10% Phantom shares |

To execute the 2015 Incentive System PFA, in 2016 the Board of Directors will define the number of Phantom shares to assign for the 3rd, 4th and 5th instalments (as described in paragraph 3.4.1), taking into consideration the arithmetic mean of the official closing price of the shares on each trading day at the electronic stock market organised and managed by Borsa Italiana S.p.A. in the period from the day preceding the date of the resolution by the Board of Directors that evaluates 2015 performance achievements to the same day in the previous month (both inclusive).

Furthermore at the moment of the effective payment of each instalments, the number of Phantom shares will be turned into cash on the basis of the arithmetic mean of the official closing price of the shares on each trading day at the electronic stock market organised and managed by Borsa Italiana S.p.A. in the period from the day preceding the date of the resolution by the Board of Directors that approves the payment to the same day in the previous month.

Distribution of Phantom shares payments takes into account the applicable regulatory requirements regarding the application of retention periods..

### 3.4.2 Indication of the time period for the implementation of the plan also indicating different cycles, if any, of its implementation

Incentive payouts shall be made over a multi-year period (2016-2020) in a balanced structure of upfront (following the moment of performance evaluation) and deferred payments, in cash and in Phantom shares, subject to what mentioned above and continuous employment at each date of payment. Phantom shares related to the 2015 Incentive System PFA will be allocated by FinecoBank in multiple instalments (as shown in the table above) subject to the Board assessment in 2016 of the goal achievement set for 2015.

### 3.4.3 The termination date of the plan

The 2015 Incentive System PFA will lapse by July 2020.

### 3.4.4 The overall maximum number of financial instruments, also in the form of options, assigned over any fiscal years with respect to the beneficiaries namely identified or identified by categories, as the case may be

At this stage it is not possible to indicate the maximum number of Phantom shares allocated in each fiscal year during the life of the 2015 Incentive System PFA, since the actual definition will be done by the Board of Directors on the basis of the criteria approved by the Shareholders' Meeting.

### 3.4.5 The procedures and clauses for the implementation of the plan, specifying whether the assignment of the financial instruments is subject to the satisfaction of certain specific conditions and, in particular, to the achievement of specific results, including performance targets; a description of the aforesaid conditions and results

Incentive payment is subject to the verification of the "Entry Conditions".

The Entry Conditions measure the Company's profitability and solidity. They are the mechanism that determines the possible application of *malus* clause (Zero Factor) on the basis of indicators defined at both Group and local level.

In order to align to regulatory requirements, in case Entry Conditions are not met, a Zero Factor will apply and bonuses will not be paid.

### 3.4.6 Indication of the restrictions on the availability of the financial instruments allocated under the plan or of the financial instruments relating to the exercise of the options, with particular reference to the time limits within which the subsequent transfer of the stocks to the issuer or third parties is permitted or prohibited

There are no retention periods applicable on the financial instruments assigned.

### 3.4.7 Description of any condition subsequent to the plan in connection with the execution, by the beneficiaries, of hedging transactions aimed at preventing the effects of potential limits to the transfer of the financial instruments assigned there under, also in the form of options, as well as to the transfer of the financial instruments relating to the exercise of the aforesaid options

In accordance with national regulatory guidelines and the 2015 Compensation Policy, beneficiaries are required to undertake not to use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.

### 3.4.8 Description of the consequences deriving from the termination of the employment or working relationship

The 2015 Incentive System PFA provides that the Board of Directors will have the faculty to identify, in the resolution that will execute the 2015 Incentive System PFA, the termination of the agency relationship of beneficiary with the Bank, as cause for the expiring of the right to receive the Phantom shares, coherently with the Plan guidelines.

### 3.4.9 The indication of any other provisions which may trigger the cancellation of the plan

The 2015 Incentive System PFA does not provide for any provision which may trigger its cancellation.

**3.4.10 The reasons justifying the redemption, pursuant to sect. 2357 and followings of the Italian Civil Code, by FinecoBank, of the financial instruments contemplated by the plan; the beneficiaries of such redemption, indicating whether the same is limited only to certain categories of employees; the consequences of the termination of the employment relationship with respect to such redemption rights**

The 2015 Incentive System PFA does not provide for the redemption by FinecoBank with reference to the free shares.

**3.4.11 The loans or other special terms that may be granted for the purchase of stocks pursuant to sect. 2358, paragraph 3, of the Italian Civil Code**

The 2015 Incentive System PFA does not provide for a loan or other special terms for the purchase of the shares.

**3.4.12 The evaluation of the economic burden for FinecoBank at date of the assignment of the plan, as determined on the basis of the terms and conditions already defined, with respect to the aggregate overall amount as well as with respect to each financial instrument contemplated by the plan**

The estimation of the overall cost expected by FinecoBank in relation to the 2015 Incentive System PFA at the grant date of the Phantom shares, has been made on the basis of the IAS principles, considering the accounting assumptions on the foreseeable beneficiaries exits before the allocation of the free shares and on the probability to achieve the performance targets related to the allocation of the Phantom shares.

IAS cost estimation of the plan is around € 1.500.000 on the overall duration period, considering a maximum level of performance. This cost estimation could decrease to € 0 or increase considering the share price trend related to number of Phantom shares assigned.

At this stage it is not possible to define the exact cost in each year of life of the 2015 Incentive System PFA, since the definition of the actual number of the Phantom, shares to be allocated is subject to the Board of Directors resolution.

**3.4.13 The indication of any dilution on the corporate capital of the issuer resulting from the compensation plan, if any**

The financial instruments for 2015 Incentive System PFA (Phantom shares) does not foresee impact on FinecoBank share capital.

**3.4.14 Any limitation to the voting and to the economic rights**

2015 Incentive System PFA does not foresee to assign shares, therefore this provision is not applicable.

**3.4.15 In the event the stocks are not negotiated on a regulated market, any and all information necessary for a complete evaluation of the value attributable to them**

2015 Incentive System PFA foresees exclusively to assign Phantom shares linked to Fineco ordinary shares that are negotiated on regulated markets.

### 3.4.16 The number of financial instruments belonging to each option

The 2015 Incentive System PFA does not provide for options.

### 3.4.17 The termination date of the options

The 2015 Incentive System PFA does not provide for options.

### 3.4.18 The modalities, time limits and clauses for the exercise of the options

The 2015 Incentive System PFA does not provide for options.

### 3.4.19 The strike price of the options or the criteria and modalities for its determination, with respect in particular to:

**a) the formula for the calculation of the exercise price in connection with the fair market value; and to**

**b) the modalities for the calculation of the market price assumed as basis for the calculation of the exercise price**

The 2015 Incentive System PFA does not provide for options.

### 3.4.20 In case the strike price is different from the fair market value as determined pursuant to point 3.4.19.b, the indication of the reasons for such difference

The 2015 Incentive System PFA does not provide for options.

### 3.4.21 The criteria justifying differences in the exercise prices between the relevant beneficiaries or class of beneficiaries

The 2015 Incentive System PFA does not provide for options.

### 3.4.22 In the event the financial instruments underlying granted options are not negotiated on a regulated market, the indication of the value attributable to the same or of the criteria for its determination

The 2015 Incentive System PFA does not provide for options.

### 3.4.23 The criteria for the adjustments required in connection with any extraordinary transaction involving the corporate capital of the issuer as well as in connection with transaction triggering a variation in the number of the financial instruments underlying granted options

The 2015 Incentive System PFA does not provide for adjustments applicable in connection with extraordinary transactions involving FinecoBank corporate capital (saving the provisions that the Board of Directors may define in the resolution in which the Board will exercise the delegation received from the Shareholders' Meeting).

## 4. EXECUTION OF "FINECOBANK COMPENSATION SYSTEMS"

### 4.1 BENEFICIARIES OF THE PLAN

With reference to the Board of Directors' resolution of April 15th, 2014 for the execution of FinecoBank Compensation Systems, approved by the Shareholders' Meeting of June 5th, 2014, here below the beneficiaries of each plan**:**

- the **2014 Incentive System**, distinguished in two different plans depending on the category of beneficiaries, foresees an incentive – payable in cash and/or free Fineco ordinary shares – for the Identified Staff of FinecoBank over a multi-year period of maximum 6 years (2015-2020), after the verification of the achievement of specific performance goals, of entry conditions and of those individual (continuous employment and no compliance breach).
- **"2014-2017 Multi-year Plan Top Management"**, foresees an incentive – linked to FinecoBank IPO – payable in free Fineco ordinary shares, for the Chief Executive Officer and General Manager and for the Executives with strategic responsibilities of FinecoBank over a multi-year period (2017-2020) subject to the achievement of specific entry conditions. This plan foresees, *inter alia*, that the assignment of the 1st instalments of shares promised in 2014 will be done in 2017 for the 6 beneficiaries of FinecoBank, after the verification of the achievement of entry conditions and of those individual (continuous employment and no compliance breach);
- **"2014 Key People Plan"**, foresees an incentive – linked to FinecoBank IPO – payable in free Fineco ordinary shares, for 80 selected employees of FinecoBank over a multi-year period (2015-2017) subject to the achievement of specific entry conditions. This plan foresees, *inter alia*, that the assignment of the 1st instalments of shares promised in 2014 will be done in 2015 (in 2016 for the those belonging to Identified Staff), after the verification of the achievement of entry conditions and of those individual (continuous employment and no compliance breach);
- **"2014 Plan PFA"**, foresees to determine an amount to be granted through the assignment of ordinary shares to Area Managers and Financial Advisors of FinecoBank that, during 2014, have met specific performance goals. This plan foresees, *inter alia*, that the amount and the shares' calculation will be done in 2015 and that the assignment of the 1st instalment of shares promised in 2014 will be done in 2015, after the verification of the achievement of net inflows goal for the entire Advisors' Network, of the entry conditions and of those individual (continuous employment and no compliance breach).

#### 4.1.1 Indication of the name of beneficiaries who are members of the Board of Directors of FinecoBank and of the companies directly or indirectly controlled by FinecoBank

Mr. Alessandro Foti, Chief Executive Officer and General Manager of FinecoBank, is among the beneficiaries of the 2014 Incentive System and of "2014-2017 Multi-year Plan Top Management".

#### 4.1.2 The categories of employees or collaborators of FinecoBank and companies controlling or controlled by this issuer

The employees of FinecoBank that benefit from FinecoBank Compensation Systems (along with the Chief Executive Officer and General Manager of FinecoBank) are:

for the **2014 Incentive System**:

- the Deputy General Manager, the other Executives with strategic responsibilities and the other Identified Staff 2014 of FinecoBank

for **"2014-2017 Multi-year Plan Top Management"**:

- the Deputy General Manager and the other Executives with strategic responsibilities of FinecoBank;

for **"2014 Key People Plan"**:

- 80 selected employees of FinecoBank, among which 3 belonging to Identified Staff 2014;

for **"2014 Plan PFA"** there are no employees of FinecoBank that benefit from the plan. It is highlighted that the beneficiaries are 846 Financial Advisors, 172 Group Managers and 32 Area Managers.

**4.1.3 Individuals who benefit from the Plan belonging to the following groups:**

**a) General Managers of FinecoBank**

Mr. Alessandro Foti, Chief Executive Officer and General Manager of FinecoBank, is among the beneficiaries of the 2014 Incentive System and of "2014-2017 Multi-year Plan Top Management".

**b) other Executives with strategic responsibilities of FinecoBank not classed as "small", in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, if they have, during the course of the year, received total compensation (obtained by adding the monetary compensation to the financial instrument-based compensation) in excess of the highest total compensation assigned to the members of the Board of Directors or Management Board, and to the General Manager of FinecoBank**

None of FinecoBank Executives meet the description; therefore no information is provided in connection thereto.

**c) natural persons controlling FinecoBank, who are employee or collaborator of FinecoBank**

No individual controls FinecoBank and, therefore, no information is provided in connection thereto.

**4.1.4 Description and numerical indication, broken down according to category:**

**a) Executives with strategic responsibilities other than those specified under lett. B) of paragraph 4.1.3**

Amongst the beneficiaries of FinecoBank Compensation Systems, along with the Chief Executive Officer and General Manager, there are n. 5 executives of FinecoBank who have regular access to privileged information and are authorized to take resolutions capable of influencing the development and prospects of FinecoBank.

Benefit from the **2014 Incentive System** and from **"2014-2017 Multi-year Plan Top Management"**:

1. the Deputy General Manager and Head of Global Banking Services, Mr. Fabio Milanesi
2. the Head of Direct Banking, Mr. Paolo Di Grazia
3. the Head of Commercial PFA Network, Mr. Mauro Albanese
4. the Head of Investment Services and Wealth Management, Mr. Carlo Giausa
5. the Chief Financial Officer, Mrs. Lorena Pelliciari

Regarding **"2014 Key People Plan"** and **"2014 Plan PFA"** there are no beneficiaries among the Executives with strategic responsibilities.

**b) in the case of "small" companies, in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, the indication for the aggregate of all Executives with strategic responsibilities of the financial instrument issuer**

This provision is not applicable and, therefore, no information is provided in connection thereto.

**c) other categories of employees or collaborators for which different characteristics are envisaged for the plan (e.g. executives, middle management, employees etc.)**

There are 3 employees belonging to Identified Staff of FinecoBank to which different characteristics of **"2014 Key People Plan"** apply.

## 4.2 THE REASONS FOR THE ADOPTION OF THE PLAN

### 4.2.1 The targets which the parties intend to reach through the adoption of the "FinecoBank Compensation Systems"

The **2014 Incentive System** aims to attract, retain and motivate FinecoBank beneficiaries in compliance with the most recent national and international regulatory requirements with the aim to define – in the interest of all stakeholders – incentive systems in line with long-term Company strategies and goals, linked to Bank results, adjusted in order to consider all risks, in coherence with capital and liquidity levels needed to cover the activities in place and, in any case, able to avoid misleading incentives that could drive to regulatory breaches or to assume excessive risks for the Bank and the system in its whole.

The **2014 Incentive System** is compliant with FinecoBank Compensation Policy and with the most recent national and international regulatory requirements providing for:

- allocation of a variable incentive defined based on available bonus pool, individual performance evaluation and internal benchmark for specific roles;
- definition of a balanced structure of "upfront" (done at the moment of performance evaluation) and "deferred payments", in cash and in shares;
- distribution of share payments, coherently with the applicable regulatory requirements regarding the application of share retention periods;

- risk-adjusted metrics in order to guarantee long-term sustainability with respect to Company's financial position and to ensure compliance with regulatory expectations;
- *malus* clause (Zero Factor) applies in case specific thresholds (profitability, capital and liquidity) are not met at both Group and local level.

**"2014-2017 Multi-year Plan Top Management"** is a special award for Top Management of FinecoBank, linked to the IPO. It aims to build retention of the Top Management, taking into account the objectives of growth in the medium and long term.

**"2014 Key People Plan"** is a special award for selected employees of FinecoBank, linked to the IPO. It aims to build retention of the "key people", taking into account the objectives of growth in the medium and long term.

**"2014 Plan PFA"** is a special award for Area Managers and Financial Advisors of FinecoBank, with the aim to retain and incentive them, taking into account the objectives of growth in the medium and long term.

**4.2.2 Principal factors of variation and performance indexes taken into account for the assignment of plans based on financial instruments**

The **2014 Incentive System** foresees that individual bonuses will be allocated managerially based on available bonus pool, individual performance evaluation and bonus reference for specific roles.

Individual performance appraisal is based on 4 – 8 goals. Other optional targets and behaviours, as relevant, could be considered by the manager for the overall performance appraisal.

Incentive payouts shall be made over a multi-year period (2015-2020) in a balanced structure of upfront (following the moment of performance evaluation) and deferred payments, in cash and in shares, subject to continuous employment at each date of payment and as follows:

- in 2015 the first instalment of the overall incentive will be paid in cash in absence of any individual/values compliance breach, considering also the gravity of any internal/external findings (e.g. Audit, Bank of Italy, Consob and/or analogous local authorities);
- over the period 2016-2020 the remainder of the overall incentive will be paid in instalments in cash and/or Fineco shares, further subject to the application of the Zero Factor for the year previous to the year of payment and in absence of any individual/values compliance breach, considering also the gravity of any internal/external findings (e.g. Audit, Bank of Italy, Consob and/or analogous local authorities);
- distributions of share payments takes into account the applicable regulatory requirements regarding the application of share retention periods.

**"2014-2017 Multi-year Plan Top Management"** foresees that the assignment of the 1$^{st}$ instalments of shares promised in 2014 will be done in 2017 for the 6 beneficiaries of FinecoBank, after the verification of the achievement of entry conditions and of those individual (continuous employment and no compliance breach).

**"2014 Key People Plan"** foresees that the assignment of the 1st instalments of shares promised in 2014 will be done in 2015 for 77 beneficiaries of FinecoBank, in 2016 for the 3 beneficiaries belonging to Identified Staff, after the verification of the achievement of entry conditions and of those individual (continuous employment and no compliance breach).

**"2014 Plan PFA"** foresees that the assignment of the 1st instalments of shares promised in 2014 will be done in 2015, after the verification of the achievement of net inflows goal for the entire Advisors' Network, of the entry conditions and of those individual (continuous employment and no compliance breach).

### 4.2.3 The factors assumed as basis for the determination of the compensation based upon financial instruments, or the criteria for the determination of the aforesaid compensation

Here below the general criteria that the Board of Directors has followed, in the resolutions that after the Shareholders' Meeting approval will execute the Plans, to define the actual number of beneficiaries and the number of free shares to be granted.

The **2014 Incentive System** provides that in 2015 the Board of Directors – once verified the achievement of the goals defined for 2015 – will define the percentage of payments in cash and shares established for each category of beneficiaries.

**"2014-2017 Multi-year Plan Top Management"** provides that in 2015 the Board of Directors – once verified the achievement of the entry conditions and of those individual – will define the individual assignments of the 2$^{nd}$ instalments of shares to be granted in 2018, adjusting the shares promised in 2014 respect the ratio between fixed and variable remuneration.

**"2014 Key People Plan"** provides that in 2015 the Board of Directors – once verified the achievement of entry conditions and of those individual – will authorize the assignment of the 1$^{st}$ instalment of shares granted in 2014.

**"2014 Plan PFA"** provides that in 2015 the Board of Directors – once verified the achievement of net inflows goal for the entire Advisors' Network, of the entry conditions and of those individual – will authorize the assignment of the 1st instalment of shares granted in 2014.

### 4.2.4 The reasons justifying the decision to assign compensation plans based on financial instruments not issued by FinecoBank, such as financial instruments issued by its subsidiaries, its parent companies or third parties; in the event the aforesaid financial instruments are not negotiated on regulated markets, the issuer shall provide information as to the criteria adopted for the calculation of the value attributable to such financial instruments

FinecoBank Compensation Systems do not contemplate the allocation of similar financial instruments.

### 4.2.5 The evaluations, with respect to the relevant tax and accounting implications, taken into account in the definition of the plans

The FinecoBank Compensation Systems definition has not been influenced by significant tax or accounting consideration.

### 4.2.6 The indication as to whether the plan enjoys any support from the special fund for encouraging worker participation in the companies, as provided for under Article 4, paragraph 112, of Law December, 24 2003 n. 350

FinecoBank Compensation Systems are not currently supported by the special fund for encouraging worker participation in the companies, as provided for under sect. 4, paragraph 112, of Law December 24, 2003 n. 350.

## 4.3 PROCEDURE FOR THE ADOPTION OF THE PLAN AND TIMEFRAME FOR THE ASSIGNMENT OF THE FINANCIAL INSTRUMENTS

### 4.3.1 Powers delegated to the Board of Directors by the Shareholders' Meeting for the implementation of the plan

The best solution identified to execute FinecoBank Compensation Systems for the employees is to delegate the Board of Directors, pursuant to sect. 2443 of the Civil Code, the faculty to increase share capital as described in the Director's Report presented to the Extraordinary Shareholders' Meeting of June 5th, 2014.

In force of this delegation, the Board of Directors could resolve:

- for the **2014 Incentive System**, on one or more occasions, a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of 420.000 Fineco ordinary shares;
- for **"2014-2017 Multi-year Plan Top Management"**, on one or more occasions, a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of 2.900.000 Fineco ordinary shares;
- for **"2014 Key People Plan"**, on one or more occasions, on one or more occasions, a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of 900.000 Fineco ordinary shares.

Regarding the execution of **"2014 Plan PFA"** instead, the best solution identified is to delegate the Board of Directors, pursuant to sect. 2357 of the Civil Code, the faculty to buy and carry out disposals for maximum no. 5.000.000 ordinary shares (the total number includes also **"2015-2017 Plan PFA"**, approved in 2014 whose execution is foreseen starting from 2016).

### 4.3.2 Indication of the individuals in charge of the management of the plan, their powers authority

"Human Resources" function and, related to **"2014 Plan PFA"**, "Network PFA Sales Department, Monitoring & Service Network" function, of FinecoBank, are in charge for the management of FinecoBank Compensation Systems, as well as of the definition of the FinecoBank Compensation Policy for employees and Financial Advisors

### 4.3.3 Procedures for the amendment of the plans, if any, also in connection with potential variation of the original targets

No specific procedures for the amendment of FinecoBank Compensation Systems are provided for.

### 4.3.4 Description of the modalities for the determination of the availability and assignment of the financial instruments contemplated by the plan

The best solution identified to execute FinecoBank Compensation Systems for the employees is to delegate the Board of Directors, pursuant to sect. 2443 of the Civil Code, the faculty to increase share capital as described in the Director's Report presented to the Extraordinary Shareholders' Meeting of June 5th, 2014.

In force of this delegation, the Board of Directors could resolve:

- for the **2014 Incentive System**, on one or more occasions, a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of 420.000 Fineco ordinary shares;
- for **"2014-2017 Multi-year Plan Top Management"**, on one or more occasions, a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of 2.900.000 Fineco ordinary shares;
- for **"2014 Key People Plan"**, on one or more occasions, on one or more occasions, a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of 900.000 Fineco ordinary shares.

Regarding the execution of **"2014 Plan PFA"** instead, the best solution identified is to delegate the Board of Directors, pursuant to sect. 2357 of the Civil Code, the faculty to buy and carry out disposals for maximum no. 5.000.000 ordinary shares (the total number includes also **"2015-2017 Plan PFA"**, approved in 2014 whose execution is foreseen starting from 2016).

**4.3.5 The influence exercised by each director in the determination of the characteristics of the plans; the potential conflict of interest which may trigger the obligation for the relevant director to abstain from exercising his vote in the relevant resolution**

The Board of Directors has verified the entry conditions to FinecoBank Compensation Systems as well as the criteria related to the financial instruments assignment to FinecoBank staff, on the basis of the positive opinion of the Remuneration and Appointments Committee.

Since the Chief Executive Officer and General Manager of FinecoBank is among the beneficiaries of the 2014 Incentive System and of "2014-2017 Multi-year Plan Top Management", he has abstained from participating in the definition of the mentioned plans.

**4.3.6 The date on which the Board of Directors of FinecoBank resolved upon the assignment of the financial instruments contemplated by the plan**

To execute the **2014 Incentive System**, in exercising the delegation received by the Shareholders' Meeting, as described in point 4.3.1, the Board of Directors on February 9th, 2015 has approved the promise to grant no. 269.728 Fineco ordinary shares to Identified Staff of FinecoBank, after the verification of the achievement of the Entry Conditions foreseen for the beneficiaries, ad described in point 4.2.3.

To execute **"2014-2017 Multi-year Plan Top Management"**, in exercising the delegation received by the Shareholders' Meeting, as described in point 4.3.1, the Board of Directors on February 9th, 2015 has approved the promise to grant no. 494.493 Fineco ordinary shares to the 6 beneficiaries of FinecoBank, after the verification of the achievement of the Entry Conditions foreseen for the beneficiaries, ad described in point 4.2.3.

To execute **"2014 Key People Plan"**, in exercising the delegation received by the Shareholders' Meeting, as described in point 4.3.1, the Board of Directors on February 9th, 2015 has approved the assignment of the 1st instalments of shares, equal to no. 241.700 Fineco ordinary shares, to the 77 beneficiaries of FinecoBank, after the verification of the achievement of the Entry Conditions foreseen for the beneficiaries, ad described in point 4.2.3.

To execute **"2014 Plan PFA"**, in exercising the delegation received by the Shareholders' Meeting, as described in point 4.3.1, the Board of Directors on February 9th, 2015 has approved the promise to grant a number of shares equal to a total amount Euro 14.389.650 to the Financial Advisors of FinecoBank beneficiaries, after the verification of the achievement of the Entry Conditions foreseen for the beneficiaries, ad described in point 4.2.3.

#### 4.3.7 The date on which the Remuneration and Appointments Committee resolved upon the Plan of FinecoBank

The Remuneration and Appointments Committee on February 5th, 2015 positively resolved upon the criteria to be applied for the execution of FinecoBank Compensation Systems, sharing the reasons and motivations thereof.

#### 4.3.8 The market price of Fineco ordinary shares, on the dates mentioned in points 4.3.6 e 4.3.7

The market price of Fineco ordinary shares, registered on the date of Board of Directors' approval of FinecoBank Compensation Systems' execution (February 9th, 2015) and on the date of the decision made by the Remuneration and Appointments Committee of FinecoBank (February 5th, 2015), resulted equal to € 5,20 and to € 4,98 respectively.

#### 4.3.9 In which terms and modalities FinecoBank takes into account, in the determination of the timeframe for the assignment of the plans, of the possible time-coincidence between:

**i) such assignment or the decision, if any, adopted thereon by the Remuneration and Appointments Committee, and**

**ii) the dissemination of relevant information, if any, pursuant to sect. 114, paragraph 1 of Legislative Decree 58/98; for instance, in cases in which such information is:**

**a. not already public and capable to positively affect the market quotation, or**

**b. already published and capable to negatively affect the market quotation**

In relation to the foregoing it is clarified that the resolution of the Board of Directors which approved the execution of FinecoBank Compensation Systems has been communicated to the markets, in compliance with the current regulations.

The resolutions related to the incentive plans based on financial instruments are examined by the Remuneration and Appointments Committee of FinecoBank in advance to provide for the positive opinion to the Corporate Bodies, the information to the market is given, if needed, after the relevant resolution of the Board of Directors

### 4.4. THE CHARACTERISTICS OF THE FINANCIAL INSTRUMENTS ASSIGNED

#### 4.4.1 Description of the compensation plan

The **2014 Incentive System** provides that in 2015 the Board of Directors – once verified the achievement of the goals defined for 2014 – will define the percentage of payments in cash and shares established for each category of beneficiaries, as illustrated in the table below:

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|
| EVP & above and other Identified Staff with bonus >€500k | 20% cash | 15% cash | 15% cash | 20% shares | 15% shares | 15% shares |
| SVP & other Identified Staff with bonus <€500k | 30% cash | 10% cash | 10% cash | 30% shares | 10% shares | 10% shares |

**"2014-2017 Multi-year Plan Top Management"** foresees an incentive – payable in free Fineco ordinary shares – over a multi-year period (2017-2020), subject to the achievement of specific entry conditions.

**"2014 Key People Plan"** foresees an incentive – payable in free Fineco ordinary shares – over a multi-year period (2015-2017), subject to the achievement of specific entry conditions.

**"2014 Plan PFA"** foresees an incentive – payable in free Fineco ordinary shares – over a multi-year period (2015-2017), subject to the achievement of specific entry conditions.

**4.4.2 Indication of the time period for the implementation of the plan also indicating different cycles, if any, of its implementation**

The free shares for the **2014 Incentive System** will be assigned by FinecoBank in multiple instalments (in the period 2018-2020) subject to the Board assessment of specific entry conditions, as described in point 4.2.3.

The free shares for **"2014-2017 Multi-year Plan Top Management"** will be assigned by FinecoBank in multiple instalments (in the period 2017-2020) subject to the Board assessment of specific entry conditions, as described in point 4.2.3.

The free shares for **"2014 Key People Plan"** will be assigned by FinecoBank in multiple instalments (in the period 2015-2017) subject to the Board assessment of specific entry conditions, as described in point 4.2.3.

The shares for **"2014 Plan PFA"** will be assigned by FinecoBank in multiple instalments (in the period 2015-2017) subject to the Board assessment of specific entry conditions, as described in point 4.2.3.

**4.4.3 The termination date of the plan**

The **2014 Incentive System** will lapse by July 2020.

The **"2014-2017 Multi-year Plan Top Management"** will lapse by July 2020.

The **"2014 Key People Plan"** will lapse by July 2017.

The **"2014 Plan PFA"** will lapse by July 2017.

**4.4.4 The overall maximum number of financial instruments, also in the form of options, assigned over any fiscal years with respect to the beneficiaries namely identified or identified by categories, as the case may be**

The maximum number of free shares that the Board of Directors is authorized to allocate within the power of the delegation received by Shareholders' Meeting of FinecoBank for.

- the **2014 Incentive System**
- **"2014-2017 Multi-year Plan Top Management"**
- **"2014 Key People Plan"**

is equal to no. 3.500.000 shares.

Regarding the execution of **"2014 Plan PFA"** instead, the best solution identified is to delegate the Board of Directors, pursuant to sect. 2357 of the Civil Code, the faculty to buy and carry out disposals for maximum no. 5.000.000 ordinary shares (the total number includes also **"2015-2017 Plan PFA"**, approved in 2014 whose execution is foreseen starting from 2016).

At this stage it is not possible to indicate the maximum number of free shares allocated in each fiscal year during the life of FinecoBank Compensation Systems, since the actual definition will be done by the Board of Directors on the basis of the criteria approved by the Shareholders' Meeting.

**4.4.5 The procedures and clauses for the implementation of the plan, specifying whether the assignment of the financial instruments is subject to the satisfaction of certain specific conditions and, in particular, to the achievement of specific results, including performance targets; a description of the aforesaid conditions and results**

Considering the criteria described in the point 4.2.2, the allocation and the exercise of the free shares is subject to the achievement of the performance targets set by the Board of Directors. The assessment of the goals achievement should be done by the Board of Directors at the end of the performance period described in point 4.4.2.

**4.4.6 Indication of the restrictions on the availability of the financial instruments allocated under the plan or of the financial instruments relating to the exercise of the options, with particular reference to the time limits within which the subsequent transfer of the stocks to the issuer or third parties is permitted or prohibited**

FinecoBank Compensation Systems provides that the free Fineco ordinary shares that will be allocated will be freely transferable, considering the applicable regulatory requirements regarding the application of share retention periods.

**4.4.7 Description of any condition subsequent to the plan in connection with the execution, by the beneficiaries, of hedging transactions aimed at preventing the effects of potential limits to the transfer of the financial instruments assigned there under, also in the form of options, as well as to the transfer of the financial instruments relating to the exercise of the aforesaid options**

In accordance with national regulatory guidelines and the 2015 Compensation Policy, beneficiaries are required to undertake not to use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements. For employees, Involvement in any form of hedging transaction shall be considered in breach of the Bank compliance policies and therefore the relevant rights under the plan shall automatically expire.

**4.4.8 Description of the consequences deriving from the termination of the employment or working relationship**

FinecoBank Compensation Systems provides that the Board of Directors will have the faculty to identify, in the resolution that will execute each plan, the termination of the beneficiary with the Bank, as cause for the expiring of the right to receive the free shares, coherently with the Plans guidelines.

**4.4.9 The indication of any other provisions which may trigger the cancellation of the plan**

FinecoBank Compensation Systems do not provide for any provision which may trigger their cancellation.

**4.4.10 The reasons justifying the redemption, pursuant to sect. 2357 and followings of the Italian Civil Code, by FinecoBank, of the financial instruments contemplated by the plan; the beneficiaries of such redemption, indicating whether the same is limited only to certain categories of employees; the consequences of the termination of the employment relationship with respect to such redemption rights**

FinecoBank Compensation Systems do not provide for the redemption by FinecoBank or other Legal Entities of the Group with reference to the free shares.

**4.4.11 The loans or other special terms that may be granted for the purchase of stocks pursuant to sect. 2358, paragraph 3, of the Italian Civil Code**

FinecoBank Compensation Systems do not provide for a loan or other special terms for the purchase of the shares.

**4.4.12 The evaluation of the economic burden for FinecoBank at date of the assignment of the plan, as determined on the basis of the terms and conditions already defined, with respect to the aggregate overall amount as well as with respect to each financial instrument contemplated by the plan**

The estimation of the overall cost expected by FinecoBank in relation to the adoption of FinecoBank Compensation Systems at the grant date of the free shares, has been made on the basis of the IAS principles, considering the accounting assumptions on the foreseeable beneficiaries exits before the allocation of the free shares and on the probability to achieve the performance targets related to the allocation of the free shares.

On the basis of these estimations, the overall expected cost for FinecoBank at the grant date of the target number of free shares is equal to a total amount of € 25.807.111, split in:

- Euro 2.598.909, split in 6 years, for the **2014 Incentive System**
- Euro 9.336.580, split in 6 years, for **“2014-2017 Multi-year Plan Top Management”**
- Euro 2.946.643, split in 3 years, for **“2014 Key People Plan”**
- Euro 14.952.999, split in 4 years, for **“2014 Plan PFA”**

**4.4.13 The indication of any dilution on the corporate capital of the issuer resulting from the compensation plan, if any**

The maximum impact of FinecoBank Compensation Systems (“2014 Plan PFA” excluded) on FinecoBank share capital shall be approx. 0,6%.

**4.4.14 Any limitation to the voting and to the economic rights**

At this stage, FinecoBank Compensation Systems do not provide for any limitation to the voting or economic rights for the shares allocated.

**4.4.15 In the event the stocks are not negotiated on a regulated market, any and all information necessary for a complete evaluation of the value attributable to them**

FinecoBank Compensation Systems provide only for the use of shares negotiated on regulated markets.

**4.4.16 The number of financial instruments belonging to each option**

FinecoBank Compensation Systems do not provide for options.

**4.4.17 The termination date of the options**

FinecoBank Compensation Systems do not provide for options.

**4.4.18 The modalities, time limits and clauses for the exercise of the options**

FinecoBank Compensation Systems do not provide for options.

**4.4.19 The strike price of the options or the criteria and modalities for its determination, with respect in particular to:**

**a) the formula for the calculation of the exercise price in connection with the fair market value; and to**

**b) the modalities for the calculation of the market price assumed as basis for the calculation of the exercise price**

FinecoBank Compensation Systems do not provide for options.

**4.4.20 In case the strike price is different from the fair market value as determined pursuant to point 4.4.19.b, the indication of the reasons for such difference**

FinecoBank Compensation Systems do not provide for options.

**4.4.21 The criteria justifying differences in the exercise prices between the relevant beneficiaries or class of beneficiaries**

FinecoBank Compensation Systems do not provide for options.

**4.4.22 In the event the financial instruments underlying granted options are not negotiated on a regulated market, the indication of the value attributable to the same or of the criteria for its determination**

FinecoBank Compensation Systems do not provide for options.

**4.4.23 The criteria for the adjustments required in connection with any extraordinary transaction involving the corporate capital of the issuer as well as in connection with transaction triggering a variation in the number of the financial instruments underlying granted options**

FinecoBank Compensation Systems do not provide for adjustments applicable in connection with extraordinary transactions involving FinecoBank corporate capital (saving the provisions that the Board of Directors may define in the resolution in which the Board will exercise the delegation received from the Shareholders' Meeting).

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## INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS
## Table no. 1 of scheme 7 of Annex 3A Regulation no. 11971/1999

**Date: March 10th, 2015**

| Name or category (1) | Capacity | Box 1 Financial instruments other than Stock Options (8) | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Section 1 Instruments related to outstanding plans, approved by previous shareholders meetings' resolutions | | | | | | |
| | | Date of Shareholders' Meeting resolution | Type of financial instruments (12) | Number of financial instruments (11) | Assignment date (10) | Purchase price of financial instruments, if any | Market price at the assignment date | Vesting period (14) |
| Alessandro Foti | CEO/GM | 29/04/2011 | Unicredit | 47.381 | 20/03/2012 cpr 27/03/2012 cda/oc | 0 | 4,010 | 20/03/2012 31/12/2014 |
| Alessandro Foti | CEO/GM | 11/05/2012 | Unicredit | 151.810 | 11/04/2013 cpr 11/04/2013 cda/oc | 0 | 3,520 | 11/04/2013 31/12/2016 |
| Alessandro Foti | CEO/GM | 11/05/2013 | Unicredit | 60.165 | 11/03/2014 cpr 11/03/2014 cda/oc | 0 | 5,862 | 11/03/2014 31/12/2017 |
| 5 Executives with strategic responsibilities | | 29/04/2011 | Unicredit | 39.586 | 20/03/2012 cpr 27/03/2012 cda/oc | 0 | 4,010 | 20/03/2012 31/12/2014 |
| 5 Executives with strategic responsibilities | | 11/05/2012 | Unicredit | 101.062 | 11/04/2013 cpr 11/04/2013 cda/oc | 0 | 3,520 | 11/04/2013 31/12/2015 |
| 5 Executives with strategic responsibilities | | 11/05/2013 | Unicredit | 64.700 | 11/03/2014 cpr 11/03/2014 cda/oc | 0 | 5,862 | 11/03/2014 31/12/2016 |
| Category of other employees: Executives | | 29/04/2011 | Unicredit | 4.364 | 20/03/2012 cpr 27/03/2012 cda/oc | 0 | 4,010 | 20/03/2012 31/12/2014 |
| Category of other employees: Executives | | 11/05/2012 | Unicredit | 13.352 | 11/04/2013 cpr 11/04/2013 cda/oc | 0 | 3,520 | 11/04/2013 31/12/2015 |
| Category of other employees: Executives | | 11/05/2013 | Unicredit | 7.308 | 11/03/2014 cpr 11/03/2014 cda/oc | 0 | 5,862 | 11/03/2014 31/12/2016 |
| Category of other employees: Executives, Middle Management | | 29/04/2011 | Unicredit | 13.833 | 20/03/2012 cpr 27/03/2012 cda/oc | 0 | 4,010 | 20/03/2012 31/12/2014 |

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| Name or category (1) | Capacity | Box 1<br>Financial instruments other than Stock Options (8) | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Section 2<br>Financial instruments to be assigned on the basis of the decision of*:<br>- BoD, as to be proposed to shareholders meeting<br>X - competent Body to implement Shareholders' Meeting resolution<br>(9) | | | | | | |
| | | Date of Shareholders' Meeting resolution | Type of financial instruments (12) | Number of financial instruments (11) | Assignment date (10) | Purchase price of financial instruments, if any | Market price at the assignment date | Vesting period (14) |
| Alessandro Foti | CEO/GM | 05/06/2014 | FinecoBank | 89.946 | 05/02/2015 cpr<br>09/02/2015 cda/oc | 0 | 4,725 | 09/02/2015<br>31/12/2019 |
| Alessandro Foti | CEO/GM | 05/06/2014 | FinecoBank | 918.800** | 27/05/2014 cpr<br>15/07/2014 cda/oc | 0 | 3,700 | 15/07/2014<br>31/12/2019 |
| 5 Executives with strategic responsibilities | | 05/06/2014 | FinecoBank | 155.445 | 05/02/2015 cpr<br>09/02/2015 cda/oc | 0 | 4,725 | 09/02/2015<br>31/12/2019 |
| 5 Executives with strategic responsibilities | | 05/06/2014 | FinecoBank | 1.604.600** | 27/05/2014 cpr<br>15/07/2014 cda/oc | 0 | 3,700 | 15/07/2014<br>31/12/2019 |
| Category of other employees: Executives | | 05/06/2014 | FinecoBank | 24.337 | 05/02/2015 cpr<br>09/02/2015 cda/oc | 0 | 4,725 | 09/02/2015<br>31/12/2017 |
| Category of other employees: Executives, Middle Management, Employees | | 05/06/2014 | FinecoBank | 796.390 | 27/05/2014 cpr<br>15/07/2014 cda/oc | 0 | 3,700 | 15/07/2014<br>31/12/2016 |

* With regards to “2014 Plan PFA”, approved by the Shareholders' Meeting on June 5th, 2014, on February 9th, 2015 the Board of Directors has approved, based on positive opinion expressed by Remuneration and Appointments Committee on February 5th, 2015, to assign to Financial Advisors beneficiaries a number of Fineco free shares equal to the total amount of Euro 14.427.650, defined considering the reference value of the arithmetic mean of the official closing price of the shares on each trading day at the electronic stock market organised and managed by Borsa Italiana S.p.A. in the period from the day preceding the date of the resolution by the Board of Directors that evaluates 2015 performance achievements to the same day in the previous month (both inclusive). Granted date considered was July 15th, 2015.

** Maximum number of shares granted in 2014 that will be adjusted for each further assignments to respect the ratio between fixed and variable remuneration in line with current regulations.

| Name or category (1) | Capacity | Box 2 Stock Options — Section 1 Options relating to outstanding plans approved on the basis of previous shareholders meetings' resolutions (8) | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Date of Shareholders' Meeting resolution | Instrument description (12) | Financial instruments underlying the option held at the end of previous year (11)* | Financial instruments underlying the options exercised (13) | Assignment date (10) | Exercise price | Market price of underlying shares at the assignment date** | Period of possible exercise (from..to) |
| Alessandro Foti | CEO/GM | 08/05/2008 | Unicredit | 38.780 | 0 | 17/06/2008 cpr<br>25/06/2008 cda/oc | 23,351 | 22,893 | 09/07/2012<br>09/07/2018 |
| Alessandro Foti | CEO/GM | 29/04/2011 | Unicredit | 116.094 | 0 | 20/03/2012 cpr<br>27/03/2012 cda/oc | 4,010 | 4,148 | 01/04/2016<br>31/12/2022 |
| 2 Executives with strategic responsibilities | | 04/05/2004 | Unicredit | 4.300 | 0 | 29/06/2004 cpr<br>22/07/2004 cda/oc | 22,420 | 3,945 | 03/09/2008<br>31/12/2017 |
| 2 Executives with strategic responsibilities | | 04/05/2004 | Unicredit | 8.153 | 0 | 10/11/2005 cpr<br>18/11/2005 cda/oc | 26,878 | 5,266 | 26/11/2009<br>31/12/2018 |
| 2 Executives with strategic responsibilities | | 12/05/2006 | Unicredit | 6.165 | 0 | 07/06/2006 cpr<br>13/06/2006 cda/oc | 33,205 | 5,626 | 28/06/2010<br>31/12/2019 |
| 2 Executives with strategic responsibilities | | 10/05/2007 | Unicredit | 10.357 | 0 | 07/06/2007 cpr<br>12/06/2007 cda/oc | 39,583 | 37,127 | 13/07/2011<br>15/07/2017 |
| 2 Executives with strategic responsibilities | | 08/05/2008 | Unicredit | 34.902 | 0 | 17/06/2008 cpr<br>25/06/2008 cda/oc | 23,351 | 22,893 | 09/07/2012<br>09/07/2018 |
| Category of other employees: Executives | | 08/05/2008 | Unicredit | 25.262 | 0 | 17/06/2008 cpr<br>25/06/2008 cda/oc | 23,351 | 22,893 | 09/07/2012<br>09/07/2018 |

* The data is refered to the number of Financial instruments underlying the options assigned and not forfeited accordingly to the long term incentive plans and have been adjusted because of the capital operation resolved by UniCredit General Meeting on 29, April 2009 (script dividend), on 15, November 2009 and on 16, December 2011.

** The market price of the financial instruments at the assignment date for plan 2004, 2005 and 2006 has not been adjusted because of the capital operation.

| Name or category (1) | Capacity | Box 2 Stock Options | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Section 2 Options to be assigned on the basis of the decision of: BoD, as to be proposed to shareholders meeting competent Body to implement Shareholders' Meeting resolution (9) | | | | | | |
| | | Date of Shareholders' Meeting resolution | Instrument description (12) | Number of options | Assignment date (10) | Exercise price | Market price of underlying shares at the assignment date | Period of possible exercise (from..to) |
| Alessandro Foti | CEO/GM | - | - | - | - | - | - | - |
| Executives with strategic responsibilities | | - | - | - | - | - | - | - |
| Category of other employees: Executives, Middle Management, Employees | | - | - | - | - | - | - | - |

**FOOTNOTES TO THE TABLE:**

(1) The issuer shall fill-in a line for each beneficiary namely identified as well as for each category contemplated by the plan; for each individual or category shall be indicated a specific line for: i) each type of financial instrument or option granted (e.g., different exercise prices and/or exercise dates imply different type of options); ii) each plan approved by different shareholders' meetings.

(2) Indicate the name of the members of the board of directors or management body of the issuer and of its subsidiaries or parent companies.

(3) Indicate the name of the General Manager of the shares issuer.

(4) Indicate the name of the individuals controlling the issuer of stocks, who are employee or who render their services to the issuer of stock without being employee of the same.

(5) Indicate the name of other executives with strategic responsibilities of the shares issuer not classed as "small", in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, if they have, during the course of the year, received total compensation (obtained by adding the monetary compensation to the financial instrument-based compensation) in excess of the highest total compensation assigned to the members of the board of directors or management board, and to the general managers of the financial instrument issuer.

(6) Indicate the category of executives with strategic responsibilities for whom there is an indication by category is.

(7) Indicate the category of other employees and the category of collaborators not employed by the issuer. The issuer shall fill-in different lines in connection with the categories of employees or collaborators for which the plan provides for different characteristics (e.g., managers, officers, employees).

(8) The relevant data shall refer to financial instruments relating to plans approved by means of:

i. shareholders' resolutions adopted prior to the date on which the competent corporate body approves the proposal to the shareholders' meeting and/or

ii. shareholders' resolutions adopted prior to the date on which the competent corporate body implements the shareholders' resolution;

therefore the table shall indicate:

- in the event under i) above, data adjourned as at the date of the competent body's proposal to the shareholders' meeting (in which case the table is attached to the information document prepared for the shareholders' meeting called to approve the plan);
- in the event under ii) above, data adjourned as at the date of the competent body's resolution implementing the plan, (in which case the table is attached to the information documents to be published following the competent body's resolution implementing the plan);

(9) The data may refer to:

a. the resolution of the board of directors preceding the shareholders' meeting, as to the table attached to the information document submitted to the same; in such event the table shall indicate only the characteristics already defined by the board of directors;

b. the resolution of the corporate body which resolves upon the implementation of the plan following the approval by the shareholders' meeting, in the event the table is attached to the press release to be issued following such last resolution implementing the plan.

In both the aforesaid cases the issuer shall cross out the corresponding box relating to this footnote No. 9. For the data not available the issuer shall indicate in the corresponding box the code "N.A." (Not available).

(10) In case the date of the assignment is different from the date on which the remuneration body (comitato per la remunerazione), if any, makes the proposal relating to such assignment, the issuer shall indicate also the date of such proposal highlighting the date of the board of directors or the competent corporate body's resolution with the code "cda/oc" (for the board of directors/competent body) and the date of the proposal of the remuneration body (comitato per la remunerazione) with the code "cpr" (for the remuneration body)."

(11) The number of options held at the end year, preceding the date in which the shareholder's meeting is called resolve the new allocation.

(12) Indicate for example, in box 1: i) stock of issuer X, ii) financial instrument indexed to issuer Y stock value, and in box 2: iii) option on issuer W stock with physical settlement; iv) option on issuer Z stock with cash settlement, etc.

(13) The number of option exercised from the beginning of the plan until the end year, preceding the date in which the shareholder's meeting is called to resolve a new stock option plan.

(14) Vesting period means the period between the moment in which the right to participate to the incentive system is granted and the moment in which the right may be exercised.

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# TERMINATION PAYMENTS POLICY

# CONTENTS

# 1. General principles

Within FinecoBank, in line with UniCredit Group policy, the termination payments (the so called "Golden Parachutes", hereinafter also “the *severances*”), additional to the indemnity in lieu of notice possibly due according to laws or contracts, may be generally (*di massima*) provided for in favour of subjects whose employment or office is resolved (in the case of fixed term contracts, before their natural expiry) upon company’s initiative or in the interest of the same, and are aimed at provisionally support the income of the recipient.

No *severance* payments is foreseen if the resolution is due to voluntary resignation and/or the same is not consistent with company's interests.

*Severances* consider the long-term performance, in terms of value creation for the shareholders and do not reward failures or abuses.

Moreover they are defined consistently with the rules concerning lay-offs, as provided by regulations and by the collective and individual contracts.

*Severances* are in any case defined in the interest of the company, identifying time by time those solutions that – respecting regulations, corporate values and people – allow to optimize the achievement of business objectives, at the same ting minimizing costs and risks, both current and perspective.

The compensation defined, at any title, at the time of termination are defined consistently with the overall applicable regulations, even of regulatory nature, and in the company's interests. They are in principle assimilated to *severances* when alternately they: i) are not grounded on specific law / contract provisions, ii) do not respond to precisely defined objects of high importance for the bank, iii) do not represent accessory elements, of limited material value.

The amounts defined by a third subject having the power to do that (such as judicial and/or arbitrary and/or conciliatory authority) are not considered as *severances*.

# 2. Limits and criteria

## 2.1. Maximum Limits

*Severances* do not exceed the limits foreseen by the laws and/or collective labour agreements locally applicable[1] in case of lay-off.

In the absence of such regulations, termination payments, in excess of the indemnity in lieu of notice, in principle do not exceed 24 months of total compensation[2].

In compliance with the law and the applicable collective labour agreements, the value of each month's salary used to calculate the *severance* is set considering the current fixed remuneration plus the average of the incentives actually cashed-in during the last three years prior to the termination, inclusive of the value of those parts disbursed in equity, with the sole exclusion of any income from the exercise of stock options or performance stock options. Further elements (such as the value of any *fringe benefit* possibly granted to the employee) may be included in the computation of the above mentioned basis if this is required or foreseen by law, regulations or by contract.

## 2.2. Criteria

Severances, due to the mechanism for the calculation of the compensation used for their determination, which includes the bonuses actually cashed-in after the application of *malus* clauses (as defined below), are as a matter of fact already differentiated just on the basis of risk-adjusted individual performances.

The number of months of average total compensation to which the *severance* corresponds, as determined in the third paragraph of section 2.1., is in any case defined with the goal of supporting in the best possible way the achievement of corporate goals, minimizing at the same time costs and risks, current and perspective.

Such a definition is made assessing on a case by case basis the specific objective and subjective circumstances of the relationship resolution, considered within the specific legal and contractual framework, including:

- the actual duration of the employment, with significant reductions of the *severances* in case of particularly short relationships;
- the fact that the subject has provided, especially if repeatedly, performance qualitatively / quantitatively below reasonable expectations;
- the fact that the person has assumed risks deemed to be not consistent with Fineco Risk Appetite Framework, which is coherent with UniCredit Group Risk Appetite Framework;
- the fact that the person has enacted behaviours and or demonstrated attitudes not aligned with corporate values;
- the social and personal impacts of the employment termination, especially for those subjects who are in particular personal situation;

- any other facts / circumstance / attitude / behaviours related to the individual, the company and the social context which have an impact on the decision to come to the termination of the relationship;
- the rationale at the base of the decision to terminate the employment (also with reference to the concepts of cause and justified reason according to the parameters time by time applicable), considered at the light of the company's interest to come anyway to a consensual resolution of the relationship – rather than a unilateral one – through the payout of an amount whose cost, calculated on the basis of adequate procedures and elements (and possibly as indicated by third competent subjects, such as judicial and/or arbitrary and/or conciliatory authority) is not higher than the one that would presumably born if the subject were laid-off and would apply to the judge to protect his/her interests.

In any case, the above criteria are, depending on the peculiarities of each actual case, carefully weighted and balanced among them, always in the perspective of the best company's interest.

# 3. Payout Methods

*Severances*, defined overall on the basis of the criteria previously outlined, are paid out in forms and with timings fully consistent with the discipline, also regulatory, time by time applicable to the specific case.

In relation to the requirements recalled above, when *severance*s are paid to people belonging to “Identified Staff”, they can be subject to deferred payout mechanism, in cash and equity, in analogy with what foreseen for the variable remuneration of such category of employees.

In such cases, the amounts deferred in cash or shares – whose payout is split in yearly instalments during the deferral period – are subject to *malus* clauses that provide for their reduction / revocation should emerge facts / individual behaviours, unknown at the time of the termination agreement’s sign-off, constituting cases of fraud or negligence or otherwise if negative consequences, equally unknown, directly linked to the activities of the beneficiary in the period preceding the termination should manifest themselves. The employee in such cases has the faculty to ask that such circumstances are finally decided by a judge or arbitration. Pending such decision the payout of the instalments remains in stand-by.

In case of deferrals in equity instruments, the company reserves the right to use equivalent monetary instruments (e.g. *Phantom shares*).

Moreover the payout of *severances*, unless it comes from a law or pre-existing contractual obligation, or still from a judicial or arbitration decision, must be defined within a comprehensive agreement foreseeing:

- the inclusion of *claw-back* clause, covering at least the cases of fraud and/or negligence;
- the faculty for the company to exercise responsibility actions for facts / behaviours representing fraud and/or negligence, unknown at the time of resolution;
- the waiver of all claims towards the company.

# 4. Exceptions

In particular circumstances it might be opportune / necessary, in the framework of the due pursue of company's interests, to exceed the limits and/or deviate from the criteria for the definition or the modalities of disbursement of the *severances* provided for by this Policy.

In such cases it is foreseen a particular authorization process which envisages:

- the explication in the single proposal of rationale and/or advantages for company which suggest the deviation;
- the opinion of the Head of the internal Labour Law function and/or external lawyer;
- the opinion of the Compliance function;
- the final approval by the Manager hierarchically one level higher than the one to whom would normally belong the decision based on the powers configuration and related delegations;
- a punctual disclosure to the Remuneration & Appointments Committee.

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[1] In Italy, the national labor agreement for banking industry executives currently provides for a notice period varying between 5 and 12 months and a supplementary indemnity – due in case the lay-off is not justified – ranging between 7 and 29 months of notice.

[2] With the only aim of meeting the regulatory provision introduced by the Bank of Italy with the VII update of Circular 285, which requires the banks to set a maximum limit to the *severances* also in terms of number of fixed months' salary and in an absolute amount, it is reported that – in view of the maximum 2:1 ratio between variable and fixed remuneration – 24 months of total compensation could arrive to correspond to a merely theoretical value of 72 months of fixed compensation in the case, purely hypothetic and improbable, of a subject who in the last three years prior to the termination has always received bonuses in a measure equal to 200% of his/her fixed compensation (BS):

(Fixed [12 months BS] + Average Bonus [24 months BS]) x 24/12 = 72 months BS

The value of the *severance* thus determined will not in any case exceed €5 million and any possible exception to this limit will be subject, on a case by case basis, to authorization by the Board of Directors and to disclosure in the Annual Compensation Report.

## <u>EXTRAORDINARY SHAREHOLDERS' GENERAL MEETING</u>

**Items no. 1 and 2 on the Agenda**

**DIRECTORS' REPORT**

1. **Amendments to Article 6 of the Articles of Association in accordance with the Supervisory Provisions on remuneration policies and practices in Banks.**
2. **Delegation to the Board of Directors, under the provisions of section 2443 of the Civil Code, of the authority to resolve, on one or more occasions for a maximum period of five years starting from the date of the Shareholders' resolution, to carry out a free capital increase, as allowed by section 2349 of the Civil Code, for a maximum amount of Euro 131,159.49 (to be allocated in full to share capital at Euro 0.33 per share, corresponding to the nominal value per share), corresponding to up to 397,453 Fineco ordinary shares with a nominal value of Euro 0.33 each, with the same characteristics as those in circulation and with regular dividend entitlement, to be granted to the Personnel of FinecoBank in execution of the 2015 Incentive System; corresponding updates of the Articles of Association.**

Dear Shareholders,

We have called this Extraordinary Shareholders' Meeting to submit for your approval the proposal to amend Article 6 of the Articles of Association of FinecoBank in conformity with the new Bank of Italy supervisory provisions on remuneration and incentives policies and practices implementing Directive 2013/36/EU of June 26th, 2013 (Capital Requirements Directive or CRD IV).

Moreover, you are summoned to an Extraordinary Shareholders' Meeting to submit for your approval the proposal to delegate authority to the Board of Directors, pursuant to section 2443 of the Civil Code, to increase the share capital pursuant under section 2349 of the Civil Code (granting of free ordinary shares to employees of FinecoBank) in order to implement the 2015 Incentive System (hereinafter the "2015 System") submitted to the approval of today's ordinary session of the Shareholders' Meeting. We also submit for your approval the consequent amendments required to the Articles of Association.

### 1. AMENDMENTS TO ARTICLE 6 OF THE ARTICLES OF ASSOCIATION

On November 18th, 2014, Bank of Italy issued the new supervisory provisions on "Remuneration and incentive policies and practices" for banks and banking groups (VII Update of November 18th, 2014, of Bank of Italy Circular no. 285) aiming at implementing the new provision to transpose the new provisions introduced by Directive 2013/36/EU and the international regulatory inputs.

These provisions include some re-wordings to the text published by the Authority for consultation purpose on December 2013 and the re-wording of some of the powers entrusted to the Ordinary Shareholders' Meeting. In particular, the current regulation provides that: (i) the Shareholders, within the ordinary session, shall approve the criteria for determining the compensation to be granted in the event of early termination of employment or early retirement from office, (ii) the Articles of Association shall state the quorum required for the approval by the Ordinary Shareholders' Meeting of the proposal to set a higher ratio than 1:1 (but no more than 2:1) between the variable and the fixed component of staff remuneration.

In light of the above, it is proposed to amend Article 6 of the Articles of Association, including also small formal changes. Changes submitted to Shareholders' approval are shown in the synoptic table below.

| CURRENT TEXT | PROPOSED AMENDMENT |
|---|---|
| **TITLE IV of the Shareholders' General Meeting** | |
| Article 6 | Article 6 |
| 1. The Shareholders' General Meeting, duly constituted, is the body that expresses the Company's will through its resolutions. | 1. The Shareholders' General Meeting, duly constituted, is the body that expresses the Company's will through its resolutions. |
| 2. The Shareholders' General Meeting meets in ordinary or extraordinary sessions, according to the law and may be held at the company headquarters or another place that is indicated in the notice convening the meeting, provided it is within the territory of the Italian state. | 2. The Shareholders' General Meeting meets in ordinary or extraordinary sessions, in accordance with the law and may be held at the company headquarters or another place that is indicated in the notice convening the meeting, provided it is within the territory of the Italian state. |
| 3. The operating modes of the Shareholders' General Meeting are governed by specific Regulations. | 3. The operating modes of the Shareholders' General Meeting are governed by specific Regulations. |
| 4. The Ordinary Shareholders' General Meeting is convened at least once a year within one hundred and twenty days from the end of the company's financial year to deliberate on issues for which the law and the Articles of Association make it responsible. | 4. The Ordinary Shareholders' General Meeting is convened at least once a year within one hundred and twenty days from the end of the company's financial year to deliberate on issues for which the law and the Articles of Association make it responsible. |
| 5. In particular, the Ordinary Shareholders' General Meeting, besides establishing the remuneration of members of the bodies it has appointed, approves: (i) the remuneration policies in favour of the Board of Directors, employees and other staff not bound to the Company by an | 5. In particular, the Ordinary Shareholders' General Meeting, besides establishing the remuneration of members of the bodies it has appointed, approves: (i) the policies on remuneration and **incentives for members of the bodies with strategic supervision,** |

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| employment agreement; (ii) any compensation plans based on financial instruments; (iii) the compensation agreed in the event of early termination of employment or early retirement from office, including the limits laid down in those fees in terms of the annual fixed remuneration. | **management and control functions and for other personnel**; (ii) **remuneration plans based on financial instruments**; (iii) **the criteria for determining the compensation to be granted in the event of early termination of employment or early retirement from office, including the limits laid down on this amount in terms of the annual fixed remuneration and the maximum amount that results from their application**. |
| 6. The Ordinary Shareholders' General Meeting, upon approval of the remuneration policies, has the faculty to determine a ratio between the variable and fixed remuneration of individual staff members higher than 1:1 but not exceeding the ratio of 2:1, namely the lowest ratio fixed by law or regulation, in force at the time. The Shareholders' General Meeting may exercise such powers after verifying the existence of the conditions provided by law for the approval of the decision and with the majority provided by the applicable law. | 6. Also, the Ordinary Shareholders' General Meeting, upon approval of the remuneration policies, has the faculty to determine a ratio between the variable and fixed remuneration of individual staff members higher than 1:1 but not exceeding the ratio of 2:1 **provided that the proposal can be considered validly adopted:**<br>• **with the favourable vote of at least 2/3 of the company share capital represented at the meeting, in the event that the Shareholders' General Meeting is constituted with at least half of the company share capital;**<br>• **with the favourable vote of at least 3/4 of the company share capital represented at the meeting, regardless of the company share capital with which the Shareholders' General Meeting is constituted.** |
| 7. The Shareholders' General Meeting must be provided with adequate information on the implementation of remuneration policies. | 7. The Shareholders' General Meeting must be provided with adequate information on the implementation of remuneration policies.<br><br>**8. The Extraordinary Shareholders' General Meeting is convened whenever necessary to resolve upon any of the** |

| | |
|---|---|
| | **matters reserved for it by law.** |

This proposed amendment to the Articles of Association shall not constitute condition for the exercise of withdrawal rights by ordinary and preferred Shareholders, pursuant to section 2437 of the Civil Code.

## 2. DELEGATION FOR CAPITAL INCREASE TO SUPPORT THE 2015 INCENTIVE SYSTEM

It has been submitted to the approval of today's Ordinary Shareholders' Meeting the 2015 System based on financial instruments, in order to align shareholders' and management interests, reward long term value creation, share price appreciation and motivate and retain key resources of FinecoBank.

The 2015 System aims to incentive in a multi-year period the following employees: Chief Executive Officer and General Manager (CEO/GM), Deputy General Manager (DGM), Executive Vice President (EVP), Senior Vice President (SVP), employees with total remuneration greater than € 500,000 in the last year, employees included within 0.3% of staff with the highest remuneration, employees whose remuneration is within the remuneration ranges of senior management and/or other Identified Staff and other selected roles (including new hires). The total estimated number of beneficiaries is around 10.

Individual bonuses will be allocated to the beneficiaries of 2015 System based on available bonus pool, individual performance evaluation, bonus reference for specific roles and bonus cap as defined by the Ordinary Shareholders' Meeting.

Overall incentive payout shall be done over a multi-year period (2016-2021) in a balanced structure of "upfront" (following the moment of performance evaluation) and deferred payments, in cash and in shares, subject to continuous employment at each date of payment:

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|
| EVP & above and other Identified Staff with bonus >€500K[4] | 20% cash | 10% cash | 20% shares | 10% shares | 10% shares | 20% cash + 10% shares |
| SVP & other Identified Staff with bonus <€500K | 30% cash | 10% cash | 30% shares | 10% cash + 10% shares | 10% shares | - |

The number of shares to be allocated in the respective instalments shall be defined in 2016, on the basis of the arithmetic mean of the official market price of Fineco ordinary shares during the month preceding the Board resolution that evaluates 2015 performance achievements (the maximum number of shares to service the 2015 System is estimated at 496,816).

[4]Including direct reports by the bodies with strategic supervision, management and control functions and other Identified Staff if required by local regulations

Considering the number of beneficiaries and the total number of financial instruments to be allocated, the optimal method identified to service the 2015 System is the resolution – on one or more occasions - by the Board of Directors upon power of attorney delegated by this Shareholders' Meeting under section 2443 of the Civil Code, of a free capital increase, as allowed by section 2349 of the Civil Code, within five years of the date of the Shareholders' resolution, for a maximum amount of € 131,159.49 (attributable entirely to capital at € 0.33 per share, equal to the par value), corresponding to up to 397,453 Fineco ordinary shares with a nominal value of € 0.33 each, with the same characteristics as those in circulation, with a regular dividend entitlement, to be granted to the above mentioned employees of FinecoBank, in execution of the 2015 System. In compliance with section 2349 of the Civil Code, the consequent amendments to the Articles of Association are submitted to today's Shareholders' Meeting.

Being understood that, under the provision of section 2443 of the Civil Code, the power of attorney to the Board of Directors for capital increase can't have a duration higher than five years from the date of the registration of relevant Shareholders' resolution, in order to complete the execution of 2015 System - having a 6-years duration - it will be submitted to one of the future Shareholders' Meetings approval the proposed assignment of a further power of attorney to the Board of Directors for capital increase to service the above mentioned 2015 System through the allocation of a maximum overall number of 99,363 of Fineco ordinary shares, corresponding to a capital increase of a maximum of € 32,789.79.

It is highlighted that a maximum number of Fineco ordinary shares equal to 27,100 will be destined to so called "bonus buy-out" to be paid to possible new hires who are entitled to receive previous incentive plans assigned by previous Employer. The payout scheme offered in such cases will mirror the one as defined by the previous Employer and in any case in compliance with actual regulations.

The capital increases would be carried out using the special reserve known as "Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank" set up for this purpose which, if case, may be increased via allocation of profits or a portion of available statutory reserves, formed from the distribution of company profits that shall be identified by the Board of Directors at the moment of share issuance.

In case it would not be possible to proceed with the issuance (full or partial) of the Fineco ordinary shares to service the 2015 System (including the case in which the amount of the "Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank" would not be sufficient), an equivalent amount in cash will be allocated to the beneficiaries, determined on base of arithmetic mean of the official market price of Fineco ordinary shares during the month preceding the Board resolution that evaluates results achieved in 2015.

Should the aforementioned delegation of power of attorney be exercised to its maximum amount, the newly issued shares would represent an overall 0.08% of existing share capital (0.08% considering the maximum number of shares equal to 496,816 which include also the 99,363 shares for the allocation of the last instalments in shares in 2021).

| CURRENT TEXT | PROPOSED AMENDMENT |
|---|---|
| **TITLE II SHARE CAPITAL - SHARES - BONDS** | |
| Article 5 | Article 5 |
| 1. The fully subscribed and paid-up share capital amounts to Euro 200,150,191.89 (two hundred million, one hundred and fifty thousand, one hundred and ninety-one euros, eighty-nine cents), divided into 606,515,733 (six hundred and six million, five hundred and fifteen thousand, seven hundred and thirty-three) ordinary shares with a nominal value of Euro 0.33 (thirty-three cents) each. | 1. (unchanged text) |
| 2. The share capital may be increased by way of a shareholders' resolution, through the issuance of shares, also bearing various rights, in compliance with legal requirements. In the event of an increase in share capital through a rights issue, the pre-emptive rights of shareholders may be excluded, limited to ten percent of the pre-existing share capital, provided that the issue price of the new shares corresponds to the market value of those already outstanding and that this is confirmed by a special report prepared by the appointed independent auditors. | 2. (unchanged text) |
| 3. Ordinary shares are registered shares. | 3. (unchanged text) |
| 4. The shares are indivisible and in the event of joint ownership they shall be regulated according to law. | 4. (unchanged text) |
| 5. The extraordinary Shareholders' Meeting may resolve upon the allocation of profits to the employees of the Company in accordance with current regulations. | 5. (unchanged text) |

| | |
|---|---|
| 6. The Shareholders' service address for their dealings with the Company shall be the address stated in the Shareholders' registry. | 6. (unchanged text) |
| 7. The status of shareholder implies unconditional acceptance of the deed of incorporation and of the articles of association. | 7. (unchanged text) |
| 8. The Board of Directors, shall be empowered, pursuant to Article 2443 of the Civil Code, for a period of five years starting from the beginning of the negotiation on the Italian regulated market, to increase the share capital, free of charge – in one or more tranches – to implement the employee incentive schemes approved by the ordinary Shareholders' Meeting held on June 5, 2014, for a maximum amount of Euro 1,155,000.00 (entirely attributable to capital for Euro 0.33 per share, equal to the nominal unit value), issuing a maximum number of 3,500,000 new ordinary shares having a nominal value of Euro 0.33 each, with the same characteristics as those outstanding, with regular dividend rights, by assigning the corresponding maximum amount of profit and/or profit reserves resulting from the last financial statements in question approved pursuant to Article 2349 of the Civil Code, according to the terms, conditions and methods provided for in the incentive schemes. The Board of Directors, in partial execution of the authority granted in accordance with Article 2443 of the Civil Code by the Extraordinary Shareholders' Meeting of 5 June 2014, resolved on 9 February 2015 to increase the share capital by a nominal Euro 79,761 (seventy-nine thousand, seven hundred and sixty-one) corresponding to | 8. (unchanged text) |

| | |
|---|---|
| 241,700 (two hundred and forty-one thousand, seven hundred) ordinary shares with a nominal value of Euro 0.33 (thirty-three cents) each, to service the implementation of employee incentive plans. | 9. The Board of Directors has the right, pursuant to Article 2443 of the Civil Code, to resolve - one or more times and for a maximum period of five years from the date of the shareholders' resolution dated ________ 2015, a free increase in share capital, pursuant to Article 2349 of the Civil Code, for a maximum amount of € 131,159.49 (attributable entirely to capital at € 0.33 per share, equal to the par value), with the issue of up to 397,453 new Fineco ordinary shares with a nominal value of € 0.33 each, with the same characteristics as those in circulation, with regular dividend entitlement, to be granted to the Staff of FinecoBank, which covers key positions for the achievement of the overall objectives in execution of the 2015 System" |

It should be noted that the amendments to the Articles of Association of FinecoBank submitted to the approval of today Shareholders' Meeting are subject to the measure of examination by the Bank of Italy pursuant to the provisions of Article 56 of Legislative Decree no. 385/93.

Dear Shareholders,

in relation to the above, considering as approved by today's ordinary Shareholders' Meeting the adoption of the 2015 Incentive System, you are invited to approve the following resolution:

"The Extraordinary Shareholders' Meeting of FinecoBank S.p.A., having heard the Board of Directors' proposal,

RESOLVES

1. to approve the amendment to Article 6 of the Articles of Association with the following new text:

*"1. The Shareholders' General Meeting, duly constituted, is the body that expresses the Company's will through its resolutions.*

*2. The Shareholders' General Meeting meets in ordinary or extraordinary sessions, according to the law and may be held at the company headquarters or another place that is indicated in the notice convening the meeting, provided it is within the territory of the Italian state.*

*3. The operating modes of the Shareholders' General Meeting are governed by specific Regulations.*

*4. The Ordinary Shareholders' General Meeting is convened at least once a year within one hundred and twenty days from the end of the company's financial year to deliberate on issues for which the law and the Articles of Association make it responsible.*

*5. In particular, the Ordinary Shareholders' General Meeting, besides establishing the remuneration paid to the bodies it has appointed, approves: (i) the policies on remuneration and incentives in favour of members of the bodies with functions of strategic supervision, management and control and other personnel; (ii) remuneration plans based on financial instruments; (iii) the criteria for determining the compensation to be granted in the case of early termination of employment or early retirement from office, including limits set on this amount in terms of annual fixed remuneration and the maximum amount that results from their application.*

*6. Also, the Ordinary Shareholders' General Meeting, upon approval of the remuneration policies, has the authority to agree a relationship between the variable and fixed component of the remuneration of individual staff members higher than 1:1 but not exceeding the ratio of 2:1 provided that the proposal is considered to be validly adopted:*

- *with the favourable vote of at least 2/3 of the share capital represented at the Shareholders' General Meeting, in the event that the Shareholders' General Meeting is constituted with at least half of the share capital;*
- *with the favourable vote of at least 3/4 of the share capital represented at the Shareholders' General Meeting, regardless of the share capital with which it is constituted.*

*7. The Shareholders' General Meeting must be provided with adequate information on the implementation of remuneration policies.*

*8. The Extraordinary General Meeting is convened whenever necessary to resolve upon any of the matters reserved for it by the law in force."*

2. to grant the Board of Directors, under the provisions of section 2443 of the Civil Code, the authority to resolve, on one or more occasions for a maximum period of five years from the date of Shareholders' resolution, to carry out a free capital increase, as allowed by section 2349 of the Civil Code, for a maximum amount of € 131,159.49 (attributable entirely to capital at Euro 0.33 per share, equal to the par value), corresponding to up to 397,453 Fineco ordinary shares with a nominal value of Euro 0.33 each, with the same characteristics as those outstanding, with regular dividend entitlement, to be granted to

employees of FinecoBank, who hold positions of particular importance for the purposes of achieving the Bank's overall objectives in execution of the 2015 System approved by today's Ordinary Shareholders' Meeting. Such an increase in capital shall be carried out using the special reserve known as "*Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank*" set up for this purpose which, if case, may be increased via allocation of a portion of profits or available statutory reserves, formed from the distribution of company profits that shall be identified by the Board of Directors at the moment of share issuance;

3. further to the resolution passed in point 2, to insert a new paragraph in clause 5 of the Articles of Association with the following text:

   "The Board of Directors has the power, under the provisions of section 2443 of the Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the Shareholders' resolution dated ________ 2015, to carry out a free capital increase, as allowed by section 2349 of the Civil Code, for a maximum amount of € 131,159.49 (attributable entirely to capital at € 0.33 per share, equal to the par value), corresponding to up to 397,453 Fineco ordinary shares with a nominal value of € 0.33 each, with the same characteristics as those in circulation, with regular dividend entitlement, to be granted to employees of FinecoBank, who hold positions of particular importance for the purposes of achieving the Bank's overall objectives in execution of 2015 System";

4. to delegate to the Board of Directors all the necessary powers for issuing the new shares;

5. give to the Chairman and to the Chief Executive Officer and General Manager, also separately, every opportune powers of attorney to:

   (i) provide for implementing the above resolutions under terms of law;

   (ii) accept or adopt all amendments and additions (not changing substantially the content of the resolutions) which should be necessary for registration at the Register of Companies;

   (iii) proceed with the deposit and registration, under terms of law, with explicit and advanced approval and ratification;

   (iv) make the consequent amendments to Article 5 of the Articles of Association, relating to the amount of share capital, as well as to count the new paragraph of clause 5 of the Articles of Association passed in point 3 above.

ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Approval of the financial statements at December 31, 2014**

no. **244** persons entitled to vote took part in the voting on own behalf or by proxy

no. **482,585,929** ordinary shares

**The counting of votes produced the following results:**

| | | % of ordinary share capital present (Voting Quorum) | % of ordinary share entitled to vote | %share capital |
|---|---|---|---|---|
| **In Favour** | 482,226,463 | 99.925513 | 99.925513 | 79.507659 |
| **Against** | 153,866 | 0.031884 | 0.031884 | 0.025369 |
| SubTotal | 482,380,329 | 99.957396 | 99.957396 | 79.533028 |
| **Abstentions** | 205,600 | 0.042604 | 0.042604 | 0.033899 |
| **Not Voting** | 0 | 0.000000 | 0.000000 | 0.000000 |
| SubTotal | 205,600 | 0.042604 | 0.042604 | 0.033899 |
| **Total** | 482,585,929 | 100.000000 | 100.000000 | 79.566927 |

| | | | |
|---|---|---|---|
| Shareholders: | 244 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 236 |

ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Approval of the financial statements at December 31, 2014**

**AGAINST**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| 4220 | TONELLI GIULIO | 0 | 0 | 0 |
| **D | FCP ERAFP ACT IND11 | 61,598 | 0 | 61,598 |
| **D | NIGOSC ADMINISTERS NILG PENSION FUND | 92,268 | 0 | 92,268 |

| | |
|---|---|
| **Total vote** | 153,866 |
| **Percentage of voters %** | 0.031884 |
| **Percentage of Capital %** | 0.025369 |



| | | | |
|---|---|---|---|
| Shareholders: | 2 | People: | 1 |
| Shareholders on own behalf: | 0 | Shareholders by proxy: | 2 |

DE* Proxy to the natural person above mentioned with the badge number

**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")

RL* legal representation to the natural person above mentioned with the badge number

ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Approval of the financial statements at December 31, 2014**

**ABSTENTIONS**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| 60,071,538 | | | | |
| **%** 1.789077 | | | | |
| 4220 | TONELLI GIULIO | 0 | 0 | 0 |
| **D | NATIONAL PENSION SERVICE | 205,600 | 0 | 205,600 |

| | |
|---|---|
| **Total vote** | 205,600 |
| **Percentage of voters %** | 0.042604 |
| **Percentage of Capital %** | 0.033899 |



| | | | | |
|---|---|---|---|---|
| Shareholders: | 1 | People: | 1 | DE* Proxy to the natural person above mentioned with the badge number |
| Shareholders on own behalf: | 0 | Shareholders by proxy: | 1 | **D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations") |
| | | | | RL* legal representation to the natural person above mentioned with the badge number |

# ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

### Subject: **Approval of the financial statements at December 31, 2014**

**NOT VOTING**

| Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|

| | |
|---|---|
| **Total vote** | 0 |
| **Percentage of voters %** | 0.000000 |
| **Percentage of Capital %** | 0.000000 |



| | | | |
|---|---|---|---|
| Shareholders: | 0 | People: | 0 |
| Shareholders on own behalf: | 0 | Shareholders by proxy: | 0 |

DE* Proxy to the natural person above mentioned with the badge number

**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")

RL* legal representation to the natural person above mentioned with the badge number

# ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

Subject: **Approval of the financial statements at December 31, 2014**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| 1389 | ANNIBALETTI ANGELO | 20,000 | 20,000 | 0 |
| 1436 | CASATI FEDERICO | 50 | 50 | 0 |
| 1570 | CAGLIA MARIA | 0 | 0 | 0 |
| DE* | UNICREDIT S.P.A. | 397,108,033 | 0 | 397,108,033 |
| 1908 | AMADEI STEFANO | 1,000 | 1,000 | 0 |
| 2205 | PISTONE UGO LUIGI | 1,000 | 1,000 | 0 |
| 3214 | GUERRA MAURO | 1,000 | 1,000 | 0 |
| 4220 | TONELLI GIULIO | 0 | 0 | 0 |
| **D | WELLINGTON MANAGEMENT PORTFOLIOS | 203,733 | 0 | 203,733 |
| **D | WELLINGTON MANAGNT PORTFOLIOS GLOB RESEA | 48,378 | 0 | 48,378 |
| **D | VANGUARD TOTAL WORLD STOCK INDEX FUND | 28,097 | 0 | 28,097 |
| **D | VANGUARD FTSE ALL WORD SMALL CAP IND FUN | 259,822 | 0 | 259,822 |
| **D | BBH&C BOS FOR PYRAM GR TRUST FOR EMPL EMERG MM COM | 59,389 | 0 | 59,389 |
| **D | WELLINGTON TRUST COMP,COMM TRUST INT OPP | 113,255 | 0 | 113,255 |
| **D | WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUITY PORTFOLIO | 8,875 | 0 | 8,875 |
| **D | JAPAN TRUSTEE SERVICES BANK LTD | 535,670 | 0 | 535,670 |
| **D | THE MASTER TRUST BANK OF JAPAN LTD | 233,920 | 0 | 233,920 |
| **D | BEST INVESTMENT CORPORATION | 3,372 | 0 | 3,372 |
| **D | SCHRODER INSTITUTIONAL POOLED FUNDS-EUROPEAN EQUITY FUND | 305,795 | 0 | 305,795 |
| **D | FCP CNP ACTIONS EUROPE SCHRODER | 499,752 | 0 | 499,752 |
| **D | AXA VALEURS EURO | 666,000 | 0 | 666,000 |
| **D | AXA OPTIMAL INCOME | 1,336,074 | 0 | 1,336,074 |
| **D | COLISEE IFC 1 FCP | 610,000 | 0 | 610,000 |
| **D | FCP AXIVA ACTION 1 | 285,000 | 0 | 285,000 |
| **D | FONDS RESERVE RETRAITES | 864,222 | 0 | 864,222 |
| **D | HENDERSON HORIZON FUND SICAV | 1,181,015 | 0 | 1,181,015 |
| **D | HENDERSON GARTMORE FUND | 309,348 | 0 | 309,348 |
| **D | ROBECO CAPITAL GROWTH FUNDS | 141,510 | 0 | 141,510 |
| **D | JPMORGAN FUNDS EUROPEAN BANK AND BC | 428,953 | 0 | 428,953 |
| **D | BLACKROCK INSTITUTIONAL POOLED FUND PLC | 1,782 | 0 | 1,782 |
| **D | VANGUARD INVESTMENT SERIES, PLC | 40,331 | 0 | 40,331 |
| **D | THE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTBJ400045842 | 1,916,769 | 0 | 1,916,769 |
| **D | BUREAU OF LABOR FUNDS-LABOR RETIREMENT FUND 10F NO.6 SEC.1 | 59,542 | 0 | 59,542 |
| **D | CHINA LIFE INSURANCE COMPANY LIMITED | 69,632 | 0 | 69,632 |
| **D | FONDO CONSOLIDADO DE RESERVAS PREVISIONA | 40,126 | 0 | 40,126 |
| **D | COINVEST LIMITED | 13,015 | 0 | 13,015 |
| **D | SUPER FUNDS MANAG CORP SOUTH AUSTRALIA | 158,925 | 0 | 158,925 |
| **D | VANGUARD INTERNATIONAL SMALL COMPANIES I | 17,197 | 0 | 17,197 |
| **D | THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST | 136,785 | 0 | 136,785 |
| **D | ONEPATH GLOBAL SHARES - SMALL CAP UNHEDGED) INDEXPOOL | 7,474 | 0 | 7,474 |
| **D | TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK | 82,345 | 0 | 82,345 |



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|---|---|---|---|
| Shareholders: | 241 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 233 |

DE* Proxy to the natural person above mentioned with the badge number

**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")

RL* legal representation to the natural person above mentioned with the badge number

ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Approval of the financial statements at December 31, 2014**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | WYOMING RETIREMENT SYSTEM | 3,844 | 0 | 3,844 |
| **D | WYOMING RETIREMENT SYSTEM | 8,796 | 0 | 8,796 |
| **D | CURIAN/WMC INTERNATIONAL EQUITY FUND | 365,544 | 0 | 365,544 |
| **D | PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OH | 71,411 | 0 | 71,411 |
| **D | VANGUARD TOTAL INTERNATIONAL STOCK INDEX | 1,522,636 | 0 | 1,522,636 |
| **D | VANGUARD INTERNATIONAL EXPLORER FUND | 1,900,000 | 0 | 1,900,000 |
| **D | MI-FONDS 392 | 277,833 | 0 | 277,833 |
| **D | JPMORGAN EUROPEAN INVESTMENT TRUST PLC | 55,149 | 0 | 55,149 |
| **D | TRUST AND CUSTODY SERVICED BANK LIMITED | 66,207 | 0 | 66,207 |
| **D | JAPAN TRUSTEE SERVICES BANK LTD AS TRUST | 5,549 | 0 | 5,549 |
| **D | ENTERGY CORP.RETIREMENT PLANS MASTER TR. | 228,211 | 0 | 228,211 |
| **D | NEW YORK LIFE INSURANCE COMPANY | 29,310 | 0 | 29,310 |
| **D | RBC CANADIAN MASTER TRUST | 171,184 | 0 | 171,184 |
| **D | REGIME DE RETRAITE D HYDRO QUEBEC | 117,732 | 0 | 117,732 |
| **D | TEACHERS PENSION PLAN & PRIVATE SCHOOL | 774,281 | 0 | 774,281 |
| **D | TR EUROPEN GROWTH TRUST PLC | 1,036,081 | 0 | 1,036,081 |
| **D | HSBC GLOBAL INVESTMENT FUNDS | 1,170,000 | 0 | 1,170,000 |
| **D | GLG PARTNERS | 13,632 | 0 | 13,632 |
| **D | LOMBARD ODIER FUNDS (SWITZERLAND) SA | 44,454 | 0 | 44,454 |
| **D | HSBC INTERNATIONAL SELECT FUND | 5,400 | 0 | 5,400 |
| **D | SCHRODER INTERNATIONAL SELECTION FUND | 6,643,128 | 0 | 6,643,128 |
| **D | SCHRODER EUROPEAN SMALLER COMPANIES FUND | 376,881 | 0 | 376,881 |
| **D | SHROEDER INSTITUTIONAL EUROPEAN FUND | 845,644 | 0 | 845,644 |
| **D | PUBLIC EMPLOYEES RETIREMENT ASSOCIATION | 80,000 | 0 | 80,000 |
| **D | SCHRODER CAPITAL MANAGEMENT COLLECTIVE TRUST | 200,000 | 0 | 200,000 |
| **D | SCHRODER INTERNATIONAL SMALL COMPANIES P | 150,000 | 0 | 150,000 |
| **D | PIONEER INVESTMENT MANAGEMENT SGRPA / AZIONARIO CRESCITA | 742,063 | 0 | 742,063 |
| **D | METZLER INTERNATIONAL INVEST PLC | 1,123,000 | 0 | 1,123,000 |
| **D | NUMERIC INVESTORS LLC | 7,700 | 0 | 7,700 |
| **D | AXA INVEST MANAGERS PARIS | 762,000 | 0 | 762,000 |
| **D | CIPAV ALOIS MARGARETH HENRIAU | 196,710 | 0 | 196,710 |
| **D | NUMERIC ABSOLUTE RETURN FUND LP NUMERIC INVESTORS LIMITED LIABILITY COMPANY | 1,000 | 0 | 1,000 |
| **D | CANADIAN BROADCASTING CORPORATION PENSION PLAN | 80,000 | 0 | 80,000 |
| **D | LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED | 6,845 | 0 | 6,845 |
| **D | THREADNEEDLE INVESTMENT FUNDS ICVC PAN EUROPEAN SMALLER COMPANIES FUND | 5,469,926 | 0 | 5,469,926 |
| **D | SIEFOREBANAMEXBASICA2SADECV | 251,002 | 0 | 251,002 |
| **D | THREADNEEDLE INVESTMENT FUNDS ICVC EUROPEAN SMALLER COMPANIES FUND | 5,390,134 | 0 | 5,390,134 |
| **D | SIEFOREBANAMEXBASICA4SADECV | 313,753 | 0 | 313,753 |
| **D | SIEFOREBANAMEXBASICA3SADECV | 288,652 | 0 | 288,652 |
| **D | STATE TEACHERS RETIREMENT SYSTEM OF OHIO | 137,684 | 0 | 137,684 |
| **D | CITIBANK KOREA INC | 1,037,271 | 0 | 1,037,271 |



| | | | |
|---|---|---|---|
| Shareholders: | 241 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 233 |

DE* Proxy to the natural person above mentioned with the badge number

**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")

RL* legal representation to the natural person above mentioned with the badge number

ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Approval of the financial statements at December 31, 2014**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | STICHTING PGGM DEPOSITARY | 265,000 | 0 | 265,000 |
| **D | MACQUARIE INVESTMENT MANAGEMENT LIMITED | 6,545 | 0 | 6,545 |
| **D | UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII | 25,082 | 0 | 25,082 |
| **D | THREADNEEDLE (LUX | 800,712 | 0 | 800,712 |
| **D | GOVERNMENT OF NORWAY | 5,921,587 | 0 | 5,921,587 |
| **D | FEDERATED KAUFMANN SMALL CAP FUND | 708,000 | 0 | 708,000 |
| **D | SCHWAB INTERNATIONAL SMALL-CAP EQUITY ETF | 50,086 | 0 | 50,086 |
| **D | JOHN HANCOCK SEAPORT FUND | 118,020 | 0 | 118,020 |
| **D | WELLINGTON MNGM PTF (CANADA) GLOBAL OPPORTUNITIES PTF | 10,738 | 0 | 10,738 |
| **D | INTERNATIONAL MONETARY FUND | 2,140 | 0 | 2,140 |
| **D | GMAM INVESTMENT FUNDS TRUST | 135,986 | 0 | 135,986 |
| **D | ARTISAN GLOBAL SMALL CAP FUND | 227,066 | 0 | 227,066 |
| **D | STATE OF ALASKA RETIREMENT AND BENEFITS PLANS | 116,413 | 0 | 116,413 |
| **D | BLACKSTONE ALTERNATIVE MULTI-MANAGER FUND | 144,464 | 0 | 144,464 |
| **D | BLACKSTONE ALTERNATIVE MULTI-STRATEGY FUND | 134,199 | 0 | 134,199 |
| **D | EAST RIDING PENSION FUND | 219,331 | 0 | 219,331 |
| **D | PYRAMIS CONCENTRATED INTERNATIONAL SMALL CAP TRUST | 181,490 | 0 | 181,490 |
| **D | UAW RETIREE MEDICAL BENEFITS TRUST | 90,710 | 0 | 90,710 |
| **D | THE GENERAL MOTORS CANADIAN HOURLY-RATE EMPL PENSION PLAN | 42,610 | 0 | 42,610 |
| **D | THE GENERAL MOTORS CANAD RETIREMENT PROGR FOR SALARIED EMPL | 10,815 | 0 | 10,815 |
| **D | HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND | 1,106,930 | 0 | 1,106,930 |
| **D | THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND | 1,089,954 | 0 | 1,089,954 |
| **D | THE HARTFORDGLOBAL ALL- ASSET FUND | 56,097 | 0 | 56,097 |
| **D | HARTFORD HEALTHCARE ENDOWMENT LLC | 18,092 | 0 | 18,092 |
| **D | HARTFORD HEALTHCARE CORP DEFINED BENEFIT MASTER TR AGREEMENT | 24,743 | 0 | 24,743 |
| **D | TCW INTERNATIONAL SMALL CAP FUND | 35,149 | 0 | 35,149 |
| **D | TCW INTERNATIONAL GROWTH FUND | 4,500 | 0 | 4,500 |
| **D | ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO | 9,960 | 0 | 9,960 |
| **D | ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM | 78,810 | 0 | 78,810 |
| **D | HENKEL OF AMERICA MASTER RETIREMENT TRUST | 24,125 | 0 | 24,125 |
| **D | MERCER QIF CCF | 1,555,252 | 0 | 1,555,252 |
| **D | ASHWOOD INVESTMENTS LIMITED | 6,315 | 0 | 6,315 |
| **D | COSMIC INVESTMENT FUND | 391,675 | 0 | 391,675 |
| **D | CITY OF NEW YORK GROUP TRUST | 62,844 | 0 | 62,844 |
| **D | WELLINGTON MNGT PTF (CAYMAN)-GL OPP EX-JAPAN PTF F QUA INST IN | 60,538 | 0 | 60,538 |
| **D | BNY MELLON TR+DEP ATF ST. JAMES`S PLACE MNGD GROWTH UNIT TR | 1,153,285 | 0 | 1,153,285 |
| **D | HONG KONG SPECIAL ADMINISTRATIVE REGION GOVERNMENT-EXCHANGE F | 218,414 | 0 | 218,414 |
| **D | BIMCOR GLOBAL EQUITY POOLED FUND | 31,619 | 0 | 31,619 |
| **D | MINISTRY OF STRATEGY AND FINANCE | 154,828 | 0 | 154,828 |
| **D | SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY | 20,546 | 0 | 20,546 |
| **D | CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM | 663,768 | 0 | 663,768 |



| | | | |
|---|---|---|---|
| Shareholders: | 241 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 233 |

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**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")

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# ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

### Subject: **Approval of the financial statements at December 31, 2014**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM | 171,493 | 0 | 171,493 |
| **D | STATE OF TENNESSEE CONSOLIDATED RETIREMENT SYSTEM | 311,857 | 0 | 311,857 |
| **D | SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST | 44,069 | 0 | 44,069 |
| **D | THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST | 367,659 | 0 | 367,659 |
| **D | THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF | 84,333 | 0 | 84,333 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF | 109,424 | 0 | 109,424 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II | 354,717 | 0 | 354,717 |
| **D | WASHINGTON STATE INVESTMENT BOARD | 96,690 | 0 | 96,690 |
| **D | PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY | 496,801 | 0 | 496,801 |
| **D | WELLINGTON MANAGEMENT PORTFOLIOS (DUBLIN) PLC | 11,927 | 0 | 11,927 |
| **D | SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL | 295,099 | 0 | 295,099 |
| **D | AXA WORLD FUNDS | 9,707,811 | 0 | 9,707,811 |
| **D | GOLDMAN SACHS FUNDS | 2,923 | 0 | 2,923 |
| **D | MARCH FUND | 38,196 | 0 | 38,196 |
| **D | UBS ETF | 15,719 | 0 | 15,719 |
| **D | ISHARES MSCI EAFE SMALL CAP ETF | 117,300 | 0 | 117,300 |
| **D | ISHARES DEVELOPED SMALL-CAP EX NORTH AMERICA ETF | 7,054 | 0 | 7,054 |
| **D | BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR | 976,493 | 0 | 976,493 |
| **D | ISHARES CORE MSCI EAFE ETF | 93,004 | 0 | 93,004 |
| **D | ISHARES CORE MSCI EAFE IMI INDEX ETF | 5,341 | 0 | 5,341 |
| **D | ISHARES MSCI EUROPE IMI INDEX ETF | 3,907 | 0 | 3,907 |
| **D | ISHARES MSCI EUROPE IMI ETF | 8,208 | 0 | 8,208 |
| **D | BLACKROCK CDN ACWI ALPHA TILTS FUND | 1,609 | 0 | 1,609 |
| **D | RUSSELL DEVELOPED EX-U.S. LARGE CAP INDEX FUND B | 1,917 | 0 | 1,917 |
| **D | WORLD ALPHA TILTS NON-LENDABLE FUND B | 757 | 0 | 757 |
| **D | BGI MSCI EAFE SMALL CAP EQUITY INDEX FUND B | 69,755 | 0 | 69,755 |
| **D | BGI MSCI EMU IMI INDEX FUND B | 312 | 0 | 312 |
| **D | BLACKROCK GLOBAL MARKET INSIGHT FUND B | 801 | 0 | 801 |
| **D | GLOBAL ALPHA TILTS FUND B | 1,598 | 0 | 1,598 |
| **D | BLACKROCK MSCI WORLD SMALL CAP EQ ESG SCREENED INDEX FUND B | 5,037 | 0 | 5,037 |
| **D | INTERNATIONAL ALPHA TILTS FUND B | 1,488 | 0 | 1,488 |
| **D | GLOBAL EX US ALPHA TILTS FUND B | 950 | 0 | 950 |
| **D | BP PENSION FUND | 846,500 | 0 | 846,500 |
| **D | RUSSELL INVESTMENT COMPANY II PLC | 18,500 | 0 | 18,500 |
| **D | INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST | 70,600 | 0 | 70,600 |
| **D | KINGFISHER PENSION SCHEME | 23,872 | 0 | 23,872 |
| **D | OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM | 240,752 | 0 | 240,752 |
| **D | COLLEGE RETIREMENT EQUITIES FUND | 214,462 | 0 | 214,462 |
| **D | TRANSAMERICA INTERNATIONAL SMALL CAP | 750,000 | 0 | 750,000 |
| **D | SPDR S+P INTERNATIONAL MIDCAP ETF | 13,723 | 0 | 13,723 |
| **D | RUSSELL INVESTMENT COMPANY PLC | 6,600 | 0 | 6,600 |



| | | | |
|---|---|---|---|
| Shareholders: | 241 | People: | 10 |
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# ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

## Subject: **Approval of the financial statements at December 31, 2014**

### IN FAVOUR

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | MULTI-STYLE, MULTI-MANAGER FUNDS PLC | 113,150 | 0 | 113,150 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF | 174,516 | 0 | 174,516 |
| **D | GOVERNMENT INSTITUTIONS PENSION FUND | 130,092 | 0 | 130,092 |
| **D | THE WELLINGTON TR CO, NAT ASS MULT COMM TR F TR, INT RES EQ F | 27,188 | 0 | 27,188 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COMM TR F TR GLB RES EQ PTF | 9,712 | 0 | 9,712 |
| **D | MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F | 39,648 | 0 | 39,648 |
| **D | ISHARES VII PLC | 225,323 | 0 | 225,323 |
| **D | BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F | 923 | 0 | 923 |
| **D | MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST | 54,673 | 0 | 54,673 |
| **D | NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND | 7,451 | 0 | 7,451 |
| **D | EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS | 70,448 | 0 | 70,448 |
| **D | AXIOM INVESTORS TRUST II | 11,961 | 0 | 11,961 |
| **D | INTERNATIONAL MONETARY FUND STAFF RETIREMENT PLAN | 76,947 | 0 | 76,947 |
| **D | INTERNATIONAL MONETARU FUND STAFF RETIREMENT PLAN | 13,103 | 0 | 13,103 |
| **D | NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P.R.C | 18,050 | 0 | 18,050 |
| **D | MICROSOFT GLOBAL FINANCE | 200,000 | 0 | 200,000 |
| **D | STATES UNIVERSITIES RETIREMENT SYSTEM | 59,562 | 0 | 59,562 |
| **D | NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST | 195,608 | 0 | 195,608 |
| **D | TYCO ELECTRONICS DEFINED BENEFIT PLANS MASTER TRUST | 18,124 | 0 | 18,124 |
| **D | NEW ZEALAND SUPERANNUATION FUND | 20,550 | 0 | 20,550 |
| **D | GENERAL PENSION AND SOCIAL SECURITY AUTHORITY | 134,082 | 0 | 134,082 |
| **D | LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM | 21,464 | 0 | 21,464 |
| **D | CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN | 36,807 | 0 | 36,807 |
| **D | SAN FRANCISCO CITY & COUNTY EMPLOYEES` RETIREMENT SYSTEM | 62,376 | 0 | 62,376 |
| **D | UTAH STATE RETIREMENT SYSTEMS | 11,131 | 0 | 11,131 |
| **D | WHEELS COMMON INVESTMENT FUND | 5,543 | 0 | 5,543 |
| **D | ZURICH FINANCIAL SERVICES UK PENSION SCHEME | 445,869 | 0 | 445,869 |
| **D | UNILEVER UK PENSION FUND | 1,031,459 | 0 | 1,031,459 |
| **D | PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO | 34,658 | 0 | 34,658 |
| **D | MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO | 23,784 | 0 | 23,784 |
| **D | ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND | 30,871 | 0 | 30,871 |
| **D | UNIVEST | 454,562 | 0 | 454,562 |
| **D | SICAV BBM V-FLEX | 36,092 | 0 | 36,092 |
| **D | FCP BEST BUSINESS MODELS | 500,000 | 0 | 500,000 |
| **D | I.2.C. ACTIONS | 540,000 | 0 | 540,000 |
| **D | FCP VILLIERS DIAPASON | 28,850 | 0 | 28,850 |
| **D | FCP RSI EURO P | 238,007 | 0 | 238,007 |
| **D | SLI GLOBAL SICAV GLOBAL FOCUSEDSTRATEGIES FUND | 48,117 | 0 | 48,117 |
| **D | PRUDENTIAL SECTOR FUNDS INC PRUDENTIAL FINANCIAL SERVICE | 642,387 | 0 | 642,387 |
| **D | INVESCO FUNDS | 248,740 | 0 | 248,740 |
| **D | THE BANK OF KOREA | 1 | 0 | 1 |



| | | | |
|---|---|---|---|
| Shareholders: | 241 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 233 |

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ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Approval of the financial statements at December 31, 2014**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | WMP OPPORTUNISTIC INVESTMENT PARTNERS, L.P. | 27,554 | 0 | 27,554 |
| **D | INVESCO FUNDS SERIES 4 | 2,744,241 | 0 | 2,744,241 |
| **D | ADVANCED SERIES TRUST -AST FI PYRAMIS QUANTITATIVE PORTFOLIO | 97,276 | 0 | 97,276 |
| **D | BLACKROCK LIFE LIMITED | 5,131 | 0 | 5,131 |
| **D | DEUTSCHE X-TRACKERS MSCI EMU HEDGED EQUITY ETF | 1,450 | 0 | 1,450 |
| **D | ING FUNDS SERVICES, LLC | 223,989 | 0 | 223,989 |
| **D | ADVANCED SERIES TRUST-AST QMA EMERGING MARKETS EQUITY PORTFOLIO | 148,743 | 0 | 148,743 |
| **D | ADVANCED SERIES TRUST-AST PRUDENTIAL GROWTH ALLOCATION PORTFOLIO | 9,767 | 0 | 9,767 |
| **D | BLACKROCK GLOBAL FUNDS | 863 | 0 | 863 |
| **D | STG PFDS V.D. GRAFISCHE | 105,000 | 0 | 105,000 |
| **D | RUSSELL SMALLER COMPANIES POOL | 19,672 | 0 | 19,672 |
| **D | ALASKA PERMANENT FUND CORPORATION | 1 | 0 | 1 |
| **D | THE CLEVELAND CLINIC FOUNDATION | 82,047 | 0 | 82,047 |
| **D | CN CANADIAN MASTER TRUST FUND . | 13,974 | 0 | 13,974 |
| **D | THE STATE OF CONNECTICUT ACTINGTHROUGH ITS TREASURER | 180,000 | 0 | 180,000 |
| **D | BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN | 2,183 | 0 | 2,183 |
| **D | FLORIDA RETIREMENT SYSTEM . | 281,198 | 0 | 281,198 |
| **D | LIBERTY MUTUAL RETIREMENT PLAN MASTER TRUST | 15,700 | 0 | 15,700 |
| **D | PROVINCE PF NEWFOUNLAND AND LABRADOR POOLED PENSION FUND | 1 | 0 | 1 |
| **D | NEW YORK STATE DEFERRED COMPENSATION PLAN | 122,850 | 0 | 122,850 |
| **D | BELL ATLANTIC MASTER TRUST | 65,031 | 0 | 65,031 |
| **D | INDIANA PUBLIC EMPLOYEES RETIREMENT FUND | 4,982 | 0 | 4,982 |
| **D | ARROWSTREET US GROUP TRUST | 47,392 | 0 | 47,392 |
| **D | TELUS FOREIGN EQUITY ACTIVE ALPHA POOL | 100,628 | 0 | 100,628 |
| **D | PUBLIC SECTOR PENSION INVESTMENT BOARD | 1 | 0 | 1 |
| **D | CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY | 51,756 | 0 | 51,756 |
| **D | UMC BENEFIT BOARD, INC | 15,911 | 0 | 15,911 |
| **D | UNISYS MASTER TRUST | 77,102 | 0 | 77,102 |
| **D | VERIZON MASTER SAVINGS TRUST . | 79,398 | 0 | 79,398 |
| **D | STICHTING PENSIOENFONDS HORECA & CATERING | 11,729 | 0 | 11,729 |
| **D | MINISTER FOR FINANCE (ISIF MANAGED AND CONTROLLED BY NTMA) | 1 | 0 | 1 |
| **D | CF DV ACWI EX-U.S. IMI FUND | 2,181 | 0 | 2,181 |
| **D | ROGERSCASEY TARGET SOLUTIONS LLC. | 10,604 | 0 | 10,604 |
| **D | FIRST INVESTORS GLOBAL FUND | 291,917 | 0 | 291,917 |
| **D | FIRST TRUST INTERNATIONAL IPO ETF | 1,782 | 0 | 1,782 |
| 782 | MORELLI CLAUDIO | 2,000 | 2,000 | 0 |
| 805 | VIOZZI DANIELE | 50 | 50 | 0 |
| 821 | CERASUOLO STEFANO | 5,000 | 5,000 | 0 |

**Total vote** 482,226,463
**Percentage of voters %** 99.925513



| | | | |
|---|---|---|---|
| Shareholders: | 241 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 233 |

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ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Approval of the financial statements at December 31, 2014**

**IN FAVOUR**

| Surname | | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **Percentage Capital %** | 79.507659 | | | |



| | | | | |
|---|---|---|---|---|
| Shareholders: | 241 | People: | 10 | DE* Proxy to the natural person above mentioned with the badge number |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 233 | **D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations") |
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ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Allocation of the profits for the year 2014**

no. **244** persons entitled to vote took part in the voting on own behalf or by proxy

no. **482,585,929** ordinary shares

**The counting of votes produced the following results:**

| | | % of ordinary share capital present (Voting Quorum) | % of ordinary share entitled to vote | % share capital |
|---|---|---|---|---|
| **In favour** | 482,380,329 | 99.957396 | 99.957396 | 79.533028 |
| **Against** | 0 | 0.000000 | 0.000000 | 0.000000 |
| SubTotal | 482,380,329 | 99.957396 | 99.957396 | 79.533028 |
| **Abstentions** | 205,600 | 0.042604 | 0.042604 | 0.033899 |
| **Not Voting** | 0 | 0.000000 | 0.000000 | 0.000000 |
| SubTotal | 205,600 | 0.042604 | 0.042604 | 0.033899 |
| **Total** | 482,585,929 | 100.000000 | 100.000000 | 79.566927 |

| | | | |
|---|---|---|---|
| Shareholders: | 244 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 236 |

# ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

Subject: **Allocation of the profits for the year 2014**

**AGAINST**

| Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|

**Total vote** 0
**Percentage voters %** 0.000000
**Percentage Capital %** 0.000000



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|---|---|---|---|---|
| Shareholders: | 0 | People: | 0 | DE* Proxy to the natural person above mentioned with the badge number |
| Shareholders on own behalf: | 0 | Shareholders by proxy: | 0 | **D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations") |
| | | | | RL* legal representation to the natural person above mentioned with the badge number |

ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

**RESULTS OF VOTING**

**Subject: Allocation of the profits for the year 2014**

**ABSTENTIONS**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| 4220 | TONELLI GIULIO | 0 | 0 | 0 |
| **D | NATIONAL PENSION SERVICE | 205,600 | 0 | 205,600 |

| | |
|---|---|
| **Total vote** | 205,600 |
| **Percentage voters %** | 0.042604 |
| **Percentage Capital %** | 0.033899 |



| | | | | |
|---|---|---|---|---|
| Shareholders: | 1 | People: | 1 | DE* Proxy to the natural person above mentioned with the badge number |
| Shareholders on own behalf: | 0 | Shareholders by proxy: | 1 | **D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations") |
| | | | | RL* legal representation to the natural person above mentioned with the badge number |

ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

### Subject: Allocation of the profits for the year 2014

**NOT VOTING**

| Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|

**Total vote** 0
**Percentage voters %** 0.000000
**Percentage Capital %** 0.000000



| | | | |
|---|---|---|---|
| Shareholders: | 0 | People: | 0 |
| Shareholders on own behalf: | 0 | Shareholders by proxy: | 0 |

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# ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

### Subject: Allocation of the profits for the year 2014

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| 1389 | ANNIBALETTI ANGELO | 20,000 | 20,000 | 0 |
| 1436 | CASATI FEDERICO | 50 | 50 | 0 |
| 1570 | CAGLIA MARIA | 0 | 0 | 0 |
| DE* | UNICREDIT S.P.A. | 397,108,033 | 0 | 397,108,033 |
| 1908 | AMADEI STEFANO | 1,000 | 1,000 | 0 |
| 2205 | PISTONE UGO LUIGI | 1,000 | 1,000 | 0 |
| 3214 | GUERRA MAURO | 1,000 | 1,000 | 0 |
| 4220 | TONELLI GIULIO | 0 | 0 | 0 |
| **D | WELLINGTON MANAGEMENT PORTFOLIOS | 203,733 | 0 | 203,733 |
| **D | WELLINGTON MANAGNT PORTFOLIOS GLOB RESEA | 48,378 | 0 | 48,378 |
| **D | VANGUARD TOTAL WORLD STOCK INDEX FUND | 28,097 | 0 | 28,097 |
| **D | VANGUARD FTSE ALL WORD SMALL CAP IND FUN | 259,822 | 0 | 259,822 |
| **D | BBH&C BOS FOR PYRAM GR TRUST FOR EMPL EMERG MM COM | 59,389 | 0 | 59,389 |
| **D | WELLINGTON TRUST COMP,COMM TRUST INT OPP | 113,255 | 0 | 113,255 |
| **D | WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUITY PORTFOLIO | 8,875 | 0 | 8,875 |
| **D | JAPAN TRUSTEE SERVICES BANK LTD | 535,670 | 0 | 535,670 |
| **D | THE MASTER TRUST BANK OF JAPAN LTD | 233,920 | 0 | 233,920 |
| **D | BEST INVESTMENT CORPORATION | 3,372 | 0 | 3,372 |
| **D | SCHRODER INSTITUTIONAL POOLED FUNDS-EUROPEAN EQUITY FUND | 305,795 | 0 | 305,795 |
| **D | FCP CNP ACTIONS EUROPE SCHRODER | 499,752 | 0 | 499,752 |
| **D | AXA VALEURS EURO | 666,000 | 0 | 666,000 |
| **D | AXA OPTIMAL INCOME | 1,336,074 | 0 | 1,336,074 |
| **D | COLISEE IFC 1 FCP | 610,000 | 0 | 610,000 |
| **D | FCP AXIVA ACTION 1 | 285,000 | 0 | 285,000 |
| **D | FONDS RESERVE RETRAITES | 864,222 | 0 | 864,222 |
| **D | FCP ERAFP ACT IND11 | 61,598 | 0 | 61,598 |
| **D | HENDERSON HORIZON FUND SICAV | 1,181,015 | 0 | 1,181,015 |
| **D | HENDERSON GARTMORE FUND | 309,348 | 0 | 309,348 |
| **D | ROBECO CAPITAL GROWTH FUNDS | 141,510 | 0 | 141,510 |
| **D | JPMORGAN FUNDS EUROPEAN BANK AND BC | 428,953 | 0 | 428,953 |
| **D | BLACKROCK INSTITUTIONAL POOLED FUND PLC | 1,782 | 0 | 1,782 |
| **D | VANGUARD INVESTMENT SERIES, PLC | 40,331 | 0 | 40,331 |
| **D | THE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTBJ400045842 | 1,916,769 | 0 | 1,916,769 |
| **D | BUREAU OF LABOR FUNDS-LABOR RETIREMENT FUND 10F NO,6 SEC,1 | 59,542 | 0 | 59,542 |
| **D | CHINA LIFE INSURANCE COMPANY LIMITED | 69,632 | 0 | 69,632 |



| | | | |
|---|---|---|---|
| Shareholders: | 243 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 235 |

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# ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

### Subject: Allocation of the profits for the year 2014

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | FONDO CONSOLIDADO DE RESERVAS PREVISIONA | 40,126 | 0 | 40,126 |
| **D | COINVEST LIMITED | 13,015 | 0 | 13,015 |
| **D | SUPER FUNDS MANAG CORP SOUTH AUSTRALIA | 158,925 | 0 | 158,925 |
| **D | VANGUARD INTERNATIONAL SMALL COMPANIES I | 17,197 | 0 | 17,197 |
| **D | THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST | 136,785 | 0 | 136,785 |
| **D | ONEPATH GLOBAL SHARES - SMALL CAP UNHEDGED) INDEXPOOL | 7,474 | 0 | 7,474 |
| **D | TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK | 82,345 | 0 | 82,345 |
| **D | WYOMING RETIREMENT SYSTEM | 3,844 | 0 | 3,844 |
| **D | WYOMING RETIREMENT SYSTEM | 8,796 | 0 | 8,796 |
| **D | CURIAN/WMC INTERNATIONAL EQUITY FUND | 365,544 | 0 | 365,544 |
| **D | PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OH | 71,411 | 0 | 71,411 |
| **D | VANGUARD TOTAL INTERNATIONAL STOCK INDEX | 1,522,636 | 0 | 1,522,636 |
| **D | VANGUARD INTERNATIONAL EXPLORER FUND | 1,900,000 | 0 | 1,900,000 |
| **D | MI-FONDS 392 | 277,833 | 0 | 277,833 |
| **D | JPMORGAN EUROPEAN INVESTMENT TRUST PLC | 55,149 | 0 | 55,149 |
| **D | TRUST AND CUSTODY SERVICED BANK LIMITED | 66,207 | 0 | 66,207 |
| **D | JAPAN TRUSTEE SERVICES BANK LTD AS TRUST | 5,549 | 0 | 5,549 |
| **D | ENTERGY CORP,RETIREMENT PLANS MASTER TR, | 228,211 | 0 | 228,211 |
| **D | NEW YORK LIFE INSURANCE COMPANY | 29,310 | 0 | 29,310 |
| **D | RBC CANADIAN MASTER TRUST | 171,184 | 0 | 171,184 |
| **D | REGIME DE RETRAITE D HYDRO QUEBEC | 117,732 | 0 | 117,732 |
| **D | TEACHERS PENSION PLAN & PRIVATE SCHOOL | 774,281 | 0 | 774,281 |
| **D | TR EUROPEN GROWTH TRUST PLC | 1,036,081 | 0 | 1,036,081 |
| **D | HSBC GLOBAL INVESTMENT FUNDS | 1,170,000 | 0 | 1,170,000 |
| **D | GLG PARTNERS | 13,632 | 0 | 13,632 |
| **D | LOMBARD ODIER FUNDS (SWITZERLAND) SA | 44,454 | 0 | 44,454 |
| **D | HSBC INTERNATIONAL SELECT FUND | 5,400 | 0 | 5,400 |
| **D | SCHRODER INTERNATIONAL SELECTION FUND | 6,643,128 | 0 | 6,643,128 |
| **D | SCHRODER EUROPEAN SMALLER COMPANIES FUND | 376,881 | 0 | 376,881 |
| **D | SHROEDER INSTITUTIONAL EUROPEAN FUND | 845,644 | 0 | 845,644 |
| **D | PUBLIC EMPLOYEES RETIREMENT ASSOCIATION | 80,000 | 0 | 80,000 |
| **D | SCHRODER CAPITAL MANAGEMENT COLLECTIVE TRUST | 200,000 | 0 | 200,000 |
| **D | SCHRODER INTERNATIONAL SMALL COMPANIES P | 150,000 | 0 | 150,000 |
| **D | NIGOSC ADMINISTERS NILG PENSION FUND | 92,268 | 0 | 92,268 |
| **D | PIONEER INVESTMENT MANAGEMENT SGRPA / AZIONARIO CRESCITA | 742,063 | 0 | 742,063 |



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|---|---|---|---|
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## ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

**RESULTS OF VOTING**

**Subject: Allocation of the profits for the year 2014**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | METZLER INTERNATIONAL INVEST PLC | 1,123,000 | 0 | 1,123,000 |
| **D | NUMERIC INVESTORS LLC | 7,700 | 0 | 7,700 |
| **D | AXA INVEST MANAGERS PARIS | 762,000 | 0 | 762,000 |
| **D | CIPAV ALOIS MARGARETH HENRIAU | 196,710 | 0 | 196,710 |
| **D | NUMERIC ABSOLUTE RETURN FUND LP NUMERIC INVESTORS LIMITED LIABILITY COMPANY | 1,000 | 0 | 1,000 |
| **D | CANADIAN BROADCASTING CORPORATION PENSION PLAN | 80,000 | 0 | 80,000 |
| **D | LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED | 6,845 | 0 | 6,845 |
| **D | THREADNEEDLE INVESTMENT FUNDS ICVC PAN EUROPEAN SMALLER COMPANIES FUND | 5,469,926 | 0 | 5,469,926 |
| **D | SIEFOREBANAMEXBASICA2SADECV | 251,002 | 0 | 251,002 |
| **D | THREADNEEDLE INVESTMENT FUNDS ICVC EUROPEAN SMALLER COMPANIES FUND | 5,390,134 | 0 | 5,390,134 |
| **D | SIEFOREBANAMEXBASICA4SADECV | 313,753 | 0 | 313,753 |
| **D | SIEFOREBANAMEXBASICA3SADECV | 288,652 | 0 | 288,652 |
| **D | STATE TEACHERS RETIREMENT SYSTEM OF OHIO | 137,684 | 0 | 137,684 |
| **D | CITIBANK KOREA INC | 1,037,271 | 0 | 1,037,271 |
| **D | STICHTING PGGM DEPOSITARY | 265,000 | 0 | 265,000 |
| **D | MACQUARIE INVESTMENT MANAGEMENT LIMITED | 6,545 | 0 | 6,545 |
| **D | UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII | 25,082 | 0 | 25,082 |
| **D | THREADNEEDLE (LUX | 800,712 | 0 | 800,712 |
| **D | GOVERNMENT OF NORWAY | 5,921,587 | 0 | 5,921,587 |
| **D | FEDERATED KAUFMANN SMALL CAP FUND | 708,000 | 0 | 708,000 |
| **D | SCHWAB INTERNATIONAL SMALL-CAP EQUITY ETF | 50,086 | 0 | 50,086 |
| **D | JOHN HANCOCK SEAPORT FUND | 118,020 | 0 | 118,020 |
| **D | WELLINGTON MNGM PTF (CANADA) GLOBAL OPPORTUNITIES PTF | 10,738 | 0 | 10,738 |
| **D | INTERNATIONAL MONETARY FUND | 2,140 | 0 | 2,140 |
| **D | GMAM INVESTMENT FUNDS TRUST | 135,986 | 0 | 135,986 |
| **D | ARTISAN GLOBAL SMALL CAP FUND | 227,066 | 0 | 227,066 |
| **D | STATE OF ALASKA RETIREMENT AND BENEFITS PLANS | 116,413 | 0 | 116,413 |
| **D | BLACKSTONE ALTERNATIVE MULTI-MANAGER FUND | 144,464 | 0 | 144,464 |
| **D | BLACKSTONE ALTERNATIVE MULTI-STRATEGY FUND | 134,199 | 0 | 134,199 |
| **D | EAST RIDING PENSION FUND | 219,331 | 0 | 219,331 |
| **D | PYRAMIS CONCENTRATED INTERNATIONAL SMALL CAP TRUST | 181,490 | 0 | 181,490 |
| **D | UAW RETIREE MEDICAL BENEFITS TRUST | 90,710 | 0 | 90,710 |
| **D | THE GENERAL MOTORS CANADIAN HOURLY-RATE EMPL PENSION PLAN | 42,610 | 0 | 42,610 |
| **D | THE GENERAL MOTORS CANAD RETIREMENT PROGR FOR SALARIED EMPL | 10,815 | 0 | 10,815 |
| **D | HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND | 1,106,930 | 0 | 1,106,930 |



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ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

**RESULTS OF VOTING**

**Subject: Allocation of the profits for the year 2014**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND | 1,089,954 | 0 | 1,089,954 |
| **D | THE HARTFORDGLOBAL ALL- ASSET FUND | 56,097 | 0 | 56,097 |
| **D | HARTFORD HEALTHCARE ENDOWMENT LLC | 18,092 | 0 | 18,092 |
| **D | HARTFORD HEALTHCARE CORP DEFINED BENEFIT MASTER TR AGREEMENT | 24,743 | 0 | 24,743 |
| **D | TCW INTERNATIONAL SMALL CAP FUND | 35,149 | 0 | 35,149 |
| **D | TCW INTERNATIONAL GROWTH FUND | 4,500 | 0 | 4,500 |
| **D | ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO | 9,960 | 0 | 9,960 |
| **D | ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM | 78,810 | 0 | 78,810 |
| **D | HENKEL OF AMERICA MASTER RETIREMENT TRUST | 24,125 | 0 | 24,125 |
| **D | MERCER QIF CCF | 1,555,252 | 0 | 1,555,252 |
| **D | ASHWOOD INVESTMENTS LIMITED | 6,315 | 0 | 6,315 |
| **D | COSMIC INVESTMENT FUND | 391,675 | 0 | 391,675 |
| **D | CITY OF NEW YORK GROUP TRUST | 62,844 | 0 | 62,844 |
| **D | WELLINGTON MNGT PTF (CAYMAN)-GL OPP EX-JAPAN PTF F QUA INST IN | 60,538 | 0 | 60,538 |
| **D | BNY MELLON TR+DEP ATF ST, JAMES`S PLACE MNGD GROWTH UNIT TR | 1,153,285 | 0 | 1,153,285 |
| **D | HONG KONG SPECIAL ADMINISTRATIVE REGION GOVERNMENT-EXCHANGE F | 218,414 | 0 | 218,414 |
| **D | BIMCOR GLOBAL EQUITY POOLED FUND | 31,619 | 0 | 31,619 |
| **D | MINISTRY OF STRATEGY AND FINANCE | 154,828 | 0 | 154,828 |
| **D | SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY | 20,546 | 0 | 20,546 |
| **D | CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM | 663,768 | 0 | 663,768 |
| **D | CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM | 171,493 | 0 | 171,493 |
| **D | STATE OF TENNESSEE CONSOLIDATED RETIREMENT SYSTEM | 311,857 | 0 | 311,857 |
| **D | SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST | 44,069 | 0 | 44,069 |
| **D | THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST | 367,659 | 0 | 367,659 |
| **D | THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF | 84,333 | 0 | 84,333 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF | 109,424 | 0 | 109,424 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II | 354,717 | 0 | 354,717 |
| **D | WASHINGTON STATE INVESTMENT BOARD | 96,690 | 0 | 96,690 |
| **D | PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY | 496,801 | 0 | 496,801 |
| **D | WELLINGTON MANAGEMENT PORTFOLIOS (DUBLIN) PLC | 11,927 | 0 | 11,927 |
| **D | SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL | 295,099 | 0 | 295,099 |
| **D | AXA WORLD FUNDS | 9,707,811 | 0 | 9,707,811 |
| **D | GOLDMAN SACHS FUNDS | 2,923 | 0 | 2,923 |
| **D | MARCH FUND | 38,196 | 0 | 38,196 |
| **D | UBS ETF | 15,719 | 0 | 15,719 |



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# ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

**RESULTS OF VOTING**

**Subject: Allocation of the profits for the year 2014**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | ISHARES MSCI EAFE SMALL CAP ETF | 117,300 | 0 | 117,300 |
| **D | ISHARES DEVELOPED SMALL-CAP EX NORTH AMERICA ETF | 7,054 | 0 | 7,054 |
| **D | BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR | 976,493 | 0 | 976,493 |
| **D | ISHARES CORE MSCI EAFE ETF | 93,004 | 0 | 93,004 |
| **D | ISHARES CORE MSCI EAFE IMI INDEX ETF | 5,341 | 0 | 5,341 |
| **D | ISHARES MSCI EUROPE IMI INDEX ETF | 3,907 | 0 | 3,907 |
| **D | ISHARES MSCI EUROPE IMI ETF | 8,208 | 0 | 8,208 |
| **D | BLACKROCK CDN ACWI ALPHA TILTS FUND | 1,609 | 0 | 1,609 |
| **D | RUSSELL DEVELOPED EX-U,S, LARGE CAP INDEX FUND B | 1,917 | 0 | 1,917 |
| **D | WORLD ALPHA TILTS NON-LENDABLE FUND B | 757 | 0 | 757 |
| **D | BGI MSCI EAFE SMALL CAP EQUITY INDEX FUND B | 69,755 | 0 | 69,755 |
| **D | BGI MSCI EMU IMI INDEX FUND B | 312 | 0 | 312 |
| **D | BLACKROCK GLOBAL MARKET INSIGHT FUND B | 801 | 0 | 801 |
| **D | GLOBAL ALPHA TILTS FUND B | 1,598 | 0 | 1,598 |
| **D | BLACKROCK MSCI WORLD SMALL CAP EQ ESG SCREENED INDEX FUND B | 5,037 | 0 | 5,037 |
| **D | INTERNATIONAL ALPHA TILTS FUND B | 1,488 | 0 | 1,488 |
| **D | GLOBAL EX US ALPHA TILTS FUND B | 950 | 0 | 950 |
| **D | BP PENSION FUND | 846,500 | 0 | 846,500 |
| **D | RUSSELL INVESTMENT COMPANY II PLC | 18,500 | 0 | 18,500 |
| **D | INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST | 70,600 | 0 | 70,600 |
| **D | KINGFISHER PENSION SCHEME | 23,872 | 0 | 23,872 |
| **D | OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM | 240,752 | 0 | 240,752 |
| **D | COLLEGE RETIREMENT EQUITIES FUND | 214,462 | 0 | 214,462 |
| **D | TRANSAMERICA INTERNATIONAL SMALL CAP | 750,000 | 0 | 750,000 |
| **D | SPDR S+P INTERNATIONAL MIDCAP ETF | 13,723 | 0 | 13,723 |
| **D | RUSSELL INVESTMENT COMPANY PLC | 6,600 | 0 | 6,600 |
| **D | MULTI-STYLE, MULTI-MANAGER FUNDS PLC | 113,150 | 0 | 113,150 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF | 174,516 | 0 | 174,516 |
| **D | GOVERNMENT INSTITUTIONS PENSION FUND | 130,092 | 0 | 130,092 |
| **D | THE WELLINGTON TR CO, NAT ASS MULT COMM TR F TR, INT RES EQ F | 27,188 | 0 | 27,188 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COMM TR F TR GLB RES EQ PTF | 9,712 | 0 | 9,712 |
| **D | MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F | 39,648 | 0 | 39,648 |
| **D | ISHARES VII PLC | 225,323 | 0 | 225,323 |
| **D | BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F | 923 | 0 | 923 |
| **D | MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST | 54,673 | 0 | 54,673 |



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ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

**RESULTS OF VOTING**

**Subject: Allocation of the profits for the year 2014**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND | 7,451 | 0 | 7,451 |
| **D | EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS | 70,448 | 0 | 70,448 |
| **D | AXIOM INVESTORS TRUST II | 11,961 | 0 | 11,961 |
| **D | INTERNATIONAL MONETARY FUND STAFF RETIREMENT PLAN | 76,947 | 0 | 76,947 |
| **D | INTERNATIONAL MONETARU FUND STAFF RETIREMENT PLAN | 13,103 | 0 | 13,103 |
| **D | NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P,R,C | 18,050 | 0 | 18,050 |
| **D | MICROSOFT GLOBAL FINANCE | 200,000 | 0 | 200,000 |
| **D | STATES UNIVERSITIES RETIREMENT SYSTEM | 59,562 | 0 | 59,562 |
| **D | NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST | 195,608 | 0 | 195,608 |
| **D | TYCO ELECTRONICS DEFINED BENEFIT PLANS MASTER TRUST | 18,124 | 0 | 18,124 |
| **D | NEW ZEALAND SUPERANNUATION FUND | 20,550 | 0 | 20,550 |
| **D | GENERAL PENSION AND SOCIAL SECURITY AUTHORITY | 134,082 | 0 | 134,082 |
| **D | LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM | 21,464 | 0 | 21,464 |
| **D | CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN | 36,807 | 0 | 36,807 |
| **D | SAN FRANCISCO CITY & COUNTY EMPLOYEES` RETIREMENT SYSTEM | 62,376 | 0 | 62,376 |
| **D | UTAH STATE RETIREMENT SYSTEMS | 11,131 | 0 | 11,131 |
| **D | WHEELS COMMON INVESTMENT FUND | 5,543 | 0 | 5,543 |
| **D | ZURICH FINANCIAL SERVICES UK PENSION SCHEME | 445,869 | 0 | 445,869 |
| **D | UNILEVER UK PENSION FUND | 1,031,459 | 0 | 1,031,459 |
| **D | PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO | 34,658 | 0 | 34,658 |
| **D | MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO | 23,784 | 0 | 23,784 |
| **D | ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND | 30,871 | 0 | 30,871 |
| **D | UNIVEST | 454,562 | 0 | 454,562 |
| **D | SICAV BBM V-FLEX | 36,092 | 0 | 36,092 |
| **D | FCP BEST BUSINESS MODELS | 500,000 | 0 | 500,000 |
| **D | I,2,C, ACTIONS | 540,000 | 0 | 540,000 |
| **D | FCP VILLIERS DIAPASON | 28,850 | 0 | 28,850 |
| **D | FCP RSI EURO P | 238,007 | 0 | 238,007 |
| **D | SLI GLOBAL SICAV GLOBAL FOCUSEDSTRATEGIES FUND | 48,117 | 0 | 48,117 |
| **D | PRUDENTIAL SECTOR FUNDS INC PRUDENTIAL FINANCIAL SERVICE | 642,387 | 0 | 642,387 |
| **D | INVESCO FUNDS | 248,740 | 0 | 248,740 |
| **D | THE BANK OF KOREA | 1 | 0 | 1 |
| **D | WMP OPPORTUNISTIC INVESTMENT PARTNERS, L,P, | 27,554 | 0 | 27,554 |
| **D | INVESCO FUNDS SERIES 4 | 2,744,241 | 0 | 2,744,241 |
| **D | ADVANCED SERIES TRUST -AST FI PYRAMIS QUANTITATIVE PORTFOLIO | 97,276 | 0 | 97,276 |



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ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

**RESULTS OF VOTING**

**Subject: Allocation of the profits for the year 2014**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | BLACKROCK LIFE LIMITED | 5,131 | 0 | 5,131 |
| **D | DEUTSCHE X-TRACKERS MSCI EMU HEDGED EQUITY ETF | 1,450 | 0 | 1,450 |
| **D | ING FUNDS SERVICES, LLC | 223,989 | 0 | 223,989 |
| **D | ADVANCED SERIES TRUST-AST QMA EMERGING MARKETS EQUITY PORTFOLIO | 148,743 | 0 | 148,743 |
| **D | ADVANCED SERIES TRUST-AST PRUDENTIAL GROWTH ALLOCATION PORTFOLIO | 9,767 | 0 | 9,767 |
| **D | BLACKROCK GLOBAL FUNDS | 863 | 0 | 863 |
| **D | STG PFDS V,D, GRAFISCHE | 105,000 | 0 | 105,000 |
| **D | RUSSELL SMALLER COMPANIES POOL | 19,672 | 0 | 19,672 |
| **D | ALASKA PERMANENT FUND CORPORATION | 1 | 0 | 1 |
| **D | THE CLEVELAND CLINIC FOUNDATION | 82,047 | 0 | 82,047 |
| **D | CN CANADIAN MASTER TRUST FUND , | 13,974 | 0 | 13,974 |
| **D | THE STATE OF CONNECTICUT ACTINGTHROUGH ITS TREASURER | 180,000 | 0 | 180,000 |
| **D | BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN | 2,183 | 0 | 2,183 |
| **D | FLORIDA RETIREMENT SYSTEM , | 281,198 | 0 | 281,198 |
| **D | LIBERTY MUTUAL RETIREMENT PLAN MASTER TRUST | 15,700 | 0 | 15,700 |
| **D | PROVINCE PF NEWFOUNLAND AND LABRADOR POOLED PENSION FUND | 1 | 0 | 1 |
| **D | NEW YORK STATE DEFERRED COMPENSATION PLAN | 122,850 | 0 | 122,850 |
| **D | BELL ATLANTIC MASTER TRUST | 65,031 | 0 | 65,031 |
| **D | INDIANA PUBLIC EMPLOYEES RETIREMENT FUND | 4,982 | 0 | 4,982 |
| **D | ARROWSTREET US GROUP TRUST | 47,392 | 0 | 47,392 |
| **D | TELUS FOREIGN EQUITY ACTIVE ALPHA POOL | 100,628 | 0 | 100,628 |
| **D | PUBLIC SECTOR PENSION INVESTMENT BOARD | 1 | 0 | 1 |
| **D | CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY | 51,756 | 0 | 51,756 |
| **D | UMC BENEFIT BOARD, INC | 15,911 | 0 | 15,911 |
| **D | UNISYS MASTER TRUST | 77,102 | 0 | 77,102 |
| **D | VERIZON MASTER SAVINGS TRUST , | 79,398 | 0 | 79,398 |
| **D | STICHTING PENSIOENFONDS HORECA & CATERING | 11,729 | 0 | 11,729 |
| **D | MINISTER FOR FINANCE (ISIF MANAGED AND CONTROLLED BY NTMA) | 1 | 0 | 1 |
| **D | CF DV ACWI EX-U,S, IMI FUND | 2,181 | 0 | 2,181 |
| **D | ROGERSCASEY TARGET SOLUTIONS LLC, | 10,604 | 0 | 10,604 |
| **D | FIRST INVESTORS GLOBAL FUND | 291,917 | 0 | 291,917 |
| **D | FIRST TRUST INTERNATIONAL IPO ETF | 1,782 | 0 | 1,782 |
| 782 | MORELLI CLAUDIO | 2,000 | 2,000 | 0 |
| 805 | VIOZZI DANIELE | 50 | 50 | 0 |
| 821 | CERASUOLO STEFANO | 5,000 | 5,000 | 0 |



| | | | |
|---|---|---|---|
| Shareholders: | 243 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 235 |

DE* Proxy to the natural person above mentioned with the badge number
**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")
RL* legal representation to the natural person above mentioned with the badge number

ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

### Subject: Allocation of the profits for the year 2014

**IN FAVOUR**

| Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|

| | |
|---|---|
| **Total vote** | 482,380,329 |
| **Percentage voters %** | 99.957396 |
| **Percentage Capital %** | 79.533028 |



| | | | |
|---|---|---|---|
| Shareholders: | 243 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 235 |

DE* Proxy to the natural person above mentioned with the badge number
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ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **2015 Compensation Policy**

no. **244** persons entitled to vote took part in the voting on own behalf or by proxy

no. **482,585,929** ordinary shares

**The counting of votes produced the following results:**

| | | **% of ordinary share capital present (Voting Quorum)** | **% of ordinary share entitled to vote** | **% share capital** |
|---|---|---|---|---|
| **In Favour** | 482,044,935 | 99.887897 | 99.887897 | 79.477730 |
| **Against** | 335,394 | 0.069499 | 0.069499 | 0.055298 |
| SubTotal | 482,380,329 | 99.957396 | 99.957396 | 79.533028 |
| **Abstentions** | 205,600 | 0.042604 | 0.042604 | 0.033899 |
| **Not Voting** | 0 | 0.000000 | 0.000000 | 0.000000 |
| SubTotal | 205,600 | 0.042604 | 0.042604 | 0.033899 |
| **Total** | 482,585,929 | 100.000000 | 100.000000 | 79.566927 |

| | | | |
|---|---|---|---|
| Shareholders: | 244 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 236 |

ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **2015 Compensation Policy**

**AGAINST**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| 4220 | TONELLI GIULIO | 0 | 0 | 0 |
| **D | FCP ERAFP ACT IND11 | 61,598 | 0 | 61,598 |
| **D | WYOMING RETIREMENT SYSTEM | 8,796 | 0 | 8,796 |
| **D | STICHTING PGGM DEPOSITARY | 265,000 | 0 | 265,000 |

**Total vote** 335,394
**Percentage voters %** 0.069499
**Percentage Capital %** 0.055298



| | | | | |
|---|---|---|---|---|
| Shareholders: | 3 | People: | 1 | DE* Proxy to the natural person above mentioned with the badge number |
| Shareholders on own behalf: | 0 | Shareholders by proxy: | 3 | **D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations") |
| | | | | RL* legal representation to the natural person above mentioned with the badge number |

ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **2015 Compensation Policy**

**ABSTENTIONS**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| 4220 | TONELLI GIULIO | 0 | 0 | 0 |
| **D | NATIONAL PENSION SERVICE | 205,600 | 0 | 205,600 |

**Total vote** 205,600
**Percentage voters %** 0.042604
**Percentage Capital %** 0.033899



| | | | |
|---|---|---|---|
| Shareholders: | 1 | People: | 1 |
| Shareholders on own behalf: | 0 | Shareholders by proxy: | 1 |

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ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **2015 Compensation Policy**

**NON VOTING**

| Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|

| | |
|---|---|
| **Total vote** | 0 |
| **Percentage voters %** | 0.000000 |
| **Percentage Capital %** | 0.000000 |



| | | | |
|---|---|---|---|
| Shareholders: | 0 | People: | 0 |
| Shareholders on own behalf: | 0 | Shareholders by proxy: | 0 |

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# ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

### Subject: **2015 Compensation Policy**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| 1389 | ANNIBALETTI ANGELO | 20,000 | 20,000 | 0 |
| 1436 | CASATI FEDERICO | 50 | 50 | 0 |
| 1570 | CAGLIA MARIA | 0 | 0 | 0 |
| DE* | UNICREDIT S.P.A. | 397,108,033 | 0 | 397,108,033 |
| 1908 | AMADEI STEFANO | 1,000 | 1,000 | 0 |
| 2205 | PISTONE UGO LUIGI | 1,000 | 1,000 | 0 |
| 3214 | GUERRA MAURO | 1,000 | 1,000 | 0 |
| 4220 | TONELLI GIULIO | 0 | 0 | 0 |
| **D | WELLINGTON MANAGEMENT PORTFOLIOS | 203,733 | 0 | 203,733 |
| **D | WELLINGTON MANAGNT PORTFOLIOS GLOB RESEA | 48,378 | 0 | 48,378 |
| **D | VANGUARD TOTAL WORLD STOCK INDEX FUND | 28,097 | 0 | 28,097 |
| **D | VANGUARD FTSE ALL WORD SMALL CAP IND FUN | 259,822 | 0 | 259,822 |
| **D | BBH&C BOS FOR PYRAM GR TRUST FOR EMPL EMERG MM COM | 59,389 | 0 | 59,389 |
| **D | WELLINGTON TRUST COMP,COMM TRUST INT OPP | 113,255 | 0 | 113,255 |
| **D | WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUITY PORTFOLIO | 8,875 | 0 | 8,875 |
| **D | JAPAN TRUSTEE SERVICES BANK LTD | 535,670 | 0 | 535,670 |
| **D | THE MASTER TRUST BANK OF JAPAN LTD | 233,920 | 0 | 233,920 |
| **D | BEST INVESTMENT CORPORATION | 3,372 | 0 | 3,372 |
| **D | SCHRODER INSTITUTIONAL POOLED FUNDS-EUROPEAN EQUITY FUND | 305,795 | 0 | 305,795 |
| **D | FCP CNP ACTIONS EUROPE SCHRODER | 499,752 | 0 | 499,752 |
| **D | AXA VALEURS EURO | 666,000 | 0 | 666,000 |
| **D | AXA OPTIMAL INCOME | 1,336,074 | 0 | 1,336,074 |
| **D | COLISEE IFC 1 FCP | 610,000 | 0 | 610,000 |
| **D | FCP AXIVA ACTION 1 | 285,000 | 0 | 285,000 |
| **D | FONDS RESERVE RETRAITES | 864,222 | 0 | 864,222 |
| **D | HENDERSON HORIZON FUND SICAV | 1,181,015 | 0 | 1,181,015 |
| **D | HENDERSON GARTMORE FUND | 309,348 | 0 | 309,348 |
| **D | ROBECO CAPITAL GROWTH FUNDS | 141,510 | 0 | 141,510 |
| **D | JPMORGAN FUNDS EUROPEAN BANK AND BC | 428,953 | 0 | 428,953 |
| **D | BLACKROCK INSTITUTIONAL POOLED FUND PLC | 1,782 | 0 | 1,782 |
| **D | VANGUARD INVESTMENT SERIES, PLC | 40,331 | 0 | 40,331 |
| **D | THE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTBJ400045842 | 1,916,769 | 0 | 1,916,769 |
| **D | BUREAU OF LABOR FUNDS-LABOR RETIREMENT FUND 10F NO,6 SEC,1 | 59,542 | 0 | 59,542 |
| **D | CHINA LIFE INSURANCE COMPANY LIMITED | 69,632 | 0 | 69,632 |



| | | | |
|---|---|---|---|
| Shareholders: | 240 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 232 |

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## ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

### Subject: **2015 Compensation Policy**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | FONDO CONSOLIDADO DE RESERVAS PREVISIONA | 40,126 | 0 | 40,126 |
| **D | COINVEST LIMITED | 13,015 | 0 | 13,015 |
| **D | SUPER FUNDS MANAG CORP SOUTH AUSTRALIA | 158,925 | 0 | 158,925 |
| **D | VANGUARD INTERNATIONAL SMALL COMPANIES I | 17,197 | 0 | 17,197 |
| **D | THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST | 136,785 | 0 | 136,785 |
| **D | ONEPATH GLOBAL SHARES - SMALL CAP UNHEDGED) INDEXPOOL | 7,474 | 0 | 7,474 |
| **D | TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK | 82,345 | 0 | 82,345 |
| **D | WYOMING RETIREMENT SYSTEM | 3,844 | 0 | 3,844 |
| **D | CURIAN/WMC INTERNATIONAL EQUITY FUND | 365,544 | 0 | 365,544 |
| **D | PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OH | 71,411 | 0 | 71,411 |
| **D | VANGUARD TOTAL INTERNATIONAL STOCK INDEX | 1,522,636 | 0 | 1,522,636 |
| **D | VANGUARD INTERNATIONAL EXPLORER FUND | 1,900,000 | 0 | 1,900,000 |
| **D | MI-FONDS 392 | 277,833 | 0 | 277,833 |
| **D | JPMORGAN EUROPEAN INVESTMENT TRUST PLC | 55,149 | 0 | 55,149 |
| **D | TRUST AND CUSTODY SERVICED BANK LIMITED | 66,207 | 0 | 66,207 |
| **D | JAPAN TRUSTEE SERVICES BANK LTD AS TRUST | 5,549 | 0 | 5,549 |
| **D | ENTERGY CORP,RETIREMENT PLANS MASTER TR, | 228,211 | 0 | 228,211 |
| **D | NEW YORK LIFE INSURANCE COMPANY | 29,310 | 0 | 29,310 |
| **D | RBC CANADIAN MASTER TRUST | 171,184 | 0 | 171,184 |
| **D | REGIME DE RETRAITE D HYDRO QUEBEC | 117,732 | 0 | 117,732 |
| **D | TEACHERS PENSION PLAN & PRIVATE SCHOOL | 774,281 | 0 | 774,281 |
| **D | TR EUROPEN GROWTH TRUST PLC | 1,036,081 | 0 | 1,036,081 |
| **D | HSBC GLOBAL INVESTMENT FUNDS | 1,170,000 | 0 | 1,170,000 |
| **D | GLG PARTNERS | 13,632 | 0 | 13,632 |
| **D | LOMBARD ODIER FUNDS (SWITZERLAND) SA | 44,454 | 0 | 44,454 |
| **D | HSBC INTERNATIONAL SELECT FUND | 5,400 | 0 | 5,400 |
| **D | SCHRODER INTERNATIONAL SELECTION FUND | 6,643,128 | 0 | 6,643,128 |
| **D | SCHRODER EUROPEAN SMALLER COMPANIES FUND | 376,881 | 0 | 376,881 |
| **D | SHROEDER INSTITUTIONAL EUROPEAN FUND | 845,644 | 0 | 845,644 |
| **D | PUBLIC EMPLOYEES RETIREMENT ASSOCIATION | 80,000 | 0 | 80,000 |
| **D | SCHRODER CAPITAL MANAGEMENT COLLECTIVE TRUST | 200,000 | 0 | 200,000 |
| **D | SCHRODER INTERNATIONAL SMALL COMPANIES P | 150,000 | 0 | 150,000 |
| **D | NIGOSC ADMINISTERS NILG PENSION FUND | 92,268 | 0 | 92,268 |
| **D | PIONEER INVESTMENT MANAGEMENT SGRPA / AZIONARIO CRESCITA | 742,063 | 0 | 742,063 |



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|---|---|---|---|
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## ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

### Subject: **2015 Compensation Policy**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | METZLER INTERNATIONAL INVEST PLC | 1,123,000 | 0 | 1,123,000 |
| **D | NUMERIC INVESTORS LLC | 7,700 | 0 | 7,700 |
| **D | AXA INVEST MANAGERS PARIS | 762,000 | 0 | 762,000 |
| **D | CIPAV ALOIS MARGARETH HENRIAU | 196,710 | 0 | 196,710 |
| **D | NUMERIC ABSOLUTE RETURN FUND LP NUMERIC INVESTORS LIMITED LIABILITY COMPANY | 1,000 | 0 | 1,000 |
| **D | CANADIAN BROADCASTING CORPORATION PENSION PLAN | 80,000 | 0 | 80,000 |
| **D | LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED | 6,845 | 0 | 6,845 |
| **D | THREADNEEDLE INVESTMENT FUNDS ICVC PAN EUROPEAN SMALLER COMPANIES FUND | 5,469,926 | 0 | 5,469,926 |
| **D | SIEFOREBANAMEXBASICA2SADECV | 251,002 | 0 | 251,002 |
| **D | THREADNEEDLE INVESTMENT FUNDS ICVC EUROPEAN SMALLER COMPANIES FUND | 5,390,134 | 0 | 5,390,134 |
| **D | SIEFOREBANAMEXBASICA4SADECV | 313,753 | 0 | 313,753 |
| **D | SIEFOREBANAMEXBASICA3SADECV | 288,652 | 0 | 288,652 |
| **D | STATE TEACHERS RETIREMENT SYSTEM OF OHIO | 137,684 | 0 | 137,684 |
| **D | CITIBANK KOREA INC | 1,037,271 | 0 | 1,037,271 |
| **D | MACQUARIE INVESTMENT MANAGEMENT LIMITED | 6,545 | 0 | 6,545 |
| **D | UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII | 25,082 | 0 | 25,082 |
| **D | THREADNEEDLE (LUX | 800,712 | 0 | 800,712 |
| **D | GOVERNMENT OF NORWAY | 5,921,587 | 0 | 5,921,587 |
| **D | FEDERATED KAUFMANN SMALL CAP FUND | 708,000 | 0 | 708,000 |
| **D | SCHWAB INTERNATIONAL SMALL-CAP EQUITY ETF | 50,086 | 0 | 50,086 |
| **D | JOHN HANCOCK SEAPORT FUND | 118,020 | 0 | 118,020 |
| **D | WELLINGTON MNGM PTF (CANADA) GLOBAL OPPORTUNITIES PTF | 10,738 | 0 | 10,738 |
| **D | INTERNATIONAL MONETARY FUND | 2,140 | 0 | 2,140 |
| **D | GMAM INVESTMENT FUNDS TRUST | 135,986 | 0 | 135,986 |
| **D | ARTISAN GLOBAL SMALL CAP FUND | 227,066 | 0 | 227,066 |
| **D | STATE OF ALASKA RETIREMENT AND BENEFITS PLANS | 116,413 | 0 | 116,413 |
| **D | BLACKSTONE ALTERNATIVE MULTI-MANAGER FUND | 144,464 | 0 | 144,464 |
| **D | BLACKSTONE ALTERNATIVE MULTI-STRATEGY FUND | 134,199 | 0 | 134,199 |
| **D | EAST RIDING PENSION FUND | 219,331 | 0 | 219,331 |
| **D | PYRAMIS CONCENTRATED INTERNATIONAL SMALL CAP TRUST | 181,490 | 0 | 181,490 |
| **D | UAW RETIREE MEDICAL BENEFITS TRUST | 90,710 | 0 | 90,710 |
| **D | THE GENERAL MOTORS CANADIAN HOURLY-RATE EMPL PENSION PLAN | 42,610 | 0 | 42,610 |
| **D | THE GENERAL MOTORS CANAD RETIREMENT PROGR FOR SALARIED EMPL | 10,815 | 0 | 10,815 |
| **D | HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND | 1,106,930 | 0 | 1,106,930 |



| | | | |
|---|---|---|---|
| Shareholders: | 240 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 232 |

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**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")
RL* legal representation to the natural person above mentioned with the badge number

# ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

Subject: **2015 Compensation Policy**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND | 1,089,954 | 0 | 1,089,954 |
| **D | THE HARTFORDGLOBAL ALL- ASSET FUND | 56,097 | 0 | 56,097 |
| **D | HARTFORD HEALTHCARE ENDOWMENT LLC | 18,092 | 0 | 18,092 |
| **D | HARTFORD HEALTHCARE CORP DEFINED BENEFIT MASTER TR AGREEMENT | 24,743 | 0 | 24,743 |
| **D | TCW INTERNATIONAL SMALL CAP FUND | 35,149 | 0 | 35,149 |
| **D | TCW INTERNATIONAL GROWTH FUND | 4,500 | 0 | 4,500 |
| **D | ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO | 9,960 | 0 | 9,960 |
| **D | ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM | 78,810 | 0 | 78,810 |
| **D | HENKEL OF AMERICA MASTER RETIREMENT TRUST | 24,125 | 0 | 24,125 |
| **D | MERCER QIF CCF | 1,555,252 | 0 | 1,555,252 |
| **D | ASHWOOD INVESTMENTS LIMITED | 6,315 | 0 | 6,315 |
| **D | COSMIC INVESTMENT FUND | 391,675 | 0 | 391,675 |
| **D | CITY OF NEW YORK GROUP TRUST | 62,844 | 0 | 62,844 |
| **D | WELLINGTON MNGT PTF (CAYMAN)-GL OPP EX-JAPAN PTF F QUA INST IN | 60,538 | 0 | 60,538 |
| **D | BNY MELLON TR+DEP ATF ST, JAMES`S PLACE MNGD GROWTH UNIT TR | 1,153,285 | 0 | 1,153,285 |
| **D | HONG KONG SPECIAL ADMINISTRATIVE REGION GOVERNMENT-EXCHANGE F | 218,414 | 0 | 218,414 |
| **D | BIMCOR GLOBAL EQUITY POOLED FUND | 31,619 | 0 | 31,619 |
| **D | MINISTRY OF STRATEGY AND FINANCE | 154,828 | 0 | 154,828 |
| **D | SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY | 20,546 | 0 | 20,546 |
| **D | CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM | 663,768 | 0 | 663,768 |
| **D | CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM | 171,493 | 0 | 171,493 |
| **D | STATE OF TENNESSEE CONSOLIDATED RETIREMENT SYSTEM | 311,857 | 0 | 311,857 |
| **D | SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST | 44,069 | 0 | 44,069 |
| **D | THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST | 367,659 | 0 | 367,659 |
| **D | THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF | 84,333 | 0 | 84,333 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF | 109,424 | 0 | 109,424 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II | 354,717 | 0 | 354,717 |
| **D | WASHINGTON STATE INVESTMENT BOARD | 96,690 | 0 | 96,690 |
| **D | PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY | 496,801 | 0 | 496,801 |
| **D | WELLINGTON MANAGEMENT PORTFOLIOS (DUBLIN) PLC | 11,927 | 0 | 11,927 |
| **D | SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL | 295,099 | 0 | 295,099 |
| **D | AXA WORLD FUNDS | 9,707,811 | 0 | 9,707,811 |
| **D | GOLDMAN SACHS FUNDS | 2,923 | 0 | 2,923 |
| **D | MARCH FUND | 38,196 | 0 | 38,196 |



| | | | |
|---|---|---|---|
| Shareholders: | 240 | People: | 10 |
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ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **2015 Compensation Policy**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | UBS ETF | 15,719 | 0 | 15,719 |
| **D | ISHARES MSCI EAFE SMALL CAP ETF | 117,300 | 0 | 117,300 |
| **D | ISHARES DEVELOPED SMALL-CAP EX NORTH AMERICA ETF | 7,054 | 0 | 7,054 |
| **D | BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR | 976,493 | 0 | 976,493 |
| **D | ISHARES CORE MSCI EAFE ETF | 93,004 | 0 | 93,004 |
| **D | ISHARES CORE MSCI EAFE IMI INDEX ETF | 5,341 | 0 | 5,341 |
| **D | ISHARES MSCI EUROPE IMI INDEX ETF | 3,907 | 0 | 3,907 |
| **D | ISHARES MSCI EUROPE IMI ETF | 8,208 | 0 | 8,208 |
| **D | BLACKROCK CDN ACWI ALPHA TILTS FUND | 1,609 | 0 | 1,609 |
| **D | RUSSELL DEVELOPED EX-U,S, LARGE CAP INDEX FUND B | 1,917 | 0 | 1,917 |
| **D | WORLD ALPHA TILTS NON-LENDABLE FUND B | 757 | 0 | 757 |
| **D | BGI MSCI EAFE SMALL CAP EQUITY INDEX FUND B | 69,755 | 0 | 69,755 |
| **D | BGI MSCI EMU IMI INDEX FUND B | 312 | 0 | 312 |
| **D | BLACKROCK GLOBAL MARKET INSIGHT FUND B | 801 | 0 | 801 |
| **D | GLOBAL ALPHA TILTS FUND B | 1,598 | 0 | 1,598 |
| **D | BLACKROCK MSCI WORLD SMALL CAP EQ ESG SCREENED INDEX FUND B | 5,037 | 0 | 5,037 |
| **D | INTERNATIONAL ALPHA TILTS FUND B | 1,488 | 0 | 1,488 |
| **D | GLOBAL EX US ALPHA TILTS FUND B | 950 | 0 | 950 |
| **D | BP PENSION FUND | 846,500 | 0 | 846,500 |
| **D | RUSSELL INVESTMENT COMPANY II PLC | 18,500 | 0 | 18,500 |
| **D | INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST | 70,600 | 0 | 70,600 |
| **D | KINGFISHER PENSION SCHEME | 23,872 | 0 | 23,872 |
| **D | OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM | 240,752 | 0 | 240,752 |
| **D | COLLEGE RETIREMENT EQUITIES FUND | 214,462 | 0 | 214,462 |
| **D | TRANSAMERICA INTERNATIONAL SMALL CAP | 750,000 | 0 | 750,000 |
| **D | SPDR S+P INTERNATIONAL MIDCAP ETF | 13,723 | 0 | 13,723 |
| **D | RUSSELL INVESTMENT COMPANY PLC | 6,600 | 0 | 6,600 |
| **D | MULTI-STYLE, MULTI-MANAGER FUNDS PLC | 113,150 | 0 | 113,150 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF | 174,516 | 0 | 174,516 |
| **D | GOVERNMENT INSTITUTIONS PENSION FUND | 130,092 | 0 | 130,092 |
| **D | THE WELLINGTON TR CO, NAT ASS MULT COMM TR F TR, INT RES EQ F | 27,188 | 0 | 27,188 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COMM TR F TR GLB RES EQ PTF | 9,712 | 0 | 9,712 |
| **D | MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F | 39,648 | 0 | 39,648 |
| **D | ISHARES VII PLC | 225,323 | 0 | 225,323 |



| | | | |
|---|---|---|---|
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ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **2015 Compensation Policy**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F | 923 | 0 | 923 |
| **D | MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST | 54,673 | 0 | 54,673 |
| **D | NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND | 7,451 | 0 | 7,451 |
| **D | EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS | 70,448 | 0 | 70,448 |
| **D | AXIOM INVESTORS TRUST II | 11,961 | 0 | 11,961 |
| **D | INTERNATIONAL MONETARY FUND STAFF RETIREMENT PLAN | 76,947 | 0 | 76,947 |
| **D | INTERNATIONAL MONETARU FUND STAFF RETIREMENT PLAN | 13,103 | 0 | 13,103 |
| **D | NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P,R,C | 18,050 | 0 | 18,050 |
| **D | MICROSOFT GLOBAL FINANCE | 200,000 | 0 | 200,000 |
| **D | STATES UNIVERSITIES RETIREMENT SYSTEM | 59,562 | 0 | 59,562 |
| **D | NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST | 195,608 | 0 | 195,608 |
| **D | TYCO ELECTRONICS DEFINED BENEFIT PLANS MASTER TRUST | 18,124 | 0 | 18,124 |
| **D | NEW ZEALAND SUPERANNUATION FUND | 20,550 | 0 | 20,550 |
| **D | GENERAL PENSION AND SOCIAL SECURITY AUTHORITY | 134,082 | 0 | 134,082 |
| **D | LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM | 21,464 | 0 | 21,464 |
| **D | CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN | 36,807 | 0 | 36,807 |
| **D | SAN FRANCISCO CITY & COUNTY EMPLOYEES` RETIREMENT SYSTEM | 62,376 | 0 | 62,376 |
| **D | UTAH STATE RETIREMENT SYSTEMS | 11,131 | 0 | 11,131 |
| **D | WHEELS COMMON INVESTMENT FUND | 5,543 | 0 | 5,543 |
| **D | ZURICH FINANCIAL SERVICES UK PENSION SCHEME | 445,869 | 0 | 445,869 |
| **D | UNILEVER UK PENSION FUND | 1,031,459 | 0 | 1,031,459 |
| **D | PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO | 34,658 | 0 | 34,658 |
| **D | MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO | 23,784 | 0 | 23,784 |
| **D | ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND | 30,871 | 0 | 30,871 |
| **D | UNIVEST | 454,562 | 0 | 454,562 |
| **D | SICAV BBM V-FLEX | 36,092 | 0 | 36,092 |
| **D | FCP BEST BUSINESS MODELS | 500,000 | 0 | 500,000 |
| **D | I,2,C, ACTIONS | 540,000 | 0 | 540,000 |
| **D | FCP VILLIERS DIAPASON | 28,850 | 0 | 28,850 |
| **D | FCP RSI EURO P | 238,007 | 0 | 238,007 |
| **D | SLI GLOBAL SICAV GLOBAL FOCUSEDSTRATEGIES FUND | 48,117 | 0 | 48,117 |
| **D | PRUDENTIAL SECTOR FUNDS INC PRUDENTIAL FINANCIAL SERVICE | 642,387 | 0 | 642,387 |
| **D | INVESCO FUNDS | 248,740 | 0 | 248,740 |
| **D | THE BANK OF KOREA | 1 | 0 | 1 |



| | | | |
|---|---|---|---|
| Shareholders: | 240 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 232 |

DE* Proxy to the natural person above mentioned with the badge number
**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")
RL* legal representation to the natural person above mentioned with the badge number

ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **2015 Compensation Policy**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | WMP OPPORTUNISTIC INVESTMENT PARTNERS, L,P, | 27,554 | 0 | 27,554 |
| **D | INVESCO FUNDS SERIES 4 | 2,744,241 | 0 | 2,744,241 |
| **D | ADVANCED SERIES TRUST -AST FI PYRAMIS QUANTITATIVE PORTFOLIO | 97,276 | 0 | 97,276 |
| **D | BLACKROCK LIFE LIMITED | 5,131 | 0 | 5,131 |
| **D | DEUTSCHE X-TRACKERS MSCI EMU HEDGED EQUITY ETF | 1,450 | 0 | 1,450 |
| **D | ING FUNDS SERVICES, LLC | 223,989 | 0 | 223,989 |
| **D | ADVANCED SERIES TRUST-AST QMA EMERGING MARKETS EQUITY PORTFOLIO | 148,743 | 0 | 148,743 |
| **D | ADVANCED SERIES TRUST-AST PRUDENTIAL GROWTH ALLOCATION PORTFOLIO | 9,767 | 0 | 9,767 |
| **D | BLACKROCK GLOBAL FUNDS | 863 | 0 | 863 |
| **D | STG PFDS V,D, GRAFISCHE | 105,000 | 0 | 105,000 |
| **D | RUSSELL SMALLER COMPANIES POOL | 19,672 | 0 | 19,672 |
| **D | ALASKA PERMANENT FUND CORPORATION | 1 | 0 | 1 |
| **D | THE CLEVELAND CLINIC FOUNDATION | 82,047 | 0 | 82,047 |
| **D | CN CANADIAN MASTER TRUST FUND , | 13,974 | 0 | 13,974 |
| **D | THE STATE OF CONNECTICUT ACTINGTHROUGH ITS TREASURER | 180,000 | 0 | 180,000 |
| **D | BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN | 2,183 | 0 | 2,183 |
| **D | FLORIDA RETIREMENT SYSTEM . | 281,198 | 0 | 281,198 |
| **D | LIBERTY MUTUAL RETIREMENT PLAN MASTER TRUST | 15,700 | 0 | 15,700 |
| **D | PROVINCE PF NEWFOUNLAND AND LABRADOR POOLED PENSION FUND | 1 | 0 | 1 |
| **D | NEW YORK STATE DEFERRED COMPENSATION PLAN | 122,850 | 0 | 122,850 |
| **D | BELL ATLANTIC MASTER TRUST | 65,031 | 0 | 65,031 |
| **D | INDIANA PUBLIC EMPLOYEES RETIREMENT FUND | 4,982 | 0 | 4,982 |
| **D | ARROWSTREET US GROUP TRUST | 47,392 | 0 | 47,392 |
| **D | TELUS FOREIGN EQUITY ACTIVE ALPHA POOL | 100,628 | 0 | 100,628 |
| **D | PUBLIC SECTOR PENSION INVESTMENT BOARD | 1 | 0 | 1 |
| **D | CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY | 51,756 | 0 | 51,756 |
| **D | UMC BENEFIT BOARD, INC | 15,911 | 0 | 15,911 |
| **D | UNISYS MASTER TRUST | 77,102 | 0 | 77,102 |
| **D | VERIZON MASTER SAVINGS TRUST . | 79,398 | 0 | 79,398 |
| **D | STICHTING PENSIOENFONDS HORECA & CATERING | 11,729 | 0 | 11,729 |
| **D | MINISTER FOR FINANCE (ISIF MANAGED AND CONTROLLED BY NTMA) | 1 | 0 | 1 |
| **D | CF DV ACWI EX-U,S, IMI FUND | 2,181 | 0 | 2,181 |
| **D | ROGERSCASEY TARGET SOLUTIONS LLC. | 10,604 | 0 | 10,604 |
| **D | FIRST INVESTORS GLOBAL FUND | 291,917 | 0 | 291,917 |



| | | | |
|---|---|---|---|
| Shareholders: | 240 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 232 |

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ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **2015 Compensation Policy**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | FIRST TRUST INTERNATIONAL IPO ETF | 1,782 | 0 | 1,782 |
| 782 | MORELLI CLAUDIO | 2,000 | 2,000 | 0 |
| 805 | VIOZZI DANIELE | 50 | 50 | 0 |
| 821 | CERASUOLO STEFANO | 5,000 | 5,000 | 0 |

| | |
|---|---|
| **Total vote** | 482,044,935 |
| **Percentage voters %** | 99.887897 |
| **Percentage Capital %** | 79.477730 |



| | | | |
|---|---|---|---|
| Shareholders: | 240 | People: | 10 |
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ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Severance Payments Policy**

no. **244** persons entitled to vote took part in the voting on own behalf or by proxy

no. **482,585,929** ordinary shares

**The counting of votes produced the following results:**

| | | % of ordinary share capital present (Voting Quorum) | % of ordinary share entitled to vote | % share capital |
|---|---|---|---|---|
| **In Favour** | 481,562,695 | 99.787969 | 99.787969 | 79.398220 |
| **Against** | 817,634 | 0.169428 | 0.169428 | 0.134808 |
| SubTotal | 482,380,329 | 99.957396 | 99.957396 | 79.533028 |
| **Abstentions** | 205,600 | 0.042604 | 0.042604 | 0.033899 |
| **Non Voting** | 0 | 0.000000 | 0.000000 | 0.000000 |
| SubTotal | 205,600 | 0.042604 | 0.042604 | 0.033899 |
| **Total** | 482,585,929 | 100.000000 | 100.000000 | 79.566927 |

| | | | |
|---|---|---|---|
| Shareholders: | 244 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 236 |

ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Severance Payments Policy**

**AGAINST**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| 4220 | TONELLI GIULIO | 0 | 0 | 0 |
| **D | FCP ERAFP ACT IND11 | 61,598 | 0 | 61,598 |
| **D | NIGOSC ADMINISTERS NILG PENSION FUND | 92,268 | 0 | 92,268 |
| **D | CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM | 663,768 | 0 | 663,768 |

**Total vote** 817,634
**Percentage voters %** 0.169428
**Percentage Capital %** 0.134808



| | | | | | |
|---|---|---|---|---|---|
| Shareholders: | 3 | People: | 1 | DE* Proxy to the natural person above mentioned with the badge number |
| Shareholders on own behalf: | 0 | Shareholders by proxy: | 3 | **D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations") |
| | | | | RL* legal representation to the natural person above mentioned with the badge number |

# ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

Subject: **Severance Payments Policy**

### ABSTENTIONS

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| 4220 | TONELLI GIULIO | 0 | 0 | 0 |
| **D | NATIONAL PENSION SERVICE | 205,600 | 0 | 205,600 |

| | |
|---|---|
| **Total vote** | 205,600 |
| **Percentage voters %** | 0.042604 |
| **Percentage Capital %** | 0.033899 |



| | | | |
|---|---|---|---|
| Shareholders: | 1 | People: | 1 |
| Shareholders on own behalf: | 0 | Shareholders by proxy: | 1 |

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ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Severance Payments Policy**

**NOT VOTING**

| Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|

**Total vote** 0
**Percentage voters %** 0.000000
**Percentage Capital %** 0.000000



| | | | | |
|---|---|---|---|---|
| Shareholders: | 0 | People: | 0 | DE* Proxy to the natural person above mentioned with the badge number |
| Shareholders on own behalf: | 0 | Shareholders by proxy: | 0 | **D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations") |
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# ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

# RESULTS OF VOTING

## Subject: **Severance Payments Policy**

### IN FAVOUR

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| 1389 | ANNIBALETTI ANGELO | 20,000 | 20,000 | 0 |
| 1436 | CASATI FEDERICO | 50 | 50 | 0 |
| 1570 | CAGLIA MARIA | 0 | 0 | 0 |
| DE* | UNICREDIT S.P.A. | 397,108,033 | 0 | 397,108,033 |
| 1908 | AMADEI STEFANO | 1,000 | 1,000 | 0 |
| 2205 | PISTONE UGO LUIGI | 1,000 | 1,000 | 0 |
| 3214 | GUERRA MAURO | 1,000 | 1,000 | 0 |
| 4220 | TONELLI GIULIO | 0 | 0 | 0 |
| **D | WELLINGTON MANAGEMENT PORTFOLIOS | 203,733 | 0 | 203,733 |
| **D | WELLINGTON MANAGNT PORTFOLIOS GLOB RESEA | 48,378 | 0 | 48,378 |
| **D | VANGUARD TOTAL WORLD STOCK INDEX FUND | 28,097 | 0 | 28,097 |
| **D | VANGUARD FTSE ALL WORD SMALL CAP IND FUN | 259,822 | 0 | 259,822 |
| **D | BBH&C BOS FOR PYRAM GR TRUST FOR EMPL EMERG MM COM | 59,389 | 0 | 59,389 |
| **D | WELLINGTON TRUST COMP,COMM TRUST INT OPP | 113,255 | 0 | 113,255 |
| **D | WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUITY PORTFOLIO | 8,875 | 0 | 8,875 |
| **D | JAPAN TRUSTEE SERVICES BANK LTD | 535,670 | 0 | 535,670 |
| **D | THE MASTER TRUST BANK OF JAPAN LTD | 233,920 | 0 | 233,920 |
| **D | BEST INVESTMENT CORPORATION | 3,372 | 0 | 3,372 |
| **D | SCHRODER INSTITUTIONAL POOLED FUNDS-EUROPEAN EQUITY FUND | 305,795 | 0 | 305,795 |
| **D | FCP CNP ACTIONS EUROPE SCHRODER | 499,752 | 0 | 499,752 |
| **D | AXA VALEURS EURO | 666,000 | 0 | 666,000 |
| **D | AXA OPTIMAL INCOME | 1,336,074 | 0 | 1,336,074 |
| **D | COLISEE IFC 1 FCP | 610,000 | 0 | 610,000 |
| **D | FCP AXIVA ACTION 1 | 285,000 | 0 | 285,000 |
| **D | FONDS RESERVE RETRAITES | 864,222 | 0 | 864,222 |
| **D | HENDERSON HORIZON FUND SICAV | 1,181,015 | 0 | 1,181,015 |
| **D | HENDERSON GARTMORE FUND | 309,348 | 0 | 309,348 |
| **D | ROBECO CAPITAL GROWTH FUNDS | 141,510 | 0 | 141,510 |
| **D | JPMORGAN FUNDS EUROPEAN BANK AND BC | 428,953 | 0 | 428,953 |
| **D | BLACKROCK INSTITUTIONAL POOLED FUND PLC | 1,782 | 0 | 1,782 |
| **D | VANGUARD INVESTMENT SERIES, PLC | 40,331 | 0 | 40,331 |
| **D | THE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTBJ400045842 | 1,916,769 | 0 | 1,916,769 |
| **D | BUREAU OF LABOR FUNDS-LABOR RETIREMENT FUND 10F NO,6 SEC,1 | 59,542 | 0 | 59,542 |
| **D | CHINA LIFE INSURANCE COMPANY LIMITED | 69,632 | 0 | 69,632 |
| **D | FONDO CONSOLIDADO DE RESERVAS PREVISIONA | 40,126 | 0 | 40,126 |



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|---|---|---|---|
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ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Severance Payments Policy**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | COINVEST LIMITED | 13,015 | 0 | 13,015 |
| **D | SUPER FUNDS MANAG CORP SOUTH AUSTRALIA | 158,925 | 0 | 158,925 |
| **D | VANGUARD INTERNATIONAL SMALL COMPANIES I | 17,197 | 0 | 17,197 |
| **D | THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST | 136,785 | 0 | 136,785 |
| **D | ONEPATH GLOBAL SHARES - SMALL CAP UNHEDGED) INDEXPOOL | 7,474 | 0 | 7,474 |
| **D | TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK | 82,345 | 0 | 82,345 |
| **D | WYOMING RETIREMENT SYSTEM | 3,844 | 0 | 3,844 |
| **D | WYOMING RETIREMENT SYSTEM | 8,796 | 0 | 8,796 |
| **D | CURIAN/WMC INTERNATIONAL EQUITY FUND | 365,544 | 0 | 365,544 |
| **D | PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OH | 71,411 | 0 | 71,411 |
| **D | VANGUARD TOTAL INTERNATIONAL STOCK INDEX | 1,522,636 | 0 | 1,522,636 |
| **D | VANGUARD INTERNATIONAL EXPLORER FUND | 1,900,000 | 0 | 1,900,000 |
| **D | MI-FONDS 392 | 277,833 | 0 | 277,833 |
| **D | JPMORGAN EUROPEAN INVESTMENT TRUST PLC | 55,149 | 0 | 55,149 |
| **D | TRUST AND CUSTODY SERVICED BANK LIMITED | 66,207 | 0 | 66,207 |
| **D | JAPAN TRUSTEE SERVICES BANK LTD AS TRUST | 5,549 | 0 | 5,549 |
| **D | ENTERGY CORP,RETIREMENT PLANS MASTER TR, | 228,211 | 0 | 228,211 |
| **D | NEW YORK LIFE INSURANCE COMPANY | 29,310 | 0 | 29,310 |
| **D | RBC CANADIAN MASTER TRUST | 171,184 | 0 | 171,184 |
| **D | REGIME DE RETRAITE D HYDRO QUEBEC | 117,732 | 0 | 117,732 |
| **D | TEACHERS PENSION PLAN & PRIVATE SCHOOL | 774,281 | 0 | 774,281 |
| **D | TR EUROPEN GROWTH TRUST PLC | 1,036,081 | 0 | 1,036,081 |
| **D | HSBC GLOBAL INVESTMENT FUNDS | 1,170,000 | 0 | 1,170,000 |
| **D | GLG PARTNERS | 13,632 | 0 | 13,632 |
| **D | LOMBARD ODIER FUNDS (SWITZERLAND) SA | 44,454 | 0 | 44,454 |
| **D | HSBC INTERNATIONAL SELECT FUND | 5,400 | 0 | 5,400 |
| **D | SCHRODER INTERNATIONAL SELECTION FUND | 6,643,128 | 0 | 6,643,128 |
| **D | SCHRODER EUROPEAN SMALLER COMPANIES FUND | 376,881 | 0 | 376,881 |
| **D | SHROEDER INSTITUTIONAL EUROPEAN FUND | 845,644 | 0 | 845,644 |
| **D | PUBLIC EMPLOYEES RETIREMENT ASSOCIATION | 80,000 | 0 | 80,000 |
| **D | SCHRODER CAPITAL MANAGEMENT COLLECTIVE TRUST | 200,000 | 0 | 200,000 |
| **D | SCHRODER INTERNATIONAL SMALL COMPANIES P | 150,000 | 0 | 150,000 |
| **D | PIONEER INVESTMENT MANAGEMENT SGRPA / AZIONARIO CRESCITA | 742,063 | 0 | 742,063 |
| **D | METZLER INTERNATIONAL INVEST PLC | 1,123,000 | 0 | 1,123,000 |
| **D | NUMERIC INVESTORS LLC | 7,700 | 0 | 7,700 |



| | | | |
|---|---|---|---|
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# ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

# RESULTS OF VOTING

## Subject: **Severance Payments Policy**

### IN FAVOUR

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | AXA INVEST MANAGERS PARIS | 762,000 | 0 | 762,000 |
| **D | CIPAV ALOIS MARGARETH HENRIAU | 196,710 | 0 | 196,710 |
| **D | NUMERIC ABSOLUTE RETURN FUND LP NUMERIC INVESTORS LIMITED LIABILITY COMPANY | 1,000 | 0 | 1,000 |
| **D | CANADIAN BROADCASTING CORPORATION PENSION PLAN | 80,000 | 0 | 80,000 |
| **D | LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED | 6,845 | 0 | 6,845 |
| **D | THREADNEEDLE INVESTMENT FUNDS ICVC PAN EUROPEAN SMALLER COMPANIES FUND | 5,469,926 | 0 | 5,469,926 |
| **D | SIEFOREBANAMEXBASICA2SADECV | 251,002 | 0 | 251,002 |
| **D | THREADNEEDLE INVESTMENT FUNDS ICVC EUROPEAN SMALLER COMPANIES FUND | 5,390,134 | 0 | 5,390,134 |
| **D | SIEFOREBANAMEXBASICA4SADECV | 313,753 | 0 | 313,753 |
| **D | SIEFOREBANAMEXBASICA3SADECV | 288,652 | 0 | 288,652 |
| **D | STATE TEACHERS RETIREMENT SYSTEM OF OHIO | 137,684 | 0 | 137,684 |
| **D | CITIBANK KOREA INC | 1,037,271 | 0 | 1,037,271 |
| **D | STICHTING PGGM DEPOSITARY | 265,000 | 0 | 265,000 |
| **D | MACQUARIE INVESTMENT MANAGEMENT LIMITED | 6,545 | 0 | 6,545 |
| **D | UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII | 25,082 | 0 | 25,082 |
| **D | THREADNEEDLE (LUX | 800,712 | 0 | 800,712 |
| **D | GOVERNMENT OF NORWAY | 5,921,587 | 0 | 5,921,587 |
| **D | FEDERATED KAUFMANN SMALL CAP FUND | 708,000 | 0 | 708,000 |
| **D | SCHWAB INTERNATIONAL SMALL-CAP EQUITY ETF | 50,086 | 0 | 50,086 |
| **D | JOHN HANCOCK SEAPORT FUND | 118,020 | 0 | 118,020 |
| **D | WELLINGTON MNGM PTF (CANADA) GLOBAL OPPORTUNITIES PTF | 10,738 | 0 | 10,738 |
| **D | INTERNATIONAL MONETARY FUND | 2,140 | 0 | 2,140 |
| **D | GMAM INVESTMENT FUNDS TRUST | 135,986 | 0 | 135,986 |
| **D | ARTISAN GLOBAL SMALL CAP FUND | 227,066 | 0 | 227,066 |
| **D | STATE OF ALASKA RETIREMENT AND BENEFITS PLANS | 116,413 | 0 | 116,413 |
| **D | BLACKSTONE ALTERNATIVE MULTI-MANAGER FUND | 144,464 | 0 | 144,464 |
| **D | BLACKSTONE ALTERNATIVE MULTI-STRATEGY FUND | 134,199 | 0 | 134,199 |
| **D | EAST RIDING PENSION FUND | 219,331 | 0 | 219,331 |
| **D | PYRAMIS CONCENTRATED INTERNATIONAL SMALL CAP TRUST | 181,490 | 0 | 181,490 |
| **D | UAW RETIREE MEDICAL BENEFITS TRUST | 90,710 | 0 | 90,710 |
| **D | THE GENERAL MOTORS CANADIAN HOURLY-RATE EMPL PENSION PLAN | 42,610 | 0 | 42,610 |
| **D | THE GENERAL MOTORS CANAD RETIREMENT PROGR FOR SALARIED EMPL | 10,815 | 0 | 10,815 |
| **D | HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND | 1,106,930 | 0 | 1,106,930 |
| **D | THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND | 1,089,954 | 0 | 1,089,954 |
| **D | THE HARTFORDGLOBAL ALL- ASSET FUND | 56,097 | 0 | 56,097 |



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|---|---|---|---|
| Shareholders: | 240 | People: | 10 |
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RL* legal representation to the natural person above mentioned with the badge number

# ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

# RESULTS OF VOTING

## Subject: **Severance Payments Policy**

### IN FAVOUR

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | HARTFORD HEALTHCARE ENDOWMENT LLC | 18,092 | 0 | 18,092 |
| **D | HARTFORD HEALTHCARE CORP DEFINED BENEFIT MASTER TR AGREEMENT | 24,743 | 0 | 24,743 |
| **D | TCW INTERNATIONAL SMALL CAP FUND | 35,149 | 0 | 35,149 |
| **D | TCW INTERNATIONAL GROWTH FUND | 4,500 | 0 | 4,500 |
| **D | ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO | 9,960 | 0 | 9,960 |
| **D | ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM | 78,810 | 0 | 78,810 |
| **D | HENKEL OF AMERICA MASTER RETIREMENT TRUST | 24,125 | 0 | 24,125 |
| **D | MERCER QIF CCF | 1,555,252 | 0 | 1,555,252 |
| **D | ASHWOOD INVESTMENTS LIMITED | 6,315 | 0 | 6,315 |
| **D | COSMIC INVESTMENT FUND | 391,675 | 0 | 391,675 |
| **D | CITY OF NEW YORK GROUP TRUST | 62,844 | 0 | 62,844 |
| **D | WELLINGTON MNGT PTF (CAYMAN)-GL OPP EX-JAPAN PTF F QUA INST IN | 60,538 | 0 | 60,538 |
| **D | BNY MELLON TR+DEP ATF ST, JAMES`S PLACE MNGD GROWTH UNIT TR | 1,153,285 | 0 | 1,153,285 |
| **D | HONG KONG SPECIAL ADMINISTRATIVE REGION GOVERNMENT-EXCHANGE F | 218,414 | 0 | 218,414 |
| **D | BIMCOR GLOBAL EQUITY POOLED FUND | 31,619 | 0 | 31,619 |
| **D | MINISTRY OF STRATEGY AND FINANCE | 154,828 | 0 | 154,828 |
| **D | SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY | 20,546 | 0 | 20,546 |
| **D | CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM | 171,493 | 0 | 171,493 |
| **D | STATE OF TENNESSEE CONSOLIDATED RETIREMENT SYSTEM | 311,857 | 0 | 311,857 |
| **D | SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST | 44,069 | 0 | 44,069 |
| **D | THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST | 367,659 | 0 | 367,659 |
| **D | THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF | 84,333 | 0 | 84,333 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF | 109,424 | 0 | 109,424 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II | 354,717 | 0 | 354,717 |
| **D | WASHINGTON STATE INVESTMENT BOARD | 96,690 | 0 | 96,690 |
| **D | PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY | 496,801 | 0 | 496,801 |
| **D | WELLINGTON MANAGEMENT PORTFOLIOS (DUBLIN) PLC | 11,927 | 0 | 11,927 |
| **D | SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL | 295,099 | 0 | 295,099 |
| **D | AXA WORLD FUNDS | 9,707,811 | 0 | 9,707,811 |
| **D | GOLDMAN SACHS FUNDS | 2,923 | 0 | 2,923 |
| **D | MARCH FUND | 38,196 | 0 | 38,196 |
| **D | UBS ETF | 15,719 | 0 | 15,719 |
| **D | ISHARES MSCI EAFE SMALL CAP ETF | 117,300 | 0 | 117,300 |
| **D | ISHARES DEVELOPED SMALL-CAP EX NORTH AMERICA ETF | 7,054 | 0 | 7,054 |
| **D | BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR | 976,493 | 0 | 976,493 |



| | | | |
|---|---|---|---|
| Shareholders: | 240 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 232 |

DE* Proxy to the natural person above mentioned with the badge number

**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")

RL* legal representation to the natural person above mentioned with the badge number

# ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

# RESULTS OF VOTING

Subject: **Severance Payments Policy**

## IN FAVOUR

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | ISHARES CORE MSCI EAFE ETF | 93,004 | 0 | 93,004 |
| **D | ISHARES CORE MSCI EAFE IMI INDEX ETF | 5,341 | 0 | 5,341 |
| **D | ISHARES MSCI EUROPE IMI INDEX ETF | 3,907 | 0 | 3,907 |
| **D | ISHARES MSCI EUROPE IMI ETF | 8,208 | 0 | 8,208 |
| **D | BLACKROCK CDN ACWI ALPHA TILTS FUND | 1,609 | 0 | 1,609 |
| **D | RUSSELL DEVELOPED EX-U,S, LARGE CAP INDEX FUND B | 1,917 | 0 | 1,917 |
| **D | WORLD ALPHA TILTS NON-LENDABLE FUND B | 757 | 0 | 757 |
| **D | BGI MSCI EAFE SMALL CAP EQUITY INDEX FUND B | 69,755 | 0 | 69,755 |
| **D | BGI MSCI EMU IMI INDEX FUND B | 312 | 0 | 312 |
| **D | BLACKROCK GLOBAL MARKET INSIGHT FUND B | 801 | 0 | 801 |
| **D | GLOBAL ALPHA TILTS FUND B | 1,598 | 0 | 1,598 |
| **D | BLACKROCK MSCI WORLD SMALL CAP EQ ESG SCREENED INDEX FUND B | 5,037 | 0 | 5,037 |
| **D | INTERNATIONAL ALPHA TILTS FUND B | 1,488 | 0 | 1,488 |
| **D | GLOBAL EX US ALPHA TILTS FUND B | 950 | 0 | 950 |
| **D | BP PENSION FUND | 846,500 | 0 | 846,500 |
| **D | RUSSELL INVESTMENT COMPANY II PLC | 18,500 | 0 | 18,500 |
| **D | INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST | 70,600 | 0 | 70,600 |
| **D | KINGFISHER PENSION SCHEME | 23,872 | 0 | 23,872 |
| **D | OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM | 240,752 | 0 | 240,752 |
| **D | COLLEGE RETIREMENT EQUITIES FUND | 214,462 | 0 | 214,462 |
| **D | TRANSAMERICA INTERNATIONAL SMALL CAP | 750,000 | 0 | 750,000 |
| **D | SPDR S+P INTERNATIONAL MIDCAP ETF | 13,723 | 0 | 13,723 |
| **D | RUSSELL INVESTMENT COMPANY PLC | 6,600 | 0 | 6,600 |
| **D | MULTI-STYLE, MULTI-MANAGER FUNDS PLC | 113,150 | 0 | 113,150 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF | 174,516 | 0 | 174,516 |
| **D | GOVERNMENT INSTITUTIONS PENSION FUND | 130,092 | 0 | 130,092 |
| **D | THE WELLINGTON TR CO, NAT ASS MULT COMM TR F TR, INT RES EQ F | 27,188 | 0 | 27,188 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COMM TR F TR GLB RES EQ PTF | 9,712 | 0 | 9,712 |
| **D | MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F | 39,648 | 0 | 39,648 |
| **D | ISHARES VII PLC | 225,323 | 0 | 225,323 |
| **D | BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F | 923 | 0 | 923 |
| **D | MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST | 54,673 | 0 | 54,673 |
| **D | NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND | 7,451 | 0 | 7,451 |
| **D | EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS | 70,448 | 0 | 70,448 |
| **D | AXIOM INVESTORS TRUST II | 11,961 | 0 | 11,961 |



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|---|---|---|---|
| Shareholders: | 240 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 232 |

DE* Proxy to the natural person above mentioned with the badge number

**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")

RL* legal representation to the natural person above mentioned with the badge number

# ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

Subject: **Severance Payments Policy**

### IN FAVOUR

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | INTERNATIONAL MONETARY FUND STAFF RETIREMENT PLAN | 76,947 | 0 | 76,947 |
| **D | INTERNATIONAL MONETARU FUND STAFF RETIREMENT PLAN | 13,103 | 0 | 13,103 |
| **D | NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P,R,C | 18,050 | 0 | 18,050 |
| **D | MICROSOFT GLOBAL FINANCE | 200,000 | 0 | 200,000 |
| **D | STATES UNIVERSITIES RETIREMENT SYSTEM | 59,562 | 0 | 59,562 |
| **D | NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST | 195,608 | 0 | 195,608 |
| **D | TYCO ELECTRONICS DEFINED BENEFIT PLANS MASTER TRUST | 18,124 | 0 | 18,124 |
| **D | NEW ZEALAND SUPERANNUATION FUND | 20,550 | 0 | 20,550 |
| **D | GENERAL PENSION AND SOCIAL SECURITY AUTHORITY | 134,082 | 0 | 134,082 |
| **D | LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM | 21,464 | 0 | 21,464 |
| **D | CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN | 36,807 | 0 | 36,807 |
| **D | SAN FRANCISCO CITY & COUNTY EMPLOYEES` RETIREMENT SYSTEM | 62,376 | 0 | 62,376 |
| **D | UTAH STATE RETIREMENT SYSTEMS | 11,131 | 0 | 11,131 |
| **D | WHEELS COMMON INVESTMENT FUND | 5,543 | 0 | 5,543 |
| **D | ZURICH FINANCIAL SERVICES UK PENSION SCHEME | 445,869 | 0 | 445,869 |
| **D | UNILEVER UK PENSION FUND | 1,031,459 | 0 | 1,031,459 |
| **D | PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO | 34,658 | 0 | 34,658 |
| **D | MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO | 23,784 | 0 | 23,784 |
| **D | ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND | 30,871 | 0 | 30,871 |
| **D | UNIVEST | 454,562 | 0 | 454,562 |
| **D | SICAV BBM V-FLEX | 36,092 | 0 | 36,092 |
| **D | FCP BEST BUSINESS MODELS | 500,000 | 0 | 500,000 |
| **D | I,2,C, ACTIONS | 540,000 | 0 | 540,000 |
| **D | FCP VILLIERS DIAPASON | 28,850 | 0 | 28,850 |
| **D | FCP RSI EURO P | 238,007 | 0 | 238,007 |
| **D | SLI GLOBAL SICAV GLOBAL FOCUSEDSTRATEGIES FUND | 48,117 | 0 | 48,117 |
| **D | PRUDENTIAL SECTOR FUNDS INC PRUDENTIAL FINANCIAL SERVICE | 642,387 | 0 | 642,387 |
| **D | INVESCO FUNDS | 248,740 | 0 | 248,740 |
| **D | THE BANK OF KOREA | 1 | 0 | 1 |
| **D | WMP OPPORTUNISTIC INVESTMENT PARTNERS, L,P, | 27,554 | 0 | 27,554 |
| **D | INVESCO FUNDS SERIES 4 | 2,744,241 | 0 | 2,744,241 |
| **D | ADVANCED SERIES TRUST -AST FI PYRAMIS QUANTITATIVE PORTFOLIO | 97,276 | 0 | 97,276 |
| **D | BLACKROCK LIFE LIMITED | 5,131 | 0 | 5,131 |
| **D | DEUTSCHE X-TRACKERS MSCI EMU HEDGED EQUITY ETF | 1,450 | 0 | 1,450 |
| **D | ING FUNDS SERVICES, LLC | 223,989 | 0 | 223,989 |



| | | | |
|---|---|---|---|
| Shareholders: | 240 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 232 |

DE* Proxy to the natural person above mentioned with the badge number

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# ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

# RESULTS OF VOTING

## Subject: **Severance Payments Policy**

### IN FAVOUR

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | ADVANCED SERIES TRUST-AST QMA EMERGING MARKETS EQUITY PORTFOLIO | 148,743 | 0 | 148,743 |
| **D | ADVANCED SERIES TRUST-AST PRUDENTIAL GROWTH ALLOCATION PORTFOLIO | 9,767 | 0 | 9,767 |
| **D | BLACKROCK GLOBAL FUNDS | 863 | 0 | 863 |
| **D | STG PFDS V,D, GRAFISCHE | 105,000 | 0 | 105,000 |
| **D | RUSSELL SMALLER COMPANIES POOL | 19,672 | 0 | 19,672 |
| **D | ALASKA PERMANENT FUND CORPORATION | 1 | 0 | 1 |
| **D | THE CLEVELAND CLINIC FOUNDATION | 82,047 | 0 | 82,047 |
| **D | CN CANADIAN MASTER TRUST FUND , | 13,974 | 0 | 13,974 |
| **D | THE STATE OF CONNECTICUT ACTINGTHROUGH ITS TREASURER | 180,000 | 0 | 180,000 |
| **D | BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN | 2,183 | 0 | 2,183 |
| **D | FLORIDA RETIREMENT SYSTEM , | 281,198 | 0 | 281,198 |
| **D | LIBERTY MUTUAL RETIREMENT PLAN MASTER TRUST | 15,700 | 0 | 15,700 |
| **D | PROVINCE PF NEWFOUNLAND AND LABRADOR POOLED PENSION FUND | 1 | 0 | 1 |
| **D | NEW YORK STATE DEFERRED COMPENSATION PLAN | 122,850 | 0 | 122,850 |
| **D | BELL ATLANTIC MASTER TRUST | 65,031 | 0 | 65,031 |
| **D | INDIANA PUBLIC EMPLOYEES RETIREMENT FUND | 4,982 | 0 | 4,982 |
| **D | ARROWSTREET US GROUP TRUST | 47,392 | 0 | 47,392 |
| **D | TELUS FOREIGN EQUITY ACTIVE ALPHA POOL | 100,628 | 0 | 100,628 |
| **D | PUBLIC SECTOR PENSION INVESTMENT BOARD | 1 | 0 | 1 |
| **D | CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY | 51,756 | 0 | 51,756 |
| **D | UMC BENEFIT BOARD, INC | 15,911 | 0 | 15,911 |
| **D | UNISYS MASTER TRUST | 77,102 | 0 | 77,102 |
| **D | VERIZON MASTER SAVINGS TRUST , | 79,398 | 0 | 79,398 |
| **D | STICHTING PENSIOENFONDS HORECA & CATERING | 11,729 | 0 | 11,729 |
| **D | MINISTER FOR FINANCE (ISIF MANAGED AND CONTROLLED BY NTMA) | 1 | 0 | 1 |
| **D | CF DV ACWI EX-U,S, IMI FUND | 2,181 | 0 | 2,181 |
| **D | ROGERSCASEY TARGET SOLUTIONS LLC, | 10,604 | 0 | 10,604 |
| **D | FIRST INVESTORS GLOBAL FUND | 291,917 | 0 | 291,917 |
| **D | FIRST TRUST INTERNATIONAL IPO ETF | 1,782 | 0 | 1,782 |
| 782 | MORELLI CLAUDIO | 2,000 | 2,000 | 0 |
| 805 | VIOZZI DANIELE | 50 | 50 | 0 |
| 821 | CERASUOLO STEFANO | 5,000 | 5,000 | 0 |

**Total vote** 481,562,695
**Percentage voters %** 99.787969



| | | | |
|---|---|---|---|
| Shareholders: | 240 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 232 |

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**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")
RL* legal representation to the natural person above mentioned with the badge number

ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Severance Payments Policy**

**IN FAVOUR**

| Surname | | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **Percentage Capital %** | 79.398220 | | | |



| | | | |
|---|---|---|---|
| Shareholders: | 240 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 232 |

DE* Proxy to the natural person above mentioned with the badge number
**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")
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ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **2015 Incentive System**

no. **244** persons entitled to vote took part in the voting on own behalf or by proxy

no. **482,585,929** ordinary shares

**The counting of votes produced the following results:**

| | | % of ordinary share capital present (Voting Quorum) | % of ordinary share entitled to vote | % share capital |
|---|---|---|---|---|
| **In Favour** | 481,106,765 | 99.693492 | 99.693492 | 79.323048 |
| **Against** | 1,271,564 | 0.263490 | 0.263490 | 0.209651 |
| SubTotal | 482,378,329 | 99.956982 | 99.956982 | 79.532698 |
| **Abstentions** | 207,600 | 0.043018 | 0.043018 | 0.034228 |
| **Non Voting** | 0 | 0.000000 | 0.000000 | 0.000000 |
| SubTotal | 207,600 | 0.043018 | 0.043018 | 0.034228 |
| **Total** | 482,585,929 | 100.000000 | 100.000000 | 79.566927 |

| | | | |
|---|---|---|---|
| Shareholders: | 244 | People: | 10 |
| Shareholders on own behalf : | 8 | Shareholders by proxy: | 236 |

# ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

Subject: **2015 Incentive System**

**AGAINST**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| 4220 | TONELLI GIULIO | 0 | 0 | 0 |
| **D | FCP ERAFP ACT IND11 | 61,598 | 0 | 61,598 |
| **D | STICHTING PGGM DEPOSITARY | 265,000 | 0 | 265,000 |
| **D | CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM | 663,768 | 0 | 663,768 |
| **D | FLORIDA RETIREMENT SYSTEM | 281,198 | 0 | 281,198 |

**Total vote** 1,271,564
**Percentage voters %** 0.263490
**Percentage Capital %** 0.209651



| | | | | |
|---|---|---|---|---|
| Shareholders: | 4 | People: | 1 | DE* Proxy to the natural person above mentioned with the badge number |
| Shareholders on own behalf: | 0 | Shareholders by proxy: | 4 | **D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations") |
| | | | | RL* legal representation to the natural person above mentioned with the badge number |

# ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

### Subject: **2015 Incentive System**

**ABSTENTIONS**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| 4220 | TONELLI GIULIO | 0 | 0 | 0 |
| **D | NATIONAL PENSION SERVICE | 205,600 | 0 | 205,600 |
| 782 | MORELLI CLAUDIO | 2,000 | 2,000 | 0 |

| | |
|---|---|
| **Total vote** | 207,600 |
| **Percentage voters %** | 0.043018 |
| **Percentage Capital %** | 0.034228 |



| | | | | |
|---|---|---|---|---|
| Shareholders: | 2 | People: | 2 | DE* Proxy to the natural person above mentioned with the badge number |
| Shareholders on own behalf: | 1 | Shareholders by proxy: | 1 | **D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations") |
| | | | | RL* legal representation to the natural person above mentioned with the badge number |

# ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

Subject: **2015 Incentive System**

**NOT VOTING**

| Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|

| | |
|---|---|
| **Total vote** | 0 |
| **Percentage voters %** | 0.000000 |
| **Percentage Capital %** | 0.000000 |



| | | | | |
|---|---|---|---|---|
| Shareholders: | 0 | People: | 0 | DE* Proxy to the natural person above mentioned with the badge number |
| Shareholders on own behalf: | 0 | Shareholders by proxy: | 0 | **D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations") |

RL* legal representation to the natural person above mentioned with the badge number

# ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

Subject: **2015 Incentive System**

### IN FAVOUR

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| 1389 | ANNIBALETTI ANGELO | 20,000 | 20,000 | 0 |
| 1436 | CASATI FEDERICO | 50 | 50 | 0 |
| 1570 | CAGLIA MARIA | 0 | 0 | 0 |
| DE* | UNICREDIT S,P,A, | 397,108,033 | 0 | 397,108,033 |
| 1908 | AMADEI STEFANO | 1,000 | 1,000 | 0 |
| 2205 | PISTONE UGO LUIGI | 1,000 | 1,000 | 0 |
| 3214 | GUERRA MAURO | 1,000 | 1,000 | 0 |
| 4220 | TONELLI GIULIO | 0 | 0 | 0 |
| **D | WELLINGTON MANAGEMENT PORTFOLIOS | 203,733 | 0 | 203,733 |
| **D | WELLINGTON MANAGNT PORTFOLIOS GLOB RESEA | 48,378 | 0 | 48,378 |
| **D | VANGUARD TOTAL WORLD STOCK INDEX FUND | 28,097 | 0 | 28,097 |
| **D | VANGUARD FTSE ALL WORD SMALL CAP IND FUN | 259,822 | 0 | 259,822 |
| **D | BBH&C BOS FOR PYRAM GR TRUST FOR EMPL EMERG MM COM | 59,389 | 0 | 59,389 |
| **D | WELLINGTON TRUST COMP,COMM TRUST INT OPP | 113,255 | 0 | 113,255 |
| **D | WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUITY PORTFOLIO | 8,875 | 0 | 8,875 |
| **D | JAPAN TRUSTEE SERVICES BANK LTD | 535,670 | 0 | 535,670 |
| **D | THE MASTER TRUST BANK OF JAPAN LTD | 233,920 | 0 | 233,920 |
| **D | BEST INVESTMENT CORPORATION | 3,372 | 0 | 3,372 |
| **D | SCHRODER INSTITUTIONAL POOLED FUNDS-EUROPEAN EQUITY FUND | 305,795 | 0 | 305,795 |
| **D | FCP CNP ACTIONS EUROPE SCHRODER | 499,752 | 0 | 499,752 |
| **D | AXA VALEURS EURO | 666,000 | 0 | 666,000 |
| **D | AXA OPTIMAL INCOME | 1,336,074 | 0 | 1,336,074 |
| **D | COLISEE IFC 1 FCP | 610,000 | 0 | 610,000 |
| **D | FCP AXIVA ACTION 1 | 285,000 | 0 | 285,000 |
| **D | FONDS RESERVE RETRAITES | 864,222 | 0 | 864,222 |
| **D | HENDERSON HORIZON FUND SICAV | 1,181,015 | 0 | 1,181,015 |
| **D | HENDERSON GARTMORE FUND | 309,348 | 0 | 309,348 |
| **D | ROBECO CAPITAL GROWTH FUNDS | 141,510 | 0 | 141,510 |
| **D | JPMORGAN FUNDS EUROPEAN BANK AND BC | 428,953 | 0 | 428,953 |
| **D | BLACKROCK INSTITUTIONAL POOLED FUND PLC | 1,782 | 0 | 1,782 |
| **D | VANGUARD INVESTMENT SERIES, PLC | 40,331 | 0 | 40,331 |
| **D | THE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTBJ400045842 | 1,916,769 | 0 | 1,916,769 |
| **D | BUREAU OF LABOR FUNDS-LABOR RETIREMENT FUND 10F NO,6 SEC,1 | 59,542 | 0 | 59,542 |
| **D | CHINA LIFE INSURANCE COMPANY LIMITED | 69,632 | 0 | 69,632 |
| **D | FONDO CONSOLIDADO DE RESERVAS PREVISIONA | 40,126 | 0 | 40,126 |
| **D | COINVEST LIMITED | 13,015 | 0 | 13,015 |



| | | | |
|---|---|---|---|
| Shareholders: | 238 | People: | 9 |
| Shareholders on own behalf: | 7 | Shareholders by proxy: | 231 |

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**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")
RL* legal representation to the natural person above mentioned with the badge number

# ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

Subject: **2015 Incentive System**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | SUPER FUNDS MANAG CORP SOUTH AUSTRALIA | 158,925 | 0 | 158,925 |
| **D | VANGUARD INTERNATIONAL SMALL COMPANIES I | 17,197 | 0 | 17,197 |
| **D | THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST | 136,785 | 0 | 136,785 |
| **D | ONEPATH GLOBAL SHARES - SMALL CAP UNHEDGED) INDEXPOOL | 7,474 | 0 | 7,474 |
| **D | TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK | 82,345 | 0 | 82,345 |
| **D | WYOMING RETIREMENT SYSTEM | 3,844 | 0 | 3,844 |
| **D | WYOMING RETIREMENT SYSTEM | 8,796 | 0 | 8,796 |
| **D | CURIAN/WMC INTERNATIONAL EQUITY FUND | 365,544 | 0 | 365,544 |
| **D | PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OH | 71,411 | 0 | 71,411 |
| **D | VANGUARD TOTAL INTERNATIONAL STOCK INDEX | 1,522,636 | 0 | 1,522,636 |
| **D | VANGUARD INTERNATIONAL EXPLORER FUND | 1,900,000 | 0 | 1,900,000 |
| **D | MI-FONDS 392 | 277,833 | 0 | 277,833 |
| **D | JPMORGAN EUROPEAN INVESTMENT TRUST PLC | 55,149 | 0 | 55,149 |
| **D | TRUST AND CUSTODY SERVICED BANK LIMITED | 66,207 | 0 | 66,207 |
| **D | JAPAN TRUSTEE SERVICES BANK LTD AS TRUST | 5,549 | 0 | 5,549 |
| **D | ENTERGY CORP,RETIREMENT PLANS MASTER TR, | 228,211 | 0 | 228,211 |
| **D | NEW YORK LIFE INSURANCE COMPANY | 29,310 | 0 | 29,310 |
| **D | RBC CANADIAN MASTER TRUST | 171,184 | 0 | 171,184 |
| **D | REGIME DE RETRAITE D HYDRO QUEBEC | 117,732 | 0 | 117,732 |
| **D | TEACHERS PENSION PLAN & PRIVATE SCHOOL | 774,281 | 0 | 774,281 |
| **D | TR EUROPEN GROWTH TRUST PLC | 1,036,081 | 0 | 1,036,081 |
| **D | HSBC GLOBAL INVESTMENT FUNDS | 1,170,000 | 0 | 1,170,000 |
| **D | GLG PARTNERS | 13,632 | 0 | 13,632 |
| **D | LOMBARD ODIER FUNDS (SWITZERLAND) SA | 44,454 | 0 | 44,454 |
| **D | HSBC INTERNATIONAL SELECT FUND | 5,400 | 0 | 5,400 |
| **D | SCHRODER INTERNATIONAL SELECTION FUND | 6,643,128 | 0 | 6,643,128 |
| **D | SCHRODER EUROPEAN SMALLER COMPANIES FUND | 376,881 | 0 | 376,881 |
| **D | SHROEDER INSTITUTIONAL EUROPEAN FUND | 845,644 | 0 | 845,644 |
| **D | PUBLIC EMPLOYEES RETIREMENT ASSOCIATION | 80,000 | 0 | 80,000 |
| **D | SCHRODER CAPITAL MANAGEMENT COLLECTIVE TRUST | 200,000 | 0 | 200,000 |
| **D | SCHRODER INTERNATIONAL SMALL COMPANIES P | 150,000 | 0 | 150,000 |
| **D | NIGOSC ADMINISTERS NILG PENSION FUND | 92,268 | 0 | 92,268 |
| **D | PIONEER INVESTMENT MANAGEMENT SGRPA / AZIONARIO CRESCITA | 742,063 | 0 | 742,063 |
| **D | METZLER INTERNATIONAL INVEST PLC | 1,123,000 | 0 | 1,123,000 |
| **D | NUMERIC INVESTORS LLC | 7,700 | 0 | 7,700 |
| **D | AXA INVEST MANAGERS PARIS | 762,000 | 0 | 762,000 |



| | | | |
|---|---|---|---|
| Shareholders: | 238 | People: | 9 |
| Shareholders on own behalf: | 7 | Shareholders by proxy: | 231 |

DE* Proxy to the natural person above mentioned with the badge number

**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")

RL* legal representation to the natural person above mentioned with the badge number

ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **2015 Incentive System**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | CIPAV ALOIS MARGARETH HENRIAU | 196,710 | 0 | 196,710 |
| **D | NUMERIC ABSOLUTE RETURN FUND LP NUMERIC INVESTORS LIMITED LIABILITY COMPANY | 1,000 | 0 | 1,000 |
| **D | CANADIAN BROADCASTING CORPORATION PENSION PLAN | 80,000 | 0 | 80,000 |
| **D | LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED | 6,845 | 0 | 6,845 |
| **D | THREADNEEDLE INVESTMENT FUNDS ICVC PAN EUROPEAN SMALLER COMPANIES FUND | 5,469,926 | 0 | 5,469,926 |
| **D | SIEFOREBANAMEXBASICA2SADECV | 251,002 | 0 | 251,002 |
| **D | THREADNEEDLE INVESTMENT FUNDS ICVC EUROPEAN SMALLER COMPANIES FUND | 5,390,134 | 0 | 5,390,134 |
| **D | SIEFOREBANAMEXBASICA4SADECV | 313,753 | 0 | 313,753 |
| **D | SIEFOREBANAMEXBASICA3SADECV | 288,652 | 0 | 288,652 |
| **D | STATE TEACHERS RETIREMENT SYSTEM OF OHIO | 137,684 | 0 | 137,684 |
| **D | CITIBANK KOREA INC | 1,037,271 | 0 | 1,037,271 |
| **D | MACQUARIE INVESTMENT MANAGEMENT LIMITED | 6,545 | 0 | 6,545 |
| **D | UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII | 25,082 | 0 | 25,082 |
| **D | THREADNEEDLE (LUX | 800,712 | 0 | 800,712 |
| **D | GOVERNMENT OF NORWAY | 5,921,587 | 0 | 5,921,587 |
| **D | FEDERATED KAUFMANN SMALL CAP FUND | 708,000 | 0 | 708,000 |
| **D | SCHWAB INTERNATIONAL SMALL-CAP EQUITY ETF | 50,086 | 0 | 50,086 |
| **D | JOHN HANCOCK SEAPORT FUND | 118,020 | 0 | 118,020 |
| **D | WELLINGTON MNGM PTF (CANADA) GLOBAL OPPORTUNITIES PTF | 10,738 | 0 | 10,738 |
| **D | INTERNATIONAL MONETARY FUND | 2,140 | 0 | 2,140 |
| **D | GMAM INVESTMENT FUNDS TRUST | 135,986 | 0 | 135,986 |
| **D | ARTISAN GLOBAL SMALL CAP FUND | 227,066 | 0 | 227,066 |
| **D | STATE OF ALASKA RETIREMENT AND BENEFITS PLANS | 116,413 | 0 | 116,413 |
| **D | BLACKSTONE ALTERNATIVE MULTI-MANAGER FUND | 144,464 | 0 | 144,464 |
| **D | BLACKSTONE ALTERNATIVE MULTI-STRATEGY FUND | 134,199 | 0 | 134,199 |
| **D | EAST RIDING PENSION FUND | 219,331 | 0 | 219,331 |
| **D | PYRAMIS CONCENTRATED INTERNATIONAL SMALL CAP TRUST | 181,490 | 0 | 181,490 |
| **D | UAW RETIREE MEDICAL BENEFITS TRUST | 90,710 | 0 | 90,710 |
| **D | THE GENERAL MOTORS CANADIAN HOURLY-RATE EMPL PENSION PLAN | 42,610 | 0 | 42,610 |
| **D | THE GENERAL MOTORS CANAD RETIREMENT PROGR FOR SALARIED EMPL | 10,815 | 0 | 10,815 |
| **D | HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND | 1,106,930 | 0 | 1,106,930 |
| **D | THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND | 1,089,954 | 0 | 1,089,954 |
| **D | THE HARTFORDGLOBAL ALL- ASSET FUND | 56,097 | 0 | 56,097 |
| **D | HARTFORD HEALTHCARE ENDOWMENT LLC | 18,092 | 0 | 18,092 |
| **D | HARTFORD HEALTHCARE CORP DEFINED BENEFIT MASTER TR AGREEMENT | 24,743 | 0 | 24,743 |
| **D | TCW INTERNATIONAL SMALL CAP FUND | 35,149 | 0 | 35,149 |



| | | | |
|---|---|---|---|
| Shareholders: | 238 | People: | 9 |
| Shareholders on own behalf: | 7 | Shareholders by proxy: | 231 |

DE* Proxy to the natural person above mentioned with the badge number

**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")

RL* legal representation to the natural person above mentioned with the badge number

ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **2015 Incentive System**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | TCW INTERNATIONAL GROWTH FUND | 4,500 | 0 | 4,500 |
| **D | ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO | 9,960 | 0 | 9,960 |
| **D | ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM | 78,810 | 0 | 78,810 |
| **D | HENKEL OF AMERICA MASTER RETIREMENT TRUST | 24,125 | 0 | 24,125 |
| **D | MERCER QIF CCF | 1,555,252 | 0 | 1,555,252 |
| **D | ASHWOOD INVESTMENTS LIMITED | 6,315 | 0 | 6,315 |
| **D | COSMIC INVESTMENT FUND | 391,675 | 0 | 391,675 |
| **D | CITY OF NEW YORK GROUP TRUST | 62,844 | 0 | 62,844 |
| **D | WELLINGTON MNGT PTF (CAYMAN)-GL OPP EX-JAPAN PTF F QUA INST IN | 60,538 | 0 | 60,538 |
| **D | BNY MELLON TR+DEP ATF ST, JAMES`S PLACE MNGD GROWTH UNIT TR | 1,153,285 | 0 | 1,153,285 |
| **D | HONG KONG SPECIAL ADMINISTRATIVE REGION GOVERNMENT-EXCHANGE F | 218,414 | 0 | 218,414 |
| **D | BIMCOR GLOBAL EQUITY POOLED FUND | 31,619 | 0 | 31,619 |
| **D | MINISTRY OF STRATEGY AND FINANCE | 154,828 | 0 | 154,828 |
| **D | SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY | 20,546 | 0 | 20,546 |
| **D | CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM | 171,493 | 0 | 171,493 |
| **D | STATE OF TENNESSEE CONSOLIDATED RETIREMENT SYSTEM | 311,857 | 0 | 311,857 |
| **D | SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST | 44,069 | 0 | 44,069 |
| **D | THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST | 367,659 | 0 | 367,659 |
| **D | THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF | 84,333 | 0 | 84,333 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF | 109,424 | 0 | 109,424 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II | 354,717 | 0 | 354,717 |
| **D | WASHINGTON STATE INVESTMENT BOARD | 96,690 | 0 | 96,690 |
| **D | PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY | 496,801 | 0 | 496,801 |
| **D | WELLINGTON MANAGEMENT PORTFOLIOS (DUBLIN) PLC | 11,927 | 0 | 11,927 |
| **D | SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL | 295,099 | 0 | 295,099 |
| **D | AXA WORLD FUNDS | 9,707,811 | 0 | 9,707,811 |
| **D | GOLDMAN SACHS FUNDS | 2,923 | 0 | 2,923 |
| **D | MARCH FUND | 38,196 | 0 | 38,196 |
| **D | UBS ETF | 15,719 | 0 | 15,719 |
| **D | ISHARES MSCI EAFE SMALL CAP ETF | 117,300 | 0 | 117,300 |
| **D | ISHARES DEVELOPED SMALL-CAP EX NORTH AMERICA ETF | 7,054 | 0 | 7,054 |
| **D | BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR | 976,493 | 0 | 976,493 |
| **D | ISHARES CORE MSCI EAFE ETF | 93,004 | 0 | 93,004 |
| **D | ISHARES CORE MSCI EAFE IMI INDEX ETF | 5,341 | 0 | 5,341 |
| **D | ISHARES MSCI EUROPE IMI INDEX ETF | 3,907 | 0 | 3,907 |
| **D | ISHARES MSCI EUROPE IMI ETF | 8,208 | 0 | 8,208 |



| | | | |
|---|---|---|---|
| Shareholders: | 238 | People: | 9 |
| Shareholders on own behalf: | 7 | Shareholders by proxy: | 231 |

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# ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

Subject: **2015 Incentive System**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | BLACKROCK CDN ACWI ALPHA TILTS FUND | 1,609 | 0 | 1,609 |
| **D | RUSSELL DEVELOPED EX-U,S, LARGE CAP INDEX FUND B | 1,917 | 0 | 1,917 |
| **D | WORLD ALPHA TILTS NON-LENDABLE FUND B | 757 | 0 | 757 |
| **D | BGI MSCI EAFE SMALL CAP EQUITY INDEX FUND B | 69,755 | 0 | 69,755 |
| **D | BGI MSCI EMU IMI INDEX FUND B | 312 | 0 | 312 |
| **D | BLACKROCK GLOBAL MARKET INSIGHT FUND B | 801 | 0 | 801 |
| **D | GLOBAL ALPHA TILTS FUND B | 1,598 | 0 | 1,598 |
| **D | BLACKROCK MSCI WORLD SMALL CAP EQ ESG SCREENED INDEX FUND B | 5,037 | 0 | 5,037 |
| **D | INTERNATIONAL ALPHA TILTS FUND B | 1,488 | 0 | 1,488 |
| **D | GLOBAL EX US ALPHA TILTS FUND B | 950 | 0 | 950 |
| **D | BP PENSION FUND | 846,500 | 0 | 846,500 |
| **D | RUSSELL INVESTMENT COMPANY II PLC | 18,500 | 0 | 18,500 |
| **D | INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST | 70,600 | 0 | 70,600 |
| **D | KINGFISHER PENSION SCHEME | 23,872 | 0 | 23,872 |
| **D | OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM | 240,752 | 0 | 240,752 |
| **D | COLLEGE RETIREMENT EQUITIES FUND | 214,462 | 0 | 214,462 |
| **D | TRANSAMERICA INTERNATIONAL SMALL CAP | 750,000 | 0 | 750,000 |
| **D | SPDR S+P INTERNATIONAL MIDCAP ETF | 13,723 | 0 | 13,723 |
| **D | RUSSELL INVESTMENT COMPANY PLC | 6,600 | 0 | 6,600 |
| **D | MULTI-STYLE, MULTI-MANAGER FUNDS PLC | 113,150 | 0 | 113,150 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF | 174,516 | 0 | 174,516 |
| **D | GOVERNMENT INSTITUTIONS PENSION FUND | 130,092 | 0 | 130,092 |
| **D | THE WELLINGTON TR CO, NAT ASS MULT COMM TR F TR, INT RES EQ F | 27,188 | 0 | 27,188 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COMM TR F TR GLB RES EQ PTF | 9,712 | 0 | 9,712 |
| **D | MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F | 39,648 | 0 | 39,648 |
| **D | ISHARES VII PLC | 225,323 | 0 | 225,323 |
| **D | BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F | 923 | 0 | 923 |
| **D | MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST | 54,673 | 0 | 54,673 |
| **D | NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND | 7,451 | 0 | 7,451 |
| **D | EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS | 70,448 | 0 | 70,448 |
| **D | AXIOM INVESTORS TRUST II | 11,961 | 0 | 11,961 |
| **D | INTERNATIONAL MONETARY FUND STAFF RETIREMENT PLAN | 76,947 | 0 | 76,947 |
| **D | INTERNATIONAL MONETARU FUND STAFF RETIREMENT PLAN | 13,103 | 0 | 13,103 |
| **D | NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P,R,C | 18,050 | 0 | 18,050 |
| **D | MICROSOFT GLOBAL FINANCE | 200,000 | 0 | 200,000 |
| **D | STATES UNIVERSITIES RETIREMENT SYSTEM | 59,562 | 0 | 59,562 |



| | | | |
|---|---|---|---|
| Shareholders: | 238 | People: | 9 |
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ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **2015 Incentive System**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST | 195,608 | 0 | 195,608 |
| **D | TYCO ELECTRONICS DEFINED BENEFIT PLANS MASTER TRUST | 18,124 | 0 | 18,124 |
| **D | NEW ZEALAND SUPERANNUATION FUND | 20,550 | 0 | 20,550 |
| **D | GENERAL PENSION AND SOCIAL SECURITY AUTHORITY | 134,082 | 0 | 134,082 |
| **D | LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM | 21,464 | 0 | 21,464 |
| **D | CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN | 36,807 | 0 | 36,807 |
| **D | SAN FRANCISCO CITY & COUNTY EMPLOYEES` RETIREMENT SYSTEM | 62,376 | 0 | 62,376 |
| **D | UTAH STATE RETIREMENT SYSTEMS | 11,131 | 0 | 11,131 |
| **D | WHEELS COMMON INVESTMENT FUND | 5,543 | 0 | 5,543 |
| **D | ZURICH FINANCIAL SERVICES UK PENSION SCHEME | 445,869 | 0 | 445,869 |
| **D | UNILEVER UK PENSION FUND | 1,031,459 | 0 | 1,031,459 |
| **D | PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO | 34,658 | 0 | 34,658 |
| **D | MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO | 23,784 | 0 | 23,784 |
| **D | ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND | 30,871 | 0 | 30,871 |
| **D | UNIVEST | 454,562 | 0 | 454,562 |
| **D | SICAV BBM V-FLEX | 36,092 | 0 | 36,092 |
| **D | FCP BEST BUSINESS MODELS | 500,000 | 0 | 500,000 |
| **D | I,2,C, ACTIONS | 540,000 | 0 | 540,000 |
| **D | FCP VILLIERS DIAPASON | 28,850 | 0 | 28,850 |
| **D | FCP RSI EURO P | 238,007 | 0 | 238,007 |
| **D | SLI GLOBAL SICAV GLOBAL FOCUSEDSTRATEGIES FUND | 48,117 | 0 | 48,117 |
| **D | PRUDENTIAL SECTOR FUNDS INC PRUDENTIAL FINANCIAL SERVICE | 642,387 | 0 | 642,387 |
| **D | INVESCO FUNDS | 248,740 | 0 | 248,740 |
| **D | THE BANK OF KOREA | 1 | 0 | 1 |
| **D | WMP OPPORTUNISTIC INVESTMENT PARTNERS. L.P. | 27,554 | 0 | 27,554 |
| **D | INVESCO FUNDS SERIES 4 | 2,744,241 | 0 | 2,744,241 |
| **D | ADVANCED SERIES TRUST -AST FI PYRAMIS QUANTITATIVE PORTFOLIO | 97,276 | 0 | 97,276 |
| **D | BLACKROCK LIFE LIMITED | 5,131 | 0 | 5,131 |
| **D | DEUTSCHE X-TRACKERS MSCI EMU HEDGED EQUITY ETF | 1,450 | 0 | 1,450 |
| **D | ING FUNDS SERVICES, LLC | 223,989 | 0 | 223,989 |
| **D | ADVANCED SERIES TRUST-AST QMA EMERGING MARKETS EQUITY PORTFOLIO | 148,743 | 0 | 148,743 |
| **D | ADVANCED SERIES TRUST-AST PRUDENTIAL GROWTH ALLOCATION PORTFOLIO | 9,767 | 0 | 9,767 |
| **D | BLACKROCK GLOBAL FUNDS | 863 | 0 | 863 |
| **D | STG PFDS V,D, GRAFISCHE | 105,000 | 0 | 105,000 |
| **D | RUSSELL SMALLER COMPANIES POOL | 19,672 | 0 | 19,672 |
| **D | ALASKA PERMANENT FUND CORPORATION | 1 | 0 | 1 |



| | | | |
|---|---|---|---|
| Shareholders: | 238 | People: | 9 |
| Shareholders on own behalf: | 7 | Shareholders by proxy: | 231 |

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**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")
RL* legal representation to the natural person above mentioned with the badge number

ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **2015 Incentive System**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | THE CLEVELAND CLINIC FOUNDATION | 82,047 | 0 | 82,047 |
| **D | CN CANADIAN MASTER TRUST FUND , | 13,974 | 0 | 13,974 |
| **D | THE STATE OF CONNECTICUT ACTINGTHROUGH ITS TREASURER | 180,000 | 0 | 180,000 |
| **D | BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN | 2,183 | 0 | 2,183 |
| **D | LIBERTY MUTUAL RETIREMENT PLAN MASTER TRUST | 15,700 | 0 | 15,700 |
| **D | PROVINCE PF NEWFOUNLAND AND LABRADOR POOLED PENSION FUND | 1 | 0 | 1 |
| **D | NEW YORK STATE DEFERRED COMPENSATION PLAN | 122,850 | 0 | 122,850 |
| **D | BELL ATLANTIC MASTER TRUST | 65,031 | 0 | 65,031 |
| **D | INDIANA PUBLIC EMPLOYEES RETIREMENT FUND | 4,982 | 0 | 4,982 |
| **D | ARROWSTREET US GROUP TRUST | 47,392 | 0 | 47,392 |
| **D | TELUS FOREIGN EQUITY ACTIVE ALPHA POOL | 100,628 | 0 | 100,628 |
| **D | PUBLIC SECTOR PENSION INVESTMENT BOARD | 1 | 0 | 1 |
| **D | CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY | 51,756 | 0 | 51,756 |
| **D | UMC BENEFIT BOARD, INC | 15,911 | 0 | 15,911 |
| **D | UNISYS MASTER TRUST | 77,102 | 0 | 77,102 |
| **D | VERIZON MASTER SAVINGS TRUST , | 79,398 | 0 | 79,398 |
| **D | STICHTING PENSIOENFONDS HORECA & CATERING | 11,729 | 0 | 11,729 |
| **D | MINISTER FOR FINANCE (ISIF MANAGED AND CONTROLLED BY NTMA) | 1 | 0 | 1 |
| **D | CF DV ACWI EX-U,S, IMI FUND | 2,181 | 0 | 2,181 |
| **D | ROGERSCASEY TARGET SOLUTIONS LLC, | 10,604 | 0 | 10,604 |
| **D | FIRST INVESTORS GLOBAL FUND | 291,917 | 0 | 291,917 |
| **D | FIRST TRUST INTERNATIONAL IPO ETF | 1,782 | 0 | 1,782 |
| 805 | VIOZZI DANIELE | 50 | 50 | 0 |
| 821 | CERASUOLO STEFANO | 5,000 | 5,000 | 0 |

**Total vote** 481,106,765
**Percentage voters %** 99.693492
**Percentage Capital %** 79.323048



| | | | | |
|---|---|---|---|---|
| Shareholders: | 238 | People: | 9 | DE* Proxy to the natural person above mentioned with the badge number |
| Shareholders on own behalf: | 7 | Shareholders by proxy: | 231 | **D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations") |
| | | | | RL* legal representation to the natural person above mentioned with the badge number |

ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Incentive System for Financial Advisors**

no. **244** persons entitled to vote took part in the voting on own behalf or by proxy

no. **482,585,929** ordinary shares

**The counting of votes produced the following results:**

| | | % of ordinary share capital present (Voting Quorum) | % of ordinary share entitled to vote | % share capital |
|---|---|---|---|---|
| **In Favour** | 481,106,765 | 99.693492 | 99.693492 | 79.323048 |
| **Against** | 1,271,564 | 0.263490 | 0.263490 | 0.209651 |
| SubTotal | 482,378,329 | 99.956982 | 99.956982 | 79.532698 |
| **Abstentions** | 207,600 | 0.043018 | 0.043018 | 0.034228 |
| **Non Voting** | 0 | 0.000000 | 0.000000 | 0.000000 |
| SubTotal | 207,600 | 0.043018 | 0.043018 | 0.034228 |
| **Total** | 482,585,929 | 100.000000 | 100.000000 | 79.566927 |

| | | | |
|---|---|---|---|
| Shareholders : | 244 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 236 |

Assemblea Ordinaria del 23 aprile 2015

# RESULTS OF VOTING

## Subject: **Incentive System for Financial Advisors**

### AGAINST

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| 4220 | TONELLI GIULIO | 0 | 0 | 0 |
| **D | FCP ERAFP ACT IND11 | 61,598 | 0 | 61,598 |
| **D | STICHTING PGGM DEPOSITARY | 265,000 | 0 | 265,000 |
| **D | CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM | 663,768 | 0 | 663,768 |
| **D | FLORIDA RETIREMENT SYSTEM | 281,198 | 0 | 281,198 |

**Total vote** 1,271,564
**Percentage voters %** 0.263490
**Percentage Capital %** 0.209651



| | | | | |
|---|---|---|---|---|
| Shareholders: | 4 | People: | 1 | DE* Proxy to the natural person above mentioned with the badge number |
| Shareholders on own behalf: | 0 | Shareholders by proxy: | 4 | **D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations") |
| | | | | RL* legal representation to the natural person above mentioned with the badge number |

ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

Subject: **Incentive System for Financial Advisors**

**ABSTENTIONS**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| 4220 | TONELLI GIULIO | 0 | 0 | 0 |
| **D | NATIONAL PENSION SERVICE | 205,600 | 0 | 205,600 |
| 782 | MORELLI CLAUDIO | 2,000 | 2,000 | 0 |

| | |
|---|---|
| **Total vote** | 207,600 |
| **Percentage voters %** | 0.043018 |
| **Percentage Capital %** | 0.034228 |



| | | | |
|---|---|---|---|
| Shareholders: | 2 | People: | 2 |
| Shareholders on own behalf: | 1 | Shareholders by proxy: | 1 |

DE* Proxy to the natural person above mentioned with the badge number

**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")

RL* rappresentanza legale alla persona fisica sopra indicata con il numero della scheda magnetica

ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Incentive System for Financial Advisors**

**NOT VOTING**

| Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|

| | |
|---|---|
| **Total vote** | 0 |
| **Percentage voters %** | 0.000000 |
| **Percentage Capital %** | 0.000000 |



| | | | |
|---|---|---|---|
| Shareholders: | 0 | People: | 0 |
| Shareholders on own behalf: | 0 | Shareholders by proxy: | 0 |

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ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Incentive System for Financial Advisors**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| 1389 | ANNIBALETTI ANGELO | 20,000 | 20,000 | 0 |
| 1436 | CASATI FEDERICO | 50 | 50 | 0 |
| 1570 | CAGLIA MARIA | 0 | 0 | 0 |
| DE* | UNICREDIT S.P.A. | 397,108,033 | 0 | 397,108,033 |
| 1908 | AMADEI STEFANO | 1,000 | 1,000 | 0 |
| 2205 | PISTONE UGO LUIGI | 1,000 | 1,000 | 0 |
| 3214 | GUERRA MAURO | 1,000 | 1,000 | 0 |
| 4220 | TONELLI GIULIO | 0 | 0 | 0 |
| **D | WELLINGTON MANAGEMENT PORTFOLIOS | 203,733 | 0 | 203,733 |
| **D | WELLINGTON MANAGNT PORTFOLIOS GLOB RESEA | 48,378 | 0 | 48,378 |
| **D | VANGUARD TOTAL WORLD STOCK INDEX FUND | 28,097 | 0 | 28,097 |
| **D | VANGUARD FTSE ALL WORD SMALL CAP IND FUN | 259,822 | 0 | 259,822 |
| **D | BBH&C BOS FOR PYRAM GR TRUST FOR EMPL EMERG MM COM | 59,389 | 0 | 59,389 |
| **D | WELLINGTON TRUST COMP,COMM TRUST INT OPP | 113,255 | 0 | 113,255 |
| **D | WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUITY PORTFOLIO | 8,875 | 0 | 8,875 |
| **D | JAPAN TRUSTEE SERVICES BANK LTD | 535,670 | 0 | 535,670 |
| **D | THE MASTER TRUST BANK OF JAPAN LTD | 233,920 | 0 | 233,920 |
| **D | BEST INVESTMENT CORPORATION | 3,372 | 0 | 3,372 |
| **D | SCHRODER INSTITUTIONAL POOLED FUNDS-EUROPEAN EQUITY FUND | 305,795 | 0 | 305,795 |
| **D | FCP CNP ACTIONS EUROPE SCHRODER | 499,752 | 0 | 499,752 |
| **D | AXA VALEURS EURO | 666,000 | 0 | 666,000 |
| **D | AXA OPTIMAL INCOME | 1,336,074 | 0 | 1,336,074 |
| **D | COLISEE IFC 1 FCP | 610,000 | 0 | 610,000 |
| **D | FCP AXIVA ACTION 1 | 285,000 | 0 | 285,000 |
| **D | FONDS RESERVE RETRAITES | 864,222 | 0 | 864,222 |
| **D | HENDERSON HORIZON FUND SICAV | 1,181,015 | 0 | 1,181,015 |
| **D | HENDERSON GARTMORE FUND | 309,348 | 0 | 309,348 |
| **D | ROBECO CAPITAL GROWTH FUNDS | 141,510 | 0 | 141,510 |
| **D | JPMORGAN FUNDS EUROPEAN BANK AND BC | 428,953 | 0 | 428,953 |
| **D | BLACKROCK INSTITUTIONAL POOLED FUND PLC | 1,782 | 0 | 1,782 |
| **D | VANGUARD INVESTMENT SERIES, PLC | 40,331 | 0 | 40,331 |
| **D | THE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTBJ400045842 | 1,916,769 | 0 | 1,916,769 |



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|---|---|---|---|
| Shareholders: | 238 | People: | 9 |
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ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Incentive System for Financial Advisors**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | BUREAU OF LABOR FUNDS-LABOR RETIREMENT FUND 10F NO,6 SEC,1 | 59,542 | 0 | 59,542 |
| **D | CHINA LIFE INSURANCE COMPANY LIMITED | 69,632 | 0 | 69,632 |
| **D | FONDO CONSOLIDADO DE RESERVAS PREVISIONA | 40,126 | 0 | 40,126 |
| **D | COINVEST LIMITED | 13,015 | 0 | 13,015 |
| **D | SUPER FUNDS MANAG CORP SOUTH AUSTRALIA | 158,925 | 0 | 158,925 |
| **D | VANGUARD INTERNATIONAL SMALL COMPANIES I | 17,197 | 0 | 17,197 |
| **D | THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST | 136,785 | 0 | 136,785 |
| **D | ONEPATH GLOBAL SHARES - SMALL CAP UNHEDGED) INDEXPOOL | 7,474 | 0 | 7,474 |
| **D | TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK | 82,345 | 0 | 82,345 |
| **D | WYOMING RETIREMENT SYSTEM | 3,844 | 0 | 3,844 |
| **D | WYOMING RETIREMENT SYSTEM | 8,796 | 0 | 8,796 |
| **D | CURIAN/WMC INTERNATIONAL EQUITY FUND | 365,544 | 0 | 365,544 |
| **D | PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OH | 71,411 | 0 | 71,411 |
| **D | VANGUARD TOTAL INTERNATIONAL STOCK INDEX | 1,522,636 | 0 | 1,522,636 |
| **D | VANGUARD INTERNATIONAL EXPLORER FUND | 1,900,000 | 0 | 1,900,000 |
| **D | MI-FONDS 392 | 277,833 | 0 | 277,833 |
| **D | JPMORGAN EUROPEAN INVESTMENT TRUST PLC | 55,149 | 0 | 55,149 |
| **D | TRUST AND CUSTODY SERVICED BANK LIMITED | 66,207 | 0 | 66,207 |
| **D | JAPAN TRUSTEE SERVICES BANK LTD AS TRUST | 5,549 | 0 | 5,549 |
| **D | ENTERGY CORP,RETIREMENT PLANS MASTER TR, | 228,211 | 0 | 228,211 |
| **D | NEW YORK LIFE INSURANCE COMPANY | 29,310 | 0 | 29,310 |
| **D | RBC CANADIAN MASTER TRUST | 171,184 | 0 | 171,184 |
| **D | REGIME DE RETRAITE D HYDRO QUEBEC | 117,732 | 0 | 117,732 |
| **D | TEACHERS PENSION PLAN & PRIVATE SCHOOL | 774,281 | 0 | 774,281 |
| **D | TR EUROPEN GROWTH TRUST PLC | 1,036,081 | 0 | 1,036,081 |
| **D | HSBC GLOBAL INVESTMENT FUNDS | 1,170,000 | 0 | 1,170,000 |
| **D | GLG PARTNERS | 13,632 | 0 | 13,632 |
| **D | LOMBARD ODIER FUNDS (SWITZERLAND) SA | 44,454 | 0 | 44,454 |
| **D | HSBC INTERNATIONAL SELECT FUND | 5,400 | 0 | 5,400 |
| **D | SCHRODER INTERNATIONAL SELECTION FUND | 6,643,128 | 0 | 6,643,128 |
| **D | SCHRODER EUROPEAN SMALLER COMPANIES FUND | 376,881 | 0 | 376,881 |
| **D | SHROEDER INSTITUTIONAL EUROPEAN FUND | 845,644 | 0 | 845,644 |



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ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Incentive System for Financial Advisors**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | PUBLIC EMPLOYEES RETIREMENT ASSOCIATION | 80,000 | 0 | 80,000 |
| **D | SCHRODER CAPITAL MANAGEMENT COLLECTIVE TRUST | 200,000 | 0 | 200,000 |
| **D | SCHRODER INTERNATIONAL SMALL COMPANIES P | 150,000 | 0 | 150,000 |
| **D | NIGOSC ADMINISTERS NILG PENSION FUND | 92,268 | 0 | 92,268 |
| **D | PIONEER INVESTMENT MANAGEMENT SGRPA / AZIONARIO CRESCITA | 742,063 | 0 | 742,063 |
| **D | METZLER INTERNATIONAL INVEST PLC | 1,123,000 | 0 | 1,123,000 |
| **D | NUMERIC INVESTORS LLC | 7,700 | 0 | 7,700 |
| **D | AXA INVEST MANAGERS PARIS | 762,000 | 0 | 762,000 |
| **D | CIPAV ALOIS MARGARETH HENRIAU | 196,710 | 0 | 196,710 |
| **D | NUMERIC ABSOLUTE RETURN FUND LP NUMERIC INVESTORS LIMITED LIABILITY COMPANY | 1,000 | 0 | 1,000 |
| **D | CANADIAN BROADCASTING CORPORATION PENSION PLAN | 80,000 | 0 | 80,000 |
| **D | LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED | 6,845 | 0 | 6,845 |
| **D | THREADNEEDLE INVESTMENT FUNDS ICVC PAN EUROPEAN SMALLER COMPANIES FUND | 5,469,926 | 0 | 5,469,926 |
| **D | SIEFOREBANAMEXBASICA2SADECV | 251,002 | 0 | 251,002 |
| **D | THREADNEEDLE INVESTMENT FUNDS ICVC EUROPEAN SMALLER COMPANIES FUND | 5,390,134 | 0 | 5,390,134 |
| **D | SIEFOREBANAMEXBASICA4SADECV | 313,753 | 0 | 313,753 |
| **D | SIEFOREBANAMEXBASICA3SADECV | 288,652 | 0 | 288,652 |
| **D | STATE TEACHERS RETIREMENT SYSTEM OF OHIO | 137,684 | 0 | 137,684 |
| **D | CITIBANK KOREA INC | 1,037,271 | 0 | 1,037,271 |
| **D | MACQUARIE INVESTMENT MANAGEMENT LIMITED | 6,545 | 0 | 6,545 |
| **D | UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII | 25,082 | 0 | 25,082 |
| **D | THREADNEEDLE (LUX | 800,712 | 0 | 800,712 |
| **D | GOVERNMENT OF NORWAY | 5,921,587 | 0 | 5,921,587 |
| **D | FEDERATED KAUFMANN SMALL CAP FUND | 708,000 | 0 | 708,000 |
| **D | SCHWAB INTERNATIONAL SMALL-CAP EQUITY ETF | 50,086 | 0 | 50,086 |
| **D | JOHN HANCOCK SEAPORT FUND | 118,020 | 0 | 118,020 |
| **D | WELLINGTON MNGM PTF (CANADA) GLOBAL OPPORTUNITIES PTF | 10,738 | 0 | 10,738 |
| **D | INTERNATIONAL MONETARY FUND | 2,140 | 0 | 2,140 |
| **D | GMAM INVESTMENT FUNDS TRUST | 135,986 | 0 | 135,986 |
| **D | ARTISAN GLOBAL SMALL CAP FUND | 227,066 | 0 | 227,066 |
| **D | STATE OF ALASKA RETIREMENT AND BENEFITS PLANS | 116,413 | 0 | 116,413 |
| **D | BLACKSTONE ALTERNATIVE MULTI-MANAGER FUND | 144,464 | 0 | 144,464 |



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# ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

### Subject: **Incentive System for Financial Advisors**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | BLACKSTONE ALTERNATIVE MULTI-STRATEGY FUND | 134,199 | 0 | 134,199 |
| **D | EAST RIDING PENSION FUND | 219,331 | 0 | 219,331 |
| **D | PYRAMIS CONCENTRATED INTERNATIONAL SMALL CAP TRUST | 181,490 | 0 | 181,490 |
| **D | UAW RETIREE MEDICAL BENEFITS TRUST | 90,710 | 0 | 90,710 |
| **D | THE GENERAL MOTORS CANADIAN HOURLY-RATE EMPL PENSION PLAN | 42,610 | 0 | 42,610 |
| **D | THE GENERAL MOTORS CANAD RETIREMENT PROGR FOR SALARIED EMPL | 10,815 | 0 | 10,815 |
| **D | HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND | 1,106,930 | 0 | 1,106,930 |
| **D | THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND | 1,089,954 | 0 | 1,089,954 |
| **D | THE HARTFORDGLOBAL ALL- ASSET FUND | 56,097 | 0 | 56,097 |
| **D | HARTFORD HEALTHCARE ENDOWMENT LLC | 18,092 | 0 | 18,092 |
| **D | HARTFORD HEALTHCARE CORP DEFINED BENEFIT MASTER TR AGREEMENT | 24,743 | 0 | 24,743 |
| **D | TCW INTERNATIONAL SMALL CAP FUND | 35,149 | 0 | 35,149 |
| **D | TCW INTERNATIONAL GROWTH FUND | 4,500 | 0 | 4,500 |
| **D | ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO | 9,960 | 0 | 9,960 |
| **D | ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM | 78,810 | 0 | 78,810 |
| **D | HENKEL OF AMERICA MASTER RETIREMENT TRUST | 24,125 | 0 | 24,125 |
| **D | MERCER QIF CCF | 1,555,252 | 0 | 1,555,252 |
| **D | ASHWOOD INVESTMENTS LIMITED | 6,315 | 0 | 6,315 |
| **D | COSMIC INVESTMENT FUND | 391,675 | 0 | 391,675 |
| **D | CITY OF NEW YORK GROUP TRUST | 62,844 | 0 | 62,844 |
| **D | WELLINGTON MNGT PTF (CAYMAN)-GL OPP EX-JAPAN PTF F QUA INST IN | 60,538 | 0 | 60,538 |
| **D | BNY MELLON TR+DEP ATF ST, JAMES`S PLACE MNGD GROWTH UNIT TR | 1,153,285 | 0 | 1,153,285 |
| **D | HONG KONG SPECIAL ADMINISTRATIVE REGION GOVERNMENT-EXCHANGE F | 218,414 | 0 | 218,414 |
| **D | BIMCOR GLOBAL EQUITY POOLED FUND | 31,619 | 0 | 31,619 |
| **D | MINISTRY OF STRATEGY AND FINANCE | 154,828 | 0 | 154,828 |
| **D | SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY | 20,546 | 0 | 20,546 |
| **D | CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM | 171,493 | 0 | 171,493 |
| **D | STATE OF TENNESSEE CONSOLIDATED RETIREMENT SYSTEM | 311,857 | 0 | 311,857 |
| **D | SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST | 44,069 | 0 | 44,069 |
| **D | THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST | 367,659 | 0 | 367,659 |
| **D | THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF | 84,333 | 0 | 84,333 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF | 109,424 | 0 | 109,424 |



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|---|---|---|---|
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ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

### Subject: **Incentive System for Financial Advisors**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II | 354,717 | 0 | 354,717 |
| **D | WASHINGTON STATE INVESTMENT BOARD | 96,690 | 0 | 96,690 |
| **D | PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY | 496,801 | 0 | 496,801 |
| **D | WELLINGTON MANAGEMENT PORTFOLIOS (DUBLIN) PLC | 11,927 | 0 | 11,927 |
| **D | SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL | 295,099 | 0 | 295,099 |
| **D | AXA WORLD FUNDS | 9,707,811 | 0 | 9,707,811 |
| **D | GOLDMAN SACHS FUNDS | 2,923 | 0 | 2,923 |
| **D | MARCH FUND | 38,196 | 0 | 38,196 |
| **D | UBS ETF | 15,719 | 0 | 15,719 |
| **D | ISHARES MSCI EAFE SMALL CAP ETF | 117,300 | 0 | 117,300 |
| **D | ISHARES DEVELOPED SMALL-CAP EX NORTH AMERICA ETF | 7,054 | 0 | 7,054 |
| **D | BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR | 976,493 | 0 | 976,493 |
| **D | ISHARES CORE MSCI EAFE ETF | 93,004 | 0 | 93,004 |
| **D | ISHARES CORE MSCI EAFE IMI INDEX ETF | 5,341 | 0 | 5,341 |
| **D | ISHARES MSCI EUROPE IMI INDEX ETF | 3,907 | 0 | 3,907 |
| **D | ISHARES MSCI EUROPE IMI ETF | 8,208 | 0 | 8,208 |
| **D | BLACKROCK CDN ACWI ALPHA TILTS FUND | 1,609 | 0 | 1,609 |
| **D | RUSSELL DEVELOPED EX-U,S, LARGE CAP INDEX FUND B | 1,917 | 0 | 1,917 |
| **D | WORLD ALPHA TILTS NON-LENDABLE FUND B | 757 | 0 | 757 |
| **D | BGI MSCI EAFE SMALL CAP EQUITY INDEX FUND B | 69,755 | 0 | 69,755 |
| **D | BGI MSCI EMU IMI INDEX FUND B | 312 | 0 | 312 |
| **D | BLACKROCK GLOBAL MARKET INSIGHT FUND B | 801 | 0 | 801 |
| **D | GLOBAL ALPHA TILTS FUND B | 1,598 | 0 | 1,598 |
| **D | BLACKROCK MSCI WORLD SMALL CAP EQ ESG SCREENED INDEX FUND B | 5,037 | 0 | 5,037 |
| **D | INTERNATIONAL ALPHA TILTS FUND B | 1,488 | 0 | 1,488 |
| **D | GLOBAL EX US ALPHA TILTS FUND B | 950 | 0 | 950 |
| **D | BP PENSION FUND | 846,500 | 0 | 846,500 |
| **D | RUSSELL INVESTMENT COMPANY II PLC | 18,500 | 0 | 18,500 |
| **D | INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST | 70,600 | 0 | 70,600 |
| **D | KINGFISHER PENSION SCHEME | 23,872 | 0 | 23,872 |
| **D | OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM | 240,752 | 0 | 240,752 |
| **D | COLLEGE RETIREMENT EQUITIES FUND | 214,462 | 0 | 214,462 |



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ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Incentive System for Financial Advisors**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | TRANSAMERICA INTERNATIONAL SMALL CAP | 750,000 | 0 | 750,000 |
| **D | SPDR S+P INTERNATIONAL MIDCAP ETF | 13,723 | 0 | 13,723 |
| **D | RUSSELL INVESTMENT COMPANY PLC | 6,600 | 0 | 6,600 |
| **D | MULTI-STYLE, MULTI-MANAGER FUNDS PLC | 113,150 | 0 | 113,150 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF | 174,516 | 0 | 174,516 |
| **D | GOVERNMENT INSTITUTIONS PENSION FUND | 130,092 | 0 | 130,092 |
| **D | THE WELLINGTON TR CO, NAT ASS MULT COMM TR F TR, INT RES EQ F | 27,188 | 0 | 27,188 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COMM TR F TR GLB RES EQ PTF | 9,712 | 0 | 9,712 |
| **D | MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F | 39,648 | 0 | 39,648 |
| **D | ISHARES VII PLC | 225,323 | 0 | 225,323 |
| **D | BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F | 923 | 0 | 923 |
| **D | MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST | 54,673 | 0 | 54,673 |
| **D | NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND | 7,451 | 0 | 7,451 |
| **D | EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS | 70,448 | 0 | 70,448 |
| **D | AXIOM INVESTORS TRUST II | 11,961 | 0 | 11,961 |
| **D | INTERNATIONAL MONETARY FUND STAFF RETIREMENT PLAN | 76,947 | 0 | 76,947 |
| **D | INTERNATIONAL MONETARU FUND STAFF RETIREMENT PLAN | 13,103 | 0 | 13,103 |
| **D | NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P,R,C | 18,050 | 0 | 18,050 |
| **D | MICROSOFT GLOBAL FINANCE | 200,000 | 0 | 200,000 |
| **D | STATES UNIVERSITIES RETIREMENT SYSTEM | 59,562 | 0 | 59,562 |
| **D | NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST | 195,608 | 0 | 195,608 |
| **D | TYCO ELECTRONICS DEFINED BENEFIT PLANS MASTER TRUST | 18,124 | 0 | 18,124 |
| **D | NEW ZEALAND SUPERANNUATION FUND | 20,550 | 0 | 20,550 |
| **D | GENERAL PENSION AND SOCIAL SECURITY AUTHORITY | 134,082 | 0 | 134,082 |
| **D | LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM | 21,464 | 0 | 21,464 |
| **D | CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN | 36,807 | 0 | 36,807 |
| **D | SAN FRANCISCO CITY & COUNTY EMPLOYEES` RETIREMENT SYSTEM | 62,376 | 0 | 62,376 |
| **D | UTAH STATE RETIREMENT SYSTEMS | 11,131 | 0 | 11,131 |
| **D | WHEELS COMMON INVESTMENT FUND | 5,543 | 0 | 5,543 |
| **D | ZURICH FINANCIAL SERVICES UK PENSION SCHEME | 445,869 | 0 | 445,869 |
| **D | UNILEVER UK PENSION FUND | 1,031,459 | 0 | 1,031,459 |
| **D | PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO | 34,658 | 0 | 34,658 |



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ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Incentive System for Financial Advisors**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO | 23,784 | 0 | 23,784 |
| **D | ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND | 30,871 | 0 | 30,871 |
| **D | UNIVEST | 454,562 | 0 | 454,562 |
| **D | SICAV BBM V-FLEX | 36,092 | 0 | 36,092 |
| **D | FCP BEST BUSINESS MODELS | 500,000 | 0 | 500,000 |
| **D | I,2,C, ACTIONS | 540,000 | 0 | 540,000 |
| **D | FCP VILLIERS DIAPASON | 28,850 | 0 | 28,850 |
| **D | FCP RSI EURO P | 238,007 | 0 | 238,007 |
| **D | SLI GLOBAL SICAV GLOBAL FOCUSEDSTRATEGIES FUND | 48,117 | 0 | 48,117 |
| **D | PRUDENTIAL SECTOR FUNDS INC PRUDENTIAL FINANCIAL SERVICE | 642,387 | 0 | 642,387 |
| **D | INVESCO FUNDS | 248,740 | 0 | 248,740 |
| **D | THE BANK OF KOREA | 1 | 0 | 1 |
| **D | WMP OPPORTUNISTIC INVESTMENT PARTNERS, L,P, | 27,554 | 0 | 27,554 |
| **D | INVESCO FUNDS SERIES 4 | 2,744,241 | 0 | 2,744,241 |
| **D | ADVANCED SERIES TRUST -AST FI PYRAMIS QUANTITATIVE PORTFOLIO | 97,276 | 0 | 97,276 |
| **D | BLACKROCK LIFE LIMITED | 5,131 | 0 | 5,131 |
| **D | DEUTSCHE X-TRACKERS MSCI EMU HEDGED EQUITY ETF | 1,450 | 0 | 1,450 |
| **D | ING FUNDS SERVICES, LLC | 223,989 | 0 | 223,989 |
| **D | ADVANCED SERIES TRUST-AST QMA EMERGING MARKETS EQUITY PORTFOLIO | 148,743 | 0 | 148,743 |
| **D | ADVANCED SERIES TRUST-AST PRUDENTIAL GROWTH ALLOCATION PORTFOLIO | 9,767 | 0 | 9,767 |
| **D | BLACKROCK GLOBAL FUNDS | 863 | 0 | 863 |
| **D | STG PFDS V,D, GRAFISCHE | 105,000 | 0 | 105,000 |
| **D | RUSSELL SMALLER COMPANIES POOL | 19,672 | 0 | 19,672 |
| **D | ALASKA PERMANENT FUND CORPORATION | 1 | 0 | 1 |
| **D | THE CLEVELAND CLINIC FOUNDATION | 82,047 | 0 | 82,047 |
| **D | CN CANADIAN MASTER TRUST FUND , | 13,974 | 0 | 13,974 |
| **D | THE STATE OF CONNECTICUT ACTINGTHROUGH ITS TREASURER | 180,000 | 0 | 180,000 |
| **D | BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN | 2,183 | 0 | 2,183 |
| **D | LIBERTY MUTUAL RETIREMENT PLAN MASTER TRUST | 15,700 | 0 | 15,700 |
| **D | PROVINCE PF NEWFOUNLAND AND LABRADOR POOLED PENSION FUND | 1 | 0 | 1 |
| **D | NEW YORK STATE DEFERRED COMPENSATION PLAN | 122,850 | 0 | 122,850 |
| **D | BELL ATLANTIC MASTER TRUST | 65,031 | 0 | 65,031 |



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| Shareholders: | 238 | People: | 9 |
| Shareholders on own behalf: | 7 | Shareholders by proxy: | 231 |

DE* Proxy to the natural person above mentioned with the badge number
**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")

RL* legal representation to the natural person above mentioned with the badge number
RL* rappresentanza legale alla persona fisica sopra indicata con il numero della scheda magnetica

ORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Incentive System for Financial Advisors**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | INDIANA PUBLIC EMPLOYEES RETIREMENT FUND | 4,982 | 0 | 4,982 |
| **D | ARROWSTREET US GROUP TRUST | 47,392 | 0 | 47,392 |
| **D | TELUS FOREIGN EQUITY ACTIVE ALPHA POOL | 100,628 | 0 | 100,628 |
| **D | PUBLIC SECTOR PENSION INVESTMENT BOARD | 1 | 0 | 1 |
| **D | CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY | 51,756 | 0 | 51,756 |
| **D | UMC BENEFIT BOARD, INC | 15,911 | 0 | 15,911 |
| **D | UNISYS MASTER TRUST | 77,102 | 0 | 77,102 |
| **D | VERIZON MASTER SAVINGS TRUST , | 79,398 | 0 | 79,398 |
| **D | STICHTING PENSIOENFONDS HORECA & CATERING | 11,729 | 0 | 11,729 |
| **D | MINISTER FOR FINANCE (ISIF MANAGED AND CONTROLLED BY NTMA) | 1 | 0 | 1 |
| **D | CF DV ACWI EX-U,S, IMI FUND | 2,181 | 0 | 2,181 |
| **D | ROGERSCASEY TARGET SOLUTIONS LLC, | 10,604 | 0 | 10,604 |
| **D | FIRST INVESTORS GLOBAL FUND | 291,917 | 0 | 291,917 |
| **D | FIRST TRUST INTERNATIONAL IPO ETF | 1,782 | 0 | 1,782 |
| 805 | VIOZZI DANIELE | 50 | 50 | 0 |
| 821 | CERASUOLO STEFANO | 5,000 | 5,000 | 0 |

| | |
|---|---|
| **Total voters** | 481,106,765 |
| **Percentage voters %** | 99.693492 |
| **Percentage Capital %** | 79.323048 |



| | | | |
|---|---|---|---|
| Shareholders: | 238 | People: | 9 |
| Shareholders on own behalf: | 7 | Shareholders by proxy: | 231 |

DE* Proxy to the natural person above mentioned with the badge number
**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")

RL* legal representation to the natural person above mentioned with the badge number
RL* rappresentanza legale alla persona fisica sopra indicata con il numero della scheda magnetica

EXTRAORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Amendments to Clause 6 of the Articles of Association in accordance with the Supervisory Regulations for Banks on remuneration and incentive policies and practices.**

no. **244** persons entitled to vote took part in the voting on own behalf or by proxy

no. **482,585,929** ordinary shares

**The counting of votes produced the following results:**

| | | % of ordinary share capital present (Voting Quorum) | % of ordinary share entitled to vote | % share capital |
|---|---|---|---|---|
| **In Favour** | 482,380,329 | 99.957396 | 99.957396 | 79.533028 |
| **Against** | 0 | 0.000000 | 0.000000 | 0.000000 |
| SubTotal | 482,380,329 | 99.957396 | 99.957396 | 79.533028 |
| **Abstentions** | 205,600 | 0.042604 | 0.042604 | 0.033899 |
| **Non Voting** | 0 | 0.000000 | 0.000000 | 0.000000 |
| SubTotal | 205,600 | 0.042604 | 0.042604 | 0.033899 |
| **Total** | 482,585,929 | 100.000000 | 100.000000 | 79.566927 |

**N.B.** Number of votes necessary for the resolution approval: **321,723,953,** equivalent to 66.666667 of ordinary share entitled to vote.

| | | | |
|---|---|---|---|
| Shareholders: | 244 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 236 |

# EXTRAORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

Subject: **Amendments to Clause 6 of the Articles of Association**

**AGAINST**

| Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|

| | |
|---|---|
| **Total vote** | 0 |
| **Percentage voters %** | 0.000000 |
| **Percentage Capital %** | 0.000000 |



| | | | | |
|---|---|---|---|---|
| Shareholders: | 0 | People: | 0 | DE* Proxy to the natural person above mentioned with the badge number |
| Shareholders on own behalf: | 0 | Shareholders by proxy: | 0 | **D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations") |
| | | | | RL* legal representation to the natural person above mentioned with the badge number |

EXTRAORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Amendments to Clause 6 of the Articles of Association**

**ABSTENTIONS**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| 4220 | TONELLI GIULIO | 0 | 0 | 0 |
| **D | NATIONAL PENSION SERVICE | 205,600 | 0 | 205,600 |

| | |
|---|---|
| **Total vote** | 205,600 |
| **Percentage voters %** | 0.042604 |
| **Percentage Capital %** | 0.033899 |



| | | | | |
|---|---|---|---|---|
| Shareholders: | 1 | People: | 1 | DE* Proxy to the natural person above mentioned with the badge number |
| Shareholders on own behalf: | 0 | Shareholders by proxy: | 1 | **D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations") |
| | | | | RL* legal representation to the natural person above mentioned with the badge number |

EXTRAORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Amendments to Clause 6 of the Articles of Association**

**NOT VOTING**

| Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|

| | |
|---|---|
| **Total vote** | 0 |
| **Percentage voters %** | 0,000000 |
| **Percentage Capital %** | 0,000000 |



| | | | | |
|---|---|---|---|---|
| Shareholders: | 0 | People: | 0 | DE* Proxy to the natural person above mentioned with the badge number |
| Shareholders on own behalf: | 0 | Shareholders by proxy: | 0 | **D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations") |
| | | | | RL* legal representation to the natural person above mentioned with the badge number |

EXTRAORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Amendments to Clause 6 of the Articles of Association**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| 1389 | ANNIBALETTI ANGELO | 20,000 | 20,000 | 0 |
| 1436 | CASATI FEDERICO | 50 | 50 | 0 |
| 1570 | CAGLIA MARIA | 0 | 0 | 0 |
| DE* | UNICREDIT S.P.A. | 397,108,033 | 0 | 397,108,033 |
| 1908 | AMADEI STEFANO | 1,000 | 1,000 | 0 |
| 2205 | PISTONE UGO LUIGI | 1,000 | 1,000 | 0 |
| 3214 | GUERRA MAURO | 1,000 | 1,000 | 0 |
| 4220 | TONELLI GIULIO | 0 | 0 | 0 |
| **D | WELLINGTON MANAGEMENT PORTFOLIOS | 203,733 | 0 | 203,733 |
| **D | WELLINGTON MANAGNT PORTFOLIOS GLOB RESEA | 48,378 | 0 | 48,378 |
| **D | VANGUARD TOTAL WORLD STOCK INDEX FUND | 28,097 | 0 | 28,097 |
| **D | VANGUARD FTSE ALL WORD SMALL CAP IND FUN | 259,822 | 0 | 259,822 |
| **D | BBH&C BOS FOR PYRAM GR TRUST FOR EMPL EMERG MM COM | 59,389 | 0 | 59,389 |
| **D | WELLINGTON TRUST COMP,COMM TRUST INT OPP | 113,255 | 0 | 113,255 |
| **D | WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUITY PORTFOLIO | 8,875 | 0 | 8,875 |
| **D | JAPAN TRUSTEE SERVICES BANK LTD | 535,670 | 0 | 535,670 |
| **D | THE MASTER TRUST BANK OF JAPAN LTD | 233,920 | 0 | 233,920 |
| **D | BEST INVESTMENT CORPORATION | 3,372 | 0 | 3,372 |
| **D | SCHRODER INSTITUTIONAL POOLED FUNDS-EUROPEAN EQUITY FUND | 305,795 | 0 | 305,795 |
| **D | FCP CNP ACTIONS EUROPE SCHRODER | 499,752 | 0 | 499,752 |
| **D | AXA VALEURS EURO | 666,000 | 0 | 666,000 |
| **D | AXA OPTIMAL INCOME | 1,336,074 | 0 | 1,336,074 |
| **D | COLISEE IFC 1 FCP | 610,000 | 0 | 610,000 |
| **D | FCP AXIVA ACTION 1 | 285,000 | 0 | 285,000 |
| **D | FONDS RESERVE RETRAITES | 864,222 | 0 | 864,222 |
| **D | FCP ERAFP ACT IND11 | 61,598 | 0 | 61,598 |
| **D | HENDERSON HORIZON FUND SICAV | 1,181,015 | 0 | 1,181,015 |
| **D | HENDERSON GARTMORE FUND | 309,348 | 0 | 309,348 |
| **D | ROBECO CAPITAL GROWTH FUNDS | 141,510 | 0 | 141,510 |
| **D | JPMORGAN FUNDS EUROPEAN BANK AND BC | 428,953 | 0 | 428,953 |
| **D | BLACKROCK INSTITUTIONAL POOLED FUND PLC | 1,782 | 0 | 1,782 |
| **D | VANGUARD INVESTMENT SERIES, PLC | 40,331 | 0 | 40,331 |



| | | | |
|---|---|---|---|
| Shareholders: | 243 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 235 |

DE* Proxy to the natural person above mentioned with the badge number

**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")

RL* legal representation to the natural person above mentioned with the badge number

# EXTRAORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

Subject: **Amendments to Clause 6 of the Articles of Association**

### IN FAVOUR

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | THE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTBJ400045842 | 1,916,769 | 0 | 1,916,769 |
| **D | BUREAU OF LABOR FUNDS-LABOR RETIREMENT FUND 10F NO,6 SEC,1 | 59,542 | 0 | 59,542 |
| **D | CHINA LIFE INSURANCE COMPANY LIMITED | 69,632 | 0 | 69,632 |
| **D | FONDO CONSOLIDADO DE RESERVAS PREVISIONA | 40,126 | 0 | 40,126 |
| **D | COINVEST LIMITED | 13,015 | 0 | 13,015 |
| **D | SUPER FUNDS MANAG CORP SOUTH AUSTRALIA | 158,925 | 0 | 158,925 |
| **D | VANGUARD INTERNATIONAL SMALL COMPANIES I | 17,197 | 0 | 17,197 |
| **D | THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST | 136,785 | 0 | 136,785 |
| **D | ONEPATH GLOBAL SHARES - SMALL CAP UNHEDGED) INDEXPOOL | 7,474 | 0 | 7,474 |
| **D | TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK | 82,345 | 0 | 82,345 |
| **D | WYOMING RETIREMENT SYSTEM | 3,844 | 0 | 3,844 |
| **D | WYOMING RETIREMENT SYSTEM | 8,796 | 0 | 8,796 |
| **D | CURIAN/WMC INTERNATIONAL EQUITY FUND | 365,544 | 0 | 365,544 |
| **D | PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OH | 71,411 | 0 | 71,411 |
| **D | VANGUARD TOTAL INTERNATIONAL STOCK INDEX | 1,522,636 | 0 | 1,522,636 |
| **D | VANGUARD INTERNATIONAL EXPLORER FUND | 1,900,000 | 0 | 1,900,000 |
| **D | MI-FONDS 392 | 277,833 | 0 | 277,833 |
| **D | JPMORGAN EUROPEAN INVESTMENT TRUST PLC | 55,149 | 0 | 55,149 |
| **D | TRUST AND CUSTODY SERVICED BANK LIMITED | 66,207 | 0 | 66,207 |
| **D | JAPAN TRUSTEE SERVICES BANK LTD AS TRUST | 5,549 | 0 | 5,549 |
| **D | ENTERGY CORP,RETIREMENT PLANS MASTER TR, | 228,211 | 0 | 228,211 |
| **D | NEW YORK LIFE INSURANCE COMPANY | 29,310 | 0 | 29,310 |
| **D | RBC CANADIAN MASTER TRUST | 171,184 | 0 | 171,184 |
| **D | REGIME DE RETRAITE D HYDRO QUEBEC | 117,732 | 0 | 117,732 |
| **D | TEACHERS PENSION PLAN & PRIVATE SCHOOL | 774,281 | 0 | 774,281 |
| **D | TR EUROPEN GROWTH TRUST PLC | 1,036,081 | 0 | 1,036,081 |
| **D | HSBC GLOBAL INVESTMENT FUNDS | 1,170,000 | 0 | 1,170,000 |
| **D | GLG PARTNERS | 13,632 | 0 | 13,632 |
| **D | LOMBARD ODIER FUNDS (SWITZERLAND) SA | 44,454 | 0 | 44,454 |
| **D | HSBC INTERNATIONAL SELECT FUND | 5,400 | 0 | 5,400 |
| **D | SCHRODER INTERNATIONAL SELECTION FUND | 6,643,128 | 0 | 6,643,128 |
| **D | SCHRODER EUROPEAN SMALLER COMPANIES FUND | 376,881 | 0 | 376,881 |



| | | | |
|---|---|---|---|
| Shareholders: | 243 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 235 |

DE* Proxy to the natural person above mentioned with the badge number
**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")
RL* legal representation to the natural person above mentioned with the badge number

EXTRAORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Amendments to Clause 6 of the Articles of Association**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | SHROEDER INSTITUTIONAL EUROPEAN FUND | 845,644 | 0 | 845,644 |
| **D | PUBLIC EMPLOYEES RETIREMENT ASSOCIATION | 80,000 | 0 | 80,000 |
| **D | SCHRODER CAPITAL MANAGEMENT COLLECTIVE TRUST | 200,000 | 0 | 200,000 |
| **D | SCHRODER INTERNATIONAL SMALL COMPANIES P | 150,000 | 0 | 150,000 |
| **D | NIGOSC ADMINISTERS NILG PENSION FUND | 92,268 | 0 | 92,268 |
| **D | PIONEER INVESTMENT MANAGEMENT SGRPA / AZIONARIO CRESCITA | 742,063 | 0 | 742,063 |
| **D | METZLER INTERNATIONAL INVEST PLC | 1,123,000 | 0 | 1,123,000 |
| **D | NUMERIC INVESTORS LLC | 7,700 | 0 | 7,700 |
| **D | AXA INVEST MANAGERS PARIS | 762,000 | 0 | 762,000 |
| **D | CIPAV ALOIS MARGARETH HENRIAU | 196,710 | 0 | 196,710 |
| **D | NUMERIC ABSOLUTE RETURN FUND LP NUMERIC INVESTORS LIMITED LIABILITY COMPANY | 1,000 | 0 | 1,000 |
| **D | CANADIAN BROADCASTING CORPORATION PENSION PLAN | 80,000 | 0 | 80,000 |
| **D | LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED | 6,845 | 0 | 6,845 |
| **D | THREADNEEDLE INVESTMENT FUNDS ICVC PAN EUROPEAN SMALLER COMPANIES FUND | 5,469,926 | 0 | 5,469,926 |
| **D | SIEFOREBANAMEXBASICA2SADECV | 251,002 | 0 | 251,002 |
| **D | THREADNEEDLE INVESTMENT FUNDS ICVC EUROPEAN SMALLER COMPANIES FUND | 5,390,134 | 0 | 5,390,134 |
| **D | SIEFOREBANAMEXBASICA4SADECV | 313,753 | 0 | 313,753 |
| **D | SIEFOREBANAMEXBASICA3SADECV | 288,652 | 0 | 288,652 |
| **D | STATE TEACHERS RETIREMENT SYSTEM OF OHIO | 137,684 | 0 | 137,684 |
| **D | CITIBANK KOREA INC | 1,037,271 | 0 | 1,037,271 |
| **D | STICHTING PGGM DEPOSITARY | 265,000 | 0 | 265,000 |
| **D | MACQUARIE INVESTMENT MANAGEMENT LIMITED | 6,545 | 0 | 6,545 |
| **D | UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII | 25,082 | 0 | 25,082 |
| **D | THREADNEEDLE (LUX | 800,712 | 0 | 800,712 |
| **D | GOVERNMENT OF NORWAY | 5,921,587 | 0 | 5,921,587 |
| **D | FEDERATED KAUFMANN SMALL CAP FUND | 708,000 | 0 | 708,000 |
| **D | SCHWAB INTERNATIONAL SMALL-CAP EQUITY ETF | 50,086 | 0 | 50,086 |
| **D | JOHN HANCOCK SEAPORT FUND | 118,020 | 0 | 118,020 |
| **D | WELLINGTON MNGM PTF (CANADA) GLOBAL OPPORTUNITIES PTF | 10,738 | 0 | 10,738 |
| **D | INTERNATIONAL MONETARY FUND | 2,140 | 0 | 2,140 |
| **D | GMAM INVESTMENT FUNDS TRUST | 135,986 | 0 | 135,986 |
| **D | ARTISAN GLOBAL SMALL CAP FUND | 227,066 | 0 | 227,066 |



| | | | |
|---|---|---|---|
| Shareholders: | 243 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 235 |

DE* Proxy to the natural person above mentioned with the badge number

**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")

RL* legal representation to the natural person above mentioned with the badge number

EXTRAORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Amendments to Clause 6 of the Articles of Association**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | STATE OF ALASKA RETIREMENT AND BENEFITS PLANS | 116,413 | 0 | 116,413 |
| **D | BLACKSTONE ALTERNATIVE MULTI-MANAGER FUND | 144,464 | 0 | 144,464 |
| **D | BLACKSTONE ALTERNATIVE MULTI-STRATEGY FUND | 134,199 | 0 | 134,199 |
| **D | EAST RIDING PENSION FUND | 219,331 | 0 | 219,331 |
| **D | PYRAMIS CONCENTRATED INTERNATIONAL SMALL CAP TRUST | 181,490 | 0 | 181,490 |
| **D | UAW RETIREE MEDICAL BENEFITS TRUST | 90,710 | 0 | 90,710 |
| **D | THE GENERAL MOTORS CANADIAN HOURLY-RATE EMPL PENSION PLAN | 42,610 | 0 | 42,610 |
| **D | THE GENERAL MOTORS CANAD RETIREMENT PROGR FOR SALARIED EMPL | 10,815 | 0 | 10,815 |
| **D | HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND | 1,106,930 | 0 | 1,106,930 |
| **D | THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND | 1,089,954 | 0 | 1,089,954 |
| **D | THE HARTFORDGLOBAL ALL- ASSET FUND | 56,097 | 0 | 56,097 |
| **D | HARTFORD HEALTHCARE ENDOWMENT LLC | 18,092 | 0 | 18,092 |
| **D | HARTFORD HEALTHCARE CORP DEFINED BENEFIT MASTER TR AGREEMENT | 24,743 | 0 | 24,743 |
| **D | TCW INTERNATIONAL SMALL CAP FUND | 35,149 | 0 | 35,149 |
| **D | TCW INTERNATIONAL GROWTH FUND | 4,500 | 0 | 4,500 |
| **D | ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO | 9,960 | 0 | 9,960 |
| **D | ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM | 78,810 | 0 | 78,810 |
| **D | HENKEL OF AMERICA MASTER RETIREMENT TRUST | 24,125 | 0 | 24,125 |
| **D | MERCER QIF CCF | 1,555,252 | 0 | 1,555,252 |
| **D | ASHWOOD INVESTMENTS LIMITED | 6,315 | 0 | 6,315 |
| **D | COSMIC INVESTMENT FUND | 391,675 | 0 | 391,675 |
| **D | CITY OF NEW YORK GROUP TRUST | 62,844 | 0 | 62,844 |
| **D | WELLINGTON MNGT PTF (CAYMAN)-GL OPP EX-JAPAN PTF F QUA INST IN | 60,538 | 0 | 60,538 |
| **D | BNY MELLON TR+DEP ATF ST, JAMES`S PLACE MNGD GROWTH UNIT TR | 1,153,285 | 0 | 1,153,285 |
| **D | HONG KONG SPECIAL ADMINISTRATIVE REGION GOVERNMENT-EXCHANGE F | 218,414 | 0 | 218,414 |
| **D | BIMCOR GLOBAL EQUITY POOLED FUND | 31,619 | 0 | 31,619 |
| **D | MINISTRY OF STRATEGY AND FINANCE | 154,828 | 0 | 154,828 |
| **D | SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY | 20,546 | 0 | 20,546 |
| **D | CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM | 663,768 | 0 | 663,768 |
| **D | CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM | 171,493 | 0 | 171,493 |
| **D | STATE OF TENNESSEE CONSOLIDATED RETIREMENT SYSTEM | 311,857 | 0 | 311,857 |
| **D | SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST | 44,069 | 0 | 44,069 |



| | | | |
|---|---|---|---|
| Shareholders: | 243 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 235 |

DE* Proxy to the natural person above mentioned with the badge number
**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")
RL* legal representation to the natural person above mentioned with the badge number

EXTRAORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Amendments to Clause 6 of the Articles of Association**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST | 367,659 | 0 | 367,659 |
| **D | THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF | 84,333 | 0 | 84,333 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF | 109,424 | 0 | 109,424 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II | 354,717 | 0 | 354,717 |
| **D | WASHINGTON STATE INVESTMENT BOARD | 96,690 | 0 | 96,690 |
| **D | PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY | 496,801 | 0 | 496,801 |
| **D | WELLINGTON MANAGEMENT PORTFOLIOS (DUBLIN) PLC | 11,927 | 0 | 11,927 |
| **D | SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL | 295,099 | 0 | 295,099 |
| **D | AXA WORLD FUNDS | 9,707,811 | 0 | 9,707,811 |
| **D | GOLDMAN SACHS FUNDS | 2,923 | 0 | 2,923 |
| **D | MARCH FUND | 38,196 | 0 | 38,196 |
| **D | UBS ETF | 15,719 | 0 | 15,719 |
| **D | ISHARES MSCI EAFE SMALL CAP ETF | 117,300 | 0 | 117,300 |
| **D | ISHARES DEVELOPED SMALL-CAP EX NORTH AMERICA ETF | 7,054 | 0 | 7,054 |
| **D | BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR | 976,493 | 0 | 976,493 |
| **D | ISHARES CORE MSCI EAFE ETF | 93,004 | 0 | 93,004 |
| **D | ISHARES CORE MSCI EAFE IMI INDEX ETF | 5,341 | 0 | 5,341 |
| **D | ISHARES MSCI EUROPE IMI INDEX ETF | 3,907 | 0 | 3,907 |
| **D | ISHARES MSCI EUROPE IMI ETF | 8,208 | 0 | 8,208 |
| **D | BLACKROCK CDN ACWI ALPHA TILTS FUND | 1,609 | 0 | 1,609 |
| **D | RUSSELL DEVELOPED EX-U,S, LARGE CAP INDEX FUND B | 1,917 | 0 | 1,917 |
| **D | WORLD ALPHA TILTS NON-LENDABLE FUND B | 757 | 0 | 757 |
| **D | BGI MSCI EAFE SMALL CAP EQUITY INDEX FUND B | 69,755 | 0 | 69,755 |
| **D | BGI MSCI EMU IMI INDEX FUND B | 312 | 0 | 312 |
| **D | BLACKROCK GLOBAL MARKET INSIGHT FUND B | 801 | 0 | 801 |
| **D | GLOBAL ALPHA TILTS FUND B | 1,598 | 0 | 1,598 |
| **D | BLACKROCK MSCI WORLD SMALL CAP EQ ESG SCREENED INDEX FUND B | 5,037 | 0 | 5,037 |
| **D | INTERNATIONAL ALPHA TILTS FUND B | 1,488 | 0 | 1,488 |
| **D | GLOBAL EX US ALPHA TILTS FUND B | 950 | 0 | 950 |
| **D | BP PENSION FUND | 846,500 | 0 | 846,500 |
| **D | RUSSELL INVESTMENT COMPANY II PLC | 18,500 | 0 | 18,500 |
| **D | INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST | 70,600 | 0 | 70,600 |



| | | | |
|---|---|---|---|
| Shareholders: | 243 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 235 |

DE* Proxy to the natural person above mentioned with the badge number
**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")
RL* legal representation to the natural person above mentioned with the badge number

# EXTRAORDINARY SHAREHOLDERS' MEETING of April 23, 2015

## RESULTS OF VOTING

Subject: **Amendments to Clause 6 of the Articles of Association**

### IN FAVOUR

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | KINGFISHER PENSION SCHEME | 23,872 | 0 | 23,872 |
| **D | OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM | 240,752 | 0 | 240,752 |
| **D | COLLEGE RETIREMENT EQUITIES FUND | 214,462 | 0 | 214,462 |
| **D | TRANSAMERICA INTERNATIONAL SMALL CAP | 750,000 | 0 | 750,000 |
| **D | SPDR S+P INTERNATIONAL MIDCAP ETF | 13,723 | 0 | 13,723 |
| **D | RUSSELL INVESTMENT COMPANY PLC | 6,600 | 0 | 6,600 |
| **D | MULTI-STYLE, MULTI-MANAGER FUNDS PLC | 113,150 | 0 | 113,150 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF | 174,516 | 0 | 174,516 |
| **D | GOVERNMENT INSTITUTIONS PENSION FUND | 130,092 | 0 | 130,092 |
| **D | THE WELLINGTON TR CO, NAT ASS MULT COMM TR F TR, INT RES EQ F | 27,188 | 0 | 27,188 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COMM TR F TR GLB RES EQ PTF | 9,712 | 0 | 9,712 |
| **D | MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F | 39,648 | 0 | 39,648 |
| **D | ISHARES VII PLC | 225,323 | 0 | 225,323 |
| **D | BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F | 923 | 0 | 923 |
| **D | MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST | 54,673 | 0 | 54,673 |
| **D | NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND | 7,451 | 0 | 7,451 |
| **D | EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS | 70,448 | 0 | 70,448 |
| **D | AXIOM INVESTORS TRUST II | 11,961 | 0 | 11,961 |
| **D | INTERNATIONAL MONETARY FUND STAFF RETIREMENT PLAN | 76,947 | 0 | 76,947 |
| **D | INTERNATIONAL MONETARU FUND STAFF RETIREMENT PLAN | 13,103 | 0 | 13,103 |
| **D | NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P,R,C | 18,050 | 0 | 18,050 |
| **D | MICROSOFT GLOBAL FINANCE | 200,000 | 0 | 200,000 |
| **D | STATES UNIVERSITIES RETIREMENT SYSTEM | 59,562 | 0 | 59,562 |
| **D | NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST | 195,608 | 0 | 195,608 |
| **D | TYCO ELECTRONICS DEFINED BENEFIT PLANS MASTER TRUST | 18,124 | 0 | 18,124 |
| **D | NEW ZEALAND SUPERANNUATION FUND | 20,550 | 0 | 20,550 |
| **D | GENERAL PENSION AND SOCIAL SECURITY AUTHORITY | 134,082 | 0 | 134,082 |
| **D | LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM | 21,464 | 0 | 21,464 |
| **D | CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN | 36,807 | 0 | 36,807 |
| **D | SAN FRANCISCO CITY & COUNTY EMPLOYEES` RETIREMENT SYSTEM | 62,376 | 0 | 62,376 |
| **D | UTAH STATE RETIREMENT SYSTEMS | 11,131 | 0 | 11,131 |
| **D | WHEELS COMMON INVESTMENT FUND | 5,543 | 0 | 5,543 |



| | | | |
|---|---|---|---|
| Shareholders: | 243 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 235 |

DE* Proxy to the natural person above mentioned with the badge number
**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")
RL* legal representation to the natural person above mentioned with the badge number

EXTRAORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Amendments to Clause 6 of the Articles of Association**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | ZURICH FINANCIAL SERVICES UK PENSION SCHEME | 445,869 | 0 | 445,869 |
| **D | UNILEVER UK PENSION FUND | 1,031,459 | 0 | 1,031,459 |
| **D | PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO | 34,658 | 0 | 34,658 |
| **D | MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO | 23,784 | 0 | 23,784 |
| **D | ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND | 30,871 | 0 | 30,871 |
| **D | UNIVEST | 454,562 | 0 | 454,562 |
| **D | SICAV BBM V-FLEX | 36,092 | 0 | 36,092 |
| **D | FCP BEST BUSINESS MODELS | 500,000 | 0 | 500,000 |
| **D | I,2,C, ACTIONS | 540,000 | 0 | 540,000 |
| **D | FCP VILLIERS DIAPASON | 28,850 | 0 | 28,850 |
| **D | FCP RSI EURO P | 238,007 | 0 | 238,007 |
| **D | SLI GLOBAL SICAV GLOBAL FOCUSEDSTRATEGIES FUND | 48,117 | 0 | 48,117 |
| **D | PRUDENTIAL SECTOR FUNDS INC PRUDENTIAL FINANCIAL SERVICE | 642,387 | 0 | 642,387 |
| **D | INVESCO FUNDS | 248,740 | 0 | 248,740 |
| **D | THE BANK OF KOREA | 1 | 0 | 1 |
| **D | WMP OPPORTUNISTIC INVESTMENT PARTNERS, L,P, | 27,554 | 0 | 27,554 |
| **D | INVESCO FUNDS SERIES 4 | 2,744,241 | 0 | 2,744,241 |
| **D | ADVANCED SERIES TRUST -AST FI PYRAMIS QUANTITATIVE PORTFOLIO | 97,276 | 0 | 97,276 |
| **D | BLACKROCK LIFE LIMITED | 5,131 | 0 | 5,131 |
| **D | DEUTSCHE X-TRACKERS MSCI EMU HEDGED EQUITY ETF | 1,450 | 0 | 1,450 |
| **D | ING FUNDS SERVICES, LLC | 223,989 | 0 | 223,989 |
| **D | ADVANCED SERIES TRUST-AST QMA EMERGING MARKETS EQUITY PORTFOLIO | 148,743 | 0 | 148,743 |
| **D | ADVANCED SERIES TRUST-AST PRUDENTIAL GROWTH ALLOCATION PORTFOLIO | 9,767 | 0 | 9,767 |
| **D | BLACKROCK GLOBAL FUNDS | 863 | 0 | 863 |
| **D | STG PFDS V,D, GRAFISCHE | 105,000 | 0 | 105,000 |
| **D | RUSSELL SMALLER COMPANIES POOL | 19,672 | 0 | 19,672 |
| **D | ALASKA PERMANENT FUND CORPORATION | 1 | 0 | 1 |
| **D | THE CLEVELAND CLINIC FOUNDATION | 82,047 | 0 | 82,047 |
| **D | CN CANADIAN MASTER TRUST FUND , | 13,974 | 0 | 13,974 |
| **D | THE STATE OF CONNECTICUT ACTINGTHROUGH ITS TREASURER | 180,000 | 0 | 180,000 |
| **D | BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN | 2,183 | 0 | 2,183 |
| **D | FLORIDA RETIREMENT SYSTEM , | 281,198 | 0 | 281,198 |



| | | | |
|---|---|---|---|
| Shareholders: | 243 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 235 |

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EXTRAORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Amendments to Clause 6 of the Articles of Association**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | LIBERTY MUTUAL RETIREMENT PLAN MASTER TRUST | 15,700 | 0 | 15,700 |
| **D | PROVINCE PF NEWFOUNLAND AND LABRADOR POOLED PENSION FUND | 1 | 0 | 1 |
| **D | NEW YORK STATE DEFERRED COMPENSATION PLAN | 122,850 | 0 | 122,850 |
| **D | BELL ATLANTIC MASTER TRUST | 65,031 | 0 | 65,031 |
| **D | INDIANA PUBLIC EMPLOYEES RETIREMENT FUND | 4,982 | 0 | 4,982 |
| **D | ARROWSTREET US GROUP TRUST | 47,392 | 0 | 47,392 |
| **D | TELUS FOREIGN EQUITY ACTIVE ALPHA POOL | 100,628 | 0 | 100,628 |
| **D | PUBLIC SECTOR PENSION INVESTMENT BOARD | 1 | 0 | 1 |
| **D | CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY | 51,756 | 0 | 51,756 |
| **D | UMC BENEFIT BOARD, INC | 15,911 | 0 | 15,911 |
| **D | UNISYS MASTER TRUST | 77,102 | 0 | 77,102 |
| **D | VERIZON MASTER SAVINGS TRUST , | 79,398 | 0 | 79,398 |
| **D | STICHTING PENSIOENFONDS HORECA & CATERING | 11,729 | 0 | 11,729 |
| **D | MINISTER FOR FINANCE (ISIF MANAGED AND CONTROLLED BY NTMA) | 1 | 0 | 1 |
| **D | CF DV ACWI EX-U,S, IMI FUND | 2,181 | 0 | 2,181 |
| **D | ROGERSCASEY TARGET SOLUTIONS LLC, | 10,604 | 0 | 10,604 |
| **D | FIRST INVESTORS GLOBAL FUND | 291,917 | 0 | 291,917 |
| **D | FIRST TRUST INTERNATIONAL IPO ETF | 1,782 | 0 | 1,782 |
| 782 | MORELLI CLAUDIO | 2,000 | 2,000 | 0 |
| 805 | VIOZZI DANIELE | 50 | 50 | 0 |
| 821 | CERASUOLO STEFANO | 5,000 | 5,000 | 0 |

| | |
|---|---|
| **Total vote** | 482,380,329 |
| **Percentage voters%** | 99.957396 |
| **Percentage Capital %** | 79.533028 |



| | | | |
|---|---|---|---|
| Shareholders: | 243 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 235 |

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EXTRAORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase**

no. **244** persons entitled to vote took part in the voting on own behalf or by proxy

no. **482,585,929** ordinary shares

**The counting of votes produced the following results:**

| | | **% of ordinary share capital present (Voting Quorum)** | **% of ordinary share entitled to vote** | **% share capital** |
|---|---|---|---|---|
| **In Favour** | 482,051,731 | 99.889305 | 99.889305 | 79.478850 |
| **Against** | 326,598 | 0.067677 | 0.067677 | 0.053848 |
| SubTotal | 482,378,329 | 99.956982 | 99.956982 | 79.532698 |
| **Abstentions** | 207,600 | 0.043018 | 0.043018 | 0.034228 |
| **Non Voting** | 0 | 0.000000 | 0.000000 | 0.000000 |
| SubTotal | 207,600 | 0.043018 | 0.043018 | 0.034228 |
| **Total** | 482,585,929 | 100.000000 | 100.000000 | 79.566927 |

**N.B.** Number of votes necessary for the resolution approval: **321,723,953,** equivalent to 66.666667 of ordinary share entitled to vote.

| | | | |
|---|---|---|---|
| Shareholders: | 244 | People: | 10 |
| Shareholders on own behalf: | 8 | Shareholders by proxy: | 236 |

EXTRAORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase**

**AGAINST**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| 4220 | TONELLI GIULIO | 0 | 0 | 0 |
| **D | FCP ERAFP ACT IND11 | 61,598 | 0 | 61,598 |
| **D | STICHTING PGGM DEPOSITARY | 265,000 | 0 | 265,000 |

| | |
|---|---|
| **Total vote** | 326,598 |
| **Percentage voters %** | 0.067677 |
| **Percentage Capital %** | 0.053848 |



| | | | | |
|---|---|---|---|---|
| Shareholders: | 2 | People: | 1 | DE* Proxy to the natural person above mentioned with the badge number |
| Shareholders on own behalf: | 0 | Shareholders by proxy: | 2 | **D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations") |

RL* legal representation to the natural person above mentioned with the badge number

EXTRAORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase**

**ABSTENTIONS**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| 4220 | TONELLI GIULIO | 0 | 0 | 0 |
| **D | NATIONAL PENSION SERVICE | 205,600 | 0 | 205,600 |
| 782 | MORELLI CLAUDIO | 2,000 | 2,000 | 0 |

| | |
|---|---|
| **Total vote** | 207,600 |
| **Percentage voters%** | 0.043018 |
| **Percentage Capital %** | 0.034228 |



| | | | | |
|---|---|---|---|---|
| Shareholders: | 2 | People: | 2 | DE* Proxy to the natural person above mentioned with the badge number |
| Shareholders on own behalf: | 1 | Shareholders by proxy: | 1 | **D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations") |
| | | | | RL* legal representation to the natural person above mentioned with the badge number |

EXTRAORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase**

**NOT VOTING**

| Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|

**Total vote** 0
**Percentage voters %** 0.000000
**Percentage Capital %** 0.000000



| | | | |
|---|---|---|---|
| Shareholders: | 0 | People: | 0 |
| Shareholders on own behalf: | 0 | Shareholders by proxy: | 0 |

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EXTRAORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| 1389 | ANNIBALETTI ANGELO | 20,000 | 20,000 | 0 |
| 1436 | CASATI FEDERICO | 50 | 50 | 0 |
| 1570 | CAGLIA MARIA | 0 | 0 | 0 |
| DE* | UNICREDIT S.P.A. | 397,108,033 | 0 | 397,108,033 |
| 1908 | AMADEI STEFANO | 1,000 | 1,000 | 0 |
| 2205 | PISTONE UGO LUIGI | 1,000 | 1,000 | 0 |
| 3214 | GUERRA MAURO | 1,000 | 1,000 | 0 |
| 4220 | TONELLI GIULIO | 0 | 0 | 0 |
| **D | WELLINGTON MANAGEMENT PORTFOLIOS | 203,733 | 0 | 203,733 |
| **D | WELLINGTON MANAGNT PORTFOLIOS GLOB RESEA | 48,378 | 0 | 48,378 |
| **D | VANGUARD TOTAL WORLD STOCK INDEX FUND | 28,097 | 0 | 28,097 |
| **D | VANGUARD FTSE ALL WORD SMALL CAP IND FUN | 259,822 | 0 | 259,822 |
| **D | BBH&C BOS FOR PYRAM GR TRUST FOR EMPL EMERG MM COM | 59,389 | 0 | 59,389 |
| **D | WELLINGTON TRUST COMP,COMM TRUST INT OPP | 113,255 | 0 | 113,255 |
| **D | WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUITY PORTFOLIO | 8,875 | 0 | 8,875 |
| **D | JAPAN TRUSTEE SERVICES BANK LTD | 535,670 | 0 | 535,670 |
| **D | THE MASTER TRUST BANK OF JAPAN LTD | 233,920 | 0 | 233,920 |
| **D | BEST INVESTMENT CORPORATION | 3,372 | 0 | 3,372 |
| **D | SCHRODER INSTITUTIONAL POOLED FUNDS-EUROPEAN EQUITY FUND | 305,795 | 0 | 305,795 |
| **D | FCP CNP ACTIONS EUROPE SCHRODER | 499,752 | 0 | 499,752 |
| **D | AXA VALEURS EURO | 666,000 | 0 | 666,000 |
| **D | AXA OPTIMAL INCOME | 1,336,074 | 0 | 1,336,074 |
| **D | COLISEE IFC 1 FCP | 610,000 | 0 | 610,000 |
| **D | FCP AXIVA ACTION 1 | 285,000 | 0 | 285,000 |
| **D | FONDS RESERVE RETRAITES | 864,222 | 0 | 864,222 |
| **D | HENDERSON HORIZON FUND SICAV | 1,181,015 | 0 | 1,181,015 |
| **D | HENDERSON GARTMORE FUND | 309,348 | 0 | 309,348 |
| **D | ROBECO CAPITAL GROWTH FUNDS | 141,510 | 0 | 141,510 |
| **D | JPMORGAN FUNDS EUROPEAN BANK AND BC | 428,953 | 0 | 428,953 |
| **D | BLACKROCK INSTITUTIONAL POOLED FUND PLC | 1,782 | 0 | 1,782 |
| **D | VANGUARD INVESTMENT SERIES, PLC | 40,331 | 0 | 40,331 |
| **D | THE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTBJ400045842 | 1,916,769 | 0 | 1,916,769 |



| | | | |
|---|---|---|---|
| Shareholders: | 240 | People: | 9 |
| Shareholders on own behalf: | 7 | Shareholders by proxy: | 233 |

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EXTRAORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | BUREAU OF LABOR FUNDS-LABOR RETIREMENT FUND 10F NO,6 SEC,1 | 59,542 | 0 | 59,542 |
| **D | CHINA LIFE INSURANCE COMPANY LIMITED | 69,632 | 0 | 69,632 |
| **D | FONDO CONSOLIDADO DE RESERVAS PREVISIONA | 40,126 | 0 | 40,126 |
| **D | COINVEST LIMITED | 13,015 | 0 | 13,015 |
| **D | SUPER FUNDS MANAG CORP SOUTH AUSTRALIA | 158,925 | 0 | 158,925 |
| **D | VANGUARD INTERNATIONAL SMALL COMPANIES I | 17,197 | 0 | 17,197 |
| **D | THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST | 136,785 | 0 | 136,785 |
| **D | ONEPATH GLOBAL SHARES - SMALL CAP UNHEDGED) INDEXPOOL | 7,474 | 0 | 7,474 |
| **D | TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK | 82,345 | 0 | 82,345 |
| **D | WYOMING RETIREMENT SYSTEM | 3,844 | 0 | 3,844 |
| **D | WYOMING RETIREMENT SYSTEM | 8,796 | 0 | 8,796 |
| **D | CURIAN/WMC INTERNATIONAL EQUITY FUND | 365,544 | 0 | 365,544 |
| **D | PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OH | 71,411 | 0 | 71,411 |
| **D | VANGUARD TOTAL INTERNATIONAL STOCK INDEX | 1,522,636 | 0 | 1,522,636 |
| **D | VANGUARD INTERNATIONAL EXPLORER FUND | 1,900,000 | 0 | 1,900,000 |
| **D | MI-FONDS 392 | 277,833 | 0 | 277,833 |
| **D | JPMORGAN EUROPEAN INVESTMENT TRUST PLC | 55,149 | 0 | 55,149 |
| **D | TRUST AND CUSTODY SERVICED BANK LIMITED | 66,207 | 0 | 66,207 |
| **D | JAPAN TRUSTEE SERVICES BANK LTD AS TRUST | 5,549 | 0 | 5,549 |
| **D | ENTERGY CORP,RETIREMENT PLANS MASTER TR, | 228,211 | 0 | 228,211 |
| **D | NEW YORK LIFE INSURANCE COMPANY | 29,310 | 0 | 29,310 |
| **D | RBC CANADIAN MASTER TRUST | 171,184 | 0 | 171,184 |
| **D | REGIME DE RETRAITE D HYDRO QUEBEC | 117,732 | 0 | 117,732 |
| **D | TEACHERS PENSION PLAN & PRIVATE SCHOOL | 774,281 | 0 | 774,281 |
| **D | TR EUROPEN GROWTH TRUST PLC | 1,036,081 | 0 | 1,036,081 |
| **D | HSBC GLOBAL INVESTMENT FUNDS | 1,170,000 | 0 | 1,170,000 |
| **D | GLG PARTNERS | 13,632 | 0 | 13,632 |
| **D | LOMBARD ODIER FUNDS (SWITZERLAND) SA | 44,454 | 0 | 44,454 |
| **D | HSBC INTERNATIONAL SELECT FUND | 5,400 | 0 | 5,400 |
| **D | SCHRODER INTERNATIONAL SELECTION FUND | 6,643,128 | 0 | 6,643,128 |
| **D | SCHRODER EUROPEAN SMALLER COMPANIES FUND | 376,881 | 0 | 376,881 |
| **D | SHROEDER INSTITUTIONAL EUROPEAN FUND | 845,644 | 0 | 845,644 |



| | | | |
|---|---|---|---|
| Shareholders: | 240 | People: | 9 |
| Shareholders on own behalf: | 7 | Shareholders by proxy: | 233 |

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EXTRAORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | PUBLIC EMPLOYEES RETIREMENT ASSOCIATION | 80,000 | 0 | 80,000 |
| **D | SCHRODER CAPITAL MANAGEMENT COLLECTIVE TRUST | 200,000 | 0 | 200,000 |
| **D | SCHRODER INTERNATIONAL SMALL COMPANIES P | 150,000 | 0 | 150,000 |
| **D | NIGOSC ADMINISTERS NILG PENSION FUND | 92,268 | 0 | 92,268 |
| **D | PIONEER INVESTMENT MANAGEMENT SGRPA / AZIONARIO CRESCITA | 742,063 | 0 | 742,063 |
| **D | METZLER INTERNATIONAL INVEST PLC | 1,123,000 | 0 | 1,123,000 |
| **D | NUMERIC INVESTORS LLC | 7,700 | 0 | 7,700 |
| **D | AXA INVEST MANAGERS PARIS | 762,000 | 0 | 762,000 |
| **D | CIPAV ALOIS MARGARETH HENRIAU | 196,710 | 0 | 196,710 |
| **D | NUMERIC ABSOLUTE RETURN FUND LP NUMERIC INVESTORS LIMITED LIABILITY COMPANY | 1,000 | 0 | 1,000 |
| **D | CANADIAN BROADCASTING CORPORATION PENSION PLAN | 80,000 | 0 | 80,000 |
| **D | LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED | 6,845 | 0 | 6,845 |
| **D | THREADNEEDLE INVESTMENT FUNDS ICVC PAN EUROPEAN SMALLER COMPANIES FUND | 5,469,926 | 0 | 5,469,926 |
| **D | SIEFOREBANAMEXBASICA2SADECV | 251,002 | 0 | 251,002 |
| **D | THREADNEEDLE INVESTMENT FUNDS ICVC EUROPEAN SMALLER COMPANIES FUND | 5,390,134 | 0 | 5,390,134 |
| **D | SIEFOREBANAMEXBASICA4SADECV | 313,753 | 0 | 313,753 |
| **D | SIEFOREBANAMEXBASICA3SADECV | 288,652 | 0 | 288,652 |
| **D | STATE TEACHERS RETIREMENT SYSTEM OF OHIO | 137,684 | 0 | 137,684 |
| **D | CITIBANK KOREA INC | 1,037,271 | 0 | 1,037,271 |
| **D | MACQUARIE INVESTMENT MANAGEMENT LIMITED | 6,545 | 0 | 6,545 |
| **D | UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII | 25,082 | 0 | 25,082 |
| **D | THREADNEEDLE (LUX | 800,712 | 0 | 800,712 |
| **D | GOVERNMENT OF NORWAY | 5,921,587 | 0 | 5,921,587 |
| **D | FEDERATED KAUFMANN SMALL CAP FUND | 708,000 | 0 | 708,000 |
| **D | SCHWAB INTERNATIONAL SMALL-CAP EQUITY ETF | 50,086 | 0 | 50,086 |
| **D | JOHN HANCOCK SEAPORT FUND | 118,020 | 0 | 118,020 |
| **D | WELLINGTON MNGM PTF (CANADA) GLOBAL OPPORTUNITIES PTF | 10,738 | 0 | 10,738 |
| **D | INTERNATIONAL MONETARY FUND | 2,140 | 0 | 2,140 |
| **D | GMAM INVESTMENT FUNDS TRUST | 135,986 | 0 | 135,986 |
| **D | ARTISAN GLOBAL SMALL CAP FUND | 227,066 | 0 | 227,066 |
| **D | STATE OF ALASKA RETIREMENT AND BENEFITS PLANS | 116,413 | 0 | 116,413 |
| **D | BLACKSTONE ALTERNATIVE MULTI-MANAGER FUND | 144,464 | 0 | 144,464 |



| | | | |
|---|---|---|---|
| Shareholders: | 240 | People: | 9 |
| Shareholders on own behalf: | 7 | Shareholders by proxy: | 233 |

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EXTRAORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | BLACKSTONE ALTERNATIVE MULTI-STRATEGY FUND | 134,199 | 0 | 134,199 |
| **D | EAST RIDING PENSION FUND | 219,331 | 0 | 219,331 |
| **D | PYRAMIS CONCENTRATED INTERNATIONAL SMALL CAP TRUST | 181,490 | 0 | 181,490 |
| **D | UAW RETIREE MEDICAL BENEFITS TRUST | 90,710 | 0 | 90,710 |
| **D | THE GENERAL MOTORS CANADIAN HOURLY-RATE EMPL PENSION PLAN | 42,610 | 0 | 42,610 |
| **D | THE GENERAL MOTORS CANAD RETIREMENT PROGR FOR SALARIED EMPL | 10,815 | 0 | 10,815 |
| **D | HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND | 1,106,930 | 0 | 1,106,930 |
| **D | THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND | 1,089,954 | 0 | 1,089,954 |
| **D | THE HARTFORDGLOBAL ALL- ASSET FUND | 56,097 | 0 | 56,097 |
| **D | HARTFORD HEALTHCARE ENDOWMENT LLC | 18,092 | 0 | 18,092 |
| **D | HARTFORD HEALTHCARE CORP DEFINED BENEFIT MASTER TR AGREEMENT | 24,743 | 0 | 24,743 |
| **D | TCW INTERNATIONAL SMALL CAP FUND | 35,149 | 0 | 35,149 |
| **D | TCW INTERNATIONAL GROWTH FUND | 4,500 | 0 | 4,500 |
| **D | ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO | 9,960 | 0 | 9,960 |
| **D | ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM | 78,810 | 0 | 78,810 |
| **D | HENKEL OF AMERICA MASTER RETIREMENT TRUST | 24,125 | 0 | 24,125 |
| **D | MERCER QIF CCF | 1,555,252 | 0 | 1,555,252 |
| **D | ASHWOOD INVESTMENTS LIMITED | 6,315 | 0 | 6,315 |
| **D | COSMIC INVESTMENT FUND | 391,675 | 0 | 391,675 |
| **D | CITY OF NEW YORK GROUP TRUST | 62,844 | 0 | 62,844 |
| **D | WELLINGTON MNGT PTF (CAYMAN)-GL OPP EX-JAPAN PTF F QUA INST IN | 60,538 | 0 | 60,538 |
| **D | BNY MELLON TR+DEP ATF ST, JAMES`S PLACE MNGD GROWTH UNIT TR | 1,153,285 | 0 | 1,153,285 |
| **D | HONG KONG SPECIAL ADMINISTRATIVE REGION GOVERNMENT-EXCHANGE F | 218,414 | 0 | 218,414 |
| **D | BIMCOR GLOBAL EQUITY POOLED FUND | 31,619 | 0 | 31,619 |
| **D | MINISTRY OF STRATEGY AND FINANCE | 154,828 | 0 | 154,828 |
| **D | SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY | 20,546 | 0 | 20,546 |
| **D | CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM | 663,768 | 0 | 663,768 |
| **D | CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM | 171,493 | 0 | 171,493 |
| **D | STATE OF TENNESSEE CONSOLIDATED RETIREMENT SYSTEM | 311,857 | 0 | 311,857 |
| **D | SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST | 44,069 | 0 | 44,069 |
| **D | THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST | 367,659 | 0 | 367,659 |
| **D | THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF | 84,333 | 0 | 84,333 |



| | | | |
|---|---|---|---|
| Shareholders: | 240 | People: | 9 |
| Shareholders on own behalf: | 7 | Shareholders by proxy: | 233 |

DE* Proxy to the natural person above mentioned with the badge number

**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")

RL* legal representation to the natural person above mentioned with the badge number

EXTRAORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF | 109,424 | 0 | 109,424 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II | 354,717 | 0 | 354,717 |
| **D | WASHINGTON STATE INVESTMENT BOARD | 96,690 | 0 | 96,690 |
| **D | PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY | 496,801 | 0 | 496,801 |
| **D | WELLINGTON MANAGEMENT PORTFOLIOS (DUBLIN) PLC | 11,927 | 0 | 11,927 |
| **D | SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL | 295,099 | 0 | 295,099 |
| **D | AXA WORLD FUNDS | 9,707,811 | 0 | 9,707,811 |
| **D | GOLDMAN SACHS FUNDS | 2,923 | 0 | 2,923 |
| **D | MARCH FUND | 38,196 | 0 | 38,196 |
| **D | UBS ETF | 15,719 | 0 | 15,719 |
| **D | ISHARES MSCI EAFE SMALL CAP ETF | 117,300 | 0 | 117,300 |
| **D | ISHARES DEVELOPED SMALL-CAP EX NORTH AMERICA ETF | 7,054 | 0 | 7,054 |
| **D | BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR | 976,493 | 0 | 976,493 |
| **D | ISHARES CORE MSCI EAFE ETF | 93,004 | 0 | 93,004 |
| **D | ISHARES CORE MSCI EAFE IMI INDEX ETF | 5,341 | 0 | 5,341 |
| **D | ISHARES MSCI EUROPE IMI INDEX ETF | 3,907 | 0 | 3,907 |
| **D | ISHARES MSCI EUROPE IMI ETF | 8,208 | 0 | 8,208 |
| **D | BLACKROCK CDN ACWI ALPHA TILTS FUND | 1,609 | 0 | 1,609 |
| **D | RUSSELL DEVELOPED EX-U,S, LARGE CAP INDEX FUND B | 1,917 | 0 | 1,917 |
| **D | WORLD ALPHA TILTS NON-LENDABLE FUND B | 757 | 0 | 757 |
| **D | BGI MSCI EAFE SMALL CAP EQUITY INDEX FUND B | 69,755 | 0 | 69,755 |
| **D | BGI MSCI EMU IMI INDEX FUND B | 312 | 0 | 312 |
| **D | BLACKROCK GLOBAL MARKET INSIGHT FUND B | 801 | 0 | 801 |
| **D | GLOBAL ALPHA TILTS FUND B | 1,598 | 0 | 1,598 |
| **D | BLACKROCK MSCI WORLD SMALL CAP EQ ESG SCREENED INDEX FUND B | 5,037 | 0 | 5,037 |
| **D | INTERNATIONAL ALPHA TILTS FUND B | 1,488 | 0 | 1,488 |
| **D | GLOBAL EX US ALPHA TILTS FUND B | 950 | 0 | 950 |
| **D | BP PENSION FUND | 846,500 | 0 | 846,500 |
| **D | RUSSELL INVESTMENT COMPANY II PLC | 18,500 | 0 | 18,500 |
| **D | INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST | 70,600 | 0 | 70,600 |
| **D | KINGFISHER PENSION SCHEME | 23,872 | 0 | 23,872 |
| **D | OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM | 240,752 | 0 | 240,752 |



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|---|---|---|---|---|
| Shareholders: | 240 | People: | 9 | DE* Proxy to the natural person above mentioned with the badge number |
| Shareholders on own behalf: | 7 | Shareholders by proxy: | 233 | **D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations") |
| | | | | RL* legal representation to the natural person above mentioned with the badge number |

EXTRAORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | COLLEGE RETIREMENT EQUITIES FUND | 214,462 | 0 | 214,462 |
| **D | TRANSAMERICA INTERNATIONAL SMALL CAP | 750,000 | 0 | 750,000 |
| **D | SPDR S+P INTERNATIONAL MIDCAP ETF | 13,723 | 0 | 13,723 |
| **D | RUSSELL INVESTMENT COMPANY PLC | 6,600 | 0 | 6,600 |
| **D | MULTI-STYLE, MULTI-MANAGER FUNDS PLC | 113,150 | 0 | 113,150 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF | 174,516 | 0 | 174,516 |
| **D | GOVERNMENT INSTITUTIONS PENSION FUND | 130,092 | 0 | 130,092 |
| **D | THE WELLINGTON TR CO, NAT ASS MULT COMM TR F TR, INT RES EQ F | 27,188 | 0 | 27,188 |
| **D | THE WELLINGTON TR CO NAT ASS MULT COMM TR F TR GLB RES EQ PTF | 9,712 | 0 | 9,712 |
| **D | MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F | 39,648 | 0 | 39,648 |
| **D | ISHARES VII PLC | 225,323 | 0 | 225,323 |
| **D | BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F | 923 | 0 | 923 |
| **D | MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST | 54,673 | 0 | 54,673 |
| **D | NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND | 7,451 | 0 | 7,451 |
| **D | EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS | 70,448 | 0 | 70,448 |
| **D | AXIOM INVESTORS TRUST II | 11,961 | 0 | 11,961 |
| **D | INTERNATIONAL MONETARY FUND STAFF RETIREMENT PLAN | 76,947 | 0 | 76,947 |
| **D | INTERNATIONAL MONETARU FUND STAFF RETIREMENT PLAN | 13,103 | 0 | 13,103 |
| **D | NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P,R,C | 18,050 | 0 | 18,050 |
| **D | MICROSOFT GLOBAL FINANCE | 200,000 | 0 | 200,000 |
| **D | STATES UNIVERSITIES RETIREMENT SYSTEM | 59,562 | 0 | 59,562 |
| **D | NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST | 195,608 | 0 | 195,608 |
| **D | TYCO ELECTRONICS DEFINED BENEFIT PLANS MASTER TRUST | 18,124 | 0 | 18,124 |
| **D | NEW ZEALAND SUPERANNUATION FUND | 20,550 | 0 | 20,550 |
| **D | GENERAL PENSION AND SOCIAL SECURITY AUTHORITY | 134,082 | 0 | 134,082 |
| **D | LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM | 21,464 | 0 | 21,464 |
| **D | CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN | 36,807 | 0 | 36,807 |
| **D | SAN FRANCISCO CITY & COUNTY EMPLOYEES` RETIREMENT SYSTEM | 62,376 | 0 | 62,376 |
| **D | UTAH STATE RETIREMENT SYSTEMS | 11,131 | 0 | 11,131 |
| **D | WHEELS COMMON INVESTMENT FUND | 5,543 | 0 | 5,543 |
| **D | ZURICH FINANCIAL SERVICES UK PENSION SCHEME | 445,869 | 0 | 445,869 |
| **D | UNILEVER UK PENSION FUND | 1,031,459 | 0 | 1,031,459 |



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|---|---|---|---|
| Shareholders: | 240 | People: | 9 |
| Shareholders on own behalf: | 7 | Shareholders by proxy: | 233 |

DE* Proxy to the natural person above mentioned with the badge number
**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")
RL* legal representation to the natural person above mentioned with the badge number

EXTRAORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO | 34,658 | 0 | 34,658 |
| **D | MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO | 23,784 | 0 | 23,784 |
| **D | ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND | 30,871 | 0 | 30,871 |
| **D | UNIVEST | 454,562 | 0 | 454,562 |
| **D | SICAV BBM V-FLEX | 36,092 | 0 | 36,092 |
| **D | FCP BEST BUSINESS MODELS | 500,000 | 0 | 500,000 |
| **D | I,2,C, ACTIONS | 540,000 | 0 | 540,000 |
| **D | FCP VILLIERS DIAPASON | 28,850 | 0 | 28,850 |
| **D | FCP RSI EURO P | 238,007 | 0 | 238,007 |
| **D | SLI GLOBAL SICAV GLOBAL FOCUSEDSTRATEGIES FUND | 48,117 | 0 | 48,117 |
| **D | PRUDENTIAL SECTOR FUNDS INC PRUDENTIAL FINANCIAL SERVICE | 642,387 | 0 | 642,387 |
| **D | INVESCO FUNDS | 248,740 | 0 | 248,740 |
| **D | THE BANK OF KOREA | 1 | 0 | 1 |
| **D | WMP OPPORTUNISTIC INVESTMENT PARTNERS, L,P, | 27,554 | 0 | 27,554 |
| **D | INVESCO FUNDS SERIES 4 | 2,744,241 | 0 | 2,744,241 |
| **D | ADVANCED SERIES TRUST -AST FI PYRAMIS QUANTITATIVE PORTFOLIO | 97,276 | 0 | 97,276 |
| **D | BLACKROCK LIFE LIMITED | 5,131 | 0 | 5,131 |
| **D | DEUTSCHE X-TRACKERS MSCI EMU HEDGED EQUITY ETF | 1,450 | 0 | 1,450 |
| **D | ING FUNDS SERVICES, LLC | 223,989 | 0 | 223,989 |
| **D | ADVANCED SERIES TRUST-AST QMA EMERGING MARKETS EQUITY PORTFOLIO | 148,743 | 0 | 148,743 |
| **D | ADVANCED SERIES TRUST-AST PRUDENTIAL GROWTH ALLOCATION PORTFOLIO | 9,767 | 0 | 9,767 |
| **D | BLACKROCK GLOBAL FUNDS | 863 | 0 | 863 |
| **D | STG PFDS V,D, GRAFISCHE | 105,000 | 0 | 105,000 |
| **D | RUSSELL SMALLER COMPANIES POOL | 19,672 | 0 | 19,672 |
| **D | ALASKA PERMANENT FUND CORPORATION | 1 | 0 | 1 |
| **D | THE CLEVELAND CLINIC FOUNDATION | 82,047 | 0 | 82,047 |
| **D | CN CANADIAN MASTER TRUST FUND , | 13,974 | 0 | 13,974 |
| **D | THE STATE OF CONNECTICUT ACTINGTHROUGH ITS TREASURER | 180,000 | 0 | 180,000 |
| **D | BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN | 2,183 | 0 | 2,183 |
| **D | FLORIDA RETIREMENT SYSTEM , | 281,198 | 0 | 281,198 |
| **D | LIBERTY MUTUAL RETIREMENT PLAN MASTER TRUST | 15,700 | 0 | 15,700 |
| **D | PROVINCE PF NEWFOUNLAND AND LABRADOR POOLED PENSION FUND | 1 | 0 | 1 |



| | | | | |
|---|---|---|---|---|
| Shareholders: | 240 | People: | 9 | DE* Proxy to the natural person above mentioned with the badge number |
| Shareholders on own behalf: | 7 | Shareholders by proxy: | 233 | **D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations") |
| | | | | RL* legal representation to the natural person above mentioned with the badge number |

EXTRAORDINARY SHAREHOLDERS' MEETING of April 23, 2015

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase**

**IN FAVOUR**

| | Surname | Tot. Vote | On own behalf | Proxy |
|---|---|---|---|---|
| **D | NEW YORK STATE DEFERRED COMPENSATION PLAN | 122,850 | 0 | 122,850 |
| **D | BELL ATLANTIC MASTER TRUST | 65,031 | 0 | 65,031 |
| **D | INDIANA PUBLIC EMPLOYEES RETIREMENT FUND | 4,982 | 0 | 4,982 |
| **D | ARROWSTREET US GROUP TRUST | 47,392 | 0 | 47,392 |
| **D | TELUS FOREIGN EQUITY ACTIVE ALPHA POOL | 100,628 | 0 | 100,628 |
| **D | PUBLIC SECTOR PENSION INVESTMENT BOARD | 1 | 0 | 1 |
| **D | CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY | 51,756 | 0 | 51,756 |
| **D | UMC BENEFIT BOARD, INC | 15,911 | 0 | 15,911 |
| **D | UNISYS MASTER TRUST | 77,102 | 0 | 77,102 |
| **D | VERIZON MASTER SAVINGS TRUST , | 79,398 | 0 | 79,398 |
| **D | STICHTING PENSIOENFONDS HORECA & CATERING | 11,729 | 0 | 11,729 |
| **D | MINISTER FOR FINANCE (ISIF MANAGED AND CONTROLLED BY NTMA) | 1 | 0 | 1 |
| **D | CF DV ACWI EX-U,S, IMI FUND | 2,181 | 0 | 2,181 |
| **D | ROGERSCASEY TARGET SOLUTIONS LLC, | 10,604 | 0 | 10,604 |
| **D | FIRST INVESTORS GLOBAL FUND | 291,917 | 0 | 291,917 |
| **D | FIRST TRUST INTERNATIONAL IPO ETF | 1,782 | 0 | 1,782 |
| 805 | VIOZZI DANIELE | 50 | 50 | 0 |
| 821 | CERASUOLO STEFANO | 5,000 | 5,000 | 0 |

**Total vote** 482,051,731
**Percentage voters %** 99.889305
**Percentage Capital %** 79.478850



| | | | |
|---|---|---|---|
| Shareholders: | 240 | People: | 9 |
| Shareholders on own behalf: | 7 | Shareholders by proxy: | 233 |

DE* Proxy to the natural person above mentioned with the badge number
**D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")
RL* legal representation to the natural person above mentioned with the badge number

FINECO
THE NEW BANK

Member of UniCredit

# ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING 23RD APRIL 2015

# SUMMARY REPORT OF THE VOTES

ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING
23rd of April 2015

Attendance to the meeting: no. 244 Shareholders in person or by proxy
representing no. 482.585.929 ordinary shares corresponding to 79,566927% of the share capital

SUMMARY REPORT OF THE VOTES ON THE AGENDA OF THE MEETING

## ORDINARY PART

1. **Approval of the FinecoBank S.p.A. financial statements at December 31, 2014, accompanied by the Reports of the Board of Directors and the Independent Auditors, and the Report of the Board of Statutory Auditors.**

| | NO. OF SHAREHOLDERS (IN PERSON OR BY PROXY) | NO. OF SHARES | % ON ORDINARY SHARES REPRESENTED | % ON SHARES ADMITTED TO VOTE | % ON SHARE CAPITAL |
|---|---|---|---|---|---|
| In Favour | 241 | 482.226.463 | 99,925513 | 99,925513 | 79,507659 |
| Against | 2 | 153.866 | 0,031884 | 0,031884 | 0,025369 |
| Abstentions | 1 | 205.600 | 0,042604 | 0,042604 | 0,033899 |
| Not Voting | 0 | 0 | 0,000000 | 0,000000 | 0,000000 |
| **Total** | **244** | **482.585.929** | **100,000000** | **100,000000** | **79,566927** |

**2. Allocation of the profits of FinecoBank S.p.A. for the year 2014.**

| | NO. OF SHAREHOLDERS (IN PERSON OR BY PROXY) | NO. OF SHARES | % ON ORDINARY SHARES REPRESENTED | % ON SHARES ADMITTED TO VOTE | % ON SHARE CAPITAL |
|---|---|---|---|---|---|
| In Favour | 243 | 482.380.329 | 99,957396 | 99,957396 | 79,533028 |
| Against | 0 | 0 | 0,000000 | 0,000000 | 0,000000 |
| Abstentions | 1 | 205.600 | 0,042604 | 0,042604 | 0,033899 |
| Not Voting | 0 | 0 | 0,000000 | 0,000000 | 0,000000 |
| **Total** | **244** | **482.585.929** | **100,000000** | **100,000000** | **79,566927** |

**3. 2015 Compensation Policy.**

| | NO. OF SHAREHOLDERS (IN PERSON OR BY PROXY) | NO. OF SHARES | % ON ORDINARY SHARES REPRESENTED | % ON SHARES ADMITTED TO VOTE | % ON SHARE CAPITAL |
|---|---|---|---|---|---|
| In Favour | 240 | 482.044.935 | 99,887897 | 99,887897 | 79,477730 |
| Against | 3 | 335.394 | 0,069499 | 0,069499 | 0,055298 |
| Abstentions | 1 | 205.600 | 0,042604 | 0,042604 | 0,033899 |
| Not Voting | 0 | 0 | 0,000000 | 0,000000 | 0,000000 |
| **Total** | **244** | **482.585.929** | **100,000000** | **100,000000** | **79,566927** |

4. Severance Payments Policy.

| | NO. OF SHAREHOLDERS (IN PERSON OR BY PROXY) | NO. OF SHARES | % ON ORDINARY SHARES REPRESENTED | % ON SHARES ADMITTED TO VOTE | % ON SHARE CAPITAL |
|---|---|---|---|---|---|
| In Favour | 240 | 481.562.695 | 99,787969 | 99,787969 | 79,398220 |
| Against | 3 | 817.634 | 0,169428 | 0,169428 | 0,134808 |
| Abstentions | 1 | 205.600 | 0,042604 | 0,042604 | 0,033899 |
| Not Voting | 0 | 0 | 0,000000 | 0,000000 | 0,000000 |
| **Total** | **244** | **482.585.929** | **100,000000** | **100,000000** | **79,566927** |

5. 2015 Incentive System.

| | NO. OF SHAREHOLDERS (IN PERSON OR BY PROXY) | NO. OF SHARES | % ON ORDINARY SHARES REPRESENTED | % ON SHARES ADMITTED TO VOTE | % ON SHARE CAPITAL |
|---|---|---|---|---|---|
| In Favour | 238 | 481.106.765 | 99,693492 | 99,693492 | 79,323048 |
| Against | 4 | 1.271.564 | 0,263490 | 0,263490 | 0,209651 |
| Abstentions | 2 | 207.600 | 0,043018 | 0,043018 | 0,034228 |
| Not Voting | 0 | 0 | 0,000000 | 0,000000 | 0,000000 |
| **Total** | **244** | **482.585.929** | **100,000000** | **100,000000** | **79,566927** |

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**6. Incentive System for Financial Advisors.**

| | NO. OF SHAREHOLDERS (IN PERSON OR BY PROXY) | NO. OF SHARES | % ON ORDINARY SHARES REPRESENTED | % ON SHARES ADMITTED TO VOTE | % ON SHARE CAPITAL |
|---|---|---|---|---|---|
| In Favour | 238 | 481.106.765 | 99,693492 | 99,693492 | 79,323048 |
| Against | 4 | 1.271.564 | 0,263490 | 0,263490 | 0,209651 |
| Abstentions | 2 | 207.600 | 0,043018 | 0,043018 | 0,034228 |
| Not Voting | 0 | 0 | 0,000000 | 0,000000 | 0,000000 |
| **Total** | **244** | **482.585.929** | **100,000000** | **100,000000** | **79,566927** |

## EXTRAORDINARY PART

1. **Amendments to Clause 6 of the Articles of Association in accordance with the Supervisory Regulations for Banks on remuneration and incentive policies and practices.**

| | NO. OF SHAREHOLDERS (IN PERSON OR BY PROXY) | NO. OF SHARES | % ON ORDINARY SHARES REPRESENTED | % ON SHARES ADMITTED TO VOTE | % ON SHARE CAPITAL |
|---|---|---|---|---|---|
| In Favour | 243 | 482.380.329 | 99,957396 | 99,957396 | 79,533028 |
| Against | 0 | 0 | 0,000000 | 0,000000 | 0,000000 |
| Abstentions | 1 | 205.600 | 0,042604 | 0,042604 | 0,033899 |
| Not Voting | 0 | 0 | 0,000000 | 0,000000 | 0,000000 |
| **Total** | **244** | **482.585.929** | **100,000000** | **100,000000** | **79,566927** |

2. **Delegation to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, of the authority to approve a free capital increase – on one or more occasions and for a maximum period of five years starting from the date of the shareholders' resolution, pursuant to Article 2349 of the Italian Civil Code – for a maximum amount of Euro 131,159.49 (to be allocated in full to share capital at Euro 0.33 per share, corresponding to the nominal value per share), through the issue of a maximum of 397,453 new Fineco ordinary shares with a nominal value of Euro 0.33 each, with the same characteristics as those in circulation and with regular dividend entitlement, to be granted to the Personnel of FinecoBank in implementation of the 2015 Incentive System; corresponding update of the Articles.**

| | NO. OF SHAREHOLDERS (IN PERSON OR BY PROXY) | NO. OF SHARES | % ON ORDINARY SHARES REPRESENTED | % ON SHARES ADMITTED TO VOTE | % ON SHARE CAPITAL |
|---|---|---|---|---|---|
| In Favour | 240 | 482.051.731 | 99,889305 | 99,889305 | 79,478850 |
| Against | 2 | 326.598 | 0,067677 | 0,067677 | 0,053848 |
| Abstentions | 2 | 207.600 | 0,043018 | 0,043018 | 0,034228 |
| Not Voting | 0 | 0 | 0,000000 | 0,000000 | 0,000000 |
| **Total** | **244** | **482.585.929** | **100,000000** | **100,000000** | **79,566927** |

Piazza Durante, 11
20131 Milan MI
freephone 800.52.52.52
From a mobile phone or from abroad
02.2899.2899
e-mail info@fineco.it

FinecoBank S.p.A. - Part of the UniCredit Banking group enrolled in the Register of Banking Groups at No. 02008.1 – Registered Office Piazza Durante 11, Milan 20131 – Headquarters Via Rivoluzione d'Ottobre 16, Reggio Emilia 42123 – Share capital €200,150,191.89 fully paid up, ABI code 3015.5 - VAT no. 12962340159 - tax code and Milan Co. Reg. no. 01392970404 - Economic Administrative Index no. 1598155 – Member of the National Interbank Deposit Guarantee Fund. Fineco The New Bank is a trademark licensed for use by FinecoBank S.p.A.

# ARTICLES OF ASSOCIATION
# FINECOBANK S.P.A.

## SECTION I
## INCORPORATION- PURPOSE - REGISTERED OFFICE – DURATION

### Article 1

1. A joint stock company has been incorporated with the name: "FinecoBank Banca Fineco S.p.A." or in abbreviated form "FinecoBank S.p.A.", or else "Banca Fineco S.p.A.", or else "Fineco Banca S.p.A.".
2. The Company is part of the UniCredit Banking Group. As such, it is required to comply with the regulations issued by the Parent Company as part of its management and coordination activities, including those for the implementation of the instructions given by the Bank of Italy in the interest of the Group's stability. The Directors of the Company shall provide any data and information to the Parent Company for issuing the above-mentioned regulations, as well as any data and information regarding their activities.

### Article 2

1. The Company's registered office is in Milan.
2. In order to best pursue the corporate purpose, the Company may establish or close down secondary offices, branches, agencies and representation offices, however named, both in Italy and abroad.

### Article 3

1. The duration of the Company is established at 31 (thirty one) December 2100 (two thousand one hundred) and may be extended or terminated earlier by resolution of the Shareholders' Meeting.

### Article 4

1. The purpose of the Company is to engage in deposit-taking and lending in its various forms and with any method, including computer-based and multimedia applications, in Italy and abroad, operating there in accordance with current regulations and practices. For this purpose it may carry out, in compliance with current provisions and subject to obtaining the required authorisations, all transactions and all bank and financial services permitted by applicable laws and regulations, operating in the financial intermediation and credit market, and using any method including computer-based and multimedia applications, also through door-to-door selling and the multimedia distribution of services and products, in the same forms and manner. The company may also carry out any other activity and/or transaction that is instrumental or related to, or necessary or beneficial for the achievement of its corporate purpose and, in general, engage in any other activity that by law is reserved or permitted to companies authorised to engage in banking.
2. The Company may also issue bonds, in compliance with applicable laws. Furthermore, it may also issue bonds convertible into its shares or with purchase vouchers or the subscription of shares (warrants), in compliance with applicable laws. It may also acquire holdings in Italy and abroad.

## SECTION II
## SHARE CAPITAL - SHARES – BONDS

Article 5

1. The fully subscribed and paid-up share capital amounts to Euro 200,150,191.89 (two hundred million, one hundred and fifty thousand, one hundred and ninety-one euros, eighty-nine cents), divided into 606,515,733 (six hundred and six million, five hundred and fifteen thousand, seven hundred and thirty-three) ordinary shares with a nominal value of Euro 0.33 (thirty-three cents) each.

2. The share capital may be increased by way of a shareholders' resolution, through the issuance of shares, also bearing various rights, in compliance with legal requirements.

In the event of an increase in share capital through a rights issue, the pre-emptive rights of shareholders may be excluded, limited to ten percent of the pre-existing share capital, provided that the issue price of the new shares corresponds to the market value of those already outstanding and that this is confirmed by a special report prepared by the appointed independent auditors.

3. Ordinary shares are registered shares.

4. The shares are indivisible and in the event of joint ownership they shall be regulated according to law.

5. The extraordinary Shareholders' Meeting may resolve upon the allocation of profits to the employees of the Company in accordance with current regulations.

6. The Shareholders' service address for their dealings with the Company shall be the address stated in the Shareholders' registry.

7. The status of shareholder implies unconditional acceptance of the deed of incorporation and of the articles of association.

8. The Board of Directors, shall be empowered, pursuant to Article 2443 of the Civil Code, for a period of five years starting from the beginning of the negotiation on the Italian regulated market, to increase the share capital, free of charge – in one or more tranches – to implement the employee incentive schemes approved by the ordinary Shareholders' Meeting held on June 5, 2014, for a maximum amount of Euro 1,155,000.00 (entirely attributable to capital for Euro 0.33 per share, equal to the nominal unit value), issuing a maximum number of 3,500,000 new ordinary shares having a nominal value of Euro 0.33 each, with the same characteristics as those outstanding, with regular dividend rights, by assigning the corresponding maximum amount of profit and/or profit reserves resulting from the last financial statements in question approved pursuant to Article 2349 of the Civil Code, according to the terms, conditions and methods provided for in the incentive schemes. The Board of Directors, in partial execution of the authority granted in accordance with Article 2443 of the Civil Code by the Extraordinary Shareholders' Meeting of 5 June 2014, resolved on 9 February 2015 to increase the share capital by a nominal Euro 79,761 (seventy-nine thousand, seven hundred and sixty-one) corresponding to 241,700 (two hundred and forty-one thousand, seven hundred) ordinary shares with a nominal value of Euro 0.33 (thirty-three cents) each, to service the implementation of employee incentive plans.

9. The Board of Directors has the right, pursuant to Article 2443 of the Civil Code, to resolve - one or more times and for a maximum period of five years from the date of the shareholders' resolution dated April 23, 2015, a free increase in share capital, pursuant to Article 2349 of the Civil Code, for a maximum amount of €131,159.49 (attributable entirely to capital at €0.33 per share, equal to the par value), with the issue of up to 397,453 new Fineco ordinary shares with a nominal value of €0.33 each, with the same characteristics as those in circulation, with regular dividend entitlement, to be granted to the Staff of FinecoBank, which covers key positions for the achievement of the overall objectives in execution of the 2015 System.

SECTION III
SHAREHOLDERS' MEETING

Article 6

1. The Shareholders’ General Meeting, duly constituted, is the body that expresses the Company’s will through its resolutions.
2. The Shareholders’ General Meeting meets in ordinary or extraordinary sessions, according to the law and may be held at the company headquarters or another place that is indicated in the notice convening the meeting, provided it is within the territory of the Italian state.
3. The operating modes of the Shareholders’ General Meeting are governed by specific Regulations.
4. The Ordinary Shareholders’ General Meeting is convened at least once a year within one hundred and twenty days from the end of the company’s financial year to deliberate on issues for which the law and the Articles of Association make it responsible.
5. In particular, the Ordinary Shareholders’ General Meeting, besides establishing the remuneration paid to the bodies it has appointed, approves: (i) the policies on remuneration and incentives in favour of members of the bodies with functions of strategic supervision, management and control and other personnel; (ii) remuneration plans based on financial instruments; (iii) the criteria for determining the compensation to be granted in the case of early termination of employment or early retirement from office, including limits set on this amount in terms of annual fixed remuneration and the maximum amount that results from their application.
6. Also, the Ordinary Shareholders’ General Meeting, upon approval of the remuneration policies, has the authority to agree a relationship between the variable and fixed component of the remuneration of individual staff members higher than 1:1 but not exceeding the ratio of 2:1 provided that the proposal is considered to be validly adopted:
• with the favourable vote of at least 2/3 of the share capital represented at the Shareholders’ General Meeting, in the event that the Shareholders’ General Meeting is constituted with at least half of the share capital;
• with the favourable vote of at least 3/4 of the share capital represented at the Shareholders’ General Meeting, regardless of the share capital with which it is constituted.
7. The Shareholders’ General Meeting must be provided with adequate information on the implementation of remuneration policies.
8. The Extraordinary General Meeting is convened whenever necessary to resolve upon any of the matters reserved for it by the law in force.

Article 7

1. The Shareholders' Meeting, whether ordinary or extraordinary, shall be convened within the terms set forth in current laws and regulations, via a notice published on the Company's website and through other channels provided for under current laws and regulations.
2. The Agenda of the Shareholders' Meeting shall be determined by the person empowered to call a meeting under the terms and conditions of law and the Articles of Association.
3. In the cases provided by law, those shareholders who, alone or in conjunction with others, represent at least the percentage of share capital envisaged by current applicable regulations, shall be entitled to request that a Shareholders’ Meeting be convened.
4. The right to put items on the Agenda and to submit resolution proposals on the items already on the Agenda may be exercised - in the cases, methods and time limits indicated in current regulations - by shareholders who individually or collectively represent at least the proportion of share capital required under applicable law in force at the time.
5. The Shareholders' Meeting is held in one session. The Board of Directors may provide that the Shareholders' Meeting be held in more than one session. The quorum required by current regulations shall apply.

Article 8

1. The holders of voting rights and in respect of whom the Company has received, from the broker holding the relevant account, the notification within the deadline set forth by applicable law, shall be entitled to attend Shareholders' Meetings.

2. If stated in the notice of call, the holders of voting rights may participate in the Shareholders' Meeting using telecommunication facilities and exercise their voting rights using electronic means, according to the procedure indicated in the notice.
3. Anyone entitled to vote can be represented at Shareholders' Meetings, in accordance with the provisions of current regulations.
4. Voting proxy may be granted by means of an electronic document with an electronic signature in accordance with the provisions of current regulations and communicated to the Company by sending it to the email address indicated in the notice of call or alternately through other methods as provided for in current laws and regulations.

Article 9

1. Each ordinary share confers the right to cast one vote.

Article 10

1. The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, if the Chairman is absent or incapacitated, by the Deputy Vice Chairman or by the other Vice Chairman, if appointed. In the event the above individuals are absent or incapacitated, the Shareholders' Meeting shall be chaired by a Director or by a Shareholder appointed by those present.
2. The Chairman of the Shareholders' Meeting has full powers to preside over the proceedings, in compliance with the criteria and procedures laid down in current regulations and the Regulation for Shareholders' Meetings.
3. The Chairman shall be assisted by a Secretary, appointed from among those in attendance, even if a non-shareholder, by the majority of those present. In addition to the cases provided for under law, a Notary may be called on and appointed by the Chairman to act as secretary, when deemed necessary by the Chairman.

Article 11

1. For a Shareholders' Meeting, whether ordinary or extraordinary, in first or second call, along with the relative resolutions to be valid, the relevant legal provisions and Articles of Association must be duly observed.

Article 12

1. The minutes of Shareholders' Meeting shall be prepared and signed by the Chairman of the Shareholders' Meeting and the Secretary, when they are not prepared by a Notary. The copies or extracts of the minutes, signed and certified as true copies by the Chairman of the Board of Directors or by his/her representative, or by the Secretary, shall constitute full proof thereof.

SECTION IV

BOARD OF DIRECTORS

Article 13

1. The Company is managed by a Board of Directors composed of a minimum of 5 (five) and a maximum of 13 (thirteen) members. The composition of the Board shall be gender balanced.
2. The members of the Board of Directors must meet the professional competence and integrity requirements established by current laws and regulations.
3. Furthermore, a certain number of Directors, not less than that established by the laws and regulations in force at the time, must meet the independence requirements established by the Corporate Governance Code for Listed Companies.

4. Directors shall hold office for three financial years, except where a shorter term is established at the time of their appointment; the term ends on the date of the Shareholders' Meeting called to approve the financial statements relating to the last year of their appointment and they may be re-elected.
5. The Directors are appointed by the Shareholders' Meeting on the basis of lists submitted by entitled persons; the candidates must be listed in numerical order on the lists. Both genders must be represented on each list that has 3 (three) or more candidates, so as to ensure compliance with at least the minimum requirements of current laws and regulations on gender equality.
6. In order for a list to be valid, it must be filed at the Registered Office or the Head Office, also by means of remote communication and in accordance with the procedures stated in the notice of call which allows the identification of the parties submitting the list, no later than the twenty-five days before the date of the Shareholders' Meeting and must be made available to the public at the Registered Office, on the Company's website and through other channels provided for under current laws at least twenty-one days before the date of the Shareholders' Meeting (or within a different deadline as per applicable regulations).
7. Each party entitled to vote (as well as (i) entitled persons belonging to the same group, intended as a party, which need not be a corporation, exercising control pursuant to Article 2359 of the Civil Code and any subsidiary controlled by, or under the control of the said party, or (ii) shareholders who are party to a shareholders' agreement as per Article 122 of Legislative Decree no. 58 of 24 February 1998, or (iii) entitled persons who are otherwise associated with each other in a material relationship pursuant to current and applicable statutory or regulatory provisions) may submit individually or with others only one list, just like each candidate may only be included in one list, or otherwise be considered ineligible.
8. Lists may be submitted by parties entitled to vote who alone or together with others, hold shares with voting rights representing at least the percentage of share capital required by applicable laws and regulations in force at the time.
9. Ownership of the minimum shareholding required for submitting lists is calculated based on the shares registered to each shareholder, or to multiple shareholders combined, on the day when the lists are filed at the Company. Ownership of the number of shares necessary to submit lists must be proven pursuant to current regulations; proof may be submitted to the Company also after the lists have been filed, provided that it is submitted within the deadline for when the Company must make the lists public.
10. The entitled persons who submitted a list must also file any additional documentation and declarations required by the laws and regulations in force at the time, within the deadline indicated in paragraph 6 above, as well as the following disclosures:
- information pertaining to those who submitted the lists, with information on the total percentage of interest held;
- information on the personal and professional characteristics of the candidates included in the list;
- a statement whereby the individual candidates irrevocably accept the position (subject to their appointment) and attest, under their responsibility, that there are no grounds for their ineligibility or incompatibility to stand as candidate, and that they meet the professional competence and integrity requirements prescribed by current laws and regulations;
- a statement that the independence requirements set out in these Articles of Association have been met.

Any list that does not meet the above requirements shall be deemed to have not been submitted.
11. Each eligible voter may vote for one list only.
12. The members of the Board of Directors shall be elected as follows:
a) a number of Directors equal to the number of board members, decreased by 1, shall be drawn - in the order in which they appear on the list - from the list receiving the majority of votes cast. The remaining Director shall be drawn- in numerical order- from the

minority list that received the most votes among the minority lists;
b) if the majority list does not reach a sufficient number of candidates for the election of the number of Directors to be appointed, according to the mechanism indicated in letter a) above, all the candidates from the majority list shall be appointed and the remaining Directors shall be drawn from the minority list, in the order in which they appear on the list, receiving the highest number of votes; if necessary, directors shall also be drawn from the second most voted minority list, always in the order in which the appear on the list, until the number of Directors to elect has been reached;
c) if the number of candidates in the majority as well as minorities lists submitted is less than the number of the Directors to be elected, the remaining Directors shall be elected through a resolution made by the Shareholders' Meeting by relative majority, ensuring compliance with the principles of independence and gender equality prescribed by current law and regulations. If there is a tie vote between two or more candidates, a run-off will be held between these candidates by means of another vote at the Shareholders' Meeting;
d) if only one list or no list is filed, the Shareholders' Meeting shall act in accordance with the procedures set forth in letter c) above;
e) if the required minimum number of Independent Directors and/or Directors belonging to the least represented gender is not elected, the Directors of the most voted list who have the highest consecutive number and do not meet the requirements in question shall be replaced by the next candidates on the same list, who meet the necessary requirements. Should it prove impossible, even after applying this criterion, to identify the Directors who meet the above requirements, the above substitution criterion shall apply to the minorities lists receiving the highest votes from which the candidates elected have been drawn;
f) if even after applying the substitution criteria referred to in letter e) above, suitable substitutions have not been found, the Shareholders' Meeting shall resolve by a relative majority. In this case, the substitutions shall be effected starting from the most voted lists and from the candidates bearing the highest number in consecutive order.
13. In the event of death, resignation, withdrawal or removal from office for any other reason of a Director, or where a Director no longer meets the professional competence and integrity requirements, the Board of Directors can take steps to coopt a Director, in compliance with the principles of minority representation and gender equality. If, in the above cases, the minimum number of independent Directors falls below the level required by the laws and regulations in force at the time and/or the number of Directors belonging to the least represented gender falls below the level prescribed by law, the Board of Directors shall replace them.
14. For the appointment of Directors needed to fill vacancies on the Board of Directors, the Shareholders' Meeting shall resolve by relative majority, ensuring that the principles of independence and gender equality established by current law and regulations are met.

## Article 14

1. The Board of Directors elects from among its members, for three financial years - unless a different term is established by the Shareholders' Meeting pursuant to the provisions of Article 13 - a Chairman and a Secretary, who need not be one of its members and - where appropriate - one or more Vice Chairmen, one of which will act as a stand-in. In the event the Chairman's absent or incapacitated, he/she will be replaced by the Deputy Vice Chairman or, if he/she is absent, by the other Vice Chairman. Where both the Chairman and all the Vice Chairmen are absent or incapacitated, the Chairman shall be replaced by the eldest Director. In the event the Secretary is absent or incapacitated, the Board shall designate a replacement.

## Article 15

1. The Board of Directors may appoint one Managing Director, and also determines his/her duties and powers, and may assign special duties and powers to other Board members.
2. The Board of Directors may appoint, determining the term of office and the respective duties and powers, a General Manager and one or more Deputy General Managers,

who form the Head Office, together with the other employees of this office.
3. The Managing Director or – where not appointed – the General Manager shall oversee the Head Office.
4. The Managing Director shall take up the powers and duties of the General Manager if the latter has not been appointed.
5. If a Managing Director and General Manager are appointed, both positions must be held by the same person.
6. The Managing Director, or where not appointed, the General Manager shall be responsible for implementing the resolutions passed by the Board of Directors, with the assistance of the Head Office.
7. If a Managing Director has not been appointed, the General Manager shall take part in Board meetings with the power to make proposals and without voting rights.
8. The Managing Director and other Directors vested with particular responsibilities, as well as the General Manager, where no Managing Director has been appointed, shall report to the Board of Directors on their activities, according to the procedures and time limits established by the Board, in accordance with law.

## Article 16

1. The Board of Directors shall be convened at the Registered Office or elsewhere in Italy or abroad by the Chairman or his/her representative, usually at least once every three months and however any time the Chairman feels it necessary, or if requested by the Managing Director or by least two Directors. Meetings may also be convened on the request of a Statutory Auditor.
2. The Board shall be convened by the Chairman or by his/her replacement in accordance with Article 14 above, and may also be convened using telecommunication facilities.
3. If deemed appropriate by the Chairman of the Board of Directors, Board meetings may be held using telecommunication facilities, provided that each attendee can be identified by all the other attendees and that each of them is able to intervene in real time during the discussion of the issues at hand, as well as receive, transmit and view documents. If these requirements are met, the meeting of the Board of Directors shall be considered to have been held at the venue where it was convened.
4. Meetings shall be valid even if they are not convened as above, provided that all Directors and effective members of the Board of Statutory Auditors take part in the meeting.
5. The Board of Directors shall be chaired by the Chairman or, if he/she is absent or incapacitated, by the person replacing him/her in accordance with the provisions set out in Article 14.
6. The Chairman may invite Deputy General Managers and other employees from the management team to take part in Board meetings.

## Article 17

1. The Board of Directors is vested with all powers necessary for managing the Company, except for those powers reserved by law and regulations, along with the Articles of Association to the Shareholders' meeting.
2. In compliance with applicable laws and the Company's Articles of Association, the Board of Directors shall adopt a Regulation on its functioning and responsibilities. This Regulation specifies, amongst other things, the limits on number of board mandates.
3. In addition to those duties and powers that cannot be delegated by law, the Board of Directors is responsible for passing resolutions - which cannot be delegated - concerning:
- the general guidelines, as well as the adoption and amendment of the Company's industrial, strategic and financial plans, within the framework of the directives imparted by the Parent Company;
- the appointment and dismissal of the General Manager/s and Deputy General Managers;
- the assessment of the overall business performance;

- adjustments to be made to the Articles of Association to bring them in line with legal requirements;
- corporate mergers and demergers in the cases provided under Articles 2505 and 2505 bis and 2506 of the Civil Code;
- the reduction of capital in the event of shareholder withdrawal;
- decisions on which Directors, in addition to those indicated in these Articles of Association, may represent the Company;
- the establishment of committees or commissions with advisory, decision-making or coordination functions;
- the risk management policies, as well as the evaluation of the functionality, efficiency and effectiveness of the internal control system and the adequacy of the organisational, administrative and accounting structure within the framework of the directives issued by the Parent Company;
- the purchase and sale of equity investments, companies and/or company divisions, without prejudice to the provisions set out in Article 2361, paragraph 2, of the Civil Code;
- the purchase and sale of property;
- the approval and amendment of internal regulations;
- the appointment and dismissal of the heads of the internal audit, conformity and risk control functions;
- the opening and establishment, also for the purpose of structuring the signing authority, of secondary offices, branches, agencies, counters and representation offices, however named, in Italy and abroad, as well as closing them.

4. The Board of Directors may delegate powers to the Managing Director, the General Manager and/or Deputy General Managers, establishing the limits and operating methods, including the power to sub-delegate, where appropriate. It may also delegate its powers on an ongoing basis to other employees for the day-to-day management of the Company – including the granting of credit – as well as powers to complete specific categories of acts.

5. In the event of a demonstrable emergency, the Chairman, on the basis of a proposal made by the Managing Director, or the General Manager, may pass resolutions on any deal or transaction, with the exception of those matters reserved by law or by the Articles of Association exclusively to the Board of Directors, and shall inform the Board about the event at the next meeting.

Article 18

1. Meetings of the Board of Directors shall be valid only if attended by the majority of the members in office.
2. Resolutions are passed by a majority of the votes, excluding abstentions. In case of a tie, the Chairman of the meeting shall have the casting vote.

Article 19

1. Resolutions passed by the Board of Directors shall be recorded in the minutes transcribed in the relevant register, which are signed by the Chairman of the meeting and the Secretary.
2. Copies of the minutes, signed and certified as true by the Chairman of the Board of Directors or by his/her representative, or by the Secretary, shall constitute full proof thereof.

Article 20

1. The Directors shall be entitled to reimbursement of the costs incurred in carrying out their duties. The Board shall also be entitled to an annual fee, fixed and/or variable, which shall be resolved upon by the Ordinary Shareholders' Meeting and shall remain unchanged until the Meeting subsequently decides otherwise.
2. Remuneration of the Board of Directors, as resolved upon by the Shareholders' Meeting shall be distributed among its members by way of resolution by the Board. The Board of Directors may also, after consulting with the Board of Statutory Auditors, establish the remuneration of the Chairman, Vice Chairman, Managing Director and, in general, the Directors vested with specific responsibilities, pursuant to Article 2389,

third paragraph, of the Civil Code.

## SECTION V
## DISCLOSURES BY EXECUTIVE BODIES AND OFFICERS

### Article 21

1. Decisions made by those with delegated powers shall be disclosed to the Board according to the procedure and frequency (at least quarterly) established by the Board.
2. In particular, the executive bodies and officers shall report to the Board of Directors and the Board of Statutory Auditors, at least on a quarterly basis, on the general performance of the company, the business outlook, and transactions that have a significant effect on the results of operations and financial position- with particular regard to those that could potentially give rise to conflict of interest- carried out by the Company and its subsidiaries.

## SECTION VI
## REPRESENTATION OF THE COMPANY'

### Article 22

1. The representation, also in legal proceedings, and the authority to sign on behalf of the company are the right, separately, of the Chairman of the Board of Directors, the Vice Chairman, the Managing Director, the General Manager and the Vice General Managers, who have the right to designate, be it on a continuous basis or otherwise, employees of the Company and persons on secondment to the Company, as well as outside third parties, as representatives and special agents for completing single acts and operations or specific types of acts and operations and to appoint lawyers, technical consultants and arbitrators, vesting them with the appropriate powers and authorities.
2. Representation in legal proceedings includes, but is not limited to, the right to initiate and support any act and measure to protect the Company's rights and interests, which may involve requesting injunctive remedies, precautionary measures and emergency actions, and exercising enforcement actions, the exercising, withdrawal and waiver of the right to take legal action, as well as the institution and the revocation of a civil action, in any court, administrative and arbitration proceedings, before any authority and in any state, and at any level of the law, with all of the necessary powers for such purposes, including the related appointment of a representative ad litem, also of a general nature, to conduct interrogations pursuant to the law, and with all legal rights to reach agreements, settle and submit to arbitration proceedings, also out of court and to waive acts and actions.
3. The Board of Directors may also appoint individual Directors, Senior Managers, Mangers and other employees of the Company and persons on secondment at the company , as well as to outside third parties to represent the company and use the company signature, determining their powers, the limits and the procedures by which they are to be exercised.
4. Where necessary for the completion of certain acts or categories of acts, the Board may also grant mandates and powers of attorney to persons from outside the Company.

## SECTION VII
## BOARD OF STATUTORY AUDITORS

### Article 23

1. The Ordinary Shareholders' Meeting shall appoint three Standing Auditors, one of which will be elected Chairman, and two stand-in auditors, which shall hold office for three financial years. Their term ends on the date of the Shareholders' Meeting called to approve the financial statements relating to the last year of their appointment and they may be re-elected. The law and the provisions of these Articles of Association shall be observed for their appointment, dismissal and replacement.
2. Pursuant to the provisions of current rules and regulations, at least two Standing

Auditors and one stand-in Auditor must have been entered in the Register of Auditors for at least three years and have not less than three years of experience as a statutory auditor. Statutory Auditors who are not entered in the Register of Auditors must have at least three years of experience in:
a) professional activities as a certified public accountant or lawyer, rendered primarily to the banking, insurance and financial sectors;
b) teaching, at University level, subjects concerning - in the legal field - banking, commercial and/or fiscal law, as well as financial markets and - in the business/finance field - banking operations, business economics, accountancy, the running of the securities markets, the running of the financial and international markets and corporate finance;
c) management functions at public entities governmental authorities operating in the credit, financial or insurance sector, as well as in the provision of investment services sector or collective portfolio management sector, both of which are defined in Legislative Decree no. 58 of 24 February 1998.
3. The appointment of standing and stand-in members of the Board of Statutory Auditors takes place on the basis of lists submitted by entitled persons in which the candidates must be listed in numerical order. Lists shall be divided in two sections, containing respectively up to three candidates for the position of Statutory Auditor and up to two candidates for the position of Stand-in Statutory Auditor. As a minimum, the first two candidates for the position of Statutory Auditor and the first candidate for the position of Stand-in Statutory Auditor in the respective lists must be entered in the Register of Auditors and have experience as a statutory auditor in accordance with paragraph 2. Each list for the appointment of Statutory Auditor and Stand-in Statutory Auditor must have a number of candidates belonging to the least represented gender, so as to ensure compliance with at least the minimum requirements for gender equality prescribed by current law and regulations. No candidate may appear in more than one list, or shall otherwise be disqualified.
4. In order to be valid, the lists must be filed at the Registered Office or the Head Office, also by means of remote communication and in accordance with the procedures stated in the notice of call which allows the identification of the parties filing the lists, no later than twenty-five days before the date of the Shareholders' Meeting (or within a different period of time according to applicable laws in force at the time) and must be made available to the public at the Registered Office, on the Company's website and through other channels provided for under current laws at least twenty-one days prior to the date of the Shareholders' Meeting (or within a different deadline as per applicable regulations).
5. Each party entitled to vote (as well as (i) entitled persons belonging to the same group, intended as a party, which need not be a corporation, exercising control pursuant to Article 2359 of the Civil Code and any subsidiary controlled by, or under the control of the said party, or (ii) shareholders who are party to a shareholders' agreement as per Article 122 of Legislative Decree no. 58 of 24 February 1998, or (iii) entitled persons who are otherwise associated with each other in a material relationship pursuant to current and applicable statutory or regulatory provisions) may submit individually or with others only one list, just like each candidate may only be included in one list, or otherwise be considered ineligible.
6. Lists may be submitted by parties entitled to vote who alone or together with others, hold shares with voting rights representing at least the percentage of share capital required by applicable law and regulatory provisions in force at the time.
7. Minority shareholders who are not affiliated with the shareholders concerned, shall be entitled to extend the deadline for presenting lists in the circumstances and according to the procedures set forth in current laws and regulations.
8. Ownership of the minimum shareholding required to submit a list is calculated with regard to the shares registered to each shareholder, or to multiple shareholders combined, on the day on which the lists are filed at the Company. Ownership of the number of shares necessary to submit lists must be proven pursuant to current rules and regulations; proof may be submitted to the Company also after the lists have been filed, provided that

it is submitted within the deadline for when the Company must make the lists public.
The entitled persons who submitted a list must also file any additional documentation and declarations required by the laws and regulations in force at the time, within the deadline indicated in paragraph 4 above. Any list that does not meet the above requirements shall be deemed to have not been submitted.
10. Each eligible voter may vote for one list only.
11. The members of the Board of Statutory Auditors shall be elected as follows:
a) 2 (two) Standing Auditors and 1 (one) Stand-in Statutory Auditor are drawn from the list obtaining the largest number of votes cast by the Shareholders, in the order in which they appear on the list ;
b) the remaining Statutory Auditor and the remaining Stand-in Statutory Auditor are drawn from the list that obtained the most votes after the list referred to in letter a). The first candidates of the related section are thus elected Statutory Auditor and Stand-in Statutory Auditor.
12. The Chairmanship of the Board of Statutory Auditors will go to the first candidate of Standing Auditors from the minority list receiving the most votes.
13. If, in accordance with the deadlines and procedures set forth in the previous paragraphs, only one list or no list has been presented, or the lists do not contain the required number of candidates to be elected, the Shareholders' Meeting shall pass a resolution for the appointment or completion of the Board of Statutory Auditors by relative majority. If there is a tie vote between several candidates, a run-off election shall be held between them with a further vote of the Shareholders' Meeting. The Shareholders' Meeting shall be required to ensure compliance with the provisions of applicable laws and regulations concerning gender balance.
14. In the event the death, resignation, withdrawal or removal from office for any other reason of a Statutory Auditor, he/she shall be replaced by the Stand-in Statutory Auditor, from the same list as the outgoing Auditor, in the order in which they appear on the list, complying with the minimum number of members entered in the Register of Auditors who have been engaged in auditing activities as per paragraph 3 and in compliance with gender equality principles. If this is not possible, the outgoing Auditor shall be replaced by the Stand-in Statutory Auditor meeting the specified requirements, drawn from the minority list which obtained the most votes, following the order in which they appear on the list. Where the appointment of Auditors is not carried out using the slate voting system, the Stand-in Statutory Auditor shall take over pursuant to statutory provisions. Should it be necessary to replace the Chairman, the Stand-In Statutory Auditor taking over shall also serve as Chairman. The Shareholders shall appoint or replace Auditors in meetings called in accordance with article 2401, paragraph 1 of the Civil Code in compliance with the principle of adequate representation of minority shareholders and gender equality. Where the appointment of the Stand-in Statutory Auditor in lieu of the Statutory Auditor is not confirmed by the Shareholders' Meeting, he/she shall return to his/her position as Stand-in Statutory Auditor.
15. The Board of Statutory Auditors shall be considered as having been validly constituted if the majority of Statutory Auditors are present, and resolutions shall be passed by an absolute majority of those present. in case of a tie, the vote cast by the Chairman shall prevail.
16. If deemed appropriate by the Chairman of the Board of Statutory Auditors, meetings of the Board of Statutory Auditors may be held using telecommunication facilities, provided that each attendee can be identified by all the other attendees and that each of them is able to intervene in real time during the discussion of the issues at hand, as well as receive, transmit and view documents. If these requirements are met, the meeting of the Board of Statutory Auditors shall be considered to have been held in the place where the Chairman is located.
17. The Ordinary Shareholders' Meeting shall establish the annual remuneration for each Auditor as required by law. Auditors shall be entitled to reimbursement of the costs incurred in carrying out their duties.

Article 24

1. In order to properly perform its tasks, and in particular to fulfil its obligation to promptly inform the Bank of Italy, and other Supervisory Authorities if required, on management irregularities or violations of the law, the Board of Statutory Auditors is vested with all the broadest powers provided for by current laws and regulations.
2. The Board of Statutory Auditors, without prejudice to any other or more specific duty and power assigned to it by primary and secondary laws and regulations in force, monitors compliance with laws, regulations and the Articles of Association, as well as the correct administration, adequacy of organisational and accounting arrangements of the Bank, of the risk management and control system, as well as the functioning of the overall internal control system, of the external auditing of the accounts, of the independence of external auditors and on the financial reporting process. The Board of Statutory Auditors shall work in close cooperation with the corresponding body of the Parent Company.

SECTION VIII
FINANCIAL STATEMENTS, DISTRIBUTION OF PROFITS

Article 25

1. The financial year ends on 31 (thirty-one) December of each year.
2. At the end of each financial year, the Board of Directors shall prepare the company's financial statements, in accordance with statutory provisions.

Article 26

1. The net profit, as resulting from the financial statements, deducting the portion to be allocated to the legal reserve, shall be allocated as decided by the shareholders at the Shareholders' Meeting.
2. If the right to collect dividends is not exercised within five years from the day in which they became due, the dividends will revert to the Company and the equivalent value shall be allocated to the reserve fund.
3. The Shareholders' Meeting, on the basis of a proposal by the Board, may grant shareholders the right to require that the payment of dividends be settled, in whole or in part, in cash or by delivery of shares, having the same entitlements of the shares outstanding at their time of assignment.
4. If the above right is granted, the Shareholders' Meeting, on the basis of a proposal by the Board of the Directors, shall determine the criteria for the calculation and assignment of the shares, establishing how dividend payments will be settled if the above right by is not exercised by shareholders.
5. The Shareholders' Meeting, on the basis of a proposal by the Board of Directors, may allocate a portion of the annual net profit to social, welfare and/or cultural projects, to be given as decided by the Board of Directors.
6. The Company may approve the distribution of interim dividends in the cases, manner and within the limits permitted by applicable laws.

SECTION IX
WITHDRAWAL

Article 27

1. The right of withdrawal is regulated by the law, on the understanding that right of withdrawal may not be exercised by shareholders that have not been involved in the approval of resolutions regarding the extension of the Company's duration.

SECTION X
NOMINATED OFFICIAL IN CHARGE OF DRAWING UP THE

## COMPANY ACCOUNTS

### Article 28

1. The Board of Directors, subject to the mandatory opinion of the Board of Statutory Auditors, shall appoint for a period of up to three years, a nominated official in charge of drawing up the company accounts (Financial Reporting Officer) to perform the duties attributed to this function under current laws, and shall establish his/her powers, qualifications and compensation.
2. The Nominated Official in charge of drawing up Company Accounts shall be selected by the Board of Directors from the Company's Senior Managers who meet the following professional qualifications: specific administrative and accounting skills in lending, finance, securities and insurance-related issues. These skills, to be verified by the Board of Directors, must have been acquired through work experience in a position of adequate responsibility for a reasonable period of time or in undertakings similar to the Company.
3. The Financial Reporting Officer must also meet the integrity requirements provided under current law for the assumption of statutory offices. If the Officer no longer meets the integrity requirements, he/she shall be removed from office; in this case, the Board of Directors shall promptly replace the outgoing officer.
4. The Board of Directors shall ensure that the Nominated Official in charge of drawing up Company Accounts has the appropriate powers and means to carry out the duties assigned to him under current laws and properly complies with all administrative and accounting procedures.
5. In the performance of his duties, the Nominated Official in charge of drawing up Company Accounts may call on the assistance of all Bank structures.
6. The Financial Reporting Officer shall make all attestations and declarations, also in conjunction executive bodies and officers when required, in accordance with current laws .

## SECTION XI
## FINAL PROVISIONS

### Article 29

1. For anything not expressly provided for in the Articles of Association, reference shall be made to laws and regulations in force at the time.

Signed: Cotta Ramusino Enrico
Signed: Angelo Busani

BANCA D'ITALIA
EUROSISTEMA

*DIPARTIMENTO VIGILANZA BANCARIA E FINANZIARIA*
*SERVIZIO SUPERVISIONE BANCARIA 1 (840)*
*DIVISIONE GRUPPI BANCARI I (022)*

*Rifer. a nota n.* *del*

*Classificazione* VII 2 6

*Oggetto* UniCredit Group. Modifiche degli articoli 5 e 6 dello Statuto sociale di Fineco Bank S.p.a. Provvedimento.

Con lettera del 22 gennaio 2015, pervenuta in pari data, UniCredit S.p.a. ha presentato - ai sensi degli artt. 56 e 61 del D. Lgs. 385/1993 - progetti di modifica dello Statuto della sua controllata Fineco Bank S.p.a.

Secondo quanto prospettato, le modifiche riguardano gli artt. 5 e 6 dello Statuto di Fineco Bank S.p.a.

Al riguardo, avuto presente l'esito dell'istruttoria, ai sensi degli artt. 56 e 61 del D. Lgs. 385/1993, si rilascia il provvedimento di accertamento delle modifiche statutarie proposte.

Ai sensi dell'art. 2436 c.c., resta, peraltro, impregiudicata ogni valutazione del notaio rogante in ordine alla conformità alla legge delle modifiche statutarie in argomento.

PER DELEGAZIONE DEL DIRETTORIO

| firma 1 | firma 2 |
| --- | --- |