

File no. 35,516

Folder no. 16,422

Minutes of the Ordinary and Extraordinary Shareholders' Meeting

REPUBLIC OF ITALY

On Tuesday the twenty-sixth day of April of the year two thousand and sixteen  
(April 26, 2016)

in Milan (MI), Via Santa Maria Fulcorina no. 2,  
before me Angelo Busani, a notary in Milan, a registered member of the Board of the Milan  
Notary District,

the following person was present:

ENRICO COTTA RAMUSINO, born in Sant'Alessio con Vialone (PV) on May 22, 1959, domiciled  
for the office at the registered office of the Company as specified later on;  
of whose personal identity I, a notary public, am certain, who requested me to read out the  
minutes of the ordinary and extraordinary shareholders' meeting of the company

"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. 02008.1), with Registered Office in Milan, Piazza F. Durante  
no. 11, share capital € 200,245,793.88 fully paid up, tax code and registration number with  
the Milan Register of Companies: 01392970404 - VAT 12962340159 (R.E.A. MI-1598155),  
under the management and coordination of "UniCredit S.p.A.", which met on April, 12 (twelve)  
2016 (two thousand sixteen), as further specified.

Such meeting was held according to the following minutes drawn up by me notary both during  
the meeting and after the meeting was closed.

Adhering to the request made to me, I then read out the minutes to the appearing party as  
set forth below.

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On Tuesday the twelfth day of April Of the year two thousand and sixteen,  
(April 12, 2016)

in Milan (MI), Piazza Durante no. 11,  
at five minutes past ten am (10:05 am)

at the request of the Chairman of the management body of the company:

"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. 02008.1), with Registered Office in Milan, Piazza F. Durante  
no. 11, share capital € 200,245,793.88 fully paid up, tax code and registration number with  
the Milan Register of Companies: 01392970404 - VAT 12962340159 (R.E.A. MI-1598155),  
under the management and coordination by "UniCredit S.p.A." (hereinafter also referred to as  
"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 Part

1. Approval of the FinecoBank S.p.A. financial statements at December 31, 2015, 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 FinecoBank S.p.A. 2015 net profit of the year.
3. 2016 Compensation Policy.
4. 2016 Incentive System.

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5. 2016 Incentive System for Financial Advisors (PFA) identified staff.
6. Authorization to purchase and dispose of treasury shares. Consequent and inherent resolutions.
7. Determination of the remuneration to be paid to the Chairman of the Board of Statutory Auditors as external member of the Supervisory Body.

#### Extraordinary Part

1. Delegation to the Board of Directors, under the provisions of section 2443 of the Italian Civil Code, of the authority to resolve in 2021 to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of € 32,789.79 corresponding to up to 99,363 FinecoBank ordinary shares with a nominal value of €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.

2. Delegation to the Board of Directors, under the provisions of section 2443 of the Italian 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 Italian Civil Code, for a maximum amount of € 88,440.00 (to be allocated in full to share capital at € 0.33 per share, corresponding to the nominal value per share), corresponding to up to 268,000 FinecoBank ordinary shares with a nominal value of € 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 2016 Incentive System; corresponding updates of the Articles of Association.

#### 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 of the Articles of Association in force:

a) informs that, in relation to art. 7 of the Articles of Association, the notice of meeting containing the Agenda thereof, was published on March 11, 2016 on FinecoBank website, at the registered office and the Head Office of the Company, as well as on the storage mechanism managed by Bit Market Services; that copy of the Agenda was inserted into the folder provided to the attendees at the meeting; and that an excerpt of the notice of meeting was published on March 12, 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; and that 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 (CEO and General Manager), as well as the directors: Francesco Saita, Mariangela Grosoli, Laura Stefania Penna, Marina Natale, Girolamo Ielo and Gianluigi Bertolli (the director Pietro Angelo Guindani apologised for his absence); 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;

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f) announces that also in attendance is Mr. Paolo Gibello Ribatto on behalf of the accounting firm "Deloitte & Touche S.p.A.", which has been appointed to certify the Company's financial statements;

g) advises that, pursuant to Article 3, paragraph 2, of the Meeting Regulations, the meeting will be filmed and recorded;

h) announces that the share capital subscribed and paid up as of today amounts to €200,245,793.88 (two hundred million two hundred forty-five thousand seven hundred ninety-three point eighty-eight cents), divided into 606,805,436 (six hundred and six million eight hundred and five thousand four hundred and thirty six) ordinary shares with a par value of €0.33 (thirty-three cents) each.

i) announces that the compliance of proxies with the provisions of Art. 2372 of the Italian Civil Code and Article 135-*novies* of the Legislative Decree no. 58/1998 has been verified;

j) notes that there are currently 521,172,207 (five hundred twenty-one million one hundred seventy-two thousand two hundred and seven) ordinary shares represented at the Meeting, equal to 85.887 (eighty-five, eight hundred eighty-seven thousandths) per cent of the ordinary share capital, corresponding to 422 (four hundred and twenty-two) 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 15,000 shareholders; and that the shareholder "UniCredit S.p.A." directly holds more than 3 (three) per cent of the share capital represented by shares with voting rights (namely 397,108,033 - three hundred ninety-seven million one hundred and eight thousand thirty-three) - ordinary shares, equal to 65.442 - sixty-five, four hundred forty-two thousandths - per cent of the 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") provided to each participant;

b) the folder received on admission contains instructions on how to use the voting terminal (*radiovoter*);

c) upon each voting, each participant will be required to cast his/her vote by pressing the corresponding button on the *radiovoter* and to confirm the choice using the "OK" button;

d) proxy holders and the representatives of fiduciary companies needing to cast different votes for each resolution, must point out this need and cast their votes at the specific "assisted voting stations" set up for this purpose;

e) the electronic vote detection system produces the following documents which shall be attached to the minutes of the Meeting: the lists of shareholders present in person and by proxy when the meeting opened, the lists of anyone who arrives at a later time or who leaves the meeting; and separate lists for the different casted votes.

The Chairman informs that the Report on Corporate Governance and Ownership Structure pursuant to art. 123-*bis* of Legislative Decree 58/1998 (which is attached to these minutes as

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Annex "C") was made available to the public in the manner and within the deadlines provided by law (the above-mentioned Report is also included in the printed file inside the folder handed out to each participant); and that no shareholder exercised his/her right to raise questions on the topics on the Agenda of the Shareholders' Meeting pursuant to art. 127-ter of Legislative Decree 58/1998.

The Chairman then turns to the Agenda of the ordinary session.

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Given the close connection between item 1 ("**Approval of the FinecoBank S.p.A. financial statements at December 31, 2015, accompanied by the Report of the Board of Directors and the Independent Auditors' Report; Report of the Board of Statutory Auditors** ") and item 2 ("**Allocation of the profit for the year 2015 of FinecoBank S.p.A.**") on the Agenda, the Chairman proposes dealing with them together, however, the two resolutions will be submitted separately for approval; the Chairman invites the CEO and General Manager, Mr. Alessandro Foti, to provide an overview of the topics at hand, omitting (there being no objections on this point) the full reading of the relevant documentation, since the draft financial statements and the associated Reports have been made available to all participants and also to the public in the manner and within the deadlines provided by law (the Directors' Report for FY2015, the financial statements for 2015, the Notes, the Statement pursuant to art. 81-ter of Consob Regulation 11971/1999, the schedules for the reclassified financial statements, the Auditors' Report and the Report of the Board of Statutory Auditors are attached to these minutes, as a single file under letter "B").

The CEO and General Manager takes the floor and summarizes the results for the year 2015.

At the end of his presentation, the CEO and General Manager reads out the following proposed resolutions on items 1 and 2 of the Ordinary session's Agenda:

- On item 1: *"Dear Shareholders, with regard to item 1 of the Agenda, you are asked to approve the Annual Report and Accounts of FinecoBank SpA for the year ended 31/12/2015 as set out by the Board of Directors as a whole and in its individual entries. The Annual Report and Accounts comprise the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement, 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 Annual Report folder contains:*

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

*- the Report of the Board of Statutory Auditors, pursuant to art. 153 of Legislative Decree no. 58 of February 24, 1998;*

*- The Independent Auditors' Report pursuant to art. 14 and 16 of Legislative Decree no. 39 of January 27, 2010;*

- On item 2: *"Dear Shareholders, with regard to item 2 of the Agenda, you are asked to approve the following proposal:*

*- to increase the Legal reserve by €19,120.40 (nineteen thousand one hundred twenty and forty cents), corresponding to 0.01% (one cent per cent) of the profits of the year, having reached the limit of one fifth of the share capital;*

*- to increase the Extraordinary Reserve by €35,657,537.24 (thirty-five million six hundred fifty-seven thousand five hundred thirty-seven and twenty-four cents);*

*- to distribute €154,376,133.51 (one hundred fifty-four million three hundred seventy-six thousand one hundred thirty-three and fifty-one cents) to Shareholders, corresponding to a dividend of €0.255 (zero point two hundred fifty-five) for each of the 605,396,602 (six hundred five million three hundred ninety-six thousand six hundred two) ordinary shares with a par value of €0.33 (thirty-three cents) euro, constituting the share capital net of 1,408,834 (one million four hundred eight thousand eight hundred thirty-four) treasury shares held by*

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*the Bank and including 289,703 (two hundred eighty-nine thousand seven hundred and three) shares relating to the capital increase approved by the Board of Directors on February 8, 2016;*

*- to allocate €1,000,000.00 (one million) to social, charity and cultural projects, pursuant to art. 26, para. 5, of the Articles of Association”.*

The Chief Executive Officer and General Manager then provides the disclosure required by Consob 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 the accounting records and the correct reporting of accounting entries over the financial year; the limited auditing of the half year financial statements and the checks for the purpose of signing the tax reports of the Bank and the associated fees, on the basis of the hourly rates set at the time of the appointment, inclusive of the Istat cost of living adjustment, with an annual outlay for the year 2015 (net of out-of-pocket expenses, supervisory fee and VAT) of €154,285 (one hundred fifty-four thousand two hundred eighty-five) for 2,575 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, (there being no objections on this point), to omit reading the full report, since it is available to all those in attendance and has been published in the manner and within the deadlines 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 the opening of discussion on items no. 1 (one) and 2 (two) on the ordinary session’s Agenda.

The shareholder Mario Croce, who has asked to speak and is given the floor, makes the following questions: what are the relations with the parent company UniCredit (i.e.: whether the senior managers are functionally reporting to the parent, for example, whether the Head of HR functionally reports to the Head of HR of UniCredit; whether Fineco business plan is prepared together with UniCredit managers); whether, given that Fineco customers use UniCredit branches, Fineco pays a commission to UniCredit for this service; what kind of competition is there between UniCredit and Fineco; whether Fineco is considering opening other branches; whether there is a cost accounting for each of these branches (i.e.: whether there is evidence of the fact that the opening of branches, taking into account the associated costs, is a positive element); what is the meaning of the negative 1.9 million result of “net commission income on securities lending” at page 52 of the Annual Report; what is the weight of the Advice service compared to asset management; whether Fineco carries out activities abroad; why Fineco’ financial statements show an item for non-performing loans given that Fineco does not provide loans; whether Fineco makes direct investments in securities.

The CEO and General Manager takes the floor and states that:

- Fineco senior managers (e.g. Staff, IT) do not report to the Parent Company and, accordingly, Fineco acts independently albeit in overall coordination with the Parent Company; therefore, also the business plan is drawn up independently (but in coordination and shared with the Parent Company), and, as a result, the strategies and commercial decisions are under the exclusive responsibility of Fineco;

- as regards competition with UniCredit, since Fineco entered the UniCredit Group’s, a strategic decision has been taken by the Group to have Fineco compete with UniCredit, exactly as it competes with other banks in the system; this also considering that the Group’s overall

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market share is around 15 per cent and, therefore, there are significant opportunities to acquire additional market share; there are no special trade agreements that favour the channelling of customers from one organization to another;

- with regard to the issue of the use by Fineco customers of UniCredit branches, Fineco pays UniCredit for this service, at market price;

- as regards Fineco's geographical presence, this cannot be compared to that of a bank branch network, as Fineco operates through financial shops that do not provide routine branch transactions (e.g., cash services); - a Fineco branch is mainly a place where Fineco financial advisers meet with clients to discuss investment strategies, portfolio management, opening of current accounts; for this reason, Fineco financial shop has a much lower operating cost structure than that of an ordinary branch (costs associated with the physical management of cash, interlocking doors, armed guards, vaults); as Fineco acquires market share and becomes an increasingly relevant reference point for customers of a certain geographical area, Fineco's physical presence increases accordingly, to also take into account the inherent growth trend of the network;

- as to Fineco's operations abroad, a few weeks ago the English Central Bank issued an authorization to Fineco for the provision of services in England on a cross border basis; it should be noted that as a bank established in the European Union, Fineco can rely on the "European passport" to provide its services directly from Italy in favour of UK residents, with no need for a physical presence there; accordingly, the Fineco model envisages the provision of banking, brokerage and investment services without branches and without a network of financial advisors to support the activity; services will be provided remotely from Italy, including customer care which will be provided by dedicated native speakers working directly from Italy;

- with regard to loans granted by Fineco, it should be specified that Fineco has a rather modest lending activity: this involves (i) credit lines granted to customers (against collateral consisting of securities and other customer's assets) with a cost risk profile nearly close to zero; (ii) loans related to margin lending and brokerage activity (although also these loans are backed by securities and their *cost of risk* is almost close to zero); (iii) personal loans (i.e. unsecured loans to private customers which, while they are characterized a very low risk profile, nevertheless result in a modest amount of non-performing loans), and then (iv) the activity related to payment systems (credit cards, current account overdrafts,); again, for this type of transactions, despite a very low *cost of risk*, there may be a small component of "non-performing loans";

- with regard to its proprietary portfolio, Fineco has investments of around fifteen billion euros, of which a nominal amount of about 11 billion euros is invested in UniCredit senior floating rate notes, a nominal amount of about 2 billion is invested in European government bonds (of which 1.5 billion euros in Italian government bonds and 500 million euros in Spanish bonos) and the residual amount of 1.2 billion euros is deposited on current accounts (i.e. immediately available liquidity) at UniCredit;

- with regard to "securities lending", it refers to commissions that Fineco pays to customers, against the generation of net interest income, so that, the transaction is profitable overall; more specifically, the portion of interest income that offsets the commissions paid to customers, is 5.2 million euros (therefore, 5.2 million euros of net interest income compared with 1.9 million euros of commissions paid to clients: this is the positive margin for the bank generated by this business);

- as regards Advice, which is the exclusive, *fee-only*, consulting service that Fineco launched before the end of 2007, it accounts for about 4.5 billion euros out of a total of 26 billion euro in assets under management.

As no one else asks to take the floor, the Chairman puts to vote (using the *radiovoter*) the proposed resolution previously read by the CEO and General Manager regarding item 1 of the

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ordinary session's Agenda ( "**Approval of FinecoBank S.p.A. financial statements at December 31, 2015, accompanied by the Board of Directors' Report and the Independent Auditors' Report; 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 none of the participants states that they are prevented from exercising their right to vote.

The resolution proposal (as 427 shareholders entitled to vote take part in the voting on own behalf or by proxy, representing 521,181,707 - five hundred twenty-one million one hundred eighty-one thousand seven hundred seven- shares, each entitling the bearer to one vote) received (as detailed in the document attached as "F"):

- votes in favour: 521,120,734 (five hundred twenty-one million one hundred twenty thousand seven hundred thirty-four), corresponding to approximately 99.988 (ninety-nine, nine hundred and eighty-eight thousandths) per cent of voting shares;
- votes against: 60,940 (sixty thousand nine hundred forty), corresponding to approximately 0.011 (eleven thousandths) per cent of voting shares;
- abstentions: 33 (thirty-three), corresponding to approximately 0.000 (zero) per cent of voting shares.

The Chairman thus announces that the resolution on item 1 (one) of the Ordinary session's Agenda concerning the approval of FinecoBank's Financial Statements as at December 31, 2015 has been approved by a majority.

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the Chairman moves on to the vote (using the *radiovoter*) on the proposed resolution previously read by the CEO and General Manager regarding item 2 of the ordinary session's Agenda ("**Allocation of the profits of FinecoBank S.p.A. for the year 2015**"), 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 none of the participants states that they are prevented from exercising their right to vote.

The resolution proposal (as 427 shareholders entitled to vote take part in the voting on own behalf or by proxy, representing 521,181,707 - five hundred twenty-one million one hundred eighty-one thousand seven hundred seven- shares, each entitling the bearer to one vote) received (as detailed in the document attached as "F"):

- votes in favour: 521,181,174 ( five hundred twenty-one million one hundred eighty-one thousand one hundred seventy-four), corresponding to approximately 99.999 (ninety-nine, nine hundred ninety-nine thousandths) per cent of voting shares;
- votes against: zero;
- abstentions: 533 (five hundred thirty-three), corresponding to approximately 0.000 (zero) per cent of voting shares.

The Chairman thus announces that the resolution on item 2 (two) of the ordinary session's Agenda concerning the approval of the allocation of profits for the year 2015 has been approved by a majority.

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The Chairman moves on to items no. 3 ("**2016 Compensation Policy**"), no. 4 ("**2016 Incentive System**"), no.5 ("**2016 Incentive System for Personal Financial Advisors Identified Staff**") and no. 6 ("**Authorization to purchase and dispose of treasury shares. Consequent and inherent resolutions**") of the ordinary session's Agenda, dealing with them together, although separate proposed resolutions will be tabled. There being no objections on this item, the Chairman says that, with regard to the authorization to purchase

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and dispose of treasury shares to back the 2016 Incentive System for Personal Financial Advisors Identified Staff, the process for obtaining the authorization from the Supervisory Authority has been started with the European Central Bank.

The Chairman then calls on the Chief Executive Officer and General Manager to briefly illustrate the key elements of the proposed resolutions, without reading the relevant documentation, given that the folders containing the relevant Directors' reports (attached hereto as "D" as a single file) and the "2016 Compensation Policy" (attached hereto as "E"), have been distributed to all those in attendance and have been published pursuant to the conditions and deadlines established by law. In this respect, he notes that the Compensation Policy includes the informative document on the "2016 Incentive System" and on the "Incentive System for Personal Financial Advisors Identified Staff", 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 presents the Directors' Reports on items 3, 4, 5 and 6 of the ordinary session's Agenda.

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 3: *"Dear Shareholders, with regard to item 3 of the Agenda, you are asked:*
  - *to approve the "2016 FinecoBank Compensation Policy", as contained in the attached document which forms an integral part of this Report, in order to define the principles and standards that FinecoBank shall apply in designing, implementing and monitoring the compensation policy and the remuneration plans throughout the organization;*
  - *to confer to the Chairman and to 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 April 14, 2016 to the 2016 Group Compensation Policy, which would render the 2016 Policy of FinecoBank no longer consistent with that of the Group.";*
- On items 4 and 5: *"Dear Shareholders, with regard to items 4 and 5 of the Agenda, you are asked to approve the following proposal:*
  - *to adopt the 2016 Incentive System which provides for the allocation of an incentive, in cash and/or Fineco free ordinary shares, to be performed by April 2022, to selected FinecoBank beneficiaries in the manner and within the deadlines described above;*
  - *to confer to the Chairman and to the Chief Executive Officer and General Manager, also separately, all necessary power of attorney to implement this resolution and the documents which are an integral part of it, also rendering any amendments and/or additions that may be necessary to implement the decisions of today's Shareholders' Meeting (without substantially changing the content of the resolution).*
  - *to adopt the 2016 Incentive System for Personal Financial Advisors (PFA) Identified Staff which provides for the allocation of an incentive in cash and/or FinecoBank ordinary shares, to be performed by July 2021, to selected FinecoBank PFA beneficiaries in the manner and terms described above;*
  - *to confer to the Chairman and to the Chief Executive Officer and General Manager, also separately, every opportune power of attorney to implement this resolution and the documents which are an integral part of it, also rendering any amendments and/or additions that may be necessary to implement the decisions of today's Shareholders' Meeting (without*



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*substantially changing the content of the resolution");*

*- On item 6: "Dear Shareholders, with regard to item 6 of the Agenda, you are asked to approve the following proposal:*

*- to authorize the purchase and the disposal of a maximum of 250,000 (two hundred fifty thousand) treasury shares, corresponding to a nominal value of €0.33 (thirty-three cents) each, under the terms and conditions described above, provided that the buy back of the treasury shares may only be performed after receiving the necessary authorization from the Regulator, pursuant to articles 77-78 Reg. EU no. 575/2013 (CRR) dated June 26, 2013.*

*- To confer to the Board of Directors and consequently to the Chairman and to the Chief Executive Officer and General Manager, also separately, every opportune power of attorney to implement this resolution and make the required market disclosures, in accordance with applicable regulations."*

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

As nobody asks to take the floor, the Chairman puts to vote (using the *radiovoter*) the proposed resolution previously read by the CEO and General Manager regarding item 3 of the ordinary session's Agenda ("**2016 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 none of the participants states that they are prevented from exercising their right to vote.

The resolution proposal (as 427 shareholders entitled to vote take part in the voting on own behalf or by proxy, representing 521,181,707 - five hundred twenty-one million one hundred eighty-one thousand seven hundred seven- shares, each entitling the bearer to one vote) received (as detailed in the document attached as "F"):

- votes in favour: 515,824,590 (five hundred fifteen million eight hundred twenty-four thousand five hundred ninety), corresponding to approximately 98.972 (ninety-eight, nine hundred seventy-two thousandths) per cent of voting shares;

- votes against: 4,544,421 (four million five hundred forty-four thousand four hundred twenty-one), corresponding to approximately 0.871 (eight hundred seventy-one thousandths) per cent of voting shares;

- abstentions: 812,696 (eight hundred twelve thousand six hundred ninety-six), corresponding to approximately 0.155 (one hundred fifty-five thousandths) per cent of voting shares;

The Chairman thus announces that the resolution on item no. 3 (three) of the ordinary session's Agenda concerning the 2016 Compensation Policy has been approved by a majority.

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The Chairman puts to vote (using the *radiovoter*) the proposed resolution previously read by the CEO and General Manager regarding item 4 of the ordinary session's Agenda ("**2016 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 none of the participants states that they are prevented from exercising their right to vote.

The resolution proposal (as 427 shareholders entitled to vote take part in the voting on own behalf or by proxy, representing 521,181,707 - five hundred twenty-one million one hundred eighty-one thousand seven hundred seven- shares, each entitling the bearer to one vote) received (as detailed in the document attached as "F"):

- votes in favour: 520,843,734 (five hundred twenty million eight hundred forty-three thousand seven hundred thirty-four), corresponding to approximately 99.935 (ninety-nine, nine hundred and thirty-five thousandths) per cent of voting shares;

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- votes against: 334,940 (three hundred thirty-four thousand nine hundred forty), corresponding to approximately 0.064 (sixty-four thousandths) per cent of voting shares;
- abstentions: 3,033 (three thousand thirty-three), corresponding to approximately 0.000 (zero) per cent of voting shares.

The Chairman thus announces that the resolution on item no. 4 (five) of the ordinary session's Agenda concerning the 2016 Incentive System has been approved by a majority.

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The Chairman puts to vote (using the *radiovoter*) the proposed resolution previously read by the CEO and General Manager regarding item 5 of the ordinary session's Agenda ("**2016 Incentive System for Personal Financial Advisors Identified Staff**"), 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 none of the participants states that they are prevented from exercising their right to vote.

The resolution proposal (as 427 shareholders entitled to vote take part in the voting on own behalf or by proxy, representing 521,181,707 - five hundred twenty-one million one hundred eighty-one thousand seven hundred seven- shares, each entitling the bearer to one vote) received (as detailed in the document attached as "F"):

- votes in favour: 457,569,352 (four hundred fifty-seven million five hundred sixty-nine thousand three hundred fifty-two), corresponding to approximately 87.794 (eighty-seven, seven hundred and ninety-four thousandths) per cent of voting shares;
- votes against: 62,799,659 (sixty-two million seven hundred ninety-nine thousand six hundred fifty-nine), corresponding to approximately 12.049 (twelve, forty-nine thousandths) per cent of voting shares;
- abstentions: 812,696 (eight hundred twelve thousand six hundred ninety-six), corresponding to approximately 0.155 (one hundred fifty-five thousandths) per cent of voting shares;

The Chairman thus announces that the resolution on item no. 5 (five) of the ordinary session's Agenda concerning the 2016 Incentive System for Personal Financial Advisors Identified Staff has been approved by a majority.

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The Chairman puts to vote (using the *radiovoter*) the proposed resolution previously read by the CEO and General Manager regarding item 6 of the ordinary session's Agenda ("**Authorization to purchase and dispose of treasury shares. Consequent and inherent resolutions**"), 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 none of the participants states that they are prevented from exercising their right to vote.

The resolution proposal (as 427 shareholders entitled to vote take part in the voting on own behalf or by proxy, representing 521,181,707 - five hundred twenty-one million one hundred eighty-one thousand seven hundred seven- shares, each entitling the bearer to one vote) received (as detailed in the document attached as "F"):

- votes in favour: 520,019,853 (five hundred twenty million nineteen thousand eight hundred fifty-three), corresponding to approximately 99.777 (ninety-nine, seven hundred seventy-seven thousandths) per cent of voting shares;
- votes against: 1,161,321 (one million one hundred sixty-one thousand three hundred twenty-one), corresponding to approximately 0.222 (two hundred twenty-two thousandths) per cent of voting shares;
- abstentions: 533 (five hundred thirty-three), corresponding to approximately 0.000 (zero) per cent of voting shares.

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The Chairman thus announces that the resolution on item no. 6 (five) of the ordinary session's Agenda concerning the Authorization to purchase and dispose of treasury shares has been approved by a majority.

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The Chairman then turns to item 7 of the Ordinary session's Agenda ("**Determination of remuneration due to the Chairman of the Board of Statutory Auditors for appointment as external member of the Supervisory Body**"); the Chairman asks the CEO and General Manager, Mr. Alessandro Foti, to provide an overview of the topic at hand, omitting (there being no objections on this point) the full reading of the relevant documentation, since the relevant Directors' report (attached hereto as "D") has been distributed to all those in attendance and has been published pursuant to the conditions and deadlines established by law.

The Chief Executive Officer and General Manager takes the floor and presents the Directors' Reports on item 7 of the ordinary session's Agenda.

In conclusion, the Chief Executive Officer and General Manager reads the following resolution proposal (included in the abovementioned Directors' Report) on item 7 of the ordinary session's Agenda:

*"Dear Shareholders, with regard to item 7 of the Agenda, you are asked to determine the remuneration due to Mr. Gian-Carlo Noris Gaccioli in the amount of 15,000.00 (fifteen thousand/00) euros gross per annum, with reference to the office of external member of the Supervisory Body, separate and additional to that already due to him for the office of Chairman of the Board of Statutory Auditors".*

The Chairman takes the floor again and declares the opening of discussion on items no. 7 of the ordinary session's Agenda.

As nobody asks to take the floor, the Chairman puts to vote (using the *radiovoter*) the proposed resolution previously read by the CEO and General Manager regarding item 7 of the ordinary session's Agenda ("**Determination of remuneration due to the Chairman of the Board of Statutory Auditors for appointment as external member of the Supervisory Body**"), 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 none of the participants states that they are prevented from exercising their right to vote.

The resolution proposal (as 426 - four hundred twenty-six - shareholders entitled to vote take part in the voting on own behalf or by proxy, representing 521,179,207 - five hundred twenty-one million one hundred seventy-nine thousand two hundred seven - shares, each entitling the bearer to one vote) received (as detailed in the document attached as "F"):

- votes in favour: 521,117,734 (five hundred twenty-one million one hundred seventeen thousand seven hundred thirty-four), corresponding to approximately 99.988 (ninety-nine, nine hundred and eighty-eight thousandths) per cent of voting shares;

- votes against: 60,940 (sixty thousand nine hundred forty), corresponding to approximately 0.011 (eleven thousandths) per cent of voting shares;

- abstentions: 533 (five hundred thirty-three), corresponding to approximately 0.000 (zero) per cent of voting shares.

The Chairman thus announces that the resolution on item no. 7 (seven) of the ordinary session's Agenda concerning the Determination of remuneration due to the Chairman of the Board of Statutory Auditors for appointment as external member of the Supervisory Body has been approved by a majority.

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The Chairman then declares the ordinary session's Agenda closed and moves on to the discussion of the items on the Agenda for the extraordinary session.

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In this respect, he notes that there are currently 521,149,207 (five hundred twenty-one million one hundred forty-nine thousand two hundred seven) ordinary shares represented at the Meeting, equal to 85.884 per cent (eighty-five, eight hundred eighty-four thousandths) of the ordinary share capital, corresponding to 425 (four hundred and twenty-five) 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"); the Chairman further 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").

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 for approval to today's Shareholders' Meeting 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. 385/1993 on April 6, 2016 (which is attached hereto as "H").

Given the close connection between item 1 **"Delegation to the Board of Directors, under the provisions of section 2443 of the Italian civil code, of the authority to resolve in 2021 to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of €32,789.79 corresponding to up to 99,363 FinecoBank ordinary shares with a nominal value of € 0.33 each, with the same characteristics as those in circulation and with regular dividend entitlement, to be granted to the identified staff of FinecoBank in execution of the 2015 Incentive System; corresponding updates of the Articles of Association"** and item 2 "Delegation to the Board of Directors, under the provisions of section 2443 of the Italian 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 Italian Civil Code, for a maximum amount of € 88,440.00 (to be allocated in full to share capital at € 0.33 per share, corresponding to the nominal value per share), corresponding to up to 268,000 FinecoBank ordinary shares with a nominal value of € 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 2016 Incentive System; corresponding updates of the Articles of Association. " 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 (attached hereto as "D" in a single file) have been made available in the folder to all those attending the Meeting and published in the manner and within the deadlines required by law at the Registered Office and Head Office of the Company, on the accredited storage system managed by "BIIt Markets Services" and on FinecoBank's website, the Chairman proposes to omit reading them out in their entirety; there being no objections, the Chairman then invites the Chief Executive Officer and General Manager to illustrate the key points of the proposed resolutions.

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.

In conclusion, the Chief Executive Officer and General Manager reads the following resolution proposals (included in the abovementioned Reports) on items 1, and 2 of the extraordinary session's Agenda:

*"Dear Shareholders, with regard to items 1 and 2 of the extraordinary session's Agenda, you are asked to approve the following proposal:*

*1. grant the Board of Directors, under the provisions of section 2443 of the Italian Civil Code,*

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*the authority to resolve - in 2021 - to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum of €32,789.79 (thirty-two thousand seven hundred eighty-nine and seventy-nine cents ) corresponding to a maximum number of 99,363 (ninety-nine thousand three hundred sixty-three) ordinary shares to be granted to the identified staff of FinecoBank which covers key positions for the achievement of the overall objectives in execution of the 2015 Incentive System approved by the Ordinary Shareholders' Meeting of April 23, 2015. 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 of available statutory reserves, formed from the distribution of company profits that shall be identified by the Board of Directors at the time of issuing the shares;*

*2. as a result of the resolution passed on item 1, to amend paragraph 9 of Article 5 of the Articles of Association, as follows: "The Board of Directors has the authority, pursuant to section 2443 of the Italian Civil Code, to resolve a free increase in share capital, pursuant to section 2349 of the Italian Civil Code, one or more times and for a maximum period of five years (i) from the date of the shareholders' resolution dated April 23, 2015 for a maximum amount of €131,159.49 (one hundred thirty-one thousand one hundred fifty-nine and forty-nine cents) with the issue of up to 397,453 (three hundred ninety-seven thousand four hundred fifty-three) new FinecoBank ordinary shares, as well as (ii) from the date of the shareholders' resolution dated April 12, 2016, for a maximum amount of €32,789.79 (thirty-two thousand seven hundred eighty-nine and seventy-nine cents) with the issue of up to 99,363 (ninety-nine thousand three hundred sixty-three) new FinecoBank ordinary shares; entirely attributable to capital at €0.33 (thirty-three cents) per share, equal to the par value of 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";*

*3. grant to the Board of Directors, pursuant to section 2443 of the Italian Civil Code, 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 section 2349 of the Italian Civil Code – for a maximum amount of €88,440 (eighty-eight thousand four hundred forty) (to be allocated in full to share capital at €0.33 - thirty-three cents - per share, corresponding to the nominal value per share), through the issue of a maximum of 268,000 (two hundred sixty-eight thousand) new Fineco ordinary shares with a nominal value of €0.33 (thirty-three cents) each, with the same characteristics as those in circulation and with regular dividend entitlement, to be granted to the Identified Staff of FinecoBank in implementation of the 2016 Incentive 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 of available statutory reserves, formed from the distribution of company profits that shall be identified by the Board of Directors at the time of issuing the shares;*

*4. as a result of the resolution passed on item 3 above, to include a new paragraph (10) in Article 5 of the Articles of Association, as follows: " The Board of Directors has the right pursuant to 2443 of the Italian 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 12, 2016, a free increase in share capital, pursuant to Article 2349 of the Italian Civil Code, for a maximum amount of €88,440 (eighty-eight thousand four hundred forty) (attributable entirely to capital at €0.33 - thirty-three cents - per share, equal to the par value of each), with the issue of up to 268,000 (two hundred sixty-eight thousand) new FinecoBank ordinary shares with a nominal value of €0.33 (thirty-three cents) each, with the same characteristics as those in*

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*circulation, with regular dividend entitlement, to be granted to the Identified Staff of FinecoBank in execution of the 2016 System";*

*5. to delegate to the Board of Directors all the necessary powers for issuing the new shares;*

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

*- provide for implementing the above resolutions under terms of law;*

*- 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;*

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

*- 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 4 above".*

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

As nobody asks to take the floor, the Chairman puts to vote (using the *radiovoter*) the proposed resolution previously read by the CEO and General Manager regarding item 1 (one) of the extraordinary session's Agenda ("**Delegation to the Board of Directors, under the provisions of section 2443 of the Italian Civil Code, of the authority to resolve in 2021 to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of €32,789.79 corresponding to up to 99,363 FinecoBank ordinary shares with a nominal value of €0.33 each, with the same characteristics as those in circulation and with regular dividend entitlement, to be granted to the identified staff of FinecoBank in execution of the 2015 Incentive System; corresponding updates of the Articles of Association**"), 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 none of the participants states that they are prevented from exercising their right to vote.

The resolution proposal (as 425 - four hundred twenty-five - shareholders entitled to vote take part in the voting on own behalf or by proxy, representing 521,149,207 - five hundred twenty-one million one hundred forty-nine thousand two hundred seven - shares, each entitling the bearer to one vote) received (as detailed in the document attached as "F"):

- votes in favour: 520,874,674 (five hundred twenty million eight hundred seventy-four thousand six hundred seventy-four), corresponding to approximately 99.947 (ninety-nine, nine hundred forty-seven thousandths) per cent of voting shares (and to approximately 85.838 - eighty-five, eight hundred thirty-eight thousandths - per cent of the share capital);

- votes against: 274,000 (two hundred seventy-four thousand) corresponding to approximately 0.052 (fifty-two thousandths) per cent of voting shares (and corresponding to approximately 0.045 - forty-five thousandths - per cent of the share capital);

- abstentions: 533 (five hundred thirty-three), corresponding to approximately 0.000 (zero) per cent of voting shares (and to approximately 0.000 - zero - 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 delegation to the Board of Directors, under art. 2443 of the Italian Civil Code, of the authority to carry out in 2021 a free capital increase, pursuant to art. 2349 of the Italian Civil Code, has been approved by a majority.

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The Chairman puts to vote (using the *radiovoter*) the proposed resolution previously read by the CEO and General Manager regarding item 2 (two) of the extraordinary session's Agenda ") Delegation to the Board of Directors, under the provisions of section 2443 of the Italian Civil

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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 Italian Civil Code, for a maximum amount of € 88,440.00 (to be allocated in full to share capital at € 0.33 per share, corresponding to the nominal value per share), corresponding to up to 268,000 FinecoBank ordinary shares with a nominal value of € 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 2016 Incentive System; corresponding updates of the Articles of Association", 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 none of the participants states that they are prevented from exercising their right to vote.

The resolution proposal (as 425 - four hundred twenty-five - shareholders entitled to vote take part in the voting on own behalf or by proxy, representing 521,149,207 - five hundred twenty-one million one hundred forty-nine thousand two hundred seven - shares, each entitling the bearer to one vote) received (as detailed in the document attached as "F"):

- votes in favour: 520,874,674 (five hundred twenty million eight hundred seventy-four thousand six hundred seventy-four), corresponding to approximately 99.947 (ninety-nine, nine hundred forty-seven thousandths) per cent of voting shares (and to approximately 85.838 - eighty-five, eight hundred thirty-eight thousandths - per cent of the share capital);
- votes against: 274,000 (two hundred seventy-four thousand) corresponding to approximately 0.052 (fifty-two thousandths) per cent of voting shares (and corresponding to approximately 0.045 - forty-five thousandths - per cent of the share capital);
- abstentions: 533 (five hundred thirty-three), corresponding to approximately 0.000 (zero) per cent of voting shares (and to approximately 0.000 - zero - per cent of the share capital).

The Chairman thus announces that the resolution on item 2 (two) of the extraordinary session's Agenda concerning the delegation to the Board of Directors, under art. 2443 of the Italian Civil Code, of the authority to carry out a free capital increase, pursuant to art. 2349 of the Italian Civil Code, with issuance of shares to be granted to FinecoBank Identified Staff in implementation of the 2016 Incentive System, has been approved by a majority.

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There being no further business to discuss, and no one else asking to speak, the Chairman thanks everyone there and adjourns the Meeting at 11.50 am (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", in a single file, the Directors' Report on operations for the financial year 2015, the Notes, the Certification of the annual financial statements pursuant to Art. 81-ter of Consob Issuers Regulations 11971/1999, the schedules for the reclassified financial statements, the Auditors' Report and the Report of the Board of Statutory Auditors;
- as "C", the Report on Corporate Governance and Ownership Structure;
- as "D", in a single file, the Directors' Reports on items no. 3, 4, 5, 6 and 7 of the Ordinary session's Agenda as well as on items 1 and 2 of the extraordinary session's Agenda;
- as "E", the "2016 Compensation Policy";
- as "F", in a single file, the details of the outcome of votes on the individual agenda items;
- as "G", the updated Articles of Association according to the amendments resolved;
- as "H", the Bank of Italy's measure of April 6, 2016.

As required,

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I received these minutes which, having been drafted with an electronic device by a person trusted by me and, partially, by me, I read out to the person appearing before me who, at my request, together with me, a Notary Public, approves and signs it at about fifteen minutes past twelve; they consist of nine sheets of paper for a total of thirty-three pages and up to this point on the thirty-fourth page.

Signed Enrico Cotta Ramusino

Signed Angelo Busani



Ordinary Shareholders Meeting 12 April 2016

SITUATION AT THE OPENING

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

No **422** corresponding to no **521,172,207** ordinary shares equating to

**85.887861** % of the no. **606,805,436** ordinary share of the present capital fully paid up.

Shareholders:  
Shareholders on own  
behalf:

422 People:  
4 Shareholders by proxy

6  
418

Extraordinary Shareholders Meeting 12 April 2016

SITUATION AT THE OPENING

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

No **425** corresponding to no **521,149,207** ordinary shares equating to

**85.884070** % of the no. **606,805,436** ordinary share of the present capital fully paid up.

Shareholders::  
Shareholders on own  
behalf:

425 People:  
7 Shareholders by proxy

9  
418

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

\* LIST OF PROXY GIVERS \*

1	Proxy givers of <b>CAGLIA MARIA</b>  UNICREDIT S.P.A.	Badge no <b>2066</b> Shares <b>397,108,033</b>  <b>397,108,033</b>
2	Proxy givers of <b>PETTINICCHIO LAURA</b>  SICAV BBM V-FLEX FCP BEST BUSINESS MODELS I,2,C, ACTIONS FCP VILLIERS DIAPASON SLI GLOBAL SICAV GLOBAL FOCUSEDSTRATEGIES FUND INVESCO FUNDS BLACKROCK GLOBAL FUNDS PRUDENTIAL SECTOR FUNDS INC PRUDENTIAL FINANCIAL SERVICE THE BANK OF KOREA WMP OPPORTUNISTIC INVESTMENT PARTNERS, L.P, INVESCO FUNDS SERIES 4 ADVANCED SERIES TRUST -AST FI PYRAMIS QUANTITATIVE PORTFOLIO BLACKROCK LIFE LIMITED DEUTSCHE X-TRACKERS MSCI EMU HEDGED EQUITY ETF ING FUNDS SERVICES, LLC ADVANCED SERIES TRUST-AST QMA EMERGING MARKETS EQUITY PORTFOLIO ADVANCED SERIES TRUST-AST PRUDENTIAL GROWTH ALLOCATION PORTFOLIO RICHIEDENTE:CASATI MAURO ELIDO/PIONEER INVESTMENT MANAGEMENT SGRPA / AZIONARIO <b>CRESCITA</b> RICHIEDENTE:GOLDMAN SACHS SEGREGATION A/C/NUMERIC INVESTORS LLC AGENTE:BROWN BROTHERS HA-LU/WELLINGTON MANAGEMENT PORTFOLIOS AGENTE:BROWN BROTHERS HA-LU/WELLINGTON MANAGNT PORTFOLIOS GLOB RESEA AGENTE:BROWN BROTHERS HARR/VANGUARD TOTAL WORLD STOCK INDEX FUND AGENTE:BROWN BROTHERS HARR/BBH&C BOS FOR PYRAM GR TRUST FOR EMPL EMERG MM COM AGENTE:JP MORGAN CHASE BANK/JAPAN TRUSTEE SERVICES BANK LTD AGENTE:HONGKONG/SHANGHAI BK/BEST INVESTMENT CORPORATION AGENTE:HONGKONG/SHANGHAI BK/SCHRODER INSTITUTIONAL POOLED FUNDS-EUROPEAN EQUITY <b>FUND</b> AGENTE:BNP PARIBAS 2S-PARIS/FCP CNP ACTIONS EUROPE SCHRODER AGENTE:BNP PARIBAS 2S-PARIS/AXA VALEURS EURO AGENTE:BNP PARIBAS 2S-PARIS/AXA OPTIMAL INCOME AGENTE:BNP PARIBAS 2S-PARIS/COLISEE IFC 1 FCP AGENTE:BNP PARIBAS 2S-PARIS/FONDS RESERVE RETRAITES AGENTE:BP2S LUXEMBOURG/HENDERSON HORIZON FUND SICAV AGENTE:BP2S LUXEMBOURG/HENDERSON GARTMORE FUND AGENTE:RBC INVESTOR SERVICE/ROBECO CAPITAL GROWTH FUNDS AGENTE:JP MORGAN BANK IRELA/VANGUARD INVESTMENT SERIES, PLC AGENTE:JP MORGAN CHASE BANK/CHINA LIFE INSURANCE COMPANY LIMITED AGENTE:JP MORGAN CHASE BANK/FONDO CONSOLIDADO DE RESERVAS PREVISIONA AGENTE:JP MORGAN CHASE BANK/COINVEST LIMITED AGENTE:JP MORGAN CHASE BANK/SUPER FUNDS MANAG CORP SOUTH AUSTRALIA AGENTE:JP MORGAN CHASE BANK/VANGUARD INTERNATIONAL SMALL COMPANIES I AGENTE:JP MORGAN CHASE BANK/THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER <b>TRUST</b> AGENTE:JP MORGAN CHASE BANK/TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK AGENTE:NORTHERN TRUST COMPANY/WYOMING RETIREMENT SYSTEM AGENTE:JP MORGAN CHASE BANK/PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OH AGENTE:JP MORGAN CHASE BANK/VANGUARD TOTAL INTERNATIONAL STOCK INDEX AGENTE:JP MORGAN CHASE BANK/VANGUARD INTERNATIONAL EXPLORER FUND AGENTE:JP MORGAN CHASE BANK/MI-FONDS 392 AGENTE:JP MORGAN CHASE BANK/JPMORGAN EUROPEAN INVESTMENT TRUST PLC AGENTE:JP MORGAN CHASE BANK/TRUST AND CUSTODY SERVICED BANK LIMITED AGENTE:JP MORGAN CHASE BANK/ENTERGY CORP.RETIREMENT PLANS MASTER TR, AGENTE:JP MORGAN CHASE BANK/NEW YORK LIFE INSURANCE COMPANY AGENTE:RBC INVESTOR SERVICE/RBC CANADIAN MASTER TRUST AGENTE:RBC INVESTOR SERVICE/REGIME DE RETRAITE D HYDRO QUEBEC AGENTE:HSBC BANK PLC/TR EUROPEAN GROWTH TRUST PLC AGENTE:JP MORGAN BANK LUXEM/SCHRODER INTERNATIONAL SELECTION FUND AGENTE:JP MORGAN CHASE BANK/SCHRODER EUROPEAN SMALLER COMPANIES FUND AGENTE:JP MORGAN CHASE BANK/SCHRODER INTERNATIONAL SMALL COMPANIES P AGENTE:HSBC BANK PLC/NIGOSC ADMINISTERS NILG PENSION FUND FIRST INVESTORS GLOBAL FUND	Badge no <b>4034</b> Shares <b>111,049</b> <b>1,550,000</b> <b>520,000</b> <b>80,031</b> <b>86,188</b> <b>100,000</b> <b>9,039</b> <b>501,454</b> <b>1</b> <b>24,584</b> <b>1,559,338</b> <b>92,469</b> <b>495,684</b> <b>6,815</b> <b>184,840</b> <b>148,743</b> <b>17,276</b> <b>247,723</b> <b>14,400</b> <b>222,081</b> <b>29,677</b> <b>34,759</b> <b>41,600</b> <b>241,951</b> <b>20,484</b> <b>101,642</b> <b>239,250</b> <b>662,000</b> <b>2,306,782</b> <b>615,000</b> <b>865,731</b> <b>978,023</b> <b>337,536</b> <b>150,000</b> <b>28,955</b> <b>41,347</b> <b>59,048</b> <b>8,594</b> <b>119,451</b> <b>13,069</b> <b>109,643</b> <b>59,525</b> <b>3,844</b> <b>75,987</b> <b>1,700,103</b> <b>2,000,000</b> <b>277,833</b> <b>63,898</b> <b>34,753</b> <b>135,814</b> <b>34,727</b> <b>67,964</b> <b>83,099</b> <b>848,642</b> <b>9,904,816</b> <b>376,881</b> <b>20,000</b> <b>60,940</b> <b>208,630</b>

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

\* LIST OF PROXY GIVERS \*

FIRST TRUST INTERNATIONAL IPO ETF	1,230
ALASKA PERMANENT FUND CORPORATION	21,397
THE CLEVELAND CLINIC FOUNDATION	44,851
CN CANADIAN MASTER TRUST FUND	2,069
THE STATE OF CONNECTICUT ACTING THROUGH ITS TREASURER	268,902
BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN	7,864
FLORIDA RETIREMENT SYSTEM	557,242
PROVINCE PF NEWFOUNLAND AND LABRADOR POOLED PENSION FUND	22,345
AGENTE:STATE STREET BANK AND TRUST COMPANY/NEW YORK STATE DEFERRED COMPENSATION PLAN	89,286
BELL ATLANTIC MASTER TRUST	1
INDIANA PUBLIC EMPLOYEES RETIREMENT FUND	18,478
TELUS FOREIGN EQUITY ACTIVE ALPHA POOL	63,306
PUBLIC SECTOR PENSION INVESTMENT BOARD	79,518
CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY	32,479
UMC BENEFIT BOARD, INC	3,052
UNISYS MASTER TRUST	61,682
VERIZON MASTER SAVINGS TRUST ,	62,888
STICHTING PENSIOENFONDS HORECA & CATERING	13,683
CF DV ACWI EX-U,S, IMI FUND	2,181
STG PFDS V,D, GRAFISCHE	47,541
RICHIEDENTE:UBS AG-ZURICH SA OMNIBUS NON RESIDENT/UBS FUND MGT (CH) AG	25,082
<b>CH0516/UBSCHIF2-EGSCPII</b>	
RICHIEDENTE:CBNY SA GOVERNMENT OF NORWAY/GOVERNMENT OF NORWAY	7,824,850
RICHIEDENTE:CBLDN S/A LEGAL AND GENERAL/LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	512,536
RICHIEDENTE:CBNY SA SIEFORE BANAMEX BASICA 2 SA DE CV/SIEFOREBANAMEXBASICA2SADECV	105,474
RICHIEDENTE:CBNY SA SIEFORE BANAEMX BASICA 4 SA DE CV/SIEFOREBANAMEXBASICA4SADECV	131,844
RICHIEDENTE:CBNY SA SIEFORE BANAEMX BASICA 3 SA DE CV/SIEFOREBANAMEXBASICA3SADECV	121,296
RICHIEDENTE:CBNY SA STATE TEACHERS RETIREMENT S/STATE TEACHERS RETIREMENT SYSTEM OF OHIO	278,642
RICHIEDENTE:CBHK SA CBKR SCHRODER EURO EQ MF/CITIBANK KOREA INC	1,899,003
RICHIEDENTE:CBLDN SA STICHTING PGGM DEPOSITORY/STICHTING PGGM DEPOSITORY	265,000
RICHIEDENTE:CBLUX SA THREADNEEDLE (LUX)/THREADNEEDLE (LUX)	848,043
AGENTE:NORTHERN TRUST GLOBAL SERVICES LTD/ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND	25,495
AGENTE:NORTHERN TRUST COMPANY/MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST	57,188
AGENTE:NORTHERN TRUST COMPANY/NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX	7,451
<b>F NONLEND</b>	
AGENTE:NORTHERN TRUST COMPANY/EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS	29,952
AGENTE:NORTHERN TRUST COMPANY/AXIOM INVESTORS TRUST II	24,582
AGENTE:NORTHERN TRUST COMPANY/NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P,R,C	18,050
AGENTE:NORTHERN TRUST COMPANY/MICROSOFT GLOBAL FINANCE	126,125
AGENTE:NORTHERN TRUST COMPANY/NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	183,825
AGENTE:NORTHERN TRUST COMPANY/TYCO ELECTRONICS DEFINED BENEFIT PLANS MASTER TRUST	10,795
AGENTE:NORTHERN TRUST COMPANY/NEW ZEALAND SUPERANNUATION FUND	15,212
AGENTE:NORTHERN TRUST COMPANY/GENERAL PENSION AND SOCIAL SECURITY AUTHORITY	91,752
AGENTE:NORTHERN TRUST COMPANY/LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	16,385
AGENTE:NORTHERN TRUST COMPANY/CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	39,644
AGENTE:NORTHERN TRUST COMPANY/SAN FRANCISCO CITY & COUNTY EMPLOYEES` RETIREMENT SYSTEM	222,166
AGENTE:NORTHERN TRUST COMPANY/UTAH STATE RETIREMENT SYSTEMS	15,487
AGENTE:NORTHERN TRUST COMPANY/WHEELS COMMON INVESTMENT FUND	5,543
AGENTE:NORTHERN TRUST COMPANY/PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	34,658
AGENTE:NORTHERN TRUST COMPANY/MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO	22,540
AGENTE:STATE STREET BANK AND TRUST COMPANY/WELLINGTON MNGM PTF (CANADA) GLOBAL OPPORTUNITIES PTF	104,160
AGENTE:STATE STREET BANK AND TRUST COMPANY/INTERNATIONAL MONETARY FUND	3,017
AGENTE:STATE STREET BANK AND TRUST COMPANY/STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	157,548
AGENTE:STATE STREET BANK AND TRUST COMPANY/PYRAMIS CONCENTRATED INTERNATIONAL SMALL CAP TRUST	133,241
AGENTE:STATE STREET BANK AND TRUST COMPANY/UAW RETIREE MEDICAL BENEFITS TRUST	85,455
AGENTE:STATE STREET BANK AND TRUST COMPANY/HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND	703,661
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND	954,928
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE HARTFORDGLOBAL ALL- ASSET FUND	54,151
AGENTE:STATE STREET BANK AND TRUST COMPANY/HARTFORD HEALTHCARE ENDOWMENT LLC	11,998

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AGENTE:STATE STREET BANK AND TRUST COMPANY/HARTFORD HEALTHCARE CORP DEFINED <b>BENEFIT MASTER TR AGREEMENT</b>	17,020
AGENTE:STATE STREET BANK AND TRUST COMPANY/ANCHOR SERIES TRUST STRATEGIC <b>MULTI-ASSET PORTFOLIO</b>	5,774
AGENTE:STATE STREET BANK AND TRUST COMPANY/ORANGE COUNTY EMPLOYEES RETIREMENT <b>SYSTEM</b>	37,990
AGENTE:STATE STREET BANK AND TRUST COMPANY/HENKEL OF AMERICA MASTER RETIREMENT <b>TRUST</b>	13,327
AGENTE:STATE STREET BANK AND TRUST COMPANY/MERCER QIF CCF	1,074,182
AGENTE:STATE STREET BANK AND TRUST COMPANY/ASHWOOD INVESTMENTS LIMITED	4,128
AGENTE:STATE STREET BANK AND TRUST COMPANY/COSMIC INVESTMENT FUND	136,961
AGENTE:STATE STREET BANK AND TRUST COMPANY/CITY OF NEW YORK GROUP TRUST	485,124
AGENTE:STATE STREET BANK AND TRUST COMPANY/WELLINGTON MNGT PTF (CAYMAN)-GL OPP <b>EX-JAPAN PTF F QUA INST IN</b>	61,634
AGENTE:STATE STREET BANK AND TRUST COMPANY/BNY MELLON TR+DEP ATF ST, JAMES' S PLACE <b>MNGD GROWTH UNIT TR</b>	1,381,604
AGENTE:STATE STREET BANK AND TRUST COMPANY/HONG KONG SPECIAL ADMINISTRATIVE <b>REGION GOVERNMENT-EXCHANGE F</b>	151,604
AGENTE:STATE STREET BANK AND TRUST COMPANY/BIMCOR GLOBAL EQUITY POOLED FUND	67,446
AGENTE:STATE STREET BANK AND TRUST COMPANY/MINISTRY OF STRATEGY AND FINANCE	21,465
AGENTE:STATE STREET BANK AND TRUST COMPANY/SSGA SPDR ETFS EUROPE II PUBLIC LIMITED <b>COMPANY</b>	13,672
AGENTE:STATE STREET BANK AND TRUST COMPANY/CALIFORNIA PUBLIC EMPLOYEES RETIREMENT <b>SYSTEM</b>	601,745
AGENTE:STATE STREET BANK AND TRUST COMPANY/CALIFORNIA STATE TEACHERS RETIREMENT <b>SYSTEM</b>	202,425
AGENTE:STATE STREET BANK AND TRUST COMPANY/SAINT-GOBAIN CORPORATION DEFINED BENEFIT <b>MASTER TRUST</b>	37,395
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE WELLINGTON TR COM NATIONAL ASS MULT <b>COLLECT INV F TRUST</b>	291,789
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE WELLINGTON TR CO NAT ASS MULT C TR F <b>TR, OPPORT EQ PTF</b>	61,084
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE WELLINGTON TR CO NAT ASS MULT COM <b>GLB OPPORT PTF</b>	160,262
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE WELLINGTON TR CO NAT ASS MULT <b>COLLECTIVE INV F TRUST II</b>	337,248
AGENTE:STATE STREET BANK AND TRUST COMPANY/WASHINGTON STATE INVESTMENT BOARD	83,044
AGENTE:STATE STREET BANK AND TRUST COMPANY/PRUDENTIAL RETIREMENT INSURANCE & <b>ANNUITY COMPANY</b>	187,380
AGENTE:STATE STREET BANK AND TRUST COMPANY/SS BK AND TRUST COMPANY INV FUNDS FOR <b>TAXEXEMPT RETIREMENT PL</b>	325,882
AGENTE:STATE STREET BANK AND TRUST COMPANY/AXA WORLD FUNDS	10,842,656
AGENTE:STATE STREET BANK AND TRUST COMPANY/GOLDMAN SACHS FUNDS	1,759
AGENTE:STATE STREET BANK AND TRUST COMPANY/MARCH FUND	1,887
AGENTE:STATE STREET BANK AND TRUST COMPANY/UBS ETF	16,263
AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES MSCI EAFE SMALL CAP ETF	388,076
AGENTE:STATE STREET BANK AND TRUST COMPANY/BLACKROCK INST TRUST CO NA INV FUNDSFOR <b>EMPLOYEE BENEFIT TR</b>	959,848
AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES CORE MSCI EAFE ETF	187,861
AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES CORE MSCI EAFE IMI INDEX ETF	8,177
AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES MSCI EUROPE IMI INDEX ETF	4,947
AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES MSCI EUROPE IMI ETF	30,856
AGENTE:STATE STREET BANK AND TRUST COMPANY/RUSSELL DEVELOPED EX-U,S, LARGE CAP INDEX <b>FUND B</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	76,267
AGENTE:STATE STREET BANK AND TRUST COMPANY/BGI MSCI EMU IMI INDEX FUND B	312
AGENTE:STATE STREET BANK AND TRUST COMPANY/GLOBAL EX US ALPHA TILTS FUND B	5,409
AGENTE:STATE STREET BANK AND TRUST COMPANY/INTERNATIONAL PAPER CO COMMINGLED <b>INVESTMENT GROUP TRUST</b>	47,788
AGENTE:STATE STREET BANK AND TRUST COMPANY/OREGON PUBLIC EMPLOYEES RETIREMENT <b>SYSTEM</b>	206,399
AGENTE:STATE STREET BANK AND TRUST COMPANY/COLLEGE RETIREMENT EQUITIES FUND	179,485
AGENTE:STATE STREET BANK AND TRUST COMPANY/TRANSAMERICA INTERNATIONAL SMALL CAP	600,000
AGENTE:STATE STREET BANK AND TRUST COMPANY/SPDR S+P INTERNATIONAL MIDCAP ETF	13,714
AGENTE:STATE STREET BANK AND TRUST COMPANY/MULTI-STYLE, MULTI-MANAGER FUNDS PLC	105,800
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE WELLINGTON TR CO NAT ASS MULT COM <b>ALPHA STRATEGIES PTF</b>	172,056
AGENTE:STATE STREET BANK AND TRUST COMPANY/GOVERNMENT INSTITUTIONS PENSION FUND	51,335
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE WELLINGTON TR CO, NAT ASS MULT COMM TR <b>F TR, INT RES EQ F</b>	17,869

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AGENTE:STATE STREET BANK AND TRUST COMPANY/THE WELLINGTON TR CO NAT ASS MULT COMM TR <b>F TR GLB RES EQ PTF</b>	4,667
AGENTE:STATE STREET BANK AND TRUST COMPANY/MSCI EAFE SMALL CAP PROV INDEX SEC <b>COMMON TR F</b>	52,167
AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES VII PLC	308,702
AGENTE:STATE STREET BANK AND TRUST COMPANY/BLACKROCK AM SCH AG OBO BIFS WORLD EX SW <b>SMALL CAP EQ INDEX F</b>	30,631
AGENTE:RBC INVESTOR SERVICE/INVESCO GLOBAL SMALL CAP EQUITY POOL	50,904
AGENTE:BNP PARIBAS 2S-PARIS/FCP KLESIA A DIVERSIFIE	260,000
AGENTE:SUMITOMO MITSUI TRUS/PFIZER JAPAN INC PENSION FUND	47,861
AGENTE:JP MORGAN CHASE BANK/SCHRODER CAPITAL MANAGEMENT COLLECTIVE T	200,000
AGENTE:JP MORGAN CHASE BANK/THE BOEING COMPANY EMPLOYEE RETIREMENT P	122,800
AGENTE:JP MORGAN CHASE BANK/SCHRODER EUROPEAN FUND	1,239,313
INVESCO PERPETUAL GLOBAL SMALLER CO. FD	438,586
RIVER AND MERCANTILE WORLD RECOVERY FUND	96,000
AGENTE:STATE STREET BANK AND TRUST COMPANY/ALLIANZ GLOBAL INVESTORS FUND	1,827,996
AGENTE:STATE STREET BANK AND TRUST COMPANY/RAS LUX FUND	25,000
AGENTE:NORTHERN TRUST COMPANY/SCHLUMBERGER COMMON INVESTMENT FUND	37,304
RICHIEDENTE:MORGAN STANLEY AND CO. LLC/NUMERIC MULTI STRATEGY MARKET NEUTRAL <b>LEVERED OFFSHORE FUND LIMITED</b>	26,900
RICHIEDENTE:MORGAN STANLEY AND CO. LLC/AQR DELTA MASTER ACCOUNT LP COOGIER FIDUCIARY <b>SERVICES (CAYMAN) LTD</b>	8
RICHIEDENTE:MORGAN STANLEY AND CO. LLC/ERGOS OFFSHORE I LTD CO HARNEYS CORPORATE <b>SERVICES</b>	1
RICHIEDENTE:MORGAN STANLEY AND CO. LLC/NUMERIC SOCIALLY AWARE MULTI STRATEGY FUND <b>LTD</b>	4,800
RICHIEDENTE:MORGAN STANLEY AND CO. LLC/PM MANAGER FUND SPC - SEGREGATED PORTFOLIO	147,907
RICHIEDENTE:MORGAN STANLEY AND CO. LLC/NUMERIC SOCIALLY AWARE MULTI-STRATEGY FUND <b>LTD</b>	2,600
RICHIEDENTE:MORGAN STANLEY AND CO. LLC/AQR MULTI-STRATEGY FUND VI LP CO AQR CAPITAL <b>MGM LLC</b>	27
RICHIEDENTE:MORGAN STANLEY AND CO. LLC/ALT BETA EQUITY SIZE STRATEGY LIMITED CO <b>NUMERIC INVESTORS LLC</b>	36
RICHIEDENTE:MORGAN STANLEY AND CO. LLC/AQR STYLE PREMIA MASTER ACCOUNT LP CO AQR <b>CAPITAL MGM LLC</b>	181
RICHIEDENTE:MORGAN STANLEY AND CO. LLC/CLINTON LIGHTHOUSE EQUITY STRATEGIES MASTER <b>FUND LTD, C/O CLINTON GROUP, INC</b>	7
RICHIEDENTE:MORGAN STANLEY AND CO. LLC/CLINTON EQUITY STRATEGIES MASTER FUND LTD	25
RICHIEDENTE:CBLDN SA CIP-DEP-TIF-EUR SML COMP FND/THREADNEEDLE INVESTMENT FUNDS ICVC	12,003,090
RICHIEDENTE:CBNY-WELLINGTON GL RES EQ PTFO/WELLINGTON GL RES EQ PTFO ATTN SIJIA CHEN <b>MACQUARIE INVESTMENT MANAGEMENT LIMITED</b>	3,481
RICHIEDENTE:CBHK-SSF-EUE-CF83/NATIONAL COUNCIL FOR SOCIAL SECURITY FUND	170,890
RICHIEDENTE:CBNY-LEGAL & GEN COLL INV TRST/LEGAL AND GENERAL COLLECTIVE INVESTMENT <b>TRUST</b>	4,578
RICHIEDENTE:CBLDN S/A IRISH LIFE ASSURANCE CO/IRISH LIFE ASSURANCE	105,932
RICHIEDENTE:UBS AG-ZURICH SA OMNIBUS NON RESIDENT/CH0526 - UBS (CH) INSTITUTIONAL FUND - <b>EQUITIES GLOBAL SMALL CAP PASSIVE II</b>	6,059
RICHIEDENTE:CBNY SA NORGES BANK/NORGES BANK	22,097
RICHIEDENTE:CBNY SA CAN BROAD CORP PENSION PLAN/CANADIAN BROADCASTING CORPORATION METZLER INTERNATIONAL INV, PLC	95,509
SEI GLOBAL MASTER FUND PLC	1,110,700
PIONEER STRATEGY FUNDS-EUR,EQ,	137,749
PIONEER FUNDS-CORE EUROPEAN EQ,	72,159
PIONEER FUNDS-CORE EUROPEAN EQ	241,695
PIONEER FUNDS - ITALIAN EQUITY	74,271
PIONEER FUNDS - EUROP, POTENT,	3,819,112
PIONEER FUNDS - EUROPEAN RESE,	653,126
ALLIANZ ACTIONS EURO PME-ETI	93,700
ANIMA SGR SPA - ANIMA SFORZESCO	187,890
MERRILL LYNCH PROFESSIONAL CLEARING	82,692
AGENTE:BROWN BROTHERS HARR/VANGUARD EUROPEAN STOCK INDEX FUND	469,785
AGENTE:BROWN BROTHERS HARR/VANGUARD DEVELOPED MARKETS INDEX FUND	501,466
AGENTE:BROWN BROTHERS HARR/VANGUARD FTSE ALL- WORLD EX US INDEX FUND	283,525
AGENTE:BROWN BROTHERS HARR/WELLINGTON TRUST COMP COMM TRUST INT OPP	152,282
AGENTE:BROWN BROTHERS HARR/VANGUARD FUNDS PLC	32,115
AGENTE:BROWN BROTHERS HARR/RAINIER INT SMALL CAP EQUITY COLLECTIVE	67,490
AGENTE:BROWN BROTHERS HARR/WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP <b>RESEARCH EQUITY PORTFOLIO</b>	3,429
AGENTE:BNP PARIBAS 2S-PARIS/FRR	36,674
AGENTE:BP2S-FRANKFURT/ALLIANZ AKTIEN EUROPA	341,310
AGENTE:BP2S LUXEMBOURG/PICTET TOTAL RETURN	692,588
AGENTE:BQUE FEDERATIVE-STR/FCP_CAGNI	15,000

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AGENTE:PICTET & CIE/BANQUE PICTET & CIE SA	25,933
AGENTE:PICTET & CIE(EUROPE)/ALKEN FUND	1,523,696
AGENTE:PICTET & CIE(EUROPE)/ALKEN FUND-EUROPEAN OPPORTUNITIES	2,404,521
AGENTE:JP MORGAN BANK LUXEM/MOMENTUM INVESTMENT FUNDS SICAV-SIF	43,440
AGENTE:JP MORGAN BANK IRELA/BLACKROCK INSTITUTIONAL POOLED FUNDS PLC	6,097
AGENTE:JP MORGAN BANK IRELA/TREMBLANT LONG UCITS FUND	32,291
AGENTE:JP MORGAN BANK IRELA/UBS IRL INVESTOR SELECTION PLC	80,312
AGENTE:JP MORGAN CHASE BANK/HE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR <b>MTBJ400045842</b>	1,859,429
AGENTE:JP MORGAN CHASE BANK/UBS GLOBAL ASSET MANAGEMENT LIFE LTD	32,092
AGENTE:JP MORGAN CHASE BANK/JPMORGAN CHASE BANK	47,680
AGENTE:JP MORGAN CHASE BANK/MERIFIN CAPITAL B.V.	17,380
AGENTE:JP MORGAN CHASE BANK/CHINA LIFE INSURANCE (GROUP) COMPANY	2,554
AGENTE:JP MORGAN CHASE BANK/THE BARCLAYS BANK UK RETIREMENT FUND	61,884
AGENTE:JP MORGAN CHASE BANK/UBS (US) GROUP TRUST	7,469
AGENTE:JP MORGAN CHASE BANK/BT WHOLESALE MULTI MANAG INTL SHARE FUND	112,364
AGENTE:JP MORGAN CHASE BANK/ONEPATH GLOBAL SHARES - SMALL CAP INDEX	7,474
AGENTE:JP MORGAN CHASE BANK/BLACKROCK INDEXED ALL-COUNTRY EQUITY FUN	1,214
AGENTE:JP MORGAN CHASE BANK/ARTEMIS EUROPEAN OPPORTUNITIES FUND	809,663
AGENTE:JP MORGAN CHASE BANK/NVIT MULTI MANAGER INTERNATIONAL GROWTH	231,270
AGENTE:JP MORGAN CHASE BANK/SBC MASTER PENSION TRUST SBC MASTER PENSION TRUST 208	86,383
AGENTE:JP MORGAN CHASE BANK/T ROWE PRICE INTERNATIONAL EQUITY INDEX	8,050
AGENTE:JP MORGAN CHASE BANK/STICHTING PENSIOENFONDS VOOR HUISARTSEN	11,406
AGENTE:JP MORGAN CHASE BANK/KAPITFORENI INSTIT INVEST GLOBALE AKTIER	16,958
AGENTE:JP MORGAN CHASE BANK/NEW MEXICO STATE INVESTMENT COUNCIL	5,996
AGENTE:JP MORGAN CHASE BANK/BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND 10F	18,335
AGENTE:JP MORGAN CHASE BANK/BUREAU OF LABOR FUNDS- LABOR PENSION FUND	25,505
AGENTE:JP MORGAN CHASE BANK/MASTER TRUST FOR NATIONAL PENSION FD	35,108
AGENTE:JP MORGAN CHASE BANK/PROSHARES HEDGED FTSE EUROPE ETF	593
AGENTE:RBC INVESTOR SERVICE/THE GBC INTL GROWTH FUND	86,877
AGENTE:RBC INVESTOR SERVICE/THE NOVA SCOTIA HEALTH EMPLOYEES PENS PL	352,954
AGENTE:HSBC BANK PLC/FLF STRATEGIC GLOBAL EQUITY FUND	67,117
AGENTE:BNP PARIBAS 2S-PARIS/SAINT MARTIN 2	864,000
AGENTE:BNP PARIBAS 2S-PARIS/FCPE TOTAL ACTIONS EUROPEENNES	670,000
AGENTE:BQUE FEDERATIVE-STR/SICAV C I P E C	55,000
AGENTE:BQUE FEDERATIVE-STR/SICAV MONT	25,000
AGENTE:BQUE FEDERATIVE-STR/FCP BRONGNIART AVENIR	179,000
AGENTE:JP MORGAN CHASE BANK/AVIVA LIFE & PENSIONS UK LIMITED	33,620
AGENTE:JP MORGAN CHASE BANK/AVIVA LIFE AND PENSIONS UK LIMITED	94,510
AGENTE:HSBC BANK PLC/REASSURE LIMITED	8,235
AGENTE:HSBC BANK PLC/HSBC EUROPEAN INDEX FUND	46,133
AGENTE:DANSKE BANK S/A/REALDANIA	350,000
AGENTE:BNP2S/CLB CSDY/ANIMA SGR SPA - ANIMA GEO ITALIA	1,328,570
AGENTE:BNP2S/CLB CSDY/ANIMA SGR SPA - ANIMA VISCONTEO	568,746
AGENTE:SCHRODERS ITALY SIM/ANIMA SGR SPA - ANIMA ITALIA	717,010
POWERSHARES DYNAMIC INTERNATIONAL	1,267
BNYMTD (UK) AS TRUSTEE OF BLACKROCK CONTINENTAL EUROPE EQUITY TRY TRACKER FUND	167,160
POWERSHARES FTSE RAFI DEVELOPED MARKETS EX-US SMALL PORTFOLIO	4,776
POWERSHARES GLOBAL FUNDS IRELAND PLC	1,737
AMG TIMESSQUARE INTERNATIONAL SMALL CAP FUND	102,400
PNC INTERNATIONAL EQUITY FUND	220,000
PNC BALANCED ALLOCATION FUND	3,150
POWERSAHRES S(AND)P INTERNATIONAL DEVELOPED HIGH BETA PORTFOLIO	451
RAINIER INTERNATIONAL DISCOVERYFUND	120,270
RIVER AND MERCANTILE DYNAMIC ASSET ALLOCATION FUND	5,000
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO	152,035
IQ 50 PERCENT HEDGED FTSE EUROPE ETF	784
VANGUARD INTERNATIONAL HIGH DIVIDEND YIELD INDEX FUND	577
NATIONAL TREASURY MANAGEMENT AGENCY (AS CONTROLLER AND MANAGER OF THE IRELAND <b>STRATEGIC INVESTM</b>	36,302
ERIE INSURANCE EXCHANGE ,	129,552
POWERSHARES FTSE INTERNATIONAL LOW BETA EQUAL WEIGHT PORTFOLIO	18,790
DEUTSCHE X-TRACKERS FTSE DEVELOPED EX US ENHANCED BETA ETF	16
STICHTING DEPOSITARY APG DEVELOPED MARKETS EQUITY POOL	184,646
THE NORTH CAROLINA SUPPLEMENTAL RETIREMENT PLANS GROUP TRUST	157,262
PNC INTERNATIONAL GROWTH FUND	1,933
ALABAMA TRUST FUND	64,389
PUBLIC SCHOOL TEACHERS' PENSION AND RETIREMENT FUND OF CHICAGO	109,447
COMMONWEALTH OF PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM	78,706
COX ENTERPRISES INC MASTER TRUST	1
JOHN S. & JAMES L. KNIGHT FOUNDATION	98,666

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MINISTERS & MISSIONARIES BENEFIT BOARD AMERICAN BAPTIST CHURCH	4,815
PUBLIC EMPLOYEES RETIREMENT SYSTEM OF MISSISSIPPI	98,311
PUBLIC SERVICE PENSION PLAN FUND	27,804
PENSION RESERVES INVESTMENT TRUST FUND	103,810
RAYTHEON MASTER PENSION TRUST	1,528
CURATORS OF UNIVERSITY OF MISSOURI	16,167
CIBC INTERNATIONAL SMALL COMPANIES FUND	52,620
TIMESQUARE FOCUS FUND LP	18,300
AGENTE:NORTHERN TRUST COMPANY/GUIDESTONE FUNDS INTERNATIONAL EQUITY FUND	99,448
AGENTE:NORTHERN TRUST COMPANY/THE UNIVERSITY OF ARKANSAS FOUNDATION, INC	114,400
AGENTE:NORTHERN TRUST COMPANY/LTW GROUP HOLDINGS, LLC	105,100
AGENTE:NORTHERN TRUST COMPANY/LOY PARTNERSHIP, LLC	59,600
AGENTE:NORTHERN TRUST COMPANY/RAMI PARTNERS, LLC	40,800
AGENTE:NORTHERN TRUST COMPANY/BLUE SKY GROUP	126,139
AGENTE:NORTHERN TRUST COMPANY/PYRAMIS GROUP TRUST FOR EMPLOYEE BENEFIT PLANS	291,526
AGENTE:NORTHERN TRUST COMPANY/MASTER TR AGREE BETWEEN PFIZER INC AND THE NORTHERN TR CO	5,756
AGENTE:NORTHERN TRUST COMPANY/SUTTER HEALTH MASTER RETIREMENT TRUST	308,797
AGENTE:NORTHERN TRUST COMPANY/HRW TESTAMENTARY TRUST NO 3	78,600
AGENTE:NORTHERN TRUST COMPANY/THE WALTON FAMILY FOUNDATION	174,000
AGENTE:NORTHERN TRUST COMPANY/HRW TESTAMENTARY TRUST NO, 8	78,600
AGENTE:NORTHERN TRUST COMPANY/HRW TESTAMENTARY TRUST NO 2	78,600
AGENTE:NORTHERN TRUST COMPANY/HRW TESTAMENTARY TRUST NO, 12	67,500
AGENTE:NORTHERN TRUST COMPANY/ILLINOIS MUNICIPAL RETIREMENT FUND	146,145
AGENTE:NORTHERN TRUST COMPANY/STATE UNIVERSITIES RETIREMENT SYSTEM	35,921
AGENTE:NORTHERN TRUST COMPANY/FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	1,181
AGENTE:NORTHERN TRUST COMPANY/MERCER DS TRUST	133,965
AGENTE:NORTHERN TRUST COMPANY/THE TRUSTEES OF ZURICH FINANCIAL SERVICES UK PENSION SCHEME	522,821
AGENTE:NORTHERN TRUST COMPANY/NAT WEST BK AS TRUSTEE OF LEGAL & GENERAL EUROPEAN INDEX TR	59,585
AGENTE:NORTHERN TRUST COMPANY/AMG FUND PLC	16,800
AGENTE:NORTHERN TRUST COMPANY/SSGA GROSS ROLL UP UNIT TRUST	5,169
AGENTE:NORTHERN TRUST COMPANY/LEGAL & GENERAL AUTHORISED CONTRACTUAL SCHEME	1,753
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE METHODIST HOSPITAL	32,626
AGENTE:STATE STREET BANK AND TRUST COMPANY/LAUDUS INTERNATIONAL MARKETMASTERS FUND	754,480
AGENTE:STATE STREET BANK AND TRUST COMPANY/BERNSTEIN FUND, INC.- INTERNATIONAL SMALL CAP PORTFOLIO	236,590
AGENTE:STATE STREET BANK AND TRUST COMPANY/AMERICAN CENTURY STRATEGIC ASSET ALL, INC, STRAT ALL CONS F	4,527
AGENTE:STATE STREET BANK AND TRUST COMPANY/AMERICAN CENTURY STRAT ASSET ALL, INC, STRAT ALL MODERATE F	22,953
AGENTE:STATE STREET BANK AND TRUST COMPANY/AMERICAN CENTURY STRAT ASSET ALL, INC, STRATEGIC ALL AGGR F	20,260
AGENTE:STATE STREET BANK AND TRUST COMPANY/AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL DISCOVERY F	458,900
AGENTE:STATE STREET BANK AND TRUST COMPANY/AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL OPPORTUNITIES	265,330
AGENTE:STATE STREET BANK AND TRUST COMPANY/AMERICAN CENTURY WORLD MUTUAL FUNDS INC - NT INT SM MID CAP F	189,970
AGENTE:STATE STREET BANK AND TRUST COMPANY/AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, - GLO SMALL CAP FD	6,254
AGENTE:STATE STREET BANK AND TRUST COMPANY/AMERICAN CENTURY RETIREMENT DATE TRUST	34,556
AGENTE:STATE STREET BANK AND TRUST COMPANY/FONDS PRIVE GPD ACTIONS INTERNATIONALES	115,000
AGENTE:STATE STREET BANK AND TRUST COMPANY/CALVERT RESP INX SRS, INC,-CLVRT DVD MRKTS EX-U,S, RSP IX FND	139
AGENTE:STATE STREET BANK AND TRUST COMPANY/ALLIANZGI INTERNATIONAL SMALL-CAP FUND	212,186
AGENTE:STATE STREET BANK AND TRUST COMPANY/EATON VANCE INTERNATIONAL SMALL-CAP FUND	9,823
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE BOEING COMPANY EMPLOYEE SAVINGS PLANS MASTER TRUST	44,981
AGENTE:STATE STREET BANK AND TRUST COMPANY/ALLIANZGI GLOBAL SMALL-CAP FUND	185,421
AGENTE:STATE STREET BANK AND TRUST COMPANY/WILLIAM BLAIR COLLECTIVE INVESTMENT TRUST	317,891
AGENTE:STATE STREET BANK AND TRUST COMPANY/WILLIAM BLAIR INTERNATIONAL SMALL CAP GROWTH FUND	371,638
AGENTE:STATE STREET BANK AND TRUST COMPANY/RUSSELL INVESTMENT COMPANY IV PLC	11,423
AGENTE:STATE STREET BANK AND TRUST COMPANY/LATTICE DEVELOPED MARKETS (EX-US) STRATEGY ETF	2,211
AGENTE:STATE STREET BANK AND TRUST COMPANY/ALLIANCEBERNSTEIN INTERNATIONAL	49,459



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

\* LIST OF PROXY GIVERS \*

**DISCOVERY SERIES**

AGENTE:STATE STREET BANK AND TRUST COMPANY/MARYLAND STATE RETIREMENT & PENSION SYSTEM	522
AGENTE:STATE STREET BANK AND TRUST COMPANY/MGI FUNDS PLC	215,672
AGENTE:STATE STREET BANK AND TRUST COMPANY/STATE OF MONTANA BOARD OF INVESTMENTS	2,469
AGENTE:STATE STREET BANK AND TRUST COMPANY/STATE OF NEW JERSEY COMMON PENSION FUND	153,943
AGENTE:STATE STREET BANK AND TRUST COMPANY/CANADA PENSION PLAN INVESTMENT BOARD	2,429
AGENTE:STATE STREET BANK AND TRUST COMPANY/FIRST ASSET MORNINGSTAR INTERNATIONAL MOMENTUM INDEX ETF	22,733
AGENTE:STATE STREET BANK AND TRUST COMPANY/CTBC BANK CO LTD AMC FOR AB INC & GTH UM FD-ALL EUR INC & GR F	78,380
AGENTE:STATE STREET BANK AND TRUST COMPANY/BANK OF KOREA	331,843
AGENTE:STATE STREET BANK AND TRUST COMPANY/STATE STREET IRELAND UNIT TRUST	40,088
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE STARR FOUNDATION	31,540
AGENTE:STATE STREET BANK AND TRUST COMPANY/TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	625,850
AGENTE:STATE STREET BANK AND TRUST COMPANY/VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	2,643
AGENTE:STATE STREET BANK AND TRUST COMPANY/VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF	480
AGENTE:STATE STREET BANK AND TRUST COMPANY/VANGUARD INVESTMENTS II COMMON CONTRACTUAL FUND	3,987
AGENTE:STATE STREET BANK AND TRUST COMPANY/VANGUARD INVESTMENTS COMMON CONTRACTUAL FUND	13,272
AGENTE:STATE STREET BANK AND TRUST COMPANY/VANGUARD FTSE DEVELOPED EUROPE INDEX ETF	371
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE WELLINGTON TR CO NAT ASS MULT COMM EUROPE SMALLER CO PTF	5,165
AGENTE:STATE STREET BANK AND TRUST COMPANY/WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR	14,339
AGENTE:STATE STREET BANK AND TRUST COMPANY/WISDOMTREE DYNAMIC CURRENCY HEDGED EUROPE EQUITY FUND	712
AGENTE:STATE STREET BANK AND TRUST COMPANY/WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	839
AGENTE:STATE STREET BANK AND TRUST COMPANY/WISDOMTREE INTERNATIONAL MIDCAP DIVIDEND FUND	21,820
AGENTE:STATE STREET BANK AND TRUST COMPANY/WISDOMTREE INTERNATIONAL HEDGED EQUITY FUND	363
AGENTE:STATE STREET BANK AND TRUST COMPANY/WISDOMTREE EUROPE LOCAL RECOVERY FUND	2,470
AGENTE:STATE STREET BANK AND TRUST COMPANY/WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	364,624
AGENTE:STATE STREET BANK AND TRUST COMPANY/WELLINGTON MANAGEMENT FUNDS (IRELAND) PLC	22,427
AGENTE:STATE STREET BANK AND TRUST COMPANY/STATE STREET GLOBAL ADVISORS LUXEMBOURG SICAV	96,843
AGENTE:STATE STREET BANK AND TRUST COMPANY/BLACKROCK STRATEGIC FUNDS	21,547
AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES MSCI EUROPE SMALL-CAP ETF	12,245
AGENTE:STATE STREET BANK AND TRUST COMPANY/ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	30,853
AGENTE:STATE STREET BANK AND TRUST COMPANY/CONNECTICUT GENERAL LIFE INSURANCE COMPANY	2,775
AGENTE:STATE STREET BANK AND TRUST COMPANY/CDN ACWI ALPHA TILTS FUND	15,426
AGENTE:STATE STREET BANK AND TRUST COMPANY/BLACKROCK CDN MSCI EAFE INDEX PLUS FUND	372
AGENTE:STATE STREET BANK AND TRUST COMPANY/INTERNATIONAL EQUITY INDEX PLUS FUNDS B	334
AGENTE:STATE STREET BANK AND TRUST COMPANY/DEVELOPED EX-FOSSIL FUEL INDEX FUND B	1,845
AGENTE:STATE STREET BANK AND TRUST COMPANY/RUSSELL TRUST CO COMMINGLED EMPLOYEE BENEFIT FUNDS TRUST	63,828
AGENTE:STATE STREET BANK AND TRUST COMPANY/SACRAMENTO COUNTY EMPLOYEES RETIREMENT SYSTEM	14,704
AGENTE:STATE STREET BANK AND TRUST COMPANY/AQR FUNDS- AQR STYLE PREMIA ALTERNATIVE FUND	476,489
AGENTE:STATE STREET BANK AND TRUST COMPANY/AQR FUNDS- AQR STYLE PREMIA ALTERNATIVE LV FUND	22,177
AGENTE:STATE STREET BANK AND TRUST COMPANY/AQR FUNDS - AQR LONG SHORT EQUITY FUND	35,433
AGENTE:STATE STREET BANK AND TRUST COMPANY/AQR TAX PLUS U,S, RELAXED CONSTRAINT EQUITY FUND	1,326
AGENTE:STATE STREET BANK AND TRUST COMPANY/AQR R.C, EQUITY AUSTRALIA FUND	15,213
AGENTE:STATE STREET BANK AND TRUST COMPANY/AQR GLOBAL LONG-SHORT QUITY FUND	66,071
AGENTE:STATE STREET BANK AND TRUST COMPANY/THE TRUSTEES OF BP PENSION FUND	816,030
AGENTE:STATE STREET BANK AND TRUST COMPANY/TRUSTEES OF KINGFISHER PENSION SCHEME	14,375
AGENTE:STATE STREET BANK AND TRUST COMPANY/MANAGED PENSION FUNDS LIMITED	98,064

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

\* LIST OF PROXY GIVERS \*

AGENTE:STATE STREET BANK AND TRUST COMPANY/FAMILY INVESTMENTS CHILD TRUST FUND	2,760
AGENTE:STATE STREET BANK AND TRUST COMPANY/FAMILY INVESTMENTS GLOBAL ICVC FAMILY	3,467
<b>BALANCED INT FUND</b>	
AGENTE:STATE STREET BANK AND TRUST COMPANY/HSBC AS TRUSTEE FOR SSGA EUROPE EX UK	128,450
<b>EQUITY TRACKER FUND</b>	
AGENTE:STATE STREET BANK AND TRUST COMPANY/FRIENDS LIFE LIMITED	1,522
AGENTE:STATE STREET BANK AND TRUST COMPANY/STICHTING PHILIPS PENSIOENFONDS	38,321
AGENTE:STATE STREET BANK AND TRUST COMPANY/VANGUARD INV FDS ICVC-VANG FTSE DEV WOR LD	17,521
<b>EX - UK EQT IND FD</b>	
AGENTE:STATE STREET BANK AND TRUST COMPANY/VANGUARD INV F ICVC-VANGUARD FTSE DEV	48,158
<b>EUROPE EX-UK EQ INDEX F</b>	
AGENTE:STATE STREET BANK AND TRUST COMPANY/SUNSUPER SUPERANNUATION FUND	673
FCP GROUPAMA AVENIR EURO	2,768,283
FCP ECUREUIL RETRAITE EURO ACTIONS 4	200,000
FCP UFF CROISSANCE PME MAITRE	720,044
CPR EURO HIGH DIVIDEND	132,215
FCP COLOMBES 6 BIS	160,000
SICAV LAGTOO	64,400
FCP EDMOND DE ROTHSCHILD EURO LEADERS	889,100
FCP EDMOND DE ROTHSCHILD EUROPEMIDCAPS	39,500
FCP GARANCE	68,200
FCP LCF PHARMA INTERNATIONAL	137,380
EDMOND DE ROTHSCHILD ASSET MANAGEMENT	249,250
GREAT EUROPEAN MODELS	813,000
THE BANK OF KOREA	4,355
AGENTE:JP MORGAN CHASE BANK/JAPAN TRUSTEE SERVICES BANK LTD	109,135
AGENTE:BNP PARIBAS 2S-PARIS/FONDS RESERVE RETRAITES	99,233
AGENTE:NORTHERN TRUST COMPANY/WYOMING RETIREMENT SYSTEM	8,796
CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY	25,944
AGENTE:STATE STREET BANK AND TRUST COMPANY/INTERNATIONAL MONETARY FUND	2,140
AGENTE:STATE STREET BANK AND TRUST COMPANY/MERCER QIF CCF	525,234
AGENTE:STATE STREET BANK AND TRUST COMPANY/MINISTRY OF STRATEGY AND FINANCE	104,747
AGENTE:STATE STREET BANK AND TRUST COMPANY/MARCH FUND	30,856
AGENTE:JP MORGAN CHASE BANK/BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND 10F	126,930
AGENTE:STATE STREET BANK AND TRUST COMPANY/TENNESSEE CONSOLIDATED RETIREMENT	311,857
<b>SYSTEM</b>	
Number of of proxies represented by badge:	417
	124,026,694

List of owner ordinary, shares taking part in the meeting held on 12/04/2016 in a single call  
The proxies have been given in compliance with the provisions of section 2372 of the Civil Code

PRESENT IN /BY			SHARES	
On own behalf	Proxy		On own behalf	Proxy
1	0	AMADEI STEFANO	2,500	0
1	0	ANNIBALETTI ANGELO	30,000	0
0	1	CAGLIA MARIA	0	397,108,033
1	0	FOGLI MAURIZIO	80	0
0	417	PETTINICCHIO LAURA	0	124,026,694
1	0	ROSSOTTI ROBERTO	4,900	0
4	418	Opening Ordinary Meeting	37,480	521,134,727
			<b>TOTAL:</b>	<b>521,172,207</b>
Entered/exited later:				
1	0	BOIDO VITTORIO	2,000	0
1	0	CERASUOLO STEFANO	5,000	0
1	0	CROCE MARIO	500	0
1	0	PISTONE UGO LUIGI	1,000	0
1	0	ZACCARDI ANTONELLA	1,000	0
9	418	Approval of the financial statements at December 31, 2015	46,980	521,134,727
			<b>TOTAL:</b>	<b>521,181,707</b>
Entered/exited later:				
9	418	Allocation of 2015 net profit of the year	46,980	521,134,727
			<b>TOTAL:</b>	<b>521,181,707</b>
Entered/exited later:				
9	418	2016 Compensation Policy	46,980	521,134,727
			<b>TOTAL:</b>	<b>521,181,707</b>
Entered/exited later:				
9	418	2016 Incentive System	46,980	521,134,727
			<b>TOTAL:</b>	<b>521,181,707</b>
Entered/exited later::				
9	418	2016 Incentive System for Financial Advisors identified staff	46,980	521,134,727
			<b>TOTAL:</b>	<b>521,181,707</b>
Entered/exited later:				
9	418	Authorization to purchase and dispose of treasury shares	46,980	521,134,727
			<b>TOTAL:</b>	<b>521,181,707</b>
Entered/exited later:				
-1	0	AMADEI STEFANO	-2,500	0
8	418	Remuneration for the Chairman of the Board of Statutory Auditors	44,480	521,134,727
			<b>TOTAL:</b>	<b>521,179,207</b>
Entered/exited later:				
-1	0	ANNIBALETTI ANGELO	-30,000	0
7	418	Delegation to the Board of Directors to approve a free capital increase in 2021	14,480	521,134,727

List of owner ordinary, shares taking part in the meeting held on 12/04/2016 in a single call  
 The proxies have been given in compliance with the provisions of section 2372 of the Civil Code

<b>PRESENT IN /BY</b>			<b>SHARES</b>	
<b>On own behalf</b>	<b>Proxy</b>		<b>On own behalf</b>	<b>Proxy</b>
			<b>TOTAL:</b>	<b>521,149,207</b>
		<b>Entered/exited later::</b>		
<b>7</b>	<b>418</b>	<b>Delegation to the Board of Directors to approve a free capital increase 5 times</b>		<b>14,480 521,134,727</b>
			<b>TOTAL:</b>	<b>521,149,207</b>



THE NEW BANK

2015 REPORTS AND ACCOUNTS

# IT'S THE MOST RECOMMENDED BANK IN THE WORLD.

Thanks to one million  
customers talking about us.

BCG

THE BOSTON CONSULTING GROUP

A 2015 Report of The Boston Consulting Group  
awards Fineco as the most recommended bank  
in the world through word of mouth

**FINECO. THE BANK THAT SIMPLIFIES BANKING.**

Member of  UniCredit



“FinecoBank’s Annual Report reflects again our approach to banking, offering customers advanced, user-friendly products and services to meet their increasingly sophisticated needs.

The goal is to confirm our mission to simplify our customers’ lives and staying at the forefront of development in our industry, offering modern investment products and services with a multi-channel approach.

At FinecoBank, we focus on finding ways to make customers’ daily experience even more simple and satisfying. We feel a responsibility to meet our customers’ needs for an efficient and high-quality management of their savings, enabling them to achieve their life goals and to reach even higher.

Future calls us for change. Let’s change together.”



# 99% CUSTOMER SATISFACTION.

Simplifying our customers' life is our mission. Numbers confirm we're on the right way: 99% of customers are satisfied with Fineco and suggest it to family and friends.

Data source: TNS Infratest 2015 survey.

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



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**MILLION  
CUSTOMERS**

**A MILLION  
THANKS**

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

# Board of Directors, Board of Statutory Auditors and External Auditors

## Board of Directors

Enrico Cotta Ramusino	<b>Chairman</b>
Francesco Saita	<b>Vice Chairman</b>
Alessandro Foti	<b>Chief Executive Officer and General Manager</b>
Gianluigi Bertolli Girolamo Ielo Laura Stefania Penna Mariangela Grosoli Marina Natale Pietro Angelo Guindani	<b>Directors</b>

## Board of Statutory Auditors

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

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

Lorena Pellicciari **Nominated Official in charge of  
drawing up company accounts**

### Registered office

20131 Milan - Piazza Durante, 11

"FinecoBank Banca Fineco S.p.A."  
in abbreviated form "FinecoBank S.p.A.", or "Banca Fineco S.p.A." or  
"Fineco Banca S.p.A."

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



# ADVISORY TAILOR-MADE

**FINECO, THE BANK THAT SIMPLIFIES BANKING.**

# Introduction to the Annual Report and Accounts

In implementation of Legislative Decree no. 38 of February 28, these Accounts of FinecoBank as at December 31, 2015 (below FinecoBank) have been prepared in accordance with the IAS/IFRS issued by the International Accounting Standards Board (IASB), including the SIC and IFRIC interpretation documents, as endorsed by the European Commission until December 31, 2015, pursuant to EU Regulation 1606/2002 of July 19, 2012 and applicable to financial reports for the periods starting on or after January 1, 2015.

In its circular 262 of December 22, 2005 as amended, the Bank of Italy laid down the formats for the financial statements and notes to the accounts of banks and regulated financial companies, which have been used to prepare this annual report and accounts.

The Annual Report and Accounts includes:

- the **Financial Statements** comprise the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement, presented with a comparison to those of 2014;
- 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 should be noted that the 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 and the 4th update of Circular 262 of December 22, 2005 "Bank financial statements: presentation and basis of preparation" issued by the Bank of Italy on December 15, 2015), to align them to the notions of non-performing exposures and forborne exposures established by the European Commission in regulation 2015/227 on proposal of the European Banking Authority.

The main changes include the elimination of the "Doubtful Loans" and "Restructured Loans" categories, and the introduction of the new "Unlikely

to pay" category. As a consequence, the corresponding figures for the previous year have been restated to enable like-for-like comparison.

The concept of forbearance has also been introduced, which applies to all categories of loans and identifies exposures for which changes in contractual conditions have been granted.

In addition, in the technical memo of December 23, 2015, the Bank of Italy stated that the initial and variance margins received must be shown under "Other liabilities" of liability item 10 "Deposits from banks" and liability item 20 "Deposits from customers" regardless of the technical type of the assets, whereas previously they were shown under "Current accounts and demand deposits" of those balance sheet items.

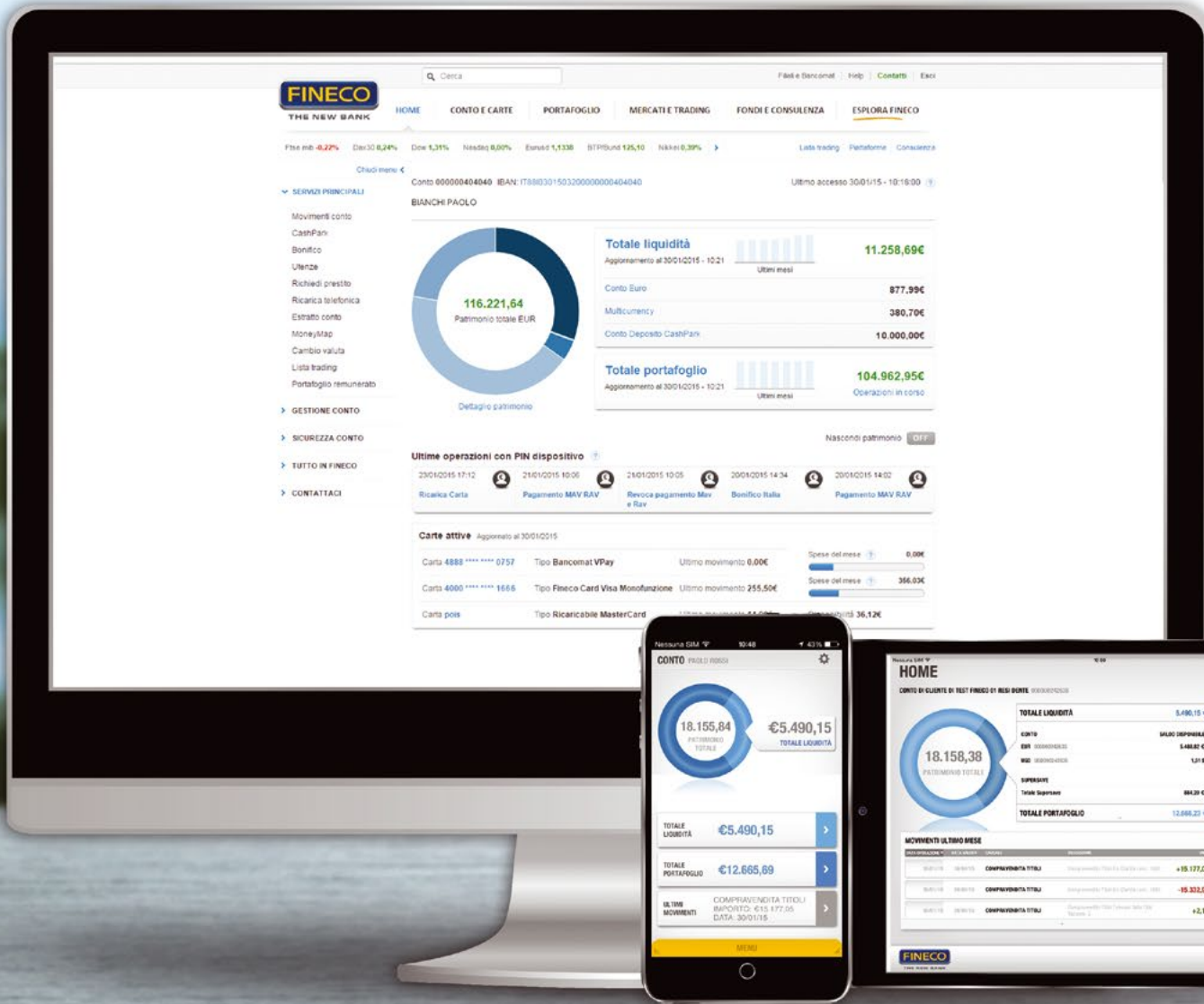
As a consequence, the corresponding figures for the previous year have been restated to enable like-for-like comparison.

From January 1, 2015 the condensed accounts shown in the Report on Operations have been amended. In particular:

- the "Adjustments of leasehold improvements" have been reallocated to the item "Other administrative expenses" (previously they were allocated to the item "Net other expenses/income");
- "Net value adjustments for the impairment of other financial assets" pertaining to "ex-post" contributions to the National Interbank Deposit Guarantee Fund have been reclassified to the item "Provisions for risks and charges" (in 2014 were allocated to the item "Net write-downs of loans and provisions for guarantees and commitments").

During the year, within the framework of rules that establish and regulate the Banking Union – which govern the banks of the Euro Area and of the other Member States that belong to it – the European directives 49 of 59 of 2014 introduced the contribution schemes for the Deposit Guarantee Schemes (DGS) and the Single Resolution Fund (SRF). In relation to the contribution obligations, these schemes resulted in costs during 2015 and will give rise to costs in future years for the ordinary contribution scheme and the possibility of having to resort to extraordinary contributions. These costs have been recognised under balance sheet item 150. Other administrative expenses, shown in the Report on Operations in the condensed accounts, have been reallocated to the item "Provisions for risks and charges".

Lastly, we note that estimate of the integration costs for the Bank in relation to the Business Plan of the UniCredit Group, recorded on the balance sheet item 150. a) Staff expenses, in condensed accounts contained in the Report on Operations have been allocated to the item "integration costs".



# THE BANK CLOSE TO YOU

FINECO, THE BANK THAT SIMPLIFIES BANKING.

# Report on Operations

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# Summary Data

FinecoBank is the direct, multi-channel bank of the UniCredit Group, with one of the largest advisory networks in Italy. It is the leading bank in Italy for equity trades in terms of volume of orders and number one online broker in Europe for number of orders executed.

The Bank offers an integrated business model combining direct banking and financial advice, with a single free-of-charge account including a full range of banking, credit, trading and investment services, which are also available through applications for smartphone and tablet. With its fully integrated platform, FinecoBank is the benchmark for modern investors.

The Bank now has over 1 million customers, reflecting the efficiency and soundness of a business model capable of securing the trust and complete satisfaction of customers and creating value for its shareholders. Over 112 thousand new customers were acquired in 2015, an increase of 9% on the prior year.

Total financial assets (direct and indirect) reached €55,327 million at the end of 2015, up 12.1% on the prior year.

In particular, the Bank recorded total net sales of €5,490 million (up 37.3% compared to 2014), of which €2,653 million for assets under management. Net sales through the personal financial advisors network also increased by 37.3% to €4,940 million.

The sales figures reflect the ability to offer customers advanced advisory services and meet the increasing demand for financial management and planning of their savings, also in complex market phases.

The net profit for the period amounted to €191.1 million, an increase of 27.4% over the prior year. The results for 2015 confirm the Bank's solidity and the strength of its highly diversified business model, capable of fully capturing the structural trends in Italian society, such as the growing demand for advisory services and digitisation.

The Bank's offering is split into the following three areas of activity: (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 CFDs (on currencies, indices, shares, bonds and commodities), futures, options, bonds, ETFs and certificates; and (iii) investing: including placement and distribution services of around 5,900 products, including mutual funds and SICAV sub-funds managed by 70 leading Italian and international investment firms, insurance and pension products, as well as investment advisory services.





## Summary data (CONTINUED)

## Condensed Accounts

## Balance Sheet

(Amounts in € thousand)

ASSETS	AMOUNTS AS AT		CHANGES	
	12.31.2015	12.31.2014	AMOUNT	%
Cash and cash balances	6	5	1	20.0%
Financial assets held for trading	3,983	3,054	929	30.4%
Loans and receivables with banks	14,648,904	13,892,197	756,707	5.4%
Loans and receivables with customers	922,774	695,594	227,180	32.7%
Financial investments	2,245,982	1,695,555	550,427	32.5%
Hedging instruments	10,573	24,274	(13,701)	-56.4%
Property, plant and equipment	12,419	10,892	1,527	14.0%
Goodwill	89,602	89,602	-	-
Other intangible assets	8,212	8,142	70	0.9%
Tax assets	15,424	18,550	(3,126)	-16.9%
Other assets	370,070	326,756	43,314	13.3%
<b>Total assets</b>	<b>18,327,949</b>	<b>16,764,621</b>	<b>1,563,328</b>	<b>9.3%</b>

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT		CHANGES	
	12.31.2015	12.31.2014	AMOUNT	%
Deposits from banks	1,423,459	1,428,568	(5,109)	-0.4%
Deposits from customers	15,822,459	13,914,712	1,907,747	13.7%
Debt securities in issue	-	424,710	(424,710)	-100.0%
Financial liabilities held for trading	4,100	3,135	965	30.8%
Hedging instruments	31,319	46,220	(14,901)	-32.2%
Provisions for risks and charges	120,534	118,031	2,503	2.1%
Tax liabilities	37,445	33,358	4,087	12.3%
Other liabilities	255,835	243,633	12,202	5.0%
Shareholders' Equity	632,798	552,254	80,544	14.6%
- capital and reserves	430,119	400,085	30,034	7.5%
- revaluation reserves available-for-sale financial assets and actuarial gains (losses) for defined benefits plans	11,626	2,262	9,364	414.0%
- net profit (loss)	191,053	149,907	41,146	27.4%
<b>Total liabilities and shareholders' equity</b>	<b>18,327,949</b>	<b>16,764,621</b>	<b>1,563,328</b>	<b>9.3%</b>

## Balance Sheet - Quarterly data

(Amounts in € thousand)

ASSETS	AMOUNTS AS AT				
	12.31.2015	09.30.2015	06.30.2015	03.31.2015	12.31.2014
Cash and cash balances	6	7	6	10	5
Financial assets held for trading	3,983	8,613	5,463	5,609	3,054
Loans and receivables with banks	14,648,904	13,966,287	14,582,941	14,070,077	13,892,197
Loans and receivables with customers	922,774	884,508	835,823	796,879	695,594
Financial investments	2,245,982	2,232,479	2,238,746	2,264,284	1,695,555
Hedging instruments	10,573	6,541	39,579	24,508	24,274
Property, plant and equipment	12,419	11,043	11,163	11,161	10,892
Goodwill	89,602	89,602	89,602	89,602	89,602
Other intangible assets	8,212	7,862	8,030	7,989	8,142
Tax assets	15,424	11,569	14,629	13,414	18,550
Other assets	370,070	232,297	225,475	215,368	326,756
<b>Total assets</b>	<b>18,327,949</b>	<b>17,450,808</b>	<b>18,051,457</b>	<b>17,498,901</b>	<b>16,764,621</b>

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT				
	12.31.2015	09.30.2015	06.30.2015	03.31.2015	12.31.2014
Deposits from banks	1,423,459	1,396,068	1,436,173	1,466,357	1,428,568
Deposits from customers	15,822,459	15,043,178	15,256,498	14,603,456	13,914,712
Debt securities in issue	-	-	400,000	427,884	424,710
Financial liabilities held for trading	4,100	6,254	5,386	4,557	3,135
Hedging instruments	31,319	26,810	59,668	46,933	46,220
Provisions for risks and charges	120,534	104,800	104,947	114,680	118,031
Tax liabilities	37,445	57,803	30,288	55,688	33,358
Other liabilities	255,835	233,407	227,285	169,052	243,633
Shareholders' Equity	632,798	582,488	531,212	610,294	552,254
- capital and reserves	430,119	427,673	437,198	554,027	400,085
- revaluation reserves available-for-sale financial assets and actuarial gains (losses) for defined benefits plans	11,626	5,983	310	8,485	2,262
- net profit (loss)	191,053	148,832	93,704	47,782	149,907
<b>Total liabilities and shareholders' equity</b>	<b>18,327,949</b>	<b>17,450,808</b>	<b>18,051,457</b>	<b>17,498,901</b>	<b>16,764,621</b>

## Summary data (CONTINUED)

## Income Statement

(Amounts in € thousand)

	YEAR		CHANGES	
	2015	2014	CHANGES	%
Net interest	245,184	228,247	16,937	7.4%
Net fee and commission income	248,188	195,744	52,444	26.8%
Net trading, hedging and fair value income	53,867	29,742	24,125	81.1%
Net other expenses/income	(2,974)	(2,590)	(384)	14.8%
<b>OPERATING INCOME</b>	<b>544,265</b>	<b>451,143</b>	<b>93,122</b>	<b>20.6%</b>
Staff expenses	(75,049)	(69,151)	(5,898)	8.5%
Other administrative expenses	(232,870)	(211,318)	(21,552)	10.2%
Recovery of expenses	84,347	77,170	7,177	9.3%
Impairment/write-backs on intangible and tangible assets	(8,951)	(8,809)	(142)	1.6%
<b>Operating costs</b>	<b>(232,523)</b>	<b>(212,108)</b>	<b>(20,415)</b>	<b>9.6%</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>311,742</b>	<b>239,035</b>	<b>72,707</b>	<b>30.4%</b>
Net write-downs of loans and provisions for guarantees and commitments	(6,706)	(3,180)	(3,526)	110.9%
<b>NET OPERATING PROFIT (LOSS)</b>	<b>305,036</b>	<b>235,855</b>	<b>69,181</b>	<b>29.3%</b>
Net provisions for risks and charges	(15,714)	(6,121)	(9,593)	156.7%
Integration costs	(1,246)	-	(1,246)	n.c.
Net income from investments	(1)	(4)	3	-75.0%
<b>NET PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>288,075</b>	<b>229,730</b>	<b>58,345</b>	<b>25.4%</b>
Income tax for the period	(97,022)	(79,823)	(17,199)	21.5%
<b>NET PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>191,053</b>	<b>149,907</b>	<b>41,146</b>	<b>27.4%</b>
<b>NET PROFIT (LOSS) FOR THE YEAR</b>	<b>191,053</b>	<b>149,907</b>	<b>41,146</b>	<b>27.4%</b>

**Income statement - Quarterly data**

(Amounts in € thousand)

	2015			
	4 <sup>TH</sup> QUARTER	3 <sup>RD</sup> QUARTER	2 <sup>ND</sup> QUARTER	1 <sup>ST</sup> QUARTER
Net interest	63,224	63,856	60,518	57,586
Net fee and commission income	62,509	61,050	62,948	61,681
Net trading, hedging and fair value income	12,587	13,207	11,014	17,059
Net other expenses/income	(1,486)	1,601	(3,447)	358
<b>OPERATING INCOME</b>	<b>136,834</b>	<b>139,714</b>	<b>131,033</b>	<b>136,684</b>
Staff expenses	(18,883)	(18,984)	(18,797)	(18,385)
Other administrative expenses	(59,238)	(53,097)	(60,134)	(60,401)
Recovery of expenses	21,728	20,231	21,376	21,012
Impairment/write-backs on intangible and tangible assets	(2,550)	(2,211)	(2,163)	(2,027)
<b>Operating costs</b>	<b>(58,943)</b>	<b>(54,061)</b>	<b>(59,718)</b>	<b>(59,801)</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>77,891</b>	<b>85,653</b>	<b>71,315</b>	<b>76,883</b>
Net write-downs of loans and provisions for guarantees and commitments	(2,576)	(1,436)	(1,111)	(1,583)
<b>NET OPERATING PROFIT (LOSS)</b>	<b>75,315</b>	<b>84,217</b>	<b>70,204</b>	<b>75,300</b>
Net provisions for risks and charges	(10,474)	(1,311)	(814)	(3,115)
Integration costs	(1,246)	-	-	-
Net income from investments	(1)	-	-	-
<b>NET PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>63,594</b>	<b>82,906</b>	<b>69,390</b>	<b>72,185</b>
Income tax for the period	(21,373)	(27,778)	(23,468)	(24,403)
<b>NET PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS</b>	<b>42,221</b>	<b>55,128</b>	<b>45,922</b>	<b>47,782</b>
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>42,221</b>	<b>55,128</b>	<b>45,922</b>	<b>47,782</b>

## Summary data (CONTINUED)

(Amounts in € thousand)

	2014			
	4 <sup>TH</sup> QUARTER	3 <sup>RD</sup> QUARTER	2 <sup>ND</sup> QUARTER	1 <sup>ST</sup> QUARTER
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	(1,289)	(1,302)	42	(41)
<b>OPERATING INCOME</b>	<b>117,801</b>	<b>107,483</b>	<b>112,770</b>	<b>113,089</b>
Staff expenses	(19,283)	(18,033)	(16,065)	(15,770)
Other administrative expenses	(52,311)	(50,443)	(55,829)	(52,735)
Recovery of expenses	20,420	19,208	18,735	18,807
Impairment/write-backs on intangible and tangible assets	(2,634)	(2,233)	(2,037)	(1,905)
<b>Operating costs</b>	<b>(53,808)</b>	<b>(51,501)</b>	<b>(55,196)</b>	<b>(51,603)</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>63,993</b>	<b>55,982</b>	<b>57,574</b>	<b>61,486</b>
Net write-downs of loans and provisions for guarantees and commitments	(1,204)	(685)	(826)	(465)
<b>NET OPERATING PROFIT (LOSS)</b>	<b>62,789</b>	<b>55,297</b>	<b>56,748</b>	<b>61,021</b>
Net provisions for risks and charges	(2,493)	(677)	422	(3,373)
Net income from investments	-	(4)	-	-
<b>NET PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>60,296</b>	<b>54,616</b>	<b>57,170</b>	<b>57,648</b>
Income tax for the period	(19,653)	(19,214)	(20,234)	(20,722)
<b>NET PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS</b>	<b>40,643</b>	<b>35,402</b>	<b>36,936</b>	<b>36,926</b>
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>40,643</b>	<b>35,402</b>	<b>36,936</b>	<b>36,926</b>

## Main balance sheet figures

(Amounts in € thousand)

	AMOUNTS AS AT		CHANGES	
	12.31.2015	12.31.2014	AMOUNT	%
Loans <sup>(1)</sup>	614,000	478,752	135,248	28.3%
Total assets	18,327,949	16,764,621	1,563,328	9.3%
Direct deposits <sup>(2)</sup>	15,630,645	13,753,719	1,876,926	13.6%
Assets under administration <sup>(3)</sup>	39,696,024	35,587,446	4,108,578	11.5%
Total financial assets (direct and indirect)	55,326,669	49,341,165	5,985,504	12.1%
Shareholders' equity	632,798	552,254	80,544	14.6%

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

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

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

# Key figures

## Operating Structure

	FIGURES AS AT	
	12.31.2015	12.31.2014
No. Employees	1,059	1,008
No. Workers <sup>(1)</sup>	1,067	1,022
No. Personal financial advisors	2,622	2,533
No. Financial shops <sup>(2)</sup>	343	325

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

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

## Profitability, productivity and efficiency ratios

(Amounts in € thousand)

	FIGURES AS AT	
	12.31.2015	12.31.2014
Net interest/Operating income	45.05%	50.59%
Income from brokerage and other income/Operating income	54.95%	49.41%
Income from brokerage and other income/Operating costs	128.62%	105.09%
Cost/income ratio	42.72%	47.02%
Operating costs/TFA	0.44%	0.46%
Cost of risk	78 bp	71 bp
ROE	42.72%	36.49%
Return on assets	1.04%	0.89%
EVA	169,567	128,379
RARORAC	65.39%	57.77%
ROAC	74.00%	67.46%
Total customer sales/Average employees	52,970	49,391
Total customer sales /(Average employees + average PFAs)	15,275	14,160

### 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. 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 of net write-downs of loans and provisions for guarantees and commitments to average loans. Average loans have been calculated as the average between the period-end balance and the balance as at the previous December 31.

Net write-downs of loans and provisions for guarantees and commitments as at December 31, 2015 are net of write-downs applied to exposures to customers who made a loss on leveraged Forex positions due to the extraordinary drop in the value of the Euro versus the Swiss Franc on January 15, 2015, of €2.5 million.

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

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

EVA (Economic Value Added): shows the company's ability to create value and is calculated as the difference between net operating profit after tax and the notional cost of allocated capital.

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

ROAC (Return on Allocated Capital): ratio of net operating profit to allocated capital. Allocated Capital means the greater of internally calculated capital based on shared UniCredit Group models (Economic Capital) and regulatory capital.

For the calculation of EVA, RARORAC and ROAC indicators as at December 31, 2015, internal capital is that as at September 30, 2015, the latest available provided by the Parent Company.

## Key figures (CONTINUED)

## Balance Sheet indicators

	FIGURES AS AT	
	12.31.2015	12.31.2014
Loans/Total assets	3.35%	2.86%
Loans and receivables with banks/Total assets	79.93%	82.87%
Financial assets/Total assets	12.28%	10.13%
Direct deposits/Total liabilities and shareholders' equity	85.28%	82.04%
Shareholders' equity (including profit)/Total liabilities and shareholders' equity	3.45%	3.29%
Loans/Direct deposits	3.93%	3.48%

CREDIT QUALITY	FIGURES AS AT	
	12.31.2015	12.31.2014
Impaired loans/Loans	0.79%	0.89%
Non-performing loans/Loans	0.57%	0.66%
Coverage <sup>(1)</sup> - Non-performing loans	83.96%	84.08%
Coverage <sup>(1)</sup> - Unlikely to pay	63.59%	67.20%
Coverage <sup>(1)</sup> - Past-due impaired loans	51.21%	49.14%
Coverage <sup>(1)</sup> - Total impaired loans	80.64%	81.07%

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

## Own funds and capital ratios

	FIGURES AS AT	
	12.31.2015	12.31.2014
Total own funds (€ thousand)	393,903	353,133
Total risk-weighted assets (€ thousand)	1,828,007	1,850,331
Ratio - Common Equity Tier 1 - CET1	21.39%	19.08%
Ratio - Tier 1 Capital	21.39%	19.08%
Ratio - Total Own Funds	21.55%	19.08%

	FIGURES AS AT
	12.31.2015
Tier 1 Capital (€ thousand)	390,977
Exposure for leverage (€ thousand)	3,717,157
Transitional leverage ratio	10.52%

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

The leverage ratio was calculated in accordance with EU Delegated Regulation 2015/62 of October 10, 2014. As required by Circular No. 285 of the Bank of Italy, Part Two, Chapter 12, Section III Exercise of national discretion, exposures to the UniCredit group companies based in Italy and weighted at 0% pursuant to Article 113, par. 6 of the CRR have not been included in the calculation of total exposure, in accordance with Article 429 (7) of the CRR amended by the Delegated Regulation (EU) 2015/62. In addition, the leverage ratio was calculated as a quarter end figure instead of the simple arithmetic average of the monthly leverage ratio figures for the reporting quarter, pursuant to Article 499.2 of the CRR.

## Market share

TRADING ON ITALIAN STOCK MARKET (ASSOSIM)	12.31.2015	12.31.2014
Third party volumes traded on MTA	20.84%	18.54%
Classification of third party volumes traded on MTA	1 <sup>st</sup>	1 <sup>st</sup>

PERSONAL FINANCIAL ADVISORS NETWORK (ASSORETI)	12.31.2015	12.31.2014
Stock Classification	3 <sup>rd</sup>	3 <sup>rd</sup>
Net Sales Classification	2 <sup>nd</sup>	3 <sup>rd</sup>

TOTAL FINANCIAL ASSETS (BANK OF ITALY)	09.30.2015	12.31.2014
Market share - Total Financial Assets	1.38%	1.34%
Market share - Direct Deposits	1.07%	1.01%
Market share - Assets under Administration	1.59%	1.55%

The figures for "Total financial assets" (Bank of Italy) refer to September 30, 2015, the latest figures available.



# Business performance

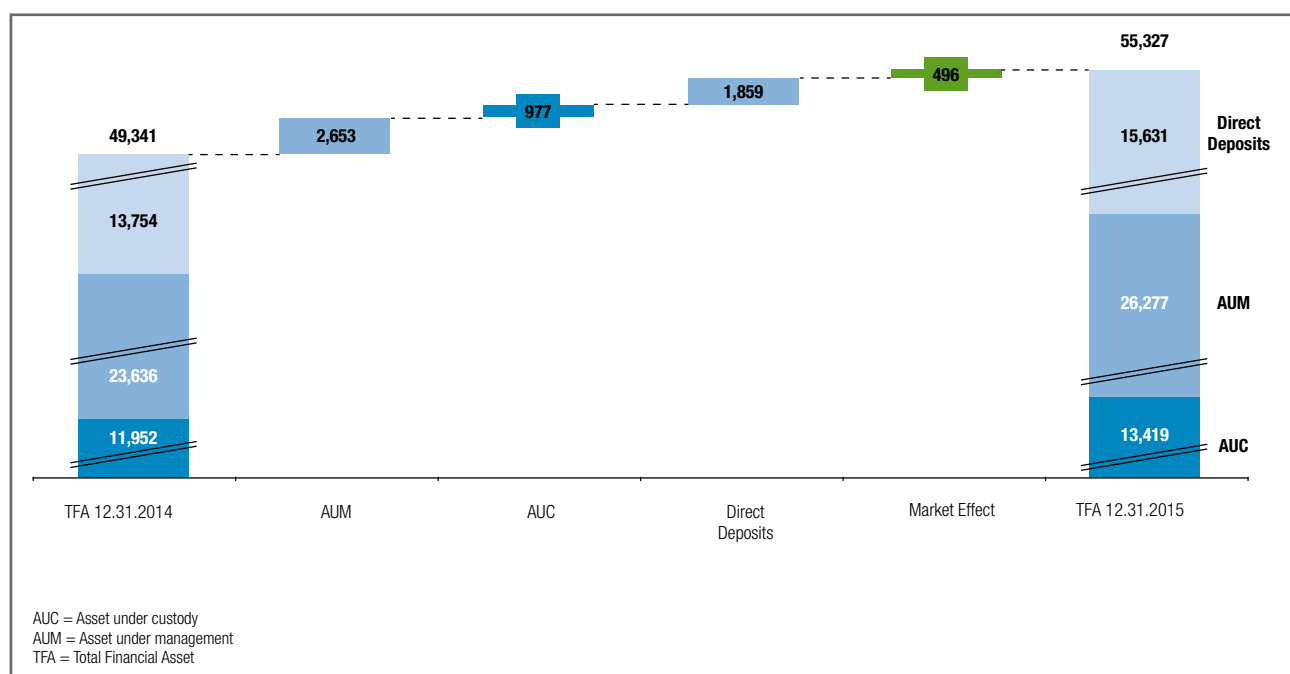
## Performance of total financial assets

In 2015, total financial assets (direct and indirect) continued to grow, reaching €55,327 million, up 12.1% compared to the end of 2014, thanks to net sales of €5,490 million and a positive effect of €496 million, driven by market performance. Assets under administration (Assets under Management-AUM plus Assets under Custody-AUC) stood at €39,696 million, representing an increase of 11.5%.

The steady growth and continued improvement in the quality of sales was reflected in the growth of guided products & services<sup>1</sup>, which

continued to increase as a percentage of the TFA, up from 17.3% as at December 31, 2014 to 21.4% as at December 31, 2015, and of Assets under Management, up from 36.10% as at December 31, 2014 to 45.01% as at December 31, 2015.

Direct deposits also showed a growth of 13.6%, driven by the increasing number of new customers, thus confirming their appreciation for the quality of the services. Direct deposits mainly consist of 'transactional' deposits that support all customer transactions, confirming the high and increasing degree of customer loyalty, which in turn contributes to improving the quality and stability of direct deposits.



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

### Total financial assets

(Amounts in € thousand)

	AMOUNTS AS AT		AMOUNTS AS AT		CHANGES	
	12.31.2015	%	12.31.2014	%	AMOUNT	%
Current accounts and demand deposits	14,985,438	27.1%	12,247,082	24.8%	2,738,356	22.4%
Time deposits and reverse repos	645,207	1.2%	1,506,637	3.1%	(861,430)	-57.2%
<b>DIRECT DEPOSITS</b>	<b>15,630,645</b>	<b>28.3%</b>	<b>13,753,719</b>	<b>27.9%</b>	<b>1,876,926</b>	<b>13.6%</b>
Segregated accounts	14,112	0.0%	14,782	0.0%	(670)	-4.5%
UCITS and other investment funds	23,100,072	41.8%	21,176,945	42.9%	1,923,127	9.1%
Insurance products	3,163,241	5.7%	2,444,167	5.0%	719,074	29.4%
<b>ASSETS UNDER MANAGEMENT</b>	<b>26,277,425</b>	<b>47.5%</b>	<b>23,635,894</b>	<b>47.9%</b>	<b>2,641,531</b>	<b>11.2%</b>
Government securities, bonds and stocks	13,418,599	24.3%	11,951,552	24.2%	1,467,047	12.3%
<b>ASSETS UNDER CUSTODY</b>	<b>13,418,599</b>	<b>24.3%</b>	<b>11,951,552</b>	<b>24.2%</b>	<b>1,467,047</b>	<b>12.3%</b>
<b>TOTAL FINANCIAL ASSETS</b>	<b>55,326,669</b>	<b>100.0%</b>	<b>49,341,165</b>	<b>100.0%</b>	<b>5,985,504</b>	<b>12.1%</b>
of which Guided products & services	11,828,072	21.4%	8,532,245	17.3%	3,295,827	38.6%

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

## Business performance (CONTINUED)

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

## Total financial assets – Personal Financial Advisors Network – Assoreti figures

(Amounts in € thousand)

	AMOUNTS AS AT		AMOUNTS AS AT		CHANGES	
	12.31.2015	%	12.31.2014	%	AMOUNT	%
Current accounts and demand deposits	10,898,766	23.2%	8,605,117	20.7%	2,293,649	26.7%
Time deposits and reverse repos	438,741	0.9%	1,064,704	2.6%	(625,963)	-58.8%
<b>DIRECT DEPOSITS</b>	<b>11,337,507</b>	<b>24.1%</b>	<b>9,669,821</b>	<b>23.3%</b>	<b>1,667,686</b>	<b>17.2%</b>
Segregated accounts	14,112	0.0%	14,782	0.0%	(670)	-4.5%
UCITS and other investment funds	22,663,576	48.3%	20,772,136	50.1%	1,891,440	9.1%
Insurance products	3,070,003	6.5%	2,346,758	5.7%	723,245	30.8%
<b>ASSETS UNDER MANAGEMENT</b>	<b>25,747,691</b>	<b>54.8%</b>	<b>23,133,676</b>	<b>55.8%</b>	<b>2,614,015</b>	<b>11.3%</b>
Government securities, bonds and stocks	9,866,169	21.0%	8,669,714	20.9%	1,196,455	13.8%
<b>ASSETS UNDER CUSTODY</b>	<b>9,866,169</b>	<b>21.0%</b>	<b>8,669,714</b>	<b>20.9%</b>	<b>1,196,455</b>	<b>13.8%</b>
<b>TOTAL FINANCIAL ASSETS</b>	<b>46,951,367</b>	<b>100.0%</b>	<b>41,473,211</b>	<b>100.0%</b>	<b>5,478,156</b>	<b>13.2%</b>
of which Guided products & services	11,805,963	25.1%	8,520,497	20.5%	3,285,466	38.6%

The table below shows the figures for direct deposits, assets under management and assets under custody for 2015 compared to the prior year, both for customers linked to a personal financial advisor and online-only customers.

## Net sales

(Amounts in € thousand)

	YEAR 2015		YEAR 2014		CHANGES	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
Current accounts and demand deposits	2,738,356	49.9%	1,580,453	39.5%	1,157,903	73.3%
Time deposits and reverse repos	(879,556)	-16.0%	(394,980)	-9.9%	(484,576)	122.7%
<b>DIRECT DEPOSITS</b>	<b>1,858,800</b>	<b>33.9%</b>	<b>1,185,473</b>	<b>29.6%</b>	<b>673,327</b>	<b>56.8%</b>
Segregated accounts	(450)	0.0%	(27,301)	-0.7%	26,851	-98.4%
UCITS and other investment funds	1,960,589	35.7%	2,537,111	63.4%	(576,522)	-22.7%
Insurance products	693,277	12.6%	519,485	13.0%	173,792	33.5%
<b>ASSETS UNDER MANAGEMENT</b>	<b>2,653,416</b>	<b>48.3%</b>	<b>3,029,295</b>	<b>75.8%</b>	<b>(375,879)</b>	<b>-12.4%</b>
Government securities, bonds and stocks	977,304	17.8%	(216,060)	-5.4%	1,193,364	n.c.
<b>ASSETS UNDER CUSTODY</b>	<b>977,304</b>	<b>17.8%</b>	<b>(216,060)</b>	<b>-5.4%</b>	<b>1,193,364</b>	<b>n.c.</b>
<b>NET SALES</b>	<b>5,489,520</b>	<b>100.0%</b>	<b>3,998,708</b>	<b>100.0%</b>	<b>1,490,812</b>	<b>37.3%</b>
of which Guided products & services	3,410,816	62.1%	2,730,445	68.3%	680,371	24.9%

The table below shows the figures for direct deposits, assets under management and assets under custody for 2015 compared to the prior year for the personal financial advisors network.

## Net sales – Personal Financial Advisors Network – Assoreti figures

(Amounts in € thousand)

	YEAR 2015		YEAR 2014		CHANGES	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
Current accounts and demand deposits	2,293,650	46.4%	1,214,692	33.8%	1,078,958	88.8%
Time deposits and reverse repos	(656,428)	-13.3%	(313,766)	-8.7%	(342,662)	109.2%
<b>DIRECT DEPOSITS</b>	<b>1,637,222</b>	<b>33.1%</b>	<b>900,926</b>	<b>25.0%</b>	<b>736,296</b>	<b>81.7%</b>
Segregated accounts	(450)	0.0%	(27,301)	-0.8%	26,851	-98.4%
UCITS and other investment funds	1,911,557	38.7%	2,485,108	69.1%	(573,551)	-23.1%
Insurance products	699,083	14.2%	531,821	14.8%	167,262	31.5%
<b>ASSETS UNDER MANAGEMENT</b>	<b>2,610,190</b>	<b>52.8%</b>	<b>2,989,628</b>	<b>83.1%</b>	<b>(379,438)</b>	<b>-12.7%</b>
Government securities, bonds and stocks	692,453	14.0%	(292,186)	-8.1%	984,639	n.c.
<b>ASSETS UNDER CUSTODY</b>	<b>692,453</b>	<b>14.0%</b>	<b>(292,186)</b>	<b>-8.1%</b>	<b>984,639</b>	<b>n.c.</b>
<b>NET SALES - PERSONAL FINANCIAL ADVISORS NETWORK</b>	<b>4,939,865</b>	<b>100.0%</b>	<b>3,598,368</b>	<b>100.0%</b>	<b>1,341,497</b>	<b>37.3%</b>
of which Guided products & services	3,399,876	68.8%	2,724,459	75.7%	675,417	24.8%

## Performance of income statement aggregates

Profit before tax amounted to €288.1 million, up 25.4% compared to the prior year.

This result reflects an improvement in operating income of 20.6% as a result of higher net fee and commission income – placement and management of securities and UCITS units which benefited from the increase in assets under management – and the increase in Net trading, hedging and fair value income, as a result of higher profits realised from the internalisation of securities and CFDs.

## Communications and external relations

“The bank that simplifies banking” is the unique positioning that the Bank has continued to develop also in 2015. During the year, important advertising flights were conducted using all means of communication: TV, financial press and posters.

## Incentive plans

In accordance with the instructions of the Regulatory Authority, on January 22, 2015 and March 10, 2015 the Board of Directors respectively approved:

- The “2015 Incentive System”, which offers employees, identified as key personnel in accordance with the regulatory requirements, a bonus structure (following performance evaluation), consisting of immediate and deferred payments in cash and the allocation of FinecoBank ordinary shares, over a maximum period of 6 years;
- The “2015 PFA Incentive System”, which offers personal financial advisors, identified as key personnel in accordance with the regulatory requirements, a bonus structure (following performance evaluation), consisting of immediate and deferred payments in cash and the allocation of phantom shares, over a maximum period of 5 years.

On February 9, 2015, the Board of Directors launched the stock granting 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 successful outcome of the verification of the access conditions and the individual conditions (compliance in conduct and continued employment). To that effect, the Board of Directors confirmed its approval for a free increase in the Bank’s 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 PFA Plan for Personal Financial Advisors and Bank Network Managers, resolving to start the share buyback program, after having obtained authorisation from the Regulatory Authority, pursuant to Articles 77-78 of EU Reg. 575/2013 of June 26, 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 in the year 2015 of 494,493 FinecoBank free ordinary shares to the “2014-2017 Multi-Year Plan Top Management” – a reduction on the number set on April 15, 2014 in order to bring the ratio of the fixed and variable remuneration components into line with current regulations;
  - the allocation of 269,728 FinecoBank free ordinary shares for the “Group Executive Incentive System 2014” plan.

With regard to the stock granting plan (“2014 PFA Plan”) for Personal Financial Advisors and Bank Network Managers, pending the obtainment of the authorisation for the purchase of the shares, on July 9, 2015 the Board of Directors resolved to settle the PFAs rights to the first tranche of the plan in cash, instead of allocating FinecoBank ordinary shares, with a payment of a sum corresponding to a third of the bonus consideration, made in July 2015.

To settle the personal financial advisors’ rights to the second and third tranche of the above-mentioned plan, the Bank, following the issue of the required authorisation by the Regulatory Authority pursuant to Articles 77-78 of EU Reg. 575 of June 26, 2013 (CRR), purchased a total of 1,408,834 FinecoBank ordinary shares, in the period from September 16, 2015 to October 12, 2015, for an amount of €8.6 million, corresponding to 0.23% of the share capital, which are held by the Bank as at December 31, 2015.

# Fineco Bank shares

## Share information

The FinecoBank shares achieved excellent growth in 2015, rising by over 60% since the beginning of the year. Despite the extensive volatility in the European market during the year, the shares continued to perform strongly with an average price for the year of €6.5 euro. During the

fourth quarter the share posted a 27.2% increase in performance.

At December 31, the share price was €7.625, up on the €4.668 recorded at the end of 2014 and more than double its original listing price (€3.7 euro).

The company's market capitalisation amounted to €4,625 million as at December 31, 2015 (€2,830 million at the end of 2014).

	YEAR 2014	1 <sup>ST</sup> QUARTER 2015	2 <sup>ND</sup> QUARTER 2015	3 <sup>RD</sup> QUARTER 2015	4 <sup>TH</sup> QUARTER 2015	YEAR 2015
<b>Official price of ordinary shares (€)</b>						
- maximum	4,750	6,425	7,170	7,805	7,625	7,805
- minimum	3,808	4,438	6,355	5,740	5,995	4,438
- average	4,168	5,356	6,771	6,808	6,968	6,479
- period end	4,668	6,425	6,645	5,940	7,625	7,625
<b>Number of shares (millions)</b>						
- outstanding at period end	606,3	606,5	606,5	606,5	606,5	606,5

# Results achieved in the main areas of activity

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

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

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

## Brokerage

In 2015 the Bank continued to consolidate its leadership in the Italian online trading market. The early part of the year saw a sharp rise in trading, due to the renewed optimism of traders and an ever expanding offering, open to all target customers. However, in the second half, there was an increase in volatility due to the Brexit risk and fears of a slowdown in global growth, due to the downturn in China and the emerging countries.

However, periods of volatility have historically driven users, in particular the most active users, to increase the number of transactions, and the second half of the year was no exception.

During the year there was a continued increase in new customers who carried out their first order on financial markets and with higher value-added products such as Forexes and CFDs, which are attracting an ever-increasing number of customers thanks to their ease of use and lack of trading commissions. The growth in CFDs was also due to the expansion of the offering and the higher visibility given to these products in the trading channels.

The strategy to expand, innovate and develop the offering continued with the introduction of new services and functions, in particular:

- Logos Time, binary options that can be traded through the website, the Logos desktop platform and Logos apps for iPhone, iPad and Android;

- Stockscreener, a new tool which can be used to search for securities among the thousands available on the Bank's website and to carry out predefined searches through the "search ideas" option;
- new Fineco apps, which display a summary portfolio including all investments in euro and the possibility to view up to three favourites lists;
- addition of a financial news stream from Twitter, enabling customers to be continually updated through this new information channel.

The new "no fees" offer was also introduced for CFDs on commodities, tradable from the website, Powerdesk e Apps.

In general, the results achieved confirm the strength of a business model aimed at offering very easy to use and innovative services in a comprehensive solution for all target customers.

Thanks to this positioning, the Bank continues to attract new customers both from traditional banks and from competing direct banks, strengthening its leadership in the market.

The following table shows the number of orders on financial instruments recorded in 2015 compared to the prior year.

	YEAR 2015	YEAR 2014	CHANGES	
			AMOUNT	%
Orders - Equity Italy (including internalised orders)	8,553,503	7,275,908	1,277,595	17.6%
Orders - Equity USA (including internalised orders)	1,082,918	1,248,426	(165,508)	-13.3%
Orders - Equity other markets (including internalised orders)	603,623	418,189	185,434	44.3%
<i>Total equity orders</i>	<i>10,240,044</i>	<i>8,942,523</i>	<i>1,297,521</i>	<i>14.5%</i>
Orders - Bonds	631,411	707,039	(75,628)	-10.7%
Orders - Derivatives	3,547,912	3,238,692	309,220	9.5%
Orders - Forex	1,585,120	1,092,967	492,153	45.0%
Orders - CFDs	2,336,099	1,080,031	1,256,068	116.3%
Orders - Funds	2,500,870	2,100,890	399,980	19.0%
Orders - Repos	21,139	32,141	(11,002)	-34.2%
<b>TOTAL ORDERS</b>	<b>20,862,595</b>	<b>17,194,283</b>	<b>3,668,312</b>	<b>21.3%</b>

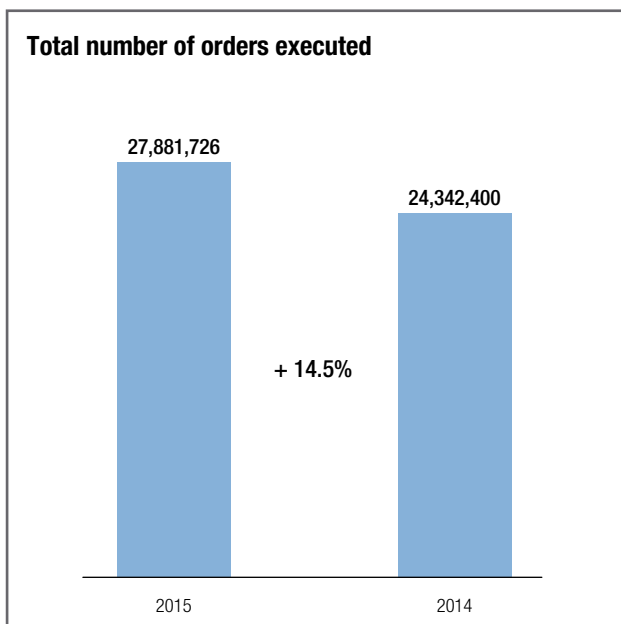
# Results achieved in the main areas of activity (SEGUE)

The table shows a general increase in orders executed in 2015 compared to the prior year, except for a slight decline in USA Equity, Bond and Repo orders.

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

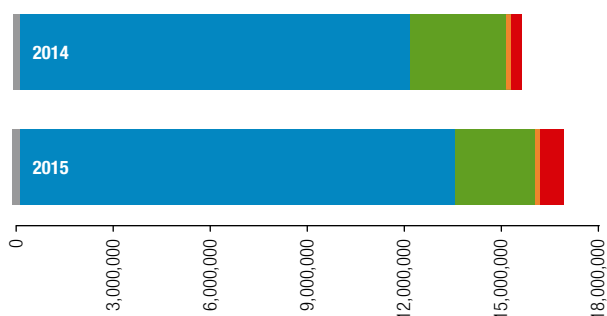
(Amounts in € thousand)

	YEAR 2015	YEAR 2014	CHANGES	
			AMOUNT	%
Equity (internalisation)	65,098,298	46,907,152	18,191,146	38.8%
Forex	102,253,275	75,518,932	26,734,343	35.4%
CFDs and Logos	65,076,048	19,600,019	45,476,029	232.0%
<b>Total "internalised" volumes</b>	<b>232,427,621</b>	<b>142,026,103</b>	<b>90,401,518</b>	<b>63.7%</b>



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 reverse repos.

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



	2015	2014
Other Markets	195,979	180,963
Italy (MTA+AH)	13,464,025	12,097,883
USA	2,561,179	3,008,816
France	96,398	86,218
Germany	585,416	337,441

■ Other Markets ■ Italy (MTA+AH) ■ USA ■ France ■ Germany

# Banking

## Banking

The Bank offers its customers 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. During the year identification via webcam and the digital signature of the contract were introduced, which, together with the sending of the access codes by email and SMS, enable the current account to be opened in a day. This has made the account opening procedure extremely smooth, completely online and secure. After the initial login to the site customers can start to order investment and trading transactions. Banking services, on the other hand, are activated by entering a third “security code”, sent separately by post to their home, in a reserved area.

The digitisation processes included:

- the extension of the digital signature service to current accounts in joint names. In particular, during the second half of 2015, this service was made available for the online signature of the additional contract for derivatives trading;
- the option for customers of personal financial advisors to directly sign Advice advisory contracts – sent to them via web collaboration - by accessing the reserved area of the website and using a digital signature.

On the regulatory side the main activities involved:

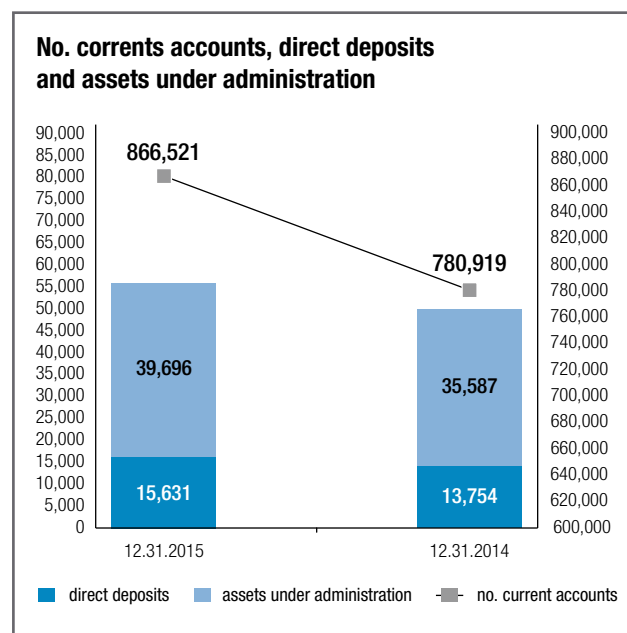
- the update of all the account opening procedures and the related contractual documentation for the purposes of customer due diligence. As a result of the Bank of Italy measure of April 3, 2013, starting from January 2015, transfers from other online banks are deemed valid for remote identification;
- the update of the contractual documentation with the new MIFID questionnaire;
- the enhancement of the procedures for the collection of customer tax data in accordance with the new international Common reporting standard for the automatic and mutual exchange of financial information between tax authorities.

The new “SMS PIN - Basic Service” was introduced to comply with the security standards required by the European regulations on Strong Customer Authentication. This service involves the use of the SMS PIN code to confirm transactions which require greater security control in accordance with the above-mentioned standards and for all the transactions identified by the Bank. The Bank has automatically activated this service for the entire customer base since August.

In the area of products and services offered we note:

- the introduction of new constraint expiries of up to 5 years for the Cash Park Investing and a maximum subscription limit of €1 million per customer;
- the enhancement of the online credit transfer service with the introduction of the white list in the beneficiary address book management, the credit transfer cancellation function, and the automatic sending of alert mails both for incoming and outgoing instruction orders;
- new providers for the mobile top-ups service: Poste, Tiscali, and COOP Voce;
- the extension of payment of road tax also to the Marche and Sicily regions;
- the increase in the number of bill-payers signed up for the CBILL service;
- the option for customers to upload updated ID documents.

This was accompanied by the continued development and management of marketing campaigns aimed at the online target market and word-of-mouth initiatives (member gets member) aimed at existing customers. These are complex initiatives that combine creativity, promotional work, logistics and monitoring.



# I risultati conseguiti nelle principali aree di attività (SEGUE)

## Banking (SEGUE)

### Credit

In 2015 there was a 9% increase in holders of convenience credit cards, while the number of customers with revolving credit cards was up 8%.

The spending figure, which is still the main driver of profitability, increased by 11.9% compared to the prior year, for a total value of €2.5 billion. The spending of revolving cards represented 2% of the total.

The cards portfolio currently consists of 43% of cards operating on the VISA circuit and the remaining 57% of cards operating on the Mastercard circuit, with the related spending allocated 52% to the Visa circuit and the remaining 48% to the MasterCard circuit.

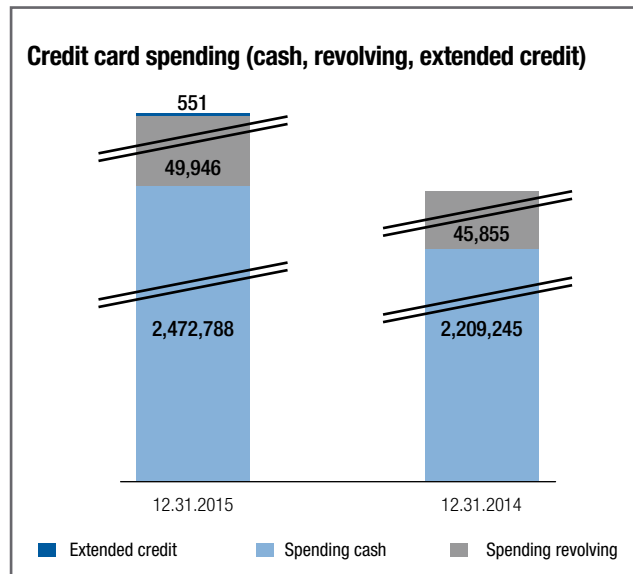
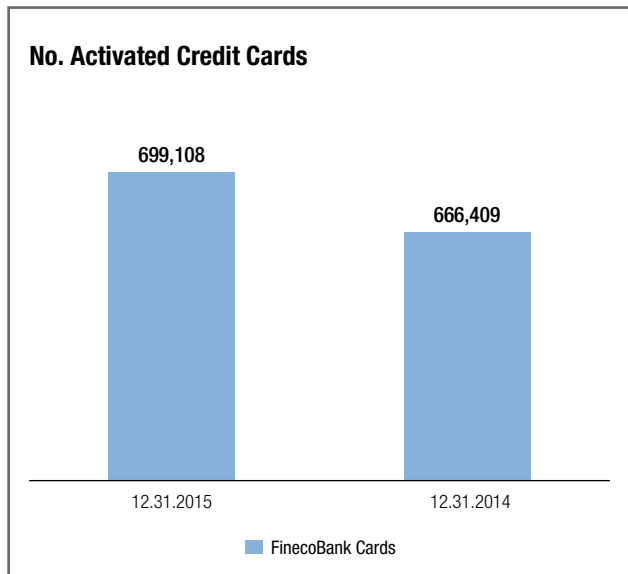
A new extended credit service was introduced called “Paga a Rate” (pay by instalments), reserved exclusively for the holders of a Fineco Classic credit card (Fineco Card or Fineco Black), with an additional credit facility of €2,000 (linked, but separate from the ceiling for the credit card), which can only be repaid on an instalment basis.

The “SMS PIN” service was launched during 2015, which allows customers to receive the PIN code for their credit card via SMS directly on their certified mobile phone.

At the end of 2015 the certification phase was completed to enable cards from the VISA circuit to also use contactless technology. As a result, from early 2016, all products offered to customers will be enabled for proximity payments.

Activity on other credit products was also intense, also due to the market scenario and the need to reinstate a sharp focus on developing and enriching this family of products. In particular, we note:

- the review of interest rates on loans, to make personal loans and loan consolidation even more competitive;
- the introduction of digital signatures for loans, which speeds up the application and disbursement process;
- the re-engineering of the lending process on the online channel and through personal financial advisors, in order to improve the usability of the services.





## Investing

The Bank 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.

The year 2015 closed with the launch of five new partnerships with asset management companies: Standard Life Investments and Ignis (Standard Life PLC group), H2O (Natixis AM group), Schrodgers GAIA and T.Rowe Price. The range of asset management products was further enhanced with the addition to the platform of over 620 new ISINs available to customers.

With a view to expanding Diversified Management offering, 3 new CORE SERIES funds have been introduced: in February CORE ALTERNATIVE and GLOBAL OPPORTUNITY, which were welcomed as a way to diversify customer portfolios; in September CORE MULTIASSET INCOME, which increased the investment opportunities for customers who want spread their income. Overall, the CORE SERIES range has made €1,233 million in net sales since the beginning of the year.

The year 2015 was also highly positive for the “Fee-based” Fineco Advice advisory service, with net sales of approximately €1,056 million, most of which deriving from new customers.

The improvement of the usability of the platform increased during the year, aimed at simplifying the work of the personal financial advisors both in the construction and rebalancing of portfolios, and more detail was added to the reporting to customers. The financial criteria have been updated to the new market parameters, with the expansion of the related asset classes and the addition of a new, almost entirely

equity-based, “risk/return 9” profile to the “Capital Appreciation with medium/high risk” objective.

The Fineco Stars advisory services also achieved highly positive results, continuing its growth and development: net sales from the beginning of the year reached €337 million, with an increase in the range of selected funds, which includes 21 fund selection strategies. In June the “Simulator” was released, a portfolio construction and analysis tool available to the personal financial advisors network as an aid for the advisory service. The digital signature feature was also extended to Fineco Stars, enabling the remote signing of the contract.

Lastly, 2015 confirmed the interest in advisory services in the form of insurance offering through the two unit-linked products CORE UNIT and ADVICE UNIT of Old Mutual Wealth Italy SPA, which generated sales of €620 million from the beginning of the year. In June the monitoring service for Advice Unit portfolios was released, which provides constant risk monitoring, including of the insurance product, in line with advanced advisory services.

With a view to further strengthening the interest in insurance advisory services, in the fourth quarter of 2015 the Bank launched the CORE Multiramo fund of Aviva S.p.A., a new umbrella fund, which together with the Core Unit and Advice Unit funds is the flagship product in the Bank’s insurance offering. Sales of CORE Multiramo since its launch came to €165 million at December 31, 2015.

The table below shows the amount of assets under management of the Bank’s customers, including both those linked to a personal financial advisor and those operating exclusively online.

(Amounts in € thousand)

	AMOUNTS AS AT		AMOUNTS AS AT		CHANGES	
	12.31.2015	%	12.31.2014	%	AMOUNT	%
UCITS and other investment funds	23,100,072	87.9%	21,176,945	89.6%	1,923,127	9.1%
Insurance products	3,163,241	12.0%	2,444,167	10.3%	719,074	29.4%
Segregated accounts	14,112	0.1%	14,782	0.1%	(670)	-4.5%
<b>Total assets under management</b>	<b>26,277,425</b>	<b>100.0%</b>	<b>23,635,894</b>	<b>100.0%</b>	<b>2,641,531</b>	<b>11.2%</b>

# The network of personal financial advisors

The personal financial advisors network continued to achieve improvements in various areas. In particular, there was an increase in sales and a strengthening of the organic sales (total net sales performance of the existing network up 51% on 2014), accompanied by growth in the acquisition of new customers and a further increase in the amount of assets in managed asset products, particularly in the advisory services component.

The Bank's business model, the structured planning approach and the advisory tools available, enable FinecoBank to promptly and effectively respond to the growing customer demand for advisory services even in periods of high market volatility.

The figures recorded by the PFA network in 2015 are as follows:

- total net sales of €4,940 million;
- net assets under management of €2,610 million;
- net sales of guided products and services of €3,400 million;
- new accounts opened during the year: 84,294 new accounts.

The focus continued on guided products and services which are a key factor and will remain so in the future, with an approach to investments increasingly oriented towards financial planning. This approach is becoming an increasingly common way of working and is highly appreciated by private banking customers.

Private banking customers represent a significant portion of the customer base and are showing steady, constant growth: 2% in terms of customers and 38% in terms of assets (an increase of 3% compared to 2014), placing the Bank among the top Italian Private Banks.

As for the Wealth Management segment, high-level training courses continued for the entire PFA network, and specifically for participants in the Fineco Wealth Advisor Forum.

Continuous, repeated communications campaigns and promotional initiatives were implemented to support growth and increase the impact of the Bank on the top customer segments.

There was also a continued focus on customer events organised across Italy, both in quantitative and qualitative terms, with significant impacts on results. Over 1,000 events were organised in 2015, which were attended by over 42,000 customers and prospects, who made a major contribution to total net sales. New customer events were held, dedicated to the top customer segment, with exclusive, high-value meetings.

Continuous investment in commercial facilities contributed to enhancing the Bank's image throughout the country, demonstrating significant attention to brand awareness.

As regards recruitment, 118 new personal financial advisors were appointed in 2015, with a background in sales networks and banking, and 79 "inexperienced" employees were recruited as part of the "youth programme". Also this area provided a major contribution to total net sales, which, however, are still driven primarily by the existing network, reflecting the unique strength of our model which enables healthy and organic growth.

As at December 31, 2015, the network was made up of 2,622 personal financial advisors, who operate countrywide through 343 financial shops (Fineco Centers), managed directly by the Company or by the personal financial advisors themselves.

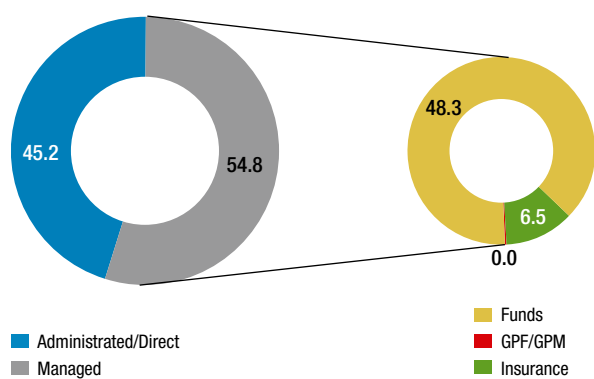
The table below shows the breakdown of sales attributable to the PFA network as at December 31, 2015 and December 31, 2014. Total financial assets, amounting to €46,951 million, increased by 13.2% compared to December 31, 2014.

## Total financial assets – Personal Financial Advisors Network – Assoreti figures

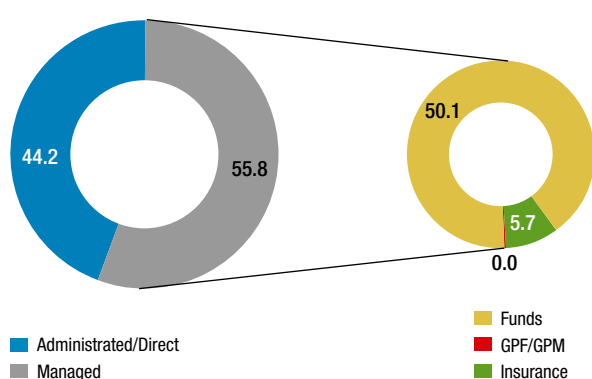
(Amounts in € thousand)

	AMOUNTS AS AT		AMOUNTS AS AT		CHANGES	
	12.31.2015	%	12.31.2014	%	AMOUNT	%
Current accounts and demand deposits	10,898,766	23.2%	8,605,117	20.7%	2,293,649	26.7%
Time deposits and reverse repos	438,741	0.9%	1,064,704	2.6%	(625,963)	-58.8%
<b>DIRECT DEPOSITS</b>	<b>11,337,507</b>	<b>24.1%</b>	<b>9,669,821</b>	<b>23.3%</b>	<b>1,667,686</b>	<b>17.2%</b>
Segregated accounts	14,112	0.0%	14,782	0.0%	(670)	-4.5%
UCITS and other investment funds	22,663,576	48.3%	20,772,136	50.1%	1,891,440	9.1%
Insurance products	3,070,003	6.5%	2,346,758	5.7%	723,245	30.8%
<b>ASSETS UNDER MANAGEMENT</b>	<b>25,747,691</b>	<b>54.8%</b>	<b>23,133,676</b>	<b>55.8%</b>	<b>2,614,015</b>	<b>11.3%</b>
Government securities, bonds and stocks	9,866,169	21.0%	8,669,714	20.9%	1,196,455	13.8%
<b>ASSETS UNDER CUSTODY</b>	<b>9,866,169</b>	<b>21.0%</b>	<b>8,669,714</b>	<b>20.9%</b>	<b>1,196,455</b>	<b>13.8%</b>
<b>TOTAL FINANCIAL ASSETS - PERSONAL FINANCIAL ADVISORS NETWORK</b>	<b>46,951,367</b>	<b>100.0%</b>	<b>41,473,211</b>	<b>100.0%</b>	<b>5,478,156</b>	<b>13.2%</b>
of which Guided products & services	11,805,963	25.1%	8,520,497	20.5%	3,285,466	38.6%

**Composition (%) of Total Stock of Assets Personal Financial Advisors Network as at December 31, 2015**



**Composition (%) of Total Stock of Assets Personal Financial Advisors Network as at December 31, 2014**



Total net sales for 2015 stood at €4,940 million, with a strong focus on assets under management and guided products and services, as described previously.

More specifically, net sales for managed assets amounted to €2,610 million, while guided products and services (CORE Series, CORE Unit, Advice, Advice Unit, Fineco STARS and Core Multiramo) generated €3,400 million in sales.

**Net sales – Personal Financial Advisors Network – Assoreti figures**

(Amounts in € thousand)

	YEAR 2015		YEAR 2014		CHANGES	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
Current accounts and demand deposits	2,293,650	46.4%	1,214,692	33.8%	1,078,958	88.8%
Time deposits and reverse repos	(656,428)	-13.3%	(313,766)	-8.7%	(342,662)	109.2%
<b>DIRECT DEPOSITS</b>	<b>1,637,222</b>	<b>33.1%</b>	<b>900,926</b>	<b>25.0%</b>	<b>736,296</b>	<b>81.7%</b>
Segregated accounts	(450)	0.0%	(27,301)	-0.8%	26,851	-98.4%
UCITS and other investment funds	1,911,557	38.7%	2,485,108	69.1%	(573,551)	-23.1%
Insurance products	699,083	14.2%	531,821	14.8%	167,262	31.5%
<b>ASSETS UNDER MANAGEMENT</b>	<b>2,610,190</b>	<b>52.8%</b>	<b>2,989,628</b>	<b>83.1%</b>	<b>(379,438)</b>	<b>-12.7%</b>
Government securities, bonds and stocks	692,453	14.0%	(292,186)	-8.1%	984,639	n.c.
<b>ASSETS UNDER CUSTODY</b>	<b>692,453</b>	<b>14.0%</b>	<b>(292,186)</b>	<b>-8.1%</b>	<b>984,639</b>	<b>n.c.</b>
<b>NET SALES - PERSONAL FINANCIAL ADVISORS NETWORK</b>	<b>4,939,865</b>	<b>100.0%</b>	<b>3,598,368</b>	<b>100.0%</b>	<b>1,341,497</b>	<b>37.3%</b>
of which Guided products & services	3,399,876	68.8%	2,724,459	75.7%	675,417	24.8%

# Human resources

As at December 31, 2015, the Bank's total workforce consisted of 1,067 employees compared to 1,022 as at December 31, 2014. The breakdown was as follows:

HUMAN RESOURCES	DECEMBER 31,2015	DECEMBER 31,2014
FinecoBank employees	1,059	1,008
Workers with atypical contracts (+)	-	3
Group employees seconded to FinecoBank (+)	2	4
FinecoBank employees seconded to the Group (-)	(2)	(1)
<b>Total human resources excluding Directors</b>	<b>1,059</b>	<b>1,014</b>
Directors (+)	8	8
<b>Total human resources</b>	<b>1,067</b>	<b>1,022</b>

During 2015, activities continued to strengthen and optimise the areas dedicated to business development, organisational support and risk control and management. This led to the hiring of 102 human resources, of which:

- 14 from other Group companies;
- 88 from the market.

Of the 88 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, 41 temporary contracts were converted into permanent contracts, mainly in the Customer Relationship Management area, thereby not only guaranteeing business continuity, but also capitalising on the skills and expertise already present within the business.

In 2015, there was significant Internal job rotation, involving 42 employees, through which vacant positions within the company were filled, while also ensuring the continued professional development of staff.

In 2015, a total of 51 employees left the bank, of which:

- 6 through resignations;
- 23 transfers to Group companies;
- 22 for other reasons (e.g. termination of maternity replacement contract).

Overall, the staff turnover was 5%.

The breakdown of the Bank's employees was as follows:

CATEGORY	MEN		WOMEN		TOTAL	
	12.31.2015	12.31.2014	12.31.2015	12.31.2014	12.31.2015	12.31.2014
Executives	22	23	4	3	26	26
Managers	218	203	94	81	312	284
Professional Areas	352	345	369	353	721	698
<b>Total</b>	<b>592</b>	<b>571</b>	<b>467</b>	<b>437</b>	<b>1,059</b>	<b>1,008</b>

As at December 31, 2015 part-time staff in the Bank amounted to 83, accounting for 7.8% of employees, with women employees representing around 44% of the workforce. The average length of service was 7.5 years and the average age was around 39.

## Employee training

During 2015, employee training concentrated both on acquiring and consolidating staff skills based on the company's needs, as well as on the continuous professional development of individual abilities, with specific focus on mandatory, management, technical and foreign language training.

TRAINING AREA	HOURS OF TRAINING
Mandatory	3,002
Technical	11,781
Foreign Language	8,054
Conduct - Management	2,118
<b>Total</b>	<b>24,955</b>

### Mandatory training

The Bank is committed to constantly establishing and strengthening a risk and compliance culture, across the organisation, which enables our business be profitable but also sustainable over time. For this reason, the Bank paid significant 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. Staff attendance at the courses was monitored in order to ensure that all employees acquired full understanding of the mandatory subjects, thereby protecting the Bank against operational, legal and reputational risk.

Particular attention was paid to Anti-fraud training, with the provisions of a mandatory online course ("Introduction to Fraud and Forensic Auditing") to a number of colleagues.

### Management training

The year 2015 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.

### Technical and conduct training

In 2015, training sessions were organised for the acquisition of technical skills needed to improve business productivity and the level of employee specialisation.

In the Customer Care area, a total of 7,515 hours of training courses were held for "new recruits" on technical subjects, as well as "ongoing" training courses on technical and conduct-related 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

Foreign language training in 2015 involved 323 employees in English courses (classroom-based or via telephone). In some cases (e.g. for Executives), "one-to-one" training courses in Business English were provided. Employees are assigned to participate in foreign language training courses based on requests made by the individual unit managers, according to the specific professional needs of colleagues.

## Technology infrastructure

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

- Banking application software;
- On-line Trading system (dedicated applications for the real-time sale/purchase of securities and financial instruments on the main European and US 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 the Visa and MasterCard circuits;
- A personal financial advisors network management system, enabling advisors to work with all the Bank's products through a single portal.

In 2015, the ICT Area carried out its usual activities for the technological upgrading, consolidation and development of the Information System in order to provide new and more versatile added value services to customers.

Specifically, from an architectural perspective, work continued on optimising infrastructure and applications, as well as the continuous improvement and fine-tuning of the applications security architecture. In particular, the infrastructure technology components for the provision of the Trading Online service were updated.

In the Banking and Investing areas, the main project activities completed included:

- the extension of the Remote Digital and Graphometric Signature for an increasing number of products and services offered to customers;
- the improvement of the ADVICE and STARS advisory services offered to customers.

Work in the Trading area included:

- the activation of new USA and UK CFD Equity products;
- the possibility of setting up the transferability of securities accounts from other banks online.

Developments in the Regulatory area included the issue of the new MIFID Questionnaire.

## Internal control system

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

Circular no. 285 of December 17, 2013 - 14th update of July 24, 2015 - defines the principles and guidelines to which the internal control system of banks must conform. The circular defines the general principles of organisation, identifies the role and responsibilities of governing bodies, and sets out the characteristics and roles of corporate control functions.

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

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

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

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

- verifying the implementation of the Bank's strategies and policies;
- containing risk within the limits set out in the Bank's Risk Appetite Framework - "RAF";
- preventing the Bank's involvement, including 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 company processes;
- ensuring the security and reliability of the company information and ICT procedures;
- ensuring compliance of transactions with the law and supervisory regulations, as well as internal policies, procedures and regulations.

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

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

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

- control bodies and functions including, according to their respective responsibilities, the Board of Directors, the Audit and Related Parties Committee, the Remuneration and Appointments Committee, the Chief Executive Officer and the General Manager<sup>2</sup>, the Board of Statutory Auditors, the Supervisory Body set up pursuant to Legislative Decree 231/01 and the corporate control functions (Risk Management, Compliance<sup>3</sup>, Internal Audit) as well as other company functions with specific internal control duties<sup>4</sup>;
- procedures for the coordination of entities involved in the internal control and risk management system, which provide for:
  - cooperation and coordination among control functions, through specific information flows that are formalised in internal regulations and through managerial committees dedicated to control issues;
  - application of the Group coordination model defined as part of the management and coordination activity carried out by the Parent Company;
  - definition of information flows both between corporate bodies and control functions within the Bank, and with the Parent Company, in order to enable the latter to properly carry out its management and coordination activities.

Finally, it should be noted that, under Article 49, paragraph 1, of the Regulation (EU) No. 468/2014 of the European Central Bank (ECB/2014/17) (the SSM - single supervisory mechanism - Framework Regulation), on 4 September 2014 the ECB published a list, which was updated on 30 December 2015, containing the names of supervised entities and groups that come under the direct supervision of the ECB ("significant supervised entities" and "significant supervised groups", as defined in Article 2, points 16) and 22) of the SSM Framework Regulation), indicating the specific reason for direct supervision for each of them, and, if classified as significant based on size, the total value of the assets of the entity or group supervised.

The Bank, as a "credit institution established in a participating Member State" belonging to the UniCredit Group (classified as a "significant supervised group"), is included in the list of "significant supervised entities".

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. For the Bank in particular, these include the Local Control System for legislation concerning related-party transactions carried out with associated persons in a conflict of interest situation (under the responsibility of the Corporate 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 Occupational Health and Safety Officer; 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 under their responsibility.

# Main risks and uncertainties

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

## Organisational structure

The organisational structure of the Bank is consistent with the Group Organisation Guidelines issued by the Parent Company UniCredit S.p.A.

The Guidelines set out organisational principles and rules designed to ensure their uniform application across all Group Legal Entities, through:

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

The Group Organisation Guidelines set out structured organisational rankings on four levels (Division, Department, Unit and Team) based on their size and the organisational complexity of the operations overseen.

In 2015, several changes were made to the organisational structure. Specifically, in the Investment Services and Wealth Management Department, the advisory service was upgraded, and its strengthened position as the focal point of the Bank's business model made it necessary to reorganise the Advice Unit, also to guarantee effective oversight of the activities and related risks.

Specifically:

- the *Advice Financial Service Management* team was replaced with two new teams: *Portfolio Modelling* and *Financial Logic & Portfolio Monitoring*;
  - the *Portfolio Modelling* team draws up the portfolio model, classifies and maps the financial instruments included in the Advice advisory service and oversees the commissions paid by customers;
  - the *Financial Logic & Portfolio Monitoring* team develops and manages qualitative and statistical models relating to the Advice advisory service, monitoring its ex ante and ex post risk;
- the *Specialised Support and Advice Promotion* team was renamed the *Advice Network Support* team. The team is tasked with supporting the Fineco personal financial advisors network with regard to the advisory service, on financial issues as well as more operational issues.

Also note that as a result of the new provisions on Business Continuity, introduced by the 15th update of July 2, 2013 to the Bank of Italy Circular no. 263 "New Regulations for the prudential supervision of banks", it was necessary to set up greater controls in relation to additional responsibilities of intermediaries. In order to fully highlight the responsibilities assigned, the *Organisational Development, Sizing and Processes* Unit was renamed to *Organisational Development and Business Continuity*.

During 2015, in order to ensure greater oversight to guarantee an adequate tax advisory process to support the Bank's operations, within the Chief Financial Officer (CFO) Department, the Tax Affairs Unit was also reorganised, by:

- renaming the Tax Affairs Unit to Tax Affairs & Advisory;
- creating two teams that report to the Tax Affairs and Advisory Unit:
  - *Tax Administration*, in charge of overseeing the correct fulfilment of the Bank's tax obligations;
  - *Tax Advisory*, in charge of providing assistance on tax matters to all organisational structures of the Bank required to fulfil tax obligations.

Also in 2015, following an increase in the complexity of the requirements and a specialisation in the activities relating to the management of the Bank's remuneration policy, changes were made within the Human Resources Unit consisting of the creation of the HR Planning & Compensation team the changing of the name of the HR Planning, Legal/Labour Relations & Administration unit to Industrial Relations, Labour Law & HR Services.

In addition, the Securities Operations Department was reorganised to better define and distribute certain activities and responsibilities, also with a view to optimising the span of control of the entire department, which involved the upgrading of the Securities Accounts Administration team to the status of unit reporting directly to the Management.



## Organisational Model

The Bank's current organisational model is based on a functional model, which favours economies of scale and facilitates the development of vertical skills and knowledge within each area. The model guarantees the necessary decision-making mechanisms, whilst maintaining the "horizontal link" between the various functions. Although the current arrangement applies the concept of "functional specialisation", a project-based approach is maintained for every phase of definition and release of products and services.

The horizontal links are guaranteed by the work of specific committees that monitor business lines and the progress of the most important projects, also to guarantee the necessary synergies of distribution channels.

The following organisational units report to the Chief Executive Officer 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 organisational 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 PFA Network Department is responsible for overseeing the management and development of the personal financial advisors network;
- 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 the Bank's Customers;

- The Direct Bank Department is responsible for overseeing the development of new products and services in the two components 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 organisational units in charge of monitoring the organisational/operating processes and the ICT and logistics systems needed to ensure the effective and efficient operation of business support systems. The following organisational units report to the GBS Department: Information Security & Fraud Management Team, ICT – Information & Communication Technology Department, CRM – Customer Relationship Management Department, Organisation & Bank Operations Department, Financial Operations Department, Network Services Unit, General Services Unit.

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

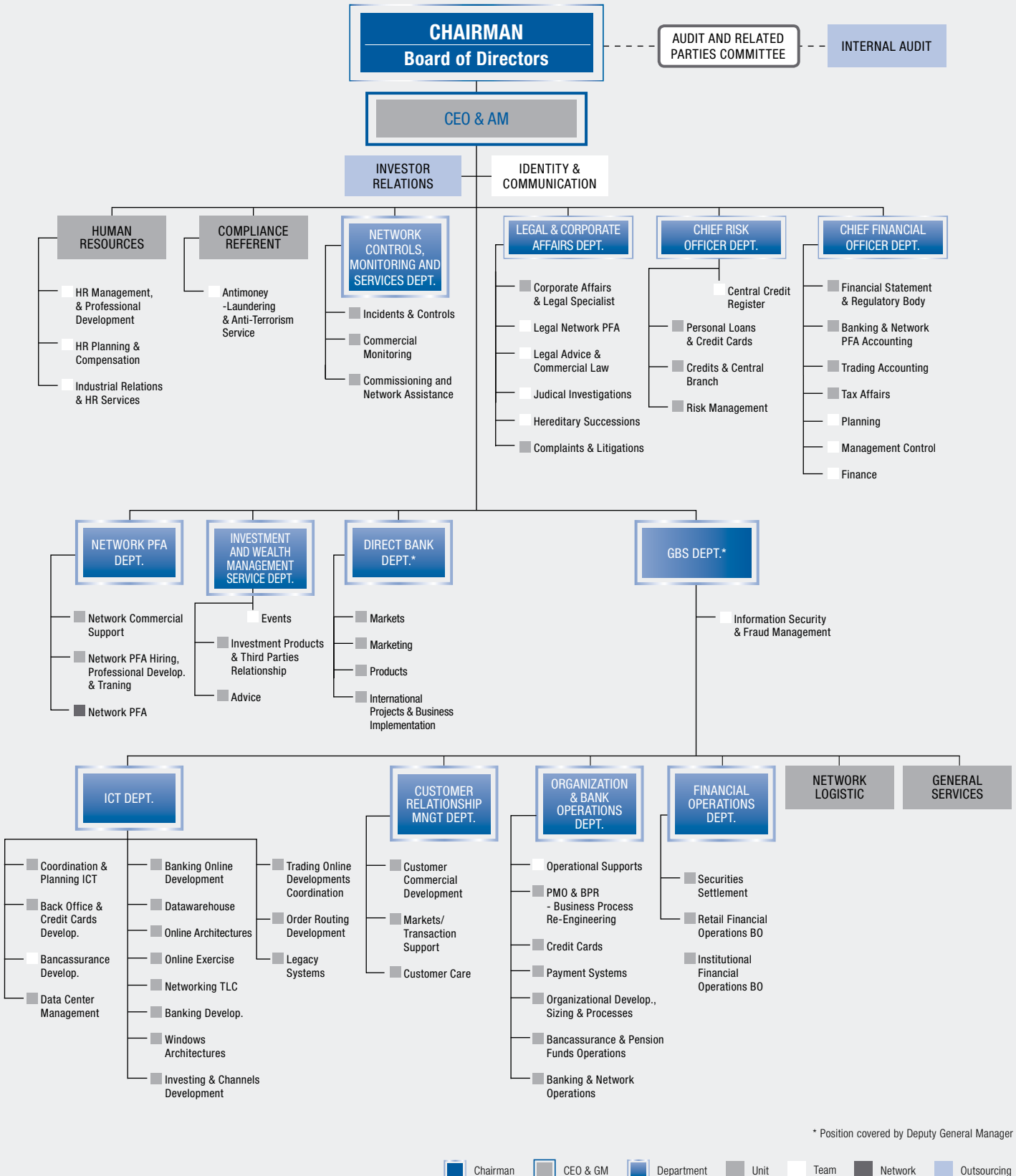
As regards audit activities, the Bank, in line with the instructions of the Parent Company, has adopted an outsourcing model based on a specific service agreement signed with UniCredit S.p.A. Under the model, the Audit and Related Parties Committee (a committee established within the Board of Directors) 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 represents the Bank vis à vis the national and international financial community, an outsourcing model has been adopted based on a specific service contract with UniCredit S.p.A.

# Organisational structure (CONTINUED)

The organizational structure of Fineco is as follows:



\* Position covered by Deputy General Manager



# Business continuity plan (BCP)

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

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

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

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

## Main balance sheet aggregates

(Amounts in € thousand)

ASSETS	AMOUNTS AS AT		CHANGES	
	12.31.2015	12.31.2014	AMOUNT	%
Cash and cash balances	6	5	1	20.0%
Financial assets held for trading	3,983	3,054	929	30.4%
Loans and receivables with banks	14,648,904	13,892,197	756,707	5.4%
Loans and receivables with customers	922,774	695,594	227,180	32.7%
Financial investments	2,245,982	1,695,555	550,427	32.5%
Hedging instruments	10,573	24,274	(13,701)	-56.4%
Property, plant and equipment	12,419	10,892	1,527	14.0%
Goodwill	89,602	89,602	-	-
Other intangible assets	8,212	8,142	70	0.9%
Tax assets	15,424	18,550	(3,126)	-16.9%
Other assets	370,070	326,756	43,314	13.3%
<b>Total assets</b>	<b>18,327,949</b>	<b>16,764,621</b>	<b>1,563,328</b>	<b>9.3%</b>

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT		CHANGES	
	12.31.2015	12.31.2014	AMOUNT	%
Deposits from banks	1,423,459	1,428,568	(5,109)	-0.4%
Deposits from customers	15,822,459	13,914,712	1,907,747	13.7%
Debt securities in issue	-	424,710	(424,710)	-100.0%
Financial liabilities held for trading	4,100	3,135	965	30.8%
Hedging instruments	31,319	46,220	(14,901)	-32.2%
Provisions for risks and charges	120,534	118,031	2,503	2.1%
Tax liabilities	37,445	33,358	4,087	12.3%
Other liabilities	255,835	243,633	12,202	5.0%
Shareholders' Equity	632,798	552,254	80,544	14.6%
- capital and reserves	430,119	400,085	30,034	7.5%
- revaluation reserves available-for-sale financial assets and actuarial gains (losses) for defined benefits plans	11,626	2,262	9,364	414.0%
- net profit (loss)	191,053	149,907	41,146	27.4%
<b>Total liabilities and shareholders' equity</b>	<b>18,327,949</b>	<b>16,764,621</b>	<b>1,563,328</b>	<b>9.3%</b>

## Financial assets held for trading

Financial assets held for trading consist of:

- bonds, equities, and UCIT units classified as HFT (held for trading), amounting to €0.6 million, 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") of €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 of €2.3 million.

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

### Loans and receivables with banks

(Amounts in € thousand)

	AMOUNTS AS AT		CHANGES	
	12.31.2015	12.31.2014	AMOUNT	%
Current accounts and demand deposits	1,251,070	1,476,280	(225,210)	-15.3%
Time deposits	1,914,662	2,894,321	(979,659)	-33.8%
Other loans:				
1 Reverse repos	1,906	5,794	(3,888)	-67.1%
2 Others	36,917	27,472	9,445	34.4%
Debt securities	11,444,349	9,488,330	1,956,019	20.6%
<b>Total</b>	<b>14,648,904</b>	<b>13,892,197</b>	<b>756,707</b>	<b>5.4%</b>

Loans and receivables with banks for current accounts and demand deposits mainly consist of accounts held with UniCredit, with a book value of €1,224.2 million (€1,450.7 million as at December 31, 2014), and to a lesser extent, of current accounts held with other banks not belonging to the UniCredit group for transactions in securities.

Time deposits consist of the deposit held with UniCredit for compulsory reserves, which stood at €151.5 million (€131.9 million as at December 31, 2014), in addition to time deposits held with UniCredit for an amount of €1,763.2 million (€2,762.4 million as at December 31, 2014), opened to invest the liquidity collected through repos and CashPark transactions with retail customers and through repos with credit institutions, with the same maturities.

In the item Other loans, the item "Other" relates to the amount of the initial and variance margins placed with credit institutions for derivative

transactions, of which €8.2 million with UniCredit and €21.6 million with UniCredit Bank AG Monaco (23.2 million at December 31, 2014), as well as current receivables related to 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 €11,444.3 million (€9,488.3 million at December 31, 2014).

The increase, compare to the end of the prior year, was mainly generated by liquidity investment transactions carried out, for a total amount of €2,460 million and \$50 million, through the purchase of UniCredit medium/long-term variable-rate bonds. During 2015 there were redemptions of UniCredit bonds that reached maturity were redeemed for a total of €550 million and \$30 million.

## Main balance sheet aggregates (CONTINUED)

## Loans and receivables with customers

(Amounts in € thousand)

	AMOUNTS AS AT		CHANGES	
	12.31.2015	12.31.2014	AMOUNT	%
Current accounts	215,038	130,765	84,273	64.4%
Reverse repos	198,951	118,014	80,937	68.6%
Mortgages	46	58	(12)	-20.7%
Credit cards and personal loans	396,750	346,465	50,285	14.5%
Other loans	111,989	100,291	11,698	11.7%
Debt securities	-	1	(1)	-100.0%
<b>Total</b>	<b>922,774</b>	<b>695,594</b>	<b>227,180</b>	<b>32.7%</b>

Loans and receivables with customers, amounting to €922.8 million, essentially consisted of:

- €614 million in loans;
- €199 million in reverse repos;
- €26.7 million in collateral deposits and initial and variation margins for derivative contract transactions;
- €83.1 million relating to current receivables associated with the provision of financial services.

(Amounts in € thousand)

LOANS AND RECEIVABLES WITH CUSTOMERS (MANAGEMENT RECLASSIFICATION)	AMOUNTS AS AT		CHANGES	
	12.31.2015	12.31.2014	AMOUNT	%
Current accounts	211,273	128,270	83,003	64.7%
Credit card use	259,171	243,115	16,056	6.6%
Personal loans	136,550	101,697	34,853	34.3%
Other loans	2,139	1,438	701	48.7%
<i>Performing loans</i>	<i>609,133</i>	<i>474,520</i>	<i>134,613</i>	<i>28.4%</i>
Current accounts	3,765	2,495	1,270	50.9%
Mortgages	46	58	(12)	-20.7%
Credit card use	67	104	(37)	-35.6%
Personal loans	962	1,549	(587)	-37.9%
Other loans	27	26	1	3.8%
<i>Impaired loans</i>	<i>4,867</i>	<i>4,232</i>	<i>635</i>	<i>15.0%</i>
<b>Loans</b>	<b>614,000</b>	<b>478,752</b>	<b>135,248</b>	<b>28.3%</b>
Reverse repos	198,941	117,987	80,954	68.6%
Reverse repos - impaired	10	27	(17)	-63.0%
Collateral deposits and initial and variation margins	26,721	23,122	3,599	15.6%
Current receivables associated with the with the provision of financial services	83,102	75,705	7,397	9.8%
Debt securities	-	1	(1)	-100.0%
<b>Current receivables and other receivables</b>	<b>308,774</b>	<b>216,842</b>	<b>91,932</b>	<b>42.4%</b>
<b>Loans and receivables with customers</b>	<b>922,774</b>	<b>695,594</b>	<b>227,180</b>	<b>32.7%</b>

Reverse repos consist of "Multiday leverage" transactions, and securities lending transactions guaranteed by sums of money readily available to the lender, which are basically the equivalent of repos on securities.

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

The portfolio of loans mainly consists of receivables for personal loans, current accounts and credit card use. Overall, loans increased by 28.3%.

## Impaired assets

(Amounts in € thousand)

CATEGORY	GROSS EXPOSURE		TOTAL IMPAIRMENT		NET EXPOSURE		COVERAGE RATIO	
	AMOUNTS AS AT		AMOUNTS AS AT		AMOUNTS AS AT		DATA AS AT	
	12.31.2015	12.31.2014	12.31.2015	12.31.2014	12.31.2015	12.31.2014	12.31.2015	12.31.2014
Non-performing loans	21,819	19,845	(18,319)	(16,686)	3,500	3,159	83.96%	84.08%
Unlikely to pay	2,181	1,381	(1,387)	(928)	794	453	63.59%	67.20%
Past-due loans	1,195	1,272	(612)	(625)	583	647	51.21%	49.14%
<b>Total</b>	<b>25,195</b>	<b>22,498</b>	<b>(20,318)</b>	<b>(18,239)</b>	<b>4,877</b>	<b>4,259</b>	<b>80.64%</b>	<b>81.07%</b>

Impaired loans net of impairment losses amounted to €4.9 million, of which €3.5 million of non-performing loans, €0.8 million unlikely to

pay and €0.6 million of past-due loans. Impaired loans mostly related to current account overdrafts, credit card use and personal loans.

## Financial investments

(Amounts in € thousand)

	AMOUNTS AS AT		CHANGES	
	12.31.2015	12.31.2014	AMOUNT	%
Available-for-sale financial assets	2,245,982	1,695,555	550,427	32.5%
<b>Total</b>	<b>2,245,982</b>	<b>1,695,555</b>	<b>550,427</b>	<b>32.5%</b>

*Available-for-sale financial assets* consisted of debt securities issued by governments, in particular Italian government securities, for a book value of €1,639 million (€1,685.1 million as at December 31, 2014), French government securities, for a book value of €10.4 million (€10.4 million as at December 31, 2014), and Spanish government securities, for a book value of €586.1 million (purchased in 2015). A part of the debt securities classified in the *Available-for-sale financial assets* portfolio is entirely used as collateral for bankers' drafts or guarantees with third parties for a book value of €131.4 million.

This item also includes equity investments in companies in which the Bank does not exercise control or have a significant influence, for an amount of €10.5 million primarily consisting of the equity investment (consisting of a share) in Visa Europe Limited. In this

regard, at the end of 2015 the Bank received an offer from Visa Inc. for the purchase of above-mentioned Visa Europe Limited share. This offer involved a consideration consisting of a part in cash and a part in Visa Inc preferred shares, convertible into ordinary shares by the latter at a future date, upon satisfaction of certain conditions, in addition to a potential earn-out. As a result of the offer, the Visa Europe Limited share, previously recognised at cost, was remeasured at fair value, recognising the corresponding revaluation under "other comprehensive income with reclassification through profit or loss" of the statement of comprehensive income, and consequently as an increase in revaluation reserves, for an amount of €9.8 million. The transaction is expected to be completed during 2016.

## Main balance sheet aggregates (CONTINUED)

## Hedging instruments

(Amounts in € thousand)

	AMOUNTS AS AT		CHANGES	
	12.31.2015	12.31.2014	AMOUNT	%
Asset hedging derivatives - positive valuations	-	11,554	(11,554)	-100.0%
Liability hedging derivatives - positive valuations	-	7,693	(7,693)	-100.0%
Adjustments to the value of assets under portfolio hedge	10,573	5,027	5,546	110.3%
<b>Total assets</b>	<b>10,573</b>	<b>24,274</b>	<b>(13,701)</b>	<b>-56.4%</b>
of which:				
Positive valuations	-	19,842	(19,842)	-100.0%
Accrued interest	-	(595)	595	-100.0%
Adjustments to the value of hedged assets	10,573	5,027	5,546	110.3%
<b>Total assets</b>	<b>10,573</b>	<b>24,274</b>	<b>(13,701)</b>	<b>-56.4%</b>
Asset hedging derivatives - negative valuations	31,319	36,993	(5,674)	-15.3%
Liability hedging derivatives - negative valuations	-	-	-	-
Adjustments to the value of liabilities under portfolio hedge	-	9,227	(9,227)	-100.0%
<b>Total liabilities</b>	<b>31,319</b>	<b>46,220</b>	<b>(14,901)</b>	<b>-32.2%</b>
of which:				
Negative valuations	24,240	30,793	(6,553)	-21.3%
Accrued interest	7,079	6,200	879	14.2%
Adjustments to the value of hedged liabilities	-	9,227	(9,227)	-100.0%
<b>Total liabilities</b>	<b>31,319</b>	<b>46,220</b>	<b>(14,901)</b>	<b>-32.2%</b>

(Amounts in € thousand)

Summary of hedging derivatives valuations as at December 31, 2015	Assets	Liabilities	Difference
Valuation of hedging derivatives for assets and liabilities	-	24,240	(24,240)
Change in fair value of hedged assets/liabilities	10,573	-	10,573
Revaluation reserve before related taxation	-	(13,520)	13,520
<b>Total</b>	<b>10,573</b>	<b>10,720</b>	<b>(147)</b>

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".

Positive and negative valuations of hedging derivatives related 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 of €7 million, was a negative amount of €0.2 million.



## 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 the Bank's departments, and in particular by the IT department.

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

(Amounts in € thousand)

PROPERTY, PLANT AND EQUIPMENT	BALANCE 01.01.2015	INVESTMENTS YEAR 2015	OTHER CHANGES- SALES	DEPRECIATION AND IMPAIRMENT YEAR 2015	BALANCE 12.31.2015
Properties	2,621	-	-	(112)	2,509
Electronic machines	6,136	4,257	(1)	(2,817)	7,575
Office furniture and fittings	927	720	(4)	(579)	1,064
Plant and machinery	1,208	518	-	(455)	1,271
<b>TOTAL</b>	<b>10,892</b>	<b>5,495</b>	<b>(5)</b>	<b>(3,963)</b>	<b>12,419</b>

## Goodwill

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

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

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

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

Impairment testing on goodwill, performed on December 31, 2015, did not identify any impairment. For all other information on the impairment testing, see Part B) – Balance Sheet Information in the Notes to the Accounts.

## Other intangible assets

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

(Amounts in € thousand)

INTANGIBLE ASSETS	BALANCE 01.01.2015	INVESTMENTS YEAR 2015	OTHER CHANGES- SALES	AMORTISATION AND IMPAIRMENT YEAR 2015	BALANCE 12.31.2015
Software	6,969	4,721	-	(4,533)	7,157
Other intangible assets	1,173	338	-	(456)	1,055
<b>TOTAL</b>	<b>8,142</b>	<b>5,059</b>	<b>-</b>	<b>(4,989)</b>	<b>8,212</b>

## Main balance sheet aggregates (CONTINUED)

## Tax Assets and Other Assets

(Amounts in € thousand)

	AMOUNTS AS AT		CHANGES	
	12.31.2015	12.31.2014	AMOUNT	%
<b>Tax assets</b>				
Current assets	1,733	2,179	(446)	-20.5%
Deferred tax assets	37,063	37,025	38	0.1%
Deferred tax assets pursuant to Law 214/2011	4,401	3,839	562	14.6%
<i>Total before IAS 12 offset</i>	<i>43,197</i>	<i>43,043</i>	<i>154</i>	<i>0.4%</i>
Offsetting with deferred tax liabilities - IAS 12	(27,773)	(24,493)	(3,280)	13.4%
<b>Total Tax assets</b>	<b>15,424</b>	<b>18,550</b>	<b>(3,126)</b>	<b>-16.9%</b>
<b>Other assets</b>				
Items in processing	17	24	(7)	-29.2%
Items awaiting settlement	10,021	9,169	852	9.3%
Definitive items not recognised under other items	43,039	53,600	(10,561)	-19.7%
Current receivables not associated with the provision of financial services	3,163	4,576	(1,413)	-30.9%
Tax items other than those included in the item "Tax assets"	285,875	235,072	50,803	21.6%
Prepayments	19,950	15,109	4,841	32.0%
Improvement and incremental expenses incurred on leasehold assets	7,849	9,081	(1,232)	-13.6%
Other items	156	125	31	24.8%
<b>Total other assets</b>	<b>370,070</b>	<b>326,756</b>	<b>43,314</b>	<b>13.3%</b>

There were no significant changes in "Tax assets" compared to the prior year.

"Deferred tax liabilities" increased by €3.3 million, mainly due to the revaluation of bond securities held in the Available-for-sale financial assets portfolio.

It is also noted that Deferred tax assets are shown in the Balance Sheet

net of the relevant Deferred tax liabilities, where the requirements set out in IAS 12 are met.

With regard to "Other assets", the main change was the increase of €50.8 million in "Tax items other than those included in the item Tax Assets" as a result of higher advance tax paid, as a withholding agent.

## Deposits from banks

(Amounts in € thousand)

	AMOUNTS AS AT		CHANGES	
	12.31.2015	12.31.2014	AMOUNT	%
<b>Deposits from central banks</b>	-	-	-	-
<b>Deposits from banks</b>				
Current accounts and demand deposits	68,848	25,057	43,791	174.8%
Loans				
Repos	1,313,191	1,337,843	(24,652)	-1.8%
Other liabilities	41,420	65,668	(24,248)	-36.9%
<b>Total</b>	<b>1,423,459</b>	<b>1,428,568</b>	<b>(5,109)</b>	<b>-0.4%</b>

The item Current accounts and demand deposits mainly consisted of reciprocal current accounts and loans with UniCredit, amounting to €58.8 million (€17.3 million as at December 31, 2014), as well as reciprocal current accounts and loans with banks outside the Group of €10 million.

Repos included €1,186.3 million in transactions carried out with

UniCredit (€1,256.6 million as at December 31, 2014) and €41.7 million of transactions carried out with UniCredit AG Monaco (€27.1 million as at December 31, 2014).

The item other liabilities also includes margin variations received from UniCredit for trading in repos, with a book value of €40.6 million (€64.6 million as at December 31, 2014).

## Deposits from customers

Deposits from customers, mainly consisting of current accounts, the

Cash Park deposit account and Supersave repos, totalled €15,822.5 million, up 13.7% compared to December 31, 2014.

(Amounts in € thousand)

	AMOUNTS AS AT		CHANGES	
	12.31.2015	12.31.2014	AMOUNT	%
Current accounts and demand deposits	14,985,275	12,246,966	2,738,309	22.4%
Time deposits	560,114	1,315,731	(755,617)	-57.4%
Loans				
Repos	199,817	281,178	(81,361)	-28.9%
Other liabilities	77,253	70,837	6,416	9.1%
<b>Deposits from customers</b>	<b>15,822,459</b>	<b>13,914,712</b>	<b>1,907,747</b>	<b>13.7%</b>

The increase in current accounts and demand deposits was also driven by the transfer of the sales of Cash Park time deposits and Supersave repos, which recorded a decrease as a result of the reduction in the remuneration rates.

The item other liabilities comprises current payables related to the provision of financial services, totalling €32.5 million (€31.4 million

as at December 31, 2014), initial and variance margins for derivative transactions, which came to €24.4 million (€21.8 million as at December 31, 2014) and other liabilities for rechargeable credit cards and bankers' drafts, amounting to €20.4 million (€17.6 million at December 31, 2014).

## Debt securities in issue

(Amounts in € thousand)

	AMOUNTS AS AT		CHANGES	
	12.31.2015	12.31.2014	AMOUNT	%
Bonds	-	424,710	(424,710)	-100.0%

In 2015, the Bank redeemed its own bonds for €400 million and \$30 million, representing the last tranche of the total amounts of €3,000

million and \$100 million (repurchased for €2,600 million and \$70 million in previous years).

## Financial liabilities held for trading

Financial liabilities held for trading consist of:

- the negative valuation of spot contracts for securities in the HFT portfolio and currencies to be settled in time frames established by market practices ("regular way") of €1 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 of CFDs on Forex of €3.1 million.

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

## Main balance sheet aggregates (CONTINUED)

## Provisions for risks and charges

Provisions for risks and charges includes allowances totalling €120.5 million, for which, given a liability of uncertain amount and expiry, a current obligation was identified as the result of a past event and it was possible to make a reliable estimate of the amount resulting from the fulfilment of said obligation.

The disbursements, with estimated maturity exceeding 18 months,

were discounted to present value using a rate equal to the time value of money.

“Staff expenses” include the provisions made for the variable remuneration to be paid to employees in subsequent years, which have an uncertain due date and/or amount. This item also includes the estimated integration costs for the Bank in relation to the Business Plan of the UniCredit Group, whose revision was approved on November 11, 2015.

(Amounts in € thousand)

	AMOUNTS AS AT		CHANGES	
	12.31.2015	12.31.2014	AMOUNT	%
<b>Legal disputes</b>	<b>43,458</b>	<b>49,650</b>	<b>(6,192)</b>	<b>-12.5%</b>
- Pending cases	35,225	36,205	(980)	-2.7%
- Claims	8,233	13,445	(5,212)	-38.8%
<b>Staff expenses</b>	<b>9,570</b>	<b>7,805</b>	<b>1,765</b>	<b>22.6%</b>
<b>Other</b>	<b>67,506</b>	<b>60,576</b>	<b>6,930</b>	<b>11.4%</b>
- Supplementary customer indemnity provision	51,139	44,114	7,025	15.9%
- Contractual payments and payments under non-competition agreements	2,270	2,269	1	0.0%
- Tax disputes	7,034	7,298	(264)	-3.6%
- Other provisions	7,063	6,895	168	2.4%
<b>Total provisions for risks and charges - other provisions</b>	<b>120,534</b>	<b>118,031</b>	<b>2,503</b>	<b>2.1%</b>

## Tax liabilities and Other liabilities

(Amounts in € thousand)

	AMOUNTS AS AT		CHANGES	
	12.31.2015	12.31.2014	AMOUNT	%
<b>Tax liabilities</b>				
Current liabilities	37,445	33,358	4,087	12.3%
Deferred tax liabilities	27,773	24,493	3,280	13.4%
<i>Total before IAS 12 offset</i>	<i>65,218</i>	<i>57,851</i>	<i>7,367</i>	<i>12.7%</i>
Offsetting with Prepaid tax assets - IAS 12	(27,773)	(24,493)	(3,280)	13.4%
<b>Total Tax liabilities</b>	<b>37,445</b>	<b>33,358</b>	<b>4,087</b>	<b>12.3%</b>
<b>Other liabilities</b>				
Impairment of financial guarantees given	1,416	1,416	-	0.0%
Items in processing	2,966	1,335	1,631	122.2%
Items awaiting settlement	46,681	41,031	5,650	13.8%
Definitive items not recognised under other items	39,448	31,888	7,560	23.7%
Payables for share-based payments or shares of the Parent Company UniCredit	2,491	2,025	466	23.0%
Payables to employees and other personnel	6,611	6,549	62	0.9%
Payables to Directors and statutory auditors	187	212	(25)	-11.8%
Current payables not associated with the provision of financial services	21,804	25,075	(3,271)	-13.0%
Tax items other than those included in the item “Tax liabilities”	106,060	107,717	(1,657)	-1.5%
Social security contributions payable	5,829	5,576	253	4.5%
Illiquid items for portfolio transactions	16,569	15,197	1,372	9.0%
Other items	927	786	141	17.9%
Employee severance pay provision	4,846	4,826	20	0.4%
<b>Total Other Liabilities</b>	<b>255,835</b>	<b>243,633</b>	<b>12,202</b>	<b>5.0%</b>

The increase of €7.4 million in “Tax liabilities” (before IAS 12 offset), was mainly attributable to:

- the increase in the item “Current liabilities” for payables to tax authorities due to higher income taxes for the year resulting from an increase in taxable income;
- the increase in the item “Deferred tax liabilities” resulting from the evaluation of the securities in the “Available for sale financial assets” portfolio.

It is also noted that deferred tax liabilities are shown in the Balance Sheet as offsetting Deferred tax assets where the requirements of IAS 12 are met.

With regard to “Other liabilities” there was an increase of €5.6 million in “Items awaiting settlement ” for outgoing credit transfers and of €7.6 million in “Definitive items not recognised under other items” for the service of payment of the mandates received from customers.

## Shareholders' equity

As at December 31, 2015, the Bank's share capital came to €200 million, divided into 606,515,733 ordinary shares with a par value of €0.33 each.

The reserves consisted of the:

- Share premium reserve, amounting to €1.9 million;
- Legal reserve, amounting to €40 million;
- Extraordinary reserve, amounting to €166.1 million;
- Reserve for treasury shares held, amounting to €8.6 million;
- Reserve related to equity-settled plans, amounting to €21.9 million.

Following the Board of Directors' resolution of February 9, 2015, for the execution of the “2014 Key People Plan” approved by the Shareholders' Meeting of June 5, 2014, the share capital was increased through a bonus issue by an amount of €79,761.00, corresponding to 241,700 ordinary shares, with consequent reduction of the available retained earnings.

The “Reserve for treasury shares to be purchased”, which had a carrying amount of €15 million as at December 31, 2014, was used in the amount of €8.6 million to establish the Reserve for treasury shares held, at the time of the purchase of treasury shares described, and €4.8 million for the cash payment of the first tranche of the 2014 stock

granting plan (“2014 PFA Plan”) for the Personal Financial Advisors and Network Managers of the Bank, settled in cash in July 2015, without therefore giving rise to the allocation of FinecoBank ordinary shares, as resolved by the Board of Directors on July 9, 2015. The amount not used of the Reserve for treasury shares to be purchased, of €1.6 million, was reclassified to the Extraordinary reserve, because the share buyback programme pursuant to Articles 77-78 EU Regulation 575/2013 of June 26, 2013 (CRR) was completed on October 12, 2015.

The Reserve related to equity-settled plans increased by €14.8 million, as a result of the recognition during the year of the income statement and balance sheet effects of the payments plans based on FinecoBank ordinary shares during the vesting period for the instruments.

As at December 31, 2015, the Bank held 1,408,834 treasury shares in its portfolio, for an amount of €8.6 million, purchased in execution of the stock granting plan “2014 PFA Plan” for the Personal Financial Advisors and Network Managers of the Bank, approved by the Board of Directors on May 15, 2014 and by the Shareholders' Meeting on June 5, 2014. The purchases were made starting from September 16, 2015, after receipt of the authorisation from the Regulatory Authority, in accordance with Articles 77-78 of EU Reg. 575/2013 of June 26, 2013 (CRR), and ended on October 12, 2015.

The Shareholders' Meeting resolution of April 23, 2015 approved the allocation of profit for the year 2014, amounting to €149.9 million, as follows:

- €7 million to the **Legal reserve**;
- €21.6 million to the **Extraordinary reserve**;
- €121.3 million, equal to €0.2 per share, to **Shareholders**.

The Revaluation reserve consisted of €7.1 million for the net positive revaluation reserve for the debt securities issued by central governments of EU member countries, held in the “Available-for-sale financial assets” portfolio, €9.8 million for the net positive revaluation reserve for equity instruments held in the “Available for sale financial assets” portfolio, relating solely to the fair value remeasurement of the equity investment in Visa Europe Limited, and €5.3 million from the negative IAS19 Reserve.

## Main balance sheet aggregates (CONTINUED)

## Shareholders' equity

(Amounts in € thousand)

ITEMS/ VALUES	AMOUNTS AS AT		CHANGES	
	12.31.2015	12.31.2014	AMOUNT	%
Share capital	200,150	200,070	80	0.0%
Share premium reserve	1,934	1,934	-	-
Reserves				
- Legal reserve	40,030	33,061	6,969	21.1%
- Extraordinary reserve	166,081	142,739	23,342	16.4%
- Treasury shares reserve	8,555	-	8,555	-
- Other reserves	21,924	22,281	(357)	-1.6%
(Treasury Shares)	(8,555)	-	(8,555)	-
Revaluation reserves	11,626	2,262	9,364	414.0%
Net Profit (Loss) for the year	191,053	149,907	41,146	27.4%
<b>Total</b>	<b>632,798</b>	<b>552,254</b>	<b>80,544</b>	<b>14.6%</b>

## Shareholders

The share capital, fully subscribed and paid up, totalled €200,150,191.89 divided into 606,515,733 ordinary shares with a par value of €0.33.

As at December 31, 2015, 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 15,000 shareholders;
- resident shareholders held around 71.49% of the capital and foreign shareholders 28.51%;
- 95.74% of the ordinary share capital is held by legal entities, the remaining 4.26% by individuals.

Also as of that date, the main shareholders were:

MAJOR SHAREHOLDERS	ORDINARY SHARES	% OWNED
UniCredit S.p.A.	397,108,033	65.474%

# Own funds and prudential requirements

(Amounts in € thousand)

	FIGURES AS AT	
	12.31.2015	12.31.2014
Common Equity Tier 1 Capital - CET1	390,976	353,133
Tier 1 Capital	390,976	353,133
<b>Total Own Funds</b>	<b>393,903</b>	<b>353,133</b>
<b>Total risk-weighted assets</b>	<b>1,828,007</b>	<b>1,850,331</b>
Ratio - Common Equity Tier 1 - CET1	21.39%	19.08%
Ratio - Tier 1 Capital	21.39%	19.08%
Ratio - Total Own Funds	21.55%	19.08%

	FIGURES AS AT 12.31.2015
Tier 1 Capital	390,977
Exposure for leverage ratio	3,717,157
Transitional leverage ratio	10.52%

Own funds as at December 31, 2015 amounted to a €393.9 million. Own funds and Capital ratios were determined applying the current Supervisory Regulations, in line with Basel III standards including transitional adjustments. The figures shown include the profit for the year (for the amount that will not be distributed) assuming the conditions established Article 26.2 of the EU Regulation 575/2013 (CRR) are satisfied.

For more details, see Part F - Shareholders' Equity of the Notes to the Accounts.

The leverage ratio was calculated in accordance with EU Delegated Regulation 2015/62 of October 10, 2014. As required by Circular No. 285 of the Bank of Italy, Part Two, Chapter 12, Section III Exercise of national discretion, exposures to the UniCredit Group companies based in Italy and weighted at 0% pursuant to Article 113, par. 6 of the CRR have not been included in the calculation of total exposure, in accordance with Article 429 (7) of the CRR amended by the Delegated Regulation (EU) 2015/62. In addition, the leverage ratio was calculated as a quarter end figure instead of the simple arithmetic average of the monthly leverage ratio figures for the reporting quarter, pursuant to Article 499.2 of the CRR.

# Income statement figures

## Condensed Income Statement

(Amounts in € thousand)

	YEAR		CHANGES	
	2015	2014	AMOUNT	%
Net interest	245,184	228,247	16,937	7.4%
Net fee and commission income	248,188	195,744	52,444	26.8%
Net trading, hedging and fair value income	53,867	29,742	24,125	81.1%
Net other expenses/income	(2,974)	(2,590)	(384)	14.8%
<b>OPERATING INCOME</b>	<b>544,265</b>	<b>451,143</b>	<b>93,122</b>	<b>20.6%</b>
Staff expenses	(75,049)	(69,151)	(5,898)	8.5%
Other administrative expenses	(232,870)	(211,318)	(21,552)	10.2%
Recovery of expenses	84,347	77,170	7,177	9.3%
Impairment/write-backs on intangible and tangible assets	(8,951)	(8,809)	(142)	1.6%
<b>Operating costs</b>	<b>(232,523)</b>	<b>(212,108)</b>	<b>(20,415)</b>	<b>9.6%</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>311,742</b>	<b>239,035</b>	<b>72,707</b>	<b>30.4%</b>
Net write-downs of loans and provisions for guarantees and commitments	(6,706)	(3,180)	(3,526)	110.9%
<b>NET OPERATING PROFIT (LOSS)</b>	<b>305,036</b>	<b>235,855</b>	<b>69,181</b>	<b>29.3%</b>
Net provisions for risks and charges	(15,714)	(6,121)	(9,593)	156.7%
Integration costs	(1,246)	-	(1,246)	n.c.
Net income from investments	(1)	(4)	3	-75.0%
<b>NET PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>288,075</b>	<b>229,730</b>	<b>58,345</b>	<b>25.4%</b>
Income tax for the period	(97,022)	(79,823)	(17,199)	21.5%
<b>NET PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>191,053</b>	<b>149,907</b>	<b>41,146</b>	<b>27.4%</b>
<b>PROFIT (LOSS) FOR THE YEAR</b>	<b>191,053</b>	<b>149,907</b>	<b>41,146</b>	<b>27.4%</b>

## Net interest margin

The net interest margin for 2015 amounted to €245 million, up by 7.4% on 2014, due to the increase in sales volume and the reduction

in the cost of sales that offset the fall in interest income linked to the decline in market interest rates.

(Amounts in € thousand)

	YEAR		CHANGES	
	2015	2014	AMOUNT	%
<b>INTEREST INCOME</b>				
Financial assets held for trading	2	1	1	100.0%
Available-for-sale financial assets	20,362	14,922	5,440	36.5%
Loans and receivables with banks	217,586	235,882	(18,296)	-7.8%
Loans and receivables with customers	33,371	28,793	4,578	15.9%
Financial assets designated at fair value through profit or loss	-	5	(5)	-100.0%
Hedging derivatives	1,945	2,658	(713)	-26.8%
Other assets	66	76	(10)	-13.2%
<b>Total interest income</b>	<b>273,332</b>	<b>282,337</b>	<b>(9,005)</b>	<b>-3.2%</b>

(Amounts in € thousand)

	YEAR		CHANGES	
	2015	2014	AMOUNT	%
<b>INTEREST EXPENSE</b>				
Deposits from banks	231	(4,589)	4,820	n.c.
Deposits from customers	(14,340)	(49,500)	35,160	-71.0%
Debt securities in issue	(14,039)	-	(14,039)	-
Other liabilities	-	(1)	1	-100.0%
<b>Total interest expense</b>	<b>(28,148)</b>	<b>(54,090)</b>	<b>25,942</b>	<b>-48.0%</b>
<b>Net interest</b>	<b>245,184</b>	<b>228,247</b>	<b>16,937</b>	<b>7.4%</b>



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

(Amounts in € thousand)

BREAKDOWN OF INTEREST INCOME	YEAR		CHANGES	
	2015	2014	AMOUNT	%
<b>Interest income on loans and receivables with banks</b>	<b>217,586</b>	<b>235,882</b>	<b>(18,296)</b>	<b>-7.8%</b>
- current accounts	1,516	56,166	(54,650)	-97.3%
- reverse repos	973	697	276	39.6%
- time deposit for compulsory reserves	73	212	(139)	-65.6%
- time deposits	10,151	33,259	(23,108)	-69.5%
- other loans	(11)	23	(34)	-147.8%
- debt securities	204,884	145,525	59,359	40.8%
<b>Interest income on loans and receivables with customers</b>	<b>33,371</b>	<b>28,793</b>	<b>4,578</b>	<b>15.9%</b>
- current accounts	5,566	4,704	862	18.3%
- reverse repos	14,409	11,632	2,777	23.9%
- mortgages	-	1	(1)	-100.0%
- credit cards	3,882	3,620	262	7.2%
- personal loans	9,393	8,692	701	8.1%
- other loans	121	144	(23)	-16.0%

**Interest income on loans and receivables with banks** amounted to €217.6 million, decreasing by €18.3 million compared to the same period of the previous year. The decrease in current account interest, equal to €54.6 million, and time deposits, equal to €23.1 million, was mainly due to a fall in volumes and the trend in market interest rates; this fall was partly offset by the increase in the interest rate for debt securities, amounting to €59.4 million, as a result of the volume increase due to the investments made starting from Q2 2014. It should be noted that, starting from April 1, 2014, the liquidity investment policy experienced some changes:

specifically, “core” liquidity was invested in UniCredit shares, whilst the portion of liquidity classified as “non core” was invested in liquid assets or assets readily convertible into cash, such as Government Bonds.

**Interest income on loans and receivables with customers** amounted to €33.4 million, showing an increase of 15.9% thanks to higher interest on “Multiday leverage” securities lending transactions guaranteed by cash and on use of current account credit lines and personal loans, due to the increase in volumes.

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

(Amounts in € thousand)

BREAKDOWN OF INTEREST EXPENSE	YEAR		CHANGES	
	2015	2014	AMOUNT	%
<b>Interest expense on deposits from banks</b>	<b>231</b>	<b>(4,589)</b>	<b>4,820</b>	<b>n.c.</b>
- current accounts	(64)	(234)	170	-72.6%
- demand and collateral deposits	22	(1)	23	n.c.
- other loans	(24)	(26)	2	-7.7%
- reverse repos	297	(4,328)	4,625	n.c.
<b>Interest expense on deposits from customers</b>	<b>(14,340)</b>	<b>(49,500)</b>	<b>35,160</b>	<b>-71.0%</b>
- current accounts	(4,340)	(13,794)	9,454	-68.5%
- collateral deposits	(51)	(44)	(7)	15.9%
- time deposits	(8,741)	(31,882)	23,141	-72.6%
- reverse repos	(1,208)	(3,780)	2,572	-68.0%

**Interest expense on deposits from banks** showed a positive amount of €0.2 million due to the changes in market rates, resulted in the recording of negative interest expense on reverse repos and, to a lesser extent, on collateral deposits.

time deposits. The cost of deposits went from 0.35% in 2014 to 0.08% in 2015.

**Interest expense on deposits from customers** stood at €14.3 million, down €35.2 million over the same period of the prior year, as a result of the reduction in the current account interest rate, coupled with the reduction in volumes and the interest rate for “Cash Park”

The structure of the investments carried out by the Bank contributed to keep a flow of interest income resulting from the investment of deposits, even against a backdrop of significant reduction of credit spreads and market interest rates. The average return for the investment of all deposits (both demand and term) went from 1.82% in 2014 to 1.50% in 2015.

## Income statement figures (CONTINUED)

## Income from brokerage and other income

(Amounts in € thousand)

	YEAR		CHANGES	
	2015	2014	AMOUNT	%
<b>Net interest</b>	<b>245,184</b>	<b>228,247</b>	<b>16,937</b>	<b>7.4%</b>
Net fee and commission income	248,188	195,744	52,444	26.8%
Net trading, hedging and fair value income	53,867	29,742	24,125	81.1%
Net other expenses/income	(2,974)	(2,590)	(384)	14.8%
<b>Operating income</b>	<b>544,265</b>	<b>451,143</b>	<b>93,122</b>	<b>20.6%</b>

## Net fee and commission income

(Amounts in € thousand)

MANAGEMENT RECLASSIFICATION	YEAR		CHANGES	
	2015	2014	AMOUNT	%
Management, brokerage and advisory services:				
1. securities trading and order collection	86,703	79,202	7,501	9.5%
2. currency trading	(140)	(174)	34	-19.5%
3. custody and administration of securities	(3,488)	(3,165)	(323)	10.2%
4. placement of securities, investment fund units and segregated accounts	155,366	124,400	30,966	24.9%
6. investment advisory services	(1,213)	124	(1,337)	-1078.2%
7. distribution of insurance products	22,143	14,985	7,158	47.8%
8. distribution of other products	(159)	(236)	77	-32.6%
Collection and payment services	11,598	11,215	383	3.4%
Holding and management of current/deposit accounts	(1,557)	(5,960)	4,403	-73.9%
Other fee expense personal financial advisors	(24,034)	(27,182)	3,148	-11.6%
Securities lending	(1,959)	(1,978)	19	-1.0%
Other services	4,928	4,513	415	9.2%
<b>Total net fee and commission income</b>	<b>248,188</b>	<b>195,744</b>	<b>52,444</b>	<b>26.8%</b>

**Net fee and commission income** amounted to €248.2 million, increasing by 26.8% compared to previous year, as a result of higher fee and commission income from the placement of securities and UCITS units, which benefited, in particular, from the increase in assets under management.

Fee and commission income from the insurance products and from securities trading and order collection performed strongly, thanks to the increase in number of orders executed, driven by market volatility and customer appreciation of the Fineco platform.

**Net trading, hedging and fair value income** was mainly generated by gains realised from the internalisation of securities and CFDs and the exchange differences on assets and liabilities denominated in currency. The increase of €24.1 million was attributable to higher profits deriving from securities trading of €4.1 million, trading in CFDs and Futures used for operational hedging of €15.1 million, and from exchange differences on assets and liabilities denominated in currency for €4.8 million.

Net other expenses/income did not show any change compared to the prior year.

## Operating costs

(Amounts in € thousand)

OPERATING COSTS DETAIL	YEAR		CHANGES	
	2015	2014	AMOUNT	%
Staff expenses	(75,049)	(69,151)	(5,898)	8.5%
Other administrative expenses	(232,870)	(211,318)	(21,552)	10.2%
Recovery of expenses	84,347	77,170	7,177	9.3%
Impairment/write-backs on intangible and tangible assets	(8,951)	(8,809)	(142)	1.6%
<b>Total operating costs</b>	<b>(232,523)</b>	<b>(212,108)</b>	<b>(20,415)</b>	<b>9.6%</b>

(Amounts in € thousand)

STAFF EXPENSES	YEAR		CHANGES	
	2015	2014	AMOUNT	%
<b>1) Employees</b>	<b>(74,077)</b>	<b>(67,613)</b>	<b>(6,464)</b>	<b>9.6%</b>
- wages and salaries	(48,664)	(44,928)	(3,736)	8.3%
- social security contributions	(13,184)	(11,934)	(1,250)	10.5%
- provision for employee severance pay	(978)	(871)	(107)	12.3%
- allocation to employee severance pay provision	(99)	(135)	36	-26.7%
- payments to supplementary external pension funds:				
a) defined contribution	(2,686)	(2,375)	(311)	13.1%
- costs related to share-based payments*	(4,785)	(3,799)	(986)	26.0%
- other employee benefits	(3,681)	(3,571)	(110)	3.1%
<b>2) Other staff</b>	<b>(152)</b>	<b>(133)</b>	<b>(19)</b>	<b>14.3%</b>
<b>3) Directors and statutory auditors</b>	<b>(991)</b>	<b>(976)</b>	<b>(15)</b>	<b>1.5%</b>
<b>4) Early retirement costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>n.c.</b>
<b>5) Recovery of expenses for employees seconded to other companies</b>	<b>235</b>	<b>195</b>	<b>40</b>	<b>20.5%</b>
<b>6) Recovery of expenses for employees seconded to the company</b>	<b>(64)</b>	<b>(624)</b>	<b>560</b>	<b>-89.7%</b>
<b>Total staff expenses</b>	<b>(75,049)</b>	<b>(69,151)</b>	<b>(5,898)</b>	<b>8.5%</b>

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

**Staff expenses** in 2015 showed an increase of 8.5%, due to a rise in staff numbers, up from 1,022 as at December 31, 2014 to 1,067 as at December 31, 2015, and the increase of costs resulting from share-based payments.

The costs of the incentive plans approved by the Board of Directors on May 15, 2014 and by the Shareholders' Meeting on June 5, 2014, whose execution was conditional upon listing and, therefore, with an initial vesting date of July 2014, amounted to €4.5 million (compared to €2.8 million for the prior year).

**Other administrative expenses** net of **Recovery of expenses** totalled €148.5 million, up €14.4 million compared to the same period of the previous year, and included costs totalling €10.2 million (compared to €4.4 million for the prior year) resulting from the incentive plans for personal financial advisors, approved by the Board of Directors on May 15, 2014 and by the Shareholders' Meeting on June 5, 2014, whose execution was also conditional upon listing and, therefore, with an initial vesting date of July 2014.

## Income statement figures (CONTINUED)

(Amounts in € thousand)

OTHER ADMINISTRATIVE EXPENSES AND RECOVERY OF EXPENSES	YEAR		CHANGES	
	2015	2014	AMOUNT	%
<b>1) INDIRECT TAXES AND DUTIES</b>	<b>(90,797)</b>	<b>(80,256)</b>	<b>(10,541)</b>	<b>13.1%</b>
<b>2) MISCELLANEOUS COSTS AND EXPENSES</b>				
<b>A) Advertising expenses - Marketing and communication</b>	<b>(19,584)</b>	<b>(20,149)</b>	<b>565</b>	<b>-2.8%</b>
Mass media campaigns	(14,035)	(14,986)	951	-6.3%
Marketing and promotions	(5,317)	(5,110)	(207)	4.1%
Sponsorships	(205)	(33)	(172)	521.2%
Conventions and internal communications	(27)	(20)	(7)	35.0%
<b>B) Expenses related to credit risk</b>	<b>(1,572)</b>	<b>(1,039)</b>	<b>(533)</b>	<b>51.3%</b>
Credit recovery expenses	(728)	(455)	(273)	60.0%
Commercial information and company searches	(844)	(584)	(260)	44.5%
<b>C) Expenses related to staff</b>	<b>(32,745)</b>	<b>(22,812)</b>	<b>(9,933)</b>	<b>43.5%</b>
Staff training	(437)	(357)	(80)	22.4%
Car hire and other staff expenses	(40)	(47)	7	-14.9%
Personal financial advisor expenses	(31,696)	(21,824)	(9,872)	45.2%
Travel expenses	(508)	(522)	14	-2.7%
Premises rentals for personnel	(64)	(62)	(2)	3.2%
<b>D) ICT expenses</b>	<b>(29,749)</b>	<b>(28,320)</b>	<b>(1,429)</b>	<b>5.0%</b>
Lease of ICT equipment and software	(3,318)	(4,135)	817	-19.8%
Software expenses: lease and maintenance	(6,712)	(5,555)	(1,157)	20.8%
ICT communication systems	(3,935)	(3,849)	(86)	2.2%
ICT service: external personnel	(7,090)	(7,079)	(11)	0.2%
Financial information providers	(8,694)	(7,702)	(992)	12.9%
<b>E) Consultancies and professional services</b>	<b>(3,258)</b>	<b>(6,320)</b>	<b>3,062</b>	<b>-48.4%</b>
Consultancy on ordinary activities	(896)	(762)	(134)	17.6%
Consultancy for strategy, business development and organisational optimisation	(698)	(2,229)	1,531	-68.7%
Legal expenses	(5)	(1,261)	1,256	-99.6%
Legal disputes	(1,659)	(2,068)	409	-19.8%
<b>F) Real estate expenses</b>	<b>(20,104)</b>	<b>(19,997)</b>	<b>(107)</b>	<b>0.5%</b>
Real estate services	(800)	(685)	(115)	16.8%
Repair and maintenance of furniture, machinery, and equipment	(200)	(1,137)	937	-82.4%
Maintenance of premises	(1,741)	(760)	(981)	129.1%
Premises rentals	(14,322)	(14,991)	669	-4.5%
Cleaning of premises	(546)	(485)	(61)	12.6%
Utilities	(2,495)	(1,939)	(556)	28.7%
<b>G) Other functioning costs</b>	<b>(31,672)</b>	<b>(29,296)</b>	<b>(2,376)</b>	<b>8.1%</b>
Surveillance and security services	(410)	(291)	(119)	40.9%
Money counting services and transport	(1)	(1)	-	0.0%
Postage and transport of documents	(2,946)	(2,827)	(119)	4.2%
Administrative and logistic services	(15,732)	(14,323)	(1,409)	9.8%
Insurance	(3,629)	(3,522)	(107)	3.0%
Printing and stationery	(621)	(685)	64	-9.3%
Association dues and fees	(7,889)	(7,371)	(518)	7.0%
Other administrative expenses	(444)	(276)	(168)	60.9%
<b>H) Adjustments of leasehold improvements</b>	<b>(3,389)</b>	<b>(3,129)</b>	<b>(260)</b>	<b>8.3%</b>
<b>I) Recovery of costs</b>	<b>84,347</b>	<b>77,170</b>	<b>7,177</b>	<b>9.3%</b>
Recovery of ancillary expenses	369	319	50	15.7%
Recovery of taxes	83,978	76,851	7,127	9.3%
<b>Total</b>	<b>(148,523)</b>	<b>(134,148)</b>	<b>(14,375)</b>	<b>10.7%</b>

**Indirect taxes and duties** net of **Recovery of taxes** increased by €3.4 million, attributable to the amount of “Tobin Tax” paid by the Bank and related to the increase in the number of brokerage transactions, which generated greater revenues.

**Advertising expenses – marketing and communication** did not show any significant changes compared to 2014.

The increase in **Other administrative expenses** other than those mentioned above was attributable to the increase in “Personal financial advisor expenses” generated by the incentive plans and recruiting costs, and the rise in “ICT expenses” and “Other operating costs” as a result of the Bank’s significant growth. Nevertheless, the cost/income ratio stood at 42.72%, representing a decrease compared to 47.02% as at December 31, 2014, thanks to the continued efficiency improvement of

the operational structure and the business support functions.

It should be noted that **Other administrative expenses** as at December 31, 2014 included €5.4 million linked to the listing project, recognised, primarily, under the items “Legal expenses”, “Consultancy for strategy, business development and organisational optimisation” and “Association dues and fees”.

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

**Impairment losses on property, plant and equipment** refer to the depreciation applied to electronic machines, plant and machinery, furniture and fittings and did not show any major changes compared to the previous financial year.

## Net profit (loss) before tax from continuing operations

(Amounts in € thousand)

	YEAR		CHANGES	
	2015	2014	AMOUNT	%
<b>Net operating profit (loss)</b>	<b>311,742</b>	<b>239,035</b>	<b>72,707</b>	<b>30.4%</b>
Net write-downs of loans and provisions for guarantees and commitments	(6,706)	(3,180)	(3,526)	110.9%
<b>Net operating profit (loss)</b>	<b>305,036</b>	<b>235,855</b>	<b>69,181</b>	<b>29.3%</b>
Net provisions for risks and charges	(15,714)	(6,121)	(9,593)	156.7%
Integration costs	(1,246)	-	(1,246)	n.c.
Net income from investments	(1)	(4)	3	-75.0%
<b>Net profit before tax from continuing operations</b>	<b>288,075</b>	<b>229,730</b>	<b>58,345</b>	<b>25.4%</b>

The increase of €3.5 million in **Net write-downs of loans and provisions for guarantees and commitments** in 2015 compared to the same period of the prior year was attributable, for €2.5 million, to write-downs of exposures to some customers who had opened leveraged positions on the Forex market and incurred a loss greater than the guaranteed margin as a result of the extraordinary fall of the Euro versus the Swiss Franc recorded on January 15, 2015.

**Net provisions for risks and charges** increased by €9.6 million compared to the prior year, mainly due to the contribution, of €4.7 million, paid in December 2015 for the Deposit Guarantee Schemes (DGS) and the allocation for the contribution to the Fondo di Solidarietà, estimated at around €2.3 million by the Bank. The Fondo di Solidarietà was established, up to a maximum of €100 million, by the Legge di Stabilità 2016, which maintained the effects of Law Decree 183 of November 2015 that had lapsed due to its absence of conversion, involving the resolution procedures for Cassa di risparmio di Ferrara S.p.A., Banca delle Marche S.p.A., Banca popolare dell’Etruria e del Lazio - Società cooperativa and Cassa di risparmio

della Provincia di Chieti S.p.A., in relation to losses incurred by the subordinated loan holders of the four banks subject of the resolution. In addition, with regard to the National Resolution Fund established by the Bank of Italy, in accordance with the provisions of Legislative Decree 180 of November 2015 implementing Directive 2014/59/EU (BRRD), the Bank was called upon to pay an ordinary lump-sum contribution for the year 2015 of €1 thousand, in addition to an extraordinary contribution of €3 thousand under the crisis resolution program for the above-mentioned banks.

**Integration costs** consist of the estimated integration costs for the Bank of the Business Plan of the UniCredit Group.

**Profit (loss) before tax from continuing operations** amounted to a profit of €288.1 million, increasing by 25.4% on the prior year, due to the positive contribution from operating income, owing in particular to the increase in Net fee and commission income and Net trading, hedging and fair value income. These items more than offset the increase in Staff expenses and Other administrative expenses.

## Income statement figures (CONTINUED)

## Income tax for the period

(Amounts in € thousand)

BREAKDOWN OF TAXES FOR THE YEAR	YEAR		CHANGES	
	2015	2014	AMOUNT	%
Current IRES income tax charges	(77,115)	(59,503)	(17,612)	29.6%
Current IRAP corporate tax charges	(18,147)	(16,995)	(1,152)	6.8%
<b>Total current tax</b>	<b>(95,262)</b>	<b>(76,498)</b>	<b>(18,764)</b>	<b>24.5%</b>
Change in deferred tax assets	(297)	(1,546)	1,249	-80.8%
Change in deferred tax liabilities	(1,017)	(1,333)	316	-23.7%
<b>Total deferred tax liabilities</b>	<b>(1,314)</b>	<b>(2,879)</b>	<b>1,565</b>	<b>-54.4%</b>
Redemption income depreciation and amortization	(446)	(446)	-	-
<b>Income tax for the period</b>	<b>(97,022)</b>	<b>(79,823)</b>	<b>(17,199)</b>	<b>21.5%</b>

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 the Bank realigned the goodwill recognised following the merger of UniCredit Xelion Sim into UniCredit Xelion Banca S.p.A..

The redeemed goodwill may be amortised off the books for an amount not exceeding one ninth for 2010 and one tenth from 2011 onwards. In 2008, the tax benefit expected from the future deductibility of off-the-book amortisation, corresponding to €4 million, was recognised

in the accounts. A tenth of this amount will be recognised through profit or loss for each year of the tax deduction of tax-related amortisation of goodwill.

For the three-year period 2013-2015, the Bank, 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 year

The net profit for the year amounted to €191.1 million, an increase of 27.4% over the prior year.

# Related-party transactions

In order to ensure continued compliance with applicable legal and regulatory provisions on corporate disclosure on transactions with related parties, during the Board of Directors' Meeting of September 22, 2015 and with the prior positive opinion of the Audit and Related Parties Committee and the Board of Statutory Auditors, the Bank approved the adoption of new procedures aimed at regulating transactions with related parties and associated persons ("Procedures for the management of transactions with persons in conflict of interest") which cancel and replace the previous version of those procedures approved by the Board of Directors on May 15, 2014.

The above-mentioned procedures include the provisions to be complied with when managing:

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

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

Considering the above, during 2015:

1. with the approval of the Board of Directors of January 22, 2015, upon recommendation by the Audit and Related Parties Committee, two Significant Ordinary Transactions were carried out with the related party at market conditions, and, specifically:
  - (i) "Framework resolution – Investment of medium-long term liquidity with the Parent Company", with validity up to December 31, 2015, which involves the purchase of UniCredit bonds. Since this transaction was classified for UniCredit as a transaction of "Lesser relevance with a significant amount" under the Global Policy, a favourable, non-binding opinion on the matter was also issued by the Related Parties and Equity Investments Committee of the Parent Company and the Board of Directors of UniCredit on February 11, 2015;
  - (ii) medium-long term investment of structural liquidity raised in the period October 1, 2014 - December 31, 2014 to be carried out through the subscription of UniCredit bonds up to a maximum of €300 million issued at market conditions; it was approved by the Parent Company's Related Parties and Equity Investments Committee with the issue of a favourable, non-binding opinion on the matter;

2. with approval of the Board of Directors of March 10, 2015 a Significant Ordinary Transaction at market conditions with UniCredit Bank A.G., carried out on March 2, 2015, consisting in the purchase of "BONOS" Spanish government securities, with an equivalent value of €30 million. The transaction was brought to the attention of the Audit and Related Parties Committee of the Bank during the meeting held on March 9, 2015, which agreed on the suitability of the transaction. On April 1, 2015, UniCredit's Related Parties and Equity Investments Committee expressed its favourable, non-binding opinion;

3. with the approval of the Board of Directors' meeting of April 20, 2015, by way of the favourable opinion of the Audit and Related Parties Committee, an ordinary Significant Transaction at market conditions with UniCredit S.p.A. and UniCredit Bank AG, consisting of a "*Framework Resolution related to the entering into of hedging derivative contracts with the Parent Company or companies in the UniCredit Group*", for the purpose of entering into hedging derivatives with the Parent Company or with other companies in the UniCredit Group, by virtue of which the Bank may implement said transactions, up to April 20, 2016, whose maximum amount is expected to be €500 million with the Parent Company and €900 million with UniCredit Bank AG. On May 6, 2015, UniCredit's Related Parties and Equity Investments Committee expressed its favourable, non-binding opinion;

4. with the approval of the Board of Directors' meeting of May 11, 2015, by way of the favourable opinion of the Audit and Related Parties Committee, an ordinary Significant Transaction at market conditions with UniCredit S.p.A., consisting of a "*Framework Agreement - Reverse Repos and Term Deposits with the Parent Company*", effective until May 11, 2016, concerning (i) Reverse Repos with the Parent Company for an amount of €3 billion, calculated as the sum of the individual transactions in absolute value (whether repos or reverse repos) and (ii) Term deposits with the Parent Company for an amount of €4.5 billion, calculated as the sum of the individual transactions in absolute value. On May 6, 2015, UniCredit's Related Parties and Equity Investments Committee expressed its favourable, non-binding opinion;

5. with the approval of the Board of Directors' meeting of June 18, 2015, by way of the favourable opinion of the Audit and Related Parties Committee, an ordinary Significant Transaction at market conditions with UniCredit Bank AG and Mediobanca S.p.A., consisting of a "*Framework Resolution - Securities Trading with Related Party Institutional Counterparties*", effective up to June 18, 2016, regarding the trading of financial instruments with related party institutional counterparties, by virtue of which the Bank may implement said transactions, up to a maximum amount of €1 billion with UniCredit Bank AG and €500 million with Mediobanca S.p.A.. UniCredit's Related Parties and Equity Investments Committee issued a favourable non-binding opinion on the matter;

## Related-party transactions (CONTINUED)

6. with the approval of the Board of Directors' meeting of July 30, 2015, by way of the favourable opinion of the Audit and Related Parties Committee, an ordinary Significant Transaction at market conditions with UniCredit S.p.A., consisting of a "*Framework Agreement for the transactions on current accounts held with UniCredit*", effective up to July 30, 2016, which will enable the Bank to manage its liquidity in euro and in foreign currencies through specific current accounts already held with UniCredit S.p.A. within an amount of less than €1,000 million understood as a single transaction (single payment and single withdrawal); UniCredit's Related Parties and Equity Investments Committee issued a favourable non-binding opinion on the matter;

7. with the approval of the Board of Directors' meeting of September 22, 2015, by way of the favourable opinion of the Audit and Related Parties Committee, an ordinary Significant Transaction at market conditions with UniCredit Bank AG and Mediobanca S.p.A., consisting of the renewal of a "*Framework resolution for Stock Lending with institutional customers*", effective up to September 21, 2016, regarding stock lending transactions with institutional counterparties, by virtue of which the Bank may implement those transactions, up to a maximum amount of €500 million with UniCredit Bank AG and €200 million with Mediobanca S.p.A.; UniCredit's Related Parties and Equity Investments Committee issued a favourable non-binding opinion on the matter;

8. with the approval of the Board of Directors of November 10, 2015, by way of the favourable opinion of the Audit and Related Parties Committee, an ordinary Significant Transaction at market conditions with the UniCredit S.p.A. consisting of the renewal of the "*Framework resolution – Investment of medium-long term liquidity with the Parent Company*" due to expire on December 31, 2015, which enabled the Bank to subscribe UniCredit bonds with a ceiling of around €1.5 billion; as a result of the change in the core component in the on-demand items approved at the same Board meeting, which will allow the Bank to increase the investable structural liquidity component, the new Framework resolution will allow the Bank to subscribe bonds of the Parent Company, up to November 10, 2016, with a ceiling of €3 billion. UniCredit's Related Parties and Equity Investments Committee issued a favourable non-binding opinion on the matter.

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

In 2015, no other transactions were undertaken with related parties that could significantly affect the Bank's asset situation and results, or atypical and/or unusual transactions with those parties.

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

You are reminded that for the three-year period 2013-2015, the Bank opted for the "national tax consolidation" – introduced by Legislative Decree no. 344 of December 12, 2003 – with the Consolidating Company UniCredit.

In accordance with the National Tax Consolidation agreement, participation in the consolidation cannot result in tax advantages for the participating Consolidated Company with respect to the situation that would have arisen if the company had not participated. The consolidation results in the following tax advantages: (i) consolidation adjustment relating to deductible interest expense, considering that the amount of interest expense accrued by entities participating in the national consolidation is fully deductible on the basis of the relationship between the total interest expense (intercompany and outside the group) recognised in the financial statements by the individual subsidiary and the overall interest expense recognised in the financial statements by all the subsidiaries pursuant to Article 96.5 bis of the Income Tax Code, (ii) tax credits, and withholdings as advances and deductions, are recognised by the Controlling Company and the Controlled Company as a reduction in the IRES income tax amount due when then the latter has a tax loss, and (iii) any tax losses are paid by the Control Company at the IRES income tax rate applicable for the tax period in which the tax losses are realised.

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



## Transactions with Group companies

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

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

(Amounts in € thousand)

	ASSETS	LIABILITIES	GUARANTEES AND COMMITMENTS
Transactions with Parent Company UniCredit S.p.A.	14,597,004	1,242,511	257,093
Transactions with companies controlled by UniCredit S.p.A.	40,035	63,704	-

For the three-year period 2013-2015, the Bank, in its capacity as consolidated company, was subject to the “National tax consolidation”, as established by Legislative Decree no. 344 of December 12, 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.

## 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 FinecoBank'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 8, 2016, the Board of Directors launched the plans approved by the Shareholders' Meeting on June 5, 2014 and the 2015 Incentive Schemes approved by the Shareholders' Meeting on April 23, 2015.

In particular:

- for the "2014 Key People Plan", considering the positive outcome of the verification of the entry conditions and the individual conditions (compliance in conduct and continued employment) and the favourable opinion of the Remuneration and Appointments Committee, it approved the allocation of the second tranche corresponding to 289,703 free ordinary shares to 79 beneficiaries and, as a consequence, it approved a free capital increase for a total amount of €95,601.99. The dilution effect resulting from the above free capital increase to service the stock granting plans is calculated as a maximum of 0.05% of the fully diluted capital;
- for the "2014-2017 Multi-year Top Management Plan", considering the positive outcome of the verification of the entry conditions and the individual conditions (compliance in conduct and continued employment) and the favourable opinion of the Remuneration and Appointments Committee, it approved the allocation to 6 beneficiaries for the year 2016 of a total of 335,624 free ordinary shares, a smaller amount than the amount established on April 15, 2014 to ensure that the ratio between the fixed and variable remuneration is kept in line with the applicable regulations;
- for the "2015 Incentive System", considering the positive outcome of the verification of the entry conditions (at Group and local level) and the individual conditions (compliance in conduct and continued employment), the individual performances of the beneficiaries and the favourable opinion of the Remuneration and Appointments Committee, it approved the allocation of 210,288 free ordinary shares of FinecoBank;
- for the "2015 PFA Incentive System", considering the positive outcome of the verification of the entry conditions at local level, the due application of the "conformity assessment" and the favourable opinion of the Remuneration and Appointments Committee, it approved the allocation of 45,171 Phantom shares.

## Number of treasury shares or shares of the parent company

As at December 31, 2015 the Bank held 1.408.834 treasury shares in its portfolio, corresponding to 0.23% of the share capital, for an amount of €8.6 million, purchased in execution of the stock granting plan "2014 PFA Plan" for the Personal Financial Advisors and Network Managers of the Bank, approved by the Board of Directors on May 15, 2014 and by the Shareholders' Meeting on June 5, 2014. The purchases were made starting from September 16, 2015, after receipt of the authorisation from the Regulatory Authority, in accordance with Articles 77-78 of EU Reg. 575/2013 of June 26, 2013 (CRR), and ended on October 12, 2015. The Bank does not hold shares of its Parent Company, even through other companies or third parties.

## Outlook

The main drivers of Fineco's growth can be found in two major trends that are supporting the Bank's business and that have been reshaping Italian society for some time: On the one hand, the increasing customer demand for professional and specialist advice for their investments, and on the other hand, the ever-increasing digitisation. Two trends that are revolutionising the way both banking and advisory services are being delivered, because, on the one hand, the digitisation of society is affecting all segments of the Italian population, including the most elderly, and, on the other hand, the performance of the markets, from the financial crisis to recent developments, has increased people's awareness of the need for effective and professional management of their investments, based on the concept of portfolio planning and diversification. In this scenario, Fineco is well-positioned to develop its business by leveraging these two major drivers.

The Bank will continue to pursue its strategy aimed at further strengthening its competitive positioning in the sector of banking, brokerage and investing services. A fundamental part of our strategy is focused on the area of private banking customers, where we are already one of the leading players in Italy with volumes of over a third of the Bank's total assets. In these customers we are continuing to see a strong interest, particularly for Wealth Management services, such as generational transition, asset protection and tax planning.

# Proposal for the approval of the accounts and allocation of profit for the year

The Bank closed the year 2015 with a net profit of €191,052,791.15.

It is proposed to allocate the net profit for the year as follows:

- €19,120.40 to the **Legal reserve**, corresponding to 0.01% of the profits of the year, having reached the limit of a fifth of the share capital;
- €35,657,537.24 to the **Extraordinary Reserve**;
- €154,376,133.51 to **Shareholders**, corresponding to a dividend of €0.255 for each of the 605,396,602 ordinary shares with a par value of €0.33 euro, constituting the share capital net of 1,408,834 treasury shares held by the Bank and including 289,703 shares relating to the capital increase approved by the Board of Directors on February 8, 2016;
- €1,000,000.00 to social, charity and cultural causes, pursuant to art. 26, para. 5, of the Articles of Association.

In conclusion, the Shareholders Meeting is invited to approve:

- the Annual Report and Accounts for the year 2015 in their entirety;
- The allocation of the profit for the year of €191,052,791.15 as follows:
  - €19,120.40 to the **Legal reserve**, corresponding to 0.01% of the

profits of the year, having reached the limit of a fifth of the share capital;

- €35,657,537.24 to the **Extraordinary Reserve**;
- €154,376,133.51 to **Shareholders**, corresponding to a dividend of €0.255 for each of the 605,396,602 ordinary shares with a par value of €0.33 euro, constituting the share capital net of 1,408,834 treasury shares held by the Bank and including 289,703 shares relating to the capital increase approved by the Board of Directors on February 8, 2016;
- €1,000,000.00 to social, charity and cultural causes, pursuant to art. 26, para. 5, of the Articles of Association.

Payment of the aforesaid dividend amount, in accordance with legal regulations, will take place with the value date of April 20, 2016.

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 8, 2016, will be as follows:

(Amounts in €)

Share capital	200,245,793.88
Legal reserve	40,049,158.78
Share premium reserve	1,934,112.62
Treasury Shares (-)	(8,555,283.60)
Other reserves	232,121,474.27
<b>Shareholders' equity</b>	<b>465,795,255.95</b>

The Board of Directors

Milan, February 8, 2016

FinecoBank S.p.A.  
Chief Executive Officer and General Manager  
Alessandro Foti



FinecoBank S.p.A.  
Chairman  
Enrico Cotta Ramusino







# ADVISOR

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# Bank Financial Statements

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## Balance sheet

<b>BALANCE SHEET - ASSETS</b>	<b>12.31.2015</b>	<b>12.31.2014</b>
10. Cash and cash balances	6,285	5,166
20. Financial assets held for trading	3,983,184	3,053,707
40. Available-for-sale financial assets	2,245,982,088	1,695,554,562
60. Loans and receivables with banks	14,648,904,038	13,892,196,843
70. Loans and receivables with customers	922,773,794	695,594,232
80. Hedging derivatives	-	19,246,853
90. Changes in fair value of portfolio hedged financial assets (+/-)	10,573,434	5,026,907
110. Property, plant and equipment	12,418,792	10,892,420
120. Intangible assets	97,814,087	97,743,596
of which		
- <i>goodwill</i>	89,601,768	89,601,768
130. Tax assets	15,423,666	18,550,495
<i>a) current tax assets</i>	1,732,934	2,178,546
<i>b) deferred tax assets</i>	13,690,732	16,371,949
<i>pursuant to Law 214/2011</i>	4,400,831	3,838,902
150. Other assets	370,069,607	326,756,231
<b>Total assets</b>	<b>18,327,948,975</b>	<b>16,764,621,012</b>

<b>BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>12.31.2015</b>	<b>12.31.2014</b>
10. Deposits from banks	1,423,459,247	1,428,568,269
20. Deposits from customers	15,822,458,746	13,914,711,969
30. Debt securities in issue	-	424,709,661
40. Financial liabilities held for trading	4,099,512	3,134,683
60. Hedging derivatives	31,318,669	36,992,811
70. Changes in fair value of portfolio hedged financial liabilities (+/-)	-	9,227,504
80. Tax liabilities	37,445,058	33,358,091
<i>a) current tax assets</i>	37,445,058	33,358,091
100. Other liabilities	250,989,832	238,807,723
110. Provision for employee severance pay	4,846,165	4,825,798
120. Provisions for risks and charges:	120,534,113	118,030,959
<i>b) other provisions</i>	120,534,113	118,030,959
130. Revaluation reserves	11,626,244	2,261,820
160. Reserves	236,589,577	198,080,512
170. Share premium reserve	1,934,113	1,934,113
180. Capital	200,150,192	200,070,431
190. Treasury Shares (-)	(8,555,284)	-
200. Net Profit (Loss) for the year	191,052,791	149,906,668
<b>Total liabilities and shareholders' equity</b>	<b>18,327,948,975</b>	<b>16,764,621,012</b>



# Income statement

INCOME STATEMENT	2015	2014
10. Interest income and similar revenues	273,332,373	282,336,693
20. Interest expenses and similar charges	(28,147,922)	(54,089,714)
<b>30. Net interest margin</b>	<b>245,184,451</b>	<b>228,246,979</b>
40. Fee and commission income	487,501,623	409,828,011
50. Fee and commission expense	(239,289,064)	(214,084,108)
<b>60. Net fee and commission income</b>	<b>248,212,559</b>	<b>195,743,903</b>
70. Dividend income and similar revenue	4,990	4,406
80. Gains (losses) on financial assets and liabilities held for trading	53,704,715	29,719,234
90. Fair value adjustments in hedge accounting	(147,476)	-
100. Gains (losses) on disposal or repurchase of	304,506	(2,794)
<i>a) loans and receivables</i>	34	49,160,469
<i>b) available-for-sale financial assets</i>	304,472	-
<i>d) financial liabilities</i>	-	(49,163,263)
110. Gains (losses) on financial assets and liabilities at fair value through profit and loss	-	18,204
<b>120. Operating income</b>	<b>547,263,745</b>	<b>453,729,932</b>
130. Impairment losses/write-backs on:	(6,706,077)	(4,596,234)
<i>a) loans and receivables</i>	(6,713,191)	(3,224,482)
<i>d) other financial assets</i>	7,114	(1,371,752)
<b>140. Net profit from financial activities</b>	<b>540,557,668</b>	<b>449,133,698</b>
150. Administrative costs	(310,491,777)	(277,340,179)
<i>a) staff expenses</i>	(76,295,083)	(69,151,399)
<i>b) other administrative expenses</i>	(234,196,694)	(208,188,780)
160. Net provisions for risks and charges	(11,022,754)	(4,704,591)
170. Net impairment/write-backs on property, plant and equipment	(3,962,603)	(4,035,945)
180. Net impairment/write-backs on intangible assets	(4,988,533)	(4,773,420)
190. Other net operating income	77,983,585	71,453,787
<b>200. Operating costs</b>	<b>(252,482,082)</b>	<b>(219,400,348)</b>
240. Gains (losses) on disposal of investments	(1,011)	(3,915)
<b>250. Profit (loss) before tax from continuing operations</b>	<b>288,074,575</b>	<b>229,729,435</b>
260. Tax expense (income) related to profit or loss from continuing operations	(97,021,784)	(79,822,767)
<b>270. Profit (loss) after tax from continuous operations</b>	<b>191,052,791</b>	<b>149,906,668</b>
<b>290. Net Profit (Loss) for the year</b>	<b>191,052,791</b>	<b>149,906,668</b>

	2015	2014
Earnings per share (euro)	0.32	0.25
Diluted earnings per share (euro)	0.31	0.25

**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

	2015	2014
<b>10. Net Profit (Loss) for the year</b>	<b>191,052,791</b>	<b>149,906,668</b>
<b>Other comprehensive income after tax without reclassification through profit or loss</b>		
40. Defined benefit plans	(2,210,716)	(6,640,210)
<b>Other comprehensive income after tax with reclassification through profit or loss</b>		
100. Available-for-sale financial assets	11,575,140	4,687,681
<b>130. Total other comprehensive income after tax</b>	<b>9,364,424</b>	<b>(1,952,529)</b>
<b>140. Comprehensive income (item 10+130)</b>	<b>200,417,215</b>	<b>147,954,139</b>

## Statement of changes in shareholders' equity

## Statement of changes in shareholders' equity 12.31.2015

	BALANCE AS AT 12.31.2014	CHANGE IN OPENING BALANCE	BALANCE AS AT 01.01.2015	ALLOCATION OF PRIOR YEAR PROFIT/(LOSS)		CHANGE DURING THE YEAR							SHAREHOLDERS' EQUITY AS AT 12.31.15	
				RESERVES	DIVIDENDS AND OTHER ALLOCATIONS	CHANGES IN RESERVES	SHAREHOLDERS' EQUITY TRANSACTIONS					COMPREHENSIVE INCOME YEAR 2015		
							ISSUES OF NEW SHARES	PURCHASE OF OWN SHARES	DISTRIBUTION OF EXTRAORDINARY DIVIDENDS	CHANGE IN EQUITY INSTRUMENTS	OWN SHARE DERIVATIVES			STOCK OPTIONS
Share capital:														
a) ordinary shares	200,070,431		200,070,431				79,761							200,150,192
b) other shares														
Share premium reserve	1,934,113		1,934,113											1,934,113
Reserves:														
a) from profits	190,922,980		190,922,980	28,603,521		(4,780,718)						(79,761)		214,666,022
b) other	7,157,532		7,157,532									14,766,023		21,923,555
Revaluation reserves	2,261,820		2,261,820										9,364,424	11,626,244
Equity instruments														
Treasury Shares								(8,555,284)						(8,555,284)
Net Profit (Loss) for the year	149,906,668		149,906,668	(28,603,521)	(121,303,147)								191,052,791	191,052,791
<b>Shareholders' equity</b>	<b>552,253,544</b>	<b>-</b>	<b>552,253,544</b>	<b>-</b>	<b>(121,303,147)</b>	<b>(4,780,718)</b>	<b>79,761</b>	<b>(8,555,284)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,686,262</b>	<b>200,417,215</b>	<b>632,797,633</b>

The amount of the dividend paid to shareholders in 2015, totalling €121,303,146.60, corresponds to €0.2 per share.

The column "Stock options" includes the incentives plans serviced by FinecoBank shares.

# Statement of changes in shareholders' equity

## Statement of changes in shareholders' equity as at 12.31.2014

	BALANCE AS AT 12.31.2013	CHANGE IN OPENING BALANCE	BALANCE AS AT 01.01.2014	ALLOCATION OF PRIOR YEAR PROFIT/(LOSS)		CHANGE DURING THE YEAR							SHAREHOLDERS' EQUITY AS AT 12.31.14	
				RESERVES	DIVIDENDS AND OTHER ALLOCATIONS	CHANGES IN RESERVES	SHAREHOLDERS' EQUITY TRANSACTIONS					COMPREHENSIVE INCOME YEAR 2014		
							ISSUES OF NEW SHARES	PURCHASE OF OWN SHARES	DISTRIBUTION OF EXTRAORDINARY DIVIDENDS	CHANGE IN EQUITY INSTRUMENTS	OWN SHARE DERIVATIVES			STOCK OPTIONS
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									(1,952,529)		2,261,820
Equity instruments														
Treasury Shares														
Net Profit (Loss) for the year	85,215,605		85,215,605	(63,208,562)	(22,007,043)								149,906,668	149,906,668
<b>Shareholders' equity</b>	<b>419,148,916</b>	<b>-</b>	<b>419,148,916</b>	<b>-</b>	<b>(22,007,043)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,157,532</b>	<b>147,954,139</b>	<b>552,253,544</b>

The amount of the dividend paid to shareholders in 2014, totalling €20,007,043.09, corresponds to €0.033 per share.  
The column "Stock options" includes the incentives plans serviced by FinecoBank shares.

## Cash flow statement

## Indirect method

A. OPERATING ACTIVITIES	AMOUNT	
	2015	2014
<b>1. Operations</b>	<b>256,444,769</b>	<b>172,136,394</b>
- profit (loss) for the year (+/-)	191,052,791	149,906,668
- unrealised gains/losses on financial assets/liabilities held for trading and on assets/liabilities at fair value through profit or loss (-/+)	532,274	484,601
- capital gains/losses on hedging transactions (-/+)	147,476	-
- impairment losses/write-backs (+/-)	6,953,932	4,999,418
- impairment losses/write-backs on tangible and intangible assets (+/-)	8,951,136	8,809,365
- provisions for risks and charges and other income/expenses (+/-)	32,349,786	16,920,816
- duties, taxes and tax credits not paid (+/-)	21,563,736	19,010,046
- net impairment losses/write-backs on disposal groups classified as held for sale after tax (+/-)	-	-
- other adjustments (+/-)	(5,106,362)	(27,994,520)
<b>2. Cash flows from/used by financial assets</b>	<b>(1,838,442,626)</b>	<b>(7,868,316,493)</b>
- financial assets held for trading	1,500,139	3,725,374
- financial assets designated at fair value through profit or loss	-	3,196,673
- available-for-sale financial assets	(574,742,362)	(1,594,752,031)
- loans and receivables with banks: on demand	-	-
- loans and receivables with banks: other loans and receivables	(987,993,301)	(6,176,632,637)
- loans and receivables with customers	(233,899,421)	(58,129,611)
- other assets	(43,307,681)	(45,724,261)
<b>3. Cash flows from/used by financial liabilities</b>	<b>1,422,974,600</b>	<b>(907,369,258)</b>
- deposits from banks: on demand	-	-
- deposits from banks: other liabilities	(48,139,439)	(213,873,115)
- deposits from customers	1,920,201,178	1,206,745,254
- debt securities in issue	(424,709,661)	(1,897,801,397)
- financial liabilities held for trading	(1,996,960)	(1,729,610)
- financial liabilities at fair value through profit or loss	-	-
- other liabilities	(22,380,518)	(710,390)
<b>Net cash flows from/used in operating activities</b>	<b>(159,023,257)</b>	<b>(8,603,549,357)</b>
<b>B. INVESTMENT ACTIVITIES</b>		
<b>1. Cash flows from</b>		
- sales of equity investments	-	-
- collected dividends on equity investments	-	-
- sales of financial assets held to maturity	-	-
- sales of tangible assets	249	143
- sales of intangible assets	-	-
- disposals of businesses	-	-
<b>2. Cash flows used in</b>		
- purchases of equity investments	-	-
- purchases of financial assets held to maturity	-	-
- purchases of tangible assets	(5,494,919)	(4,145,955)
- purchases of intangible assets	(5,059,023)	(4,901,227)
- purchases of businesses	-	-
<b>Net cash flows from/used in investing activities</b>	<b>(10,553,693)</b>	<b>(9,047,039)</b>
<b>C. FINANCING ACTIVITIES</b>		
- issue/purchase of treasury shares	(8,555,284)	-
- issue/purchase of equity instruments	79,761	-
- dividends and other distributions	(126,163,626)	(22,007,043)
<b>Net cash flows from/used in financing activities</b>	<b>(134,639,149)</b>	<b>(22,007,043)</b>
<b>NET LIQUIDITY GENERATED / ABSORBED DURING THE PERIOD</b>	<b>(304,216,099)</b>	<b>(8,634,603,439)</b>

## Key:

(+ ) from

(- ) used

## Reconciliation

Balance sheet items	AMOUNT	
	2015	2014
Cash and cash balances at the beginning of the year	1,451,228,954	10,038,098,537
Net liquidity generated/absorbed during the year	(304,216,099)	(8,634,603,439)
Cash and cash balances: effect of changes in exchange rates	35,215,366	47,733,856
Cash and cash balances at the end of the year	1,182,228,221	1,451,228,954

The term "Cash and cash balances" means cash recorded under item 10 of assets "Cash and cash balances" and the equivalent liquid assets recorded under item 60 of assets "Loans and receivables with banks" (consisting of current accounts and deposits maturing within 3 months) net of the equivalent liquid liabilities recorded under item 10 of liabilities "Deposits from banks" (represented by current accounts and deposits maturing within 3 months).

The item "Cash and cash balances" at the end of the year consisted of:

- "Cash" recognised under asset item 10 "Cash and cash balances" in the amount of €6 thousand;
- "Current accounts and demand deposits" recognised under asset item 60 "Loans and receivables with banks" in the amount of €1,251,070 thousand;
- net of the "Current accounts and demand deposits" recognised under liability item 10 "Loans and receivables with banks" in the amount of €68,848 thousand.

The item "Cash and cash balances" at the end of the prior year consisted of:

- "Cash" recognised under asset item 10 "Cash and cash balances" in the amount of €5 thousand;
- "Current accounts and demand deposits" recognised under asset item 60 "Loans and receivables with banks" in the amount of €1,476,280 thousand;
- net of the "Current accounts and demand deposits" recognised under liability item 10 "Loans and receivables with banks" in the amount of €25,057 thousand.

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A hand holding a blue marker is writing the number '20' followed by 'mld' in a cursive script on a whiteboard. The background is a blurred office setting with a person in a white shirt and tie.

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## Part A - Accounting policies

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## Part A - Accounting policies

### A.1 General

#### Section 1 - Statement of compliance with IFRS

In implementation of Legislative Decree no. 38 of February 28, these Accounts of FinecoBank as at December 31, 2015 (below FinecoBank) have been prepared in accordance with the IAS/IFRS issued by the International Accounting Standards Board (IASB), including the SIC and IFRIC interpretation documents, as endorsed by the European Commission until December 31, 2015, pursuant to EU Regulation 1606/2002 of July 19, 2012 and applicable to financial reports for the periods starting on or after January 1, 2015 (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 as amended, the Bank of Italy laid down the formats for the financial statements and explanatory notes to the accounts of banks and regulated financial companies, which have been used to prepare these Accounts.

#### Section 2 - Preparation criteria

As mentioned above, these Accounts have been prepared in accordance with the IFRS endorsed by the European Commission. The following documents have been used to interpret and support the application of IFRS, even though not all of them have been endorsed by the European Commission:

- The Conceptual Framework for Financial Reporting;
- Implementation Guidance, Basis for Conclusions, IFRICs and any other documents prepared by the IASB or International Financial Reporting Interpretations Committee (IFRIC) supplementing the IFRS;
- Interpretation documents on the application of IFRS in Italy prepared by the *Organismo Italiano di Contabilità* (Italian Accounting Body);
- ESMA (European Securities and Markets Authority) and Consob documents on the application of specific IFRS provisions;
- the documents prepared by the Italian Banking Association (ABI).

The Accounts comprise the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Cash flow Statement (compiled using the indirect method), and these Notes to the Accounts, together with the Directors' Report on Operations. Pursuant to Art. 123-bis par. 3 of Consolidated Finance Act, as noted in the "Other Information" section of the Report on Operations, the Report on Corporate Governance and Ownership Structures is available in the "Governance" section of the FinecoBank website.

The figures in the financial statements are provided in euros, and in thousands of euros in the notes to the accounts, unless otherwise indicated. In accordance with the Bank of Italy Circular 262/2005, items in the Balance Sheet, Income Statement and Statement of Comprehensive Income for which there is no significant information to be disclosed for the reporting period and the previous year, are not provided.

In addition, the tables in the Notes that do not have any significant information to be disclosed are not shown either for the reporting period or the previous year.

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.

#### Section 3 - Subsequent events

No significant events have occurred after the balance sheet date that would make it necessary to change any of the information given in the Accounts as at December 31, 2015.

The Accounts were approved by the Board of Directors' meeting of February 8, 2016, which authorised their publication, including pursuant to IAS 10.

#### Section 4 - Other matters

In 2015, the following accounting standards, amendments and interpretations have become effective for reporting periods beginning on or after January 1, 2015:

- IFRIC 21 - Levies (EU Regulation 634/2014).
- Improvements to IFRSs (2011-2013) (EU Regulation 1361/2014);

In particular, IFRIC 21 has been used for the purpose of defining the accounting treatment of charges associated with contribution schemes relating to Deposit Guarantee Schemes (DGS) and Single Resolution Fund (SRF), which were introduced by the European directives no. 49 and 59 of 2014, with effect from 2015. For an assessment of the related impact on the financial position and performance of the Bank see the section "Contributions to guarantee and resolution funds". In addition to the above considerations, these accounting standards, amendments and interpretations, where applicable, had no significant impact on the financial position and results of the Bank as at December 31, 2015.

On December 15, 2015, the Bank of Italy issued the 4th update of Circular no. 262/2005, which implemented the regulatory changes on “credit quality” reporting in the notes to the accounts and adapted it to the new definitions of impaired financial assets, already introduced in the regulatory reporting of January 2015, in line with the definitions of non-performing exposures and forbore exposures established by the European Commission with Regulation 2015/227 on proposal of the European Banking Authority.

The main changes are the elimination of the “Doubtful Loans” and “Restructured Loans” categories, and the introduction of the new “Unlikely to pay” category and of the “Forbearance” concept, which applies to all the categories, both performing and impaired, and identifies exposures for which changes in contractual conditions have been granted.

In addition, the tables in Part E “Information on risks and hedging policies”, relating to the encumbered assets previously provided in Section 3 “Liquidity Risk”, have been eliminated and Part B “Balance Sheet” and part E “Information on risks and hedging policies” of the notes to the accounts have been streamlined, also by eliminating the tables on the annual changes in financial instruments recognized in the Balance Sheet assets and liabilities.

Finally, in its technical note of December 23, 2015, the Bank of Italy stated that the initial and variance margins received must be reported as “Other liabilities” in liability items 10 “Deposits from banks” and 20 “Deposits from customers” regardless of how they are technically used, whereas, they were previously reported as “Current accounts and demand deposits” in the same items of the accounts.

As a consequence, the corresponding figures for the previous year have been restated to enable like-for-like comparison.

The EBA consultation on the definition of default (“Guidelines on the application of the definition of default under Article 178 of Regulation (EU) 575/2013”) was completed on January 22, 2016. As a result of the consultation, further changes are expected in the coming periods in the classification criteria of impaired financial assets. The effects of these changes will be clarified once the final guidelines have been published, including the EBA guidelines on the materiality threshold for the measurement of past due exposures, for which the consultation process was completed on January 31, 2015.

The European Commission endorsed the following accounting standards whose application is not yet mandatory in preparing the financial statements at December 31, 2015 and which were not applied in advance by the Bank:

- Improvements to IFRSs (2010-2012) (EU Regulation 28/2015).
- Amendments to IAS 19 - Defined benefit plans: employee contributions (Reg. EU 29/2015).
- Amendments to IAS 16 and IAS 41: Agriculture: Bearer plants (EU Reg. 2113/2015);
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (EU Regulation 2173/2015);
- Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortisation (EU Regulation 2231/2015);
- Improvements to IFRSs (2012-2014) (EU Regulation 2343/2015);
- Amendments to IAS 1: Disclosure Initiative (EU Regulation 2406/2015);
- Amendments to IAS 27: The equity method in the Separate Financial Statements (EU Regulation 2441/2015).

Finally, as at December 31, 2015, 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 10 and IAS 28: Sale or transfer of assets to a joint venture or associate (September 2014);
- Amendments to IFRS 10, IFRS 12 and IAS 28: Application of consolidation exception to investment entities (December 2014).

In July 2014, the IASB issued the new accounting standard IFRS 9 Financial Instruments replacing IAS 39 Financial Instruments: recognition and measurement; application of the new standard is mandatory starting January 1, 2018. Endorsement by the European authorities is expected within the date of first adoption (scheduled for January 1, 2018).

The new standard provides for a revised model for classifying and measuring financial assets, an “expected loss” based impairment model for loans and a reformed approach to hedge accounting.

The new method for classifying and measuring financial assets under IFRS 9 is based on the contractual cash flow characteristics of the financial asset and, for financial assets with cash flows consisting “Solely of payments of principal and interest” or “SPPI”, on the basis of the business model used by the entity to manage them. Depending on the entity’s business model, SPPI assets can be classified as “held to collect” contractual cash flows (carried at amortized cost and subject to impairment based on expected losses), “held to collect cash flows and for sale” (at fair value through comprehensive income, revaluation reserve, and subject to impairment on the basis of expected losses) or held for trading (at fair value through profit or loss).

With regard to the credit impairment model based on the “expected loss” (“Expected Credit Loss” or “ECL”), the IASB developed this method in order to ensure early recognition of credit losses compared to IAS 39, which is based on actual evidence that an impairment has occurred, as required by the G20 as a result of the financial crisis.

## Part A - Accounting policies (CONTINUED)

With regard to impaired assets according to IAS 39, there are no significant conceptual differences between the incurred losses method under IAS 39 and IFRS 9 ECL method, as the same indicators for recognition of the loss and for classification as non-performing loans under IAS 39 shall continue to apply. With regard to the effects on unimpaired assets expected from application of the new impairment model, an in-depth analysis is currently ongoing along with an assessment of the impacts on the financial position and performance of the company.

This analysis of the impacts resulting from the first time application of the standard, which is expected for January 1, 2018, will be completed in the coming years.

IFRS 15 - Revenue from Contracts with Customers (published by the IASB on May 28, 2014) is intended to replace IAS 18 - Revenue and IAS 11 - Construction Contracts, and IFRIC 13 - Customer Loyalty Programmes, IFRIC 15 - Agreements for the Construction of Real Estate, IFRIC 18 - Transfers of Assets from Customers and SIC 31 - Revenues-Barter Transactions Involving Advertising Services. The standard establishes a new revenue recognition model, which will apply to all contracts with customers except those that fall within the scope of other IAS/IFRS standards such as finance leases, insurance contracts and financial instruments. The recognition of revenue under the new model envisages the following basic steps:

- identification of the contract with the customer;
- identification of performance obligations under the contract;
- determination of the price;
- allocation of price to the contract performance obligations;
- the revenue recognition criteria when the entity satisfies each performance obligation.

The standard applies starting from January 1, 2018, with earlier application permitted.

At the reporting date, the analysis and assessment of the impacts and the estimate of the effects of the standard on revenues and the related disclosures were ongoing.

These accounts are subject to audit by Deloitte & Touche S.p.A. pursuant to Legislative Decree no. 39 of January 27, 2010 and in implementation of the Shareholders' Meeting resolution of April 16, 2013.

The full document has been filed with the relevant offices and entities in accordance with law.

### Risks and uncertainties related to the use of estimates

In the application of the accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of certain assets and liabilities as well as the information regarding potential assets and liabilities. Estimates and related assumptions are based on previous experience and other factors considered reasonable under the circumstances and have been used to estimate the carrying values of assets and liabilities not readily available from other sources.

Estimated figures have been used for the recognition of some of the largest value-based items in the financial statements as at December 31, 2015, 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 standards and have been made on the assumption of a going concern, on which basis these accounts have been prepared, i.e. without contemplating the possibility of the forced sale of the estimated items.

The processes adopted support the carrying values at December 31, 2015. 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.

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, which means that further effects on future book values cannot be ruled out.

At the date of preparing these accounts we believe that there are no uncertainties such as to give rise to significant adjustments to the carrying amounts within one year.

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 personal 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 directives 49 and 59 of 2014 relating to contribution schemes for the Deposit Guarantee Schemes (DGS) and Single Resolution Fund (SRF) were introduced in 2015, as an addition to existing deposit protection systems, under the rules which establish and govern the Banking Union (which applies to the banks of the Euro Area and to those of other participating Member States). With respect to the contribution obligations described below, these schemes have resulted in charges for the year and will give rise to charges in future years in relation to the ordinary contribution scheme and to any extraordinary contributions as may become necessary.

With the introduction of the European Directive 2014/59/EU, the Regulations on the Single Resolution Mechanism ("BRRD Directive", Regulation (EU) no. 806/2014 of the European Parliament and the Council of July 15, 2014) established a crisis recovery and resolution framework for credit institutions, providing for a single resolution committee and a single resolution fund for banks (Single Resolution Fund, National Resolution Fund for 2015). The regulatory framework established by these provisions amends the previous national statutory and banking legislation, through the introduction of harmonized rules for the prevention and management of banking crises and the assignment, within that area, of new powers to the National Resolution Authorities. The Directive provides for the start of a new compulsory national contribution scheme with the aim of reaching the collection target, equal to 1% of the protected deposits of all respective authorized institutions, by December 31, 2024. The accumulation period can be extended by a further four years if the cumulative disbursements from the contribution schemes have exceeded 0.5% of protected deposits. If, after the accumulation period, the available funds fall below the target level, the collection of contributions resumes until the said level is reinstated. Moreover, after first reaching the target level and, in the event that the funds available fall below two thirds of the target level, these contributions are set at such a level that enables achieving the target level within a period of six years. The contribution mechanism provides for ordinary annual contributions, aimed at distributing the costs for the contributing banks evenly over time, and additional extraordinary contributions, of up to three times the annual contributions, where the funds available are not sufficient to cover losses and intervention costs.

Directive 59 was implemented in Italy by Legislative Decrees no. 180 and 181 of November 16, 2015, which made the implementation of the new regulations on banking crises immediately applicable, including the write-down or conversion of shares and subordinated loans, inclusive of equity instruments, when necessary to avoid failure, according to the "burden sharing" principle.

In this regard, by resolutions of November 21, 2015, approved by the Minister of Economy and Finance on November 22, 2015, the Bank of Italy, in its capacity as National Resolution Authority ("NRA"), ordered the start of a resolution program for Banca delle Marche, Banca Popolare Etruria e Lazio, Cassa di Risparmio di Ferrara, Cassa di Risparmio della Provincia di Chieti. This restructuring process of the four banks involved the spin-off of assets classified as non-performing, which were transferred to a "bad bank", from the other assets and liabilities, which were transferred to four new "bridge banks". To cover this restructuring, the aforementioned ministerial decrees involved the request for extraordinary contributions, in addition to the ordinary contribution, in accordance with Directive No. 59, for a maximum amount equal to three times the ordinary contributions due for 2015, to be paid to the National Resolution Fund established by the Bank of Italy, in accordance with the provisions of the aforementioned Legislative Decree 180.

For the sake of completeness, it should be noted that, in order to finance the resolution of the four banks mentioned above, Law Decree no. 183/2015 also introduced an additional guarantee for 2016, due to the National Resolution Fund, for the payment to the Single Resolution Fund of potential contributions of up to two ordinary contribution instalments. This guarantee shall only be triggered if the funds available to the National Resolution Fund, net of recoveries from divestments of assets carried out by it for the four banks carried out by the Fund, are not sufficient to cover the obligations, losses and costs in relation to the measures provided by the resolutions starting the resolution program.

Directive 2014/49/EU of April 16, 2014 on the deposit guarantee schemes (DGS - Deposit Guarantee Schemes) aims to increase the protection of depositors through the harmonization of the relevant national legislation. The Directive provides for the start of a new compulsory national contribution scheme with the aim of reaching a collection target of 0.8% of the protected deposits of its members by July 3, 2024. The contribution resumes when the funds available fall short of the target level, at least until the target level is reached again. If after reaching the target level, the funds available decrease to less than two thirds of the target level, the regular contribution shall be set at a level that enables the target level to be reached within six years. The contribution mechanism provides for ordinary annual contributions, aimed at distributing the costs for the contributing banks evenly over time, and extraordinary contributions where the funds available to an SGD are not enough to reimburse depositors; extraordinary contributions cannot exceed 0.5% of covered deposits per calendar year, but, in exceptional cases and with the consent of the relevant authority, the SGDs may demand higher contributions. At the date of preparing these accounts, the process of enactment in Italy of the law implementing Directive 2014/49/EU had not been completed. Although the implementation is pending, the National Interbank Deposit Guarantee Fund, which is the Italian deposit protection scheme, by resolution of its shareholders' meeting of last November 26, 2015, amended its Articles of Association in anticipation of the introduction of the ex-ante contribution mechanism (aimed at achieving the multi-year objective mentioned above by 2024) and requested that the payment of the contribution for 2015 (corresponding, for the Bank, to its share of the funds for the protected deposits as at September 30, 2015).

Although directives no. 49 and 59 provided for the potential introduction of irrevocable payment commitments as a collection method alternative to cash contributions, up to a maximum of 30% of total target funds, in Italy this form of funding had not been made effective as of December 31, 2015 and, accordingly, contributions for 2015 were made through cash payments made within the 2015.

## Part A - Accounting policies (CONTINUED)

As also specifically indicated by the Bank of Italy, the mandatory contributions to the National Resolution Fund, paid during the year, both in the “ordinary” and in the “extraordinary” form, are based on legislative provisions, and, accordingly, they fall within the definition of “Levies” under IFRIC 21. Since they involve a progressive series of annual payment obligations, they result in income statement costs for the amount of ordinary and extraordinary contributions due each year, recognized as “Other administrative expenses”, when, in accordance with the implementing law, the obligation to pay the annual instalment arises on annual basis.

Similarly, the above-mentioned contributions requested by the National Interbank Deposit Guarantee Fund for DGS also come under the scope of IFRIC 21.

The costs recorded in 2015 for the above-mentioned contributions, paid in full in 2015 and recognised in the balance sheet item 150. B) Other administrative expenses, amounted to €4,691 thousand.

Finally, in relation to the losses incurred by the subordinated loan holders of the four banks covered by the resolution, the Legge di Stabilità 2016 - which maintained the effects of Law Decree 183 of November 22, 2015, which lapse due to its absence of conversion, relating to the implementation of the related resolution procedures - established Solidarity Fund was established up to a maximum of €100 million. This Solidarity Fund will be funded by the National Interbank Deposit Guarantee Fund (and therefore by the banks subscribing to it) according to terms and conditions yet to be determined pending the ministerial decrees to which the Stability Law refers.

Having identified that this measure results in an obligation to make a contribution to the fund, the Bank has allocated a sum to the Provision for risks and charges estimated based on the same criteria as those used by the National Interbank Deposit Guarantee Fund to calculate the DGS contribution, amounting to approximately €2,276 thousand.

## 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 - Hedge Accounting).

Like other financial instruments, on initial recognition, at settlement date, a held-for-trading financial asset is measured at its fair value, usually equal to the amount paid, excluding transaction costs and income, which are recognised through profit or loss even when directly attributable to the financial assets. Trading book derivatives are recognised at trade date.

After initial recognition these financial assets are measured at their fair value through profit or loss. An exception is the derivatives settled by delivery of an unlisted equity instrument whose fair value cannot be reliably measured, and which are measured at cost like the underlying.

A gain or loss arising from sale or redemption or a change in the fair value of a HfT financial asset is recognised in profit or loss in item 80 "Gains (losses) on financial assets and liabilities held for trading", with the exception of financial derivatives relating to a fair value option of which gains and losses, whether realised or measured, are booked in item 110. "Gains (losses) on financial assets and liabilities at fair value through profit and loss" (Please see Ch.5 - Financial Instruments at Fair Value through Profit or Loss) If the fair value of an instrument falls below zero, which may happen with derivative contracts, it is recognised in item 40. "Financial liabilities held for trading".

A derivative is a financial instrument or other contract with all three of the following characteristics:

- its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable (usually called the 'underlying') provided that in case of non-financial variable, this is not specific of one of the parties;
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- it is settled at a future date.

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract, with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

An embedded derivative is separated from the host contract and recognised as a derivative if:

- the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative;
- the hybrid (combined) instrument is not measured entirely at fair value through profit or loss.

If it is necessary to separate an embedded derivative from its host contract, but it is not possible to measure the embedded derivative separately either at acquisition or at a subsequent financial reporting date, the entire combined contract is treated as a financial asset or financial liability at fair value through profit or loss.

When an embedded derivative is separated, the host contract is recognised according to its accounting classification.

A derivative that is attached to a financial instrument but is contractually transferable independently of that instrument, or has a different counterparty from that instrument, is not an embedded derivative, but a separate financial instrument.

### 2 - Available-for-sale Financial Assets (AfS)

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments, financial assets held for trading or financial assets at fair value through profit or loss. These assets are held for an indefinite period of time and may meet the need to ensure liquidity and face changes in interest rates, exchange rates and prices.

AfS financial assets are money market instruments, other debt instruments (included host contract of hybrid instruments from which embedded derivative has been bifurcated) or equity instruments; they include shares held as minority stakes where these do not constitute controlling, or joint control, or associate interests.

On initial recognition, at settlement date, an AfS financial asset is measured at fair value, which is usually equal to the consideration of the transaction, plus transaction costs and income directly attributable to the instrument.

## Part A - Accounting policies (CONTINUED)

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 are recognized in the Statement of Comprehensive Income and shown in item 130. "Revaluation reserves".

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 impairment on an available-for-sale financial asset, the cumulative loss that had been recognised directly in equity item 130. "Revaluation reserves", is removed from equity and recognised in profit or loss under item 130.b) "Impairment losses on available-for-sale financial assets".

In respect of debt instruments, any circumstances indicating that the borrower/issuer is experiencing financial difficulties which could prejudice the collection of the principal or interest, represent an impairment.

The impairment of equity instruments is assessed on the basis of indicators such as fair value below cost and adverse changes in the environment in which the company operates, as well as the issuer's debt service difficulties.

The loss of value is normally considered as impairment, if fair value falls to less than 50% of cost or lasts for more than 18 months.

If, however, the fall in the fair value of the instrument is over 20% but less than or equal to 50% or continues for no less than 9 but no longer than 18 months, the Bank reviews further income and market indicators. If the results of the review are such as to prejudice the recovery of the amount originally invested, an impairment is recognised.

The amount taken to profit and loss is the difference between the carrying amount (value of initial recognition less any impairment loss already recognised in profit or loss) and current fair value.

Where instruments are valued at cost, the amount of the loss is determined as the difference between their carrying value and the present value of estimated future cash flows, discounted at the current market yield on similar financial assets (the recoverable amount).

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event such as an improvement in the debtor's credit worthiness occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed and the amount of the reversal is recognised in the same profit or loss item. The reversal cannot result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised.

Conversely, impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale are not reversed through profit or loss, but recognised in equity under the revaluation reserve.

### 3 - Held to Maturity Investments (HtM)

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity 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;
- 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 and exchange rate 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 profit (or loss) on loans and receivables is recognized through 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 collections and the discount rate used. The amount of the loss on impaired exposures classified as non-performing and unlikely to pay according to the categories specified below, is the difference between the carrying value and the present value of estimated cash flows discounted at the original interest rate of the financial asset.

For all fixed-rate positions, the interest rate determined in this manner is also held constant in future years, while for floating rate positions the interest rate is updated according to contractual terms.

If the original interest rate is not 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 exposures 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 the rules defined in Bank of Italy Circular no. 272 of July 30, 2008 as amended (in particular, the 7th update of January 20, 2015), impaired exposures, i.e. those with the characteristics mentioned in paragraphs 58-62 of IAS 39, corresponding to the non-performing aggregate referred to in EBA ITS, 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;
- **unlikely to pay** - i.e. on- and off-balance sheet exposures which do not meet the borrower's condition for classification as non-performing loans and for which, in the absence of actions such as the enforcement of collateral, the debtor's ability to fully meet its credit obligations (principal and/or interest) is assessed as unlikely. This assessment is made independently of any past due and unpaid amount (or instalment). The classification of an exposure as unlikely to pay is not necessarily tied to evident issues (non-repayment), but is rather linked to indicators of a potential default of the borrower. The "unlikely to pay" exposures are measured individually (including by verifying statistically defined coverage levels for some loan portfolios below a predefined threshold) or by applying a percentage on a flat basis by type of homogeneous exposures;
- **past due and/or overdrawn impaired exposures** - i.e. on-balance sheet exposures, other than those classified as non-performing or unlikely to pay that are past due or overdrawn at the reporting date. The past due and/or overdrawn impaired exposures may be determined, alternatively, with respect to the individual debtor or the individual transaction. Specifically, they represent the total exposure to any borrower not included in the "unlikely to pay" 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).

Past-due and/or overdrawn impaired exposures are valued at a flat rate on a historical/stochastic basis by applying where available the risk rating referred to Loss Given Default (LGD) under Regulation (EU) No. 575/2013 (CRR) on prudential requirements for credit institutions and investment firms. The Bank assesses past due and/or overdrawn impaired exposures with respect to the individual debtor. Total exposure is recognised in this category if, at the reporting date, either of the following amounts, whichever is larger, is equal to or more than 5%:

- the expired/overdrawn portion out of the entire exposure as at the reporting date
- and
- the average of the past-due and/or overdrawn portions out of the entire exposure, as measured daily in the last preceding quarter.

The EBA standards have introduced the definition of forbore exposures, i.e. exposures subject to forbearance when a debtor is or is about to face difficulties in meeting his financial commitments (financial difficulties).

Forbearance is defined by EBA standards as:

- a modification of the previous terms and conditions of a contract the debtor is considered unable to comply with due to its financial difficulties ("troubled debt") to allow for sufficient debt service ability, that would not have been granted had the debtor not been in financial difficulties;
- a total or partial refinancing of a troubled debt contract, that would not have been granted had the debtor not been in financial difficulties.

Forborne exposures may be classified in the impaired loans category (non-performing, unlikely to pay, impaired past due and overdrawn) or as performing loans. The accounting policies regarding provisions and assessments of forbore exposures are in accordance with the general principle set out by IAS 39, with the clarifications given above regarding renegotiated loans classified as unlikely to pay.

The collective assessment of performing loans is used for groups of loans for which individually there are no indicators of impairment: to these portfolios a latent impairment can be attributed, according to the method described below, inter alia on the basis of the risk factors used under CRR prudential 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. The Bank assumes the loss confirmation period as equal to a maximum of 12 months, at which existing accounting provisions and expected losses are equivalent.

If these indicators are not available, estimated value and standard loss percentages, based on internal historical 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

These include all personal guarantees issued by the bank to secure third-party 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. Impairment of guarantees given on behalf of debtors classified as "unlikely to pay" is calculated as for loans and advances.

In respect of guarantees issued on behalf of debtors classified as "Impaired past due and/or overdrawn 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 "unimpaired past due and/or overdrawn 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 credit 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 (FVaFV)

Any financial asset may be designated, in accordance with the provisions of IAS 39 as a financial instrument measured at fair value through profit and loss on initial recognition, except for the following:

- investments in equity instruments for which there is no price quoted in active markets and whose fair value cannot be reliably determined;
- derivatives.

FVaFV 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.

FVaFV are accounted for in a similar manner to HFT financial assets (see Section 1 - Financial assets held for trading), however gains and losses, both realised and unrealised, are recognised in item 110. "Gains (losses) on financial assets and liabilities at fair value through profit and loss".

At the balance sheet date, the Bank did not hold any financial assets classified as "Financial assets at fair value through profit and loss".

## 6 - Hedge Accounting

Hedging derivatives are those created to hedge market risks (interest-rate, currency and price) to which the hedged positions are exposed. They may be described as follows:

- fair value hedge: a hedge of the exposure to changes in fair value of a recognised asset or liability, or an identifiable portion of such an asset or liability;
- cash flow hedge: a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction which could affect profit or loss in future periods;
- hedge of a net investment in a foreign entity, whose operations are presented in a currency other than euro.

Hedging derivatives are initially recognised on trade date and are valued at their fair value.

A hedging relationship qualifies for hedge accounting if there is formal designation and documentation of the hedging relationship including the risk management objective, the strategy for undertaking the hedge, and how the hedging instrument's prospective and retrospective effectiveness will be assessed. It is necessary to assess the hedge's effectiveness, at inception and in subsequent periods, in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

A hedge is regarded as highly effective if, at the inception of the hedge and in subsequent periods, it is determined prospectively to remain highly effective, and the retrospectively verified that the hedge ratio (i.e. the changes in fair value of hedged items and hedging instruments) is within a range of 80-125 per cent. The hedge is assessed on an ongoing basis and thus must prospectively remain highly effective throughout the financial reporting periods for which the hedge has been designated.

The assessment of effectiveness is made at each balance-sheet date or other reporting date. If the assessment does not confirm the effectiveness of the hedge, from that time on hedge accounting is discontinued in respect of the hedge and the hedging derivative is reclassified as a held-for-trading instrument. In addition, the hedging relationship ceases when the hedging instrument expires or is sold, terminated or exercised; the hedged item is sold, expires or is repaid; or it is no longer highly probable that the forecast transaction will occur.

## 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; the fair value changes of the hedged item relating to the unhedged risk (essentially the credit risk) are recognized in the Statement of Comprehensive Income and shown in item 130. "Revaluation reserves";
- **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 are recognized in the Statement of Comprehensive Income and shown in item 130. "Revaluation reserves";
- **Hedging a Net Investment in a Foreign entity** - hedges of a net investment in a foreign entity, whose operations are presented in a currency other than euro, are accounted for similarly to cash flow hedges.

The gain or loss on the hedging instrument relating to the effective portion of the hedge that has been recognised directly in equity is recognised through profit or loss on disposal of the foreign entity.

The fair value changes recorded in item 130. "Revaluation reserves" are also reported in the Statement of Comprehensive Income. The ineffective portion of the gain or loss is recognised through profit or loss in item 90. "Fair value adjustments in hedge accounting";

- **macro-hedged financial assets (liabilities)** - IAS 39 allows a fair-value item hedged against interest rate fluctuations to be not only a single asset or liability but also a monetary position contained in a number of financial assets or liabilities (or parts of them); accordingly, a group of derivatives can be used to offset fair-value fluctuations in hedged items due to changes in market rates. Macro hedging may not be used for net positions resulting from the offsetting of assets and liabilities. As for fair value micro hedging, macro hedging is considered highly effective if, at the inception of the hedge and throughout its life, changes in the fair value attributable to the hedged position are offset by changes in fair value of the hedging instrument and if the hedge ratio is retrospectively assessed falling within the range of 80-125 per cent. Net changes - gains or losses - in the value of the macro-hedged assets and liabilities attributable to the hedged risk are recognised in asset item 90 and liability item 70 respectively and offset the profit and loss item 90 "Fair value adjustments in hedge accounting". The gain or loss from remeasuring the hedging instrument at fair value is recognised in the same profit and loss item.

The ineffectiveness of the hedging arises to the extent that the change in the fair value of the hedging item differs from the change in the fair value of the hedged monetary position. The extent of hedge ineffectiveness is in any case recognised in profit and loss item 90. "Fair value adjustments in hedge accounting".

If the hedging relationship is terminated, for reasons other than the sale of the hedged items, cumulative gain or loss in items 90 (Assets) and 70 (Liabilities) is recognised through profit or loss in interest income or expenses, along the residual life of the hedged financial assets or liabilities.

If the latter are sold or repaid, unamortised fair value is at once recognised through profit and loss in item 100. "Gains (Losses) on disposals/repurchase.

The Bank had in place at the reporting date only specific fair value hedges of debt securities issued by governments and classified in the "Available-for-sale financial assets" portfolio and macro-hedges against the interest rate risk of personal loans to retail customers, of bonds issued by UniCredit subscribed by the Bank and classified under the "Loans and receivables" category.

## 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 and those to be recognised, where applicable, under the item 140. "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.

Tangible assets used in the business are held for use in the production or supply of goods or services or for administrative purposes and are expected to be used during more than one period.

Property, plant and equipment also include leasehold improvements relating to assets which can be separately identified. They are classified according to the specific sub-items relating to the asset type (e.g. plants). Leasehold improvements are usually borne in order to make leased premises fit for the expected use. Improvements and additional expenses relating to property, plant and equipment identifiable but not separable are recognised in item 150 "Other assets".

Tangible assets held for investment purposes are properties covered by IAS 40, i.e. properties held in order to derive rentals and/or a capital gain.

Property, plant and equipment are initially recognised at cost including all costs directly attributable to bringing the asset into use (transaction costs, professional fees, direct transport costs incurred in bringing the asset to the desired location, installation costs and dismantling costs).

Subsequent costs are added to the carrying amount or recognised as a separate asset only when it is probable that there will be future economic benefits in excess of those initially foreseen and the cost can be reliably measured. Other expenses borne at a later time (e.g. normal maintenance costs) are recognised in the year they are incurred in profit and loss items:

- 150.b) "Other administrative expenses", if they refer to assets used in the business;

or:

- 190. "Other net operating income", if they refer to property held for investment.

After being recognised as an asset, an item of property, plant and equipment is carried at cost less any accumulated depreciation and any cumulative impairment losses.

An item with a finite useful life is subject to straight-line depreciation.

The depreciation rates used for the main categories of property, plant and equipment are as follows:

• Furniture	12%
• Furnishings	15%
• Ordinary office equipment	12%
• Machinery, appliances and equipment	15%
• Alarm and safety systems	30%
• Electronic equipment	20%
• Mobile phones and photographing systems	20%
• Lifts and lifting equipment	7.5%
• Motor vehicles	25%
• Buildings	3%

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 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".

## Part A - Accounting policies (CONTINUED)

If the value of a previously impaired asset is restored, its increased carrying amount cannot exceed the net carrying amount it would have had if there had been no losses recognised on the prior-year impairment.

An 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 the Bank's ordinary operations; as a result, it is not possible to isolate the contribution of each company/business division from the Bank's overall business. This means that to establish the reasonableness of the value of goodwill recognised in the financial statements it is necessary to take account of 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 the Bank, which involves a high level of integration between personal financial advisors and the trading and banking platform, so that the personal financial advisors network is an integral part of the overall offer, which includes banking, brokerage and investing services, an allocation of costs/revenues to the macro areas of activity is not considered relevant or meaningful.

Please see Section 12.3 Intangible assets - Other information in Part B below for further information on goodwill and related impairment tests.

## 10 - Non-current Assets Held for Sale

These categories include individual assets held for disposal (tangible, intangible and financial assets) or groups of assets held for sale, with the associated liabilities, as required by IFRS 5.

Individual assets (or groups of assets held for sale) are recognised in item 140. "Non-current assets and disposal groups held for sale" and 90. "Liabilities included in disposal groups classified as held for sale", respectively, at the lower of their carrying amounts and fair values less costs to sell.

The revaluation reserves relating to Non-current assets held for sale, which are recorded as a contra item to changes in value relevant for this purpose, are reported separately in the Statement of Comprehensive Income (see Part D - Comprehensive Income).

The net balance of profits (dividends, interest income, etc.) and losses (interest expense, etc.) attributable to groups of assets or liabilities held for sale are recognised in the income statement under item 280. "Profit (Loss) after tax from discontinued operations". Profits and losses attributable to individual assets held for disposal are recognised in the income statement under the most appropriate item.

At the balance sheet date, the Bank held no non-current assets classified as held for sale.

## 11 - Current and Deferred Tax

Tax assets and liabilities are recognised in the balance sheet respectively in asset item 130. "Tax assets" and in liability item 80. "Tax liabilities".

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.

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 tax assets with the current tax liabilities; and
- deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or different taxable entities which intend to settle current tax assets and liabilities on a net basis (usually under a tax consolidation agreement).

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.

In this regard, it should be noted that the effects of the reduction in the IRES income tax rate from 27.50% to 24% introduced, with effect from January 1, 2017 effective for tax periods after the period to December 31, 2016, introduced by the Legge di Stabilità 2016 were "neutralised" for the Bank as a result of the introduction, by the same Law, of an additional 3.5 percentage points for credit and financial institutions effective for the same tax periods. 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 will be available, against which the deferred tax assets can be utilised, is reviewed periodically. The carrying amount of deferred tax assets should be reduced to the extent that it is not probable that sufficient taxable profit will be available.

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 which the Bank subscribed to (see also Part B of the notes to the accounts - 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 plan as it has no legal or implicit obligation to make further contributions, should the plan not be sufficient to provide benefit to all employees.

Defined-benefit plans are present-valued by an external actuary using the unit credit projection method.

This method distributes the cost of the benefit evenly over the employee's working life. The liability is determined as the present value of average future payments adjusted according to the ratio of years of service to theoretical total years of service at the time of payment of the benefit.

More specifically, the amount recognised according to IAS 19 Revised, as a net liability/asset in item 120. Provisions for risks and charges - a) Post-retirement benefit obligations is the present value of the obligation at the balance sheet date, less any pension charges relating to benefits already provided but not yet recognised, less the fair value at the balance sheet date of plan assets other than those due to directly settle the obligations adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. Actuarial gains/losses recognized in the statement of comprehensive income are shown in item 130. "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.

Provisions for the year are recognised in the income statement 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 and 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.

HFT financial liabilities, including derivatives, are measured at fair value initially and for the life of the transaction, except for derivative liabilities settled by delivery of an unlisted equity instrument whose fair value cannot reliably be measured, and which 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 Bank's Board of Directors or equivalent body.

This category may also include financial liabilities represented by hybrid (combined) instruments containing embedded derivatives that otherwise should have been separated from the host contract.

These transactions are recognised in the same way as the HFT financial liabilities, with gains and losses, both realised and unrealised, recognised in item 110. "Gains (losses) on financial assets and liabilities at fair value through profit and loss".

At the balance sheet date, the Bank did not hold any financial liabilities classified as "Financial liabilities at fair value through profit or loss".

## 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 or liability is HFT;
- in the statement of comprehensive income and shown in revaluation reserves if the financial asset is AfS.

All exchange differences recorded under revaluation reserves in shareholders' equity are also reported in the Statement of Comprehensive Income.

**17 - Other Information****Business combinations**

A business combination is a transaction through which an entity obtains control of a company or of a business segment, thus bringing together different businesses into one reporting entity.

A business combination may result in a Parent-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 involving the purchase of a division 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.

The positive difference between the cost of the business combination and the 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 and securities lending**

Securities received in a transaction that entails a contractual obligation to sell them at a later date or delivered under a contractual obligation to repurchase are neither recognised nor derecognised. In respect of securities purchased under an agreement to resell, the consideration is recognised as a loan to customers or banks, or as an asset held for trading. In respect of securities held in a repurchase agreement, the liability is recognised as due to banks or customers, or as financial liabilities held for trading. Revenue from these loans, being the coupons accrued on the securities and the difference between the sale/purchase and resale/repurchase prices, is recognised in profit or loss through interest income and expenses on an accruals basis.

These transactions can only be offset if, and only if, they are carried out with the same counterparty and provided that such offset is provided for in the underlying contracts.

The same rules apply to securities lending transactions collateralised by cash fully available to the lender.

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.

### **Equity instruments**

Equity instruments represent a residual interest in assets, net of liabilities. An instrument is classified as equity instrument if there are no contractual obligations to make payments in the form of principal, interest or other types of returns.

Specifically, instruments that meet the following requirements are classified as equity instruments:

- unlimited term or at least equal to the term of the company;
- issuer's full discretion as to the payment of coupons or principal reimbursement, including early redemption.

Equity instruments include Additional Tier 1 instruments under Regulation (EU) No. 575/2013 (CRR) on prudential requirements for credit institutions and investment firms, which in addition to the above characteristics:

- (i) maintain the issuer's full discretion as to the reinstatement of the nominal value (write-up) following a capital event that resulted in a write-down;
- (ii) do not include provisions that require the issuer to make payments (must pay clauses) as a result of actual events under the control of the parties.

Equity instruments other than ordinary or savings shares, are classified in item 150. "Equity instruments" for the amount received including transaction costs attributable to the transaction.

Any coupons paid, net of related taxes, are deducted from Item 160. "Reserves".

Any difference between the amount paid for extinguishing or repurchasing these instruments and their book value is recognized in item 160. "Reserves".

At the balance sheet date, the Bank had not issued any "Equity instruments".

## Part A - Accounting policies (CONTINUED)

**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.

**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.

Following pension reform by Law 252 of December 5, 2005, TFR instalments accrued to December 31, 2006 (or to the date between January 1, 2007 and June 30, 2007 on which the employee opted to devolve their TFR to a supplementary pension fund) stay in the employer and are considered a post-employment defined benefit plan therefore incurring actuarial valuation, though with simplified actuarial assumptions, i.e., forecast future pay rises are not considered.

TFR instalments accrued since January 1, 2007 (date of Law 252 coming into effect) (or since the date between January 1, 2007 and June 30, 2007) are, at the employee's discretion, either paid into a pension fund or left in the company and (where the company has in excess of 50 employees) paid into an INPS Treasury fund by the employer, and are assimilated to a defined-contribution plan.

Costs relating to TFR are recognised in the Income Statement in item 150.a) "Administrative costs: staff expenses" and include, for the part of the defined benefit plan: (i) interest cost accrued in the year, for the part of plan considered defined contribution plan (ii) the accrued instalments for the year paid into the complementary pension scheme or to the Treasury fund of INPS.

Actuarial gains and losses, defined as the difference between the carrying amount of the liability and the present value of obligations at period end, are recognized in the statement of comprehensive income and shown in item 130. Revaluation reserves in accordance with the provisions of IAS 19 Revised.

**Share-Based Payment**

Equity-settled payments made to employees or other staff (in particular, personal financial advisors) in consideration of goods received or services rendered, using shares of the Bank or the parent, which consist of:

- Stock options;
- rights to receive shares upon attainment of certain objectives, which are settled with equity instruments;
- rights to receive shares upon attainment of certain objectives, which are settled in cash;

Considering the difficulty of reliably measuring the fair value of the services acquired against equity-settled payments, reference is made to the fair value of the instruments themselves, measured at the date of allocation of the rights.

The fair value of equity-settled payments using the Bank's shares 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.

As for share-based payments settled in cash in favour of personal financial advisors, the services acquired and the liabilities assumed are measured at the latter's fair value, recognised in Item 100. "Other Liabilities". Until the liability is settled, the fair value is recalculated at each balance sheet date until the settlement date, and all changes in fair value are recognised in item 50 "Fee and commission expense".

Share based payments consisting in the payment of shares of the parent company directly allocated to employees of the Bank, under agreements between the Bank and the Parent Company for their cash settlement, are measured at fair value, calculated when the related rights are assigned, recognised as a cost in profit and loss item 150 "Administrative costs", as a contra entry to item 100. "Other Liabilities", on an accruals basis over the period in which the services are acquired.

**Other Long-term Employee Benefits**

Long-term Employee Benefits are recognised in item 100. "Other liabilities" on the basis of the measurement of the liability at the balance sheet date.

### **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, HfM 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.

## Part A - Accounting policies (CONTINUED)

**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 (see also Section Available-for-sale financial assets).

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.

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**

The Bank 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).

## Part A - Accounting policies (CONTINUED)

The Bank uses valuation models (Mark to Model) in keeping with the methods generally accepted and used by the market. Valuation models include techniques based on the discounting of future cash flows and on volatility estimates, and they are subject to revision both during their development and periodically in order to ensure their consistency with the objectives of the valuation.

These methods use inputs based on prices set in recent transactions for the instrument being valued and/or prices/quotations for instruments having similar characteristics in terms of risk profile.

Indeed, these prices/quotations are relevant for determining significant parameters in terms of the credit risk, liquidity risk and price risk of the instrument being valued. Reference to these "market" parameters makes it possible to limit the discretionary nature of the valuation, and ensures that the resulting fair value can be verified.

If, for one or more risk factors it is not possible to refer to market data, the valuation models employed use estimates based on historical data as inputs. As a further guarantee of the objectivity of valuations derived from valuation models, the Bank employs:

- independent price verifications (IPVs);
- Fair Value Adjustment or FVA.

Independent price verification requires that the prices are verified monthly by Risk Management units that are independent from the units that assume the risk exposure. This verification calls for comparing and adjusting the daily price in line with valuations obtained from independent market participants. For instruments not listed in active markets, the above verification process uses prices contributed by infoproviders as a reference, and assigns a greater weighting to those prices that are considered representative of the instrument being valued.

This valuation includes: the "executability" of the transaction at the price observed, the number of contributors, the degree of similarity of the financial instruments, the consistency of prices from different sources, and the process followed by the infoprovider to obtain the information.

### A.4.1 Fair value levels 2 and 3: valuation techniques and input used

The Bank uses valuation techniques to value positions for which a market price is not available from market sources. In particular, 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.

#### **Fair Value Adjustment (FVA)**

Fair value adjustment is defined as the amount to be added either to the market observed mid-price or to the theoretical price generated by a valuation model with the aim of obtaining a fair value of the position. The FVA thus ensure that fair value reflects the realisation amount from an actual possible market transaction.

### A.4.2 - Valuation processes and sensitivity of fair value measurements

The Bank verifies that the value attributed to each trading position reflects the current fair value in an appropriate way. 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 Governance guidelines, in order to ensure the appropriate level of separation between the functions in charge of development activities and those in charge of validation processes, all valuation models developed by the front offices of Group companies are independently and centrally tested and validated by the Group Internal Validation functions. The aim of this independent control structure is to evaluate the model risk deriving from theoretical robustness, calibration techniques where applicable and appropriateness of the model for a specific product in a defined market point of views.

In addition to the daily mark to market or mark to model valuation, the Independent Price Verification (IPV) is applied monthly by the Bank's Market Risk with the aim of guaranteeing an independent fair value.



### A.4.3 Fair value hierarchy

The IFRS 13 principle establishes a fair value hierarchy according to the observability of the input used in the valuation techniques adopted. In particular, three levels are considered:

- Level 1: fair value for instruments classified within this level is determined according to the quoted prices on active markets;
- Level 2: fair value for instruments classified within this level is determined according to the valuation models which use observable market inputs;
- Level 3: fair value for instruments classified within this level is determined according to valuation models which prevalently use significant inputs not observable on active markets.

### A.4.4 Other information

Hereby we provide IFRS 13 disclosure requirements.

#### **Assets and liabilities measured at fair value on recurring basis**

##### ***Fixed Income Securities***

Fixed Income Securities are priced in a two tier process depending on the liquidity in the respective market. Liquid instruments in active markets are marked to market and consequently positions in these instruments are disclosed in reference to Fair Value Hierarchy under Level 1.

Instruments not traded in active markets are marked to model based on implied credit spread curves derived from the former Level 1 instruments. The model 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 classified as Level 2 only when trading volume on the market where the instrument is quoted has decreased significantly.

For equity instruments measured at cost an impairment is given, if the carrying amount exceeds the recoverable amount significantly and/or over a prolonged period of time.

##### ***Investment Funds***

The Bank holds investment funds that calculate the Net Asset Value (NAV) per unit and may include investments in funds managed by the Group.

#### **Assets and liabilities not measured fair value or measured at fair value on a non-recurring basis**

For these financial instruments fair value is calculated for disclosure purposes only and does not impact the balance sheet or the profit or loss. Additionally, since these instruments generally do not trade, there is significant management judgment required to determine their fair values as defined by IFRS 13.

##### ***Loans and receivables with banks and customers***

Fair value for performing Loans and Receivables from customers and banks, recorded at amortised cost, is determined using the discounted cash flow model adjusted for credit risk. Some portfolios are valued using simplified approaches, which however take into account their financial characteristics. Loans and receivables with banks and customers with a duration of less than 12 months for which the fair value was estimated to be equal to the book value have been assigned the level 3 fair value hierarchy.

For the UniCredit securities classified in the Loans and Receivables portfolio, the fair value has been calculated using the Group's methodology based on discounted cash flow, which consists of producing an estimate of the estimated cash flows over the life of the instrument and discounting at a rate that incorporates the credit spread. The credit spread is calculated based on the credit spread curve of the issuer, constructed by selecting issues, also from the second market, with the same specific characteristics.

The assessment of the UniCredit securities by Risk Management is then carried out for the purposes of disclosure and second level control.

## Part A - Accounting policies (CONTINUED)

**Liabilities**

Fair value for liabilities, recorded at amortised cost, is determined using the discounted cash flow model adjusted for UniCredit credit risk. The Credit Spread is determined using UCG's subordinated and non-subordinated risk curves.

Deposits from banks and customers with a duration of less than 12 months for which the fair value was estimated to be equal to the book value have been assigned the level 3 fair value hierarchy.

**Cash and cash balances**

Cash and cash balances are not carried at fair value on the Balance Sheets, but they are carried at amounts that approximate fair value, due to their short term nature and generally negligible credit risk.

**QUANTITATIVE INFORMATION****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	12.31.2015			12.31.2014		
	L1	L2	L3	L1	L2	L3
1. Financial assets held for trading	1,908	2,059	16	2,125	908	21
2. Financial assets designated at fair value through profit or loss	-	-	-	-	-	-
3. Available-for-sale financial assets	2,235,494	-	10,483	1,695,550	-	-
4. Hedging derivatives	-	-	-	-	19,247	-
5. Property, plant and equipment	-	-	-	-	-	-
6. Intangible assets	-	-	-	-	-	-
<b>Total</b>	<b>2,237,402</b>	<b>2,059</b>	<b>10,499</b>	<b>1,697,675</b>	<b>20,155</b>	<b>21</b>
1. Financial liabilities held for trading	1,020	3,080	-	1,986	1,146	3
2. Financial Liabilities at fair value through profit or loss	-	-	-	-	-	-
3. Hedging derivatives	-	31,319	-	-	36,993	-
<b>Total</b>	<b>1,020</b>	<b>34,399</b>	<b>-</b>	<b>1,986</b>	<b>38,139</b>	<b>3</b>

**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 IN 2015	
		LEVEL 1	LEVEL 2
<b>Financial assets measured at fair value</b>			
Financial assets held for trading	Transfer from level 1	X	-
	Transfer from level 2	986	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
<b>Financial liabilities measured at fair value</b>			
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

#### 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
<b>1. Opening balance</b>	21	-	-	-	-	-
<b>2. Increases</b>						
2.1 Purchases	2,358	-	-	-	-	-
2.2 Profits allocated to:						
2.2.1 Income Statement	19	-	-	-	-	-
- of which capital gains	-	-	-	-	-	-
2.2.2 Shareholders' Equity	X	X	10,483	-	-	-
2.3 Transfers from other levels	-	-	-	-	-	-
2.4 Other increases	-	-	-	-	-	-
<b>3. Decreases</b>						
3.1 Sales	(2,374)	-	-	-	-	-
3.2 Reimbursements	-	-	-	-	-	-
3.3 Losses allocated to:						
3.3.1 Income Statement	(8)	-	-	-	-	-
- of which capital losses	(4)	-	-	-	-	-
3.3.2 Shareholders' Equity	X	X	-	-	-	-
3.4 Transfers to other levels	-	-	-	-	-	-
3.5 Other decreases	-	-	-	-	-	-
<b>4. Closing balance</b>	<b>16</b>	<b>-</b>	<b>10,483</b>	<b>-</b>	<b>-</b>	<b>-</b>

The sub-items 2.2.1 Profits through profit and loss and 3.3.1 Losses through profit and loss are included, where present, in Profit and Loss in the following items:

- Item 80: Gains and losses on financial assets and liabilities held for trading;
- Item 110: Gains and losses on financial assets/liabilities at fair value through profit or loss;
- Item 90: Fair value adjustments in hedge accounting.

The sub-items 2.2.2 Profits recognised in equity and 3.3.2 Losses recognised in equity arising from changes in fair value of Available-for-sale financial assets are recognised, if any, in equity item 130. "Revaluation reserves" - except losses due to impairment and exchange rate gains or losses on monetary items (debt instruments) which are recognised under item 130. b) "Impairment losses on AfS available for sale financial assets" and item 80. "Gains (losses) on financial assets and liabilities held for trading" of the income statement, respectively - until the financial asset is sold, at which time cumulative gains and losses are recognised in profit or loss in item 100.b) "Gains (losses) on disposal or repurchase of AfS financial assets".

#### A.4.5.3 Annual changes in financial liabilities at fair value level 3

(Amounts in € thousand)

	FINANCIAL LIABILITIES HELD FOR TRADING	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	HEDGING DERIVATIVES
<b>1. Opening balance</b>	<b>3</b>	<b>-</b>	<b>-</b>
<b>2. Increases</b>			
2.1 Issues	-	-	-
2.2 Losses allocated to:			
2.2.1 Income Statement	-	-	-
- of which capital losses	-	-	-
2.2.2 Shareholders' Equity	X	X	-
2.3 Transfers from other levels	-	-	-
2.4 Other increases	-	-	-
<b>3. Decreases</b>			
3.1 Reimbursements	-	-	-
3.2 Repurchases	-	-	-
3.3 Profits recognised:			
3.3.1 Income Statement	(3)	-	-
- of which capital gains	(3)	-	-
3.3.2 In equity	X	X	-
3.4 Transfers to other levels	-	-	-
3.5 Other decreases	-	-	-
<b>4. Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Part A - Accounting policies (CONTINUED)

**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)

ASSETS/LIABILITIES NOT MEASURED AT FAIR VALUE OR MEASURED AT FAIR ON A NON-RECURRING BASIS	12.31.2015				12.31.2014			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Held to maturity investments	-	-	-	-	-	-	-	-
2. Loans and receivables with banks	14,648,904	-	11,786,051	3,204,555	13,892,197	-	9,907,356	4,373,322
3. Loans and receivables with customers	922,774	-	-	972,334	695,594	-	1	730,740
4. Property, plant and equipment held for investment	2,509	-	-	4,535	2,621	-	-	4,813
5. Non-current assets and disposal groups classified as held for sale	-	-	-	-	-	-	-	-
<b>Total</b>	<b>15,574,187</b>	<b>-</b>	<b>11,786,051</b>	<b>4,181,424</b>	<b>14,590,412</b>	<b>-</b>	<b>9,907,357</b>	<b>5,108,875</b>
1. Deposits from banks	1,423,459	-	-	1,423,459	1,428,568	-	-	1,428,568
2. Deposits from customers	15,822,459	-	49,815	15,772,976	13,914,712	-	55,191	13,860,288
3. Debt securities in issue	-	-	-	-	424,710	-	438,958	-
"4. Liabilities included in disposal groups classified as held for sale"	-	-	-	-	-	-	-	-
<b>Total</b>	<b>17,245,918</b>	<b>-</b>	<b>49,815</b>	<b>17,196,435</b>	<b>15,767,990</b>	<b>-</b>	<b>494,149</b>	<b>15,288,856</b>

**Key:**

L1 = Level 1 - L2 = Level 2 - L3 = Level 3 - BV = Book Value.

Property, plant and equipment held for investment consist of two properties held by the Bank, the fair value of which corresponds to the market value as determined by an appraisal carried out by an external and independent valuation firm.

## A.5 Day-one profit/loss

Financial instruments are initially recognised at fair value on the recognition date.

The fair value of financial instruments, other than those measured at fair value through profit or loss, at the recognition date is usually assumed to be equal to the amount collected or paid.

For financial instruments held for trading and financial instruments measured at fair value, any difference from the amount collected or paid is recognised in the appropriate line items of the income statement upon initial measurement of the financial instrument.

The use of prudent valuation models, the review processes of these models and their parameters and value adjustments to reflect model risk ensure that the amount recognized in the income statement is not derived from the use of unobservable valuation parameters. In particular, the quantification of the value adjustments relating to the risk model ensures that the part of the fair value of these instruments that refers to the use of subjective parameters is not recognised through profit or loss, but rather as an adjustment to the equity value of those instruments. Accordingly, this item is only subsequently recognised through profit or loss when there is a predominance of objective parameters and, consequently, when the mentioned adjustments are no longer required.

There are no “day-one profits/losses” to disclose in accordance with paragraph 28 of IFRS 7.



## Part B - Balance Sheet

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## Part B - Balance Sheet - Asset

### Assets

#### Section 1 - Cash and cash balances - Item 10

##### 1.1 Cash and cash balances: breakdown

(Amounts in € thousand)

	12.31.2015	12.31.2014
(a) Cash	6	5
(b) Demand deposits with central banks	-	-
<b>Total</b>	<b>6</b>	<b>5</b>

#### Section 2 - Financial assets held for trading - Item 20

##### 2.1 Financial assets held for trading: product breakdown

(Amounts in € thousand)

ITEM/AMOUNT	12.31.2015			12.31.2014		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
<b>A. On-balance sheet assets</b>						
1. Debt securities	15	30	-	44	-	-
1.1 Structured securities	3	-	-	3	-	-
1.2 Other debt securities	12	30	-	41	-	-
2. Equity Instruments	570	-	14	9	-	17
3. UCITS units	-	-	2	-	-	1
4. Loans	-	-	-	-	-	-
4.1 Reverse repos	-	-	-	-	-	-
4.2 Others	-	-	-	-	-	-
<b>Total A</b>	<b>585</b>	<b>30</b>	<b>16</b>	<b>53</b>	<b>-</b>	<b>18</b>
<b>B. Derivatives</b>						
1. Financial derivatives	1,323	2,029	-	2,072	908	3
1.1 trading derivatives	1,323	2,029	-	2,072	908	3
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	-	-	-	-	-	-
<b>Total B</b>	<b>1,323</b>	<b>2,029</b>	<b>-</b>	<b>2,072</b>	<b>908</b>	<b>3</b>
<b>Total (A+B)</b>	<b>1,908</b>	<b>2,059</b>	<b>16</b>	<b>2,125</b>	<b>908</b>	<b>21</b>

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 €2,349 thousand (€920 thousand as at December 31, 2014).

Sub-item B.1.1 Derivative instruments - Trading financial derivatives includes the positive valuations of spot contracts for securities classified in the HFT portfolio and currencies to be settled in times established by market practices ("regular way"). They amounted to €1,004 thousand (€2,063 thousand as at December 31, 2014).



## 2.2 Financial assets held for trading: breakdown by issuer/borrower

(Amounts in € thousand)

ITEM/AMOUNT	12.31.2015	12.31.2014
<b>A. ON-BALANCE SHEET ASSETS</b>		
<b>1. Debt securities</b>	<b>45</b>	<b>44</b>
a) Governments and central banks	7	8
b) Other public entities	-	-
c) Banks	38	33
d) other issuers	-	3
<b>2. Equity Instruments</b>	<b>584</b>	<b>26</b>
a) Banks	312	4
b) Other issuers:	272	22
- insurance companies	1	-
- financial companies	3	3
- non-financial companies	268	19
- other	-	-
<b>3. UCITS units</b>	<b>2</b>	<b>1</b>
<b>4. Loans</b>	<b>-</b>	<b>-</b>
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other entities	-	-
<b>Total A</b>	<b>631</b>	<b>71</b>
<b>B. Derivatives</b>		
a) Banks	989	560
b) Customers	2,363	2,423
<b>Total B</b>	<b>3,352</b>	<b>2,983</b>
<b>Total (A+B)</b>	<b>3,983</b>	<b>3,054</b>

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 €8 thousand.

## Section 3 - Financial assets at fair value through profit or loss - Item 30

The Bank has not recognised any financial assets under the balance-sheet item "Financial assets designated at fair value through profit or loss".

## Section 4 - Available-for-sale financial assets - Item 40

### 4.1 Available-for-sale financial assets: product breakdown

(Amounts in € thousand)

ITEM/AMOUNT	12.31.2015			12.31.2014		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	2,235,494	-	-	1,695,550	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	2,235,494	-	-	1,695,550	-	-
2. Equity Instruments	-	-	10,488	-	-	5
2.1 Carried at fair value	-	-	10,483	-	-	-
2.2 Carried at cost	-	-	5	-	-	5
3. UCITS units	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
<b>Total</b>	<b>2,235,494</b>	<b>-</b>	<b>10,488</b>	<b>1,695,550</b>	<b>-</b>	<b>5</b>

## Part B - Balance Sheet - Asset (CONTINUED)

The other debt securities are issued by the Italian Government, for a book value of €1,639,048 thousand (€1,685,157 thousand as at December 31, 2014), by the French Government, for a book value of €10,356 thousand (€10,393 thousand as at December 31, 2014) and by the Spanish Government, for a book value of €586,090 thousand (purchased in 2015).

A portion of debt securities classified in the *Available-for-sale financial assets* portfolio are entirely used as collateral for bankers' drafts or guarantees with third parties for a book value of €131,435 thousand.

Equity instruments carried at cost refer to equity investments in companies in which the Bank does not exercise control or have a significant influence, for an amount equal to €5 thousand. These instruments are not listed, therefore the fair value may not be reliably determined.

Equity instruments carried at fair value consist of the investment held in Visa Europe Limited (one unlisted share, carried at cost up to the prior year). As a result of the acquisition of the above-mentioned company by Visa International Inc., as described Report on Operations, this investment was remeasured as at December 31, 2015, assuming its fair value to be equal to the cash component of the offer consideration amounting to €10,483 thousand, recognising the re-measurement, after tax, under "other comprehensive income with reclassification through profit or loss" of the statement of comprehensive income and shown in the revaluation reserves.

## 4.2 Available-for-sale financial assets: breakdown by issuer/borrower

(Amounts in € thousand)

ITEM/AMOUNT	12.31.2015	12.31.2014
<b>1. Debt securities</b>	<b>2,235,494</b>	<b>1,695,550</b>
a) Governments and central banks	2,235,494	1,695,550
b) Other public entities	-	-
c) Banks	-	-
d) Other issuers	-	-
<b>2. Equity Instruments</b>	<b>10,488</b>	<b>5</b>
a) Banks	-	-
b) Other issuers:	10,488	5
- insurance companies	-	-
- financial companies	10,483	-
- non-financial companies	5	5
- other	-	-
<b>3. UCITS units</b>	<b>-</b>	<b>-</b>
<b>4. Loans</b>	<b>-</b>	<b>-</b>
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other entities	-	-
<b>Total</b>	<b>2,245,982</b>	<b>1,695,555</b>

## 4.3 Available-for-sale financial assets: subject to micro-hedging

(Amounts in € thousand)

ITEM/AMOUNT	12.31.2015	12.31.2014
<b>Financial assets subject to micro-hedging of fair value</b>	<b>1,581,481</b>	<b>1,614,200</b>
a) Interest rate risk	1,581,481	1,614,200
b) Price risk	-	-
c) Exchange	-	-
d) Credit	-	-
e) Multiple risks	-	-
<b>Financial assets subject to micro-hedging of cash flows</b>	<b>-</b>	<b>-</b>
a) Interest rate risk	-	-
b) Exchange	-	-
c) Other	-	-
<b>Total</b>	<b>1,581,481</b>	<b>1,614,200</b>

The reported value is the value recognised in the financial statements at December 31, 2015.

## Section 5 - Held-to-maturity investments - Item 50

The Bank has not recognised any financial assets under the balance-sheet item "Held to maturity investments".

## Section 6 - Loans and receivables with banks - Item 60

### 6.1 Loans and receivables with banks: product breakdown

(Amounts in € thousand)

TYPE OF TRANSACTION/AMOUNT	12.31.2015				12.31.2014			
	BV	FV			BV	FV		
		LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3
<b>A. Loans and receivables with central banks</b>	-	-	-	-	-	-	-	-
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>B. Loans and receivables with banks</b>	<b>14,648,904</b>	-	<b>11,786,051</b>	<b>3,204,555</b>	<b>13,892,197</b>	-	<b>9,907,356</b>	<b>4,373,322</b>
<b>1. Loans</b>	<b>3,204,555</b>	-	-	<b>3,204,555</b>	<b>4,403,867</b>	-	<b>30,613</b>	<b>4,373,322</b>
1.1 Current accounts and demand deposits	1,251,070	X	X	X	1,476,280	X	X	X
1.2 Time deposits	1,914,662	X	X	X	2,894,321	X	X	X
1.3 Other loans:		X	X	X		X	X	X
- Reverse repos	1,906	X	X	X	5,794	X	X	X
- Finance leases	-	X	X	X	-	X	X	X
- Other	36,917	X	X	X	27,472	X	X	X
<b>2. Debt securities</b>	<b>11,444,349</b>	-	<b>11,786,051</b>	-	<b>9,488,330</b>	-	<b>9,876,743</b>	-
2.1 Structured securities	-	X	X	X	-	X	X	X
2.2 Other debt securities	11,444,349	X	X	X	9,488,330	X	X	X
<b>Total</b>	<b>14,648,904</b>	-	<b>11,786,051</b>	<b>3,204,555</b>	<b>13,892,197</b>	-	<b>9,907,356</b>	<b>4,373,322</b>

#### 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 €1,224,234 thousand (€1,450,699 thousand as at December 31, 2014), and to a lesser extent, of current accounts held with other banks not belonging to UniCredit Group for transactions in securities.

Time deposits consist of the deposit held with UniCredit for compulsory reserves, totalling €151,477 thousand (€131,855 thousand as at December 31, 2014), in addition to time deposits held with UniCredit for a carrying amount of €1,763,185 thousand (€2,762,466 thousand as at December 31, 2014), opened to invest the liquidity raised 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 €11,444,346 (€9,488,327 thousand as at December 31, 2014).

In the item Other loans, the item "Other" relates to the amount of the initial and variance margins placed with credit institutions for derivative transactions, of which €8,160 thousand with UniCredit and €21,630 thousand with UniCredit Bank AG Monaco (€23,170 thousand at December 31, 2014), as well as current receivables related to the provision of financial services.

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 - Asset (CONTINUED)

## Section 7 - Loans and receivables with customers - Item 70

## 7.1 Loans and receivables with customers: product breakdown

(Amounts in € thousand)

TYPE OF TRANSACTION/ AMOUNT	12.31.2015						12.31.2014						
	BOOK VALUE			FAIR VALUE			UNIMPAIRED	IMPAIRED			FAIR VALUE		
	UNIMPAIRED	IMPAIRED		L1	L2	L3		PURCHASED	OTHER		L1	L2	L3
		PURCHASED	OTHER				PURCHASED		OTHER				
<b>Loans</b>	<b>917,897</b>	-	<b>4,877</b>	-	-	<b>972,334</b>	<b>691,334</b>	-	<b>4,259</b>	-	-	<b>730,740</b>	
1. Current accounts	211,273	-	3,765	X	X	X	128,270	-	2,495	X	X	X	
2. Reverse repos	198,941	-	10	X	X	X	117,987	-	27	X	X	X	
3. Mortgages	-	-	46	X	X	X	-	-	58	X	X	X	
4. Credit cards, personal loans and wage assignment loans	395,721	-	1,029	X	X	X	344,812	-	1,653	X	X	X	
5. Finance leases	-	-	-	X	X	X	-	-	-	X	X	X	
6. Factoring	-	-	-	X	X	X	-	-	-	X	X	X	
7. Other loans	111,962	-	27	X	X	X	100,265	-	26	X	X	X	
<b>Debt securities</b>	-	-	-	-	-	-	<b>1</b>	-	-	-	<b>1</b>	-	
8. Structured securities	-	-	-	X	X	X	-	-	-	X	X	X	
9. Other debt securities	-	-	-	X	X	X	1	-	-	X	X	X	
<b>Total</b>	<b>917,897</b>	-	<b>4,877</b>	-	-	<b>972,334</b>	<b>691,335</b>	-	<b>4,259</b>	-	<b>1</b>	<b>730,740</b>	

## 7.2 Loans and receivables with customers: breakdown by issuer/borrower

(Amounts in € thousand)

TYPE OF TRANSACTION/AMOUNT	12.31.2015			12.31.2014		
	UNIMPAIRED	IMPAIRED		UNIMPAIRED	IMPAIRED	
		PURCHASED	OTHER		PURCHASED	OTHER
<b>1. Debt securities</b>	-	-	-	<b>1</b>	-	-
a) Governments	-	-	-	-	-	-
b) Other public entities	-	-	-	1	-	-
c) Other issuers:	-	-	-	-	-	-
- non-financial companies	-	-	-	-	-	-
- financial companies	-	-	-	-	-	-
- insurance companies	-	-	-	-	-	-
- other	-	-	-	-	-	-
<b>2. Loans to:</b>	<b>917,897</b>	-	<b>4,877</b>	<b>691,334</b>	-	<b>4,259</b>
a) Governments	-	-	2	-	-	-
b) Other public entities	-	-	-	-	-	-
c) Other entities:	917,897	-	4,875	691,334	-	4,259
- non-financial companies	16,461	-	23	14,071	-	23
- financial companies	92,348	-	7	85,269	-	15
- insurance companies	11,464	-	-	7,096	-	-
- other	797,624	-	4,845	584,898	-	4,221
<b>Total</b>	<b>917,897</b>	-	<b>4,877</b>	<b>691,335</b>	-	<b>4,259</b>

## 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

(Amounts in € thousand)

ITEM/AMOUNT	FV 12.31.2015				NA 12.31.2015	FV 12.31.2014				NA 12.31.2014
	L1	L2	L3			L1	L2	L3		
<b>A. Financial derivatives</b>	-	-	-	-	-	-	19,247	-	-	889,575
1) Fair value	-	-	-	-	-	-	19,247	-	-	889,575
2) Cash flows	-	-	-	-	-	-	-	-	-	-
3) Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>B. Credit derivatives</b>	-	-	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	19,247	-	-	889,575

**Key:**

NA = Notional amount

L1 = Level 1

L2 = Level 2

L3 = Level 3

### 8.2 Hedging derivatives: breakdown by hedged assets and risk

No data to report.

## Section 9 - Changes in fair value of portfolio hedged financial assets - Item 90

### 9.1 Changes in value of hedged financial assets: breakdown by hedged portfolio

(Amounts in € thousand)

CHANGES IN VALUE OF HEDGED ASSETS/AMOUNT	12.31.2015	12.31.2014
<b>1. Positive changes</b>	<b>10,573</b>	<b>15,641</b>
1.1 of specific portfolios	10,573	15,641
<i>a) loans and receivables</i>	10,573	15,641
<i>b) available-for-sale financial assets</i>	-	-
1.2 overall	-	-
<b>2. Negative changes</b>	<b>-</b>	<b>(10,614)</b>
2.1 of specific portfolios	-	(10,614)
<i>a) loans and receivables</i>	-	(10,614)
<i>b) available-for-sale financial assets</i>	-	-
2.2 overall	-	-
<b>Total</b>	<b>10,573</b>	<b>5,027</b>

### 9.2 Assets subject to macro-hedging of interest rate risk

(Amounts in € thousand)

HEDGED ASSETS	12.31.2015	12.31.2014
1. Loans and receivables	930,880	1,505,077
2. Available-for-sale financial assets	-	-
3. Portfolio	-	-
<b>Total</b>	<b>930,880</b>	<b>1,505,077</b>

Receivables subject to macro-hedging of interest rate risk consist of fixed-rate personal loans and debt securities issued by UniCredit S.p.A. and classified as Loans and Receivables.

## Section 10 - Equity investments - Item 100

No data to report.

## Part B - Balance Sheet - Asset (CONTINUED)

## Section 11 - Property, plant and equipment - Item 110

**11.1 Property, plant and equipment used in the business: breakdown of assets carried at cost**

(Amounts in € thousand)

ASSET/AMOUNT	12.31.2015	12.31.2014
<b>1. Owned assets</b>	<b>9,910</b>	<b>8,271</b>
a) land	-	-
b) buildings	-	-
c) office furniture and fittings	1,064	927
d) electronic systems	7,575	6,136
e) other	1,271	1,208
<b>2. Assets under financial lease</b>	<b>-</b>	<b>-</b>
a) land	-	-
b) buildings	-	-
c) office furniture and fittings	-	-
d) electronic systems	-	-
e) other	-	-
<b>Total</b>	<b>9,910</b>	<b>8,271</b>

A description of the methods used to calculate depreciation is provided in Part A - Accounting Policies of the notes to the accounts.

**11.2 Property, plant and equipment held for investment: breakdown of assets carried at cost**

(Amounts in € thousand)

ASSET/AMOUNT	12.31.2015				12.31.2014			
	BOOK VALUE	FAIR VALUE			BOOK VALUE	FAIR VALUE		
		L1	L2	L3		L1	L2	L3
<b>1. Owned assets</b>	<b>2,509</b>	-	-	<b>4,535</b>	<b>2,621</b>	-	-	<b>4,813</b>
a) land	-	-	-	-	-	-	-	-
b) buildings	2,509	-	-	4,535	2,621	-	-	4,813
<b>2. Assets under finance lease</b>	<b>-</b>	-	-	<b>-</b>	<b>-</b>	-	-	<b>-</b>
a) land	-	-	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,509</b>	-	-	<b>4,535</b>	<b>2,621</b>	-	-	<b>4,813</b>

**11.3 Property, plant and equipment used in the business: breakdown of revalued assets**

No data to report.

**11.4 Property, plant and equipment held for investment: breakdown of assets measured at fair value**

No data to report.

## 11.5 Property, plant and equipment used in the business: annual changes

(Amounts in € thousand)

	LAND	BUILDINGS	OFFICE FURNITURE AND FITTINGS	ELECTRONIC SYSTEMS	OTHER	TOTAL
<b>A. Gross opening balance</b>	-	-	<b>11,835</b>	<b>20,146</b>	<b>9,321</b>	<b>41,302</b>
A.1 Total net reduction in value	-	-	(10,908)	(14,010)	(8,113)	(33,031)
<b>A.2 Net opening balance</b>	-	-	<b>927</b>	<b>6,136</b>	<b>1,208</b>	<b>8,271</b>
<b>B. Increases:</b>	-	-	<b>724</b>	<b>4,257</b>	<b>518</b>	<b>5,499</b>
B.1 Purchases	-	-	720	4,257	518	5,495
B.2 Capitalised expenditure on improvements	-	-	-	-	-	-
B.3 Write-backs	-	-	-	-	-	-
B.4 Increase in fair value recognised						
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	-	-	-	-
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Transfers from properties held for investment	-	-	-	-	-	-
B.7 Other changes	-	-	4	-	-	4
<b>C. Decreases:</b>	-	-	<b>(587)</b>	<b>(2,818)</b>	<b>(455)</b>	<b>(3,860)</b>
C.1 Sales	-	-	-	-	-	-
C.2 Depreciation	-	-	(568)	(2,817)	(451)	(3,836)
C.3 Impairment losses recognised						
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	(11)	-	(3)	(14)
C.4 Decreases in fair value recognised						
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	-	-	-	-
C.5 Negative exchange differences	-	-	-	-	-	-
C.6 Transfers to:						
a) property, plant and equipment held for investment	-	-	-	-	-	-
b) assets held for sale	-	-	-	-	-	-
C.7 Other changes	-	-	(8)	(1)	(1)	(10)
<b>D. Net closing balance</b>	-	-	<b>1,064</b>	<b>7,575</b>	<b>1,271</b>	<b>9,910</b>
D.1 Total net reduction in value	-	-	(11,307)	(15,636)	(8,376)	(35,319)
<b>D.2 Gross closing balance</b>	-	-	<b>12,371</b>	<b>23,211</b>	<b>9,647</b>	<b>45,229</b>
E. Carried at cost	-	-	1,064	7,575	1,271	9,910

The asset classes specified in the table above are carried at cost.

## Part B - Balance Sheet - Asset (CONTINUED)

## 11.6 Property, plant and equipment held for investment: annual changes

(Amounts in € thousand)

	LAND	BUILDINGS
<b>A. Gross opening balance</b>	-	3,745
A.1 Total net reduction in value	-	(1,124)
<b>A.2 Net opening balance</b>	-	2,621
<b>B. Increases:</b>	-	-
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	-	-
<b>C. Decreases:</b>	-	(112)
C.1 Sales	-	-
C.2 Depreciation	-	(112)
C.3 Decreases in fair value	-	-
C.4 Impairment losses	-	-
C.5 Negative exchange differences	-	-
C.6 Transfers to other asset portfolios	-	-
a) properties used in the business	-	-
b) non-current assets classified as held for sale	-	-
C.7 Other changes	-	-
<b>D. Net closing balance</b>	-	2,509
D.1 Total net reduction in value	-	(1,236)
<b>D.2 Gross closing balance</b>	-	3,745
E. Fair value measurement	-	4,535

The buildings specified in the table above are carried at cost.

## 11.7 Commitments to purchase property, plant and equipment

As at December 31, 2015 the Bank had contractual commitments to purchase property, plant and equipment amounting to €2,725 thousand. We also report that there are no restrictions on the ownership of tangible assets and there are no tangible assets pledged as security for liabilities.

## Section 12 - Intangible assets - Item 120

## 12.1 Intangible assets: breakdown by type assets

(Amounts in € thousand)

ASSET/AMOUNT	12.31.2015		12.31.2014	
	FINITE LIFE	INDEFINITE LIFE	FINITE LIFE	INDEFINITE LIFE
A.1 Goodwill	X	89,602	X	89,602
A.2 Other intangible assets	8,212	-	8,142	-
A.2.1 Assets carried at cost:				
a) Intangible assets generated internally	-	-	-	-
b) Other assets	8,212	-	8,142	-
A.2.2 Assets carried at fair value:				
a) Intangible assets generated internally	-	-	-	-
b) Other assets	-	-	-	-
<b>Total</b>	<b>8,212</b>	<b>89,602</b>	<b>8,142</b>	<b>89,602</b>

The useful life of software, considered for the calculation of amortisation, is 3 years, while the useful life of other intangible assets with finite life is 5 years. A description of the methods used to calculate depreciation is provided in Part A - Accounting Policies of the notes to the accounts.



## 12.2 Intangible assets: annual changes

(Amounts in € thousand)

	GOODWILL	OTHER INTANGIBLE ASSETS: GENERATED INTERNALLY		OTHER INTANGIBLE ASSETS: OTHER		TOTAL
		FIN	INDEF	FIN	INDEF	
<b>A. Gross opening balance</b>	<b>124,729</b>	-	-	<b>65,157</b>	-	<b>189,886</b>
A.1 Total net reduction in value	(35,127)	-	-	(57,015)	-	(92,142)
<b>A.2 Net opening balance</b>	<b>89,602</b>	-	-	<b>8,142</b>	-	<b>97,744</b>
<b>B. Increases</b>	-	-	-	<b>5,059</b>	-	<b>5,059</b>
B.1 Purchases	-	-	-	5,059	-	5,059
B.2 Increases in internal intangible assets	X	-	-	-	-	-
B.3 Write-backs	X	-	-	-	-	-
B.4 Increases in fair value recognised:						
- in equity	X	-	-	-	-	-
- through profit or loss	X	-	-	-	-	-
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Other changes	-	-	-	-	-	-
<b>C. Decreases</b>	-	-	-	<b>(4,989)</b>	-	<b>(4,989)</b>
C.1 Sales	-	-	-	-	-	-
C.2 Impairment losses						
- Amortisation	X	-	-	(4,989)	-	(4,989)
- Write-downs						
+ in equity	X	-	-	-	-	-
+ through profit or loss	-	-	-	-	-	-
C.3 Decreases in fair value						
- in equity	X	-	-	-	-	-
- through profit or loss	X	-	-	-	-	-
C.4 Transfers to non-current assets classified as held for sale	-	-	-	-	-	-
C.5 Negative exchange differences	-	-	-	-	-	-
C.6 Other changes	-	-	-	-	-	-
<b>D. Net closing balance</b>	<b>89,602</b>	-	-	<b>8,212</b>	-	<b>97,814</b>
D.1 Total net impairments	(35,127)	-	-	(62,003)	-	(97,130)
<b>E. Gross closing balance</b>	<b>124,729</b>	-	-	<b>70,215</b>	-	<b>194,944</b>
F. Carried at cost	89,602	-	-	8,212	-	97,814

### Key

FIN: finite life

INDEF: indefinite life

The asset classes specified in the table above are carried at cost.

## 12.3 Other information

As at December 31, 2015 the Bank had contractual commitments to purchase intangible assets amounting to €419 thousand.

We also report that there were no intangible assets acquired through government concession; no intangible assets were used as collateral for own debts; no intangible assets were held under a finance lease; and there were no revalued intangible assets.

### Other information - Impairment test

Under IAS 36, impairment testing of intangible assets with indefinite useful lives must be performed at least annually and, in any case, whenever there is objective evidence of the occurrence of events that may have reduced their value.

Recoverable value is the greater of the value in use (present value of future cash flows generated by the asset being valued) and the associated fair value, net of sales costs.

The recoverable value of the assets subject to impairment testing must be determined for the individual assets, unless both of the following conditions exist:

- the value in use of the asset is not estimated to be close to the fair value net of selling costs;
- the asset does not generate incoming cash flows largely independent of those coming from other assets (or group of assets).

If these conditions exist, the impairment test is conducted at the level of the Cash Generating Unit (CGU) of the asset, as required by the accounting principle.

According to IAS 36, when determining the value in use of assets subject to impairment testing, reference must be made to the cash flows of assets in their current conditions at the testing date and representing the best estimate by the management of the overall economic conditions in place during the residual useful life of the asset.

For the purposes of impairment testing, the value in use of the cash generating unit (CGU) to which the intangible assets have been assigned must be

## Part B - Balance Sheet - Asset (CONTINUED)

calculated considering the cash flows for all the assets and liabilities included in the CGU and not just those for which goodwill and/or the intangible asset has been recognised upon application of IFRS 3.

**Definition of CGU**

Estimating the value in use for the purposes of any impairment testing of intangible assets, including goodwill, which do not independently generate cash flows, but only in conjunction with other business assets, requires that these assets first be attributed to operating units that are relatively autonomous in the business context (from the points of view of independent cash flows generated and of internal planning and reporting). These operating units are defined as Cash Generating Units (CGU).

Goodwill relates to buy-outs of divisions or companies engaged in trading activities or the distribution of financial, banking and insurance products through personal financial advisors. These activities have been fully integrated with the Bank's ordinary operations, as a result it is not possible to isolate the contribution of each company/business division from the Bank's overall 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 the Bank, which envisages a high level of integration between personal financial advisors and the trading and banking platform, so that the personal financial advisors network is an integral part of the overall offering of the Bank, which includes banking, brokerage and investing services, an allocation of costs/revenues for the macro areas of activity 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 2016, in which the budget figures were considered (subject to approval by the Board of Directors on January 12, 2016);
- period from 2017 to 2018, which considers the financial projections of the Strategic Plan (submitted for approval by the Board of Directors on November 10, 2015);
- intermediate period of five 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 2015 was 2.9% (of which 1.7% 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); 8.76%
- Final discount rate net of tax (Ke); 8.99%
- 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 Bank is the sum of the following:

- Risk-free rate: the average of the last 6 years of the 5-year Bund. The six-year horizon was adopted in line with the average economic cycle in the eurozone;
- Debt risk premium: the average over the last six years of the Credit Default Swap paid by UniCredit;
- Risk premium on own equity: calculated using the option-based model, based on the average volatility of over the last six years of the shares of banks operating predominantly in the same sector.

However, for prudential reasons, the cost of capital for the Bank from 2018 to the Terminal Value was raised to the level of the Germany Commercial Banking of the UniCredit Group, which was considered to be the floor value within the Group.

The cost of capital used for the impairment testing has 3 target points (2016 budget, 2018 target from the Strategic Plan, and Terminal Value) within which a linear convergence is calculated.

### Impairment test results

The methodology for calculating the value in use described above (model, assumptions and parameters used) was approved by the Board of Directors on January 12, 2016. For the impairment testing the carrying amount of the goodwill was compared with its value in use calculated using that methodology. The outcome of the tests (approved by the Board of Directors of February 8, 2016) confirmed the sustainability of the goodwill recognised in the financial statements as at December 31, 2015.

### 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	-17.0%	-0.6%	-11.7%	-6.4%

The results confirmed the sustainability of the goodwill recognised in the financial statements. Indeed, none of the scenarios hypothesised revealed the need for a write-down, as the value in use, calculated applying those variations, was significantly higher than the book value.

It should also be noted, that the impairment test reaches the break-even assuming changes in the above parameters that are currently unreasonable. The impairment test reached a break-even with an absolute positive change in the discount rate after tax (Ke) of over 20 percentage points, i.e. with a reduction of around 80% of annual earnings (while maintaining all the other parameters and information used unchanged, in both scenarios).

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, 2015 amounted to €4,625 million compared with shareholders' equity of €633 million.

## Section 13 - Tax Assets and Tax Liabilities - Asset item 130 and liability item 80

### General aspects

The item "Tax assets" amounting to €15,424 thousand comprises:

- "Current tax assets" of €1,733 thousand;
- "Deferred tax assets" of €13,691 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 €39,024 thousand recognised as a balancing entry in the income statement;
  - "Deferred tax assets" of €2,440 thousand recognised as a balancing entry of shareholders' equity;
  - "Deferred tax liabilities" of €22,878 thousand recognised as a balancing entry in the income statement;
  - "Deferred tax liabilities" of €4,895 thousand recognised as a balancing entry of shareholders' equity.

The item "Tax liabilities" amounting to €37,445 thousand, consists exclusively of "Current tax liabilities".

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

(Amounts in € thousand)

ASSET/AMOUNT	12.31.2015	12.31.2014
Current tax assets	1,733	2,178
Current tax liabilities	37,445	33,358

### National tax consolidation

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

## Part B - Balance Sheet - Asset (CONTINUED)

**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;
- 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%.

**13.1 Deferred tax assets: breakdown**

(Amounts in € thousand)

ASSET/AMOUNT	12.31.2015	12.31.2014
Allocations through profit or loss	34,623	35,236
Allocations through equity	2,440	1,790
Impairment losses on receivables (of which pursuant to Law 214/2011)	4,401	3,839
<b>Total before IAS 12 offset</b>	<b>41,464</b>	<b>40,865</b>
Offset against deferred tax liabilities - IAS 12	(27,773)	(24,493)
<b>Total</b>	<b>13,691</b>	<b>16,372</b>

**13.2 Deferred tax liabilities: breakdown**

(Amounts in € thousand)

ASSET/AMOUNT	12.31.2015	12.31.2014
Allocations through profit or loss	22,878	21,860
Allocations through equity	4,895	2,633
<b>Total before IAS 12 offset</b>	<b>27,773</b>	<b>24,493</b>
Offset against deferred tax liabilities - IAS 12	(27,773)	(24,493)
<b>Total</b>	<b>-</b>	<b>-</b>

**13.3 Changes in deferred tax assets (through profit or loss)**

(Amounts in € thousand)

	12.31.2015	12.31.2014
<b>1. Opening balance</b>	<b>39,075</b>	<b>41,316</b>
<b>2. Increases</b>	<b>6,988</b>	<b>5,842</b>
2.1 Deferred tax assets recognised in the year	6,742	5,842
a) relating to prior years	-	-
b) due to changes in accounting policies	-	-
c) write-backs	-	-
d) other	6,742	5,842
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	246	-
<b>3. Decreases</b>	<b>(7,039)</b>	<b>(8,083)</b>
3.1 Deferred tax assets cancelled in the year	(7,039)	(7,388)
a) reversals of temporary differences	(7,039)	(7,388)
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)
a) conversion of tax credits as per Law 214/2011	-	-
b) other	-	(695)
<b>4. Closing balance</b>	<b>39,024</b>	<b>39,075</b>

Increases in deferred tax assets recognised in the year through profit or loss refer to the following main items:

- allocations to provisions for risks and charges;
- future staff expenses;
- impairments and losses on loans deferred in the amount of 25% in application of Article 106, paragraph 3 Income Tax Code.

Decreases in deferred tax assets recognised in the year through profit or loss mainly refer to the following items:

- tax recovery for deferred expenses;
- use of provisions for future staff expenses;
- use of provisions for risks and charges.

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)

(Amounts in € thousand)

	12.31.2015	12.31.2014
<b>1. Opening balance</b>	<b>3,839</b>	<b>3,473</b>
<b>2. Increases</b>	<b>562</b>	<b>366</b>
<b>3. Decreases</b>	-	-
3.1 Reversals	-	-
3.2 Conversion into tax credits	-	-
a) resulting from operating losses	-	-
b) resulting from tax losses	-	-
3.3 Other decreases	-	-
<b>4. Closing balance</b>	<b>4,401</b>	<b>3,839</b>

### 13.4 Changes in deferred tax liabilities (through profit or loss)

(Amounts in € thousand)

	12.31.2015	12.31.2014
<b>1. Opening balance</b>	<b>21,860</b>	<b>20,527</b>
<b>2. Increases</b>	<b>1,018</b>	<b>1,333</b>
2.1 Deferred tax liabilities arising during the year	1,018	1,333
a) relating to prior years	-	-
b) due to changes in accounting policies	66	-
c) other	952	1,333
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
<b>3. Decreases</b>	-	-
3.1 Deferred tax liabilities de-recognised during the year	-	-
a) reversals of temporary differences	-	-
b) due to changes in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	-
<b>4. Closing balance</b>	<b>22,878</b>	<b>21,860</b>

Increases in deferred tax liabilities recorded in the financial year as a balancing item of the income statement refer to the recognition of deferred tax liabilities resulting from the accounting and tax treatment of goodwill.

## Part B - Balance Sheet - Asset (CONTINUED)

## 13.5 Changes in deferred tax assets (through equity)

(Amounts in € thousand)

	12.31.2015	12.31.2014
<b>1. Opening balance</b>	<b>1,790</b>	<b>1,354</b>
<b>2. Increases</b>	<b>832</b>	<b>546</b>
2.1 Deferred tax assets recognised in the year	832	546
a) relating to prior years	-	-
b) due to changes in accounting policies	-	-
c) other	832	546
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
<b>3. Decreases</b>	<b>(182)</b>	<b>(110)</b>
3.1 Deferred tax assets cancelled in the year	(182)	(110)
a) reversals of temporary differences	(115)	(16)
b) write-downs of non-recoverable items	-	-
c) due to changes in accounting policies	-	-
d) other	(67)	(94)
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	-
<b>4. Closing balance</b>	<b>2,440</b>	<b>1,790</b>

The increase in deferred tax assets recognised in the year in equity refer to the recognition in advance of:

- actuarial gains (losses) to equity under the Revaluation reserves according to IAS 19 Revised;
- fair value measurement of debt securities classified under the "Available-for-sale financial assets" category

## 13.6 Changes in deferred tax liabilities (through equity)

(Amounts in € thousand)

	12.31.2015	12.31.2014
<b>1. Opening balance</b>	<b>2,633</b>	<b>332</b>
<b>2. Increases</b>	<b>2,503</b>	<b>2,387</b>
2.1 Deferred tax liabilities arising during the year	2,503	2,387
a) relating to prior years	-	-
b) due to change in accounting policies	-	-
c) other	2,503	2,387
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
<b>3. Decreases</b>	<b>(241)</b>	<b>(86)</b>
3.1 Deferred tax liabilities de-recognised during the year	(241)	(86)
a) reversals of temporary differences	(241)	(86)
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	-
<b>4. Closing balance</b>	<b>4,895</b>	<b>2,633</b>

The increase and decreases in deferred tax assets recognised during the year in equity related to the recognition and reversal of deferred tax assets as a result of the fair value measurement of debt securities and equity instruments classified under the "Available-for-sale financial assets" category.

## 13.7 Other information

No information to report.

## Section 14 - Non-current assets and disposal groups classified as held for sale and associated liabilities - Assets item 140 and liabilities item 90

### 14.1 Non-current assets and disposal groups classified as held for sale: breakdown by type assets

No data to report.

### 14.2 Other information

No information to report.

### 14.3 Information on equity investments in companies subject to significant influence not valued according to the equity method

No information to report.

## Section 15 - Other assets - Item 150

### 15.1 Other assets: breakdown

(Amounts in € thousand)

	12.31.2015	12.31.2014
Items in transit not allocated to relevant accounts	37	6
Items awaiting settlement:		
- notes, cheques and other documents	10,021	9,169
Items in processing:		
- POS and ATM cards	-	8
- other items in processing	17	16
Current receivables not associated with the provision of financial services	3,163	4,576
Definitive items not recognised under other items:		
- securities and coupons to be settled	1,496	13,494
- fees to be charged to customers	29,613	28,240
- other transactions	11,930	11,866
Tax items other than those included in item 130:		
- tax advances	276,372	225,208
- tax credits	9,483	9,850
- tax advances on employee severance indemnities	20	14
Receivables due to disputed items not deriving from lending	119	119
Prepayments	19,950	15,109
Improvement and incremental expenses incurred on leasehold assets	7,849	9,081
<b>Total</b>	<b>370,070</b>	<b>326,756</b>

## Part B - Balance Sheet - Liabilities

### Liabilities

#### Section 1 - Deposits from banks - Item 10

##### 1.1 Deposits from banks: product breakdown

(Amounts in € thousand)

TYPE OF TRANSACTION/AMOUNT	12.31.2015	12.31.2014
<b>1. Deposits from central banks</b>	-	-
<b>2. Deposits from banks</b>	<b>1,423,459</b>	<b>1,428,568</b>
2.1 Current accounts and demand deposits	68,848	25,057
2.2 Time deposits	-	-
2.3 Loans	1,313,191	1,337,843
2.3.1 Repos	1,313,191	1,337,843
2.3.2 Other	-	-
2.4 Liabilities in respect of commitments to repurchase treasury shares	-	-
2.5 Other liabilities	41,420	65,668
<b>Total</b>	<b>1,423,459</b>	<b>1,428,568</b>
<i>Fair value - level 1</i>	-	-
<i>Fair value - level 2</i>	-	-
<i>Fair value - level 3</i>	<b>1,423,459</b>	<b>1,428,568</b>
<b>Total fair value</b>	<b>1,423,459</b>	<b>1,428,568</b>

##### 1.2 Breakdown of item 10 "Deposits from banks": subordinated debts

No data to report.

##### 1.3 Breakdown of item 10 "Deposits from banks": structured debts

No data to report.

##### 1.4 Deposits from banks subject to micro-hedging

No data to report.

##### 1.5 Amounts payable under finance leases

No data to report.

#### Section 2 - Deposits from customers - Item 20

##### 2.1 Deposits from customers: product breakdown

(Amounts in € thousand)

TYPE OF TRANSACTION/AMOUNT	12.31.2015	12.31.2014
1. Current accounts and demand deposits	14,985,275	12,246,966
2. Time deposits	560,114	1,315,731
3. Loans	199,817	281,178
3.1 Repos	199,817	281,178
3.2 Others	-	-
4. Liabilities in respect of commitments to repurchase treasury shares	-	-
5. Other liabilities	77,253	70,837
<b>Total</b>	<b>15,822,459</b>	<b>13,914,712</b>
<i>Fair value - level 1</i>	-	-
<i>Fair value - level 2</i>	<b>49,815</b>	<b>55,191</b>
<i>Fair value - level 3</i>	<b>15,772,976</b>	<b>13,860,288</b>
<b>Total fair value</b>	<b>15,822,791</b>	<b>13,915,479</b>

##### 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

(Amounts in € thousand)

TYPE OF TRANSACTION/AMOUNT	12.31.2015				12.31.2014			
	BOOK VALUE	FAIR VALUE			BOOK VALUE	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3
<b>A. Securities</b>								
1. Bonds	-	-	-	-	424,710	-	438,958	-
1.1 structured	-	-	-	-	-	-	-	-
1.2 other	-	-	-	-	424,710	-	438,958	-
2. Other securities	-	-	-	-	-	-	-	-
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>424,710</b>	<b>-</b>	<b>438,958</b>	<b>-</b>

In 2015, the Bank redeemed securities issued by it for nominal amounts of €400,000 thousand and \$30,000 thousand, representing the last tranche of the total nominal amounts of €3,000,000 thousand and \$100,000 thousand (repurchased for amounts of €2,600,000 thousand and \$70,000 thousand in previous years).

### 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 40

### 4.1 Financial liabilities held for trading: product breakdown

(Amounts in € thousand)

TYPE OF TRANSACTION/AMOUNT	12.31.2015					12.31.2014				
	NA	FV				NA	FV			
		L1	L2	L3	FV*		L1	L2	L3	FV*
<b>A. On-balance sheet liabilities</b>										
1. Deposits from banks	-	-	-	-	-	-	-	-	-	-
2. Deposits from customers	576	-	-	-	-	576	-	-	-	-
3. Debt securities	-	-	-	-	X	-	-	-	-	X
3.1 Bonds	-	-	-	-	X	-	-	-	-	X
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-	X	-	-	-	-	X
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Others	-	-	-	-	X	-	-	-	-	X
<b>Total A</b>	<b>576</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>576</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B. Derivatives</b>										
1. Financial derivatives	X	1,020	3,080	-	X	X	1,986	1,146	3	X
1.1 Trading derivatives	X	1,020	3,080	-	X	X	1,986	1,146	3	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
<b>Total B</b>	<b>X</b>	<b>1,020</b>	<b>3,080</b>	<b>-</b>	<b>X</b>	<b>X</b>	<b>1,986</b>	<b>1,146</b>	<b>3</b>	<b>X</b>
<b>Total (A+B)</b>	<b>X</b>	<b>1,020</b>	<b>3,080</b>	<b>-</b>	<b>X</b>	<b>X</b>	<b>1,986</b>	<b>1,146</b>	<b>3</b>	<b>X</b>

#### 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 €3,103 thousand (€1,138 thousand as at December 31, 2014).

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 €997 thousand (€1,997 thousand as at December 31, 2014).

**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.

**Section 5 - Financial liabilities at fair value through profit or loss - Item 50**

The Bank has not recognised any financial liabilities under the balance-sheet item "Financial Liabilities at fair value through profit or loss".

**Section 6 - Hedging derivatives - Item 60****6.1 Hedging derivatives: breakdown by type of hedge and by hierarchical level**

(Amounts in € thousand)

ITEM/AMOUNT	FAIR VALUE 12.31.2015			NA 12.31.2015	FAIR VALUE 12.31.2014			NA 12.31.2014
	L1	L2	L3		L1	L2	L3	
<b>A. Financial derivatives</b>	-	31,319	-	2,430,880	-	36,993	-	2,559,363
1) Fair value	-	31,319	-	2,430,880	-	36,993	-	2,559,363
2) Cash flows	-	-	-	-	-	-	-	-
3) Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-
<b>B. Credit derivatives</b>	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
<b>Total</b>	-	31,319	-	2,430,880	-	36,993	-	2,559,363

**Key:**

NA = Notional amount

L1 = Level 1

L2 = Level 2

L3 = Level 3

**6.2 Hedging derivatives: breakdown by hedged assets and risk**

(Amounts in € thousand)

TRANSACTION/TYPE OF HEDGE	FAIR VALUE					CASH FLOWS			
	SPECIFICA					MACRO	MICRO	MACRO	FOREIGN INVESTMENTS
	INTEREST RATE RISK	CURRENCY EXCHANGE RATE RISK	CREDIT RISK	PRICE RISK	MULTIPLE RISKS				
1. Available-for-sale financial assets	21,503	-	-	-	-	X	-	X	X
2. Loans and receivables	-	-	-	X	-	X	-	X	X
3. Held-to-maturity investments	X	-	-	X	-	X	-	X	X
4. Portfolio	X	X	X	X	X	9,816	X	-	X
5. Other transactions	-	-	-	-	-	X	-	X	-
<b>Total assets</b>	<b>21,503</b>	-	-	-	-	<b>9,816</b>	-	-	-
1. Financial liabilities	-	-	-	X	-	X	-	X	X
2. Portfolio	X	X	X	X	X	-	X	-	X
<b>Total liabilities</b>	-	-	-	-	-	-	-	-	-
1. Expected transactions	X	X	X	X	X	X	-	X	X
2. Financial assets and financial liabilities	X	X	X	X	X	-	X	-	-

## Section 7 - Changes in fair value of portfolio hedged financial liabilities - Item 70

### 7.1 Changes to macro-hedged financial liabilities

(Amounts in € thousand)

CHANGES TO MACRO-HEDGED FINANCIAL LIABILITIES/AMOUNTS	12.31.2015	12.31.2014
1. Positive changes to financial liabilities	-	9,228
2. Negative changes to financial liabilities	-	-
<b>Total</b>	<b>-</b>	<b>9,228</b>

### 7.2 Financial liabilities subject to macro-hedging of interest rate risk: breakdown

(Amounts in € thousand)

HEDGED LIABILITIES	12.31.2015	12.31.2014
1. Debt securities in issue	-	424,710
<b>Total</b>	<b>-</b>	<b>424,710</b>

The liabilities subject to macro-hedging of interest rate risk at December 31, 2014 were fully repaid during 2015.

## Section 8 - Tax liabilities - Item 80

See section 13 of assets.

## Section 9 - Liabilities included in disposal groups classified as held for sale - Item 90

See section 14 of assets.

## Section 10 - Other liabilities - Item 100

### 10.1 Other liabilities: breakdown

(Amounts in € thousand)

	12.31.2015	12.31.2014
Impairment of financial guarantees given	1,416	1,416
Accrued expenses other than those to be capitalised for the financial liabilities concerned	164	140
Other liabilities relative to employees	6,610	6,533
Other liabilities relative to other personnel	1	16
Other liabilities due to directors and statutory auditors	187	212
Sums available to be paid to customers	248	244
Items in processing:		
- incoming bank transfers	2,629	985
- other items in processing	211	218
Items awaiting settlement:		
- outgoing bank transfers	46,681	41,031
- POS and ATM cards	126	132
Current payables not related to the provision of financial services	21,804	25,075
Definitive items not recognised under other items:		
- securities and coupons to be settled	7,377	18,343
- other items	32,072	13,545
Payables for share-based payments or shares of the Parent Company UniCredit	2,491	2,025
Illiquid items for portfolio transactions	16,569	15,197
Tax items other than those included in item 80:		
- sums withheld from third parties as withholding agent	21,670	30,615
- other	84,390	77,102
Prepayments	515	403
Social security contributions payable	5,829	5,576
<b>Total</b>	<b>250,990</b>	<b>238,808</b>

## Part B - Balance Sheet - Liabilities (CONTINUED)

## Section 11 - Provision for employee severance pay - Item 110

## 11.1 Provision for employee severance pay: annual changes

(Amounts in € thousand)

	12.31.2015	12.31.2014
<b>A. Opening balance</b>	<b>4,826</b>	<b>3,761</b>
<b>B. Increases</b>	<b>348</b>	<b>1,124</b>
B.1 Provisions for the year	76	122
B.2 Other increases	272	1,002
<i>of which adjustments for actuarial losses on Employee Severance Fund (IAS19R)</i>	-	424
<b>C. Decreases</b>	<b>(328)</b>	<b>(59)</b>
C.1 Payments made	(43)	(18)
C.2 Other decreases	(285)	(41)
<i>of which adjustments for actuarial gains on Employee Severance Fund (IAS19R)</i>	(227)	-
<b>D. Rimanenze finali</b>	<b>4,846</b>	<b>4,826</b>

## 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, 2015 by employees, under current legal regulations, as well as national collective bargaining agreements and supplementary company agreements.

The financial year under review was characterised by:

- 1) normal events relating to the employee severance pay provision in accordance with legal provisions and company agreements in force;
- 2) changes associated with employment contracts pursuant to Article 1406 and following of the Civil Code dealing with individual mobility within the Group.

In 2007, the new supplementary pension reform pursuant to Legislative Decree no. 252/2005 became effective and, as a result the amounts accrued up to December 31, 2006 were kept with the Company, whilst the amounts of employee severance pay provision accruing as of January 1, 2007 were transferred to the supplementary pension funds or the INPS Treasury fund according to the option adopted by the employees (by June 30, 2007).

The result is that:

- the employee severance fund accrued up to December 31, 2006 (or until the date of the option - falling between January 1, 2007 and June 30, 2007 - adopted by the employees if they decided to transfer their employee severance pay provision to a supplementary pension fund) continues to be a "defined-benefit" plan and therefore subject to actuarial valuation, although based on simplified actuarial assumptions which no longer take account of estimated future pay rises;
- the amounts accrued from January 1, 2007 (or from the date of the option - falling between 1 January 2007 and June 30, 2007 - by the employees if they decided to transfer their employee severance pay provision to a supplementary pension fund), were considered as a "defined-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	12.31.2015	12.31.2014
Discount rate	1.75%	1.60%
Expected inflation rate	1.00%	1.10%

(Amounts in € thousand)

EMPLOYEE SEVERANCE PAY PROVISION: OTHER INFORMATION	12.31.2015	12.31.2014
<b>Provisions for the year</b>	<b>76</b>	<b>122</b>
- Current service cost	-	-
- Interest expense on defined benefit obligations	76	122
- Gains and losses on curtailments and settlements	-	-
- Past service cost	-	-
<b>Actuarial gains (losses) recognised in revaluation reserves (OCI)</b>	<b>(227)</b>	<b>424</b>
- Actuarial gains (losses) for the year	(94)	(308)
- Actuarial gains/losses on demographic assumptions	-	-
- Actuarial gains/losses on financial assumptions	(133)	732

As required by IAS 19 Revised, a sensitivity analysis was conducted aimed at identifying how the present value of the liability changes when the actuarial assumptions considered most significant are changed, while keeping the other actuarial assumptions constant. A change of -25 basis points in the discount rate would result in an increase in the liability of €159 thousand (+3.28%), whereas an equivalent increase in the rate would result in a reduction of the liability of €152 thousand (-3.14%); A change of -25 basis points in the inflation rate would result in a decrease in the liability of €93 thousand (-1.92%), whereas an equivalent increase in the rate would result in an increase in the liability of €95 thousand (+1.97%).

## Section 12 - Provisions for risks and charges - Item 120

### 12.1 - Provisions for risks and charges: breakdown

(Amounts in € thousand)

ITEM/AMOUNT	12.31.2015	12.31.2014
1. Pensions and other post-retirement benefit obligations	-	-
2. Other provisions for risks and charges	120,534	118,031
2.1 legal disputes	43,458	49,650
2.2 staff expenses	9,570	7,805
2.3 other	67,506	60,576
<b>Total</b>	<b>120,534</b>	<b>118,031</b>

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 and estimated integration costs for the Bank for the Business Plan of the UniCredit Group. The related income component is recognised as "Staff expenses".

Other provisions for risks and charges under sub-item 2.3 include the supplementary customer indemnity provision amounting to €51,139 thousand compared with €44,114 thousand as at December 31, 2014.

### 12.2 Provisions for risks and charges: annual changes

(Amounts in € thousand)

	PENSION FUNDS	OTHER PROVISIONS	TOTAL
<b>A. Opening balance</b>	-	118,031	118,031
<b>B. Increases</b>	-	21,029	21,029
B.1 Provisions for the year	-	20,342	20,342
B.2 Changes due to the passage of time	-	670	670
B.3 Changes due to variations in the discount rate	-	17	17
B.4 Other increases	-	-	-
<b>C. Decreases</b>	-	(18,526)	(18,526)
C.1 Amounts used in the year	-	(18,525)	(18,525)
C.2 Changes due to variations in the discount rate	-	(1)	(1)
C.3 Other decreases	-	-	-
<b>D. Closing balance</b>	-	120,534	120,534

### 12.3 Pensions and other post-retirement defined-benefit obligations

No data to report.

### 12.4 Provisions for risks and charges - other provisions

(Amounts in € thousand)

	12.31.2015	12.31.2014
<b>Legal disputes</b>	<b>43,458</b>	<b>49,650</b>
- Pending proceedings	35,225	36,205
- Claims	8,233	13,445
<b>Staff expenses</b>	<b>9,570</b>	<b>7,805</b>
<b>Other</b>	<b>67,506</b>	<b>60,576</b>
- Supplementary customer indemnity provision	51,139	44,114
- Contractual payments and payments under non-competition agreements	2,270	2,269
- Tax disputes	7,034	7,298
- Other provisions	7,063	6,895
<b>Total provisions for risks and charges - other provisions</b>	<b>120,534</b>	<b>118,031</b>

## Part B - Balance Sheet - Liabilities (CONTINUED)

(Amounts in € thousand)

PROVISIONS FOR RISKS AND CHARGES	TOTAL 12.31.2014	USES	TRANSFERS AND OTHER CHANGES	ACTUARIAL GAINS (LOSSES) IAS 19R *	NET PROVISIONS **	TOTAL 12.31.2015
<b>Legal disputes</b>	<b>49,650</b>	<b>(11,631)</b>	-	-	<b>5,439</b>	<b>43,458</b>
- Pending cases	36,205	(3,889)	1,168	-	1,741	35,225
- Claims	13,445	(7,742)	(1,168)	-	3,698	8,233
<b>Staff expenses</b>	<b>7,805</b>	<b>(3,803)</b>	-	-	<b>5,568</b>	<b>9,570</b>
<b>Other</b>	<b>60,576</b>	<b>(3,091)</b>	-	<b>3,520</b>	<b>6,501</b>	<b>67,506</b>
- Supplementary customer indemnity provision	44,114	(775)	-	3,445	4,355	51,139
- Contractual payments and payments under non-competition agreements	2,269	-	-	75	(74)	2,270
- Tax disputes	7,298	(264)	-	-	-	7,034
- Other provisions	6,895	(2,052)	-	-	2,220	7,063
<b>Total provisions for risks and charges - other provisions</b>	<b>118,031</b>	<b>(18,525)</b>	-	<b>3,520</b>	<b>17,508</b>	<b>120,534</b>

\* 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 "Staff expenses" and "Interest expenses and similar charges".

The following table shows the main actuarial assumptions used to measure the liability for the supplementary customer indemnity provision and the provision for contractual payments.

DESCRIPTION OF THE MAIN ACTUARIAL ASSUMPTIONS	12.31.2015	12.31.2014
Discount rate	1.75%	1.60%
Salary increase rate	2.60%	2.60%

As required by IAS 19 Revised, a sensitivity analysis was conducted aimed at identifying how the present value of the liability changes when the actuarial assumptions considered most significant are changed, while keeping the other actuarial assumptions constant.

With reference to the supplementary customer indemnity provision, a change of -25 basis points in the discount rate would result in an increase in liabilities of €1,563 thousand (+3.06%); an equivalent increase in the rate, on the other hand, would result in a reduction in liabilities of €1,493 thousand (-2.92%). A change of -25 basis points in the rate of increase in the salary base would result in a reduction in liabilities of €539 thousand (-1.05%); an equivalent increase in the rate, on the other hand, would result in an increase in liabilities of €555 thousand (+1.09%).

With reference to the provision for contractual payments, a change of -25 basis points in the discount rate would result in an increase in liabilities of €40 thousand (+2.10%); an equivalent increase in the rate, on the other hand, would result in a reduction in liabilities of €39 thousand (-2.02%). A change of -25 basis points in the rate of increase in the salary base would result in a reduction in liabilities of €3 thousand (-0.14%); an equivalent increase in the rate, on the other hand, would result in an increase in liabilities of €2 thousand (+0.10%).

In addition, for the other provisions recognised in the financial statements on the basis of IAS 37, where the effect of the time value of money is significant (generally when payment is to be made more than 18 months from recognition), the amount of the provision should be the present value of the best estimate of the cost required to settle the obligation. The discount rate used reflects the current market assessments. As at December 31, 2015 an analysis was conducted to assess the impact on the provision is made of a variation of +/- 25 basis points in the discount rate and no significant impacts were found.

The **Provision for legal disputes** includes provisions made to cover disputes for damage to customers arising from the unlawful behaviour of the company's personal financial advisors, provisions relating to pending disputes with personal 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 severance indemnity to be paid to the PFA network pursuant to art. 1751 of the Italian Civil Code, in the event of termination of the contract for reasons not attributable to the advisor, such as, for example, when reaching retirement age.

The amount of the obligation at the end of the period was assessed with the aid of an independent actuary.

The **Provision for staff expenses** includes provisions made in relation to the variable remuneration to be paid to employees in subsequent years which have an uncertain due date and amount. This provision includes the estimated integration costs in relation to the Business Plan of the UniCredit Group.

The **Provision for contractual payments and payments under non-competition agreements** is related to a limited number of personal financial advisors; these payments are contractually provided. More specifically, the non-competition agreement is an extension of the loyalty obligation at the end of the employment contract which protects the Bank from competition from former personal financial advisors; contractual payments are a special indemnity that the Bank agrees to pay to personal financial advisors, who opted to transfer the rights and obligations arising from their contract with the Bank to third parties, where these advisors continue to keep an ethical and professional conduct with the Bank after termination of employment, with specific regard to the client portfolio. The amount of the obligation for contractual payments was assessed with the aid of an independent actuary.

The **Provision for tax disputes** is allocated to cover tax demands received from the Italian Revenue Agency following tax audits carried out on the Bank over the years, in relation to which the Bank considers it has calculated the tax correctly and legitimately and has therefore submitted an appeal at various levels of proceedings.

The above provisions for risks and charges include the allocations for fines and interest for the additional tax being contested and requested by the Tax Authorities through tax bills or payment notices paid and for the estimated amount of legal expenses to be incurred in the various proceedings.

For more details, see Part E - Information on risks and hedging policies - Section 4 - Operational risk - paragraph "Risks arising from tax disputes and audits" of these Notes to the 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.

In addition, with regard to the losses incurred by the subordinated loan holders of the four banks covered by the resolution, the Legge di Stabilità 2016 - which maintained the effects of Law Decree 183 of November 22, 2015, which lapse due to its absence of conversion, relating to the implementation of the related resolution procedures - established Fondo di Solidarietà was established up to a maximum of €100 million. This Fondo di Solidarietà will be funded by the National Interbank Deposit Guarantee Fund (and therefore by the banks subscribing to it) according to terms and conditions yet to be determined pending the ministerial decrees to which the Legge di Stabilità made reference to. In this regard, the Bank made a provision for an amount, estimated based on the same criteria used by the National Interbank Deposit Guarantee Fund for the calculation of the DGS, amounting to around €2.276 thousand.

## Section 13 - Redeemable shares - Item 140

### 13.1 Redeemable shares: breakdown

No data to report.

## Part B - Balance Sheet - Liabilities (CONTINUED)

## 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 €200,150,191.89 fully paid-up, comprising 606,515,733 ordinary shares with a par value of €0.33.

As at December 31, 2015, the Bank held 1,408,834 treasury shares in its portfolio, for a total amount of €8.555 thousand, purchased in execution of the stock granting plan "2014 PFA Plan" for the Personal Financial Advisors and Network Managers of the Bank, approved by the Board of Directors on May 15, 2014 and by the Shareholders' Meeting on June 5, 2014.

ITEM/AMOUNT	(Amounts in € thousand)	
	12.31.2015	12.31.2014
1. Share capital	200,150	200,070
2. Share premium reserve	1,934	1,934
3. Reserves	228,035	198,081
- <i>Legal reserve</i>	40,030	33,061
- <i>Extraordinary reserve</i>	166,081	142,739
- <i>Treasury shares reserve</i>	8,555	-
- <i>Other reserves</i>	21,924	22,281
4. (Treasury Shares)	(8,555)	-
5. Revaluation reserves	11,626	2,262
6. Equity instruments	-	-
7. Net Profit (Loss) for the year	191,053	149,907
<b>Total</b>	<b>632,798</b>	<b>552,254</b>

Following the Board of Directors' resolution of February 9, 2015, for the execution of the "2014 Key People Plan" approved by the Shareholders' Meeting of June 5, 2014, the share capital was increased through a bonus issue by an amount of €79,761.00, corresponding to 241,700 ordinary shares, with consequent reduction of the available retained earnings.

The "Reserve for treasury shares to be purchased", established under "Other reserves" as at December 31, 2014 in the amount of €14,953 million, was used in the amount of €8.555 million to establish the Reserve for treasury shares held, at the time of the purchase of treasury shares described, and €4,781 thousand for the cash payment in July 2015 of the first tranche of the stock granting plan "2014 PFA Plan" for the Personal Financial Advisors and Network Managers of the Bank, since the allocation of FinecoBank ordinary shares did not arise, as resolved by the Board of Directors on July 9, 2015. The amount not used of €1,617 thousand, was reclassified to the Extraordinary reserve, because the share buyback programme pursuant to Article 77-78 EU Regulation 575/2013 of June 26, 2013 (CRR) was completed on October 12, 2015.

The shareholders' meeting resolution of April 23, 2015 approved the allocation of profit for the year 2014, amounting to €149,907 thousand, as follows:

- €6,969 thousand to the **legal reserve**;
- €21,635 thousand to the **extraordinary reserve**;
- €121,303 thousand, equal to €0.2 per share, to the **shareholders**.



## 14.2 Share capital - Number of shares: annual changes

ITEMS/TYPE	ORDINARY	OTHER
<b>A. Shares outstanding at the beginning of the year</b>		
- fully paid	606,274,033	-
- not fully paid	-	-
A.1 Treasury shares (-)	-	-
<b>A.2 Shares outstanding: opening balance</b>	<b>606,274,033</b>	<b>-</b>
<b>B. Increases</b>		
B.1 New issues		
- against payment:		
- business combinations	-	-
- bonds converted	-	-
- warrants exercised	-	-
- other	-	-
- free		
- to employees	241,700	-
- to directors	-	-
- other	-	-
B.2 Sale of treasury shares	-	-
B.3 Other changes	-	-
<b>C. Decreases</b>		
C.1 Cancellation	-	-
C.2 Purchase of treasury shares	(1,408,834)	-
C.3 Business transfers	-	-
C.4 Other changes	-	-
<b>D. Shares outstanding: closing balance</b>	<b>605,106,899</b>	<b>-</b>
D.1 Treasury shares (+)	1,408,834	-
D.2 Shares outstanding at the end of the year		
- fully paid	606,515,733	-
- not fully paid	-	-

## 14.3 Share capital: other information

The shares are not subject to any right, privilege or constraint; there are no shares reserved for issue under option and sales contracts.

## 14.4 Reserves from allocation of profit from previous years: other information

The reserves from profits consist of the:

- Legal reserve, amounting to €40,030 thousand;
- Extraordinary reserve, amounting to €166,081 thousand;
- Reserve for treasury shares held, amounting to €8,555 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.

## Part B - Balance Sheet - Liabilities (CONTINUED)

(Amounts in € thousand)

TYPE/DESCRIPTION	AMOUNT	POSSIBLE USE	AMOUNT AVAILABLE	SUMMARY OF THE AMOUNTS USED IN THE PAST THREE YEARS	
				TO COVER LOSSES	OTHER REASONS
Share capital	200,150	-	-	-	-
Share premium reserve	1,934	A, B, C	1,934 <sup>(1)</sup>	-	-
<b>Reserves:</b>					
Legal reserve	40,030	B	40,030	-	-
Extraordinary reserve	166,081	A, B, C	166,081	-	-
Reserve related to equity-settled plans	21,924	-	-	-	-
Reserve for treasury shares	8,555	-	-	-	-
<b>Revaluation reserves:</b>					
Revaluation reserves for available-for-sale financial assets	16,904	-	- <sup>(2)</sup>	-	-
Revaluation reserves for actuarial gains (losses) from defined benefit plans	(5,278)	-	-	-	-
<b>TOTAL</b>	<b>450,300</b>		<b>208,045</b>		
Undistributable amount			40,030		
Distributable amount			168,015		

**Key**

A: for capital increase.

B: to cover losses.

C: for distribution to shareholders.

**Note:**

(1) Pursuant to Article 2431 of the Civil Code, the sum total of this reserve may be distributed only on condition that the legal reserve has reached the limit set in Article 2430 of the Civil Code.

(2) The reserve, when positive, is not available pursuant to article 6 of Legislative Decree 38/2005.

As described above, in 2015 the €80 thousand of the reserves from profits were used for the capital increase related to the “2014 Key People Plan” and €4,781 thousand for the payment in cash of the first tranche of the 2014 stock granting plan “2014 PFA Plan” for the Personal Financial Advisors and Network Managers of the Bank.

The Bank closed the year 2015 with a net profit of €191,053 thousand and the Board of Directors Meeting of February 8, 2016 proposed its allocation as follows.

- €19 thousand to the **Legal reserve**, corresponding to 0,01% of the profit for the year, having reached the limit of a fifth of the share capital;
- €35,658 thousand to the **Extraordinary reserve**;
- €154,376 thousand to **Shareholders**, corresponding to a dividend of €0.255 for each of the 605,396,602 ordinary shares with a par value of €0.33 euro, constituting the share capital net of 1,408,834 treasury shares held by the Bank and including 289,703 shares relating to the capital increase approved by the Board of Directors on February 8, 2016;
- €1,000 thousand to social, charity and cultural causes, pursuant to art. 26, para. 5, of the Articles of Association.

**14.5 Equity instruments: breakdown and annual changes**

No data to report.

**14.6 Other information**

No data to report.

## Section 15 - Other information

### 1 Guarantees issued and commitments

(Amounts in € thousand)

TRANSACTIONS	12.31.2015	12.31.2014
1) Financial guarantees given	256,615	292,124
a) Banks	256,065	291,361
b) Customers	550	763
2) Commercial guarantees given	4	4
a) Banks	4	4
b) customers	-	-
3) Irrevocable commitments to lend funds	129,165	158,159
a) Banks	1,974	-
i) certain to be called on	1,974	-
ii) not certain to be called on	-	-
b) Customers	127,191	158,159
i) certain to be called on	127,191	158,159
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	-	-
<b>Total</b>	<b>385,784</b>	<b>450,287</b>

Financial guarantees given to banks include 5 guarantees issued in 2012 on request of UniCredit, with indefinite duration, for a total amount of €256,065 thousand.

Irrevocable commitments to lend funds 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

(Amounts in € thousand)

PORTFOLIOS	12.31.2015	12.31.2014
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	87,367	205,909
6. Loans and receivables with customers	-	-
7. Property, plant and equipment	-	-
<b>Total</b>	<b>87,367</b>	<b>205,909</b>

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.

The Bank 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 €131,435 thousand (€126,717 thousand as at December 31, 2014). 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:

- €1,002 thousand up to twelve months;
- €208 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

(Amounts in € thousand)

TYPE OF SERVICE	12.31.2015	12.31.2014
<b>1. Execution of orders for customers</b>	<b>381,095,835</b>	<b>346,368,648</b>
<b>Securities</b>	<b>120,951,894</b>	<b>121,797,736</b>
a) purchases	60,336,465	60,684,094
1. Settled	60,133,028	60,408,362
2. Unsettled	203,437	275,732
b) sales	60,615,429	61,113,642
1. Settled	60,419,410	60,832,456
2. Unsettled	196,019	281,186
<b>Derivative contracts</b>	<b>260,143,941</b>	<b>224,570,912</b>
a) purchases	130,139,759	112,337,954
1. Settled	129,921,309	112,197,633
2. Unsettled	218,450	140,321
b) sales	130,004,182	112,232,958
1. Settled	129,801,959	112,093,872
2. Unsettled	202,223	139,086
<b>2. Segregated accounts</b>	-	-
a) individual	-	-
b) collective	-	-
<b>3. Custody and administration of securities</b>		
a) third party securities on deposits: relating to custodian bank activities (excluding segregated accounts)	-	-
1. securities issued by the bank preparing the accounts	-	-
2. other securities	-	-
b) third party securities held in deposits (excluding segregated accounts): other	12,708,687	10,919,911
1. securities issued by the bank preparing the accounts	2,787	2,482
2. other securities	12,705,900	10,917,429
c) third-party securities deposited with third parties	12,708,687	10,919,911
d) own securities deposited with third parties	13,515,797	11,076,157
<b>4. Other transactions</b>	<b>27,347,644</b>	<b>26,187,756</b>
Order receipt and transmission	27,347,644	26,187,756
a) purchases	13,635,216	13,111,249
b) sales	13,712,428	13,076,507

## 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

The Bank conducts securities lending transactions on a continuous and systematic basis, with the objective of optimising the returns of customer portfolios, satisfying the requests of institutional counterparties and obtaining a profit for the Bank. The Bank operates as the borrower, borrowing the securities of its customers and using them in repos and securities lending transactions guaranteed by cash amounts with retail and institutional customers interested in the temporary ownership of the securities. In the case of securities lending transactions guaranteed by other securities, which are not recognised as liabilities or commitments in the accounts, the Bank has used bond issues of UniCredit, classified as "Loans and Receivables", as guarantees; these are deposited in a securities account held at the custodian bank for an amount higher than that of the securities borrowed from customers, in order to provide a collective guarantee.

The face value of the underlying securities not recognised as assets in the accounts totalled €1,095,896 thousand, broken down as follows:

(Amounts in € thousand)

SECURITIES RECEIVED ON LOAN FROM:	TYPE OF SECURITIES (NOMINAL VALUE AT DECEMBER 31, 2015)		
	SOLD	SOLD IN REPOS	OTHER PURPOSES
Banks	-	-	-
Financial companies	1	2,364	-
Insurance	-	-	-
Non-financial companies	-	3,849	-
Other entities	575	1,089,088	19
<b>Total nominal value</b>	<b>576</b>	<b>1,095,301</b>	<b>19</b>

(Amounts in € thousand)

SECURITIES RECEIVED ON LOAN FROM:	TYPE OF SECURITIES (FAIR VALUE AT DECEMBER 31, 2015)		
	SOLD	SOLD IN REPOS	OTHER PURPOSES
Banks	-	-	-
Financial companies	-	2,643	-
Insurance	-	-	-
Non-financial companies	-	4,153	-
Other entities	-	1,400,844	120
<b>Total fair value</b>	<b>-</b>	<b>1,407,640</b>	<b>120</b>



## Part C - Income statement

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## Part C - Income statement

### Section 1 - Interest income and expense - Items 10 and 20

#### 1.1 Interest income and similar revenues: breakdown

(Amounts in € thousand)

ITEMS/TYPE	DEBT SECURITIES	LOANS	OTHER TRANSACTIONS	YEAR 2015	YEAR 2014
1. Financial assets held for trading	2	-	-	2	1
2. Available-for-sale financial assets	20,362	-	-	20,362	14,922
3. Held to maturity investments	-	-	-	-	-
4. Loans and receivables with banks	204,884	12,702	-	217,586	235,882
5. Loans and receivables with customers	-	33,371	-	33,371	28,793
6. Financial assets designated at fair value through profit or loss	-	-	-	-	5
7. Hedging derivatives	-	-	1,945	1,945	2,658
8. Other assets	-	-	66	66	76
<b>Total interest income</b>	<b>225,248</b>	<b>46,073</b>	<b>2,011</b>	<b>273,332</b>	<b>282,337</b>

Interest accrued on impaired assets, relating exclusively to the item Loans and receivables with customers, amounted to €540 thousand (€446 thousand as at December 31, 2014).

#### 1.2 Interest income and similar revenues: hedging differentials

(Amounts in € thousand)

ITEMS	YEAR 2015	YEAR 2014
A. Positive hedging differentials	79,895	97,850
B. Negative hedging differentials	(77,950)	(95,192)
<b>C. Balance (A-B)</b>	<b>1,945</b>	<b>2,658</b>

#### 1.3 Interest income and similar revenues: other information

No information to report.

##### 1.3.1 Interest income from financial assets denominated in currency

(Amounts in € thousand)

ITEMS/TYPE	YEAR 2015	YEAR 2014
Interest income on foreign currency financial assets	10,403	8,076

##### 1.3.2 Interest income on finance lease transactions

No data to report.

#### 1.4 Interest expenses and similar charges: breakdown

(Amounts in € thousand)

ITEMS/TYPE	PAYABLES	SECURITIES	OTHER TRANSACTIONS	YEAR 2015	2014
1. Deposits from central banks	-	-	-	-	-
2. Deposits from banks	231	-	-	231	(4,589)
3. Deposits from customers	(14,340)	-	-	(14,340)	(49,500)
4. Debt securities in issue	-	(14,039)	-	(14,039)	-
5. Financial liabilities held for trading	-	-	-	-	-
6. Financial Liabilities at fair value through profit or loss	-	-	-	-	-
7. Other liabilities and provisions	-	-	-	-	(1)
8. Hedging derivatives	-	-	-	-	-
<b>Total interest expense</b>	<b>(14,109)</b>	<b>(14,039)</b>	<b>-</b>	<b>(28,148)</b>	<b>(54,090)</b>

#### 1.5 Interest expenses and similar charges: hedging differentials

This table has been omitted as the balance of hedging differentials is positive (please refer to the above table 1.2).

#### 1.6 Interest expenses and similar charges: other information

No information to report.

##### 1.6.1 Interest expense on liabilities denominated in currency

(Amounts in € thousand)

ITEMS/TYPE	YEAR 2015	YEAR 2014
Interest expense on liabilities denominated in currency	(1,069)	(1,130)

##### 1.6.2 Interest expense on finance leases

No data to report.



## Section 2 - Fee and commission income and expense - Items 40 and 50

### 2.1 Fee and commission income: breakdown

(Amounts in € thousand)

TYPE OF SERVICE/AMOUNT	YEAR 2015	YEAR 2014
(a) guarantees given	68	68
(b) credit derivatives	-	-
(c) management, brokerage and advisory services:	448,071	371,705
1. securities trading	82,054	75,271
2. currency trading	-	-
3. portfolio management	-	-
3.1. individual	-	-
3.2. collective	-	-
4. custody and administration of securities	817	868
5. custodian bank	-	-
6. placement of securities	27,907	26,206
7. reception and transmission of orders	13,434	12,652
8. advisory services	27,832	17,514
8.1. related to investments	27,832	17,514
8.2. related to financial structure	-	-
9. distribution of third-party services:	296,027	239,194
9.1. portfolio management	255,527	211,327
9.1.1 individual	65	105
9.1.2 collective	255,462	211,222
<i>of which maintenance commissions for UCIT units</i>	<i>253,427</i>	<i>209,671</i>
9.2. insurance products	40,485	27,835
9.3. other products	15	32
(d) collection and payment services	29,306	27,890
(e) securitisation servicing	-	-
(f) factoring	-	-
(g) tax collection services	-	-
(h) management of multilateral trading systems	-	-
(i) management of current accounts	5,074	5,379
(j) other services	4,983	4,786
<b>Total</b>	<b>487,502</b>	<b>409,828</b>

### 2.2 Fee and commission income: distribution channels for products and services

(Amounts in € thousand)

CHANNEL/AMOUNT	YEAR 2015	YEAR 2014
<b>(a) at own branches:</b>	-	-
1. portfolio management	-	-
2. placement of securities	-	-
3. third-party services and products	-	-
<b>(b) cold-calling:</b>	<b>286,270</b>	<b>195,092</b>
1. portfolio management	225,925	148,553
2. placement of securities	20,044	18,883
3. third-party services and products	40,301	27,656
<b>(c) other distribution channels:</b>	<b>37,664</b>	<b>70,308</b>
1. portfolio management	29,602	62,774
2. placement of securities	7,863	7,323
3. third-party services and products	199	211
<b>Total</b>	<b>323,934</b>	<b>265,400</b>

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 expenses: breakdown

(Amounts in € thousand)

SERVICE/AMOUNT	YEAR 2015	YEAR 2014
(a) guarantees received	-	(27)
(b) credit derivatives	-	-
(c) management and brokerage services:	(219,306)	(195,090)
1. securities trading	(7,663)	(6,870)
2. currency trading	(140)	(175)
3. portfolio management:	-	-
3.1 own	-	-
3.2 delegated to third parties	-	-
4. custody and administration of securities	(4,305)	(4,032)
5. placement of financial instruments	-	-
6. cold-calling to offer securities, products and services	(207,198)	(184,013)
(d) collection and payment services	(17,708)	(16,675)
(e) other services	(316)	(314)
(f) securities lending transactions	(1,959)	(1,978)
<b>Total</b>	<b>(239,289)</b>	<b>(214,084)</b>

## Section 3 - Dividend income and similar revenue - Item 70

## 3.1 Dividend income and similar revenue: breakdown

(Amounts in € thousand)

ITEM/INCOME	YEAR 2015		YEAR 2014	
	DIVIDENDS	INCOME FROM UCITS UNITS	DIVIDENDS	INCOME FROM UCITS UNITS
A. Financial assets held for trading	5	-	4	-
B. Available-for-sale financial assets	-	-	-	-
C. Financial assets designated at fair value through profit or loss	-	-	-	-
D. Equity investments	-	X	-	X
<b>Total</b>	<b>5</b>	<b>-</b>	<b>4</b>	<b>-</b>

## 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, 2015

(Amounts in € thousand)

TRANSACTION/INCOME ITEM	UNREALISED GAINS (A)	REALISED PROFITS (B)	UNREALISED LOSSES (C)	REALISED LOSSES (D)	NET PROFIT (LOSS) [(A+B)-(C+D)]
<b>1. Financial assets held for trading</b>	<b>2</b>	<b>112,367</b>	<b>(4)</b>	<b>(102,726)</b>	<b>9,639</b>
1.1 Debt securities	1	51	-	(55)	(3)
1.2 Equity instruments	1	112,266	(4)	(102,671)	9,592
1.3 UCITS units	-	50	-	-	50
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	-	-
<b>2. Financial liabilities held for trading</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>(5)</b>	<b>10</b>
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	-	15	-	(5)	10
<b>3. Other financial assets and liabilities: exchange differences</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>9,081</b>
<b>4. Derivatives</b>	<b>1,913</b>	<b>52,224</b>	<b>(1,314)</b>	<b>(32,993)</b>	<b>34,975</b>
4.1 Financial derivatives:	1,913	52,224	(1,314)	(32,993)	34,975
- On debt securities and interest rates	6	1,274	(11)	(848)	421
- On equity securities and share indices	1,907	48,559	(1,303)	(31,139)	18,024
- On currencies and gold	X	X	X	X	15,145
- Other	-	2,391	-	(1,006)	1,385
4.2 Credit derivatives	-	-	-	-	-
<b>Total</b>	<b>1,915</b>	<b>164,606</b>	<b>(1,318)</b>	<b>(135,724)</b>	<b>53,705</b>

As at December 31, 2014

(Amounts in € thousand)

TRANSACTION/INCOME ITEM	UNREALISED GAINS (A)	REALISED PROFITS (B)	UNREALISED LOSSES (C)	REALISED LOSSES (D)	NET PROFIT (LOSS) [(A+B)-(C+D)]
<b>1. Financial assets held for trading</b>	<b>3</b>	<b>78,294</b>	<b>-</b>	<b>(72,755)</b>	<b>5,542</b>
1.1 Debt securities	-	46	-	(13)	33
1.2 Equity instruments	3	78,246	-	(72,728)	5,521
1.3 UCITS units	-	2	-	(14)	(12)
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	-	-
<b>2. Financial liabilities held for trading</b>	<b>-</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>41</b>
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	-	41	-	-	41
<b>3. Other financial assets and liabilities:</b>					
<b>exchange differences</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>4,282</b>
<b>4. Derivatives</b>	<b>2,306</b>	<b>24,183</b>	<b>(2,259)</b>	<b>(13,774)</b>	<b>19,854</b>
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 currencies and gold	X	X	X	X	9,398
- Other	-	416	-	(160)	256
4.2 Credit derivatives	-	-	-	-	-
<b>Total</b>	<b>2,309</b>	<b>102,518</b>	<b>(2,259)</b>	<b>(86,529)</b>	<b>29,719</b>

## Section 5 - Fair value adjustments in hedge accounting - Item 90

### 5.1 Fair value adjustments in hedge accounting: breakdown

(Amounts in € thousand)

INCOME ITEM/AMOUNT	YEAR 2015	YEAR 2014
<b>A. Gains on:</b>		
A.1 Fair value hedging instruments	13,763	200,331
A.2 Hedged asset items (in fair value hedge relationship)	17,678	28,503
A.3 Hedged liability items (in fair value hedge relationship)	9,228	42,654
A.4 Cash-flow hedging derivatives	-	-
A.5 Assets and liabilities denominated in currency	-	-
<b>Total gains on hedging activities (A)</b>	<b>40,669</b>	<b>271,488</b>
<b>B. Losses on:</b>		
B.1 Fair value hedging instruments	(27,053)	(192,428)
B.2 Hedged asset items (in fair value hedge relationship)	(13,763)	(65,782)
B.3 Hedged liability items (in fair value hedge relationship)	-	(13,278)
B.4 Cash-flow hedging derivatives	-	-
B.5 Assets and liabilities denominated in currency	-	-
<b>Total losses on hedging activities (B)</b>	<b>(40,816)</b>	<b>(271,488)</b>
<b>C. Fair value adjustments in hedge accounting (A-B)</b>	<b>(147)</b>	<b>-</b>

## Part C - Income statement (CONTINUED)

## Section 6 - Gains (Losses) on disposals/repurchases - Item 100

## 6.1 Gains (Losses) on disposals/repurchases: breakdown

(Amounts in € thousand)

ITEM/INCOME ITEM	YEAR 2015			YEAR 2014		
	PROFIT	LOSS	NET PROFIT (LOSS)	PROFIT	LOSS	NET PROFIT (LOSS)
<b>Financial assets</b>						
1. Loans and receivables with banks	-	-	-	78,806	(29,646)	49,160
2. Loans and receivables with customers	-	-	-	-	-	-
3. Available-for-sale financial assets	304	-	304	-	-	-
3.1 Debt securities	304	-	304	-	-	-
3.2 Equity instruments	-	-	-	-	-	-
3.3 UCITS units	-	-	-	-	-	-
3.4 Loans	-	-	-	-	-	-
4. Held-to-maturity investments	-	-	-	-	-	-
<b>Total assets</b>	<b>304</b>	<b>-</b>	<b>304</b>	<b>78,806</b>	<b>(29,646)</b>	<b>49,160</b>
<b>Financial liabilities</b>						
1. Deposits from banks	-	-	-	-	-	-
2. Deposits from customers	-	-	-	-	-	-
3. Debt securities in issue	-	-	-	29,408	(78,571)	(49,163)
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,408</b>	<b>(78,571)</b>	<b>(49,163)</b>

## Section 7 - Gains (losses) on financial assets/liabilities measured at fair value - Item 110

## 7.1 Gain (losses) on financial assets and liabilities at fair value through profit or loss: breakdown

No data to report.

## Section 8 - Impairment losses - Item 130

## 8.1 Impairment losses on loans and receivables: breakdown

(Amounts in € thousand)

TRANSACTION/INCOME ITEM	IMPAIRMENTS (1)			WRITE-BACKS (2)				YEAR 2015	YEAR 2014
	SPECIFIC		PORTFOLIO	SPECIFIC		PORTFOLIO			
	WRITE-OFFS	OTHER		A	B	A	B		
A. Loans and receivables with banks	-	-	-	-	-	-	-	-	-
- Loans	-	-	-	-	-	-	-	-	-
- Debt securities	-	-	-	-	-	-	-	-	-
B. Loans and receivables with customers	(405)	(6,703)	(971)	244	1,038	-	84	(6,713)	(3,224)
Impaired related to purchase agreements	-	-	-	-	-	-	-	-	-
- Loans	-	-	X	-	-	-	X	-	-
- Debt securities	-	-	X	-	-	-	X	-	-
Other loans	(405)	(6,703)	(971)	244	1,038	-	84	(6,713)	(3,224)
- Loans	(405)	(6,703)	(971)	244	1,038	-	84	(6,713)	(3,224)
- Debt securities	-	-	-	-	-	-	-	-	-
<b>C. Total</b>	<b>(405)</b>	<b>(6,703)</b>	<b>(971)</b>	<b>244</b>	<b>1,038</b>	<b>-</b>	<b>84</b>	<b>(6,713)</b>	<b>(3,224)</b>

## 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 Net value adjustments for the impairment of other financial assets: breakdown

(Amounts in € thousand)

TRANSACTION/INCOME ITEM	IMPAIRMENTS (1)			WRITE-BACKS (2)				YEAR 2015	YEAR 2014
	SPECIFIC			SPECIFIC		PORTFOLIO			
	WRITE-OFFS	OTHER	PORTFOLIO	A	B	A	B		
A. Guarantees given	-	-	-	-	-	-	-	-	(1,416)
B. Credit derivatives	-	-	-	-	-	-	-	-	-
C. Commitments to disburse funds	-	-	-	-	-	-	-	-	-
D. Other transactions	-	-	-	-	7	-	-	7	44
<b>E. Total</b>	-	-	-	-	<b>7</b>	-	-	<b>7</b>	<b>(1,372)</b>

##### Key

A = From interest

B = Other write-backs

## Section 9 - Administrative costs - Item 150

#### 9.1 Staff expenses: breakdown

(Amounts in € thousand)

TYPE OF EXPENSE/AMOUNT	YEAR 2015	YEAR 2014
1) Employees	(75,323)	(67,613)
a) wages and salaries	(48,664)	(44,928)
b) social security contributions	(13,184)	(11,934)
c) severance pay	(978)	(871)
d) pension costs	-	-
e) allocation to employee severance pay provision	(99)	(135)
f) provision for retirements and similar provisions:		
- defined contribution	-	-
- defined benefit	-	-
g) payments to external pension funds:		
- defined contribution	(2,686)	(2,375)
- defined benefit	-	-
h) costs related to share-based payments	(4,785)	(3,799)
i) other employee benefits	(4,927)	(3,571)
2) Other staff	(152)	(133)
3) Directors and statutory auditors	(991)	(976)
4) Early retirement costs	-	-
5) Recovery of expenses for employees seconded to other companies	235	195
6) Recovery of expenses for employees seconded to the company	(64)	(624)
<b>Total</b>	<b>(76,295)</b>	<b>(69,151)</b>

Item 1 h) Employees: costs related to share-based payments, includes costs incurred by the Bank in relation to payment agreements based on financial instruments issued by the Bank and on financial instruments issued by UniCredit to employees.

#### 9.2 Average number of employees by category

	YEAR 2015	YEAR 2014
<b>Employees</b>	<b>1,005</b>	<b>982</b>
(a) executives	27	23
(b) managers	295	275
(c) remaining employees	683	684
<b>Other personnel</b>	<b>12</b>	<b>17</b>

#### 9.3 Pensions and other post-retirement defined-benefit obligations costs and revenues

No data to report.

#### 9.4 Other employee benefits

(Amounts in € thousand)

TYPE OF EXPENSE/AMOUNT	YEAR 2015	YEAR 2014
Leaving incentives	(1,251)	(122)
Medical plan	(932)	(727)
Luncheon vouchers	(892)	(796)
Seniority premiums	-	(249)
Other	(1,852)	(1,677)
<b>Total</b>	<b>(4,927)</b>	<b>(3,571)</b>

## Part C - Income statement (CONTINUED)

## 9.5 Other administrative expenses: breakdown

(Amounts in € thousand)

	YEAR 2015	YEAR 2014
<b>1) INDIRECT TAXES AND DUTIES</b>	<b>(90,797)</b>	<b>(80,256)</b>
<b>2) MISCELLANEOUS COSTS AND EXPENSES</b>		
<b>A) Advertising expenses - Marketing and communication</b>	<b>(19,584)</b>	<b>(20,149)</b>
Mass media campaigns	(14,035)	(14,986)
Marketing and promotions	(5,317)	(5,110)
Sponsorships	(205)	(33)
Conventions and internal communications	(27)	(20)
<b>B) Expenses related to credit risk</b>	<b>(1,597)</b>	<b>(1,039)</b>
Credit recovery expenses	(753)	(455)
Commercial information and company searches	(844)	(584)
<b>C) Expenses related to staff</b>	<b>(32,745)</b>	<b>(22,812)</b>
Staff training	(437)	(357)
Car hire and other staff expenses	(40)	(47)
Personal financial advisor expenses	(31,696)	(21,824)
Travel expenses	(508)	(522)
Premises rentals for personnel	(64)	(62)
<b>D) ICT expenses</b>	<b>(29,749)</b>	<b>(28,320)</b>
Lease of ICT equipment and software	(3,318)	(4,135)
Software expenses: lease and maintenance	(6,712)	(5,555)
ICT communication systems	(3,935)	(3,849)
ICT service: external personnel	(7,090)	(7,079)
Financial information providers	(8,694)	(7,702)
<b>E) Consultancies and professional services</b>	<b>(3,258)</b>	<b>(6,320)</b>
Consultancy on ordinary activities	(896)	(762)
Consultancy for strategy, business development and organisational optimisation	(698)	(2,229)
Legal expenses	(5)	(1,261)
Legal disputes	(1,659)	(2,068)
<b>F) Real estate expenses</b>	<b>(20,104)</b>	<b>(19,997)</b>
Real estate services	(800)	(685)
Repair and maintenance of furniture, machinery, and equipment	(200)	(1,137)
Maintenance of premises	(1,741)	(760)
Premises rentals	(14,322)	(14,991)
Cleaning of premises	(546)	(485)
Utilities	(2,495)	(1,939)
<b>G) Other functioning costs</b>	<b>(31,672)</b>	<b>(29,296)</b>
Surveillance and security services	(410)	(291)
Money counting services and transport	(1)	(1)
Postage and transport of documents	(2,946)	(2,827)
Administrative and logistic services	(15,732)	(14,323)
Insurance	(3,629)	(3,522)
Printing and stationery	(621)	(685)
Association dues and fees	(7,889)	(7,371)
Other administrative expenses	(444)	(276)
<b>H) Ex-ante contribution to the Single Resolution Fund and Interbank Deposit Protection Fund</b>	<b>(4,691)</b>	<b>-</b>
<b>Total</b>	<b>(234,197)</b>	<b>(208,189)</b>

From 2015 the European directives 49 and 59 of 2014 introduced the contribution schemes for the Deposit Guarantee Schemes (DGS) and Single Resolution Fund (SRF) in relation to which the costs recorded in 2015 for contributions paid during the year shown under the item "Other administrative expenses" (point H) of table 9.5, amounted to a total of €4,691 thousand. For more details, see Part A - Accounting Policies, Section 4 - Other Matters. "Contributions to guarantee and resolution funds" of these Notes to the accounts.

## Section 10 - Net provisions for risks and charges - Item 160

### 10.1 Net provisions for risks and charges: breakdown

(Amounts in € thousand)

	YEAR 2015			YEAR 2014		
	PROVISIONS	REALLOCATIONS	TOTAL	PROVISIONS	REALLOCATIONS	TOTAL
Legal disputes	(13,504)	8,065	(5,439)	(14,260)	11,572	(2,688)
Supplementary customer indemnity provision	(4,356)	-	(4,356)	(3,713)	-	(3,713)
Other provisions for risks and charges	(2,634)	1,406	(1,228)	(1,097)	2,793	1,696
<b>Total</b>	<b>(20,494)</b>	<b>9,471</b>	<b>(11,023)</b>	<b>(19,070)</b>	<b>14,365</b>	<b>(4,705)</b>

## Section 11 - Impairment/write-backs on property, plant and equipment - Item 170

### 11.1 Impairment/write-backs on property, plant and equipment: breakdown

(Amounts in € thousand)

ASSET/INCOME ITEM	DEPRECIATION (A)	WRITE-DOWNS FOR IMPAIRMENT (B)	WRITE-BACKS (C)	NET PROFIT (LOSS) YEAR 2015 (A+B-C)	NET PROFIT (LOSS) YEAR 2014
A. Property, plant and equipment					
A.1 Owned	(3,949)	(13)	-	(3,962)	(4,036)
- Used in the business	(3,837)	(13)	-	(3,850)	(3,923)
- Held for investment	(112)	-	-	(112)	(113)
A.2 Held under finance lease	-	-	-	-	-
- Used in the business	-	-	-	-	-
- Held for investment	-	-	-	-	-
<b>Total</b>	<b>(3,949)</b>	<b>(13)</b>	<b>-</b>	<b>(3,962)</b>	<b>(4,036)</b>

Impairment losses were recognised in the year for insignificant amounts and mainly in relation to office furniture and fittings for which a zero value in use was determined.

A description of the methods used to calculate depreciation is provided in Part A – Accounting Policies of the notes to the accounts.

## Section 12 - Impairment/write-backs on intangible assets - Item 180

### 12.1 Impairment on intangible assets: breakdown

(Amounts in € thousand)

ASSET/INCOME ITEM	AMORTISATION (A)	WRITE-DOWNS FOR IMPAIRMENT (B)	WRITE-BACKS (C)	NET PROFIT (LOSS) YEAR 2015 (A+B-C)	NET PROFIT (LOSS) YEAR 2014
A. Intangible assets					
A.1 Owned	(4,989)	-	-	(4,989)	(4,773)
- Generated internally by the company	-	-	-	-	-
- Other	(4,989)	-	-	(4,989)	(4,773)
A.2 Held under finance lease					
<b>Total</b>	<b>(4,989)</b>	<b>-</b>	<b>-</b>	<b>(4,989)</b>	<b>(4,773)</b>

Impairments on intangible assets relate to software, amortised over three years and the costs incurred to create the Fineco website, amortised over 5 years.

For the disclosures required by IAS 36 paragraph 134, d), e), f) and 135, c), d), e), see Part B paragraph 12.3 Other information.

## Part C - Income statement (CONTINUED)

## Section 13 - Other net operating income - Item 190

## 13.1 Other operating expenses: breakdown

(Amounts in € thousand)

TYPE/AMOUNT	YEAR 2015	YEAR 2014
Refunds and allowances	(146)	(284)
Penalties, fines and unfavourable rulings	(5,039)	(2,642)
Improvements and incremental expenses incurred on leasehold properties	(3,387)	(3,122)
Improvements and incremental expenses incurred on group properties	(3)	(7)
Exceptional write-downs of assets	(906)	(1,008)
Other operating expense	(1,266)	(1,208)
<b>Total</b>	<b>(10,747)</b>	<b>(8,271)</b>

Exceptional write-downs of assets include costs incurred for credit card fraud of €796 thousand (€966 thousand as at December 31, 2014).

## 13.2 Other operating income: breakdown

(Amounts in € thousand)

TYPE/AMOUNT	YEAR 2015	YEAR 2014
Recovery of expenses:	84,347	77,170
- recovery of ancillary expenses - other	369	319
- recovery of taxes	83,978	76,851
Rental income from real estate investments	232	231
Other income from current year	4,152	2,324
<b>Total</b>	<b>88,731</b>	<b>79,725</b>

## 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.



## Section 17 - Gains (losses) on disposal of investments - Item 240

### 17.1 Gains (losses) on disposal of investments: breakdown

(Amounts in € thousand)

INCOME ITEM/AMOUNT	YEAR 2015	YEAR 2014
A. Properties		
- Gains on disposal	-	-
- Losses on disposal	-	-
B. Other assets		
- Gains on disposal	-	-
- Losses on disposal	(1)	(4)
<b>Net profit (loss)</b>	<b>(1)</b>	<b>(4)</b>

## Section 18 - Tax expense (income) related to profit or loss from continuing operations - Item 260

### 18.1 Tax expense (income) related to profit or loss from continuing operations: breakdown

(Amounts in € thousand)

INCOME ITEM/AMOUNT	YEAR 2015	YEAR 2014
1. Current tax (-)	(95,708)	(76,944)
2. Adjustment to current tax of prior years (+/-)	-	-
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. Change in deferred tax assets (+/-)	(297)	(1,546)
5. Change in deferred tax liabilities (+/-)	(1,017)	(1,333)
6. Tax expense for the period (-) (-1+/-2+3+/-4+/-5)	(97,022)	(79,823)

### 18.2 Reconciliation of theoretical tax charge to actual tax charge

(Amounts in € thousand)

	YEAR 2015	2014
Profit before tax	288,075	229,730

	IRES INCOME TAX	IRAP TAX	YEAR 2015	YEAR 2014
<b>Amount corresponding to theoretical tax rate</b>	<b>(79,221)</b>	<b>(16,046)</b>	<b>(95,267)</b>	<b>(75,972)</b>
+ Tax effects of charges not relevant to the calculation of taxable income	2,105	(2,100)	5	(526)
- 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)
<b>Amount corresponding to actual tax rate</b>	<b>(77,562)</b>	<b>(18,146)</b>	<b>(95,708)</b>	<b>(76,944)</b>

## Section 19 - Profit (Loss) after tax from discontinued operations - Item 280

### 19.1 Profit (Loss) after tax from discontinued operations: breakdown

No data to report.

### 19.2 Breakdown of income tax on discontinued operations

No data to report.

## Part C - Income statement (CONTINUED)

## 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, 2014**

(Amounts in € million)

<b>ASSETS</b>	<b>12.31.2014</b>
Cash and cash balances	2,325
Financial assets held for trading	16,166
Loans and receivables with banks	21,866
Loans and receivables with customers	220,649
Financial investments	108,026
Hedging instruments	10,468
Property, plant and equipment	2,583
Goodwill	-
Other intangible assets	1
Tax assets	12,047
Non-current assets and disposal groups classified as held for sale	55
Other assets	4,627
<b>Total assets</b>	<b>398,813</b>

(Amounts in € million)

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>12.31.2014</b>
Deposits from banks	31,703
Deposits from customers and debt securities in issue	282,099
Financial liabilities held for trading	13,020
Financial liabilities at fair value through profit or loss	-
Hedging instruments	11,455
Provisions for risks and charges	2,047
Tax liabilities	224
Liabilities included in disposal groups classified as held for sale	-
Other liabilities	10,092
Shareholders' Equity	48,173
- <i>capital and reserves</i>	47,369
- <i>revaluation reserves (available-for-sale financial assets - cash flow hedges - on defined benefit plans)</i>	724
- <i>net profit (loss)</i>	80
<b>Total liabilities and shareholders' equity</b>	<b>398,813</b>

**UniCredit S.p.A. – Condensed Income Statement 2014**

(Amounts in € million)

	YEAR 2014
Net interest	4,350
Dividends and other income from equity investments	1,381
Net fee and commission income	3,746
Net trading, hedging and fair value income	439
Net other expenses/income	8
<b>OPERATING INCOME</b>	<b>9,924</b>
Staff expenses	(3,158)
Other administrative expenses	(2,883)
Recovery of expenses	602
Impairment/write-backs on intangible and tangible assets	(134)
<b>Operating costs</b>	<b>(5,573)</b>
<b>Gross operating profit (loss)</b>	<b>4,351</b>
Net write-downs of loans and provisions for guarantees and commitments	(2,796)
<b>NET OPERATING PROFIT (LOSS)</b>	<b>1,555</b>
Provisions for risks and charges	(132)
Integration costs	17
Net income from investments	(939)
<b>GROSS PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>	<b>501</b>
Income tax for the year	(421)
Goodwill impairment	-
<b>NET PROFIT</b>	<b>80</b>

**1.4 Disclosure of auditing fees pursuant to art. 160 paragraph 1 bis of Legislative Decree 58/98**

The table below provides details of the fees (net of VAT and expenses) paid to the independent auditing firm Deloitte & Touche S.p.A. and entities within the network that the external auditors belongs to.

(Amounts in €)

TYPE OF SERVICE	SERVICE PROVIDER	FEES
Audit	Deloitte & Touche S.p.A.	154,285
Certification services	Deloitte & Touche S.p.A.	40,000
		<b>194,285</b>

## Section 21 - Earnings per share

**21.1 Average number of diluted ordinary shares**

Basic earnings per share are calculated by dividing the net profit by the average number of ordinary shares outstanding during the year.

	12.31.2015	12.31.2014
Net profit for the period (€ thousands)	191,053	149,907
Average number of outstanding shares	606,101,380	606,274,033
Average number of outstanding shares (including potential ordinary shares with dilution effect)	609,836,318	608,143,928
<b>Basic earnings per share</b>	<b>0.32</b>	<b>0.25</b>
<b>Diluted earnings per share</b>	<b>0.31</b>	<b>0.25</b>

**21.2 Other information**

No data to report.



## Part D - Comprehensive income



# Part D - Comprehensive income

## Statement of comprehensive income

(Amounts in € thousand)

ITEMS	GROSS AMOUNT	INCOME TAX	NET AMOUNT
<b>10. Profit (loss) for the year</b>	<b>X</b>	<b>X</b>	<b>191,053</b>
<b>other comprehensive income without reclassification through profit or loss</b>			
20. Property, plant and equipment	-	-	-
30. Intangible assets	-	-	-
40. Defined benefit plans	(3,293)	1,082	(2,211)
50. Non-current assets classified as held for sale	-	-	-
60. Revaluation reserve from investments accounted for using the equity method	-	-	-
<b>Other comprehensive income with reclassification through profit or loss</b>			
<b>70. Hedges of foreign investments:</b>			
a) fair value changes	-	-	-
b) reclassification through profit or loss	-	-	-
c) other changes	-	-	-
<b>80. Exchange differences:</b>			
a) fair value changes	-	-	-
b) reclassification through profit or loss	-	-	-
c) other changes	-	-	-
<b>90. Cash flow hedges:</b>			
a) fair value changes	-	-	-
b) reclassification through profit or loss	-	-	-
c) other changes	-	-	-
<b>100. Available-for-sale financial assets:</b>			
a) fair value changes	13,661	(1,779)	11,882
b) reclassification through profit or loss			
- due to impairment	-	-	-
- gains/losses on disposals	(458)	151	(307)
c) other changes	-	-	-
<b>110. Non-current assets classified as held for sale:</b>			
a) fair value changes	-	-	-
b) reclassification through profit or loss	-	-	-
c) other changes	-	-	-
<b>120. Revaluation reserve from investments accounted for using the equity method:</b>			
a) fair value changes	-	-	-
b) reclassification through profit or loss			
- due to impairment	-	-	-
- gains/losses on disposals	-	-	-
c) other changes	-	-	-
<b>130. Total other comprehensive income</b>	<b>9,910</b>	<b>(546)</b>	<b>9,364</b>
<b>140. Comprehensive income (item 10+130)</b>			<b>200,417</b>





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## Part E - Information on risks and hedging policies

### Introduction

In order to ensure lean and efficient management of risks, the risk management process is structured in accordance with the organisational choices made by the Group and the provisions of the Supervisory Instructions for Banks pertaining to the internal control system.

Risk management and control is performed by the Risk Management function of the Bank in collaboration with the same function of the Parent Company, which performs its role of guidance, coordination and control of risks at Group level. The organisational model 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.

The Bank is responsible for first and second-level monitoring, especially for verifying that the risk level of individual companies is compatible with the guidelines set by the Parent Company, individual company equity, and prudential supervisory rules.

As an aid to the reader, an explanatory glossary of terms used is provided at the end of this section.

#### Organisational structure

The Board of Directors of the Bank ("Board") is tasked with setting the strategic policies and the guidelines for the organisational and operational structures, overseeing and monitoring their timely execution within the risk profiles of assigned. The Board 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. The Board of Directors of the Bank 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 Chief Executive Officer and General Manager has been assigned specific powers by the Board of Directors in all the Bank's areas of activity. These powers are to be exercised in accordance with the applicable regulations and within the limits of the Parent Company directives and the policies, instructions, limits, risk assumption procedures and using the operational methods governed by the applicable information notices. The Chief Executive Officer and General Manager puts in place the necessary measures to ensure the establishment and maintenance of an efficient and effective internal control system.

The CRO Department, in line with the instructions and the guidelines of the Parent Company, is responsible for credit operations and risk management. The disclosure, at various levels, is provided by the Strategic Bodies and Officers (Chief Executive Officer and General Manager, Board of Directors, Audit and Related Parties Committee and Risk Committee). In relation to the Basel 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 the Bank and setting risk management strategies and policies, in line with the Bank's strategies and objectives, coordinating and monitoring their implementation by the units responsible, also in the various company areas.

The CRO Department ensures the control of the Bank's overall risk profile by monitoring the various types of risk exposure, in accordance with the methods established by the Parent Company.

The Risk Management Unit prevents and monitors different components of Bank risks. The function specifically controls credit, market and operational risks to which the Bank is exposed. The Risk Management function also monitors business, reputational and liquidity risk. The Risk Management Unit supports the CRO, in the area of responsibility of the Department, in monitoring and reporting to the Strategic Bodies and Officers.

Given the complexity of the Bank's activities and the significant risks involved, the Board of Directors of the Bank decided to establish an Audit and Related Parties Committee to carry out internal control tasks; the committee is made up of non-executive members of the same Board and its task is to carry out adequate investigations to support the Board of Directors in its assessments and decisions on the internal control system and risk management.

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

The Bank's objective is to provide an adequate range of products able to satisfy and encourage loyalty among customers, through a competitive and complete offer. The development of the products and of the product line must also seek to maintain portfolio quality and, in any event, adequate processes to monitor profitability.

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 policies, which are always adequately correlated to the risk/return ratio and in line with the Risk Appetite defined by the Board of Directors.

The quality of the loan portfolio, which is constantly monitored and supported by risk mitigation instruments, is protected by scoring models that contribute to evaluation during the approval process, ensuring that it is consistent and controlled. In addition to adequate coverage of the risk levels, monitoring of the portfolio and its segmentation by product and seniority allow a better understanding of the best loan issue strategies. The identification of any high-risk areas permits intervention on the automated measurement systems as well as on disbursement standards, with the possibility to take measures to limit credit risk in advance.

In 2015, 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. In order to optimise the management of short-term liquidity in 2015, the Bank also purchased €500 million of Spanish government bonds; these instruments were added to the liquidity reserves of the Bank, consisting of Italian and French government bonds.

The Bank also issued and approved the policy "Issuer risk in bonds - Contingency Plan" aimed at defining principles and rules to efficiently and comprehensively evaluate, control and limit the issuer's risk associated with bonds in the Bank's banking book. In accordance with the policy, the Bank's 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 Organisational aspects

The credit process can be broken down into the following stages:

- assessment of creditworthiness;
- granting/disbursement of credit;
- credit monitoring;
- management of impaired loans;
- risk measurement and control.

The assessment of creditworthiness entails ascertaining the ability of the borrower to repay. It is performed by specific centralised and specialist operating units in the various product lines disbursed to customers (personal loans, credit cards, credit lines). On receipt of the request, the offices in question assess the reliability of documentation, evaluate the equity and income situation, and gather information, also by consulting public records, private banks and system data such as the information contained in the Bank of Italy's risk centre and in the Group archives.

In addition to an assessment of creditworthiness by the dedicated functions, credit approval also requires that they assess the compatibility of the request with the customer's overall situation, considering the amount requested and agreeing on a different amount with the customer, where necessary, evaluate and finalise guarantees, if any, linking them to credit facilities and filing them according to specific processes. Lastly, the decision-making parties approve or reject the application on the basis of their powers or send the application to a higher decision-making body.

## Part E - Information on risks and hedging policies (CONTINUED)

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.

The management of impaired loans entails taking all action necessary to restore them to normality or to recover the credits in situations where the relationship cannot be continued. All of these measures are established by specific processes based on the type and amount of the past-due loan and the past-due period as well as taking into account any financial assets of the customer, which may be offered as collateral. Credit collection is performed through payment reminders directly carried out by the Bank as well as through reminders and debt recovery carried out by specialised, authorised external companies.

Lastly, management also entails forecasting losses on an individual basis, which is continuously updated based on the progress of recovery actions for the amounts due or based on information collected during the recovery actions.

The measurement and control of credit risk takes place at the assessment stage with the support of scoring tools that analyse the customers' socio-demographic profiles, making an assessment of individual counterparties on a statistical basis and supplementing the assessment, on one hand, with the support of credit bureaus for better knowledge of public and private data and on the other hand, with information contained in the Bank of Italy's risk centre. Credit risk control is also performed through the systematic assessment of the performance of loan portfolios in order to estimate expected losses and intervene on disbursement policies where necessary.

### **2.1.1 Factors that generate Credit Risk**

In the course of its credit business activities the Bank is exposed to the risk that its loans may, due to the deterioration of the debtor's financial condition, not be repaid at maturity, and thus result in a partial or full write-down. This risk is always inherent in traditional lending operations regardless of the form of the credit facility. The main reasons for default lie in the borrower's lack of autonomous ability to ensure the repayment of the debt.

In addition to the risk associated with the granting and disbursement of credit, the Bank is also exposed to counterparty risk for all clearing and pre-clearing operations with the institutional and banking counterparties necessary to conduct the Bank's business. Counterparty risk is defined as the risk that a counterparty to one of the transactions is in default prior to the final settlement of the cash flows involved in the transaction. The counterparties in these transactions could default as a result of insolvency, political and economic events, lack of liquidity, operating problems or other reasons.

Other transactions involving counterparty risk are:

- entering into derivative contracts;
- purchasing and selling securities, futures, or currencies;
- holding third-party securities.

In addition, "Non-Traditional Credit Risk" is generated by leverage/short transactions conducted through securities lending. Leverage/short transactions conducted through securities lending, also when there are automatic stop losses performed within the margins, can generate credit risk if the security lacks liquidity (for example, in the case of dramatic events that affect the normal functioning of markets) and/or the margin is insufficient. To anticipate such events, scenario analyses are conducted periodically to assess the impacts and implement appropriate mitigation policies.

The Bank monitors and manages the specific risk of each counterparty and the overall risk of loan portfolios through procedures, structures and rules that steer, govern and standardise the assessment and management of credit risk, in line with the Group principles and best practice, and which are capable of extending their effectiveness to all phases of the economic cycle.

The Bank reports all information to the Parent Company that can help it in its assessment of each FIBS counterparty ("Financial Institutions, Banks and Sovereigns") that the Bank intends to have dealings with and with respect to whom a risk limit (ceiling) is to be set within which the Group intends to operate. The assessment is conducted within the risk limits assigned to the counterparty's Economic Group, i.e. considering the Group's exposure towards all the parties legally and economically linked to the counterparty. At the end of the assessment, the Parent Company assigns the Bank a risk limit that has to be monitored.

### **2.2 Management, measurement and control system**

The measurement of credit risk during the issue process is supported by automated assessment systems (so-called credit scoring systems). These systems also incorporate all available information and facts: public and private data provided by Credit rating bureaus, Risk Center data flows or information requests submitted to the Bank of Italy, Group archives with data relating to positions shared with other Group banks and other performance information on customers, stored by the Bank. During the loan application process, attention is always focused on the possibility of optimising all information concerning customers that has been provided by the Bank, the Group and the above-mentioned databanks.

The collection of any guarantees, their assessment and the margins between the fair value of the guarantee and the amount of the loan granted are a simple kind of support to credit risk mitigation, but there is no relevant positive correlation between the value of the financial guarantee and the applicant's creditworthiness.

The collective write-downs of the "performing" loan portfolio are determined using migration rates, through transition matrices, both from performing loans to non-performing loans and for each classification status (past-due, unlikely to pay, non-performing) by combining the default rates with the expected recovery rates individually calculated for non-performing loans and taking account of any supporting guarantees.

The 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 which identify the trend of default rates, broken down by disbursement period and default level.

The monitoring of credit risk as part of the management of the trading book is conducted by breaking it down into rating class and issuer sector, which determine the implicit risk of contracts.

### 2.3 Credit risk mitigation techniques

In order to mitigate risk when granting the different types of credit facilities, various types of collateral are obtained. 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, unlikely to pay or non-performing in accordance with the criteria set forth by the Bank of Italy and the thresholds established by the Parent Company.

In line with these regulations, the unlikely to pay status is the result of an assessment by the Bank regarding at the unlikelihood that the borrower will not fully meet their credit obligations (in terms of principle and/or interest), without recourse to actions such as enforcement of the guarantees.

The classification as non-performing, linked to the customer's insolvency, is always individual and defined on the basis of the progress of debt recovery actions. The loss estimate for positions classified on a subjective basis is also individual.

The classification criterion used for overdrawn accounts is related to the performance of debt recovery activity or the forced sale of securities to cover debts.

The reclassification of loans to a category of lower risk exposure is only authorised if the amount past due has been paid in full in observance of the original payment schedule, or if considerable payments have been made leading the Bank to believe the debt exposure is very likely to be repaid.

The procedure for the management of irregularly performing loans involves actions that may be taken to recover debts by ranking them by seniority of expiration.

## QUANTITATIVE INFORMATION

### A. Credit quality

#### A.1 Impaired and unimpaired loans: amounts, write-downs, changes, distribution by business activity/region

##### A.1.1 Breakdown of credit exposures by portfolio and credit quality (book value)

(Amounts in € thousand)

PORTFOLIO/QUALITY	NON-PERFORMING LOANS	UNLIKELY TO PAY	PAST DUE IMPAIRED EXPOSURES	PAST DUE UNIMPAIRED EXPOSURES	OTHER UNIMPAIRED EXPOSURES	TOTAL
1. Available-for-sale financial assets	-	-	-	-	2,235,494	2,235,494
2. Held to maturity investments	-	-	-	-	-	-
3. Loans and receivables with banks	-	-	-	-	14,648,904	14,648,904
4. Loans and receivables with customers	3,500	794	583	25,575	892,322	922,774
5. Financial assets designated at fair value through profit or loss	-	-	-	-	-	-
6. Financial instruments classified as held for sale	-	-	-	-	-	-
<b>Total December 31, 2015</b>	<b>3,500</b>	<b>794</b>	<b>583</b>	<b>25,575</b>	<b>17,776,720</b>	<b>17,807,172</b>
<b>Total December 31, 2014</b>	<b>3,159</b>	<b>453</b>	<b>647</b>	<b>17,941</b>	<b>16,261,140</b>	<b>16,283,340</b>

As at December 31, 2015 there were no impaired purchased loans.

## Part E - Information on risks and hedging policies (CONTINUED)

## A.1.2 Breakdown of credit exposures by portfolio and credit quality (gross and net values)

(Amounts in € thousand)

PORTFOLIO/QUALITY	IMPAIRED ASSETS			UNIMPAIRED ASSETS			TOTAL (NET EXPOSURE)
	GROSS EXPOSURE	SPECIFIC IMPAIRMENT	NET EXPOSURE	GROSS EXPOSURE	PORTFOLIO IMPAIRMENT	NET EXPOSURE	
1. Available-for-sale financial assets	-	-	-	2,235,494	-	2,235,494	2,235,494
2. Held to maturity investments	-	-	-	-	-	-	-
3. Loans and receivables with banks	-	-	-	14,648,904	-	14,648,904	14,648,904
4. Loans and receivables with customers	25,195	(20,318)	4,877	926,394	(8,497)	917,897	922,774
5. Financial assets designated at fair value through profit or loss	-	-	-	X	X	-	-
6. Financial instruments classified as held for sale	-	-	-	-	-	-	-
<b>Total December 31, 2015</b>	<b>25,195</b>	<b>(20,318)</b>	<b>4,877</b>	<b>17,810,792</b>	<b>(8,497)</b>	<b>17,802,295</b>	<b>17,807,172</b>
<b>Total December 31, 2014</b>	<b>22,498</b>	<b>(18,239)</b>	<b>4,259</b>	<b>16,286,691</b>	<b>(7,610)</b>	<b>16,279,081</b>	<b>16,283,340</b>

(Amounts in € thousand)

PORTAFOLGIO / QUALITÀ	ASSETS WITH OF CLEARLY POOR CREDIT QUALITY		OTHER ASSETS	
	ACCUMULATED UNREALISED LOSSES	NET EXPOSURE	NET EXPOSURE	NET EXPOSURE
1. Financial assets held for trading	-	-	-	3,397
2. Hedging derivatives	-	-	-	-
<b>Total December 31, 2015</b>	-	-	-	<b>3,397</b>
<b>Total December 31, 2014</b>	-	-	-	<b>22,275</b>

## A.1.3 On-balance sheet and off-balance-sheet credit exposures to banks: gross values, net values and past due bands

(Amounts in € thousand)

TYPE OF EXPOSURE/AMOUNT	GROSS EXPOSURE							
	IMPAIRED ASSETS				UNIMPAIRED ASSETS	SPECIFIC IMPAIRMENTS	PORTFOLIO IMPAIRMENTS	NET EXPOSURE
	UP TO 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	OVER 1 YEAR				
<b>A. On-balance sheet exposures</b>								
a) Non-performing loans	-	-	-	-	X	-	X	-
- of which: exposures subject to concession	-	-	-	-	X	-	X	-
b) Unlikely to pay	-	-	-	-	X	-	X	-
- of which: exposures subject to concession	-	-	-	-	X	-	X	-
c) Past-due impaired loans	-	-	-	-	X	-	X	-
- of which: exposures subject to concession	-	-	-	-	X	-	X	-
d) Unimpaired past-due loans	X	X	X	X	-	X	-	-
- of which: exposures subject to concession	X	X	X	X	-	X	-	-
e) Other unimpaired exposures	X	X	X	X	14,648,942	X	-	14,648,942
- of which: exposures subject to concession	X	X	X	X	-	X	-	-
<b>Total A</b>	-	-	-	-	<b>14,648,942</b>	-	-	<b>14,648,942</b>
<b>B. Off-balance sheet exposures</b>								
a) Impaired	-	-	-	-	X	-	X	-
b) Unimpaired	X	X	X	X	373,829	X	(1,416)	372,412
<b>Total B</b>	-	-	-	-	<b>373,829</b>	-	<b>(1,416)</b>	<b>372,412</b>
<b>Total A+B</b>	-	-	-	-	<b>15,022,771</b>	-	<b>(1,416)</b>	<b>15,021,354</b>

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 €114,315 thousand.

There were no securities lending transactions collateralised by other securities or without a cash guarantee with banks.

**A.1.4 Impaired on-balance sheet credit exposures to banks: gross change in impaired exposures:**

No data to report.

**A.1.5 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 values, net values and past due bands**

(Amounts in € thousand)

TYPE OF EXPOSURE/AMOUNT	GROSS EXPOSURE							
	IMPAIRED ASSETS				UNIMPAIRED ASSETS	SPECIFIC IMPAIRMENTS	PORTFOLIO IMPAIRMENTS	NET EXPOSURE
	UP TO 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	OVER 1 YEAR				
<b>A. On-balance sheet exposures</b>								
a) Non-performing loans	4	28	4,183	17,604	X	(18,319)	X	3,500
- of which: exposures subject to concession	-	3	13	32	X	(41)	X	7
b) Unlikely to pay	175	356	1,434	216	X	(1,387)	X	794
- of which: exposures subject to concession	148	9	23	28	X	(149)	X	59
c) Past-due impaired loans	143	624	292	136	X	(612)	X	583
- of which: exposures subject to concession	-	19	30	-	X	(17)	X	31
d) Unimpaired past-due loans	X	X	X	X	25,800	X	(226)	25,575
- of which: exposures subject to concession	X	X	X	X	87	X	(1)	86
e) Other unimpaired exposures	X	X	X	X	3,136,095	X	(8,271)	3,127,824
- of which: exposures subject to concession	X	X	X	X	51	X	-	51
<b>Total A</b>	<b>322</b>	<b>1,008</b>	<b>5,909</b>	<b>17,956</b>	<b>3,161,895</b>	<b>(20,318)</b>	<b>(8,497)</b>	<b>3,158,276</b>
<b>B. Off-balance sheet exposures</b>								
a) Impaired	-	-	-	-	X	-	X	-
b) Unimpaired	X	X	X	X	418,846	X	-	418,846
<b>Total B</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>418,846</b>	<b>-</b>	<b>-</b>	<b>418,846</b>
<b>Total A+B</b>	<b>322</b>	<b>1,008</b>	<b>5,909</b>	<b>17,956</b>	<b>3,580,741</b>	<b>(20,318)</b>	<b>(8,497)</b>	<b>3,577,122</b>

As at December 31, 2015, there were no unimpaired loans to customers renegotiated under collective agreements and no impaired purchased loans.

Breakdown by maturity of unimpaired past-due loans, amounting to €25,800 thousand (€17,941 thousand as at December 31, 2014), is as follows:

- past due between 1 day and 90 days of €25,780 thousand (€17,644 thousand as at December 31, 2014);
- past due between 90 days and 180 days of €5 thousand (€206 thousand as at December 31, 2014);
- past due between 180 days and 1 year of €15 thousand (€86 thousand as at December 31, 2014);
- there were no past due exposures over 1 year (€5 thousand as at December 31, 2014).

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 €398,272 thousand.

There were no securities lending transactions without a cash guarantee or not collateralised by other securities with customers.

## Part E - Information on risks and hedging policies (CONTINUED)

## A.1.7 On-balance sheet credit exposures to customers: gross change in impaired exposures:

(Amounts in € thousand)

SOURCE / CATEGORIES	NON-PERFORMING LOANS	UNLIKELY TO PAY	PAST-DUE IMPAIRED LOANS
<b>A. Opening balance gross exposure</b>	<b>19,845</b>	<b>1,381</b>	<b>1,272</b>
of which: assets sold but not derecognised	-	-	-
<b>B. Increases</b>	<b>6,629</b>	<b>8,272</b>	<b>11,488</b>
B.1 transfers from performing exposures	156	707	10,800
B.2 transfers from other categories of impaired exposures	6,158	7,043	-
B.3 other increases	315	522	688
<b>C. Decreases</b>	<b>(4,655)</b>	<b>(7,472)</b>	<b>(11,565)</b>
C.1 transfers to performing exposures	-	(396)	(670)
C.2 de-recognitions	(3,798)	(36)	(4)
C.3 collections	(857)	(959)	(3,717)
C.4 proceeds from disposals	-	-	-
C.5 losses on disposal	-	-	-
C.6 transfers to other categories of impaired exposures	-	(6,065)	(7,136)
C.7 other decreases	-	(16)	(38)
<b>D. Gross exposure closing balance</b>	<b>21,819</b>	<b>2,181</b>	<b>1,195</b>
of which: assets sold but not derecognised	-	-	-

With regard to the revised criteria for classifying impaired financial assets, with effect from January 1, 2015, the gross exposures classified under "Doubtful loans" as at December 31, 2014 were reclassified as "Unlikely to pay" for €1,381 thousand and "Past-due loans" for €12 thousand.

## A.1.8 Impaired on-balance sheet credit exposures to customers: trend in total write-downs

(Amounts in € thousand)

SOURCE / CATEGORIES	NON-PERFORMING LOANS	UNLIKELY TO PAY	PAST-DUE IMPAIRED LOANS
<b>A. Total opening impairment</b>	<b>(16,686)</b>	<b>(928)</b>	<b>(625)</b>
of which: assets sold but not derecognised	-	-	-
<b>B. Increases</b>	<b>(6,259)</b>	<b>(1,311)</b>	<b>(548)</b>
B.1 impairment losses	(5,370)	(1,278)	(548)
B.2 losses on disposal	-	-	-
B.3 transfers from other categories of impaired exposures	(875)	(33)	-
B.4 other increases	(14)	-	-
<b>C. Decreases</b>	<b>4,626</b>	<b>852</b>	<b>561</b>
C.1 write-backs from assessments	398	68	170
C.2 write-backs from recoveries	430	93	134
C.3 gains on disposal	-	-	-
C.4 de-recognitions	3,798	36	4
C.5 transfers to other categories of impaired exposures	-	655	253
C.6 other decreases	-	-	-
<b>D. Final overall impairment</b>	<b>(18,319)</b>	<b>(1,387)</b>	<b>(612)</b>
of which: assets sold but not derecognised	-	-	-

With regard to the revised criteria for classifying impaired financial assets, with effect from January 1, 2015, the total write-downs classified under "Doubtful loans" as at December 31, 2014 were reclassified as "Unlikely to pay" for €928 thousand and "Past-due loans" for €8 thousand.



## A.2 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

(Amounts in € thousand)

EXPOSURES	EXTERNAL RATING CLASSES						NO RATING	TOTAL
	CLASS 1	CLASS 2	CLASS 3	CLASS 4	CLASS 5	CLASS 6		
<b>A. On-balance sheet exposures</b>	<b>10,356</b>	<b>37,564</b>	<b>16,818,122</b>	<b>11</b>	-	-	<b>941,166</b>	<b>17,807,219</b>
<b>B. Derivatives</b>	-	<b>987</b>	-	-	-	-	<b>2,365</b>	<b>3,352</b>
B.1 Financial derivatives	-	987	-	-	-	-	2,365	3,352
B.2 Credit derivatives	-	-	-	-	-	-	-	-
<b>C. Guarantees given</b>	-	-	<b>256,070</b>	-	-	-	<b>550</b>	<b>256,620</b>
<b>D. Other commitments to disburse funds</b>	-	-	<b>1,037</b>	-	-	-	<b>17,661</b>	<b>18,698</b>
<b>E. Other</b>	-	<b>20,393</b>	<b>90,560</b>	<b>1,504</b>	-	-	<b>400,130</b>	<b>512,587</b>
<b>Total</b>	<b>10,356</b>	<b>58,944</b>	<b>17,165,789</b>	<b>1,515</b>	-	-	<b>1,361,872</b>	<b>18,598,476</b>

The table below shows the breakdown of on-balance sheet and off-balance-sheet exposures to counterparties with an external rating. Rating agencies provide a summary assessment on the creditworthiness of different type of counterparties: Countries, Banks, Public Bodies, Insurance Companies and Businesses, usually large-scale.

The table refers to the classification set forth in the Bank of Italy Circular no. 262/2005 regarding external ratings, which envisages 6 classes of creditworthiness.

The above presentation refers to the Standard and Poor's ratings, which are also associated to the ratings of the other two main Agencies, Moody's and Fitch. When there were two credit ratings for an individual exposure provided by two rating agencies the worst rating was recognised; if there were three different ratings the two best ratings were identified and, if they were different, the worst rating from these was recognised.

The Bank determines the regulatory requirements using the Traditional Standardised Approach, under which the exposures are split into different classes ("portfolios") according to the status of the counterparty or the technical characteristics of the relationship or how the relationship is conducted, applying different weighting coefficients to each portfolio. In determining the credit risk, the Bank only uses the assessments of the rating agencies assigned to the individual countries, which drive 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, 2015, 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 UCITS units have been included, unlike the previous tables in this section in which both were excluded.

### A.2.2 Breakdown of on-balance sheet and off-balance-sheet exposures by internal rating class

This table has not been included because internal ratings are not used to manage 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

	REAL GUARANTEES (1)			
	NET EXPOSURE VALUE	PROPERTIES - MORTGAGES	PROPERTIES - FINANCE LEASES	OTHER REAL GUARANTEES
<b>1. Secured on-balance sheet exposures:</b>				
1.1 totally secured	1,906	-	-	1,838
- of which impaired	-	-	-	-
1.2 partially secured	-	-	-	-
- of which impaired	-	-	-	-
<b>2. secured off-balance sheet credit exposures:</b>				
2.1 totally secured	1,023	-	-	1,023
- of which impaired	-	-	-	-
2.2 partially secured	-	-	-	-
- of which impaired	-	-	-	-

## A.3.2 Secured exposures to customers

	REAL GUARANTEES (1)			
	NET EXPOSURE VALUE	PROPERTIES - MORTGAGES	PROPERTIES - FINANCE LEASES	OTHER REAL GUARANTEES
<b>1, Secured on-balance sheet exposures:</b>				
1,1 totally secured	298,369	239	-	287,966
- of which impaired	39	28	-	10
1,2 partially secured	724	-	-	417
- of which impaired	-	-	-	-
<b>2, secured off-balance sheet credit exposures:</b>				
2,1 totally secured	18,257	-	-	17,284
- of which impaired	-	-	-	-
2,2 partially secured	35	-	-	31
- 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
<b>A. On-balance sheet exposures</b>						
A.1 Non-performing loans	-	-	X	-	-	X
- of which: exposures subject to concessions	-	-	X	-	-	X
A.2 Unlikely to pay	-	-	X	-	-	X
- of which: exposures subject to concessions	-	-	X	-	-	X
A.3 Past-due impaired loans	2	(2)	X	-	-	X
- of which: exposures subject to concessions	-	-	X	-	-	X
A.4 Unimpaired exposures	2,235,501	X	-	-	X	-
- of which: exposures subject to concessionsx	-	X	-	-	X	-
<b>TOTAL A</b>	<b>2,235,503</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B. "Off-balance" sheet exposures</b>						
B.1 Non-performing loans	-	-	X	-	-	X
B.2 Unlikely to pay	-	-	X	-	-	X
B.3 Other impaired assets	-	-	X	-	-	X
B.4 Unimpaired exposures	14	X	-	-	X	-
<b>TOTAL B</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A + B) December 31, 2015</b>	<b>2,235,517</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A + B) December 31, 2014</b>	<b>1,696,051</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>

(Amounts in € thousand)

PERSONAL GUARANTEES (2)										TOTAL (1) + (2)
CREDIT DERIVATIVES					GUARANTEES, ETC.					
OTHER DERIVATIVES										
CLN	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES		
-	-	-	-	-	-	-	-	-	-	1,838
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	1,023
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-

(Amounts in € thousand)

PERSONAL GUARANTEES (2)										TOTAL (1) + (2)
CREDIT DERIVATIVES					GUARANTEES, ETC.					
OTHER DERIVATIVES										
CLN	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES		
-	-	-	-	-	-	-	-	-	3	298,238
-	-	-	-	-	-	-	-	-	-	38
-	-	-	-	-	-	-	-	-	-	417
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	18,256
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	31
-	-	-	-	-	-	-	-	-	-	-

(Amounts in € thousand)

FINANCIAL COMPANIES			INSURANCE COMPANIES			NON-FINANCIAL COMPANIES			OTHER ENTITIES		
NET EXPOSURE	SPECIFIC IMPAIRMENTS	PORTFOLIO IMPAIRMENTS	NET EXPOSURE	SPECIFIC IMPAIRMENTS	PORTFOLIO IMPAIRMENTS	NET EXPOSURE	SPECIFIC IMPAIRMENTS	PORTFOLIO IMPAIRMENTS	NET EXPOSURE	SPECIFIC IMPAIRMENTS	PORTFOLIO IMPAIRMENTS
6	(40)	x	-	-	x	10	(92)	x	3,485	(18,187)	x
-	-	x	-	-	x	-	-	x	7	(41)	x
1	(3)	x	-	-	x	2	(7)	x	791	(1,377)	x
1	(3)	x	-	-	x	-	-	x	58	(146)	x
-	-	x	-	-	x	11	(8)	x	570	(601)	x
-	-	x	-	-	x	-	-	x	31	(17)	x
92,348	x	(129)	11,464	x	-	16,461	x	(3,327)	797,623	x	(5,040)
-	x	-	-	x	-	-	x	-	138	x	(1)
<b>92,355</b>	<b>(43)</b>	<b>(129)</b>	<b>11,464</b>	<b>-</b>	<b>-</b>	<b>16,484</b>	<b>(107)</b>	<b>(3,327)</b>	<b>802,469</b>	<b>(20,165)</b>	<b>(5,040)</b>
-	-	x	-	-	x	-	-	x	-	-	x
-	-	x	-	-	x	-	-	x	-	-	x
-	-	x	-	-	x	-	-	x	-	-	x
530	x	-	-	x	-	421	x	-	19,608	x	-
<b>530</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>421</b>	<b>-</b>	<b>-</b>	<b>19,608</b>	<b>-</b>	<b>-</b>
<b>92,885</b>	<b>(43)</b>	<b>(129)</b>	<b>11,464</b>	<b>-</b>	<b>-</b>	<b>16,905</b>	<b>(107)</b>	<b>(3,327)</b>	<b>822,077</b>	<b>(20,165)</b>	<b>(5,040)</b>
<b>85,444</b>	<b>(45)</b>	<b>(139)</b>	<b>7,096</b>	<b>-</b>	<b>-</b>	<b>14,176</b>	<b>(118)</b>	<b>(3,332)</b>	<b>609,684</b>	<b>(18,076)</b>	<b>(4,139)</b>

## Part E - Information on risks and hedging policies (CONTINUED)

**B.2 Breakdown of on-balance sheet and off-balance-sheet exposures to customers by geographical area (carrying value)**

Exposures connected to the counterparty risk related to securities lending or borrowing transactions are not included.

(Amounts in € thousand)

EXPOSURE/GEOGRAPHICAL AREA	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT
<b>A. On-balance sheet exposures</b>										
A.1 Non-performing loans	3,500	(18,319)	-	-	-	-	-	-	-	-
A.2 Unlikely to pay	794	(1,387)	-	-	-	-	-	-	-	-
A.3 Past-due impaired loans	583	(612)	-	-	-	-	-	-	-	-
A.4 Unimpaired exposures	2,500,260	(8,496)	652,913	(1)	158	-	67	-	1	-
<b>TOTAL</b>	<b>2,505,137</b>	<b>(28,814)</b>	<b>652,913</b>	<b>(1)</b>	<b>158</b>	<b>-</b>	<b>67</b>	<b>-</b>	<b>1</b>	<b>-</b>
<b>B. "Off-balance" sheet exposures</b>										
B.1 Non-performing loans	-	-	-	-	-	-	-	-	-	-
B.2 Unlikely to pay	-	-	-	-	-	-	-	-	-	-
B.3 Other impaired assets	-	-	-	-	-	-	-	-	-	-
B.4 Unimpaired exposures	20,008	-	299	-	257	-	-	-	10	-
<b>TOTAL</b>	<b>20,008</b>	<b>-</b>	<b>299</b>	<b>-</b>	<b>257</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>-</b>
<b>TOTAL December 31, 2015</b>	<b>2,525,145</b>	<b>(28,814)</b>	<b>653,212</b>	<b>(1)</b>	<b>415</b>	<b>-</b>	<b>67</b>	<b>-</b>	<b>11</b>	<b>-</b>
<b>TOTAL December 31, 2014</b>	<b>2,352,219</b>	<b>(25,849)</b>	<b>59,897</b>	<b>-</b>	<b>195</b>	<b>-</b>	<b>68</b>	<b>-</b>	<b>72</b>	<b>-</b>

(Amounts in € thousand)

EXPOSURE/GEOGRAPHICAL AREA	NORTHWEST ITALY		NORTH-EAST ITALY		CENTRAL ITALY		SOUTHERN ITALY AND ISLANDS	
	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT
<b>A. On-balance sheet exposures</b>								
A.1 Non-performing loans	1,370	(5,813)	579	(2,500)	505	(3,377)	1,045	(6,630)
A.2 Unlikely to pay	484	(715)	56	(147)	52	(130)	203	(395)
A.3 Past-due impaired loans	176	(165)	82	(90)	117	(125)	207	(231)
A.4 Unimpaired exposures	319,169	(3,006)	127,031	(1,268)	1,862,930	(2,447)	191,130	(1,774)
<b>TOTAL</b>	<b>321,199</b>	<b>(9,699)</b>	<b>127,748</b>	<b>(4,005)</b>	<b>1,863,604</b>	<b>(6,079)</b>	<b>192,585</b>	<b>(9,030)</b>
<b>B. "Off-balance" sheet exposures</b>								
B.1 Non-performing loans	-	-	-	-	-	-	-	-
B.2 Unlikely to pay	-	-	-	-	-	-	-	-
B.3 Other impaired assets	-	-	-	-	-	-	-	-
B.4 Unimpaired exposures	7,875	-	3,251	-	4,259	-	4,623	-
<b>TOTAL</b>	<b>7,875</b>	<b>-</b>	<b>3,251</b>	<b>-</b>	<b>4,259</b>	<b>-</b>	<b>4,623</b>	<b>-</b>
<b>TOTAL December 31, 2015</b>	<b>329,074</b>	<b>(9,699)</b>	<b>130,999</b>	<b>(4,005)</b>	<b>1,867,863</b>	<b>(6,079)</b>	<b>197,208</b>	<b>(9,030)</b>
<b>TOTAL December 31, 2014</b>	<b>241,170</b>	<b>(7,042)</b>	<b>94,734</b>	<b>(3,438)</b>	<b>1,862,367</b>	<b>(6,090)</b>	<b>153,948</b>	<b>(9,278)</b>

### B.3 Distribution of Balance Sheet and Off-Balance Sheet credit exposures to banks by geographic area (book value)

Exposures connected to the counterparty risk related to securities lending or borrowing transactions are not included.

(Amounts in € thousand)

EXPOSURE/GEOGRAPHICAL AREA	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT
<b>A. On-balance sheet exposures</b>										
A.1 Non-performing loans	-	-	-	-	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-	-	-	-	-	-
A.3 Past-due impaired loans	-	-	-	-	-	-	-	-	-	-
A.4 Unimpaired exposures	14,616,514	-	32,422	-	-	-	-	-	6	-
<b>TOTAL</b>	<b>14,616,514</b>	<b>-</b>	<b>32,422</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>
<b>B. "Off-balance" sheet exposures</b>										
B.1 Non-performing loans	-	-	-	-	-	-	-	-	-	-
B.2 Unlikely to pay	-	-	-	-	-	-	-	-	-	-
B.3 Other impaired assets	-	-	-	-	-	-	-	-	-	-
B.4 Unimpaired exposures	257,108	(1,416)	989	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>257,108</b>	<b>(1,416)</b>	<b>989</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL December 31, 2015</b>	<b>14,873,622</b>	<b>(1,416)</b>	<b>33,411</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>
<b>TOTAL December 31, 2014</b>	<b>14,171,337</b>	<b>(1,416)</b>	<b>32,079</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>

(Amounts in € thousand)

EXPOSURE/GEOGRAPHICAL AREA	NORTHWEST ITALY		NORTH-EAST ITALY		CENTRAL ITALY		SOUTHERN ITALY AND ISLANDS	
	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT	NET EXPOSURE	TOTAL IMPAIRMENT
<b>A. On-balance sheet exposures</b>								
A.1 Non-performing loans	-	-	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-	-	-	-
A.3 Past-due impaired loans	-	-	-	-	-	-	-	-
A.4 Unimpaired exposures	24,085	-	-	-	14,592,430	-	-	-
<b>TOTAL</b>	<b>24,085</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,592,430</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B. "Off-balance" sheet exposures</b>								
B.1 Non-performing loans	-	-	-	-	-	-	-	-
B.2 Unlikely to pay	-	-	-	-	-	-	-	-
B.3 Other impaired assets	-	-	-	-	-	-	-	-
B.4 Unimpaired exposures	-	-	5	-	257,103	(1,416)	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>257,103</b>	<b>(1,416)</b>	<b>-</b>	<b>-</b>
<b>TOTAL December 31, 2015</b>	<b>24,085</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>14,849,533</b>	<b>(1,416)</b>	<b>-</b>	<b>-</b>
<b>TOTAL December 31, 2014</b>	<b>18,331</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,153,006</b>	<b>(1,416)</b>	<b>-</b>	<b>-</b>

### B.4 Significant exposures

At December 31, 2015 the following "risk positions" constituted "significant exposures" pursuant to Circular 286 of December 17, 2013, "Instructions for the prudential reporting of banks and securities firms" issued by the Bank of Italy:

- non-weighted value: €18,856,212 thousand, of which €16,223,559 with the UniCredit Group;
- weighted value: €18,089 thousand, none with the UniCredit Group;
- number of "risk positions": 4, including the UniCredit Group.

Please note that, for the deferred tax assets within the exposure towards the Italian Central Government, these have been exempted and, therefore, their weighted value is nil.

## 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)****QUALITATIVE INFORMATION**

The Bank has exposures towards unconsolidated structured entities as a result of investments in units issued by investment funds (UCITS) that qualify as structured entities according to IFRS 12.

**QUANTITATIVE INFORMATION**

The table below shows the assets, liabilities and off-balance sheet exposure to structured entities represented by unconsolidated UCITS units.

(Amounts in € thousand)

BALANCE SHEET ITEMS/TYPE OF STRUCTURED ENTITY	ACCOUNTING PORTFOLIOS OF THE ASSETS	TOTAL ASSETS (A)	ACCOUNTING PORTFOLIOS OF THE LIABILITIES	TOTAL LIABILITIES (B)	NET CARRYING AMOUNT (C=A-B)	MAXIMUM EXPOSURE TO LOSS (D)	DIFFERENCE BETWEEN EXPOSURE TO THE RISK OF LOSS AND THE CARRYING AMOUNT (E=D-C)
1. UCITS	HFT	2		-	2	2	-

**Key**

HFT = Financial assets held for trading

**E. Sales Transactions***A. Financial assets sold and partially derecognised***QUALITATIVE INFORMATION**

The Bank carries out repos on securities not recognised in the assets, received through reverse repos and securities lending, or on securities held in the Bank's portfolio.

With regard to the transactions on securities held in the Bank's portfolio, the financial assets transferred are bonds issued by UniCredit S.p.A, classified in the Loans and Receivables category, which have not been removed from the financial statements because the Bank conducts repos with the obligation for the buyer to resell the assets covered by the transaction upon expiration of the transaction and maintains all the risks connected to the ownership of the securities.

**QUANTITATIVE INFORMATION****E.1 Financial assets sold but not derecognised: book value and full value**

TYPE/ PORTFOLIO	FINANCIAL ASSETS HELD FOR TRADING			FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS			AVAILABLE-FOR-SALE FINANCIAL ASSETS		
	A	B	C	A	B	C	A	B	C
<b>A. On-balance sheet assets</b>	-	-	-	-	-	-	-	-	-
1. Debt securities	-	-	-	-	-	-	-	-	-
2. Equity Instruments	-	-	-	-	-	-	-	-	-
3. UCITS	-	-	-	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-	-	-	-
<b>B. Derivatives</b>	-	-	-	X	X	X	X	X	X
<b>Total December 31, 2015</b>	-	-	-	-	-	-	-	-	-
<i>of which impaired</i>	-	-	-	-	-	-	-	-	-
<b>Total December 31, 2014</b>	-	-	-	-	-	-	-	-	-
<i>of which impaired</i>	-	-	-	-	-	-	-	-	-

**Key:**

A = financial assets sold and fully recognised (book value)

B = financial assets sold and partially recognised (book value)

C = financial assets sold and partially recognised (entire value)

(Amounts in € thousand)

HELD TO MATURITY INVESTMENTS			LOANS AND RECEIVABLES WITH BANKS			LOANS AND RECEIVABLES WITH CUSTOMERS			TOTAL	
A	B	C	A	B	C	A	B	C	12.31.2015	12.31.2014
-	-	-	87,367	-	-	-	-	-	87,367	205,909
-	-	-	87,367	-	-	-	-	-	87,367	205,909
X	X	X	X	X	X	X	X	X	-	-
X	X	X	X	X	X	X	X	X	-	-
-	-	-	-	-	-	-	-	-	-	-
X	X	X	X	X	X	X	X	X	-	-
-	-	-	87,367	-	-	-	-	-	87,367	x
-	-	-	-	-	-	-	-	-	-	x
-	-	-	205,909	-	-	-	-	-	x	205,909
-	-	-	-	-	-	-	-	-	x	-

## Part E - Information on risks and hedging policies (CONTINUED)

## E.2 Financial liabilities relating to financial assets sold and not derecognised: book value

(Amounts in € thousand)

LIABILITY/ASSET PORTFOLIO	FINANCIAL ASSETS DESIGNATED AT FAIR VALUE						TOTAL
	FINANCIAL ASSETS HELD FOR TRADING	THROUGH PROFIT OR LOSS	AVAILABLE-FOR-SALE FINANCIAL ASSETS	HELD TO MATURITY INVESTMENTS	LOANS AND RECEIVABLES WITH BANKS	LOANS AND RECEIVABLES WITH CUSTOMERS	
<b>1. Deposits from customers</b>	-	-	-	-	87,568	-	<b>87,568</b>
a) from fully-recognised assets	-	-	-	-	87,568	-	87,568
b) from partially-recognised assets	-	-	-	-	-	-	-
<b>2. Deposits from banks</b>	-	-	-	-	-	-	<b>-</b>
a) from fully-recognised assets	-	-	-	-	-	-	-
b) from partially-recognised assets	-	-	-	-	-	-	-
<b>Total December 31, 2015</b>	-	-	-	-	<b>87,568</b>	-	<b>87,568</b>
<b>Total December 31, 2014</b>	-	-	-	-	<b>207,791</b>	-	<b>207,791</b>

## 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
	<b>A. On-balance sheet assets</b>	-	-	-	-	-
1. Debt securities	-	-	-	-	-	-
2. Equity Instruments	-	-	-	-	-	-
3. UCITS	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
<b>B. Derivatives</b>	-	-	X	X	X	X
<b>Total assets</b>	-	-	-	-	-	-
<b>C. Associated liabilities</b>	-	-	-	-	-	-
1. Deposits from customers	-	-	-	-	-	-
2. Deposits from banks	-	-	-	-	-	-
<b>Total liabilities</b>	-	-	-	-	-	-
<b>Net value December 31, 2015</b>	-	-	-	-	-	-
<b>Net value December 31, 2014</b>	-	-	-	-	-	-

Key:

A = financial assets sold and wholly recognised

B = financial assets sold and partially recognised

## B. Assets sold and fully derecognised with recognition of continuing involvement

No data to report.

## E.4 Covered bond transactions

No data to report.

## F. Credit Risk Measurement Models

## F.1. Credit Risk Measurement - Trading Book

The monitoring of credit risk as part of the management of the trading book is conducted through the rating of all financial instruments held.

## F.2. Credit Risk Measurement - Banking Book

The banking book of the Bank consists of securities, current accounts and deposits with the Parent Company. Retail customer activities are limited to the granting of personal loans and credit lines, as well as the issue of credit cards.



(Amounts in € thousand)

HELD-TO-MATURITY INVESTMENTS (FAIR VALUE)		LOANS AND RECEIVABLES WITH BANKS (FAIR VALUE)		LOANS AND RECEIVABLES WITH CUSTOMERS (FAIR VALUE)		TOTAL	
A	B	A	B	A	B	12.31.2015	12.31.2014
-	-	92,093	-	-	-	92,093	211,315
-	-	92,093	-	-	-	92,093	211,315
X	X	X	X	X	X	-	-
-	X	X	X	X	X	-	-
-	-	-	-	-	-	-	-
X	X	X	X	X	X	-	-
-	-	92,093	-	-	-	92,093	211,315
-	-	87,568	-	-	-	87,568	207,791
-	-	87,568	-	-	-	87,568	206,286
-	-	-	-	-	-	-	1,505
-	-	87,568	-	-	-	87,568	207,791
-	-	4,525	-	-	-	4,525	x
-	-	3,524	-	-	-	x	3,524

## Part E - Information on risks and hedging policies (CONTINUED)

**INFORMATION ON SOVEREIGN EXPOSURES**

The Bank is exposed to the sovereign debt of some countries, having invested a portion of its assets in debt securities issued by governments and, specifically, in securities issued by the Italian, Spanish, French and German governments. The following table shows the nominal value, the book value and the fair value of these exposures as at December 31, 2015.

(Amounts in € thousand)

	NOMINAL VALUE AS AT 12.31.2015	BOOK VALUE AS AT 12.31.2015	FAIR VALUE AS AT 12.31.2015	% OF FINANCIAL STATEMENT ITEM
<b>Exposures to the Italian government</b>	<b>1,553,504</b>	<b>1,639,054</b>	<b>1,639,054</b>	
Financial assets held for trading	4	6	6	0.15%
Available-for-sale financial assets	1,553,500	1,639,048	1,639,048	72.98%
<b>Exposures to the Spanish government</b>	<b>500,000</b>	<b>586,090</b>	<b>586,090</b>	
Available-for-sale financial assets	500,000	586,090	586,090	26.10%
<b>Exposures to the German government</b>	<b>1</b>	<b>1</b>	<b>1</b>	
Financial assets held for trading	1	1	1	0.03%
<b>Exposures to the French government</b>	<b>10,000</b>	<b>10,356</b>	<b>10,356</b>	
Available-for-sale financial assets	10,000	10,356	10,356	0.46%
<b>Total Sovereign exposures</b>	<b>2,063,505</b>	<b>2,235,501</b>	<b>2,235,501</b>	

The following table shows the sovereign ratings as at December 31, 2015 for countries to which the Bank is exposed as at December 31, 2015, provided by Fitch Ratings, Moody's and Standard & Poor's.

	ITALY	SPAIN	GERMANY	FRANCE
MOODY'S	Baa2	Baa2	Aaa	Aa2
FITCH RATINGS	BBB+	BBB+	AAA	AA
STANDARD & POOR'S	BBB-	BBB+	AAA	AA

As at December 31, 2015, investments in debt securities issued by sovereign states accounted for 12.20% 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, Spanish, French and German public debt securities. Tensions or volatility in the government bond market could negatively impact on the Bank's financial position and performance.

## 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 organisational structure, strategies, and methods.

The Bank's strategy is to keep the minimum level of market risk in line with business needs and the limits set by the Parent Company.

Market risk in the Bank is defined through two sets of limits:

- Global measures of market risk (e.g. VaR): which are meant to establish a boundary to the economic capital absorption and to the economic loss accepted in trading activities; these limits must be consistent with assigned revenue targets and the defined risk taking capacity;
- Granular measures of market risk (Sensitivity limits, Stress scenario limits, Nominal limits): which exist independently of, but act in concert with the global limits; in order to control more effectively and more specifically different risk types, desks and products, these limits are generally granular sensitivity or stress-related limits. The levels set for granular limits aim at limiting the concentration in individual risk factors and the excessive exposure in risk factors which are not sufficiently covered under VaR.

### Structure and Organisation

In order to ensure the effective implementation of operations and the consistency of policies, methods and practices related to market risk in the Group legal entities, the Group model for activities related to market risk is based on the definition of specific responsibilities.

In its relations with the Bank, the Parent Company is mainly responsible for:

- establishing, implementing and refining appropriate measures at global level for measuring exposure to market risk;
- setting risk limits, based on measurements identified, in line with the risk appetite approved by the Group.

The Market Risk function of the Bank, within the Risk Management Unit, in full compliance with local legal and regulatory obligations, works together with the 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 the Bank to measure the market risk of trading positions is Value at Risk (VaR), calculated using the historic simulation approach. The historic simulation method involves the daily revaluation of positions on the basis of market price trends over an appropriate observation period. The resulting distribution of gains and losses is analysed to determine the effect of extreme market fluctuations on portfolios. The percentile value of the distribution corresponding to the set confidence level represents the VaR. The following parameters are used to calculate VaR: confidence level 99%; time horizon of 1 day; daily update of the time series; observation period of 500 days.

#### *Banking Book*

The primary responsibility for monitoring and controlling Market Risk management in the Banking Book lies with the Bank's competent Bodies. The Parent Company is responsible for monitoring market risk in the banking book at consolidated level, while sharing this responsibility with the relevant functions of the Legal Entities at local level.

The Parent Company, defines structure, data and frequency of the necessary Group and local level reporting.

Market risk in the banking book mainly consists of credit spread risk, interest rate risk and exchange rate risk. Credit spread risk mainly arises from investments in debt securities held for liquidity purposes. Market risk associated with the bond portfolio is monitored and subject to limits on the notional amount, the sensitivity to Economic Value and the Value at Risk.

The management of interest rate risk focuses on stabilising this second type of risk. The banking book interest rate risk measure covers both the value and net interest margin 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

## Part E - Information on risks and hedging policies (CONTINUED)

is Net Interest Income sensitivity for a 100bp parallel shock in rates. This measure provides an indication of the impact that such a shock would have on the net interest margin over the next 12 months. Banca può essere visto come il valore attuale dei flussi di cassa netti attesi, cioè i flussi attesi dell'attivo meno quelli del passivo. Una misura di rischio rilevante da questo punto di vista è la sensitività del valore economico per bucket temporale per uno shock dei tassi di 1pb. Questa misura è riportata al fine di valutare l'impatto sul valore economico di possibili cambiamenti nella curva dei rendimenti. La sensitività al valore economico è calcolata anche per uno shock parallelo di 200 punti base. Una variabile di controllo da questo punto di vista è il Value at Risk relativo alla sola componente rischio di tasso di interesse;

The third type of risk is exchange rate risk. This exposure mainly derives from a mismatching of assets and liabilities in USD. Exchange rate risk is hedged through the matching of assets and liabilities denominated in currency or through spot transactions in foreign currencies.

### Procedures and methodologies for Valuation of Trading Book positions

The Bank ensures that the value applied to each trading book position appropriately reflects the current fair (market) value, i.e. the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The *fair value* of each financial instrument is based on, or derived from, observable market prices or inputs. The availability of observable prices or inputs differs by product and market, and might change over time.

If observable prices or parameters are readily and regularly available (i.e. satisfying adequate liquidity requirements), they are directly employed in the determination of *fair value* (mark-to-market).

In non-active markets or for certain instruments, for which observable prices or inputs are not available, fair value is calculated using valuation techniques that are appropriate for the specific instrument (mark-to-model). This approach involves estimation and judgement and, therefore, might require valuation adjustments which take into account bid-ask spreads, liquidity and counterparty risk, besides the employed pricing model. In addition, each pricing model used for *fair value* calculation is validated by a dedicated function independent from business units.

According to the Group Market Risk Governance Guidelines, which define principles and rules for managing and controlling activities potentially involving a market risk, in order to ensure the adequate separation between functions in charge of development activities and functions in charge of validation, all valuation models developed by the front-office functions of Group companies need to be centrally and independently tested and validated by the Market Risk functions of the Parent Company. Model validation is also carried out centrally for any novel system or analysis framework whose utilisation has a potential impact on the Bank's economic results.

In addition to daily marking to market or marking to model, Independent Price Verification (IPV) shall be performed by the Bank'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 daily 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.

## 2.1 Interest rate risk and price risk – regulatory trading book

### QUALITATIVE INFORMATION

#### A. General Matters

The trading book is used to hold debt securities (ordinary and subordinated, structured and plain vanilla), equity instruments, and certificates – listed and non-listed – related to brokerage activities with retail customers.

The Bank does not perform proprietary trading and does not assume speculative positions in its books. Entries in the Bank's trading book are recorded against brokerage activities with retail customers particularly during the 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 approaches used to analyse exposure, please refer to the introduction.

## QUANTITATIVE INFORMATION

### 1. Regulatory trading book: distribution by maturity (repricing date) of on-balance sheet financial assets and liabilities and financial derivatives

Currency: Euro

(Amounts in € thousand)

TYPE/UNEXPIRED TERM	ON DEMAND	UP TO 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	BETWEEN 1 YEAR AND 5 YEARS	BETWEEN 5 AND 10 YEARS	OVER 10 YEARS	INDEFINITE DURATION
<b>1. On-balance sheet assets</b>	<b>30</b>	-	-	<b>5</b>	<b>1</b>	<b>3</b>	<b>4</b>	-
1.1 Debt securities	30	-	-	5	1	3	4	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	30	-	-	5	1	3	4	-
1.2 Other assets	-	-	-	-	-	-	-	-
<b>2. On-balance sheet liabilities</b>	-	-	-	-	-	-	-	-
2.1 Repos	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
<b>3. Financial derivatives</b>								
3.1 With underlying security								
- Options								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- other derivatives								
+ long positions	-	62,414	10	-	-	158	618	-
+ SHORT positions	-	62,113	10	-	-	-	14	-
3.2 Without underlying security								
- Options								
+ long positions	-	-	-	-	-	-	-	-
+ SHORT positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ long positions	17	135,680	-	33,565	257	-	-	-
+ short positions	17	139,918	-	32,010	1,047	-	-	-

Item 3.1 Financial Derivatives with underlying securities - Other Derivatives includes spot contracts for the purchase and sale of securities, other than shares and UCITS units, to be settled in times established by market practices ("regular way").

Item 3.2 Financial Derivatives without underlying securities - Other Derivatives includes spot contracts for the purchase and sale of foreign currencies, to be settled in times established by market practices ("regular way").

## Part E - Information on risks and hedging policies (CONTINUED)

## Currency: Other currencies

(Amounts in € thousand)

TYPE/UNEXPIRED TERM	ON DEMAND	UP TO 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	BETWEEN 1 YEAR AND 5 YEARS	BETWEEN 5 AND 10 YEARS	OVER 10 YEARS	INDEFINITE DURATION
<b>1. On-balance sheet assets</b>	-	-	-	-	-	-	1	-
1.1 Debt securities	-	-	-	-	-	-	1	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	1	-
1.2 Other assets	-	-	-	-	-	-	-	-
<b>2. On-balance sheet liabilities</b>	-	-	-	-	-	-	-	-
2.1 Repos	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
<b>3. Financial derivatives</b>								
3.1 With underlying security								
- Options								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- other derivatives								
+ long positions	-	49,627	-	-	7	-	-	-
+ SHORT positions	-	49,582	-	-	7	-	-	-
3.2 Without underlying security								
- Options								
+ long positions	-	-	-	-	-	-	-	-
+ SHORT positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ long positions	17	452,258	-	51,011	-	-	-	-
+ short positions	17	448,857	-	52,495	-	-	-	-

The effects of changes in the yield curve on net interest margin arising from instruments in the trading book are negligible. For similar considerations regarding the banking book, see paragraph 2. *Banking book: internal models and other methods of sensitivity analysis of section "2.2 Interest rate risk and price risk – banking book"* below.

## 2. Regulatory trading book: distribution of exposures in equity instruments and share indices for the main stock market countries

(Amounts in € thousand)

TYPE OF TRANSACTION/LISTING INDEX	LISTED						UNLISTED
	USA	SWITZERLAND	ITALY	GERMANY	FRANCE	OTHER	
<b>A. Equity Instruments</b>							
- long positions	-	-	477	21	-	78	8
- short positions	-	-	-	-	-	-	-
<b>B. Unsettled transactions on equity instruments</b>							
- long positions	48,075	-	56,822	4,401	-	442	-
- short positions	48,089	-	57,813	4,518	-	442	-
<b>C. Other derivatives on equity instruments</b>							
- long positions	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-
<b>D. Derivatives on share indices</b>							
- long positions	2,689	1,964	4,279	4,183	264	948	-
- short positions	2,874	2,149	4,329	4,543	326	933	-

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, 2015 are negligible and only arise from settlement activities with institutional counterparties on behalf of customers; equally negligible is their impact on operating income, profit (loss) for the year and shareholders' equity.

### 3. Regulatory trading book: internal models and other methods of sensitivity analysis

The Bank monitors the VaR of the Trading Book on a weekly basis.

As at December 31, 2015, the daily VaR of the trading book amounted to €99 thousand.

## 2.2 Interest rate risk and price risk – banking book

### QUALITATIVE INFORMATION

#### ***A. General aspects, management processes and measurement methods for interest rate risk and price risk***

Interest rate risk consists of changes in interest rates that are reflected in:

- net interest margin sources, and thus, the Bank's earnings (cash flow risk);
- the net present value of assets and liabilities, due to their impact on the present value of future cash flows (fair value risk).

In line with the Group approach, the Bank measures and monitors interest rate risk daily, within the methodological framework and the corresponding limits or thresholds set by the Parent Company. These relate to the sensitivity of the net interest margin and the economic value.

Interest rate risk has an impact on all owned positions resulting from strategic investment decisions (banking book).

The main sources of interest rate risk can be classified as follows:

- repricing risk: the risk resulting from timing mismatches in terms of the repricing of the bank's assets and liabilities. These mismatches result in a risk associated with the rate curve. This risk relates to the Bank's exposure to changes in the slope and shape of the interest rate curve. An associated risk is the basis risk. This risk derives from the imperfect correlation in lending and borrowing interest rate changes for different instruments that may also show similar repricing characteristics;
- optionality risk – risk resulting from implicit or explicit options in the Group's banking book positions.

Within the organisational framework described above, the Board of Directors of the Bank 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).

The Bank is responsible for managing the exposure to interest rate risk within the limits assigned.

To assess effects of the change in the interest rate curve on the banking book, scenario analyses are conducted that involve the parallel shifts in the rate curve of +/- 100 bps and +/- 200 bps at weekly intervals. For more details, see section 2. *Banking book: internal models and other methods of sensitivity analysis* in this section.

#### ***B. Fair value hedging activities***

Hedging strategies aimed at complying with interest rate risk limits for the banking book are carried out with unlisted derivative contracts. These derivatives, which are usually interest rate swaps, are the type of contracts most used.

Macro-hedging is generally used, meaning hedges related to the amounts of cash contained in asset or liability portfolios.

#### ***C. Cash flow hedging activity***

There are currently no cash flow hedges generated by the Bank business operations.

#### ***D. Hedges of foreign investments***

There are currently no hedges of foreign investments within the Bank's business operations.

## Part E - Information on risks and hedging policies (CONTINUED)

## QUANTITATIVE INFORMATION

## 1. Banking book: distribution by maturity (repricing date) of financial assets and liabilities

Currency: Euro

(Amounts in € thousand)

TYPE/UNEXPIRED TERM	ON DEMAND	UP TO 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	BETWEEN 1 YEAR AND 5 YEARS	BETWEEN 5 AND 10 YEARS	OVER 10 YEARS	INDEFINITE DURATION
<b>1. On-balance sheet assets</b>	<b>1,156,224</b>	<b>12,057,736</b>	<b>738,810</b>	<b>1,338,209</b>	<b>1,636,047</b>	<b>207,611</b>	<b>41</b>	<b>-</b>
1.1 Debt securities	-	10,336,114	267,331	1,057,243	1,542,471	200,952	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	10,336,114	267,331	1,057,243	1,542,471	200,952	-	-
1.2 Loans to banks	922,623	1,220,918	449,145	248,412	-	-	-	-
1.3 Loans to customers	233,601	500,704	22,334	32,554	93,576	6,659	41	-
- current accounts	211,882	99	823	349	1,388	-	-	-
- other loans	21,719	500,605	21,511	32,205	92,188	6,659	41	-
- with early redemption option	3,564	22,548	19,149	30,828	90,050	6,531	-	-
- other	18,155	478,057	2,362	1,377	2,138	128	41	-
<b>2. On-balance sheet liabilities</b>	<b>14,520,198</b>	<b>1,062,552</b>	<b>518,947</b>	<b>459,947</b>	<b>13,311</b>	<b>-</b>	<b>-</b>	<b>-</b>
2.1 Deposits from customers	14,410,760	247,699	144,878	336,587	13,311	-	-	-
- current accounts	14,338,408	-	-	-	-	-	-	-
- other liabilities	72,352	247,699	144,878	336,587	13,311	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	72,352	247,699	144,878	336,587	13,311	-	-	-
2.2 Deposits from banks	109,438	814,853	374,069	123,360	-	-	-	-
- current accounts	68,020	-	-	-	-	-	-	-
- other liabilities	41,418	814,853	374,069	123,360	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
<b>3. Financial derivatives</b>								
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	-	2,339,027	-	-	-	-	-	-
+ short positions	-	1,505	251,255	1,043,767	1,042,500	-	-	-
<b>4. Other off-balance sheet transactions</b>								
+ long positions	10,910	3,124	1,023	-	620	-	-	-
+ short positions	2,243	12,553	-	-	881	-	-	-



**Currency: Other currencies**

(Amounts in € thousand)

TYPE/UNEXPIRED TERM	ON DEMAND	UP TO 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	BETWEEN 1 YEAR AND 5 YEARS	BETWEEN 5 AND 10 YEARS	OVER 10 YEARS	INDEFINITE DURATION
<b>1. On-balance sheet assets</b>	<b>366,730</b>	<b>212,428</b>	-	<b>1,485</b>	<b>45,926</b>	<b>45,926</b>	-	-
1.1 Debt securities	-	183,880	-	-	45,926	45,926	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	183,880	-	-	45,926	45,926	-	-
1.2 Loans to banks	363,019	109	-	329	-	-	-	-
1.3 Loans to customers	3,711	28,439	-	1,156	-	-	-	-
- current accounts	498	-	-	-	-	-	-	-
- other loans	3,213	28,439	-	1,156	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	3,213	28,439	-	1,156	-	-	-	-
<b>2. On-balance sheet liabilities</b>	<b>651,714</b>	<b>11,250</b>	<b>3,042</b>	<b>2,168</b>	-	-	-	-
2.1 Deposits from customers	650,884	11,250	3,042	1,259	-	-	-	-
- current accounts	646,867	-	-	-	-	-	-	-
- other liabilities	4,017	11,250	3,042	1,259	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	4,017	11,250	3,042	1,259	-	-	-	-
2.2 Deposits from banks	830	-	-	909	-	-	-	-
- current accounts	828	-	-	-	-	-	-	-
- other liabilities	2	-	-	909	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
<b>3. Financial derivatives</b>								
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	-	91,853	-	-	-	-	-	-
+ short positions	-	-	-	-	45,926	45,926	-	-
<b>4. Other off-balance sheet transactions</b>								
+ long positions	5,895	3,579	-	-	-	-	-	-
+ short positions	3,554	5,895	-	-	25	-	-	-

For a description of the effects of a change in interest rates on net interest margin, profit (loss) for the year, shareholders' equity and the results of scenario analysis, see paragraph 2. *Banking book: Internal models and other methods of sensitivity analysis* below.

## Part E - Information on risks and hedging policies (CONTINUED)

**2. Banking book: internal models and other methods of sensitivity analysis**

To measure the interest rate risk contained in the Bank's financial statements it is necessary to measure the sensibility of the loans and deposits to changes in the interest rate curve. The 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.

In 2015, the availability of historic data made it possible to completely align the representation of the interest rate risk profile to the profile used by the Group and that representation provided the breakdowns below.

(Amounts in € thousand)

CURRENCY	VALUE ANALYSIS (SHIFT + 1 BP)	IRVAR*
EUR	873,29	3,591,06
USD	4,52	
Other currencies	0,84	10,89
<b>Total</b>	<b>878,65</b>	<b>3,590,35</b>

\*1 day holding period, 99% confidence level

The sensitivity analysis on the value of shareholders' equity, which was conducted assuming a shift of + 1 basis point, showed an overall impact of €878.65 thousand.

The interest rate VaR figure for the Bank came to approximately €3,590.35 thousand.

Total VaR, including the Credit Spread Risk component arising from Italian government securities held as investment of liquidity, amounted to €4,633.24 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, the Bank collects funds in foreign currencies, mainly US dollars, through customer current accounts and repos, subsequently investing these funds in bonds, current accounts and time deposits, in the same currency, with the Parent Company.

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

(Amounts in € thousand)

ITEMS	CURRENCIES					
	US DOLLAR	POUND STERLING	SWISS FRANC	YEN	AUSTRALIAN DOLLAR	OTHER CURRENCIES
<b>A. Financial assets</b>	<b>575,472</b>	<b>45,101</b>	<b>48,935</b>	<b>142</b>	<b>77</b>	<b>2,847</b>
A.1 Debt securities	275,733	-	-	-	-	-
A.2 Equity instruments	70	3	-	6	-	-
A.3 Loans to banks	268,287	43,802	48,691	84	77	2,516
A.4 Loans to customers	31,382	1,296	244	52	-	331
A.5 Other financial assets	-	-	-	-	-	-
<b>B. Other assets</b>	<b>600</b>	<b>69</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>1</b>
<b>C. Financial liabilities</b>	<b>573,695</b>	<b>44,668</b>	<b>48,858</b>	<b>4</b>	<b>-</b>	<b>948</b>
C.1 Deposits from banks	909	1	-	4	-	825
C.2 Deposits from customers	572,786	44,667	48,858	-	-	123
C.3 Debt securities	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
<b>D. Other liabilities</b>	<b>1,254</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>39</b>	<b>128</b>
<b>E. Financial derivatives</b>						
- Options						
+ long positions	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-
- Other derivatives						
+ long positions	176,448	37,520	19,041	54,345	39,088	176,844
+ short positions	174,265	37,519	19,118	54,367	39,241	176,859
<b>Total assets</b>	<b>752,520</b>	<b>82,690</b>	<b>67,976</b>	<b>54,487</b>	<b>39,168</b>	<b>179,692</b>
<b>Total liabilities</b>	<b>749,214</b>	<b>82,287</b>	<b>67,976</b>	<b>54,371</b>	<b>39,280</b>	<b>177,935</b>
<b>Difference</b>	<b>3,306</b>	<b>403</b>	<b>-</b>	<b>116</b>	<b>(112)</b>	<b>1,757</b>

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, 2015, the daily Forex VaR of the overall portfolio (banking and trading books) was approximately €88.19 thousand.

## Part E - Information on risks and hedging policies (CONTINUED)

## 2.4 Derivative instruments

## A. Financial derivatives

## A.1 Regulatory trading book: end of period notional amounts

(Amounts in € thousand)

UNDERLYING ASSET/TYPE OF DERIVATIVE	TOTAL 12.31.2015		TOTAL 12.31.2014	
	OVER THE COUNTER	CENTRAL COUNTER-PARTIES	OVER THE COUNTER	CENTRAL COUNTER-PARTIES
<b>1. Debt securities and interest rate indexes</b>	<b>1,304</b>	<b>766</b>	<b>1,283</b>	<b>1,050</b>
a) Options	-	4	-	-
b) Swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	762	-	1,050
e) Other	1,304	-	1,283	-
<b>2. Equity instruments and share indices</b>	<b>21,275</b>	<b>8,207</b>	<b>15,931</b>	<b>8,050</b>
a) Options	1	-	-	5
b) Swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	8,207	-	8,045
e) Other	21,274	-	15,931	-
<b>3. Currencies and gold</b>	<b>651,337</b>	<b>-</b>	<b>796,045</b>	<b>-</b>
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	-	13	-
e) Other	651,337	-	796,032	-
<b>4. Commodities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5. Other underlying assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>673,916</b>	<b>8,973</b>	<b>813,259</b>	<b>9,100</b>

Letter e) Other in the "Over the counter" column consists of CFD derivatives.

## A.2 Banking book: end of period notional amounts

## A.2.1 Hedging instruments

(Amounts in € thousand)

UNDERLYING ASSET/TYPE OF DERIVATIVE	TOTAL 12.31.2015		TOTAL 12.31.2014	
	OVER THE COUNTER	CENTRAL COUNTER-PARTIES	OVER THE COUNTER	CENTRAL COUNTER-PARTIES
<b>1. Debt securities and interest rate indexes</b>	<b>2,430,880</b>	<b>-</b>	<b>3,448,938</b>	<b>-</b>
a) Options	-	-	-	-
b) Swaps	2,430,880	-	3,448,938	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
<b>2. Equity instruments and share indices</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
<b>3. Currencies and gold</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
<b>4. Commodities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5. Other underlying assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2,430,880</b>	<b>-</b>	<b>3,448,938</b>	<b>-</b>

## A.2.2 Other derivatives

No data to report.

### A.3 Financial derivatives: gross positive fair value – breakdown by product

(Amounts in € thousand)

TRANSACTION TYPES/UNDERLYINGS	POSITIVE FAIR VALUE			
	TOTAL 12.31.2015		TOTAL 12.31.2014	
	OVER THE COUNTER	CENTRAL COUNTER-PARTIES	OVER THE COUNTER	CENTRAL COUNTER-PARTIES
<b>A. Regulatory trading book</b>	<b>1,992</b>	<b>357</b>	<b>860</b>	<b>60</b>
a) Options	-	-	-	-
b) Interest rate swaps	-	-	-	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	357	-	60
g) Other	1,992	-	860	-
<b>B. Banking book - hedges</b>	<b>-</b>	<b>-</b>	<b>19,247</b>	<b>-</b>
a) Options	-	-	-	-
b) Interest rate swaps	-	-	19,247	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
<b>C. Banking book - other derivatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
a) Options	-	-	-	-
b) Interest rate swaps	-	-	-	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
<b>Total</b>	<b>1,992</b>	<b>357</b>	<b>20,107</b>	<b>60</b>

### A.4 Financial derivatives: gross negative fair value - breakdown by product

(Amounts in € thousand)

TRANSACTION TYPES/UNDERLYINGS	NEGATIVE FAIR VALUE			
	TOTAL 12.31.2015		TOTAL 12.31.2014	
	OVER THE COUNTER	CENTRAL COUNTER-PARTIES	OVER THE COUNTER	CENTRAL COUNTER-PARTIES
<b>A. Regulatory trading book</b>	<b>3,064</b>	<b>39</b>	<b>1,127</b>	<b>10</b>
a) Options	-	-	-	-
b) Interest rate swaps	-	-	-	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	39	-	10
g) Other	3,064	-	1,127	-
<b>B. Banking book - hedges</b>	<b>31,319</b>	<b>-</b>	<b>36,993</b>	<b>-</b>
a) Options	-	-	-	-
b) Interest rate swaps	31,319	-	36,993	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
<b>C. Banking book - other derivatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
a) Options	-	-	-	-
b) Interest rate swaps	-	-	-	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
<b>Total</b>	<b>34,383</b>	<b>39</b>	<b>38,120</b>	<b>10</b>

## Part E - Information on risks and hedging policies (CONTINUED)

**A.5 Over the counter financial derivatives – regulatory trading book: notional values, positive and negative gross fair values by counterparty – contracts not covered by clearing agreements**

(Amounts in € thousand)

CONTRACTS NOT INCLUDED IN NETTING AGREEMENT	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
<b>1. Debt securities and interest rate indexes</b>							
- notional value	-	-	-	-	-	-	1,304
- positive fair value	-	-	-	-	-	-	2
- negative fair value	-	-	-	-	-	-	1
- future exposure	-	-	-	-	-	-	-
<b>2. Equity instruments and share indexes</b>							
- notional value	-	-	-	-	-	-	21,275
- positive fair value	-	-	-	-	-	-	448
- negative fair value	-	-	-	-	-	-	92
- future exposure	-	-	-	-	-	-	2,127
<b>3. Currencies and gold</b>							
- notional value	-	-	566,828	-	-	10	84,499
- positive fair value	-	-	984	-	-	-	557
- negative fair value	-	-	2,633	-	-	-	338
- future exposure	-	-	-	-	-	-	845
<b>4. Other instruments</b>							
- 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**

(Amounts in € thousand)

CONTRACTS NOT INCLUDED IN NETTING AGREEMENT	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
<b>1. Debt securities and interest rate indexes</b>							
- notional value	-	-	2,430,880	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	31,319	-	-	-	-
- future exposure	-	-	8,381	-	-	-	-
<b>2. Equity instruments and share indexes</b>							
- notional value	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
<b>3. Currencies and gold</b>							
- notional value	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
<b>4. Other instruments</b>							
- 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**

(Amounts in € thousand)

UNDERLYING/UNEXPIRED TERM	UP TO 1 YEAR	FROM 1 YEAR AND 5 YEARS	OVER 5 YEARS	TOTAL
<b>A. Regulatory trading book</b>	<b>652,642</b>	-	<b>21,274</b>	<b>673,916</b>
A.1 Financial derivative contracts on debt securities and interest rates	1,304	-	-	1,304
A.2 Financial derivatives on equity instruments and share indices	1	-	21,274	21,275
A.3 Financial derivatives on exchange rates and gold	651,337	-	-	651,337
A.4 Financial derivatives on other instruments	-	-	-	-
				-
<b>B. Banking book</b>	<b>1,296,527</b>	<b>1,088,426</b>	<b>45,926</b>	<b>2,430,879</b>
B.1 Financial derivative contracts on debt securities and interest rates	1,296,527	1,088,426	45,926	2,430,879
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	-	-	-	-
<b>Total as at December 31, 2015</b>	<b>1,949,169</b>	<b>1,088,426</b>	<b>67,200</b>	<b>3,104,795</b>
<b>Total as at December 31, 2014</b>	<b>2,274,873</b>	<b>1,930,210</b>	<b>57,114</b>	<b>4,262,197</b>

**A.10 Over the counter financial derivatives: Counterparty risk/financial risk – Internal models**

No data to report.

**B. Credit derivatives**

No data to report.

**C. Financial and credit derivatives**

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.

The different types of liquidity risk managed by the Bank are as follows:

- funding risk, the Bank may not be able to effectively address any expected or unexpected cash outflows due to the unavailability of funding sources;
- market risk, in liquidating a considerable amount of assets, the Bank may be facing a considerable (and unfavourable) change in price generated by internal or external factors;
- risk of mismatch, the risk generated by a mismatch between the amounts and/or the maturities of cash inflows and outflows;
- contingency risk, future unexpected commitments (credit facilities being drawn down, deposit withdrawals, increase of collateral) may require a higher amount of liquidity compared to that used by the Bank in ordinary operations.

To address its exposure to liquidity risk, the Bank invests the portion of liquidity that according to its internal analyses is less stable ("non-core liquidity") in liquid assets or assets readily convertible into cash, such as, for example, demand deposits, short-term loans or government bonds that can be used as a source of short-term financing with the central bank.

At the reporting date, there were no "Contingent liquidity and funding needs", such as, for example, accelerated repayment clauses or the issue of additional guarantees relating to a downgrade of the bank.

***The key principles***

"Fineco Liquidity Policy" approved by the Board of Directors of the Bank establishes the managerial autonomy of the Bank's Treasury department and sets forth the principles and rules that the Bank applies to both normal and emergency liquidity management in line with the Group liquidity risk management.

***Roles and responsibilities***

The "Fineco Liquidity Policy" establishes the principles adopted in terms of internal governance, which envisage the involvement of the Treasury and Risk Management departments, in line with the Group's approach.

The operational management of liquidity is carried out by the Treasury department, which ensures effective and efficient management of liquidity in the short and medium/long term, monitoring of liquidity exposure and first-level controls on the management process.

The Risk Control function is responsible for 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 one day up to one year. The primary objective is to maintain the Bank's capacity to fulfil its ordinary and extraordinary payment obligations while minimising the relevant costs.
2. Structural liquidity risk management (structural risk), which considers the events that 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, the Bank takes into account all of the assets, liabilities, off-balance sheet positions and present and future events that generate certain or potential cash flows, thereby protecting the Bank from risks related to the transformation of maturity.

***Short term liquidity management***

Short-term liquidity management aims at ensuring that the Bank remains in a position to fulfil its cash payment obligations always, whether expected or unexpected, focused on the exposures 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 unencumbered 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 three months.



### ***Structural liquidity management***

The objective of the Bank's structural liquidity management is to maintain an adequate ratio between medium/long term assets and liabilities (generally over one year), with a view to avoiding pressures on short-term funding sources, both current and future. To this end, the Bank adopts a prudent approach to its investments of liquidity, taking into account funding maturities.

### ***Liquidity Stress Test***

Stress testing is a risk management technique used to evaluate the potential effects of a specific event on an entity's financial position. As a forward looking tool, liquidity stress testing diagnostics the institution's liquidity risk.

Periodically, the Bank uses scenario analysis to evaluate the impact of simultaneous changes in various risk factors, defining a hypothetical and consistent stress event whose assumptions and size are shared and agreed with the parent company's functions.

### ***Behavioural modelling of Assets and Liabilities***

The Group has developed specific behavioural models aimed at estimating the maturity profile of asset and liability items that do not have a contractual maturity; Indeed, what is perceived to be sight maturing in reality shows some stickiness.

More specifically, modelling of assets and liabilities aims to construct a replication profile that best reflects the behavioural characteristics of the items. An example is on demand items: estimates of the maturity profile reflect the perceived stickiness. These behavioural models are developed by the Planning, Finance and Administration function of the Parent Company and validated by the Risk Management function of the Parent Company and the Bank.

### ***FinecoBank Contingency Liquidity Policy***

A liquidity crisis is a high impact, low probability event. Therefore, a crisis-mode operating model, that can be activated effectively in case of crisis according to an approved procedure, has been defined in the "Contingency Plan for liquidity risk".

The ability to act in time is essential to minimise the potentially disruptive consequences of a liquidity crisis. The analytics of the Stress tests form a valuable tool to identify the expected consequences and to define up front the most suitable actions in a certain crisis scenario. In combination with Early Warning Indicators (EWI) the Bank may be able to reduce the liquidity effects in the initial stages of a crisis.

The Bank's "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 to 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

(Amounts in € thousand)

ITEM/TIME BRACKETS	ON DEMAND	BETWEEN 1 DAY AND 7 DAYS	BETWEEN 7 DAYS AND 15 DAYS	BETWEEN 15 DAYS AND 1 MONTH	BETWEEN 1 MONTH AND 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	BETWEEN 1 YEAR AND 5 YEARS	OVER 5 YEARS	INDEFINITE DURATION
<b>On-balance sheet assets</b>	<b>1,159,860</b>	<b>37,033</b>	<b>506,388</b>	<b>152,079</b>	<b>1,044,703</b>	<b>796,793</b>	<b>1,351,880</b>	<b>7,809,633</b>	<b>4,217,187</b>	<b>151,472</b>
A.1 Government securities	-	-	-	11,025	14,185	275,941	622,761	1,061,000	150,004	-
A.2 Debt securities	1	3,039	3,860	7,610	131,769	45,067	441,775	6,650,037	4,060,002	-
A.3 UCITS units	2	-	-	-	-	-	-	-	-	-
A.4 Loans	1,159,857	33,994	502,528	133,444	898,749	475,785	287,344	98,596	7,181	151,472
- Banks	922,623	623	274,614	50,201	744,424	449,445	248,919	-	-	151,472
- Customers	237,234	33,371	227,914	83,243	154,325	26,340	38,425	98,596	7,181	-
<b>On-balance sheet liabilities</b>	<b>14,523,357</b>	<b>36,257</b>	<b>271,470</b>	<b>42,948</b>	<b>711,782</b>	<b>518,817</b>	<b>460,578</b>	<b>13,265</b>	<b>-</b>	<b>-</b>
B.1 Deposits and current accounts	14,408,703	13,607	19,829	36,274	107,592	120,845	247,310	13,265	-	-
- Banks	68,020	-	-	-	-	-	-	-	-	-
- Customers	14,340,683	13,607	19,829	36,274	107,592	120,845	247,310	13,265	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	114,654	22,650	251,641	6,674	604,190	397,972	213,268	-	-	-
<b>Off-balance sheet transactions</b>										
C.1 Financial derivatives with exchange of capital										
- long positions	17	70,790	-	-	-	10	-	5	777	-
- short positions	17	73,180	-	-	762	10	-	5	14	-
C.2 Financial derivatives without exchange of capital										
- long positions	614	784	2,086	-	4,771	10,434	10,216	-	-	-
- short positions	104	-	11	-	7,798	10,231	16,034	-	-	-
C.3 Deposits and loans to be collected										
- long positions	-	3,124	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	2,243	881	-	-	-
C.4 Irrevocable commitments to lend funds										
- long positions	-	-	-	-	1,023	10,910	-	620	-	-
- short positions	-	11,933	-	620	-	-	-	-	-	-
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: Other currencies**

(Amounts in € thousand)

ITEM/TIME BRACKETS	ON DEMAND	BETWEEN 1 DAY AND 7 DAYS	BETWEEN 7 DAYS AND 15 DAYS	BETWEEN 15 DAYS AND 1 MONTH	BETWEEN 1 MONTH AND 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	BETWEEN 1 YEAR AND 5 YEARS	OVER 5 YEARS	INDEFINITE DURATION
<b>On-balance sheet assets</b>	<b>366,813</b>	<b>7,183</b>	<b>275</b>	<b>1,070</b>	<b>21,149</b>	<b>1,289</b>	<b>4,291</b>	<b>183,706</b>	<b>91,854</b>	<b>-</b>
A.1 Government securities	-	-	-	-	-	-	-	-	1	-
A.2 Debt securities	-	112	-	283	817	1,289	2,806	183,705	91,853	-
A.3 UCITS units	-	-	-	-	-	-	-	-	-	-
A.4 Loans	366,813	7,071	275	787	20,332	-	1,485	1	-	-
- Banks	363,019	106	-	3	-	-	329	-	-	-
- Customers	3,794	6,965	275	784	20,332	-	1,156	1	-	-
<b>On-balance sheet liabilities</b>	<b>651,714</b>	<b>2,878</b>	<b>555</b>	<b>1,545</b>	<b>6,291</b>	<b>3,047</b>	<b>2,172</b>	<b>-</b>	<b>-</b>	<b>-</b>
B.1 Deposits and current accounts	647,695	-	-	-	-	-	-	-	-	-
- Banks	828	-	-	-	-	-	-	-	-	-
- Customers	646,867	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	4,019	2,878	555	1,545	6,291	3,047	2,172	-	-	-
<b>Off-balance sheet transactions</b>										
C.1 Financial derivatives with exchange of capital										
- long positions	17	61,725	-	-	-	-	-	9	184	-
- short positions	17	58,206	-	-	-	-	-	9	184	-
C.2 Financial derivatives without exchange of capital										
- long positions	1,733	250	-	-	449	749	1,600	-	-	-
- short positions	2,999	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be collected										
- long positions	-	3,579	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	3,554	25	-	-	-
C.4 Irrevocable commitments to lend funds										
- long positions	-	-	-	-	-	5,895	-	-	-	-
- short positions	-	5,895	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital										
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital										
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

**Assets received as collateral or loaned as part of repos and securities lending**

(Amounts in € thousand)

	TOTAL 12.31.2015	TOTAL 12.31.2014
Fair value of securities received as guarantee in repos and securities lending with cash guarantee	267,082	168,717
Fair value of securities received on loan	1,407,760	1,416,518
Of which fair value of the securities delivered through reverse repos and securities lending with cash guarantee	(1,438,157)	(1,447,261)

## 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***

In the UniCredit Group the operational risk management framework is a combination of policies and procedures for controlling, measuring and mitigating operational risk within the Group and the subsidiaries. Operational risk policies, applicable to all Group entities, are common principles that define the roles of company bodies and of the risk management function as well as the interactions with other functions involved in the process. These principles and provisions have been set out in the Group Framework for the management of operational risk and adopted in the Bank'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 the Bank in its capacity as a Group Legal Entity. A pivot element of the risk control framework is the operational risk management application, allowing the collection of the data required for operational risk control and capital measurement.

The compliance of the operational risk control and measurement system with external regulations and Group standards is assessed through an internal validation process, under the responsibility of the Group Internal Validation department of the Parent Company, which is independent from the Group Operational & Reputational Risks department.

The Bank has obtained the approval of the Bank of Italy for the use of advanced approaches (AMA) to calculate its capital requirement for operational risk with effect from June 30, 2010.

***Organisational structure***

The 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 the Bank who in turn reports directly to the Chief Executive Officer and General Manager.

The main activities carried out by the Risk Management office in terms of operational risk are:

- recognition, classification, validation and reporting of operating losses with consequent identification of problem areas;
- assessment of potential risks through scenario analyses and risk indicators (Key Risk Indicator-KRI);
- monitoring and optimisation of the internal control system;
- policies to mitigate and transfer risk through insurance cover;
- development of an operational risk culture within the Bank;
- generating reports for Senior Management on risk trends.

***Internal validation process***

In compliance with external regulations, the operational risk control and measurement system is subject to an internal validation process established by the Parent Company, in order to verify its compliance with minimum requirements and Group standards. This process is owned by the Operational and Pillar II Risk Validation Unit, within the Group Internal Validation department.

The use of the Advanced Measurement Approach (AMA) to calculate regulatory capital requires the preparation of an annual report on the management and control system for operational risk by the Operational Risk team. This Annual Report contains a self-assessment of the system and a detailed examination of the governance structure, the process for collecting data on losses, the scenario analyses and internal control system, as well as the operational use of the measurement system.

The Report is submitted to the approval of the Board of Directors and is validated by the Internal Audit department and Group Internal Validation (GIV). For 2015, 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, Information Security & Fraud Management and the Organisation function aimed at sharing their respective expertise in relation to the projects planned or 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 Chief Executive Officer – for subsequent examination.

Moreover, the Operational Risk team is updated annually on the results of the tests conducted in accordance with the Business Continuity and Disaster Recovery plans.

### ***Risk capital measurement and allocation mechanism***

UniCredit developed an internal model for measuring the capital requirement. The capital requirement is calculated on the basis of internal loss data, external loss data, scenario loss data and risk indicators.

The collection and classification of operating losses is managed by a Group system called Application for Risk Gauging On line (ARGO). In addition to being used for internal prevention and improvement purposes, the information gathered is also used to calculate Pillar 1 and 2 capital requirements.

In terms of risk indicators, there are currently 37 key risk indicators split into eight control areas (Legal, Claims, Credit Cards, Back Office, PFA, IT systems, Payment Systems, Compliance) that contribute to the calculation of the regulatory capital, which the Bank uses to measure its exposure to operational risk. If an indicator shows an irregular value, this may be related to changes in the exposure to operational risk.

Scenario analyses enable the Bank's exposure to operational risk, characterised by low frequency but high potential impact, to be estimated. The scenarios are identified by analysing internal losses, external events, risk indicator trends, critical processes, products and risk classes.

The inclusion of the data generated through the analyses of the scenario and of the trend of risk indicators are a forward-looking element of the risk capital calculation model.

Data collection and control is managed 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, 2015, amounted to €60,168 thousand.

### ***Risks arising from significant legal disputes***

The Bank is involved in individually insignificant legal proceedings over which there is considerable uncertainty regarding the outcome and the amount of possible charges. 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, 2015, the Bank had a provision in place for risks and charges of €43,458 thousand.

### ***Risks arising from tax disputes and audits***

Risks arising from tax disputes and audits as at December 31, 2015 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, respectively, in tax liabilities 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. The Bank submitted an appeal to the Provincial Tax Commission, which held the grounds for the partial deductibility of the costs claimed in the year 2007 to be partially valid and set the additional tax to be paid at €189 thousand. The Italian Revenue Agency submitted an appeal to the Regional Tax Commission. With regard to this dispute, the taxes and penalties have already been recognised in the income statement with a contra entry, respectively, in tax liabilities and the provision for risks and charges;
- 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, for which the Bank has appealed to the Provincial Tax Commission of Milan as it considers its position to be well-founded and has won the first instance proceedings;
  - years 2009-2010-2011, with reference to both the abovementioned extraordinary transaction and costs considered as non-deductible, the Bank submitted an appeal to the Italian Revenue Agency on the grounds that the costs contested were deductible. 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.

## Part E - Information on risks and hedging policies (CONTINUED)

In light of the foregoing, as at December 31, 2015 the Bank had in place provisions that adequately reflect the specific circumstances and are in line with international accounting standards; specifically, to tax liabilities for a total of €11.7 million, for higher tax, and to provisions for risks and charges of €7.1 million, for penalties and interest.

### QUANTITATIVE INFORMATION

Internal operating loss data is the main component used to calculate capital requirements against operational risk. Loss analyses enable the ORM team to make assessments on the Bank's exposure to operational risk and to identify any critical areas.

As at December 31, 2015, operating losses recorded in the accounts amounted to approximately €10.3 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 the Bank considers important. In accordance with the provisions of Basel II Pillar 2, the Bank – with the support of the Parent Company – has identified other types of risk in addition to the credit, market, operational and liquidity risks described above:

- **Business risk** is defined as 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.

The Bank has not included Real Estate Risk within the Bank's scope of risk, because it does not hold significant positions in real estate, nor 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 the Bank and is used to calculate the Internal Capital.

Credit, market, operational and business risks are measured quantitatively by the Parent Company, using:

- economic capital, calculation of the benefit of diversification and aggregation as a component of internal capital (including prudential cushion for model risk and variability of the economic cycle);
- Stress tests.

Internal Capital is the capital set aside as a buffer against the potential losses inherent in the Group's business activities and it takes into consideration all risk types that the Group has identified as measurable in terms of Economic Capital in line with Pillar II requirements.

For control purposes, Internal Capital is calculated quarterly by the Parent Company based on the periodic figures sent by the Bank.

The multi-dimensional nature of risk makes it necessary to supplement the measurement of economic capital with stress testing, not only in order to estimate losses in certain scenarios, but also to ascertain the impact of their determinants.

The stress test is one of the instruments used control significant risks in order to assess the Bank's vulnerability to "exceptional but plausible" events, providing additional information to the monitoring activities.

Stress testing, in accordance with regulatory requirements, is conducted on the basis of a set of internally defined stress scenarios and is periodically performed by specific Parent Company functions.

### ICAAP - Internal Capital Adequacy Assessment Process

Measuring the risk profile is a fundamental element of the Internal Capital Adequacy Assessment Process under Pillar 2 (ICAAP).

The Group's approach to ICAAP relies on the definition of the "Risk Governance", as a preliminary requirement, while the process consists of following phases:

- defining the scope and identifying the risks;
- assessing the risk profile;
- risk appetite setting and capital allocation;
- monitoring and reporting.

Capital adequacy is assessed by considering the balance between assumed risks, both Pillar I and Pillar II, and the available capital. With respect to Pillar II, the relevant metric is the Risk Taking Capacity, which is the ratio of available capital (Available Financial Resources - AFR) to Internal Capital.

### Risk Appetite

The main elements of the internal process for determining capital adequacy include the setting and monitoring of the risk appetite. The risk appetite is defined as the level of risk that the Bank is willing to accept for the pursuit of its strategic objectives and business plan, taking into account the interests of its Customers and Shareholders, capital requirements and other requirements.

The main objectives of the risk appetite are:

- Explicitly assessing the risks, and their interconnections at local and Group level, that the Bank decides to assume (or avoid) in a long-term perspective;
- Specifying the types of risk that the Bank intends to assume, setting targets, triggers and limits under both normal operating and stress conditions;
- Ensuring a risk-return profile "ex-ante" consistent with sustainable long-term growth, as defined by the return forecasts of the strategic plan/budget;
- Ensuring that the business developed within the limits of risk tolerance established by the Board of Directors of the Bank, in accordance with the applicable national and international regulations;
- Supporting discussions on future policy options with regard to the risk profile;
- Guiding the vision of internal and external stakeholders towards a risk profile consistent with the strategic plan;
- Providing qualitative descriptions for risks that are difficult to quantify (e.g. strategic, reputational, compliance) to strategically guide the review of processes and the internal control system.

The Risk appetite is defined consistently with the Bank's business model and local and Group ICAAP. For this reason, the Risk Appetite is incorporated in the budget process.

## Part E - Information on risks and hedging policies (CONTINUED)

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 the Bank 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 the Bank's positioning under several respects: absolute values, ratio between comparable measures, sensitivity analysis on defined parameters.

The Targets represent the amount of risk that the Bank is willing to take in normal operating conditions in line with its Ambitions. The Targets should be considered as reference thresholds for business development. Triggers are the maximum acceptable deviation from the targets; they are defined to ensure operations under stress within the maximum acceptable level of risk.

Limits are the maximum level of risk that the Bank accepts to assume.

The setting of the thresholds is evaluated on a case by case basis, also through managerial decisions by the Board of Directors of the Bank, 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

<b>Available financial resources (AFR)</b>	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.
<b>Banking book</b>	The set of positions other than those included in the regulatory trading book are recorded in the banking book.
<b>Cost of Risk</b>	The ratio between net write-downs of loans 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.
<b>Credit Quality – EL</b>	EL%= EL/EAD Represents the expected loss as a percentage of the exposure in the event of default (EAD) of the performing portfolio. The perimeter is the customers of the performing portfolio.
<b>Economic capital</b>	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.
<b>Funding</b>	Provision, in various forms, of the funds necessary to finance business activities or particular financial transactions.
<b>Internal Capital</b>	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.
<b>Key Risk Indicators</b>	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.
<b>Model Risk Category</b>	The MRCs have been introduced at the group level in order to characterise the types of operational loss in more detail. They are obtained from the combination of the seven event types established by Basel II with one or more of products offered to customers.
<b>Risk Taking Capacity</b>	Ratio between Available Financial Resources and Internal Capital. Includes a prudential buffer (cushion).
<b>RWA - Risk-Weighted Assets</b>	These are on-balance-sheet and off-balance-sheet assets (derivatives and guarantees) classified and weighted based on different coefficients related to the risks, in accordance with the banking regulations issued by the regulatory authorities for the calculation of the solvency ratios.
<b>Sensitivity</b>	The greater or lesser degree of sensitivity with which certain assets or liabilities react to changes in rates or other reference parameters.
<b>Sensitivity Analysis</b>	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).
<b>Trading Book</b>	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.
<b>Value at Risk</b>	A method used for quantifying risk. It measures potential future losses which will not be exceeded within a specified period and with a specified probability.



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## Part F - Shareholders' equity

### Section 1 - Bank's shareholders' equity

#### A. QUALITATIVE INFORMATION

The Bank has made a priority of capital management and allocation on the basis of the risk assumed in order to expand its operations and create value. These activities involve the various planning and control stages and, specifically, the planning, budgeting and monitoring processes (analysis of expected and actual performance, analysis and monitoring of limits, performance analysis and monitoring of capital ratios).

Capital and its allocation are therefore extremely important in defining strategies, since on the one hand it represents the shareholders' investment in the Bank which must be adequately remunerated, on the other hand it is a scarce resource on which there are external limitations imposed by regulatory provisions.

Capital is managed dynamically: the 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

##### B.1 Bank's shareholders' equity: breakdown

(Amounts in € thousand)

	AMOUNT 12.31.2015	AMOUNT 12.31.2014
1. Share capital	200,150	200,070
2. Share premium reserve	1,934	1,934
3. Reserves	236,590	198,081
- from profits	214,666	190,923
a) legal	40,030	33,061
b) statutory	-	-
c) treasury shares	8,555	-
d) other	166,081	157,862
- other	21,924	7,158
4. Equity instruments	-	-
5. (Treasury Shares)	(8,555)	-
6. Revaluation reserves	11,626	2,262
- Available-for-sale financial assets	16,904	5,329
- Property, plant and equipment	-	-
- Intangible assets	-	-
- Hedging instruments of foreign investments	-	-
- Cash flow hedges	-	-
- Exchange differences	-	-
- Non-current assets classified as held for sale	-	-
- Actuarial gains (losses) on defined benefit plans	(5,278)	(3,067)
- Revaluation reserves for associates carried at equity	-	-
- Special revaluation laws	-	-
7. Net Profit (Loss) for the year	191,053	149,907
<b>Total</b>	<b>632,798</b>	<b>552,254</b>

##### B.2 Revaluation reserves for available-for-sale financial assets: breakdown

(Amounts in € thousand)

ASSET/AMOUNT	TOTAL 12.31.2015		TOTAL 12.31.2014	
	POSITIVE RESERVE	NEGATIVE RESERVE	POSITIVE RESERVE	NEGATIVE RESERVE
1. Debt securities	8,434	(1,285)	5,329	-
2. Equity Instruments	9,755	-	-	-
3. UCITS units	-	-	-	-
4. Loans	-	-	-	-
<b>Total</b>	<b>18,189</b>	<b>(1,285)</b>	<b>5,329</b>	<b>-</b>

### B.3 Revaluation reserves for available-for-sale financial assets: annual changes

(Amounts in € thousand)

	DEBT SECURITIES	EQUITY INSTRUMENTS	UCITS UNITS	LOANS
<b>1. Opening balance</b>	<b>5,329</b>	-	-	-
<b>2. Increases</b>	<b>3,593</b>	<b>9,755</b>	-	-
2.1 Fair value increases	3,593	9,755	-	-
2.2 Reclassification through profit or loss of negative reserves	-	-	-	-
- from impairment	-	-	-	-
- from disposal	-	-	-	-
2.3 Other changes	-	-	-	-
<b>3. Decreases</b>	<b>(1,773)</b>	-	-	-
3.1 Fair value reductions	(1,466)	-	-	-
3.2 Impairment losses	-	-	-	-
3.3 Reclassification through profit or loss of positive reserves	(307)	-	-	-
- from disposal	(307)	-	-	-
3.4 Other changes	-	-	-	-
<b>4. Closing balance</b>	<b>7,149</b>	<b>9,755</b>	-	-

### B.4 Revaluation reserves on defined benefit obligations: annual changes

(Amounts in € thousand)

	ACTUARIAL GAINS (LOSSES) ON DEFINED BENEFITS PLANS
<b>1. Opening balance</b>	<b>(3,067)</b>
<b>2. Increases</b>	<b>165</b>
2.1 Fair value increases	165
2.2 Other Changes	-
<b>3. Decreases</b>	<b>(2,376)</b>
3.1 Fair value reductions	(2,376)
3.2 Other Changes	-
<b>4. Closing balance</b>	<b>(5,278)</b>

## Section 2 - Own funds and regulatory ratios

### 2.1 Own funds

#### A. QUALITATIVE INFORMATION

Own funds are measured on a quarterly basis in accordance with regulatory provisions. The results are reported to the Parent Company's Board of Directors.

Own Funds at December 31, 2015 amounted to €393,903 thousand and were calculated by applying the supervisory regulations in force according to the Basel III regulatory framework including transitional adjustments.

The figures shown in this Section 2. include the profit for the year (for the amount that will not be distributed) in the calculation of own funds, assuming the conditions established Article 26 of the EU Regulation 575/2013 (CRR) are satisfied.

(Amounts in € thousand)

	TOTAL 12.31.2015	TOTAL 12.31.2014
Common Equity Tier 1 Capital - CET1	390,977	353,133
Additional Tier 1 – AT1	-	-
TIER 2 – T2	2,926	-
<b>Total Own Funds</b>	<b>393,903</b>	<b>353,133</b>

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](http://www.fineco.it)).

#### 1. Common Equity Tier 1 - CET1

The financial instruments in the Common Equity Tier 1 CET1 consist of 606,515,733 ordinary shares with a par value of €0.33 euro, amounting to €200,150 thousand.

For information on the other items that make up the Common Equity Tier 1 see the details provided at the foot of the table presented in the Quantitative information.

## Part F - Shareholders' equity (CONTINUED)

**2. Additional Tier 1 - AT1**

As at December 31, 2015 there were no Additional Tier 1 items.

**3. TIER 2 - T2**

As at December 31, 2015 the Tier 2 only consisted of the effects of the transitional arrangements.

**B. QUANTITATIVE INFORMATION**

(Amounts in € thousand)

	TOTAL 12.31.2015	TOTAL 12.31.2014
<b>A. Common Equity Tier 1 - CET1 first time application of prudential filters</b>	<b>477,420</b>	<b>430,950</b>
of which CET1 instruments subject to transitional provisions	-	-
<b>B. Prudential filters for cet1 (+/-)</b>	<b>(54)</b>	-
<b>C. CET1 before items to be deducted and the effects of the transitional arrangements (A +/- B)</b>	<b>477,366</b>	<b>430,950</b>
<b>D. Items to be deducted from CET1</b>	<b>75,003</b>	<b>75,884</b>
<b>E. Transitional arrangements - Impact on CET1 (+/-)</b>	<b>(11,386)</b>	<b>(1,933)</b>
<b>F. Total Common Equity Tier 1 Capital - CET1 (C - D +/- E)</b>	<b>390,977</b>	<b>353,133</b>
<b>G. Additional Tier 1 - AT1 before items to be deducted and the effects of the transitional arrangements</b>	-	-
of which AT1 instruments subject to transitional provisions	-	-
<b>H. Items to be deducted from AT1</b>	-	-
<b>I. Transitional arrangements - Impact on AT1 (+/-)</b>	-	-
<b>L. Total Additional Tier 1 - AT1 (G - H +/- I)</b>	-	-
<b>M. Tier 2 before items to be deducted and the effects of the transitional arrangements</b>	-	-
of which T2 instruments subject to transitional provisions	-	-
<b>N. Items to be deducted from T2</b>	-	-
<b>O. Transitional arrangements - Impact on T2 (+/-)</b>	<b>2,926</b>	-
<b>P. Total Tier 2 (Tier 2 - T2) (M - N +/- O)</b>	<b>2,926</b>	-
<b>Q. Total own funds (F + L + P)</b>	<b>393,903</b>	<b>353,133</b>

**A. Common Equity Tier 1 - CET1 first time application of prudential filters**

The item includes:

- share capital, made up of 606,515,733 ordinary shares of a par value of €0.33 each, for an amount of €200,150 thousand;
- the share premium reserve of €1,934 thousand;
- the legal reserve, the extraordinary reserve and other reserves of €236,590 thousand;
- accumulated other comprehensive income (OCI), which consists of the €7,149 thousand from 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, €9,755 thousand from the net positive reserve for equity instruments held in the "Available for sale financial assets" portfolio and €5,278 thousand from the negative IAS19 Reserve;
- the amount of the 2015 profits that will not be distributed, amounting to €35,677 thousand, calculated on the profit (loss) for the year 2015, as required by CRR 575/2013, Article 26.2.

The following were deducted from this item:

- treasury shares, amounting to €8,555 thousand;
- UCITS units held in the regulatory trading book for which the underlying exposures have not been identified, amounting to €2 thousand.

**B. CET1 Prudential filters**

This item includes the filter for additional valuation adjustments (AVA) calculated on the assets and liabilities measured at fair value, amounting to €54 thousand.

**D. Items to be deducted from CET1**

This item includes:

- goodwill, net of deferred taxes, amounting to €66,791 thousand;
- other intangible assets, amounting to €8,212 thousand.

### E. Transitional arrangements – Impact on CET1

The item includes the effects of applying the transitional provisions on own funds established in the Bank of Italy Circular 285; specifically:

- the net positive revaluation reserves related to debt securities issued by central governments of EU member countries, held in the “available-for-sale financial assets” portfolio after December 31, 2009, were neutralised for an amount of €7,149 thousand,
- an 80% positive prudential filter, amounting to €4,542 thousand, was applied on the amount of the IAS19 reserve;
- a negative prudential filter, amounting to €8,779 thousand, was applied on the positive reserve for equity instruments held in the “Available-for-sale financial assets” portfolio.

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 the Bank’s 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 neutralise 80% of the impact of these amendments.

(Amounts in € thousand)

a) Value of liabilities for defined benefits - old IAS 19	(49,634)
b) Value of liabilities for defined benefits - new IAS 19	(57,897)
c) Amount subject to “prudential filter”	(5,278)

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, the Bank 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 neutralise 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, 2015 the net balance of neutralised capital gains and losses amounted to €7,149 thousand.

### O. Transitional arrangements – Impact on T2

The item includes a prudential filter of 60% of the 50% on the amount of the positive reserve for equity instruments held in the “Available-for-sale financial assets” portfolio, as required by the Bank of Italy Circular 285 of December 17, 2013.

### Reconciliation of Own funds with Carrying amounts

(Amounts in € thousand)

	TOTAL 12.31.2015	TOTAL 12.31.2014
Share capital, issue-premium reserves and other reserves	438,674	400,085
Accumulated other comprehensive income (OCI)	11,626	2,262
Profit allocated to reserves	35,677	28,604
Own CET 1 instruments	(8,557)	(1)
Intangible assets - Goodwill	(66,791)	(67,742)
Intangible assets - Other intangible assets	(8,212)	(8,142)
Regulatory impairment adjustments (AVA)	(54)	-
Other transitional adjustments to Common Equity Tier 1 Capital	(11,386)	(1,933)
<b>Common Equity Tier 1 Capital - CET1</b>	<b>390,977</b>	<b>353,133</b>
<b>Additional Tier 1 – AT1</b>	-	-
<b>Tier 1 Capital (T1= CET1 + AT1)</b>	-	-
Other transitional adjustments al Tier 2	2,926	-
<b>TIER 2 – T2</b>	<b>2,926</b>	-
<b>Total Own Funds</b>	<b>393,903</b>	<b>353,133</b>

## Part F - Shareholders' equity (CONTINUED)

## Changes in Own Funds

(Amounts in € thousand)

	01.01.2015 / 12.31.2015	01.01.2014 / 12.31.2014
<b>Common Equity Tier 1 Capital - CET1</b>		
<b>Beginning of period</b>	<b>353,133</b>	<b>316,008</b>
<b>Instruments and Reserves</b>		
Share capital, issue-premium reserves and other reserves	9,985	7,157
Own CET1 instruments	(8,555)	-
Accumulated other comprehensive income (OCI)	9,364	(1,952)
Profit allocated to reserves	35,677	28,604
<b>Regulatory adjustments</b>		
Intangible assets - Goodwill	951	1,333
Intangible assets - other non-current intangible assets	(71)	(128)
Regulatory impairment adjustments (AVA)	(54)	
Other transitional adjustments to Common Equity Tier 1 Capital	(9,453)	(1,933)
Other national filters prior to January 1, 2014	-	4,044
<b>End of period</b>	<b>390,977</b>	<b>353,133</b>
<b>Additional Tier 1 – AT1</b>		
<b>Beginning of period</b>	-	-
<b>End of period</b>	-	-
<b>TIER 2 – T2</b>		
<b>Beginning of period</b>	-	-
Other transitional adjustments at Tier 2	2,926	
<b>End of period</b>	<b>2,926</b>	-
<b>Total Own Funds</b>	<b>393,903</b>	<b>353,133</b>

The opening figure for 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.

## 2.2 Capital adequacy

## A. QUALITATIVE INFORMATION

As at December 31, 2015, the Bank's 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). As at December 31, 2015, the Bank's capital requirements according to Basel I amounted to €310,011 thousand; accordingly, 80% of such amount was €248,009 thousand.

Furthermore, in addition to the Common Equity Tier 1 necessary to meet own funds requirements under Article 92 of the CRR, banks are required to hold a capital buffer of 2.5% of the bank's overall risk exposure. With reference to the information in the Supervisory Bulletin of the Bank of Italy no. 12 of December 2013 concerning the transitional and final provisions applicable to capital reserves, for the year 2015 the Bank, as a bank that is part of a banking group, is required to apply a 0.625% capital buffer coefficient; as a result, the Bank's minimum capital requirements for the year 2015 amounted to:

- Common Equity Tier 1 5.125%;
- Tier 1 capital 6.625%;
- Total capital 8.625%.

The countercyclical capital buffer established in Article 130 of the Directive 2013/36 /EU (CRD IV) will be applicable from January 1, 2016. This buffer must be made up of Common Equity Tier 1 and for the year 2016 it will be at the maximum of 0.625% of the total risk-weighted exposures, in application of the transitional arrangements recognised by the Bank of Italy.

Following the outcome of the Supervisory Review and Evaluation Process (SREP) conducted by the ECB during 2015, the competent authorities established that no decision in application of the national legislation implementing Article 104 (1) (a) of the Directive 2013/36/EU or article 16 of Regulation (EU) No. 1024/2013 was required for the Bank.

As for the qualitative information on the methods used by the Bank for assessing its own funds adequacy to support current and future operations, please refer to Section 1 - Shareholders' Equity of this Part F of the Notes to the Accounts.



## B. QUANTITATIVE INFORMATION

(Amounts in € thousand)

CATEGORY/AMOUNT	NON-WEIGHTED ASSETS		WEIGHTED ASSETS	
	12.31.2015	12.31.2014	12.31.2015	12.31.2014
<b>A. RISK ASSETS</b>				
<b>A.1 Credit and counterparty risk</b>	<b>18,795,201</b>	<b>17,567,110</b>	<b>1,064,260</b>	<b>1,051,859</b>
1. Traditional standardised approach	18,795,201	17,567,110	1,064,260	1,051,859
2. Internal rating method	-	-	-	-
2.1 Basic	-	-	-	-
2.2 Advanced	-	-	-	-
3. Securitisations	-	-	-	-
<b>B. Regulatory capital requirements</b>				
<b>B.1 Credit and counterparty risk</b>			<b>85,141</b>	<b>84,149</b>
<b>B.2 Risk of adjustment of valuation of credit</b>			<b>160</b>	<b>13</b>
<b>B.3 Regulatory risk</b>			<b>1</b>	<b>-</b>
<b>B.4 Market risk</b>			<b>771</b>	<b>2,281</b>
1. Traditional standardised approach			771	2,281
2. Internal models			-	-
3. Concentration risk			-	-
<b>B.5 Operational risk</b>			<b>60,168</b>	<b>61,584</b>
1. Basic method			-	-
2. Traditional standardised approach			-	-
3. Advanced measurement approach			60,168	61,584
<b>B.6 Other calculation elements</b>			<b>-</b>	<b>-</b>
<b>B.7 Total prudential requirements</b>			<b>146,241</b>	<b>148,027</b>
<b>C. RISK ASSETS AND CAPITAL RATIOS</b>				
C.1 Risk-weighted assets			1,828,007	1,850,331
C.2 Common Equity Tier 1 Capital/Risk-weighted assets (CET1 capital ratio)			21.39%	19.08%
C.3 Tier 1 capital/risk-weighted assets (Tier 1 capital ratio)			21.39%	19.08%
C.3 Own funds/Risk-weighted assets (Total capital ratio)			21.55%	19.08%

Risk-weighted assets have been calculated by multiplying the total of prudential requirements by 12.5 (the inverse of the minimum compulsory coefficient of 8%).

## Part F - Shareholders' equity (CONTINUED)

## Exposure to credit and counterparty risk: breakdown by type of portfolio

(Amounts in € thousand)

PORTFOLIO	12.31.2015		12.31.2014	
	EXPOSURE TO CREDIT AND COUNTERPARTY RISK	RISK- WEIGHTED ASSETS	EXPOSURE TO CREDIT AND COUNTERPARTY RISK	RISK- WEIGHTED ASSETS
Exposures subject to the IRB approach				
<b>Total - IRB approach</b>	-	-	-	-
Exposures subject to the standardised approach				
Exposures to or guaranteed by central governments and central banks	2,559,604	84,653	1,971,033	89,822
Exposures to or guaranteed by public entities	15,059,974	29,198	14,426,384	23,965
Exposures to or guaranteed by regional governments or local authorities	-	-	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	137,933	136,406	126,029	124,423
Retail exposures	921,226	690,919	920,738	690,553
Exposures secured by real estate property	211	96	452	197
Exposures in default	4,875	4,903	4,242	4,290
Exposures in equity instruments	4,198	10,488	5	5
Other exposures	107,177	107,171	118,223	118,217
<b>Total - traditional standardised approach</b>	<b>18,795,201</b>	<b>1,063,834</b>	<b>17,567,110</b>	<b>1,051,472</b>
<b>Risk assets - credit and counterparty risk</b>	<b>18,795,201</b>	<b>1,063,834</b>	<b>17,567,110</b>	<b>1,051,472</b>
Exposures to central counterparties in the form of pre-financed contributions to the Guarantee Fund		426		387
<b>Capital requirement - credit and counterparty risk</b>		<b>85,141</b>		<b>84,149</b>

## Capital requirement per type of risk and approach used

(Amounts in € thousand)

TYPE OF RISK	APPROACH USED	CAPITAL REQUIREMENTS 12.31.2015	CAPITAL REQUIREMENTS 12.31.2014
1. On-balance-sheet risk assets	Traditional standardised approach	59,406	51,608
2. Guarantees issued and commitments to disburse funds	Traditional standardised approach	221	3,077
3. Derivative contracts	Current value approach	132	138
4. Securities financing transactions	CRM - Comprehensive method with regulatory adjustments for volatility	25,348	29,295
<b>Capital requirements - credit and counterparty risk</b>		<b>85,107</b>	<b>84,118</b>
<b>Capital requirements exposures to central counterparties in the form of pre-financed contributions to the Guarantee Fund</b>		<b>34</b>	<b>31</b>
<b>Market risk</b>			
1. Currency exchange rate risk	Traditional standardised approach	-	832
2. Risk position debt securities	Traditional standardised approach	514	1,316
3. Risk position equity instruments	Traditional standardised approach	257	133
4. Position risk commodities	Traditional standardised approach	-	-
<b>Capital requirements - market risk</b>		<b>771</b>	<b>2,281</b>
1. Concentration risk	Traditional standardised approach	-	-
<b>Capital requirements - concentration risk</b>		<b>-</b>	<b>-</b>
1. Risk of adjustment of valuation of credit	Traditional standardised approach	160	13
<b>Capital requirements - risk of adjustment of valuation of credit</b>		<b>160</b>	<b>13</b>
1. Regulatory risk	Traditional standardised approach	1	-
<b>Capital requirements - regulatory risk</b>		<b>1</b>	<b>-</b>
1. Advanced measurement approach	Advanced measurement approach	60,168	61,584
<b>Capital requirements - operational risk</b>		<b>60,168</b>	<b>61,584</b>
<b>Total capital requirements</b>		<b>146,241</b>	<b>148,027</b>

## 2.3 Minimum ratios established by the Bank

CAPITAL ADEQUACY INDICATORS	12.31.2015	TARGET 2015	TRIGGER 2015	LIMIT 2015
Common Equity Tier 1 ratio	21.39%	10.00%	8.00%	6.00%
Total capital ratio	21.55%	10.00%	8.625%	8.00%

The Common Equity Tier 1 and the Total Capital Ratio comply with the limits provided in the Risk Appetite Framework approved by the Board of Directors on January 22, 2015.



## Part G - Business combinations

### Section 1 - Business combinations completed during the year

No information to report.

### Section 2 - Business combinations completed after year-end

No information to report.

### Section 3 - Retrospective adjustments

No information to report.



## Part H - Related-party transactions

1. Details of Top Managers' Compensation	210
2. Related-party transactions	210

## Part H - Related-party transactions

Information on the fees paid to key management personnel and on related-party transactions, according to IAS 24, are shown below.

### 1. Details of compensation for key management personnel

Key management personnel are persons having authority and responsibility for planning, directing, and controlling the Bank's activities, directly or indirectly. This category includes Board members and members of the Board of Statutory Auditors, pursuant to requirements of the Bank of Italy Circular no. 262 of December 22, 2005 as amended and updated, as well as the Chief Executive Officer and General Manager, the Deputy General Manager/GBS Manager, the Chief Financial Officer, the PFA Network Commercial Manager, the Deputy General Manager/Direct Bank Manager and the Investment & Wealth Management Services Manager.

(Amounts in € thousand)

	TOTAL 12.31.2015	TOTAL 12.31.2014
Fees paid to "key management personnel", directors and Board of Statutory Auditors		
a) short-term benefits	5,469	5,089
b) post-employment benefits	284	258
<i>of which under defined benefit plans</i>	-	-
<i>of which under defined contribution plans</i>	284	258
c) other long-term employee benefits	-	6
d) termination benefits	-	-
e) share-based payments	3,272	2,058
<b>TOTAL</b>	<b>9,025</b>	<b>7,411</b>

### 2. Related-Party transactions

In order to ensure continued compliance with applicable legal and regulatory provisions on corporate disclosure on transactions with related parties, during the Board of Directors' Meeting of September 22, 2015 and with the prior positive opinion of the Audit and Related Parties Committee and the Board of Statutory Auditors, the Bank approved the adoption of new procedures aimed at regulating transactions with related parties and associated persons ("Procedures for the management of transactions with persons in conflict of interest") which cancel and replace the previous version of those procedures approved by the Board of Directors on May 15, 2014.

The above-mentioned procedures include the provisions to be complied with when managing:

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

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

Considering the above, during 2015:

1. with the approval of the Board of Directors of January 22, 2015, upon recommendation by the Audit and Related Parties Committee, two Significant Ordinary Transactions were carried out with the related party at market conditions, and, specifically:
  - (i) "Framework resolution – Investment of medium-long term liquidity with the Parent Company", with validity up to December 31, 2015, which involves the purchase of UniCredit bonds. Since this transaction was classified for UniCredit as a transaction of "Lesser relevance with a significant amount" under the Global Policy, a favourable, non-binding opinion on the matter was also issued by the Related Parties and Equity Investments Committee of the Parent Company and the Board of Directors of UniCredit on February 11, 2015;
  - (ii) medium-long term investment of structural liquidity raised in the period October 1, 2014 -December 31, 2014, to be carried out through the subscription of UniCredit bonds up to a maximum of €300 million issued at market conditions; it was approved by the Parent Company's Related Parties and Equity Investments Committee with the issue of a favourable, non-binding opinion on the matter;
2. with approval of the Board of Directors of March 10, 2015 a "Significant Ordinary Transaction" at market conditions with UniCredit Bank A.G., consisting in the purchase of "BONOS" Spanish government securities, with an equivalent value of €30 million. The transaction was brought to the attention of the Audit and Related Parties Committee of the Bank during the meeting held on March 9, 2015, which agreed on the suitability of the transaction. On April 1, 2015, UniCredit's Related Parties and Equity Investments Committee expressed its favourable, non-binding opinion;



3. with the approval of the Board of Directors' meeting of April 20, 2015, by way of the favourable opinion of the Audit and Related Parties Committee, an ordinary Significant Transaction at market conditions with UniCredit S.p.A. and UniCredit Bank AG, consisting of a "*Framework Resolution related to the entering into of hedging derivative contracts with the Parent Company or companies in the UniCredit Group*", for the purpose of entering into hedging derivatives with the Parent Company or with other companies in the UniCredit Group, by virtue of which the Bank may implement said transactions, up to April 20, 2016, whose maximum amount is expected to be €500 million with the Parent Company and €900 million with UniCredit Bank AG. On May 6, 2015, UniCredit's Related Parties and Equity Investments Committee expressed its favourable, non-binding opinion;
4. with the approval of the Board of Directors' meeting of May 11, 2015, by way of the favourable opinion of the Audit and Related Parties Committee, an ordinary Significant Transaction at market conditions with UniCredit S.p.A., consisting of a "*Framework Agreement - Reverse Repos and Term Deposits with the Parent Company*", effective until May 11, 2016, concerning (i) Reverse Repos with the Parent Company for an amount of €3 billion, calculated as the sum of the individual transactions in absolute value (whether repos or reverse repos) and (ii) Term deposits with the Parent Company for an amount of €4.5 billion, calculated as the sum of the individual transactions in absolute value. On May 6, 2015, UniCredit's Related Parties and Equity Investments Committee expressed its favourable, non-binding opinion;
5. with the approval of the Board of Directors' meeting of June 18, 2015, by way of the favourable opinion of the Audit and Related Parties Committee, an ordinary Significant Transaction at market conditions with UniCredit Bank AG and Mediobanca S.p.A., consisting of a "*Framework Resolution - Securities Trading with Related Party Institutional Counterparties*", effective up to June 18, 2016, regarding the trading of financial instruments with related party institutional counterparties, by virtue of which the Bank may implement said transactions, up to a maximum amount of €1 billion with UniCredit Bank AG and €500 million with Mediobanca S.p.A.. UniCredit's Related Parties and Equity Investments Committee issued a favourable non-binding opinion on the matter;
6. with the approval of the Board of Directors' meeting of July 30, 2015, by way of the favourable opinion of the Audit and Related Parties Committee, an ordinary Significant Transaction at market conditions with UniCredit S.p.A., consisting of a "*Framework Agreement for the transactions on current accounts held with UniCredit*", effective up to July 30, 2016, which will enable the Bank to manage its liquidity in euro and in foreign currencies through specific current accounts already held with UniCredit S.p.A. within an amount of less than €1,000 million understood as a single transaction (single payment and single withdrawal); UniCredit's Related Parties and Equity Investments Committee issued a favourable non-binding opinion on the matter;
7. with the approval of the Board of Directors' meeting of September 22, 2015, by way of the favourable opinion of the Audit and Related Parties Committee, an ordinary Significant Transaction at market conditions with UniCredit Bank AG and Mediobanca S.p.A., consisting of the renewal of a "*Framework resolution for Stock Lending with institutional customers*", effective up to September 21, 2016, regarding stock lending transactions with institutional counterparties, by virtue of which the Bank may implement those transactions, up to a maximum amount of €500 million with UniCredit Bank AG and €200 million with Mediobanca S.p.A.; UniCredit's Related Parties and Equity Investments Committee issued a favourable non-binding opinion on the matter;
8. with the approval of the Board of Directors of November 10, 2015, by way of the favourable opinion of the Audit and Related Parties Committee, an ordinary Significant Transaction at market conditions with the UniCredit S.p.A. consisting of the renewal of the "*Framework resolution – Investment of medium-long term liquidity with the Parent Company*" due to expire on December 31, 2015, which enabled the Bank to subscribe UniCredit bonds with a ceiling of around €1.5 billion; as a result of the change in the core component in the on-demand items approved at the same Board meeting, which will allow the Bank to increase the investable structural liquidity component, this new Framework resolution will allow the Bank to subscribe bonds of the Parent Company, up to November 10, 2016, with a ceiling of €3 billion. UniCredit's Related Parties and Equity Investments Committee issued a favourable non-binding opinion on the matter.

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

In 2015, no other transactions were undertaken with related parties that could significantly affect the Bank's asset situation and results, or atypical and/or unusual transactions with those parties.

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

You are reminded that for the three-year period 2013-2015, the Bank opted for the "national tax consolidation" – introduced by Legislative Decree no. 344 of December 12, 2003 – with the Consolidating Company UniCredit.

In accordance with the National Tax Consolidation agreement, participation in the consolidation cannot result in tax advantages for the participating Consolidated Company with respect to the situation that would have arisen if the company had not participated. The consolidation results in the following tax advantages: (i) consolidation adjustment relating to deductible interest expense, considering that the amount of interest expense accrued by entities participating in the national consolidation is fully deductible on the basis of the relationship between the total interest expense (intercompany and outside the group) recognised in the financial statements by the individual subsidiary and the overall interest expense recognised in the financial statements by all the subsidiaries pursuant to Article 96.5 bis of the Income Tax Code, (ii) tax credits, and withholdings as advances and deductions, are recognised by the Controlling Company and the Controlled Company as a reduction in the IRES income tax amount due when then the latter has a tax loss, and (iii) any tax losses are paid by the Control Company at the IRES income tax rate applicable for the tax period in which the tax losses are realised.

## Part H - Related-party transactions (CONTINUED)

Lastly, with regard to transactions of significant financial and economic relevance, during 2012, the Bank issued 5 bank guarantees in favour of the Italian Revenue Agency upon (guaranteed) request by UniCredit, with indefinite duration (specifically, valid until the Italian Revenue Agency issues a declaration of receipt of the payment by UniCredit at the end of the collection process, in the event of an unfavourable outcome for UniCredit, or until a ruling is issued in favour of the Bank by means of final judgement), for a total amount of €256 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 the Bank of an irrevocable payment commitment on demand, within 30 days and without any exceptions. In 2013, following the settlement of an assessment notice issued by the Regional Department of Liguria, for €4,505 thousand, replaced by another assessment notice issued by the same Department up to the amount settled, a guarantee already issued by the Bank was replaced, with amounts unchanged; this transaction did not change the commitments undertaken according to the forms, procedures and risks already assessed during 2012, which remain unchanged.

The following statement shows the outstanding assets, liabilities, guarantees and commitments as at December 31, 2015, for each group of related parties pursuant to IAS 24:

(Amounts in € thousand)

	AMOUNTS AS AT DECEMBER 31, 2015			% OF CARRYING AMOUNT
	DIRECTORS, BOARD OF STATUTORY AUDITORS AND KEY MANAGEMENT PERSONNEL	OTHER RELATED PARTIES	TOTAL	
Financial assets held for trading	-	30	30	0.75%
Loans and receivables with banks	-	1	1	0.00%
Loans and receivables with customers	22	7,530	7,552	0.82%
Other assets	-	1	1	0.00%
<b>Total assets</b>	<b>22</b>	<b>7,562</b>	<b>7,584</b>	<b>0.04%</b>
Deposits from banks	-	751	751	0.05%
Deposits from customers	1,300	4,872	6,172	0.04%
Securities and financial liabilities	-	1	1	0.02%
Other liabilities	167	60	227	0.09%
<b>Total liabilities</b>	<b>1,467</b>	<b>5,684</b>	<b>7,151</b>	<b>0.04%</b>
<b>Guarantees issued and commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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.

(Amounts in € thousand)

	INCOME STATEMENT AS AT DECEMBER 31, 2015			% OF CARRYING AMOUNT
	DIRECTORS, BOARD OF STATUTORY AUDITORS AND KEY MANAGEMENT PERSONNEL	OTHER RELATED PARTIES	TOTAL	
Interest income and similar revenues	-	4	4	0.00%
Interest expenses and similar charges	(7)	(2)	(9)	0.03%
Fee and commission income	3	24,697	24,700	5.07%
Fee and commission expense	(1)	(396)	(397)	0.17%
Other administrative expenses	-	(5,857)	(5,857)	2.50%
Other net operating income	24	6	30	0.04%
<b>Total income statement</b>	<b>19</b>	<b>18,452</b>	<b>18,471</b>	

With regard to the category "Directors, Board of Statutory Auditors and Key Management Personnel", in application of the special regulations laid down in Article 136 of Legislative Decree 385/93 (Consolidated Law on Banking), the obligations established for persons that perform administrative, management and control functions pursuant to those regulations were unanimously approved by a resolution of the Board of Directors with the favourable vote of all members of the Board of Statutory Auditors, in accordance with Article 136 of said Consolidated Law on Banking.

The category "Directors, Board of Statutory Auditors and Key Management Personnel" includes their dealings with the Bank (excluding their fees, which are discussed in point 1. *Details of compensation for key management personnel*) and the Parent Company UniCredit, mainly concerning assets for credit card use, liabilities for funds held by them with the Bank and costs and revenues generated from the aforesaid assets and liabilities.

The "other related parties" category includes:

- close family members of key management personnel (i.e., relatives who could be expected to influence, or be influenced by the party involved);
- companies controlled (or jointly controlled) by, or associated with, "key management personnel" or their close family members;
- associates, and their subsidiaries, of the Parent Company UniCredit;
- shareholders, and their subsidiaries, of the Parent Company UniCredit.

Transactions with "Other related parties", mainly refer to:

- assets for credit card use and liabilities for funds held with the Bank or securities lending transactions guaranteed by sums of money;
- assets for current receivables associated with the provision of financial services, mainly referring to fees for the placement of asset management and insurance products;
- costs and revenues generated from the above assets and liabilities, mainly referring to subscription and management fee and commission income related to the placement of asset management and insurance products and insurance premiums.

Amounts as at December 31, 2015 and the income components accrued in 2015 relating to the Parent Company UniCredit and the UniCredit group companies are not included, as they are presented further below.

#### Transactions with the parent company and other uncredit group companies

(Amounts in € thousand)

TOTAL TRANSACTIONS WITH UNICREDIT GROUP COMPANIES	TOTAL 12.31.2015	% OF CARRYING
<b>Assets</b>	<b>14,637,039</b>	<b>79.86%</b>
Loans and receivables with banks	14,614,234	99.76%
Loans and receivables with customers	18,135	1.97%
Other assets	4,670	1.26%
<b>Liabilities</b>	<b>1,306,215</b>	<b>7.13%</b>
Deposits from banks	1,327,297	93.24%
Hedging derivative liabilities	31,319	100.00%
Tax liabilities	(57,303)	n.c.
Other liabilities	4,902	1.95%
<b>Guarantees and commitments</b>	<b>257,093</b>	<b>66.64%</b>
Guarantees issued and commitments	257,093	66.64%
<b>Income Statement</b>	<b>289,817</b>	
Interest income and similar revenues	219,021	80.13%
Interest expenses and similar charges	(13,820)	49.10%
Fee and commission income	118,245	24.26%
Fee and commission expense	(4,901)	2.05%
Fair value adjustments in hedge accounting	(13,289)	n.c.
Administrative costs	(15,690)	5.05%
Other net operating income	251	0.32%

## Part H - Related-party transactions (CONTINUED)

The following table summarizes transactions with UniCredit group companies as at December 31, 2015:

(Amounts in € thousand)

COMPANY	ASSETS	LIABILITIES	GUARANTEES AND COMMITMENTS	INCOME STATEMENT
UniCredit S.p.A.	14,597,004	1,242,511	257,093	189,543
UniCredit Bank AG	21,881	41,665	-	2,982
UniCredit Bank AG Milan	-	21,605	-	(5,203)
UniCredit Credit Management Bank S.p.A.	-	-	-	(40)
UniCredit Factoring S.p.A.	-	-	-	3
UniCredit Leasing S.p.A.	5	-	-	7
UniCredit Luxembourg Finance SA	-	-	-	81
UniCredit Business Integrated Solutions S.C.p.A.	13	405	-	(11,711)
Pioneer Investment Management SGR p.A.	1,508	-	-	10,088
Cordusio Società Fiduciaria per Azioni	19	29	-	3
Pioneer Asset Management SA Luxembourg	16,607	-	-	104,060
Unicredit Bank Austria AG	2	-	-	4
<b>Total</b>	<b>14,637,039</b>	<b>1,306,215</b>	<b>257,093</b>	<b>289,817</b>

The following tables contain a breakdown of the items relating to Assets, Liabilities, Guarantees and Commitments, Costs and Revenue for each individual Group company.

## Transactions with parent companies

(Amounts in € thousand)

TRANSACTIONS WITH UNICREDIT S.P.A.	TOTAL 12.31.2015
<b>Assets</b>	<b>14,597,004</b>
Loans and receivables with banks	14,592,428
Other assets	4,576
<b>Liabilities</b>	<b>1,242,511</b>
Deposits from banks	1,285,632
Hedging derivative liabilities	9,713
Tax liabilities	(57,303)
Other liabilities	4,469
<b>Guarantees and commitments</b>	<b>257,093</b>
Guarantees issued and commitments	257,093
<b>Income Statement</b>	<b>189,543</b>
Interest income and similar revenues	226,557
Interest expenses and similar charges	(13,800)
Fee and commission income	430
Fee and commission expense	(4,822)
Fair value adjustments in hedge accounting	(15,131)
Administrative costs	(3,710)
Other net operating income	19

## Transactions with companies controlled by UniCredit S.p.A.

(Amounts in € thousand)

TRANSACTIONS WITH UNICREDIT BANK AG	TOTAL 12.31.2015
<b>Assets</b>	<b>21,881</b>
Loans and receivables with banks	21,806
Other assets	75
<b>Liabilities</b>	<b>41,665</b>
Deposits from banks	41,665
<b>Income Statement</b>	<b>2,982</b>
Interest income and similar revenues	427
Interest expenses and similar charges	(20)
Fee and commission income	2,575

(Amounts in € thousand)

TRANSACTIONS WITH UNICREDIT CREDIT MANAGEMENT BANK S.P.A.	TOTAL 12.31.2015
<b>Income Statement</b>	<b>(40)</b>
Administrative costs	(40)

(Amounts in € thousand)

TRANSACTIONS UNICREDIT FACTORING S.P.A.	TOTAL 12.31.2015
<b>Income Statement</b>	<b>3</b>
Administrative costs	3

(Amounts in € thousand)

TRANSACTIONS WITH UNICREDIT BANK AG MILAN	TOTAL 12.31.2015
<b>Liabilities</b>	<b>21,605</b>
Hedging derivative liabilities	21,605
<b>Income Statement</b>	<b>(5,203)</b>
Interest income and similar revenues	(7,963)
Fee and commission income	919
Fee and commission expense	(1)
Fair value adjustments in hedge accounting	1,842

(Amounts in € thousand)

TRANSACTIONS WITH UNICREDIT LEASING S.P.A.	TOTAL 12.31.2015
<b>Assets</b>	<b>5</b>
Loans and receivables with customers	1
Other assets	4
<b>Income Statement</b>	<b>7</b>
Fee and commission income	1
Administrative costs	6

(Amounts in € thousand)

UNICREDIT LUXEMBURG FINANCE SA	TOTAL 12.31.2015
<b>Income Statement</b>	<b>81</b>
Fee and commission income	81

(Amounts in € thousand)

TRANSACTIONS WITH UNICREDIT BUSINESS INTEGRATED SOLUTIONS S.C.P.A.	TOTAL 12.31.2015
<b>Assets</b>	<b>13</b>
Other assets	13
<b>Liabilities</b>	<b>405</b>
Other liabilities	405
<b>Income Statement</b>	<b>(11,711)</b>
Fee and commission income	7
Administrative costs	(11,950)
Other net operating income	232

(Amounts in € thousand)

TRANSACTIONS WITH PIONEER INVESTMENT MANAGEMENT SGR P.A.	TOTAL 12.31.2015
<b>Assets</b>	<b>1,508</b>
Loans and receivables with customers	1,508
<b>Income Statement</b>	<b>10,088</b>
Fee and commission income	10,121
Fee and commission expense	(33)

(Amounts in € thousand)

TRANSACTIONS WITH CORDUSIO SOCIETÀ FIDUCIARIA PER AZIONI	TOTAL 12.31.2015
<b>Assets</b>	<b>19</b>
Loans and receivables with customers	19
<b>Liabilities</b>	<b>29</b>
Other liabilities	29
<b>Income Statement</b>	<b>3</b>
Fee and commission income	45
Fee and commission expense	(44)
Administrative costs	2

(Amounts in € thousand)

TRANSACTIONS WITH PIONEER ASSET MANAGEMENT SA LUXEMBURG	TOTAL 12.31.2015
<b>Assets</b>	<b>16,607</b>
Loans and receivables with customers	16,607
<b>Income Statement</b>	<b>104,060</b>
Fee and commission income	104,060

(Amounts in € thousand)

TRANSACTIONS WITH UNICREDIT BANK AUSTRIA AG	TOTAL 12.31.2015
<b>Assets</b>	<b>2</b>
Other assets	2
<b>Income Statement</b>	<b>4</b>
Fee and commission income	4



## Part I - Share-based payments

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# Part I - Share-based payments

## A. QUALITATIVE INFORMATION

### 1. Description of share-based payments

#### 1.1 Outstanding instruments

The Medium & Long Term Incentive Plans for employees and personal financial advisors of the Bank include the following types of instruments:

- Equity-Settled Share Based Payments that involve payments settled with shares of the parent UniCredit S.p.A and of the Bank;
- Cash Settled Share Based Payments that involve payments made in cash.

The above categories refer to the allocation of the following instruments:

- **Stock Options** allocated to selected Top & Senior Managers and Key Talents and consisting of rights to subscribe UniCredit shares;
- **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;
- **Group Executive Incentive System** that offers eligible Group Executives a variable remuneration for which payment will be made within a maximum of five years. The beneficiaries receive a payment in cash and/or UniCredit shares, in relation to the achievement of performance conditions (other than marked conditions) stated in the Plan Rules;
- **Group Executive Incentive System (Bonus Pool)**, offering selected Executives and relevant personnel identified on the basis of regulatory requirements, a bonus structure consisting of immediate payments (following performance evaluation) and deferred payments in cash and ordinary UniCredit or FinecoBank shares, over a maximum period of 6 years. This payment structure ensures that bonuses are aligned to shareholders' interests and is subject to malus clauses (which apply in the event that specific profitability, liquidity and capital thresholds are not met at Group and/or at Country/Division level) and clawback clauses (to the extent they are legally applicable) in accordance with the plan rules (both vesting conditions other than market conditions);
- **Employee Share Ownership Plan (ESOP - Let's Share)**, which offers eligible Bank employees the possibility to buy UniCredit ordinary shares with the advantage of the granting of free ordinary shares ("Free Shares" or rights to receive them) measured on the basis of the shares purchased by each Participant ("Investment Share") during the "Enrolment Period". The granting of free ordinary shares is subordinated to vesting conditions (other than market conditions) stated in the Plan Rules.
- **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 shall be allocated to the beneficiaries in four annual instalments under the "*2014-2017 Multi-year Top Management Plan*" as of 2017, and three annual instalments under the "*2014 Key People Plan*" as of 2015. The plans are subject to entry conditions (profitability and capital thresholds) and clawback clauses (as legally applicable) in accordance with the plan rules.
- **Stock granting for personal financial advisors** offering the allocation of free shares of FinecoBank to the network's personal financial advisors, subject to the achievement by the Bank's entire PFA network of a set net sales target for the year 2014 ("*2014 PFA Plan*") and for the three-year period 2015–2017 ("*2015-2017 PFA Plan*"). The shares will be allocated to the respective beneficiaries in three annual instalments from 2015, under the "*2014 PFA Plan*" and from 2018 under the "*2015-2017 PFA Plan*". The plans are subject to access conditions (profitability and capital thresholds) and clawback clauses (as legally applicable) in accordance with the plan rules.
- **Group Incentive System 2015 PFA**, offering selected personal financial advisors, identified as key personnel in accordance with regulatory requirements, an incentive system consisting of immediate cash payments (following performance evaluation) and deferred payments and the allocation of Phantom Shares, over a period of 5 years. This payment structure ensures that bonuses are aligned to shareholders' interests and is subject to malus clauses (which apply in the event that specific profitability, liquidity and capital thresholds are not met at Group and/or at Country/Division level) and clawback clauses (to the extent they are legally applicable) in accordance with the plan rules (both vesting conditions other than market conditions).

Shares for employee incentive plans envisaging the allocation of FinecoBank shares will be issued through free capital increases in accordance with Article 2349 of the Italian Civil Code.

The financial instruments for incentive plans for the Bank's personal financial advisors involving the allocation of FinecoBank shares will be obtained through market purchases in implementation of the authorisation of the Bank Shareholders' meeting pursuant to Article 2357 of the Italian Civil Code and of the Regulatory Authority. In this regard, it is noted that for the stock granting plan "2014 PFA Plan" for Personal Financial Advisors and Bank Network Managers, on July 9, 2015 the Board of Directors resolved to settle the PFAs rights to the first tranche of the bonus in cash, instead of the allocation of FinecoBank ordinary shares, with a payment in cash corresponding to a third of the bonus consideration, made on July, 2015.



## 1.2 Measurement model

### 1.2.1 Stock Option e Performance Stock Option

The Hull and White Evaluation Model has been adopted to measure the economic value of Stock Options.

This model is based on a trinomial tree price distribution using the Boyle's algorithm and estimates the early exercise probability on the basis of a deterministic model connected to:

- reaching a Market Share Value equal to an exercise price-multiple (M);
- probability of beneficiaries' early exit (E) after the end of the Vesting Period.

The income statement and balance sheet effects are recognised during the vesting period of the instruments.

No new Stock Option and/or Performance Stock Option Plans were granted in 2015, but the income statement and balance sheet effects of the plans allocated in previous years were recognised.

### 1.2.2 Group Executive Incentive System

The amount of the incentive is determined on the basis of the achievement of quantitative and qualitative goals stated by the plan. In particular, the overall evaluation is expressed as a percentage, from a minimum of 0% to a maximum of 150% (non market vesting conditions). This percentage, adjusted by the application of a risk/opportunity factor – Group Gate – at first payment and multiplied by the incentive, determines the actual amount that will be paid to the beneficiary.

In 2015 the Group Executive Incentive System 2015 (Bonus Pool) plan was assigned and the income statement and balance sheet effects were recognised for that plan and for the plans assigned in prior years.

#### Group Executive Incentive System “Bonus Pool 2014” – Shares

The economic value of the shares granted is measured considering the share market price at the grant date less the present value of future dividends during the vesting period.

The plan is divided into clusters, each of which may include two to three deferred share-based payment instalments according to the period defined by the plan rules.

	UNICREDIT SHARES GRANTED			
	GROUP EXECUTIVE INCENTIVE SYSTEM - 2014 BONUS POOL			
	2017 INSTALMENT	2018 INSTALMENT	2019 INSTALMENT	2020 INSTALMENT
Bonus Opportunity Economic Value Grant Date	01.21.2014	01.21.2014	01.21.2014	01.21.2014
Number of Shares - Date of Board resolution	04.09.2015	04.09.2015	04.09.2015	04.09.2015
Vesting Period Start Date	01.01.2014	01.01.2014	01.01.2014	01.01.2014
Vesting Period End Date	12.31.2016	12.31.2017	12.31.2018	12.31.2019
UniCredit shares market price [€]	6,269	6,269	6,269	6,269
Economic value of vesting conditions [€]	-0,240	-0,430	-0,71	-1,069
<b>Performance Shares value per share at Grant Date [€]</b>	<b>6,029</b>	<b>5,839</b>	<b>5,559</b>	<b>5,200</b>

	FINCOBANK SHARES GRANTED			
	GROUP EXECUTIVE INCENTIVE SYSTEM - 2014 BONUS POOL			
	2017 INSTALMENT	2018 INSTALMENT	2019 INSTALMENT	2020 INSTALMENT
Bonus Opportunity Economic Value Grant Date	04.15.2014	04.15.2014	04.15.2014	04.15.2014
Number of Shares - Date of Board resolution	02.09.2015	02.09.2015	02.09.2015	02.09.2015
Vesting Period Start Date	01.01.2014	01.01.2014	01.01.2014	01.01.2014
Vesting Period End Date	12.31.2016	12.31.2017	12.31.2018	12.31.2019
FincoBank shares market price [€]	4,725	4,725	4,725	4,725
Economic value of vesting conditions [€]	-0,410	-0,590	-0,839	-1,137
<b>Performance Shares value per share at Grant Date [€]</b>	<b>4,315</b>	<b>4,135</b>	<b>3,886</b>	<b>3,588</b>

The plan was allocated in 2014 and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

#### Group Executive Incentive System 2015 (Bonus Pool)

The new 2015 incentive system is based on a bonus pool approach, in line with regulatory requirements and market practices; this approach sets out:

- the system's sustainability, by linking it directly to business results and aligning it to relevant risk categories through specific indicators that reflect the risk appetite framework;
- the link between the bonus and the organisational structure, the bonus pool being defined at Country/Division level and further reviewed at Group level;
- the allocation of bonuses to beneficiaries identified as Executives and other key personnel on the basis of criteria laid down in the Regulation of the European Banking Authority (EBA), and to other specific roles, based on local regulatory requirements;
- a structure of payments spread over a period of up to 6 years and consisting of a mix of cash and shares, aligned with the latest regulatory requirements as set out in Directive 2013/36/EU (CRD IV).

The plan was assigned during the current year and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

## Part I - Share-based payments (CONTINUED)

**1.2.3 Employee Share Ownership Plan (Piano Let's Share 2015)**

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 2014.

**Measurement of Free Shares ESOP 2015**

	FREE SHARES 1ST ENROLMENT PERIOD	FREE SHARES 2ND ENROLMENT PERIOD
Grant Date for Free Shares to employees	01.30.2015	07.31.2015
Vesting Period Start Date	01.30.2015	07.31.2015
Vesting Period End Date	01.30.2016	07.31.2016
<b>Fair Value per share of the Free Shares [€]</b>	<b>5,280</b>	<b>6,078</b>

All income statement and balance sheet effects related to free shares will be booked during the vesting period (except adjustments, according to Plan Rules, that will be booked during the next closing after vesting period).

Let's Share for 2015 is a plan involving the use of the shares to be procured on the market. To that end the Participants grant a mandate to an intermediary (from inside or outside the UniCredit Group) to purchase the shares to be deposited in an account in their name.

**1.2.4 Stock granting for employees**

The economic value of the shares granted is measured considering the share market price at the grant date less the present value of future dividends during the vesting period.

**2014 - 2017 Multi-year – Top management Plan**

The plan offers the allocation of free shares of FinecoBank to beneficiaries belonging to the Top Management. The shares will be allocated to the respective beneficiaries, once the vesting period has elapsed and satisfaction of the conditions has been verified, in 4 annual tranches, starting in 2017.

	SHARES GRANTED			
	TOP MANAGEMENT			
	FIRST INSTALMENT 2017	SECOND INSTALMENT 2018	THIRD INSTALMENT 2019	FOURTH INSTALMENT 2020
Bonus Opportunity Economic Value - (Grant Date)	07.02.2014	07.02.2014	07.02.2014	07.02.2014
Number of Shares - Date of Board resolution	07.15.2014	02.09.2015	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
FinecoBank shares market price [€]	3.700	4.725	To be defined	To be defined
Economic value of vesting conditions [€]	-0.269	-0.590	To be defined	To be defined
<b>Performance Shares value per share at Grant Date [€]</b>	<b>3.431</b>	<b>4.135</b>	<b>To be defined</b>	<b>To be defined</b>

The plan was assigned during the previous financial year and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

**2014 Key people Plan**

The plan offers the allocation of free shares of FinecoBank 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. The shares will be allocated to the respective beneficiaries, once the vesting period has elapsed and satisfaction of the conditions has been verified, in 3 annual tranches, starting in 2015. The plan was assigned during the previous financial year and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

**1.2.5 Stock granting for personal financial advisors**

The economic value of the shares granted is measured considering the share market price at the grant date less the present value of future dividends during the vesting period.

**2014 PFA Plan**

The amount of the incentive was determined on the basis of the achievement of the goals stated by the plan, subject to the Bank's entire PFA network meeting their net sales targets in 2014.

The plan helps align the interests of beneficiaries, shareholders and other stakeholders and implement effective remuneration practices, in accordance with the applicable legislative and regulatory framework.

The plan is subject to verification that the conditions established by the plan rules are satisfied.

	SHARES GRANTED		
	FINECO PFA 2014		
	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	07.09.2015	07.09.2015	07.09.2015
Vesting Period Start Date	07.02.2014	07.02.2014	07.02.2014
Vesting Period End Date	06.30.2015	06.30.2016	06.30.2017
Fineco shares market price [€]	x	6.783	6.783
Economic value of vesting conditions [€]	x	-0.210	-0.39
<b>Performance Shares value per share at Grant Date [€]</b>	<b>x</b>	<b>6.573</b>	<b>6.393</b>

\* The first instalment was paid in cash as per the Board of Directors' resolution of July 9, 2015.

The plan was assigned during the previous financial year and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

### 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 PFA network meeting their cumulative net sales targets for the three-year period 2015-2017.

The plan helps align the interests of beneficiaries, shareholders and other stakeholders and implement effective remuneration practices, in accordance with the applicable legislative and regulatory framework.

The plan is subject to verification that the conditions established by the plan rules are satisfied.

The plan was assigned during the previous financial year and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

#### 1.2.6 Group Incentive System 2015 PFA

In line with Regulatory requirements, the 2015 Incentive System for Financial Advisers envisages:

- the system's sustainability, by linking it directly to business results;
- the allocation of bonuses to beneficiaries identified as key personnel on the basis of criteria laid down in the Regulation of the European Banking Authority (EBA);
- a structure of payments spread over a period of 3 years and consisting of a mix of cash and phantom shares, aligned with the latest regulatory requirements providing for the instruments to be unavailable during certain periods;

The amount of the incentive is determined on the basis of the achievement of the goals stated by the plan.

The balance-sheet and income statement effects are spread across the term of the Plan.

The economic value of the phantom shares is measured considering the share market price at the grant date less the present value of future dividends during the vesting period.

The plan was assigned during the current year and the income statement and balance sheet effects will be recognised during the vesting period of the instruments.

## B. QUANTITATIVE INFORMATION

### 1. Annual changes

ITEMS / NUMBER OF OPTIONS AND EXERCISE PRICE	TOTAL 12.31.2015			TOTAL 12.31.2014		
	NUMBER OF OPTIONS	AVERAGE EXERCISE PRICE	AVERAGE MATURITY	NUMBER OF OPTIONS	AVERAGE EXERCISE PRICE	AVERAGE MATURITY
<b>A. Opening balance</b>	<b>1,427,240</b>	-	-	-	-	-
B. Increases	2,164,844	-	-	1,427,240	-	-
B.1 New issues	2,164,844	-	-	1,427,240	-	-
B.2 Other increases	-	-	-	-	-	-
<b>C. Decreases</b>	<b>(245,500)</b>	-	-	-	-	-
C.1 Cancelled	(3,800)	-	-	-	-	-
C.2 Exercised	(241,700)	-	-	-	-	-
C.3 Expired	-	-	-	-	-	-
C.4 Other decreases	-	-	-	-	-	-
<b>D. Closing balance</b>	<b>3,346,584</b>	-	<b>March 2017</b>	<b>1,427,240</b>	-	<b>June 2016</b>
<b>E. Vested options at end of the period</b>	<b>289,703</b>	-	-	<b>241,700</b>	-	-

## Part I - Share-based payments (CONTINUED)

The number of shares specified in the above table only refers to plans for which the number of shares allotted to individual beneficiaries has already been defined. The average prices for the year have not been stated because only freely allocated shares were involved.

## 2. Other information

### Let's Share for 2016 (ex 2015) - Employee Share Ownership Plan for 2016

In May 2015, the Ordinary Shareholders' Meeting approved the "UniCredit Group Employee Share Ownership Plan for 2015" ("Let's Share for 2016") that offers to eligible Group employees the opportunity to purchase UniCredit ordinary shares at favourable conditions, in order to reinforce employees' sense of belonging and commitment to achieve the corporate goals.

For the Let's Share Plan for 2016, UniCredit will be able, at its discretion, to establish to subscription periods:

- 1 subscription period: by the end of the first half of 2016;
- 2 subscription period: by the end of the second half of 2016.

Let's Share for 2016 is a broad based share plan under which:

- during the "Enrolment Period", which will be communicated in due time to the Participants, they will be able to buy UniCredit ordinary shares ("Investment Shares") on a monthly or one-off basis;
- at the beginning of the Enrolment Period, each Participant will receive a discount, in the form of free shares, equivalent to 25% of the total amount of shares purchased; the Free Shares will be locked up for one year ("Holding Period"), and the Participants will lose the entitlement to the Free Shares if they cease to be employee of the UniCredit Group before the end of the Holding Period, unless the employment has been terminated for one of the specific reasons permitted under the Plan Rules;
- during the "Holding Period", 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 qualify as "Equity Settled Share-based Payments" because the Participants, according to the Plan 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 2016 will be booked during the holding period. Let's Share for 2016 has not been produced any effects on 2015 Financial Statements.

### Effects on Profit and Loss

The income statement and balance-sheet effects of the incentive systems based on FinecoBank and UniCredit shares are shown below, except for the balance of the reserve related to equity-settled plans.

The income statement impact is determined each year based on the vesting period of the instruments.

### Financial statement presentation related to payments based on shares of Fineco and of the Parent Company UniCredit

(Amounts in € thousand)

	TOTAL 12.31.2015		TOTAL 12.31.2014	
	TOTAL	VESTED PLANS	TOTAL	VESTED PLANS
Costs	15,268		8,159	
- connected to Equity Settled Plans	15,019		8,159	
- connected to Cash Settled Plans	249			
Sums paid to UniCredit S.p.A. for vested plans		36		480
Payable due to UniCredit S.p.A.	2,242		2,025	
Payable due to personal financial advisors for Cash Settled plans	249		-	

Please note that the charges relating to Equity Settled Plans were recognised as Administrative costs - Payroll costs with respect to the plans granted to employees and as Administrative costs - Other administrative expenses with regard to plans granted to personal financial advisors. Charges relating to Cash Settled Plans granted to personal financial advisors have been recognised as Fee and commission expenses.





## 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. The Bank offers its services (banking and investment services) through a network of personal financial advisors and online and mobile channels, that operate in a coordinated and integrated manner. The fully-comprehensive nature of the services offered allows the Bank to act as a one-stop solution for customers' banking and investment requirements.

This strategy, which is strongly anchored to the customer, means that revenues and margins relative to various products/services (investing, banking and brokerage) are highly interdependent on each other.

This integration approach has also inspired top management in setting company targets and identifying the means to achieve them.

As regards information on revenues from customers by product/service, in view of the above, reference should be made to information in Part C - Information on the income statement of these notes.

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.



# TRADING N.1

FINECO, THE BANK THAT SIMPLIFIES BANKING.



# Reconciliation of condensed accounts to mandatory reporting schedule

# Reconciliation of condensed accounts to mandatory reporting schedule

(Amounts in € thousand)

ASSETS	AMOUNTS AS AT	
	12.31.2015	12.31.2014
Cash and cash balances = <i>item 10</i>	6	5
Financial assets held for trading = <i>item 20</i>	3,983	3,054
Loans and receivables with banks = <i>item 60</i>	14,648,904	13,892,197
Loans and receivables with customers = <i>item 70</i>	922,774	695,594
Financial investments	2,245,982	1,695,555
40. Available-for-sale financial assets	2,245,982	1,695,555
Hedging instruments	10,573	24,274
80. Hedging derivatives	-	19,247
90. Changes in fair value of portfolio hedged financial assets	10,573	5,027
Property, plant and equipment = <i>item 110</i>	12,419	10,892
Goodwill = <i>item 120. Intangible assets of which: goodwill</i>	89,602	89,602
Other intangible assets = <i>item 120 net of goodwill</i>	8,212	8,142
Tax assets = <i>item 130</i>	15,424	18,550
Other assets = <i>item 150</i>	370,070	326,756
<b>Total assets</b>	<b>18,327,949</b>	<b>16,764,621</b>

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT	
	12.31.2015	12.31.2014
Deposits from banks = <i>item 10</i>	1,423,459	1,428,568
Deposits from customers	15,822,459	13,914,712
20. Deposits from customers	15,822,459	13,914,712
Debt securities in issue	-	424,710
30. Debt securities in issue	-	424,710
Financial liabilities held for trading = <i>item 40</i>	4,100	3,135
Hedging instruments	31,319	46,220
60. Hedging derivatives	31,319	36,993
70. Changes in fair value of portfolio hedged financial liabilities	-	9,227
Provisions for risks and charges = <i>item 120</i>	120,534	118,031
Tax liabilities = <i>item 80</i>	37,445	33,358
Other liabilities	255,835	243,633
100. Other liabilities	250,989	238,807
110. Employee severance pay provision	4,846	4,826
Shareholders' Equity	632,798	552,254
- capital and reserves	430,119	400,085
160. Reserves	236,590	198,081
170. Share premium reserve	1,934	1,934
180. Capital	200,150	200,070
190. Treasury Shares	(8,555)	-
- revaluation reserves	11,626	2,262
130. Revaluation reserves of which: Available-for-sale financial assets	16,904	5,329
130. Revaluation reserves for actuarial net gains (losses) for defined benefit plans	(5,278)	(3,067)
- net profit = <i>item 200</i>	191,053	149,907
<b>Total liabilities and shareholders' equity</b>	<b>18,327,949</b>	<b>16,764,621</b>

(Amounts in € thousand)

INCOME STATEMENT	YEAR	
	2015	2014
Net interest	245,184	228,247
30. Net interest margin	245,184	228,247
Dividends and other income from equity investments	-	-
70. Dividend income and similar revenue	5	4
less: dividends from held-for-trading equity instruments included in item 70	(5)	(4)
Net fee and commission income = item 60	248,188	195,744
60. Net fee and commission income	248,213	195,744
+ outsourcing costs for the management and recovery of Non Performing Loans	(25)	-
Net trading, hedging and fair value income	53,867	29,742
80. Gains (losses) on financial assets and liabilities held for trading	53,705	29,720
+ dividends from held-for-trading equity instruments (from item 70)	5	4
90. Fair value adjustments in hedge accounting	(147)	-
110. Gains (losses) on financial assets and liabilities at fair value through profit and loss	-	18
100. Gains (losses) on disposal or repurchase of: b) available-for-sale financial assets	304	-
Net other expenses/income	(2,974)	(2,590)
190. Other net operating income	77,984	71,455
less: other operating income - of which: recovery of expenses	(84,347)	(77,170)
less: adjustments of leasehold improvements	3,389	1,376
100. Gains (losses) on disposal or repurchase of: a) loans and receivables	-	49,160
100. Gains (losses) on disposal or repurchase of: d) financial liabilities	-	(49,163)
<b>OPERATING INCOME</b>	<b>544,265</b>	<b>451,143</b>
Staff expenses	(75,049)	(69,151)
150. Administrative costs - a) staff expenses	(76,295)	(69,151)
less: integration costs	1,246	-
Other administrative expenses	(232,870)	(211,318)
150. Administrative costs- b) other administrative expenses	(234,197)	(208,189)
+ adjustments of leasehold improvements	(3,389)	(1,376)
- ex-ante contributions to the Single Resolution Fund (SRF) Deposit Guarantee Systems (DGS)	4,691	-
- outsourcing costs for the management and recovery of Non Performing Loans	25	-
Recovery of expenses	84,347	77,170
190. Other net operating income - of which: recovery of expenses	84,347	77,170
Impairment/write-backs on intangible and tangible assets	(8,951)	(8,809)
170. Impairment/write-backs on property, plant and equipment	(3,963)	(4,037)
180. Impairment/write-backs on intangible assets	(4,988)	(4,773)
<b>Operating costs</b>	<b>(232,523)</b>	<b>(212,108)</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>311,742</b>	<b>239,035</b>
Net impairment losses on loans and provisions for guaranteed and commitments	(6,706)	(3,180)
130. Impairment losses/write-backs on: a) loans and receivables	(6,712)	(3,224)
130. Impairment losses/write-backs on: d) other financial assets	7	(1,372)
less: net value adjustments for the impairment of other financial assets - contribution to the National Interbank Deposit Guarantee Fund	-	1,416
<b>NET OPERATING PROFIT (LOSS)</b>	<b>305,036</b>	<b>235,855</b>
Provisions for risks and charges	(15,714)	(6,121)
160. Net provisions for risks and charges	(11,023)	(4,705)
+ ex-ante contributions to the Single Resolution Fund (SRF) Deposit Guarantee Systems (DGS)	(4,691)	-
+ net value adjustments for the impairment of other financial assets - contribution to the National Interbank Deposit Guarantee Fund	-	(1,416)
Integration costs	(1,246)	-
Net income from investments	(1)	(4)
240. Gains (losses) on disposal of investments	(1)	(4)
<b>NET PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>288,075</b>	<b>229,730</b>
Income tax for the period	(97,022)	(79,823)
260. Tax expense (income) related to profit or loss from continuing operations	(97,022)	(79,823)
<b>NET PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS</b>	<b>191,053</b>	<b>149,907</b>
<b>PROFIT (LOSS) FOR THE YEAR</b>	<b>191,053</b>	<b>149,907</b>

**FINECO**

THE NEW BANK

**MORE THAN 300 FINECO CENTERS**

AND MORE THAN 2.600 ADVISORS AT YOUR DISPOSAL

**FINECO, THE BANK THAT SIMPLIFIES 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 Pellicciari, as Nominated Official in charge of drawing up company accounts of FinecoBank S.p.A, taking into account the provisions of Article 154-bis, par. 3 and 4 of Legislative Decree 58 of February 24, 1998, do hereby certify:

- the adequacy in relation to the Company's features and
- the actual application

of the administrative and accounting procedures used in the preparation of the financial statements for the year ended December 31, 2015.

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;

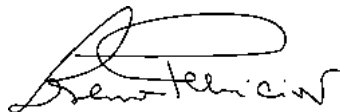
3.2. the Directors' Report on operations contains a reliable operating and financial review of the issuer, as well as the description of its exposure to the main risks and uncertainties.

Milan, February 8, 2016

FinecoBank S.p.A  
The Chief Executive Officer and  
General Manager  
Alessandro Foti



FinecoBank S.p.A.  
The Manager Responsible for Preparing  
the Company's Financial Reports  
Lorena Pellicciari







# INNOVATION AND GROWTH

**FINECO, THE BANK THAT SIMPLIFIES BANKING.**



# Report of the External Auditors

## INDEPENDENT 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.**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of FinecoBank Banca Fineco S.p.A., which comprise the balance sheet as at December 31, 2015, and the income statement, the statement of comprehensive income, the statement of changes in equity and the cash flows statement for the year then ended, and the related explanatory notes.

#### *Management's Responsibility for the Financial Statements*

The Company's Directors are responsible for the preparation of these financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) issued pursuant to art. 11, n° 3, of Italian Legislative Decree 39/10. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation that give a true and fair view of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of FinecoBank Banca Fineco S.p.A. as at December 31, 2015, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005.

**Report on Other Legal and Regulatory Requirements**

*Opinion on the consistency of the report on operations and of certain information included in the report on corporate governance with the financial statements*

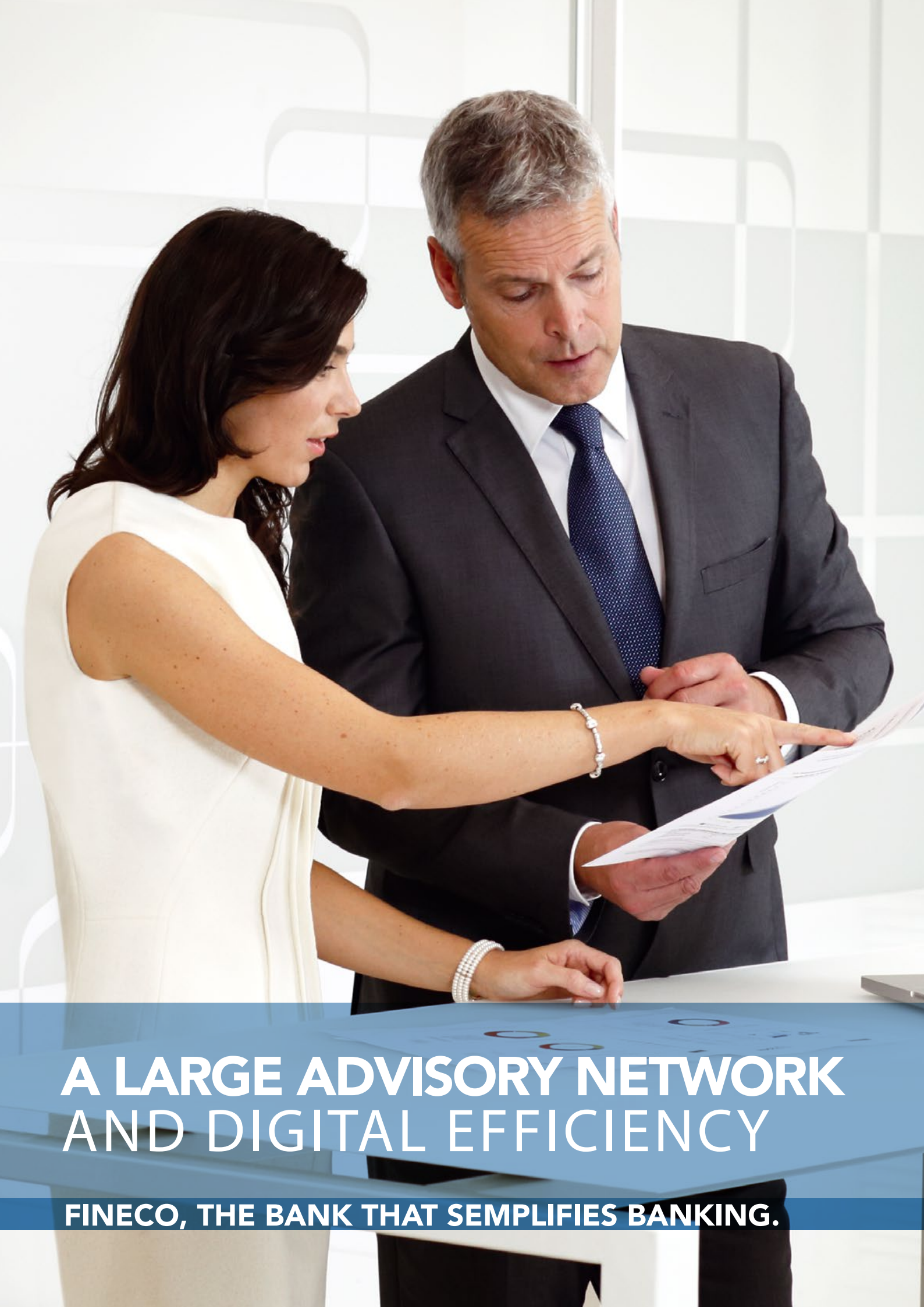
We have performed the procedures indicated in the Auditing Standard (SA Italia) n° 720B in order to express, as required by law, an opinion on the consistency of the report on operations and of certain information included in the report on corporate governance required by art. 123-bis, n° 4, of Italian Legislative Decree n° 58/98, which are the responsibility of the Directors of FinecoBank Banca Fineco S.p.A., with the financial statements of FinecoBank Banca Fineco S.p.A. as at December 31, 2015. In our opinion the report on operations and the information included in the report on corporate governance referred to above are consistent with the financial statements of FinecoBank Banca Fineco S.p.A. as at December 31, 2015.

DELOITTE & TOUCHE S.p.A.

*Signed by*  
Paolo Gibello Ribatto  
Partner

Milan, Italy  
March 15, 2016

*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 SIMPLIFIES 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 2015.

In 2015, 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 Code of Conduct issued 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 organisation and control systems 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.

It is acknowledged that, pursuant to current regulations and the Corporate Governance Code for listed companies, the Board of Directors, with positive opinion of the Remuneration and Appointments Committee, checked the independence requirements for the majority of Directors, with the results detailed in the Report on Corporate Governance and the Ownership Structure, as well as their compliance with integrity and professionalism requirements. The Board of Directors also assessed compliance with the so-called interlocking ban.

### ***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 its members' compliance with the independence requirement.

### ***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 adoption of the Corporate Governance Code and, in compliance to it, the Remuneration and Appointments Committee and the Audit (control and risk) and Related Parties Committee operate 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 is carried out with the help of an external professional acting as an independent expert. In November 2015, with prior positive opinion of the Remuneration and Appointments Committee, the Board of Directors approved the "Self-assessment of the composition, operation and efficiency of the Board of Directors for the 2014 financial year" document and the action plan proposal contained therein.

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.

The Board of Directors ascertained the correct implementation of corporate governance regulations laid down in the aforementioned Corporate Governance Code.

### ***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. In this context, UniCredit S.p.A. performs a direction and management activity with respect to FinecoBank S.p.A. pursuant to Articles 2497 and subsequent of the Italian Civil Code.

### ***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 and Related Parties Committee, the Remuneration and Appointments Committee and the Supervisory Board, both during meetings with Top Management and the Managers of the Bank's various Departments and Functions.

During 2015 the serving Board of Statutory Auditors took part in no. 2 Shareholders' Meetings, no. 11 Board of Directors' Meetings, no. 16 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. 26 meetings with the Managers of Departments and organisational Units and Professional Financial Advisors. Moreover, at least a

member of the Board of Statutory Auditors, normally its Chairperson, attended most of the meetings of the Remunerations and Appointments Committee and the Supervisory Body.

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 the meetings of the Board of Directors, the information provided during them and information flows in general comply with legal and statutory obligations and those of applicable regulations.

The Board of Statutory Auditors verified compliance with information obligations for regulated or inside information required by the Supervisory Authority.

During meetings of the Board of Directors, the Statutory Auditors examined the quarterly reports of the Bank's Control Functions and those drafted by the Financial Reporting Manager, ascertaining compliance with the reports and information provided for by supervisory regulations.

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" was drafted in compliance with legal and regulatory provisions; the report shall also be published on FinecoBank's website within the legally required deadline.

#### *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.

#### *Infra-group transactions or transactions with Related Parties – Transactions approved pursuant to Article 136 of TUB*

The most relevant infra-group transactions or transactions with Related Parties from an economic, assets and financial viewpoint, with an indication of assets, liabilities, guarantees and commitments as at 31 December 2015, 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.

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 and Bank of Italy regulations on transactions with related parties and associates.

In September 2015, the Board of Directors of FinecoBank SpA approved, with prior positive opinion of the Audit and Related Parties Committee and of the Board of Statutory Auditors, the new "Procedures for the management of transactions with Parties in conflict of interest" with which it must comply in managing relationships with related parties pursuant to the "Regulations on transactions with Related parties" adopted by CONSOB with Resolution no. 17221 of 12 March 2010 and relationships with associated Parties pursuant to discipline about "Risk activities and conflicts of interest with Associated 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 aforementioned "Procedures for the management of transactions with Parties in conflict of interest", which supersede and replace the version approved by the Board of Directors on 15 May 2014, also refer to UniCredit's Global Policy for the management of transactions with Parties in conflict of interest" and the "*Global Operational Instructions* issued by UniCredit for the management of transactions with Parties in conflict of interest".

FinecoBank SpA's "Procedures for the management of transactions with Parties in conflict of interest entail periodic disclosures to Corporate Bodies, the Audit and Related Parties Committee and the Compliance Contact Liaison Person with respect to transactions with Related Parties effected by the Bank in the period under review and, starting from 2015, the Board of Statutory Auditors recognises the effectiveness of relevant quarterly reports, as well the implementation of the decision-making processes envisaged by the aforementioned "Procedures" by reporting that a transaction has been ratified by the Board of Directors.

The Board of Statutory Auditors, moreover, acknowledges that it 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 and it has monitored compliance with procedural regulations adopted by the Bank as well as with transparency and disclosure provisions .

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.

### Report of the Board of Statutory Auditors (CONTINUE)

Specifically, during 2015 the Board monitored corporate organization improvement measures and acknowledged the changes - duly approved by the Board of Directors subject to prior opinion, where required, by the Remunerations and Appointments Committee and submitted, where envisaged, to assessment by the relevant Parent Company's function - made to the structures of the Top Management of HQ and the Network, to the Organisational Chart, with a clear identification of functions roles and responsibilities, and the Bank's Internal Regulations. The changes made include, in particular, the resolution for the appointment of a second Deputy General Manager approved in December 2015.

The Bank's Internal Regulations – whose most up-to-date version was approved by the Board of Directors in February 2016 – 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 Parties Committee" and "Remuneration and Appointments Committee") and described in the "Corporate Governance Report" and the "Annual Remuneration Report" in compliance with legal provisions, 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.

We hereby acknowledge that, following Bank of Italy's findings and comments after a March 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 substantially implemented.

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.

The Board acknowledges the ongoing updating and implementation of the Bank's Business Continuity Plan and the performance, with overall positive results, of annual Business Continuity and Disaster Recovery testing activities.

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 and involving the Chief Executive Officer and the Board of Directors 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 compliance with the provisions of Circular no. 263 (now incorporated in Circular no. 285) – 15th update, the Bank approved the "Control Bodies and Functions Document" that defines the Bank's Internal Control System with the specific identification of roles and responsibilities of Company Bodies and control functions; the aforementioned document was last updated 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 section 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.

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 and Related Parties 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 - the last one being the “Semi-monthly report on activities performed from 1 July 2015 to 31 December 2015 - 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 Internal Audit to assess the Internal Control System and including sections dedicated to the findings of the Audit activity on the Personal Financial Advisers Network and the Audit Findings were regularly submitted to the Audit 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 audit for no. 2 agreements is planned for 30 June 2016. The Auditors acknowledge that the Internal Audit function prepared the report in line with surveillance provisions for audits on key outsourced operating or control functions, on any deficiencies detected and relevant corrective actions, highlighting the activities whose monitoring needs to be stepped up. Such document is “Outsourcing of company functions”. 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 08 March 2016. The Board of Statutory Auditors, in the aforementioned Remarks, made specific recommendations in its aforementioned Remarks, incorporating the remarks of the Audit Function.

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 2015, the Board of Directors approved the 2016 Annual Audit Plan drafted on the basis of the 2016-2020 5-year Strategic Plan and indicating, also taking into account Group Guidelines, follow-up audits and the requests of Regulators, Top Management of the Bank, the Audit and Related Parties Committee and the Board of Statutory Auditors. The “2016 Audit Plan” document details the audits envisaged for the ICT system (ICT auditing).

During its activity, the Board ascertained compliance with the previously defined Audit plan both for central structures and processes and Network structures, checking actual implementation time scales.

The Board acknowledged the assessment of Internal Control System provided by Internal Audit based on the activity it performed in 2015, which was submitted to the Board of Directors in March 2016 and included a “satisfactory” assessment, since monitoring of key risks on investment services audited, on back-office processes, on the issuance and management of credit cards to customers and on processes for strategy definition and ICT audit planning were deemed to be adequate as a whole. Such assessment of the internal control system also acknowledged the correct organisation of the Decision-making Organisation and Management Model adopted by the Bank in compliance with Italian Legislative Decree no. 231/2001 with respect to administrative liability of legal persons and details the measures proposed for the remediation of any issues identified. The Board of Statutory Auditors examined the Audit Reports published by Internal Audit in 2015 using the information contained therein to carry out its activity and monitor the implementation of the relevant recommendations.

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”.

The implementation of improvement areas and corrective action suggested by Internal Audit is monitored by the Board of Statutory Auditors.

Based on the documentation reviewed, information received and inspections performed during its monitoring activities, the Board of Statutory Auditors, despite referring to the existence of some corrective measures currently under way, deems the Internal Control System to be adequate as a whole.

#### ***Supervisory Authority pursuant to Italian Legislative Decree no. 231/2001.***

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 examined the “*Information Report on the activity performed by the Supervisory Authority (SA) pursuant to Italian Legislative Decree no. 231 of 08 June 2001, as at 31 December 2015*” the findings of the activities performed by the Supervisory Body did not highlight any significant breaches of the reference regulatory framework and evidenced that FinecoBank’s Organizational Model had been updated - also based on direct inspections carried out by Internal Audit - based on the specific features of FinecoBank, group standards and regulatory amendments introduced

### Report of the Board of Statutory Auditors (CONTINUE)

by Legislators from time to time; 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.

The Supervisory Board also started proceedings for the update of the Bank's Model based on the "Guidelines for the definition and update of the Organisational Model pursuant to Italian Legislative Decree 231/2001" received from the Parent Company and shall submit relevant resolution proposals to the Board of Directors based on a compliance plan for the Model. The Ordinary Shareholders' Meeting convened on 12 April 2016 shall be asked to resolve on the compensation for the Chairperson of the Board of Statutory Auditors for taking on the post of external member of the Supervisory Board.

In 2015 the Board of Statutory Auditors attended no. 5 meetings of the Bank's Supervisory Board.

#### ***Comments on the adequacy of risk management systems.***

FinecoBank SpA has an active Risk Management 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, in-sourcing risks and IT risk. The CRO function also verifies that mitigation transactions for the aforementioned corporate risks (risk management) are performed.

In February 2016 the CRO function submitted the "Report on Risk Management Activity in 2015 and 2016 Plan" in which, *inter alia*, it reported on the monitoring of the Risk Appetite Framework and operating exposures to various types of risks, 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 and the production of monthly reporting to the Parent Company. The Board of Statutory Auditors checked the effectiveness and appropriateness of the aforementioned information flows (including reports highlighting structural liquidity and the Bank's capacity of honouring short-term loan, as well as those aimed at ascertaining compliance with the limits identified to manage the aforementioned liquidity) and of such monitoring, which also including risk indicators identified in the "Liquidity Risk Contingency Plan" document and the "Contingency Plan for Bond Issuer Risk" document. In 2015 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 May 2015, the Board of Directors approved the *Relevant Transactions Global Policy* based on which the Risk Management function is tasked to provide a prior opinion on the consistency of Relevant Transactions with the Risk Appetite Framework.

Risk Management prepared an activity plan for the 2016 that confirmed the validity of the previous year's monitoring system and highlighted the planning activity aimed mainly at second-tier assessment and reporting of the IT risk, the introduction of additional liquidity risk controls and the updating of the Contingency Plan.

In 2015 FinecoBank SpA approved the "2106 FinecoBank Risk Appetite" document, whose metrics, which include the exchange rate risk with respect to hedging policies, were subject to an assessment by the Audit and Related Parties Committee, and which is also aimed at monitoring consistency between the business mode, 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.

In 2015 the Bank's Board of Directors approved the implementation of a policy aimed at reducing the exchange rate risk through the adoption of a specific hedging plan for commercial gains and losses that require the hedging of such risk.

A dedicated Audit Report issued at the end of 2015 highlighted that the Operational Risk Management system, in implementation of the AMA model, and the relevant corporate monitoring and control centres are adequate with respect to the processes of collection, analysis and management of operational losses, processing of scenario analyses, Internal Control Factors, Reporting and Validation Process.

In February 2016, the Bank's Board of approved the "Local Validation Report for the Operational Risks Management and Control System" - a self-certification that confirms the system's ability to deliver adequate control and management of operational risks and its compliance and suitability with respect to the provisions of Group and external regulations. The findings of the self-assessment process for the internal control system, for which the relevant Parent Company's Function drafted the audit document, were also confirmed by FinecoBank's Internal Audit function, which carried out an independent audit of the aforementioned "Local Validation Report", confirming an overall adequate result.

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.

#### *Liquidity investment policy*

Within the framework of its activity aimed at optimising the use of liquidity gathered 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.

During 2015, based on the "Liquidity Policy" approved in 2014, which sets out the principles and regulations for liquidity management, the Bank:

- approved, with prior positive opinion of the Audit and Related Parties Committee and in line with the guidelines of the "2016-2018" multi-year investment plan", the "Medium-term liquidity investments with the Parent Company" Framework Resolution, including a dedicated Technical Support Document, with validity up to November 2016;
- regularly monitored investment transactions carried out based on framework resolutions on liquidity management, the auditing of compliance of the aforementioned transactions with market conditions and alternative investment analyses performed by the CFO Department Treasury function and subject to second-tier audits by the FinecoBank's CRO Department

The Treasury of the CFO Department and the CRO Department regularly monitor the Investments already carried out based on the "Liquidity Risk Contingency Plan" documents (which defines the principles and the rules for managing liquidity in crises or stress situations, defining the limits and instruments to be monitored with respect to operating and structural liquidity) and the "Contingency Plan on Bond Issuer Risk" document (which defines the principles and the rules for an efficient and comprehensive assessment, control and reduction of the issuer risk linked to the financial instruments in FinecoBank's banking portfolio), constantly assessing 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.

In December 2015, the Internal Audit function carried out an audit first-and second tier processes and controls for liquidity management; The finding of such audit was "Satisfactory".

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).

#### ***Remarks on Compliance and Anti-Money Laundering activity***

The Board of Statutory Auditors acknowledged the "Report on the 2015 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. Specifically, assessment of primary non-compliance risks subject to the direct monitoring of the Compliance Function did not detect any regulatory area with a "Critical" and "Significant" risk and, for indirectly monitored areas, a single finding was highlighted, for which relevant corrective action is currently under completion.

The Board of Statutory Auditors also considered the "Report on total complaints received by FinecoBank S.p.A. in 2015" 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 are in compliance with regulatory deadlines for both investment service-related and "other types of complaints".

The Bank's Board of Directors approved the Compliance Function's 2016 Activity Plan, which focuses, as an extension of the activities performed in 2015 and in compliance with UniCredit's Compliance Plans, on the key pillars of the management of non-conformities (development of a Compliance culture and approach, strengthening of Compliance Risk Assessment and Controls, plans and activities for key regulatory areas).

In December 2015, the Board of Directors approved, in compliance with Supervisory Instructions for Banks, the roles responsible for management of the Whistle-blowing process and the key elements that define it.

In February 2016, in agreement with the relevant Parent Company's bodies, the Board of Directors of FinecoBank resolved on the in-sourcing of the Bank's Compliance Function and, prior to positive opinion of the Remunerations and Appointments Commission and upon proposal of the Audit and Related Parties Committee, on the appointment of a Compliance Officer with effect from 1 April 2016. The transaction was notified to the Surveillance Authority.

In February 2016 the Bank complied with a request issued by CONSOB with respect to financial instruments transactions effected by Customers, organizational measures implemented to capture new regulations for the sale of complex financial products and management procedures for consultancy services provided to Customers.

In June 2015 the Board of Directors approved, in implementation of CONSOB Communication no. 0097996/14 of 22 December 2014, relevant resolutions on the distribution of complex financial products to retail customers; to this end, the Board of Statutory Auditors, acknowledging the favourable opinion of Risk Management and Compliance on the aforementioned resolutions and the opinion issued by the Audit Function, gave its opinion highlighting the measures and improvements it deemed necessary.

## Report of the Board of Statutory Auditors (CONTINUE)

Whilst performing its activity, the Board met with the Compliance Representative on several occasions, recommending in particular compliance with the deadlines provided for during Compliance Risk Evaluation quarterly monitoring for closing corrective actions identified from time to time and with particular focus on residual risks highlighted during these audits.

With respect to monitoring of the Anti-money Laundering Function – terrorism financing prevention, and the adoption of relevant second-tier controls, the surveillance activity performed by the Board of Statutory Auditors did not highlight any significant deficiencies as at 31 December 2015, although it did detect some transactions that were recorded late in the Single Computer Archive. To this end, over 2015 the Bank - upon request of the Board of Statutory Auditors - defined a process for reporting any transactions recorded late in the Single Computer Archive to the aforementioned Board.

It should also be acknowledged that the Annual Report of the Anti-Money Laundering Head of FinecoBank for 2015 shall be submitted in a separate document than the Compliance Function's 2015 Report on Activities, together with the self-assessment report requested by the Bank of Italy in October 2015.

### ***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..

The Audit Report, issued without any remarks on 15 March 2016 pursuant to Articles 14 and 16 of Italian Legislative Decree 39/2010, highlighted that the Financial Statements have been prepared in accordance with IAS/IFRS accounting principles issued by the International Standards Board and adopted by the European Union, as well as with the provisions implementing 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 2015. 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 and Ownership Structure, were coherent with the Financial Statements documentation.

The Board of Statutory Auditors, moreover, assessed the Report issued by the Independent Statutory Auditor on 15 March 2016 pursuant to Article 19 of Italian Legislative Decree no.39/2010, from which it can be evinced that no substantial deficiencies were found in the internal control system with respect to financial reporting so as 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 2015 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 2015 to FinecoBank by the Independent Statutory Auditor. No services other than auditing appeared to have been provided by organisations of the network to which the aforementioned audit company belongs.

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, including 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 2015 to 15 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:

(figures in euros)

SERVICE TYPE	ENTITY THAT PROVIDED THE SERVICE	FEES
Accounting Audit	Deloitte & Touche S.p.A.	154,285
Certification services	Deloitte & Touche S.p.A.	40,000

Certification Services relate to the performance of procedures aimed at the issuing of the provisional certification document required by the ECB in order to include profit for the financial year into CET 1.

### ***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 08 February 2016 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 8 February 2016, 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. The Financial Reporting Manager regularly updates the Board of Directors on the activities performed and reports on the progress of improvement measures for Internal Control System for Financial Reporting.

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 2015 were drawn up 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 up to 31 December 2015, as established by European Union Regulation no. 1606/2002 of 19 July 2002 and transposed by Italian Legislative Decree no. 38/2005.

The Financial Statements as at 31 December 2015 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 issued on 8 February 2016. The Financial Statements also follow Financial Statements and relevant Notes formats set out by Bank of Italy's provisions 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. 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 June 2015 the Board of Directors approved the Parent Company's Global Policy on “Preparation of financial statements and relevant surveillance reporting”.

In 2015, the Administration Department periodically forwarded information to the Parent Company for the purposes of calculating the Regulatory Capital and the Second Pillar Capital. On 31 December 2015 the CET1 Capital ratio (Tier one capital/Risk-weighted assets) was equal to 21.39%, as detailed in the dedicated section of the Financial Statements “Parte F – Information on assets”.

The Board of Statutory Auditors, in light of the information received and the documentation examined and the activity performed, assesses the process of the preparation of financial reporting as substantially adequate.

It is acknowledged that FinecoBank is obliged to publish the “Disclosure pursuant to EC Regulation 575/2013” at 31 December 2015. The aforementioned regulation provides that the disclosure by Entities must be effected both at consolidated and separate business unit level if the bank is the “most important subsidiary”. FinecoBank publishes this disclosure on its website together with the Draft Financial Statements at 31 December 2015.

### ***Remarks on the remuneration policy***

Over 2015, in line with the provisions of the Surveillance Authority with respect to “Remuneration and bonus policies and practices”, the Board of Statutory Auditors checked the adequacy and compliance with internal and external legal and regulatory of the remuneration policies and practices adopted by FinecoBank S.p.A..

The Bank's Board of Directors, in the meeting of 13 May 2014, adopting the Corporate Governance Code for listed companies, resolved on the appointment of the “Remuneration and Appointments Committee” by availing itself of the option, provided for by the aforementioned Corporate Governance Code, to concentrate the functions of the Appointment Committee and the Remuneration's Committee into a single Committee.

### Report of the Board of Statutory Auditors (CONTINUE)

The Bank's Board of Directors implemented the "2015 bonus scheme", other existing Bonus Schemes and, in March, 2016, following the positive opinion of the Remuneration and Appointment Committee, approved the "2016 Remuneration Policy of FinecoBank" (validated by the Compliance function) and relevant detailed regulation of the 2016 Bonus Scheme - a document that, inclusive of the "Annual Remuneration Report" and attached "2016 share-based compensation plans", shall be submitted to the Ordinary Shareholders' Meeting for approval. This document also acknowledges the Remuneration Policy applied by the members of FinecoBank's Independent Financial Promoters networks, in line with their specific compensation policies.

The Internal Audit function performed an annual audit of the Bank's variable compensation system, in line with the provisions of the Surveillance Regulation issued by the Bank of Italy, ascertaining its compliance with external and group regulations and acknowledging that the Management implemented suggested action. The results of this audit were submitted on 4 March 2016 to the Remuneration and Appointments Committee, which included a member of the Board of Statutory Auditors.

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 and 2016 Incentive Schemes, with relevant amendment of the Articles of Association.

In July 2015 the Board of Directors approved the "Professional Development Paths and Succession Planning" document, aimed, inter alia, at identifying skill and competency levels required for possible Succession Planning candidates, with particular reference to the post of Chief Executive Officer, General Manager and Directors with strategic responsibilities.

The Board of Statutory Auditors verified compliance with the regulatory framework of the remuneration policies adopted by the Bank and acknowledges that the 2016 Retribution Policy, including the "Annual Remuneration Report", has been made available to the public in line CONSOB Regulation no. 11971/1999; 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 - Notifications***

In 2015 the Board of Statutory Auditors did not receive any complaints under Article 2408 of the Italian Civil Code or petitions from third parties.

In July 2015 the Board of Statutory Auditors made a notification to the to the Surveillance Authority pursuant to Article 149, paragraph 3, of T.U.F. Article 52 of Italian Legislative Decree no. 385/1993. Moreover, in June 2015 and January 2016, the Board made two notifications to the Bank of Italy pursuant to Article 52 of Italian Legislative Decree no. 231/2007.

#### ***Opinions and remarks pursuant to the Law.***

The Board was asked to express its opinion in the following circumstances:

- favourable opinion of all members of the Board issued about the provision of a credit facility to a company representative;
- opinion on "resolutions on the sale of complex financial products to retail Customers" approved by the Bank in June 2015;
- prior, reasoned opinion on overall suitability of "Procedures for the management of transactions with Parties in conflict of interest".

Moreover, the Board expressed its remarks about Reports pursuant to Articles 13, 14 and 16 of Bank of Italy and CONSOB's Regulation (adopted with provision of 29 October 2007, in line with Article 6, paragraph 2-bis, of TUF) and its "Remarks on the "Outsourcing of company functions" document). "Annual Report of the Internal Audit function".

#### ***Conclusions***

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, which 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.

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.

Taking into account the results reported in the Financial Statements and the content of the "Directors' Report" that supplements it, the contents of the Certification of the Financial Statements pursuant to Article 81-ter of CONSOB Regulation no. 11971 of 14 May 1999 and subsequent amendments and integrations, signed by the Chief Executive Officer, the General Manager and the Financial Reporting Manager, and considering the content of the Reports drafted by the Independent Statutory Auditor, the Board of Directors does not find, insofar this is within its remit, any impediments to the approval of the draft Financial Statements as at 31 December 2015 submitted by the Board of Directors and the relevant profit allocation proposal.

Milan, 16 March 2016

The Auditors  
Gaccioli Gian-Carlo Noris - Chairman  
Aloisi Barbara  
Viozzi Marziano

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Member of  UniCredit

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

REPORT APPROVED ON FEBRUARY 8, 2016



**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](http://www.fineco.it)

Date of approval: February 8, 2016

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## GLOSSARY

<b>Articles of Association</b>	the articles of association of the Company in effect at the date of this Report.
<b>Audit and Related Parties Committee</b>	the internal committee of the Board of Directors, established in accordance with Articles 4 and 7 of the Corporate Governance Code.
<b>Remuneration and Appointments Committee</b>	the committee on the Board of Directors established in compliance with Articles 4, 5 and 6 of the Corporate Governance Code for Listed Companies.
<b>Bank of Italy Circular</b>	Bank of Italy Circular 263/2006 ("New regulations for the prudential supervision of banks") as amended.
<b>Bank of Italy Regulations on Corporate Governance</b>	The supervisory regulations on the organisation and corporate governance of banks issued by the Bank of Italy on May 6, 2014.
<b>Board of Directors</b>	the board of directors of the Issuer.
<b>Board of Statutory Auditors</b>	the board of statutory auditors of the Issuer.
<b>Borsa Italiana</b>	Borsa Italiana S.p.A.
<b>Civil Code</b>	the Civil Code.
<b>Consob</b>	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.
<b>Corporate Governance Code for Listed Companies, Code</b>	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.
<b>External Auditors Firm</b>	the external auditors firm registered in the Register of Auditors, appointed to audit the accounts of the Issuer.
<b>Group or UniCredit Group</b>	UniCredit and its subsidiary companies pursuant to group Article 2359 of the Civil Code and Article 93 of the Legislative Decree no. 58/1998.
<b>Issuer Regulation</b>	the Regulations issued by Consob with ruling no. 11971 of 1999 on issuers, as subsequently amended.
<b>Issuer, FinecoBank or Banca or Company</b>	FinecoBank S.p.A..
<b>Markets Regulations</b>	the Regulations issued by Consob with ruling no. 16191 of 2007 on markets, as subsequently amended.

<b>MTA</b>	the Mercato Telematico Azionario (electronic stock market) organised and managed by Borsa Italiana.
<b>Related Parties Regulations</b>	the Regulations issued by Consob with ruling no. 17221 of 2010 on related parties transactions, as subsequently amended.
<b>Report</b>	this report on the corporate governance system and the Ownership structures of the Issuer, pursuant to Art. 123- <i>bis</i> Legislative Decree no. 58/1998.
<b>Shareholders' meeting</b>	meeting of the shareholders of the Issuer.
<b>Stock Exchange Instructions</b>	Instructions accompanying the Rules of the Markets organised and managed by Borsa Italiana in effect at the Date of the Report.
<b>Stock Exchange Regulations</b>	the Regulations of Markets organised and managed by Borsa Italiana, in effect at the Date of the Report.
<b>TUB</b>	Legislative Decree no. 385 of 1 September 1993 (Legislative Decree no. 385/1993), as amended.
<b>TUF</b>	Legislative Decree no. 58 of 24 February 1998 (Legislative Decree no. 58/1998), as amended.
<b>UniCredit</b>	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 the listing of its shares on the MTA (Mercato Telematico Azionario - electronic stock market) organized and managed by Borsa Italiana S.p.A., 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.

It has to be pointed out that the information contained in the Report refers to the closure date of 2015 financial year, unless otherwise specified.

The Report, approved by the Company's Board of Directors, on February 8, 2016 , is published at the same time as the Report on Operations on the Issuer 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 and it is managed and coordinated by the UniCredit parent company 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 and under the European Central Bank (ECB) prudential supervision 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 its 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. In line with the Articles of Association, 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) 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, if the Bank internal procedures on the topic settle it.

*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.

## 2. INFORMATION ON OWNERSHIP STRUCTURES

### A) STRUCTURE OF SHARE CAPITAL

The share capital as at December 31, 2015 amounted to € 200,150,191.89 divided into 606,515,733 ordinary shares with a nominal value of €0.33 (thirty-three cents) each.

Following the free share capital increase resolved by the Board of Directors on February 8, 2016, amounting to € 95,601.99 and corresponding to 289,703 ordinary shares, FinecoBank's share capital is €200,245,793.88 (two hundred million, two hundred and forty-five thousand, seven hundred and ninety-three euros, eighty-eight cents) divided into 606,805,436 (six hundred and six million, eight hundred and five thousand, four hundred and thirty-six) 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, 2015 - 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.	65.474%	65.474%

### D) SECURITIES CONFERRING SPECIAL RIGHTS

As at February 8, 2016, FinecoBank has not issued any shares that grant special control rights and it has not adopted Articles of Association provisions which allow increased voting 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 as "identified staff". The Board of Directors was not assigned the power to issue equity-based financial instruments.

The Board of Directors, held on January 12, 2016 resolved on the proposal, to the Shareholders' Meeting called for approving the 2015 financial statements, on granting the authorization to purchase and dispose of 250,000 treasury shares to give to Personal Financial Advisor and Personal Financial Advisors Area Manager identified as relevant staff.

As at December 31, 2015, the Company held 1,408,834 own shares equal to 0.23% of the share capital.

**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**

FinecoBnak is compliant 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/2015clean.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 they 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 Board of Directors, on July 30, 2015, approved the Succession plan for the Chief Executive Office and General Manager and for the other Key Managers, in which the professional skills and expertise required for the possible candidates have been established.

### **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 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 organizational 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 <sup>5</sup>
Enrico Cotta Ramusino <sup>2</sup>	Chairman	1959	15.04.2014	December 2001	100	1
Francesco Saita <sup>1-2</sup>	Vice Chairman	1967	15.04.2014	April 2014	91	0
Alessandro Foti <sup>3</sup>	Managing Director and General Manager	1960	15.04.2014	October 1999	100	0
Gianluigi Bertolli <sup>1-2</sup>	Director	1951	15.04.2014	April 2014	100	0
Mariangela Grosoli <sup>1-2</sup>	Director	1960	15.04.2014	April 2011	91	0
Pietro	Director	1958	15.04.2014	April 2014	91	3
Angelo Guindani <sup>1-2</sup>						
Girolamo Ielo <sup>1-2</sup>	Director	1947	15.04.2014	April 2008	100	0
Marina Natale <sup>3</sup>	Director	1962	15.04.2014	April 2014 <sup>4</sup>	55	0
Laura Stefania Penna	Director	1965	15.04.2014	April 2012	82	2

<sup>1</sup> Independent Director pursuant to art. 3 Corporate Governance Code.

<sup>2</sup> Independent Director pursuant to art. 148, par. 3, TUF.

<sup>3</sup> Independent Director according to Corporate Governance Code.

<sup>4</sup> She held the position of Director also from September 18, 2008 to May 21, 2009.

<sup>5</sup> 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](http://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	<b>NO</b>	<b>2</b>	<b>5</b>
Chairman	<b>NO</b>	<b>3</b>	<b>8</b>
Non-executive Directors	<b>30</b>	<b>57</b>	<b>10</b>

**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 organizational, 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 recognized 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 organization, 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 2015, six initiatives on Company's organization, its activity with regard to knowledge and awareness of the risk profile adopted by the Bank (such as "Adequacy and calculation of capital" and "Risk Appetite Framework") were launched, also upon collecting suggestions by the Directors.

### **4.3.2 Meetings and functioning**

The Board of Directors held 11 meetings during the course of 2015, each with an average duration of 2 hours and thirty minutes. For 2016, 11 meetings have been scheduled, of which 2 have been already held as of February 8, 2016.

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 is provided to the Directors at least 3 (three) business days prior to the meeting (with the exception of the financial documents, that must be provided at least one business day before the meeting), so that the Directors are able to express an informed opinion on the issues being decided.

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**

With regard to 2015 financial year, 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.

In 2015, with regard to 2014 financial year, the Board of Directors carried out the self-assessment process with an external consultant, which acted through a questionnaire and drafted a document illustrating the results and the changing proposals of improvement which have been implemented.

### **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.

The Chairman does not hold, directly or indirectly, relevant shares in the Company's capital share.

#### **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 February 8, 2016 the Board of Directors, with the input of the Remuneration and Appointments Committee of January 29, 2016, 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 Articles 147-*ter* and 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.

According to the Criteria 3.C.6 of the Listed Companies Corporate Governance Code, the Independent Directors meeting took place on March 30, 2015.

The Independent Directors met to discuss corporate governance issues without the presence of the other directors.

#### **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 Investor Relator acts as Body charged with delivering information to the public and to Consob with regard to the Declaration given by the Relevant People.

## **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 proper use of the accounting principles for drawing 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 members 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, organization 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 proper use of the accounting standards 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 proper use of accounting standards and their uniformity for preparing the 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 2015, 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 16 times, with an average duration of three hours, 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 proper use of the accounting principles, 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" (already provided by Bank of Italy Circular no. 263 of July 2, 2013 - 15<sup>th</sup> amendment).

## **7. REMUNERATION AND APPOINTMENTS COMMITTEE**

For the information requested with regards to the set-up, tasks and functioning of the Remuneration Committee, please refer to the Chapter "*Remuneration Committee*" of the "*Annual Compensation Report*" published, within the context of "*2016 FinecoBank Compensation Policy*", according to Section 123-ter of TUF, Section 84-quater of Issuer Regulation and the provisions set forth in Title IV, Chapter 1, Table 15 of Bank of Italy Circular 263.



## **8. REMUNERATION COMMITTEE**

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



## **9. REMUNERATION OF DIRECTORS**

For the information requested with regard to the compensation for the Executive Directors, the Non-Executive Directors and the Key Management Personnel and for that concerning the Indemnities to Directors in the event of resignation, dismissal or termination of employment following a public purchase offer (as per Section 123-*bis*, paragraph 1, letter i), of TUF), please refer to the Chapters “Non-Executive Directors Compensation” and “Compensation of Executives with Strategic Responsibilities” of the “Annual Compensation Report” published – within the context of “2016 FinecoBank Compensation Policy” – according to Section 123-*ter* of TUF, to Section 84-*quater* of Issuer Regulation and the provisions set forth in Title IV, Chapter 1, Table 15 of Bank of Italy Circular 263.



## **10. CONTROL AND RISKS COMMITTEE**

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

## **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 organization 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, organizational 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 2015, the Board approved the "*Group Risk Appetite Framework*" Global Policy and new "*2015 FinecoBank Risk Appetite*" (replacing the same document for 2014), which sets out the risk profile in relation to three areas (capital adequacy, profitability and risk, monitoring of specific risks such as credit risk, operational risk, market risk and funding and liquidity), defining reference metrics for each one.

The definition process, revised from the previous version, is structured so as to guarantee consistency with the budget, while 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<sup>1</sup>, 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 organizational unit, the quality and amount of resources of the Compliance function and analyses periodic reports on its controls on non-compliance risk management.

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, already provided in Circular no. 263 of 27 December 2006 – 15<sup>th</sup> 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.

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<sup>1</sup> 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.

## **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 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<sup>2</sup> 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. 285 and with the Global Compliance Rules and Group methods.

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<sup>2</sup>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.

In particular, management of the risk of non-compliance with regulations is carried out through:

- 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. authorizing, 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 annual 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 formalized 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 formalization 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, organizational 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. organizational 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 was appointed by the Board of Directors on 15 April 2014, and subsequently the composition has been modified by the February 8, 2016, Board of Directors resolution, which appointed two "external members" replacing the Independent Director who acted as Chairman of the Supervisory Body, according to the previous Model. Therefore, the Supervisory Body will be, as indicated below, with effect from the date of the Shareholders Meeting called for approving the 2015 financial statement.

<b>NAME AND SURNAME</b>	<b>POSITION</b>
Marianna Li Calzi	(Chairman)
Giancarlo Noris Gaccioli	
Fabio Milanese	GBS Division Manager
Marco Longobardi	Human Resources Manager
Alessandro Carè	Head of internal Audit
Silvio Puchar	Compliance Officer

Compliance Program adopted by the Company, as above described is available on the Issuer web site: [www.fineco.it](http://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, 2010 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 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 Pelliciarì 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. Pelliciarì has gained considerable experience as Chief Financial Officer of FinecoBank and therefore has an excellent knowledge of processes for preparing the Company's accounting and financial documents. She therefore meets the professional requirements established in Article 28 of the Articles of Association.

The Board of Directors also gave Ms. Pelliciarì 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, organization and compliance function to map and analyze 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 standardization 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 formalized information flows on internal regulations and through managerial committees dedicated to control issues.

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

- involvement in the process to define and/or update internal regulations on risks and controls;
- the exchange of information flows, documents or data, as well as access to all resources or company information in line with the control requirements of functions;
- involvement in Board and Managerial Committees, systematically or on request;
- involvement in working parties, which are set up from time to time for risk and control issues.

The purpose of improved interaction between control functions and 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), after the meeting of the Audit and Related Parties Committee, the Board of Directors has approved a specific document "Document on Bodies and functions with supervisory tasks" – sent to all the areas involved – outlining duties, responsibilities of the various Bodies and functions with supervisory tasks and methods of coordination/collaboration and the information flows transferred among them pursuant to Bank of Italy Circular no. 285 of December 17, 2013 (Title IV, Chapter 3).

## 12. DIRECTORS' INTERESTS AND RELATED PARTIES TRANSACTIONS

On September 22, 2015, the Board of Directors approved the adoption of the new procedures to manage transactions with related parties and associated persons ("Procedures for Related Parties and Associated Persons" or "Procedures").

The New Procedures 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 organizational 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;
- organizational 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 New Procedures, to which reference is made for further details, is available on the Issuer's website, [www.fineco.it](http://www.fineco.it).



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Under the principle set out in Article 2391 of the Civil Code concerning the interests of company Directors and the Procedures for Related Parties and Associated Persons, considering that FinecoBank is a banking company also has to comply with Article 136, TUB, according to which officers cannot take on any obligation, directly or indirectly, with the bank they manage, direct or control, unless it is approved unanimously by the supervisory body and with the favorable vote of the members of the controlling body, without prejudice of the requirements of the Civil Code regarding the interests of company Directors.

Accordingly, corporate officers are required to report the names of individuals or companies with whom their entering into relations might constitute an indirect obligation substantially related to the corporate officers.

### **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	DATE OF FIRST APPOINTMENT	% MEETINGS' ATTENDANCE	NUMBER OF OTHER POSITIONS <sup>1</sup>
Gian-Carlo Noris Gaccioli	Chairman	1951	15.04.2014	14.04.2008	100	0
Barbara Aloisi	Statutory Auditor	1967	15.04.2014	17.04.2012	97	2
Marziano Viozzi	Statutory Auditor	1946	15.04.2014	16.04.2013	86	0
Federica Bonato	Stand-in Statutory Auditor	1955	15.04.2014	15.04.2014	=	1
Marzio Duilio Rubagotti	Stand-in Statutory Auditor	1965	15.04.2014	8.05.2012	=	0

<sup>1</sup> 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](http://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 36 times. The average duration of the meetings was approximately three hours and thirty minutes.

For the current year, 24 meetings of the Board of Statutory Auditors have been planned. As of February 8, 2016 a total of 4 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.

During the meeting held on February 3, 2016, 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.

The special authorization procedure set out in Section 136 of TUB applies to obligations of any kind or to purchase/sale agreements executed, directly or indirectly, by the Board of Statutory Auditors members with the bank for which they perform their duties.

## 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.

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The Company has a section on its website [www.fineco.it](http://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 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 authorized 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 authorized 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 shareholders' 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 authorize 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**

Concerning the events occurred after December 31, 2015, it has to be pointed out that, on February 8, 2016, the Board of Directors resolved that, from April 1, 2016, an internal Compliance function must be responsible for the management of non-compliance risk.

## 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 <i>Chairman</i>	Director, Salvatore Maugeri Foundation		x
Francesco Saita <i>Vice Chairman</i>	-	-	-
Alessandro Foti <i>Managing Director and General Manager</i>	-	-	-
Gianluigi Bertolli <i>Director</i>		-	-
Mariangela Grosoli <i>Director</i>	-	-	-
Pietro Angelo Guindani <i>Director</i>	Chairman, Vodafone Italia S.p.A. Director, ENI S.p.A. Director, Salini-Impregilo S.p.A.	- - -	x x x
Girolamo Ielo <i>Director</i>	-	-	-
Marina Natale <i>Director</i>	-	-	-
Laura Stefania Penna <i>Director</i>	Director, BANK PEKAO Director, UBIS	x 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 <i>Chairman</i>	-	-	-
Marziano Viozzi <i>Statutory Auditor</i>	-	-	-
Barbara Aloisi <i>Statutory Auditor</i>	Statutory Auditor, SIAD S.p.A. Statutory Auditor, N&W GLOBAL VENDING S.p.A.	-	x x
Federica Bonato <i>Stand-in Statutory Auditor</i>	Statutory Auditor, Cattolica Assicurazione	-	x
Marzio Duilio Rubagotti <i>Stand-in Statutory Auditor</i>	-	-	-

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

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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 €200,245,793.88 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.

ORDINARY AND EXTRAORDINARY  
SHAREHOLDERS' MEETING

# DIRECTORS' REPORTS



## ORDINARY SHAREHOLDERS' MEETING

ITEM NO. 3 ON THE AGENDA

### DIRECTORS' REPORT

#### 2016 FINECOBANK COMPENSATION POLICY

Dear Shareholders,

We have called this Ordinary Shareholders' Meeting to request your approval of the "2016 FinecoBank Compensation Policy" (hereinafter also "2016 Policy"), set out in the attached document which forms an integral part of the present Report, in compliance with the requirements 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 2015 FinecoBank Compensation Policy approved by the Shareholders' Meeting on April 23<sup>rd</sup>, 2015 ("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, Finance and Network Controls, Monitoring and Service Department functions on the topics by their scope. Shareholders are also invited to consult the information regarding the implementation of the Compensation Policy approved by the Shareholders' Meeting on April 23<sup>rd</sup>, 2015.

#### **FincoBank Compensation Policy**

The key principles of the 2016 Policy, which are confirmed with respect to those approved by Shareholders' Meeting on April 23<sup>rd</sup>, 2015, are described in the 2016 Policy - that were made available to Shareholders and the market - and they are summarised here below:

- (a) the FinecoBank compensation approach is performance and market framework oriented 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 were defined with the aim of ensuring adequate control, coherence and compliance of remuneration framework throughout the Bank;
- (c) the key pillars of the 2016 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, with particular focus on talents and mission-critical resources
- (d) on the basis of these principles, the 2016 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 regulatory requirements provided by European Banking Authority (EBA), FinecoBank 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 2016 Policy. The defined number of Identified Staff in 2016 amounted to 13 employees and 11 Financial Advisors.

Moreover, in line with the indications of national and international regulators, it was considered appropriate within the annual review of policy to highlight in particular:

- i. updates on the regulatory framework as well as the peer group for compensation benchmarking
- ii. the definition of the 2016 Identified Staff population, both employees and Financial Advisors;
- iii. the ratio between variable and fixed remuneration. In particular, the adoption of a maximum ratio of 2:1 did not changed for the employees belonging to business functions, for the rest of the employees, a maximum ratio equal to 1:1 is usually adopted, except for the staff of the Company Control Functions, for which is provided that the variable remuneration could not exceed 33% of the fixed remuneration. 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;
- iv. full description of the new 2016 FinecoBank Incentive System reserved for employees belonging to Identified Staff;
  - v. full description of the new 2016 FinecoBank Incentive System reserved for Financial Advisors belonging to Identified Staff;
  - vi. information about the role and activities of the Remuneration and Appointments Committee in 2015, as well as the role of Compliance, Audit and Risk functions;
  - 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 2015 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 were 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 applicable regulations.

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 23<sup>rd</sup> 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).

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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 “2016 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, all necessary 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 April 14<sup>th</sup>, 2016 to the 2016 Group Compensation Policy, which would render 2016 Policy of FinecoBank no longer consistent with that of the Group.

## ORDINARY SHAREHOLDERS' MEETING

ITEM NO. 4 ON THE AGENDA

### DIRECTORS' REPORT

#### 2016 INCENTIVE SYSTEM

Dear Shareholders,

We have called this Ordinary Shareholders' Meeting to request your approval of the 2016 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 was formulated in compliance with the provisions of section 114-bis of Decree 58 dated February 24<sup>th</sup>, 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 was released pursuant to section 84-bis of the Consob Regulation no. 11971/99 and subsequent amendments, and was made available to the public under the terms of the 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 the Bank of Italy on remuneration and incentives policies and practices, and the directive set by the European Directive 2013/36/EU (Capital Requirements Directive, also known as CRD IV), and by EBA (European Banking Authority) guidelines. Respecting these provisions, FinecoBank 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. 2016 INCENTIVE SYSTEM

##### GOALS

The 2016 Incentive System (hereinafter also “**2016 System**”) aims to attract, retain and motivate 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, regardless, be able to avoid misleading incentives that could drive excessive risks taking for the bank and the system on a whole.

## **BENEFICIARIES**

The potential beneficiaries of the 2016 System, identified in line with the criteria issued by Commission Delegated Regulation (EU) no. 604/2014 of March 4<sup>th</sup>, 2014, are the following:

- the Chief Executive Officer and General Manager (CEO/GM), the Deputy General Managers (DGM), the Executive Vice President (EVP), the Senior Vice President
- Employees with total remuneration more than Euro 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 overall number of beneficiaries as at January 12<sup>th</sup>, 2016 is equal to 13.

## **ELEMENTS OF THE 2016 SYSTEM**

- (a) In line with the same approach adopted in 2015, 2016 System provides for the bonus pool approach for determining variable remuneration to be paid in 2017. The link between profitability, risk and reward is guaranteed by directly linking the 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 2016 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 (as of the 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 defined payment structure requires a retention period on shares (of 2 years for upfront shares and of 1 year period for deferred shares);
  - risk-adjusted metrics in order to guarantee long-term sustainability respecting the company's financial position and ensuring 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 2016 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 pay-outs shall be made over a multi-year period (2017-2022) subject to continuous employment at each date of payment and as follows:
- in 2017 the first instalment of the overall incentive (“1<sup>st</sup> 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 2018-2022 the remaining amount of the overall incentive will be paid in several instalments in cash and/or Fineco free ordinary shares; each subsequent 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);
- (f) The final evaluation of Group sustainable performance parameters and risk-reward alignment will be reviewed by the Remuneration and Appointments Committee and defined by 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:

	2017	2018	2019	2020	2021	2022
CEO/GM and 1 <sup>st</sup> reporting line	20% cash	10% cash	20% shares	10% shares	10% shares	20% cash + 10% shares
Other Identified Staff	30% cash	10% cash	30% shares	10% cash + 10% shares	10% shares	-

- (h) Furthermore, in coherence with 2015, it is provided the introduction of a specific minimum threshold below which deferral mechanism would not apply (equal to Euro 75,000 that will be paid in cash).
- (i) The 2016 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*”), the payment scheme that would be offered will reflect the scheme defined by previous employers, in accordance to actual regulations.

- (j) The number of shares to be allocated in the respective instalments shall be defined in 2017, on the basis of the arithmetic mean of the official closing market price of Fineco ordinary shares during the month preceding the Board meeting that evaluates 2016 performance achievements. The allocation of a maximum number of 335,000 Fineco ordinary shares is proposed, representing about 0.06% of FinecoBank share capital, of which a maximum number of 33,500 Fineco ordinary shares devoted to possible new hiring from external market.
- (k) The FinecoBank ordinary shares to be allocated will be freely transferable.

#### **CHANGES TO THE 2016 SYSTEM**

In order to guarantee the compliance with regulatory and legal requirements (also regarding fiscal matters), to ensure the implementation of the 2016 System, the Chairman and the Chief Executive Officer will be granted with all necessary power of attorney to implement, also separately, any necessary adaptations to the 2016 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 2016 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 2016 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 meeting to execute the actual grant).

It is understood that these amendments will be adopted in any case in accordance with the applicable requirements.

#### **2. SHARES REQUESTED FOR THE 2016 INCENTIVE SYSTEM**

The issue of Fineco free ordinary shares necessary for the execution of the 2016 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 support the 2016 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 € 88,440.00 (attributable entirely to capital

at € 0.33 per share, equal to the par value), corresponding to up to 268,000 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 was registered and therefore, until 2021, in order to assign last share instalment provided for 2022 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 2016 System can be completed.

The issue of free ordinary shares needed for the execution of 2016 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 it will not be possible to issue (fully or partially) the shares to support the 2016 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 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 2016.

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 2016 Incentive System which provides for the allocation of an incentive, in cash and/or Fineco free ordinary shares, to be performed by April 2022, 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, all necessary power of attorney to implement the present approval and the documents which represents part of it, also rendering any amendments and/or integrations which should be necessary to enact the present decisions of today's Shareholders' Meeting (without substantially changed the content of the decisions).



## ORDINARY SHAREHOLDERS' MEETING

ITEM NO. 5 ON THE AGENDA

### DIRECTORS' REPORT

#### 2016 INCENTIVE SYSTEM FOR PERSONAL FINANCIAL ADVISORS

#### (PFA) IDENTIFIED STAFF

Dear Shareholders,

We have called this Ordinary Meeting to request your approval of the 2016 Incentive System for Personal Financial Advisors, aimed at allocating an incentive in cash and/or in FinecoBank free ordinary shares, to be granted over a multi-year period to a selected group of FinecoBank Personal Financial Advisors Identified Staff, according to the conditions described below.

This proposal has been formulated in compliance with the provisions of section 114-bis of Decree 58 dated February 24<sup>th</sup>, 1998, and in accordance with the provisions set forth by Consob with reference to incentive plans based on financial instruments assigned to corporate officers, employees and collaborators; for this purpose, a document describing the details of the incentive systems has been prepared pursuant to Section 84-bis of the Consob Regulation no. 11971/99 and subsequent amendments, and has been made available to the public under the terms of law and reference is made to detailed description of the incentive system described in this report.

The proposal is also in line with FinecoBank Compensation Policy, the indications issued by Bank of Italy<sup>1</sup> on remuneration policies and practices and the direction set by the European Directive 2013/36/UE (Capital Requirements Directive or CRD IV) and by EBA (European Banking Authority) guidelines. With this regards, it should be recalled that FinecoBank, in respect to these provisions, has defined the adoption of a ratio between the variable and the fixed remuneration equal to 2:1 for the Personal Financial Advisors Identified Staff, within the regulatory limit.

#### GOALS

The 2016 Incentive System for Personal Financial Advisors Identified Staff (also the “**2016 PFA System**”) aims to retain and motivate the Personal Financial Advisors, in compliance with national and international regulatory requirements and with the aim to define - in the interest of all stakeholders - incentive systems aligned with long term company strategies and goals, linked to Company results, adjusted in order to consider all

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<sup>1</sup> 7° update of November, 18th, 2014 of “*Disposizioni di vigilanza per le banche*”, Circolare no. 285 of December, 17th, 2013 ( “Nuove Disposizioni”).

kind of risks, in coherence with capital and liquidity levels needed to cover the activities in place and, in any case, able to avoid misleading incentives that could drive excessive risk taking for the bank and the system in its whole.

## **BENEFICIARIES**

The potential beneficiaries of the 2016 PFA System, as provided by the criteria issued by Commission Delegated Regulation (EU) No 604/2014 of March 4<sup>th</sup>, 2014, are:

- Personal Financial Advisors with a total remuneration (“recurring” and “non-recurring”) greater than Euro 750,000 in the last year and with an impact on Bank risk profiles;
- Personal Financial Advisors Area Manager who coordinate a structure to which is linked an overall portfolio equal or greater than 5% of total network assets and with an impact on Bank risk profiles;

The total estimated number of beneficiaries is ca. 10.

## **ELEMENTS OF 2016 PFA SYSTEM**

- (l) The 2016 PFA System is based on the “bonus pool approach” to define variable remuneration to be paid in 2017. The link between profitability, risk and reward is assured by linking directly bonus pool with company results (at Group and local level), cost of capital and relevant risk profiles as stated in the Group Risk Appetite Framework.
- (m) The Bonus pool will be defined based on FinecoBank and Group performance and assigned to beneficiaries according to individual performance.
- (n) The 2016 PFA System - besides its aims to retain and motivate beneficiaries - confirm the alignment of FinecoBank to the most recent national and international regulatory requirements providing for:
- the allocation of a variable incentive defined on the basis of the available bonus pool, of the individual performance evaluation as well as in coherency with the bonus cap set by the Ordinary Shareholder’s meeting;
  - the definition of a balanced structure of upfront (done at the moment of performance evaluation) and deferred payments, in cash and in FinecoBank ordinary shares (also “shares”);
  - the distribution of share payments, coherently with the applicable regulatory requirements regarding the application of share retention periods. The payment structure defined requires a retention period on upfront shares of 2 years and of 1 year for deferred shares;
  - risk adjusted metrics in order to guarantee long-term sustainability with respect to company’s financial position and to ensure compliance with regulatory expectations;



- malus condition (Zero Factor) applies in case specific thresholds (of capital and liquidity) are not met at both FinecoBank and Group levels (at local level it is considered also the profitability). In particular, the Bonus Pool of 2016 will be zeroed.
- (o) Incentive payouts will be made over a multi-year period (2017-2021), as indicated below and provided that the agency relationship of the beneficiaries is in place at the time of each payment:
- in 2017 the first instalment of the overall incentive will be paid in cash (“1st instalment”) in absence of any individual values/compliance breach, considering also the gravity of any internal/external findings (i.e. Audit, Consob and/or analogous local authorities);
  - over the period 2018-2021 the remaining amount of the overall incentive will be paid in several instalments in cash and/or FinecoBank ordinary shares; each further instalments will be subject to the application of the Zero Factor for the year of allocation and in absence of any individual /values compliance breach, considering also the gravity of any internal/external findings (i.e. Audit, Consob and/or analogous local authorities);
- (p) 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 of FinecoBank.
- (q) The percentages of payments in cash and shares are defined as described in the following table:

	2017	2018	2019	2020	2021
Personal Financial Advisors Identified Staff	30% cash	10% cash	30% FinecoBank ordinary shares	10% cash + 10% FinecoBank ordinary shares	10% FinecoBank ordinary shares

- (r) In coherence with 2015, it is foreseen a specific minimum threshold below which deferral mechanism will not be applied (Euro 75,000 that will be paid in cash).
- (s) The number of ordinary shares to be allocated with the third, fourth and fifth instalments will be defined in 2017, on the basis of the arithmetic mean of the official closing price of Fineco ordinary shares during the month preceding the Board resolution that verifies 2016 performance achievements. The estimated allocation is maximum number of 250,000 FinecoBank ordinary shares, representing about 0.04% of FinecoBank share capital.
- (t) The FinecoBank ordinary shares to be allocated will be freely transferable.



THE NEW BANK

#### CHANGES TO THE 2016 PFA SYSTEM

In order to guarantee the compliance with regulatory and legal dispositions (also in fiscal matter), during the implementation of 2016 PFA System, it deems appropriate to empower the Chairman and the Chief Executive Officer and General Manager, also separately, with every opportune power to implement any eventual change to the 2016 PFA System that do not change substantially the content of resolutions of Board and today's General Shareholders' Meeting, also through alternative solutions that fully comply with the principles of 2016 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; 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 closing price of ordinary shares during the month preceding each Board resolution to execute the actual grant; extension of 2016 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 Regulation "Nuove Disposizioni".

Dear Shareholders,

If you agree with the above proposal, you are invited to approve it by adopting the following resolution:

"FinecoBank's ordinary shareholders' meeting, having heard the Board of Directors proposal,

#### RESOLVES

3. to adopt the 2016 Incentive System for Personal Financial Advisors (PFA) Identified Staff which provides for the allocation of an incentive in cash and/or FinecoBank ordinary shares, to be performed by July 2021, to selected PFA beneficiaries in the manner and terms described above;
4. to confer to the Chairman and to the Chief Executive Officer and General Manager, also separately, every opportune power of attorney to implement the present resolution and the documents which represent part of it, also rendering any amendments and/or integrations which should be necessary to enact the present deliberations of today's Shareholders' Meeting (not changing substantially the content of the resolutions).



## ORDINARY SHAREHOLDERS' MEETING

ITEM NO. 6 ON THE AGENDA

### DIRECTORS' REPORT

#### AUTHORIZATION TO PURCHASE AND DISPOSE OF TREASURY SHARES. CONSEQUENT AND INHERENT RESOLUTIONS

Dear Shareholders,

We have called this Ordinary Meeting to request your approval of the authorization to purchase and to dispose of treasury shares. Consequent and inherent resolutions.

#### SUPPLY RELATED TO THE 2016 PFA SYSTEM

In order to acquire the financial instruments needed to carry out the 2016 PFA System for the Personal Financial Advisors, it is needed to propose to the Shareholders' Meeting the authorization, pursuant article 2357 Civil Code, to purchase and to dispose of treasury shares. In this way the Company will have, by purchasing them on the market, the shares needed to support the 2016 Incentive System for PFA through the assignment of those shares to the beneficiaries who have the right to receive them.

Furthermore, the authorization mentioned above, where released, could also meet the following purposes:

- (i) execute, in respect to the applicable provisions, potential investments operations also to limit any irregular movement in trading, to regulate trading and courses trends and to support the share liquidity on the market, in order to foster the regular trading execution above normal market variation linked to the market trend;
- (ii) execute potential capital-related transactions or other operations in relation to which it may be necessary or appropriate to trade or sell parcels of shares by means of exchange, transfer or other method of disposal; and/or
- (iii) purchase treasury shares in order to make medium-term and long-term investments.

The proposal foresees to confer to the Board of Directors the faculty to carry out repeated and subsequent transactions to buy and sell (or other kind of disposals) treasury

shares on a revolving base, also for fractions of the maximum amount authorized, so that, at any time, the number of shares of the purchase proposed and in the Company's ownership does not exceed the limits set by the law and by the authorization provided by the Shareholders' Meeting.

The authorization request is for maximum no. 250,000 ordinary shares, equal to 0.04% of share capital and, therefore, well below the maximum limit of 20% provided by the applicable regulation, also taking into consideration the no. 1,408,834 treasury shares owned by the Company at the date of the present report, equal to 0.2323% of share capital.

The purchase of treasury shares will be executed within the limits of the distributable earnings and of available supply consequent to the last annual report approved at the moment of the disposal of purchasing operations.

An unavailable reserve equal to the amount of treasury shares reported on the annual report has to be established and maintained until shares are transferred or canceled.

The proposal foresees that purchasing and disposition orders of treasury shares have to be made on regulated capital markets, according to art. 132 of the Consolidated Finance Act (TUF) and to art. 144-*bis* (1) (b) of Consob regulation, with the same operational procedures described in the guidelines of organization and management of such markets, in order to guarantee equality in treatment between Shareholders and which do not allow the direct matching of purchase orders against pre-determined sell orders; in particular, these purchases will have to be made:

- (i) by public offering for purchase or trade;
- (ii) on regulated capital markets, according to the operational procedures described in the guidelines of organization and management of such markets, which do not allow the direct matching of purchase orders against pre-determined sell orders;
- (iii) by allocating to Shareholders, proportionally to their own shares, a put option to be exercised during the period of the authorization granted by the Shareholders' Meeting to purchase treasury shares.

Furthermore, purchases related to:

- (i) activity to sustain the market liquidity;
- (ii) purchase of treasury shares to constitute a so-called "securities store"

would be executed also in compliance with the conditions established by market practices according to art. 180, (1), (c), of the Consolidated Finance Act (TUF).

Sell operations of treasury shares in portfolio instead will be executed in the manner deemed recommendable for the Company's interest, including transfer and/or the assignment to execute stock granting incentive plans.

With reference to the amount of the purchasing operations, it is proposed that it

should not be below the nominal per share value, equal to a nominal value of € 0.33 and not above, as a maximum, to the arithmetic mean of the official closing price of Fineco ordinary shares registered in the MTA (“Mercato Telematico Azionario” - Milan Stock Exchange) in the 30 days preceding the purchase, increased by 10%.

Regarding the disposal of the treasury shares, the Board of Directors will establish from time to time criteria for the definition of the corresponding fees and/or modalities, terms and conditions of purpose of treasury shares in portfolio, taking into consideration the procedure followed, the share price trend in the period prior to transactions and the best interest of the Company.

Finally it is proposed that the authorization to purchase is released for a period of 18 months from the date of the Shareholders’ Meeting that passed the resolution for authorization.

Dear Shareholders,

If you agree with the above proposal, you are invited to approve it by adopting the following resolution:

“FinecoBank’s ordinary shareholders’ meeting, having heard the Board of Directors proposal, according to the provisions of articles 2357 and 2357-ter of the Civil Code, 132 D, Legislative Decree n° 58/1998 and 114-bis of Consob Regulation

#### RESOLVES

1. To authorize the purchase and the dispose of a maximum no. of 250,000 treasury shares, equal to a nominal value of € 0.33 each, under the terms and conditions described above, considering that buy back operations of treasury shares could be executed after having received the necessary authorization of the Regulator, according to articles 77-78 Reg. UE n° 575/2013 (CRR) dated June 26<sup>th</sup>, 2013.
2. To confer to the Board of Directors and consequently to the Chairman and to the Chief Executive Officer and General Manager, also separately, every opportune power of attorney to implement the present resolution and to communicate to the market, in accordance with applicable regulations.

## ORDINARY SHAREHOLDERS' MEETING

### ITEM NO. 7 ON THE AGENDA

#### DIRECTORS' REPORT

#### **DETERMINATION OF REMUNERATION DUE TO THE CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS FOR APPOINTMENT AS EXTERNAL MEMBER OF THE SUPERVISORY BODY**

Dear Shareholders,

We have called this Ordinary Shareholders' Meeting to submit to you the proposed determination of remuneration due to the Chairman of the Board of Statutory Auditors, Mr. Gian-Carlo Noris Gaccioli, for appointment as external member of the Supervisory Body.

The Chairman of the Board of Statutory Auditors, in fact, has been appointed, effective as of April 12, 2016, as a new member of the Supervisory Body of the Bank (hereinafter for brevity "Body"), in accordance with the indications contained in the Guidelines of the Parent Company for updating the "Organization, Management and Control Model pursuant to Legislative Decree no. 231/2001 "(hereinafter for brevity "Model"), which provide for a different composition of the Body, i.e the inclusion of two members that do not belong to the Board of Directors ("external members") to replace the Independent Director who, based on the criteria defined in the previous version of the Model, acted as Chairman of the Body. The Chair, instead, has been assigned to another external member, also appointed effective as of April 12, 2016, Mrs. Marianna Li Calzi.

Changing the composition of the Body is justified by the need to better highlight its independence from the corporate hierarchy, in line with the Bank of Italy guidelines.

The Supervisory Body, in its new composition, will remain in office until expiry of the term of office of the Board of Directors currently in office, i.e. with the approval of the financial statements for 2016.

The Board therefore proposes to the Shareholders' Meeting to approve the remuneration due to Mr. Gian-Carlo Noris Gaccioli in the amount of Euro 15,000.00 (fifteen thousand/00) gross per annum, with reference to the office of external member of the Supervisory Body, separate and additional to that already due to the same, according to the resolutions adopted by the Shareholders' Meeting of April 15, 2014, for the office of Chairman of the Board of Statutory Auditors.



Dear Shareholders,

If you agree with the above, we invite you to approve the proposal on the agenda and, therefore, to adopt the following resolution:

“The Ordinary Shareholders' Meeting of FinecoBank S.p.A., having heard the proposal of the Board of Directors,

**RESOLVES**

to determine the remuneration due to Mr. Gian-Carlo Noris Gaccioli in the amount of Euro 15,000.00 (fifteen thousand/00) gross per annum, with reference to the office of external member of the Supervisory Body, separate and additional to that already due to the same for the office of Chairman of the Board of Statutory Auditors.

## EXTRAORDINARY SHAREHOLDERS' GENERAL MEETING

ITEMS NO. 1 AND 2 ON THE AGENDA

### DIRECTORS' REPORT

1. DELEGATION TO THE BOARD OF DIRECTORS, UNDER THE PROVISIONS OF SECTION 2443 OF THE ITALIAN CIVIL CODE, OF THE AUTHORITY TO RESOLVE IN 2021 TO CARRY OUT A FREE CAPITAL INCREASE, AS ALLOWED BY SECTION 2349 OF THE ITALIAN CIVIL CODE, FOR A MAXIMUM AMOUNT OF € 32,789.79 CORRESPONDING TO UP TO 99,363 FINECOBANK ORDINARY SHARES WITH A NOMINAL VALUE OF € 0.33 EACH, WITH THE SAME CHARACTERISTICS AS THOSE IN CIRCULATION AND WITH REGULAR DIVIDEND ENTITLEMENT, TO BE GRANTED TO THE IDENTIFIED STAFF OF FINECOBANK IN EXECUTION OF THE 2015 INCENTIVE SYSTEM; CORRESPONDING UPDATES OF THE ARTICLES OF ASSOCIATION.
2. DELEGATION TO THE BOARD OF DIRECTORS, UNDER THE PROVISIONS OF SECTION 2443 OF THE ITALIAN 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 ITALIAN CIVIL CODE, FOR A MAXIMUM AMOUNT OF € 88,440.00 (TO BE ALLOCATED IN FULL TO SHARE CAPITAL AT € 0.33 PER SHARE, CORRESPONDING TO THE NOMINAL VALUE PER SHARE), CORRESPONDING TO UP TO 268,000 FINECOBANK ORDINARY SHARES WITH A NOMINAL VALUE OF € 0.33 EACH, WITH THE SAME CHARACTERISTICS AS THOSE IN CIRCULATION AND WITH REGULAR DIVIDEND ENTITLEMENT, TO BE GRANTED TO THE IDENTIFIED STAFF OF FINECOBANK IN EXECUTION OF THE 2016 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 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:

1. complete the execution of the 2015 Incentive System (hereinafter the "2015 System") as per the approval of the Shareholders' Meeting of April 23<sup>rd</sup>, 2015, as well as to
2. implement the 2016 Incentive System (hereinafter the "2016 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. DELEGATION FOR CAPITAL INCREASE TO SUPPORT THE 2015 INCENTIVE SYSTEM

As known, on April 23<sup>rd</sup>, 2015 the Ordinary Shareholders' Meeting approved the 2015 Incentive System aimed to incentivize the Identified Staff of FinecoBank, over a multi-year period (2016-2021), through a balanced structure of "upfront" (following the moment of performance evaluation) and deferred payments, in cash and/or in Fineco ordinary shares.



In the same date, the ExtraOrdinary Shareholders' Meeting approved to give to the Board of Directors the power of attorney to issue the necessary free ordinary shares to execute the 2015 System.

Considering that, pursuant to Article 2443 of the Civil Code, the power of attorney to the Directors for capital increase can't have a duration higher than five years from the date of the registration of relevant Shareholders' resolution, during the above mentioned meeting it was anticipated to Shareholders the need to submit to a future Shareholders' Meeting approval the proposed assignment of a further power of attorney to allocate the last share instalment to be executed in 2021, as foreseen by 2015 System.

Having said that, it is submit for the approval of today's meeting the proposal to give to the Board of Directors the power of attorney, that will be executed in 2021, to resolve a free capital increase for a maximum number of 99,363 ordinary shares, corresponding to up to € 32,789.79, calculated on the basis of the par value of Fineco ordinary share equal to € 0.33, consequently amending the Articles of Association.

The above mentioned capital increase 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

## **2. DELEGATION FOR CAPITAL INCREASE TO SUPPORT THE 2016 INCENTIVE SYSTEM**

It has been submitted to the approval of today's Ordinary Shareholders' Meeting the 2016 System based on financial instruments, in order to align shareholders' and management interests, reward long term value creation and motivate and retain key resources of FinecoBank.

The 2016 System aims to incentive in a multi-year period the following employees: Chief Executive Officer and General Manager (CEO/GM), Deputy General Managers (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 overall number of beneficiaries as at January 12<sup>th</sup>, 2016 is equal to 13.

Individual bonuses will be allocated to the beneficiaries of 2016 System based on available bonus pool, individual performance evaluation, internal benchmarking for specific roles and bonus cap as defined by the Ordinary Shareholders' Meeting.

Overall incentive pay-out shall be done over a multi-year period (2017-2022) in a balanced structure of "upfront" (following the moment of performance evaluation) and deferred payments, in cash and in shares:

	2017	2018	2019	2020	2021	2022
CEO/GM and 1 <sup>st</sup> reporting line	20% cash	10% cash	20% shares	10% shares	10% shares	20% cash + 10% shares
Other Identified Staff	30% cash	10% cash	30% shares	10% cash + 10% shares	10% shares	-

The number of shares to be allocated in the respective instalments shall be defined in 2017, 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 2016 performance achievements (the maximum number of shares to support the 2016 System is estimated equal to 335,000).

Considering the number of beneficiaries and the total number of financial instruments to be allocated, the optimal method identified to execute the 2016 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 Italian Civil Code, of a free capital increase, as allowed by section 2349 of the Italian Civil Code, within five years of the date of the Shareholders' resolution, for a maximum amount of € 88,440.00 (attributable entirely to capital at € 0.33 per share, equal to the par value), corresponding to up to 268,000 Fineco ordinary shares, with the same characteristics as those in circulation, with a regular dividend entitlement, to be granted to the above mentioned employees of FinecoBank. 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 Italian 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 2016 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 2016 System through the allocation of a maximum overall number of 67,000 of Fineco ordinary shares, corresponding to a capital increase of a maximum of € 22,110.00.

It is highlighted that a maximum number of Fineco ordinary shares equal to 33,500 will be devoted to possible new hiring of Identified Staff from external market also in reference to the 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 pay-out scheme offered in such cases will mirror the one as defined by the previous Employer and regardless in compliance with actual regulations.

The capital increase 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 support the 2016 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 closing market price of Fineco ordinary shares during the month preceding the Board resolution that evaluates results achieved in 2016.

Should the aforementioned delegation of power of attorney be exercised to its maximum amount, the newly issued shares would represent an overall 0.04% of existing share capital (0.06% considering the maximum number of shares equal to 335,000 which include also the 67,000 shares for the allocation of the last instalments in shares in 2022).

In light of the above, it is proposed to amend Art. 5 of the Articles of Association, including the insertion of an additional paragraph (no. 10). Changes submitted to Shareholders’ approval are shown in the synoptic table below.

CURRENT TEXT	PROPOSED AMENDMENT
<b>TITLE II - SHARE CAPITAL - SHARES - BONDS</b>	
Article 5 1. The fully subscribed and paid-up share capital is € 200,245,793.88 (two hundred million two hundred and forty five thousand seven hundred and ninety three point eight eight), divided into 606,805,436 (six hundred and six million eight hundred and five thousand four hundred and thirty six) ordinary shares with a par value of € 0.33 (point three three) 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	Article 5 (unchanged)          (unchanged)

<p>outstanding and that this is confirmed by a special report prepared by the appointed independent auditors.</p>	
<p>3. Ordinary shares are registered shares.</p>	<p>(unchanged)</p>
<p>4. The shares are indivisible and in the event of joint ownership they shall be regulated according to law.</p>	<p>(unchanged)</p>
<p>5. The extraordinary Shareholders' Meeting may resolve upon the allocation of profits to the employees of the Company in accordance with current regulations.</p>	<p>(unchanged)</p>
<p>6. The Shareholders' service address for their dealings with the Company shall be the address stated in the Shareholders' registry.</p>	<p>(unchanged)</p>
<p>7. The status of shareholder implies unconditional acceptance of the deed of incorporation and of the articles of association.</p>	<p>(unchanged)</p>
<p>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</p>	<p>(unchanged)</p>

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. The Board of Directors, in partial exercise of the powers conferred on the same pursuant to Article 2443 of the Civil Code by the Extraordinary Shareholders' Meeting of June 5, 2014, decided, on February 8, 2016, to increase the share capital by the nominal amount of €95,601.99 (ninety-five thousand six hundred and one point nine nine), corresponding to 289,703 (two hundred and eighty nine thousand seven hundred and three) ordinary shares with par value of €0.33 (point three three) each, to service the implementation of employee incentive schemes.

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

9. The Board of Directors has the right, pursuant to Article 2443 of the Civil Code, to **resolve a free increase in share capital, pursuant to Article 2349 of the Civil Code,** ~~resolve,~~ one or more times and for a maximum period of five years (i) 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 FinecoBank 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~~

<p>the achievement of the overall objectives in execution of the 2015 System.</p>	<p><del>to the Staff of FinecoBank, which covers key positions for the achievement of the overall objectives in execution of the 2015 System.</del> as well as (ii) from the date of the shareholders' resolution dated _____ 2016, for a maximum amount of € 32,789.79 with the issue of up to 99,363 new FinecoBank ordinary shares; attributable entirely to capital at € 0.33 per share, equal to the par value of 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.</p> <p>10. 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 _____ 2016, a free increase in share capital, pursuant to Article 2349 of the Civil Code, for a maximum amount of € 88,440 (attributable entirely to capital at € 0.33 per share, equal to the par value of each), with the issue of up to 268,000 new FinecoBank 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 Identified Staff of FinecoBank in execution of the 2016 System.</p>
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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 2016 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 grant the Board of Directors, under the provisions of section 2443 of the Italian Civil Code, the authority to resolve - in 2021 - a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of € 32,789.79 corresponding to up to 99,363 Fineco ordinary shares, 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 approved by the Ordinary Shareholders' Meeting on April 23<sup>rd</sup>, 2015. 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;
2. further to the resolution passed in point 1, to amend the paragraph no. 9 in clause 5 of the Articles of Association with the following text  
*"The Board of Directors has the right, pursuant to Article 2443 of the Civil Code, to resolve a free increase in share capital, pursuant to Article 2349 of the Civil Code, one or more times and for a maximum period of five years (i) from the date of the shareholders' resolution dated April 23, 2015, for a maximum amount of € 131,159.49, with the issue of up to 397,453 new FinecoBank ordinary shares, as well as (ii) from the date of the shareholders' resolution dated \_\_\_\_\_ 2016, for a maximum amount of € 32,789.79 with the issue of up to 99,363 new FinecoBank ordinary shares; attributable entirely to capital at € 0.33 per share, equal to the par value of 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";*
3. to grant the Board of Directors, under the provisions of section 2443 of the Italian 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 Italian Civil Code, for a maximum amount of € 88,440 (attributable entirely to capital at € 0.33 per share, equal to the par value), corresponding to up to 268,000 Fineco ordinary shares with a nominal value of € 0.33 each, with the same characteristics as those outstanding, with regular dividend

entitlement, to be granted to Identified Staff of FinecoBank, in execution of the 2016 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;

4. further to the resolution passed in point 3, to insert a new paragraph (no. 10) in clause 5 of the Articles of Association with the following text:

*"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 \_\_\_\_\_ 2016, a free increase in share capital, pursuant to Article 2349 of the Civil Code, for a maximum amount of € 88,440 (attributable entirely to capital at € 0.33 per share, equal to the par value of each), with the issue of up to 268,000 new FinecoBank 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 Identified Staff of FinecoBank in execution of the 2016 System";*

5. to delegate to the Board of Directors all the necessary powers for issuing the new shares;
6. to give to the Chairman and to the Chief Executive Officer and General Manager, also separately, all necessary power of attorney to:
  - (i) provide for implementing the above resolutions under the terms of the 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 the terms of the law, with explicit and advanced approval and ratification;
  - (iv) make the consequent amendments to clause 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 4 above.



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

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# 2016 COMPENSATION POLICY

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

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SECTION I

# EXECUTIVE SUMMARY

**FINECO, THE BANK THAT SIMPLIFIES BANKING.**

# SECTION I – EXECUTIVE SUMMARY

## Our Compensation Policy

The implementation of the principles set in our Compensation Policy provides the framework for the design of reward programs across the Bank.

FinecoBank compensation approach, coherent with UniCredit Group one, is compliant with the most recent national and international regulatory requirements and guarantees the link to the performance, the market framework, the alignment with business strategy and the long-term shareholders' interest.

The key pillars of our Compensation Policy (Section II) reflect the most recent regulations in terms of remuneration and incentive policies and practices, in order to build, year-by-year – in the interest of all stakeholders – remuneration systems aligned with long-term strategies and goals. These are linked with company results and adequately adjusted in order to take into account all risks consistent with capital and liquidity levels needed to support all activities and to avoid distorted incentives that could lead to a breach of law or to excessive risk taking.

## Elements of our compensation approach and key results of 2015:

Key elements of 2016 Compensation Policy	Description
<p><b>1. Key pillars</b></p> <ul style="list-style-type: none"> <li>▪ Clear and transparent governance</li> <li>▪ Compliance with regulatory requirements and principles of good professional conduct</li> <li>▪ Continuous monitoring of market trends and practices</li> <li>▪ Sustainable pay for sustainable performance</li> <li>▪ Motivation and retention of all staff, with particular focus on talents and mission-critical resources</li> </ul>	<p><i>Details – Section II</i></p> <ul style="list-style-type: none"> <li>▪ <b>The key pillars of our Compensation Policy</b> ensure a correct definition of competitive compensation levels, internal equity and transparency</li> <li>▪ Compensation Policy is aligned to the latest national and international regulatory requirements. Full compliance of compensation policies and processes is assured through <b>involvement of Company Control Functions</b>: such as <i>Compliance</i> and <i>Risk Management</i>, that also guarantee the coherence with the <i>Risk Appetite Framework</i>, in line with sector regulations<sup>1</sup></li> </ul>

<sup>1</sup> i.e. *Capital Requirement Directive IV (CRD IV)*; *EBA Regulatory Technical Standards (RTS)*; Bank of Italy “*Disposizioni di vigilanza per le Banche*”, 7<sup>th</sup> update to the Circular n. 285 of 17<sup>th</sup> December 2013.

<p><b>2. Compensation benchmarking</b></p> <ul style="list-style-type: none"> <li>Update of the peer group for compensation benchmarking, performed by the independent advisor of the Remuneration and Appointments Committee</li> </ul>	<p><b>Details – Section III paragraph 3</b></p> <ul style="list-style-type: none"> <li>With specific reference to <i>Identified Staff</i> population of FinecoBank, the Remuneration and Appointments Committee identifies, supported by the independent external advisor, the <b>peer group</b>, considering our main Italian and European peers on which compensation benchmarking analysis are performed</li> </ul>
<p><b>3. Identified Staff definition</b></p> <ul style="list-style-type: none"> <li>Application of qualitative and quantitative criteria which are common at European level defined by EBA <i>Regulatory Technical Standards</i></li> </ul>	<p><b>Details – Section III paragraph 5.1</b></p> <ul style="list-style-type: none"> <li>As per Bank of Italy request, also for 2016 the identification of the <b>Identified Staff</b> has followed a structured assessment process both at Group and local level, involving <i>Compliance</i> and <i>Risk Management</i> functions of FinecoBank. The self-evaluation, supported also by the independent external advisor who ensured the compliance, brought to a total number of Identified Staff for 2016 equal to <b>13 employees and 11 Financial Advisors</b></li> </ul>
<p><b>4. Ratio between variable and fixed remuneration</b></p> <ul style="list-style-type: none"> <li>In compliance with the regulatory requirements, the 2:1 ratio represents the maximum limit to the ratio between variable and fixed components of the remuneration for all employees belonging to business functions, including <i>Identified Staff</i></li> </ul>	<p><b>Details – Section II paragraph 3.1</b></p> <ul style="list-style-type: none"> <li>In compliance with applicable regulations, the adoption of a maximum ratio between variable and fixed remuneration of 2:1 has not changed for the employees belonging to the business functions. For the rest of the employees, a maximum ratio between the components of remuneration equal to 1:1 is usually adopted, <b>except for the staff of the Company Control Functions<sup>2</sup>, for which it is provided that the variable remuneration could not exceed 33% of the fixed remuneration</b> and that incentive mechanisms are consistent with the assigned tasks as well as independent of results from areas under their control</li> <li>With reference to applicable regulations, regarding the <b>Financial Advisors belonging to Identified Staff</b>, the 2:1 ratio will be adopted between the non-recurring and the recurring component of the remuneration</li> <li>The adoption of a ratio of 2:1 between variable and fixed compensation don't have any implication on bank's capacity to continue to respect all prudential rules, in particular capital requirements</li> <li>This approach allows FinecoBank to maintain a strong link between pay and</li> </ul>

<sup>2</sup> Meaning *Risk Management, Compliance and Human Resources* functions. *Human Resources* function is considered Company Control Function, as far as remuneration and incentive policies and practices are concerned, pursuant to Bank of Italy Circular nr. 285 of 17 December 2013.

performance, as well as to avoid the rigidity of the cost structure derived from a possible increase of fixed costs and to guarantee the alignment with multi-year performance, avoiding the decrease of deferred compensation

## 5. Incentive system linked to the annual performance for the employees belonging to *Identified Staff*

- The FinecoBank 2016 Incentive System, that confirms the “bonus pool” approach introduced in 2014, provides for a strong link between remuneration, risk and sustainable profitability
- Such system provides for an overall performance assessment both at individual level and at Group and local level

### *Details – Section III paragraph 5.3*

- **Bonus pool** whose size is linked to the Bank profitability; bonus pool adjustments driven by the evaluation of the economy and risk sustainability (alignment to the Bank’s Strategic Plan and to the *Risk Appetite Framework*)
- **Entry conditions:** a 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
- **Bonus allocation:** incentives are allocated taking into consideration the managerial evaluation, the available bonus pool, the individual performance evaluation based on risk-adjusted indicators and a specific reference value for each position
- **Pay-out:** individual bonuses composed of 50% cash and 50% shares; pay-out over a period up to maximum 6 years, ensuring alignment with shareholders’ interests and subject to *malus* and claw-back conditions, as legally enforceable

## 6. Performance measurement

- Review of the “*KPI (Key Performance Indicators), Bluebook*”, that supports manager and incumbent to define the Performance Screen that refers to the annual Incentive System for the employees *Identified Staff*

### *Details – Section III paragraph 5.4*

- The ***KPI Bluebook*** supports the definition of Performance Screens providing a **set of performance indicators and guidelines**. The categories of the main indicators of financial and non-financial Group performance, annually defined within the *KPI Bluebook*, are certified with the involvement of Group functions *Human Resources, Strategy & Finance, Risk Management, Compliance, Group Sustainability, Group Stakeholder and Service Intelligence and Audit*, which reflect the Bank’s core operating profitability and risk profile. This year the *KPI Bluebook* has been structured and clustered on the basis of the different pools used for the bonus pool process and focused on the different Group’s business

## 7. Termination payments

- Continuous alignment with regulations / contract timely in force
- Severance pay-outs take into consideration long-term performance, in terms of shareholder added-value, do not reward failures or abuses and shall not exceed in general 24 months of total compensation in excess of the indemnity in lieu of notice (in case of lack of law / National Labour agreement provisions locally applicable)

### Details – Section II paragraph 3.3

- A **specific Policy** (“**Termination Payments Policy**”) on payments to be agreed in case of early termination of a contract (so called *severance*) was **approved at the 2015 Annual General Meeting**, according to the regulatory requirements issued by Bank of Italy in “*Disposizioni di vigilanza per le banche*” (Circolare no. 285 of 17<sup>th</sup> December 2013, 7<sup>th</sup> update of 18<sup>th</sup> November 2014). For details on criteria, limits and authorization processes, reference is made in the above mentioned Policy

## 8. Incentive system linked to the annual performance for the Financial Advisors belonging to Identified Staff

- The provisions of FinecoBank Compensation Policy also apply to the members of the Financial Advisors' Network, in line with the Advisors' specific remuneration
- The 2016 PFA<sup>3</sup> Incentive System provides for a strong link between remuneration, risk and sustainable profitability
- Such system provides for an overall performance assessment both at individual level and at Group and local level

### Details – Section III paragraph 5.5

- **Bonus pool** whose size is linked to the Bank profitability; bonus pool adjustments driven by the evaluation of the economy and risk sustainability (alignment to the Bank's Strategic Plan and to the *Risk Appetite Framework*)
- **Entry conditions:** a mechanism that determines the possible application of *malus* clause (Zero Factor), on the basis of performance indicators in terms of capital and liquidity defined at both Group and local level (at local level also profitability will be taken into account)
- **Bonus allocation:** incentives are allocated taking into consideration the available bonus pool and the individual performance evaluation based on risk-adjusted indicators
- **Pay-out:** individual bonuses composed of 50% cash and 50% shares; pay-out over a period up to maximum 5 years, ensuring alignment with shareholders' interests and subject to *malus* and claw-back conditions, as legally enforceable

## Our Compensation Disclosure

The **Annual Compensation Report** (Section III) provides the description of our compensation practices and the implementation outcomes of FinecoBank Incentive Systems, as well as remuneration data with a focus on *Identified Staff*, defined in line with regulatory requirements.

Full disclosure on compensation amounts, deferrals and ratio between variable and fixed components of remuneration for the Identified staff is provided in the Annual Compensation Report (paragraph 6.1), including data regarding Directors, General Managers and other Executives with strategic responsibilities. Data pursuant sect. 84-quarter Consob Issuers Regulation Nr. 11971, “Compensation report – Section III”, as well as the information on incentive systems under 114-bis of legislative decree 58/1998 (“*Testo Unico della Finanza*” – “*TUF*”) are included in this document as well as in the annex to the 2016 FinecoBank Compensation Policy, named “*2016 Compensation Systems based on financial instruments*”.

<sup>3</sup> PFA – Personal Financial Advisors.





SECTION II

# COMPENSATION POLICY

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

# SECTION II – COMPENSATION POLICY

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-

# 1. Introduction

Our set of values is based on integrity as a condition to transform profit into value for our stakeholders.

By upholding the standards of sustainability behaviours and values which drive our mission, our compensation strategy represents a key enabler to enhance and protect our reputation and to create long-term value for all stakeholders.

Also through appropriate compensation mechanism, we aim to create a work environment which is comprehensive of any form of diversity and which foster and unlock individual potential, to attract, retain and motivate highly qualified employees, capable of creating a competitive advantage and to reward those who reflect our standards of consistently ethical behaviour in conducting sustainable business.

Relying on our governance model, our Compensation Policy sets the framework for a common and coherent design, implementation and monitoring of compensation practices across our Company that reinforce sound risk management policies and our long-term business strategy. In so doing, we most effectively meet the specific and evolving needs of our different businesses and populations, and ensure that business and people strategies are always appropriately aligned with our remuneration approach.

To ensure the competitiveness and effectiveness of remuneration as well as transparency and internal equity, the **key pillars** of our Compensation Policy were confirmed:

- **Clear and transparent governance**, through efficient corporate and organizational governance structures, as well as clear and rigorous governance and rules.
- **Compliance with regulatory requirements and principles of good professional conduct**, by protecting and enhancing our company reputation, as well as avoiding or managing conflicts of interest between roles within the Bank or vis-à-vis customers.
- **Continuous monitoring of market trends and practices** and awareness of international practices, aimed at sound formulation of competitive compensation as well as at transparency and internal equity.
- **Sustainable pay for sustainable performance**, by maintaining consistency between remuneration and performance, and between rewards and value creation, as well as enhancing both the actual result achieved and the means by which they are achieved.
- **Motivation and retention of all staff, with particular focus on talents and mission-critical resources**, with the aim to attract, motivate and retain the best resources capable of achieving our company mission in adherence to Bank values.

## 2. Governance

Our compensation governance model aims to assure clearness and reliability in the governance processes related to remuneration through a right control of Company's remuneration practices by ensuring that decisions are made in an independent, informed and timely manner at appropriate levels, avoiding conflicts of interest and guaranteeing appropriate disclosure in full respect of the general principles defined by regulators.

### 2.1 Role of the Remuneration and Appointments Committee

The Board of Directors established a Delegation of Powers system to appropriately regulate effective decision-making processes throughout the organization.

In particular, the Remuneration and Appointments Committee is vested with the role of providing advice and opinions submitted to the Board of Directors with regard to FinecoBank Remuneration Strategy, also with the support of Risk and Compliance functions, as well as of an independent external advisor, if required and needed.

The main topics discussed by the Committee are also submitted to the attention of the Board of Statutory Auditors, in advance over their submission to the Board of Directors. The Remuneration and Appointments Committee, instituted in 2014, consists of 3 non-executive members all independent.

As per regulatory requirements, at least one of the Committee's member has an adequate knowledge and experience in finance or remuneration policies.

### 2.2 Market benchmark

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 to the Bodies of the Bank responsible for taking such decisions.

On the basis of constant benchmarking, we aim to adopt a competitive compensation structure for effective retention and motivation of our critical resources, as well as payments consistent with long-term value for stakeholders.

FinecoBank salary and compensation structures defined on the basis of business or market-specific benchmarking must, in any case, be fully aligned with the general principles of the Group Compensation Policy, with particular reference to the pillars of compliance and sustainability.

### 2.3 Definition of FinecoBank Compensation Policy

The FinecoBank Compensation Policy, as drawn up by the *Human Resources* function, with the involvement of *Risk Management, Finance and Network Controls, Monitoring and*

*Service Department* functions for all related aspects, is validated by the *Compliance* 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 the regulatory requirements.

The principles of FinecoBank Compensation Policy, coherently with the Group's ones, are applicable to the entire organization and includes:

- all categories of employees, considering that the Group Compensation Policy, with specific reference to *Identified Staff* defined according to the regulatory requirements of the *European Banking Authority (EBA)*, provides for a centralized, and homogeneous compensation and incentive system guidelines defined at Group level;
- members of the Company's Financial Advisors' Network, in line with the specific pay conditions applicable to them.

## 2.4 Role of *Compliance* function

*Compliance* function<sup>4</sup> operates in close co-ordination with the *Human Resources* function, in order to support the design and the definition of compensation policy and processes and to evaluate them for the profiles in scope.

In particular, *Compliance* function, evaluates, for all aspects that fall within its perimeter, the FinecoBank Compensation Policy and – referring to applicable regulations – the incentive systems for Bank staff as drawn up by *Human Resources* function for the employees and by *Network PFA Department / Network Controls, Monitoring and Service Department* for the Financial Advisors, providing input – as far as it is concerned – for the design of compliant incentive systems.

FinecoBank Incentive Systems are defined with the involvement and collaboration of CRO and CFO functions, for the overall qualitative assessment of economic sustainability and of risk and *Compliance* function to ensure consistency with “*the goal of complying with regulations, articles of association and any other code of ethics or other standards of conduct applicable to the bank, so that legal and reputational risks mostly embedded in the relationship with customers are duly contained*” (ref. Bank of Italy).

In accordance with the regulatory framework and our governance, the guidelines for the definition of the incentive systems for *non-Identified Staff* population are arranged, in collaboration with *Compliance* function:

- by *Human Resources* function for the employees
- by *Network PFA Department / Network Controls, Monitoring and Service Department* for the Financial Advisors

## 2.5 Role of *Risk Management* function

FinecoBank ensure consistency between remuneration and accountable and sustainable risk assumption. This policy is ensured through rigorous governance processes based on informed decisions taken by Corporate Bodies. Compensation plans include the strategic

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<sup>4</sup> A “Compliance Outsourcing agreement” was signed with UniCredit S.p.A.

risk appetite defined by the FinecoBank *Risk Appetite Framework*, which is consistent with Group *Risk Appetite Framework*.

The *Risk Management* function is constantly involved in the definition of the remuneration policy, the incentive system and compensation processes as well as in the identification of objectives and in the performance appraisal. This involvement implies explicit link between the Bank incentive mechanisms, selected metrics of the *Risk Appetite Framework*, the validation of performance and pay, so that the assumption of risk is properly bound to incentives related to risk management.

## 3. Fundamentals

### 3.1 Ratio between variable and fixed remuneration

- Compensation levels and ratio between fix and variable component of overall remuneration for *Identified Staff* are managed and monitored based on our business strategy and also aligned with FinecoBank relative performance over time.
- In compliance with applicable regulations, the adoption of a maximum ratio between variable and fixed remuneration of 2:1 has not changed for the employees belonging to the business functions.
- For the rest of the employees, a maximum ratio between the components of remuneration equal to 1:1 is usually adopted, except for the staff of the Company Control Functions<sup>5</sup>, for which it is provided that the variable remuneration could not exceed 33% of the fixed remuneration and that incentive mechanisms are consistent with the assigned tasks as well as independent of results from areas under their control.
- With reference to applicable regulations, regarding the Financial Advisors belonging to *Identified Staff*, the 2:1 ratio will be adopted between the non-recurring and the recurring component of the remuneration.
- The adoption of a ratio of 2:1 between variable and fixed compensation don't have any implication on bank's capacity to continue to respect all prudential rules, in particular capital requirements.

### 3.2 Sustainability of the variable compensation

- Performance is evaluated in terms of risk-adjusted profitability and provide for risk-weighted systems and mechanisms.
- Incentive systems must not in any way induce risk-taking behaviours in excess of strategic risk appetite; in particular they should be coherent to the *Risk Appetite Framework* ("RAF").

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<sup>5</sup> Meaning *Risk Management*, *Compliance* and *Human Resources* functions. *Human Resources* function is considered Company Control Function, as far as remuneration and incentive policies and practices are concerned, pursuant to Bank of Italy Circular nr. 285 of 17 December 2013.

### 3.2.1 Definition of performance targets

- Consider the customer as the central focus of our mission, placing customer satisfaction in the forefront of all incentive systems, at all levels, both internally and externally;
- design forward-looking incentive plans which balance internal key value driver achievement with external measures of value creation relative to the market;
- use both absolute and relative performance achievement metrics, where relative performance-based measures are based on comparison of achieved results to those of market peers;
- consider performance on basis of annual achievements and on their impact over time;
- include reflection of the impact of individual's / business units' return on the overall value creation of related business groups and organization as a whole;
- maintain an adequate mix of financial and non-financial (quantitative and qualitative) goals, considering also performance objectives as for example risk management, adherence to Company values or other behaviours;
- it is crucial to avoid measures linked to economic results for Company Control Functions (*Risk Management*<sup>6</sup>, *Compliance* and *Human Resources*<sup>7</sup>);
- the approach for Company Control Functions is also recommended where possible conflicts may arise due to the function's activities. In particular, this is the case of functions (if any) performing control activities pursuant to internal / external regulations such as some structures that perform accounting / tax activities<sup>8</sup>.
- assure independence between front and back office functions in order to guarantee the effectiveness of cross-checks and avoid conflict of interest, with a particular focus on trading activities, as well as ensuring the appropriate independence levels for the functions performing control activities;
- set an appropriate mix between short and long-term variable compensation, coherently with the Company strategy, as relevant on the basis of market and business specifics, and in line with long-term interests of the Bank.

### 3.2.2 Performance appraisal

- Base performance evaluation upon profitability, financial strength and other drivers of sustainable business with particular reference to risk, cost of capital and efficiency;
- design flexible incentive systems such as to manage pay-out levels in consideration of Group and FincoBank performance results and individual achievements, adopting a meritocratic approach to selective performance-based reward;
- design incentive systems to set minimum performance thresholds below which zero bonus will be paid. With regard to the Company Control Functions and in order to maintain the adequate independence level and provide a maximum threshold for the progressive reduction of the bonus pool, which can be phased out to zero only

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<sup>6</sup> Where CRO roles cover both *Underwriting* and *Risk Management* functions, goals assigned must not represent a source of conflict of interest between Risk Management and Underwriting activities

<sup>7</sup> *Human Resources* function is considered Company Control Function, as far as remuneration and incentive policies and practices are concerned, pursuant to Bank of Italy Circular nr. 285 of 17 December 2013.

<sup>8</sup> Where CFO roles cover also Financial Statements preparation, possible economic measures have to be chosen in a conflict-avoidance perspective.

in presence of an exceptionally negative situation<sup>9</sup> within an approval process including a governance step in the Board of Directors;

- guarantee that evaluations and appraisals linked to compensation are, as far as possible, available for the scrutiny of independent checks and controls;
- assess all incentive systems, programs and plans against in order to avoid the risk that our Company reputation may be jeopardized.

### 3.2.3 Payment of the variable compensation

- Evaluate the opportunity to phase, as foreseen by regulatory requirements, performance-based incentive pay-out to coincide with the risk timeframe of such performance by subjecting the pay-out of any deferred component of performance-based compensation to the actual sustainable performance demonstrated and maintained over the deferral timeframe, so that the variable remuneration takes into account the time trend of the risks assumed by the Bank (e.g. *malus* mechanisms);
- consider claw-back actions as legally enforceable on any performance-based incentive paid out on the basis of a pretext subsequently proven to be erroneous;
- include clauses for zero bonus in circumstances of non-compliant behaviour or qualified disciplinary action, subjecting pay-out to the absence of any proceeding undertaken by the company for irregular activities or misconduct of the employee with particular reference to risk underwriting, sales processes of banking and financial products and services, internal code of conduct or values breach.

#### *Focus on claw-back*

The Company reserves the right to activate claw-back mechanisms, namely the return of any form of variable compensation already paid (both the immediate and deferred element, to the extent of 100% of the amount awarded) within, as a rule, the deferral period applied to the payment structure of the variable award, unless different provisions by local regulations are in force. This applies in the case of verification of behaviours adopted in the reference period, for which the employee:

- contributed with fraudulent behaviour or gross negligence to incurring significant financial losses, or by his conduct had a negative impact on the risk profile or on other regulatory requirements at Group or local level;
- engaged in misconduct and/or fails to take expected actions which contributed to significant reputational harm to the Bank, or which were subject to disciplinary measures by the Authority;
- is the subject of disciplinary measures and initiatives envisaged in respect of fraudulent behaviour or characterized by gross negligence during the reference period;
- infringed the requirements set out by articles 26 TUB and 53 TUB, where applicable, or the obligations regarding the remuneration and incentive system.

The claw-back mechanisms can be activated also after the employee's contract termination and/or the end of the appointment and take into account the relative legal, contribution and fiscal profiles and the time limits prescribed by local regulations and applicable practices.

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<sup>9</sup> E.g. *Common Equity Tier 1 Ratio Transitional* dropping under the minimum regulatory requirement, in a persistent "recession" scenario.



### 3.3 Termination payments

- According to the regulatory requirements issued by Bank of Italy in “*Disposizioni di vigilanza per le banche*” (Circolare no. 285 of December 17<sup>th</sup>, 2013, 7th update of November 18<sup>th</sup>, 2014), a specific policy (“*Termination Payments Policy*”) on payments to be agreed in case of early termination of a contract (so called *severance*) was approved by 2015 Shareholders’ Meeting. For details on criteria, limits and authorization processes, reference is made in the above mentioned Policy.
- Generally speaking, the calculation of any severance pay-outs prescribed or suggested by the specific market of reference takes into consideration the long-term performance in terms of shareholder added-value, as well as any local legal requirements, collective / individual contractual provisions, and any individual circumstances, including the reason for termination.
- Any severance provision exceeding the ones provided by the Law / National Labor agreement which are locally applicable were avoided. In cases where there is a lack of such regulations, any severance beyond the notice period don’t exceed, as a rule, 24 months of total compensation and are scaled according to the length of employment.
- None of the non-Executive 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.
- As a rule, discretionary pension benefits are not granted and, in any case, even if they may be provided in the context of local practices and/or, exceptionally, within individual agreements, they are paid consistently with the specific and applicable laws and regulations.

### 3.4 Non-standard compensation

- Non-standard compensation are those compensation elements not usually provided under our Compensation Policy and are considered exceptions (for instance welcome bonus, guaranteed bonus, special award, retention bonus, allowance).
- These awards are limited only to specific situations related to hiring phases, launch of special projects, achievement of extraordinary results, high risk of leaving for critical / strategic people / roles.
- Moreover, these awards must in any case be in accordance with regulations time to time in force (e.g. cap on the ratio between variable and fix remuneration, technical features fixed by regulation where applicable for bonus pay-out) and subject to 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.

### 3.5 Compliance Drivers

**To support the design of remuneration and incentive systems, and with particular reference to Company Control Functions, the following “compliance drivers” were defined):**

<ul style="list-style-type: none"> <li>✓ maintenance of an adequate ratio between economic and non-economic goals, depending on the role (in general, at least one goal should be non-economic)</li> </ul>	<ul style="list-style-type: none"> <li>✓ qualitative measures must be accompanied by an <i>ex-ante</i> indication of objective parameters to be considered in the evaluation, the descriptions of expected performance and the person in charge for the evaluation</li> </ul>
<ul style="list-style-type: none"> <li>✓ non-economic quantitative measures should be related to an area for which the employee perceives a direct link between her/his performance and the trend of the indicator</li> </ul>	<ul style="list-style-type: none"> <li>✓ 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)</li> </ul>
<ul style="list-style-type: none"> <li>✓ set and communicate <i>ex-ante</i> clear and pre-defined parameters as drivers of individual performance</li> </ul>	<ul style="list-style-type: none"> <li>✓ avoidance of incentives with excessively short timeframes (e.g. less than three months)</li> </ul>
<ul style="list-style-type: none"> <li>✓ 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</li> </ul>	<ul style="list-style-type: none"> <li>✓ 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</li> </ul>
<ul style="list-style-type: none"> <li>✓ 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</li> </ul>	<ul style="list-style-type: none"> <li>✓ economic goals must be avoided for Company Control Functions<sup>10</sup> and individual goals set for employees in these functions shall reflect primarily the performance of their own function and be independent of results of monitored areas, in order to avoid conflict of interest</li> </ul>
<ul style="list-style-type: none"> <li>✓ define – for personnel providing investment services and activities – incentives that are not only based on financial parameters, but also take into</li> </ul>	<ul style="list-style-type: none"> <li>✓ The approach for control functions is also recommended where possible conflicts may arise due to function’s activities. This is the case in particular of functions of the Company</li> </ul>

<sup>10</sup> Meaning *Risk Management, Compliance and Human Resources* functions. *Human Resources* function is considered Company Control Function, as far as remuneration and incentive policies and practices are concerned, pursuant to Bank of Italy Circular nr. 285 of 17 December 2013. Where CRO roles cover both *Underwriting* and *Risk Management* functions, goals assigned must not represent a source of conflict of interest between Risk Management and Underwriting activities.

account the qualitative aspects of the performance; this in order to avoid potential conflicts of interest in the relationship with customers <sup>11</sup>	(if any) performing control activities pursuant to internal / external regulations <sup>12</sup>
✓ avoidance of incentives on a single product / financial instrument or specific categories of financial instruments, 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
✓ for Commercial Network Roles, goals shall be defined including drivers on quality / riskiness / sustainability of the products sold, in line with client risk profiles. Particular attention shall be paid to the provision of non-economics goals for customer facing roles selling products covered by MiFID Directive; for those Employees, incentives must be set in order to avoid potential conflict of interest with customers	✓ all rewarding system communication and reporting phases shall clearly indicate that the final evaluation of the employee achievements will also rely, according to local requirements on qualitative criteria such as: <ul style="list-style-type: none"> <li>- compliance to external (i.e. laws / regulations) and internal rules (i.e. policies)</li> <li>- mandatory training completion</li> <li>- existence of disciplinary procedures officially activated and/or disciplinary sanctions actually applied</li> </ul>
✓ 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 discretionary approach, the evaluation parameters should be defined <i>ex-ante</i> , should be clear and documented to the manager at the beginning of the evaluation period. Such parameters should reflect all applicable regulation requirements <sup>13</sup> . The results of managerial discretionary evaluation should be formalized for the adequate and predefined monitoring process by the	

<sup>11</sup> 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

<sup>12</sup> E.g. structures that perform accounting / tax activities. Where CFO roles cover also Financial Statements preparation, possible economic measures have to be chosen in a conflict-avoidance perspective.

<sup>13</sup> Also in line with the regulation references reported in the note above.

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 Company’s Bodies. They represent business actions aimed at providing guidance to the sales network towards the achievement of the period’s commercial targets (also intermediate, for instance on a half-year basis) and with a direct impact on the budget and related incentive systems.

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 on 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

## 4. Compensation Structure

### 4.1 Employees

Within the framework provided by the “FinecoBank Compensation Policy”, FinecoBank is committed to ensure fair treatment in terms of compensation and benefits regardless of age, race, culture, gender, disability, sexual orientation, religion, political belief and marital status.

Our total compensation approach provides for a balanced package of fix and variable, monetary and non-monetary elements, each designed to impact in a specific manner the motivation and retention of employees.

In line with the applicable regulations, particular attention is paid to avoid incentive elements in variable compensation which may induce behaviours not aligned with the company’s sustainable business results and risk appetite.

As policy target, total compensation is set around upper quartile, with individual positioning being defined on the basis of specific performance, potential and people strategy decisions.

With particular reference to *Identified Staff*, the Remuneration and Appointments Committee establishes the compensation structure for top positions, defining the mix of fix and variable compensation elements, consistently with market trends and internal analyses performed.

Moreover, the Board of Directors annually approves the criteria and features of *Identified Staff* incentive plans, ensuring the appropriate balance of variable reward opportunities within the pay-mix structure.

Type of remuneration	Purposes	Features
<p><b>4.1.1 Fixed compensation</b></p> <p><b>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</b></p>	<p>Fixed salary is appropriately defined for the specific business in which an individual works and for the talents, skills and competencies that the individual brings to the Bank.</p> <p>The relevance of fixed compensation weight is sufficient to reward the activity rendered even if the variable part of the remuneration package were not paid due to non-achievement of performance goals such as to reduce the risk of excessively risk-oriented behaviours, to discourage initiatives focused on short-term results and to allow a flexible bonus approach.</p>	<p>Specific pay-mix guidelines for the weight of fix versus variable compensation are defined with respect to each target of employee population.</p> <p>With particular reference to <i>Identified Staff</i>, the Remuneration and Appointments Committee establishes :</p> <ul style="list-style-type: none"> <li>▪ 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;</li> <li>▪ the positioning in terms of compensation, in line with relevant market’s competitive levels, defining operational guidelines to perform single compensation reviews as necessary.</li> </ul>

#### 4.1.2 Variable compensation

**The variable compensation includes payments depending on performance, independently from how it is measured (profitability goals, volumes, etc.) or on other parameters (e.g. length of service)**

Variable compensation aims to remunerate achievements by directly linking pay to performance outcomes in the short, medium and long-term, and risk adjusted .

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 pay-outs are an inherent characteristic of well-managed, accountable and sustainable variable compensation, which may be awarded via mechanisms differing by time horizon and typology of reward.
- Incentives remunerate the achievement of performance objectives, both quantitative and qualitative, by providing for a variable bonus payment .
- An appropriately balanced performance-based compensation element is encouraged for all employee categories as a key driver of motivation and alignment with organizational goals, and is set as a policy requirement for all business roles.
- The 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.
- 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.
- More details on the design of remuneration and incentive systems, with particular reference to Control Functions, are reported in the section "*Compliance Drivers*".

**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.

- Pay-out is based on a “*bonus pool*” approach providing for a comprehensive performance measurement at individual and at Group and local level .
- Reward is directly linked to performance, which is evaluated on the basis of results achieved and on the alignment with our leadership model and values.
- The *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.
- For the remaining employees annual incentives are determined on a discretionary basis according to the individual performance appraisal (e.g. *Performance Management*) that foresees a yearly, written, and documented process for the goals setting, self-assessment, managerial assessment and the definition of an individual development plan.
- Where foreseen by regulations, the pay-out is phased to coincide with an appropriate risk time horizon. The design features of incentive plans for *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.
- Each year, detailed information about our compensation governance, key figures and the features of our incentive systems, is fully disclosed in the Annual Compensation Report.
- The individuals’ behaviours (compliance with internal and external rules and regulations, absence of disciplinary actions and completion of mandatory training) are also evaluation elements to assign individual incentives.



<p><b>Long-term loyalty plans</b></p>	<p>The aim of these plans is the allocation of free shares, in order to build retention, subject to the fulfilment of specific sustainability conditions.</p>	<p>In 2014, 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:</p> <ul style="list-style-type: none"> <li>▪ “2014-2017 Multi-year plan Top Management” for the Chief Executive Officer and General Manager and for the Executives with strategic responsibilities;</li> <li>▪ “2014 Plan Key People” for selected people.</li> </ul>
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### 4.1.3 Benefits

<p><b>Benefits include welfare benefits that are supplementary to social security plans and are intended to provide substantial guarantees for the well-being of staff and their family members during their active career as well as their retirement. In addition, special terms and conditions of access to various FinecoBank and UniCredit Banking products and other services may be offered to employees in order to support them during different stages of their lives</b></p>	<p>Benefits aim to reflect internal equity and overall coherence of our remuneration systems, catering to the needs of different categories as appropriate and relevant.</p>	<ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ FinecoBank employees can also join the Group Employee Share Ownership Plan, named “<i>Let’s Share</i>” 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.</li> </ul>
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## 4.2 Financial Advisors

Financial Advisors are tied to the Company by an agency agreement, under which the Advisor is engaged on a permanent basis (without representation) to provide independent services, exclusively for the Bank, for the promotion and placement of financial instruments and Banking / financial services in Italy, as well as insurance and welfare products or any other products indicated in the contract. Advisors are also responsible for diligently monitoring the assistance to the existing and/or allocated customers in order to fulfil the Company's objectives.

In accordance with existing regulations, contractual relationships with customers acquired by the Financial Advisor, and any other that is subsequently allocated, are conducted exclusively between the customer and the Bank.

FinecoBank's Network of Financial Advisors is composed by:

- Financial Advisors
- Group Managers
- Area Managers

Area Managers are responsible for coordinating Advisors in their geographic area, for growing the business and for reaching the targets set by Commercial Department, and are supported by Group Managers.

The Commercial Department uses Company's internal structures, to provide support to the network. Their tasks are to control the local activities and provide support for commercial activity.

As mentioned in the preamble, the provisions of this Compensation Policy also apply to the members of the Financial Advisors' Network, in line with the Advisors' specific remuneration.

Financial Advisors are freelancers and their remuneration is entirely variable. Therefore regulatory requirements, in order to adapt the same employees' rules on compensation structure, based on a fixed and on a variable component, established for Financial Advisors a distinction between a "recurring" and a "non-recurring" pay component.

Type of remuneration	Purposes	Features
<p><b>4.2.1</b> <b>Recurring remuneration</b></p> <p><b>This is the most stable and ordinary part of the total remuneration, equivalent to the fixed salary of employees</b></p>	<p>Recurring remuneration is 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 such as to reduce the risk of excessively risk-oriented behaviours, to discourage initiatives focused on short-term results and to allow a flexible bonus approach.</p>	<ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ Management and maintenance commission, in other words the Financial Advisor monthly remuneration for assistance provided to customers during the contract, commensurate with the average value of the investments and the type of product, paid on an individual basis or as a supplement if the Advisor has coordination tasks.</li> </ul>

#### 4.2.2 Non-recurring remuneration

<p><b>Incentive Systems linked to yearly performance. This is the incentive element, in other words it is tied to reach certain goals, equivalent to the variable compensation of employees</b></p>	<p>Aim to motivate, retain and incentive Financial Advisors and Managers of the Network, maintain full alignment with the regulatory requirements.</p>	<ul style="list-style-type: none"> <li>▪ Pay-out is based on a “<i>bonus pool</i>” approach providing for a comprehensive performance measurement at individual and at Group and local level.</li> <li>▪ Reward is directly linked to performance, which is evaluated on the basis of results achieved.</li> <li>▪ For the Financial Advisors belonging to <i>Identified Staff</i>, a dedicated incentive system (“<i>PFA Incentive System</i>”) was defined, whose pay-out, as foreseen by regulations, is phased to coincide with an appropriate risk time horizon. The design features of the plan is aligned with shareholder interests and long-term, firm-wide profitability of the Bank, providing for an appropriate allocation of a performance related incentive in cash and in shares, upfront and deferred.</li> <li>▪ For all the Financial Advisors not belonging to <i>Identified Staff</i>, specific incentive systems were defined, as, for example, “<i>Incentive Plans for PFA-Area Managers-Group Managers</i>”, “<i>Additional Future Program</i>”, and “<i>Iniziativa Riqualificazione Prodotti Risparmio Gestito</i>”.</li> <li>▪ All the incentive systems provide for <i>ex-ante</i> (“entry conditions”) and <i>ex-post</i> (<i>malus</i> on any deferred components) adjustment mechanisms and claw-back clauses.</li> <li>▪ The individuals’ behaviours (compliance with internal and external rules and regulations and absence of disciplinary actions) are also evaluation elements to assign individual incentives.</li> </ul>
<p><b>Long-term loyalty plans</b></p>	<p>The aim is to retain and motivate Financial Advisors and Managers of the Network.</p>	<p>In 2014, 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:</p> <ul style="list-style-type: none"> <li>▪ “<i>2014 Plan PFA</i>”, subject to the fulfilment of specific performance targets for 2014;</li> <li>▪ “<i>2015-2017 Plan PFA</i>”, subject to the fulfilment of specific performance targets for the period 2015-2017.</li> </ul>



SECTION III

# ANNUAL COMPENSATION REPORT

**FINECO, THE BANK THAT SIMPLIFIES BANKING.**

# SECTION III –

## ANNUAL COMPENSATION REPORT

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# 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 2015 outcomes, as well as *ex-ante* disclosure for 2016 approach, covering our *Identified Staff* population (both employees and Financial Advisors) and Corporate Bodies' members.

Remuneration solutions implemented in 2015 provided for:

- compliance of incentive strategies with all relevant regulations, including deferred pay-outs and incentives based on financial instruments;
- comprehensive performance measurement to foster sound behaviours aligned with different types of risk.

Over the year we constantly kept abreast of ongoing changes in national and international regulations. Among most recent innovations in the regulatory framework, the following is highlight: EBA published on December 21<sup>st</sup>, 2015 the document "*Guidelines on sound remuneration policy*"<sup>14</sup>. Such guidelines would be applied starting from January, 1<sup>st</sup> 2017.

In 2015 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 the remuneration for 2014 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 details referring to Members of Administrative and Auditing bodies, General Manager 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<sup>15</sup>, are included in this report and in the annex to the 2016 FinecoBank Compensation Policy, named "*2016 Compensation Systems based on Financial Instruments*".

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<sup>14</sup> Draft Guidelines on sound remuneration policies under Article 74(3) and 75(2) of Directive 2013/36/EU and disclosures under Article 450 of Regulation (EU) No 575/2013.

<sup>15</sup> Legislative decree no. 58 of February 24th 1998 as well as to the provisions of the issuer "Regulations" adopted by CONSOB with resolution no. 11971 of May 14th 1999 regarding the information to be disclosed to the market in relation to the granting of awarding plans based on financial instruments.

## 2. Governance & Compliance

### 2.1 Remuneration and Appointments Committee

The Remuneration and Appointments Committee, established by the Board of Directors' resolution on May 13<sup>th</sup>, 2014, performs a strategic role in supporting Board of Directors' oversight of FinecoBank Compensation Policy and plans design.

According to the Corporate Governance rules, this Committee is composed by 3 non-executive members, Mr. Gianluigi Bertolli, Mrs. Mariangela Grosoli and Mr. Girolamo Ielo, who met the independence requirements set out in Article 3.C.1 of the Corporate Governance Code and also Article 147 (4) and 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 meetings during 2015.

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.



In 2015 the Remuneration and Appointments Committee met 12 times. The meetings had an average duration of two hours. As of March 2016, 3 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.

From December 2014 on the Committee, by means of its budget assigned for the year, has started a collaboration with an independent external advisor who is invited to the Committee's meeting when required.

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 2015 the Head of *Human Resources* has been always invited to Committee's meetings. The Chairman has also invited the Head of *Legal & Corporate Affairs* to introduce the results of the Board of Directors' self-evaluation process and the Head of *Network Controls, Monitoring and Service Department* to analyse the Stock Granting Plans, Incentive Systems and related rules for the Financial Advisors. The Chairman has also invited the *Internal Audit*<sup>16</sup> function to the meeting related to the annual audit performed on FinecoBank remuneration policies and practices.

During 2015 the key activities of the Remuneration and Appointments Committee included:

KEY ACTIVITIES OF THE COMMITTEE IN 2015	
<b>January</b>	<ul style="list-style-type: none"> <li>▪ 2015 Incentive System for employees belonging to <i>Identified Staff</i></li> <li>▪ Confirmation of the 2:1 ratio between variable and fixed compensation for <i>Identified Staff</i> belonging to business functions</li> <li>▪ 2015 performance goals for <i>Identified Staff</i></li> </ul>
<b>February</b>	<ul style="list-style-type: none"> <li>▪ Bonus Pool 2014</li> <li>▪ Execution of 2014 Incentive System and individual bonuses 2014 for <i>Identified Staff</i></li> <li>▪ Execution of stock granting plans "2014-2017 Multi-year Plan Top Management" and "2014 Plan Key People" for employees</li> <li>▪ Execution of the plan "2014 PFA Plan" for Financial Advisors</li> </ul>
<b>March</b>	<ul style="list-style-type: none"> <li>▪ Evaluation of the independence requirements of the Administrative Bodies as per Article 3 of the Corporate Governance Code and Article 148 (3) of the TUF</li> <li>▪ Report on Corporate Governance and Ownership Structures 2014</li> <li>▪ 2015 Compensation Policy (Annual Compensation Report and Audit report included)</li> <li>▪ Termination Payments Policy</li> <li>▪ Rules of the 2015 Incentive System for employees belonging to <i>Identified Staff</i></li> <li>▪ Definition of 2015 <i>Identified Staff</i></li> <li>▪ 2015 Incentive System for Financial Advisors belonging to <i>Identified Staff</i></li> <li>▪ 2015 Incentive Plans for Financial Advisors (PFA/GM/AM) and related rules</li> </ul>
<b>April</b>	<ul style="list-style-type: none"> <li>▪ Salary review for <i>Identified Staff</i></li> <li>▪ Rules of the 2015 Incentive System for Financial Advisors belonging to <i>Identified Staff</i></li> </ul>
<b>June</b>	<ul style="list-style-type: none"> <li>▪ Change of one entry condition parameter of <i>stock granting</i> plan for employees</li> </ul>
<b>July</b>	<ul style="list-style-type: none"> <li>▪ Execution of the plan "2014 PFA Plan" for Financial Advisors (little amendments to what already approved in the previous meeting)</li> </ul>

<sup>16</sup> Internal Audit function is centralized in UniCredit and works based on a specific service contract.

	<ul style="list-style-type: none"> <li>▪ Rules of the plans “<i>Loyalty Plan</i>” for Financial Advisors and Managers of the Network of FinecoBank</li> <li>▪ Change of entry conditions for the plans “<i>Bonus All in Fee</i>”, “2015 Incentive Plans (Bonus Raccolta Netta)” for Financial Advisors (PFA/GM/AM), “2014 PFA Plan” and “2015-2017 PFA Plan” and related new rules</li> <li>▪ Development plans and succession plans</li> <li>▪ Change of the name of the plans “<i>Loyalty Plan</i>” for Financial Advisors and Managers of the Network of FinecoBank to “<i>Additional Future Program</i>” and related new rules</li> </ul>
<b>September</b>	<ul style="list-style-type: none"> <li>▪ Global Policy “Compensation processes for <i>Identified Staff</i> population”</li> </ul>
<b>November</b>	<ul style="list-style-type: none"> <li>▪ Corrective measures after the results of the Board of Directors’ self-evaluation process made by <i>Egon Zehnder International</i></li> </ul>
<b>December</b>	<ul style="list-style-type: none"> <li>▪ Appointment new Deputy General Manager</li> <li>▪ 2016 performance goals for <i>Identified Staff</i></li> <li>▪ Share Netting / Share Cashing process</li> </ul>

The main topics discussed by the Committee are also submitted to the attention of the Board of Statutory Auditors, in advance over their submission to the Board of Directors.

The following table summarizes the composition of the Committee in 2015 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 01/01/2015 – 31/12/2015)						
Office	Name	Independency according to		*	**	***
		Code	TUF			
<b>Members currently in office</b>						
Chairman	Gianluigi Bertolli	Yes	Yes	C	12	100%
Director	Mariangela Grosoli	Yes	Yes	M	12	100%
Director	Girolamo Ielo	Yes	Yes	M	12	92%
Notes						
(*) In this column is pointed out the office covered in the Committee (C=Chairman; M=Member)						
(**) In this column is pointed out the number of meetings attended during the period when the office has been covered						
(***) 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*

Key contributions in 2015 of FinecoBank *Compliance* function, for all aspects that fall within its perimeter and in collaboration with *Group Compliance*, included:

- validation of the 2015 Compensation Policy submitted to the Board of Directors for subsequent approval of the Shareholders' Meeting on April 23<sup>rd</sup>, 2015;
- validation of the 2015 Incentive System for employees of FinecoBank belonging to *Identified Staff*;
- validation of the 2015 Incentive System for Financial Advisors of FinecoBank belonging to *Identified Staff*;
- preparation – in collaboration with the *Human Resources* function – and distribution of FinecoBank guidelines for the development and management of incentive systems for the population not belonging to *Identified Staff* (ref. *FinecoBank Internal Regulation 23/2015*);
- participation in specific initiatives of *Human Resources* function (e.g.: review of definition of *Identified Staff* for the application of Incentive System).

In 2016, 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 2015 with the involvement of the *Risk Management* function in compensation design and the definition of an explicit framework to base remuneration within an overarching FinecoBank *Risk Appetite Framework*, which is consistent with Group *Risk Appetite Framework*, so that incentives to take risk are appropriately constrained by incentives to manage risk. In particular, the Board of Directors and Remuneration and Appointments Committee draw upon the input of involved functions to define the link between profitability, risk and reward within FinecoBank incentive systems.

### ***Internal Audit of the 2015 FinecoBank remuneration policies and practices***

The Internal Audit function performed the annual audit on FinecoBank variable remuneration system, in consistency with the provisions issued by Bank of Italy.

The objective was to assess the correct implementation of the 2015 remuneration process, verifying the consistency with internal and external regulations. It has been also performed a follow-up of the recommendations issued by the previous audit

The results of the audit have been presented to the Remuneration and Appointments Committee on March 4<sup>th</sup>, 2016.

Audit has been conducted on a population in scope that included the following categories, to whom FinecoBank Compensation Policy applies:

- all the employees belonging to “*Identified Staff*”;
- a sample of no. 180 employees not belonging to “*Identified Staff*” (*below executive*), chosen taking into consideration employees that have received in 2015 an incentive higher than Euro 5.000 (around 17% of the overall population on 31/12/15);
- members of Corporate Bodies;
- the Financial Advisors of the Bank, with particular attention to the “non-recurring” remuneration named “Net Inflows Bonus”, representing around 70% of the total variable compensation paid in 2015.

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, with particular reference to the adherence of the pre-fixed limit of 2:1 (1:1 for the Company Control Functions) for the ratio between variable and fixed remuneration.

Regarding the Financial Advisors Network, it has been suggested to the Management to adopt some improvement actions, focused mainly on the integration of the internal rules of the incentive plans “Bonus Raccolta Netta” with the provision of qualitative goals inspired, *inter alia*, to principles of honesty in the relationship with customers and to adherence to regulatory requirements (e.g. compliance foreseen by MIFID regulation). In particular it is necessary to introduce in all the incentive plans rules:

- goals linked to the fulfilment of the new MIFID questionnaire, released on November 2015, with the adaptation to the rules foreseen by ESMA requirements;
- corrective measures to the incentives to each single Manager in case of behaviour of the coordinated Financial Advisors not compliant with regulations (related to the supervision duties foreseen by the extra responsibility on top of the mandate as Financial Advisor conferred by the Bank.

It is signalled that the improvements proposed have been already accepted by the Management and acknowledged in the 2016 rules.

Regarding the incentive system for the employees, it is necessary to formalize in a more accurate way the goals assigned to below executive population during the Performance Management process.

### 3. Continuous Monitoring of Market Trends and Practices

Key highlights of the Compensation Policy defined this year with the support of external benchmarking and trends analysis provided by the independent external advisor to the Remuneration and Appointments Committee include:

- the definition of Compensation Policy for the *Identified Staff*, both employees and Financial Advisors, with particular reference to the design of the 2016 incentive systems
- the pay recommendations based on specific benchmarking analysis versus our defined peer group to inform any decision.

The peer group used to benchmark compensation policy and practice with particular reference to employees *Identified Staff* has been defined by the Remuneration 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 2016 it has been defined a national peer group that includes:

- some Banks operating in the same industry of FinecoBank or Banks used by financial analysts as comparable, as:
  - Banca Generali and Generali Investments Europe SGR
  - Allianz Bank Financial Advisor
  - Gruppo Mediolanum
  - Azimut
- positions of Asset Management, Wealth Management, Trading internal to national Banks:
  - Banca Popolare Vicenza
  - BNP Paribas (BNP Investment Partners included)
  - BPER
  - Credem
  - Deutsche Bank
  - Gruppo Banco Popolare (*Prospect*)
  - Gruppo Generali
  - ING Direct
  - Gruppo Mediobanca (CheBanca and Banca Esperia)
  - Monte Paschi di Siena
  - Intesa SanPaolo
  - UBI Banca
  - Veneto Banca (*Prospect*)

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.

Only for the Chief Executive Officer and General Manager it will be added also a benchmark with a sample of European Banks with Wealth Management, Asset Management and Private Banking activities, trading platform, on top of a US comparables' analysis.

## 4. Compensation paid to Members of the Administrative and Auditing Bodies, to General Managers and to other Executives with strategic responsibilities

The remuneration for members of the administrative and auditing Bodies of FinecoBank is represented only by a fix component, determined on the basis of the importance of the position and the time required for the performance of the tasks assigned.

This policy applies to non-Executive Directors and to the Supervisory Body members that are not employees of FinecoBank or other Legal Entities of UniCredit Group, as well as to Statutory Auditors.

The compensation paid to non-Executive Directors, to the Supervisory Body members and to the Statutory Auditors is not linked to the economic results achieved by FinecoBank and none of them take part in any incentive plans based on stock options or, generally, based on financial instruments.

BENEFICIARY	REMUNERATION COMPONENT	APPROVED BY	AMOUNT (€)	REMARKS
Non-Executive Directors	Only fixed compensation	Shareholders' Meeting and Board of Directors of April 15th, 2014	Compensation for each year of activity: <ul style="list-style-type: none"> <li>▪ € 290.000 for the Board of Directors<sup>1</sup></li> <li>▪ € 50.000 for Board Committees</li> <li>▪ € 20.000 for the Chairman of the Supervisory Board</li> <li>▪ € 300 as attendance fee for participating to each meeting of<sup>2</sup>:               <ul style="list-style-type: none"> <li>- Board of Directors</li> <li>- Board Committees</li> </ul> </li> </ul>	The compensation is determined on the basis of the importance of the position and the time required for the performance of the tasks assigned.
		Board of Directors of April 15th, 2014, pursuant to sect. 2389 of the Civil Code par. 3 and Articles of Association, heard the opinion of Statutory Auditors	<ul style="list-style-type: none"> <li>▪ € 200.000 for each year of activity<sup>3</sup>, split between:               <ul style="list-style-type: none"> <li>- Board Chairman</li> <li>- Board Vice Chairman</li> </ul> </li> </ul>	
Statutory Auditors	Only fixed compensation	Shareholders' Meeting of April 15th, 2014	Compensation for each year of activity <sup>3</sup> : <ul style="list-style-type: none"> <li>▪ € 50.000 for the Chairman of Board of Statutory Auditors</li> <li>▪ € 40.000 for each Standing Auditor</li> <li>▪ € 300 as attendance fee for participating to each meeting of the Board of Directors<sup>2</sup></li> </ul>	
Executives with strategic responsibilities <sup>4</sup>	Fixed and variable compensation	Board of Directors	2015 Compensation level: <ul style="list-style-type: none"> <li>▪ € 850.000 fixed + € 850.000 2015 bonus for the CEO and General Manager</li> <li>▪ € 1.648.000 fixed + € 1.485.000 2015 bonuses for the other 5 Executives with strategic responsibilities</li> </ul>	For 2015 fixed and variable remuneration components of the CEO/General Manager and of the other Executives with strategic responsibilities are balanced, through the <i>ex-ante</i> definition of the maximum ratio between variable and fixed remuneration component.
1. Total compensation for the entire Board of Directors (Executive Directors included) approved by the Shareholders' Meeting is equal to € 370.000. 2. Even if these meetings held in the same day. 3. 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. 4. The Board of Directors has identified as "Executives with strategic responsibilities" – to the ends of the application of all statutory and regulatory instructions – the Chief Executive Officer and General Manager, the Deputy General Manager and Head of Global Banking Services, the Deputy General Manager and Head of Direct Banking, the Head of Commercial PFA Network, the Head of Investment Services and Wealth Management as well as the Chief Financial Officer.				

### Further details on compensation of Executives with strategic responsibilities

For 2015, according to our Compensation Policy, in line with regulatory provisions, it has been defined *ex-ante* the maximum ratio between variable and fix component of the compensation both for the Chief Executive Officer and General Manager (the sole executive director sitting on the Board of Directors and employee of the Company) and for the other Executives with strategic responsibilities.

The balance between variable and fixed components has been defined considering also the Company's strategic goals, risk management policies and other elements influencing firm's business.

With reference to the above table, for Executives with strategic responsibilities it is specified that:

- the fix component is defined taking into opportune consideration market information and in such a way to be sufficient to reward the activity rendered even if the variable part of the remuneration package were not paid due to non-achievement of performance goals;
- in line with the latest regulatory requirements, the Chief Executive Officer and General Manager – as well as the Executives with strategic responsibilities – have a balanced part of their remuneration linked to the overall profitability of FinecoBank and the Group, weighted by risk and cost of capital, as well as sustainability goals (based on capital and liquidity ratios) of FinecoBank and the Group.

The variable compensation considers the achievement of specific goals which are previously approved by the Board of Directors upon proposal of the Remuneration and Appointments Committee and heard the opinion of Board of the Statutory Auditors, as appropriate.

In particular, *ex-ante* defined specific metrics that reflect categories of our FinecoBank *Risk Appetite Framework*, which is consistent with *Group Risk Appetite Framework*, align the remuneration of the Chief Executive Officer and General Manager and of the others Executives with strategic responsibilities to sustainable performance and value creation for the shareholders in a medium / long term perspective. Specific individual goals are set out taking into consideration the market practices and the role assigned within the Bank, through the systematic use of specific indicators aimed at strengthening the sustainability of business, such as, for example, 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](#)

It is also foreseen the deferral in cash and shares of minimum 60% of the incentive. All the instalments are subject to the application of *malus* and/or claw-back conditions, if legally enforceable. 2015 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 2015 incentive plan implementation and outcomes are provided further in chapter 5.2.](#)

The Chief Executive Officer and General Manager, on top of 2015 Incentive System, benefits also from:

- “2012 Group Incentive System – Executive Vice President”
- “2013 Group Incentive System – Executive Vice President & Above”
- “2014 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.](#)

The measure and duration of the deferral are aligned with the provisions set by regulators and are consistent with the characteristics of the business and with the Company's risk profiles.

For the Heads of the Company Control Functions the goals, pursuant to the provisions of Bank of Italy, are established by the Board of Directors in line with the tasks assigned to them and avoiding, unless good reasons exist, goals connected to the Bank's performance.

***Indemnities to directors in the event of resignations, dismissal or termination of employment following a public purchase offer (as per section 123/bis, paragraph 1, letter i), of TUF):***

None of the Directors have contracts containing clauses envisaging the payment of indemnities, or the right to keep post-retirement benefits, in the event of resignations or dismissal / revocation without just cause or if the employment relationship is terminated following a public purchase offer. In case of early termination of the mandate, the ordinary law provisions would therefore apply.

The individual employment, as Executive, of the Chief Executive Officer and General Manager, Mr. Alessandro Foti, is today governed - also with regards to the event of resignations, dismissal / revocation or termination - by the ordinary provisions of the law and National Labor Agreement for Banking Industry Executives dated February 29, 2012 renewed with the Agreement dated July 13, 2015. In such context, the annual remuneration used to define the possible indemnity due in the above mentioned instances would include the fix remuneration, any other continuative compensation and the average of the variable pay (inclusive of the components paid in equity - such as for example free shares, restricted shares, performance shares - with the only exclusion of the valorisation of the stock options potentially assigned within long-term incentive plans) received in the last three years prior to the termination. The actual amount of such indemnity – in terms of months of compensation considered – is then bound to vary depending on the events which led to the termination and on the relationship's duration and is anyway subjected to provisions of the "Termination Payments Policy" of FinecoBank approved by Shareholders' Meeting on April 23<sup>rd</sup>, 2015.

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.



## 5. Compensation Systems

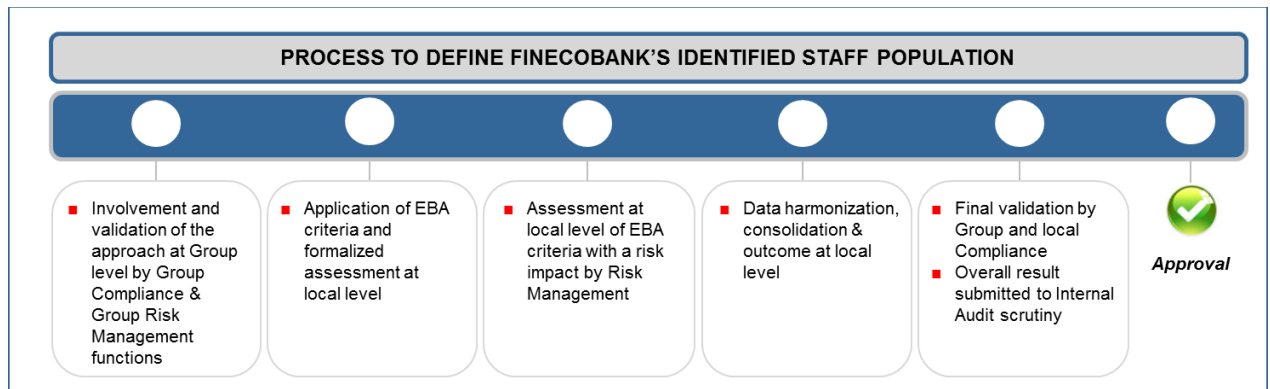
### 5.1 Target population

FinecoBank, starting from 2014 conducted, in alignment with specific regulation, the annual self-evaluation process to define *Identified Staff* population, both employees and Financial Advisors, to whom, according to regulators, specific remuneration rules apply

The identification of 2016 *Identified Staff*, pursuant to the European criteria foreseen in the *European Banking Authority Regulatory Technical Standard (RTS)*<sup>17</sup>, followed a structured and formalized assessment process both at Group and local level, based on the guidelines provided by the Group functions *Human Resources* with the contribution of *Risk Management* and *Compliance*, to guarantee a unique and common approach at Group level.

At local level, the control functions mentioned above have been appropriately involved for their respective areas of competence.

The recognition of employee with significant impact on Group and local risk took into account the role, the decision-making power, the effective responsibilities of the employees and of the Financial Advisors and, in addition, the total compensation level.



The result of the assessment process, submitted to Internal Audit scrutiny and documented into FinecoBank Compensation Policy, brought to the identification of a total number of 13 employees and 11 Financial Advisors for 2016<sup>18</sup>.

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 confirmed for 2016 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 2015 are disclosed in chapters 6 e 7.](#)

<sup>17</sup> 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.

<sup>18</sup> *Identified Staff* data refers to the population at the date of January 2016, providing for an *ex-ante* definition, in line with regulatory requirements.

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 2016 as *Identified Staff*:

- for the single PFA the criteria above mentioned has been applied selecting those Advisors who have a total yearly compensation higher/equal to Euro 750,000;
- for PFA who have a managerial role have been selected Managers that coordinate Advisors with a total asset higher/equal to 5% of the total asset of the PFA Network.

## 5.2 Implementation and Outcomes of 2015 Incentive Systems

### 5.2.1 2015 Incentive System for employees belonging to *Identified Staff*

The 2015 Incentive System, approved by FinecoBank Board of Directors on January 22<sup>nd</sup>, 2015, provides for a "*bonus pool*" approach which directly links bonuses with Company results at Group and local level, ensuring the link between profitability, risk and reward.

The System, implemented within the framework of our policy and governance, provides for the allocation of a performance related bonus in cash and/or free ordinary shares over maximum 6 years.

#### ***Bonus pool sizing***

The bonus pool dimension is related to the actual profitability measure multiplied for the percentage of the bonus pool funding rate defined in the budgeting phase.

This calculation determines the so called "theoretical bonus pool", that, during the year of performance, has been adjusted based on the effective performance trend.

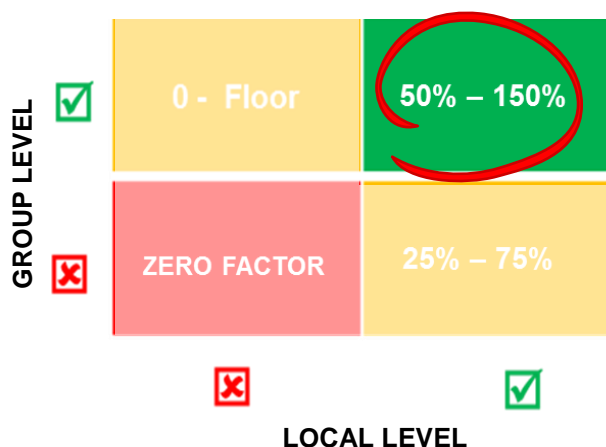
#### ***2015 Entry conditions at Group and local level***

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 2015 Incentive System as defined within the Entry Conditions that confirm, reduce or cancel upfront and deferred pay-outs include:

Group level	Local level
Net Operating Profit adjusted $\geq 0$ and	Net Operating Profit adjusted $\geq 0$ and
Net Profit $\geq 0$ and	Net Profit $\geq 0$
Common Equity Tier 1 ratio transitional $\geq 7\%$ and	
Cash Horizon $\geq 90$ days	

- **Net Operating Profit adjusted** to measure the profitability, is the NOP excluding income from buy-back of own debt and from the fair value accounting of own liabilities.
- **Net Profit** to measure profitability considering the results stated in the balance sheet excluding any extraordinary item as considered appropriate by the Board of Directors upon Remuneration and Appointments Committee proposal.
- **Common Equity Tier 1 Ratio Transitional** to measure the bank's solidity in terms of highest quality common equity introduced by Basel 3, consistent with regulatory limits and conservation buffers.
- **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 8<sup>th</sup>, 2016, and by the Board of Directors of UniCredit on February 9<sup>th</sup>, 2016, 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



The Entry Conditions were achieved both at Group and local level.

Therefore, no *malus* condition is activated both for 2015 incentive and installments referred to previous years deferral.

### 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 (Risk Appetite Framework)*, to evaluate risk sustainability
- performance indicators connected with the Multi-Year Strategic Plan, to evaluate the financial sustainability

### ***Evaluation and pay-out for Identified Staff***

In line with FinecoBank governance, 2015 evaluations and pay-outs for Chief Executive Officer and General Manager, Deputy General Managers, other Executives with strategic responsibilities and other *Identified Staff* have been approved by the Board of Directors, based on favourable advice of Remuneration and Appointments Committee

The Board of Directors of FinecoBank on February 8<sup>th</sup>, 2016, has approved the allocation of a total number of shares equal to 210.288 to be assigned in 2018, 2019, 2020 and 2021.

### **5.2.2 2015 Incentive System for Financial Advisors belonging to *Identified Staff***

The 2015 Incentive System PFA, approved by FinecoBank Board of Directors on March 10<sup>th</sup> 2015, takes into consideration the most recent national and international regulatory requirements and directly links bonuses with the objectives of growth in the medium and long term, in a general framework of overall sustainability.

The System, implemented within the framework of our policy and governance, provides for the allocation of a performance related bonus in cash and/or Phantom shares over 5 years.

Based on the effective results approved by the Board of Directors of FinecoBank on February 8<sup>th</sup>, 2016, all entry conditions were achieved and was approved the allocation of a total number of Phantom shares equal to 45.171 to be assigned in 2018, 2019 and 2020.

### **5.3 2016 Incentive System for employees belonging to *Identified Staff***

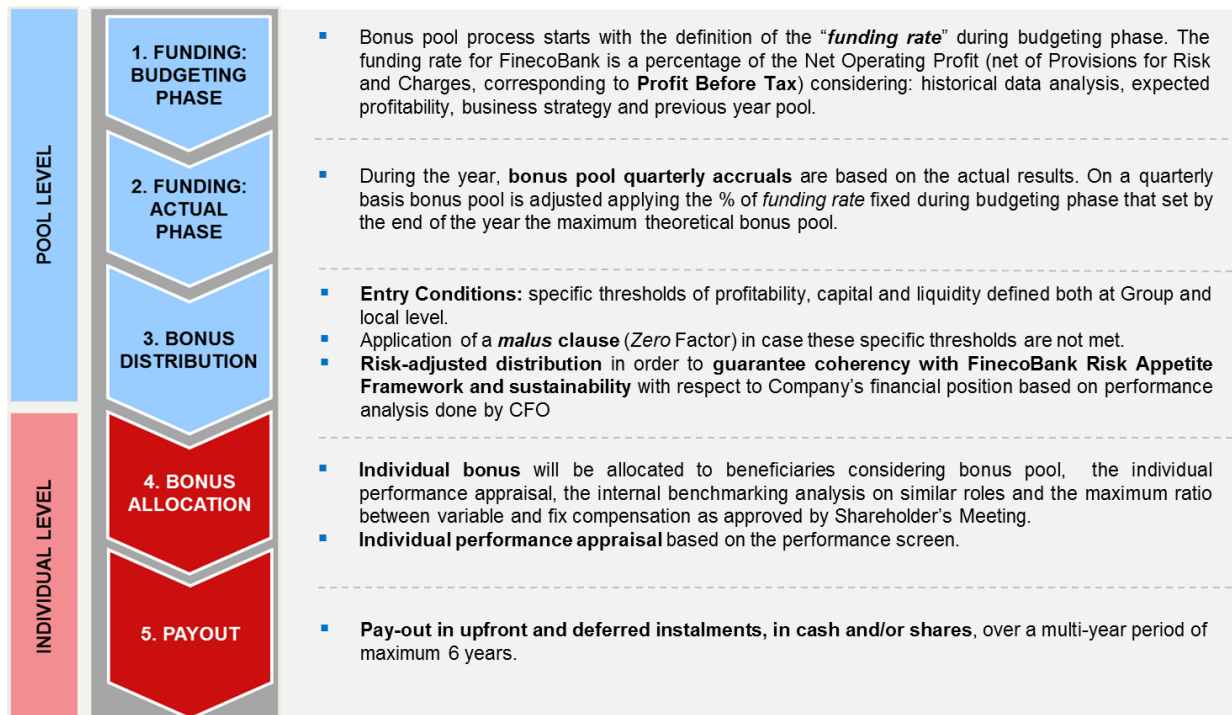
As in the past years, the 2016 Incentive System, as approved by the Board of Directors of FinecoBank on January 12<sup>th</sup>, 2016, is based on a "*bonus pool*" approach which takes into consideration most recent national and international regulatory requirements and directly links bonuses with Company results at Group and local level, ensuring the link between profitability, risk and reward.

In particular, the system provides for:

- allocation of a variable incentive defined on the basis of the determined bonus pool, of the individual performance appraisal and of the internal benchmarking on similar roles as well as compliant with the ratio between fixed and variable remuneration approved by the Shareholder's Meeting;
- definition of a balanced structure of "upfront" (following the moment of performance evaluation) and "deferred" payments, in cash and 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. In fact the

- payment structure defined requires a retention period on shares (of 2 years for upfront shares and of 1 year for deferred shares);
- risk adjusted measures in order to guarantee long-term sustainability, regarding Company financial position and to ensure compliance with regulations;
  - a *malus* clause (Zero Factor) which applies in case specific thresholds (profitability, capital and liquidity) are not met at both Group and local level. In particular, the bonus pool of 2016 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.

The bonus pool process includes the following steps:



### 1. FUNDING: BUDGETING PHASE

- Bonus pool process starts with the definition of the “funding rate” during budgeting phase. The funding rate for FinecoBank is a percentage of the Net Operating Profit (net of Provisions for Risk and Charges, corresponding to Profit Before Tax) considering: historical data analysis, expected profitability, business strategy and previous year pool. The bonus pool is submitted for approval to the Board of Directors of FinecoBank.

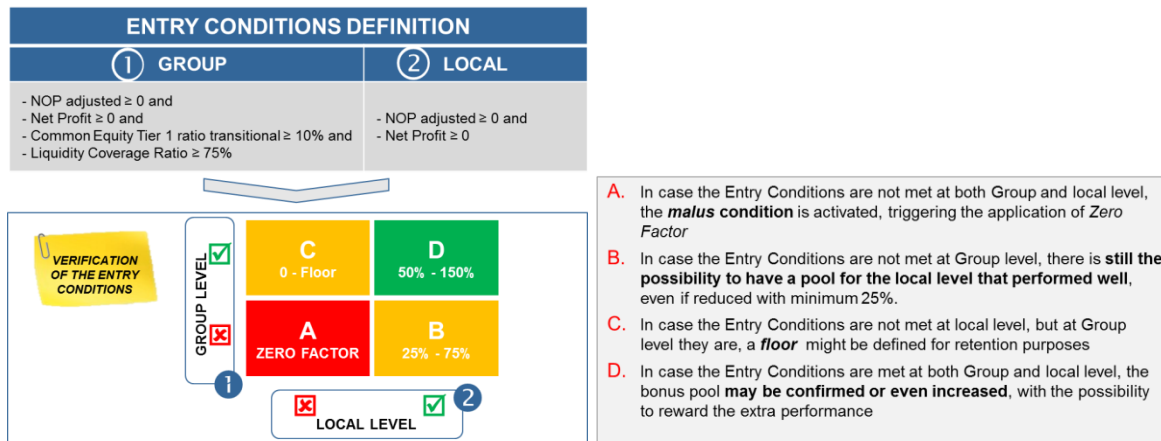
### 2. FUNDING: ACTUAL PHASE

- During the year of performance, quarterly accruals are based on the actual results;
- on a quarterly basis bonus pool is adjusted applying the % of *funding rate* fixed during budgeting phase that set by the end of the year the maximum theoretical bonus pool.

### 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 year forecast – risk-adjusted – both at Group and local level.

The Entry Conditions are 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.



- *NOP adjusted*: Net Operating Profit (NOP) excluding income from buy-back of own debt and from the fair value accounting of own liabilities.
- *Net Profit*: Net Profit stated in the Balance Sheet, excluding any extraordinary items as considered appropriate by the Board of Directors upon Remuneration and Appointments Committee proposal.
- *Common Equity Tier 1 Ratio Transitional*: the level of CET1 Ratio transitional, certified by Group CFO, ensures the alignment with the threshold set as the outcome of the SREP process (Supervisory Review and Evaluation Process) coordinated by the European Central Bank. The level of 10% includes also the 0,25% buffer set for systemically relevant banks for 2016.
- *Liquidity Coverage Ratio*, aims to ensure that banks maintain an adequate level of not restricted "High Quality Liquid Assets" in a sufficient quantity to cover the overall 'Net Cash Outflows', over a period of thirty days, under gravely stressed conditions specified by Supervisors.

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<sup>19</sup> whereas for the rest of the population it could be applied a Zero Factor or it could be allocated a discretionary pool for retention purposes and/or to maintain the minimum pay levels needed to play in the market. 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 entry conditions are met at local level (boxes B and D of the matrix included in the scheme “Entry Conditions definition”), bonus pool adjustments will be applied within

<sup>19</sup> The bonus pool of 2016 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.

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 (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 performance analysis on the main performance and sustainability KPIs defined in the local and Group performance dashboard.

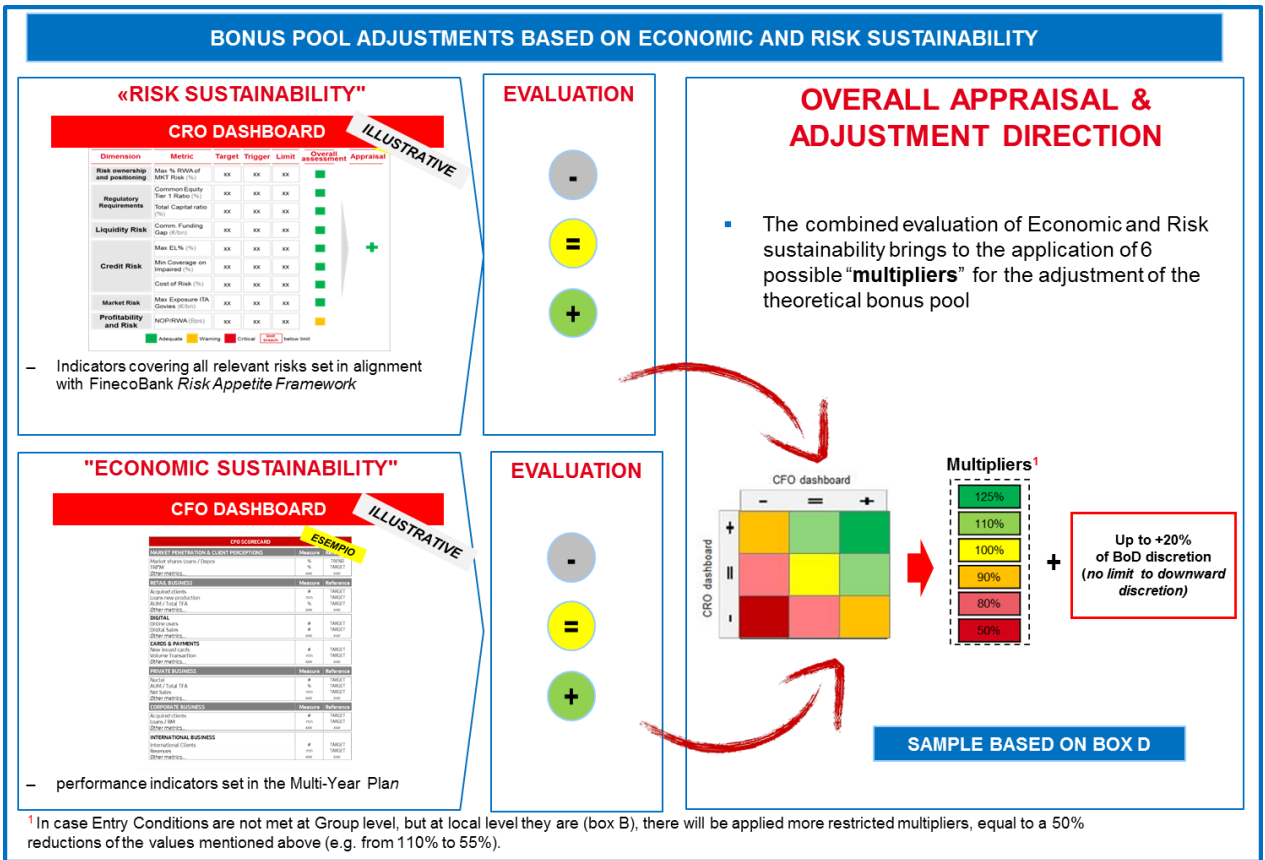
**SAMPLE**

CRO DASHBOARD				
Dimension	Metric	Target	Trigger	Limit
<b>Risk Ownership and positioning</b>	Max RWA of MKT Risk (%)	XX	XX	XX
<b>Regulatory Requirements</b>	Common Equity Tier 1 Ratio (%)	XX	XX	XX
	Total Capital ratio (%)	XX	XX	XX
<b>Profitability and Risk</b>	Net Operating Profit/RWA(%)	XX	XX	XX
<b>Control on specific risks</b>	<b>Credit Risk</b>			
	Max EL% (%)	XX	XX	XX
	Min Coverage on Impaired (%)	XX	XX	XX
	Cost of Risk (bps)	XX	XX	XX
<b>Operational</b>	Perdite Op. / Margine di Int. (%)	XX	XX	XX
<b>Liquidity</b>	Structural Ratio (%)	XX	XX	XX

**SAMPLE**

FINECO		
MYP Scorecard as of CFO		
	REF. TARGET	REF. VALUE
<b>Δ Clients (#/1000)</b>	<i>vs Target</i>	XX
<i>o/w Δ managed by PFAs</i>	<i>vs Target</i>	XX
<b>Recruited PFA (#/1000)</b>	<i>vs Target</i>	XX
<b>Market Share Assoreti TFA</b>	<i>vs Trend</i>	XX
<b>AUM / Total TFA (%)</b>	<i>vs Target</i>	XX
<b>Guided Products / TFA (%)</b>	<i>vs Target</i>	XX
<b>Net Sales (mn)</b>	<i>vs Target</i>	XX
<i>o/w AUM</i>	<i>vs Target</i>	XX
<i>o/w Guided products</i>	<i>vs Target</i>	XX
<b>Net Sales PFA (mn)</b>	<i>vs Target</i>	XX
<i>o/w Net Sales from PFA recruited in curr. year</i>	<i>vs Target</i>	XX
<b>Transactions (#/1000)</b>	<i>vs Target</i>	XX
<b>Loans volumes eop(mn)</b>	<i>vs Target</i>	XX
<b>TRI*M</b>	<i>vs Trend</i>	XX

The relevant overall assessment on the CRO and CFO evaluations brings to the definition of a “multiplier” to be applied to adjust the bonus pool; the application of a further discretionary range, up to +20%, in the faculty of Board of Directors, while no limits to downward discretionally the bonus pool with respect to theoretical value is foreseen:



<sup>1</sup> In case Entry Conditions are not met at Group level, but at local level they are (box B), there will be applied more restricted multipliers, equal to a 50% reductions of the values mentioned above (e.g. from 110% to 55%).

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 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.

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.

The Board of Directors does not take into account, when deciding bonus, balance sheet extraordinary items which do not impact operational performance, regulatory capital and liquidity (e.g. goodwill impairment, extraordinary contributions to deposit guarantee schemes, etc.).

Moreover, following potential changes in current regulations and/or in relation to potential extraordinary and/or unpredictable contingencies which can impact the Group, the Company or the market in which it operates, the Board of Directors, having heard the opinion of Remuneration 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 2016 performance screen: a minimum of 4 individual goals 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<sup>20</sup>. All goals carry the same weight for evaluation purposes. 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 values scale with a descriptive outcome (from "Below Expectations" to "Greatly Exceeds Expectations").

**EXAMPLE OF 2016 PERFORMANCE SCREEN**

#	GOAL	PERIMETER	TARGET	LINK TO 5 FUNDAMENTALS	
1	Goal 1 <small>RISK ADJUSTED</small>	FinecoBank	vs. budget	People & Business Development	
2	Goal 2 <small>RISK ADJUSTED</small>	FinecoBank	vs. qualitative assessment based on CRO report	Risk Management	
3	Goal 3	FinecoBank	vs target	Execution & Discipline	
4	Goal 4	FinecoBank	vs. qualitative assessment	Client Obsession	
5	Goal 5	FinecoBank	vs. budget	Cooperation & Synergies	

**LEGEND:**

sustainability drivers

Risk adjusted KPI

**EXAMPLE OF 2016 APPRAISAL**

Individual bonus allocated managerially considering also the individual actual performance and merit

## 5. BONUS PAY-OUT

- As approved by the Board of Directors of January 12<sup>nd</sup>, 2016, with reference to pay-out structure, the *Identified Staff* population will be differentiated into two clusters, using a combined approach of banding and compensation:
  - CEO/GM and 1st reporting line: 5 years deferral scheme;
  - Other *Identified Staff*: 3 years deferral scheme.
- The pay-out of incentives will be done through upfront and deferred instalments, in cash

### REGULATORY REQUIREMENTS

- The payment structure of 2016 Incentive System has been defined in line with the applicable regulatory requirements:
  - 5-year deferral period maintained only for Top Management and selected key senior roles. In general a deferral period from 3 to 5 years is required, and the request for 5 years is limited to «high earners», Top Management and Head of key business lines as well as the direct reports to strategic supervisory, management and control bodies
  - minimum 50% of bonus to be allocated in shares or other financial instruments
  - minimum 40% of bonus to be paid out under a deferral period (minimum 60% for specific positions and particularly high amounts)
  - 2 years minimum retention period for the upfront shares and shorter retention period (1 year) for the deferred shares

<sup>20</sup> 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.

or in Fineco ordinary shares, up to a maximum 6-year period:

- in 2017 the first instalment of the total incentive will be paid in cash in absence of any individual / values compliance breach<sup>21</sup>;
- over the period 2018-2022 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<sup>21</sup>;

	2016	2017	2018	2019	2020	2021	2022
CEO/GM AND 1st REPORTING LINE	PERFORMANCE YEAR	20% UPFRONT CASH	10% DEFERRED CASH	20% UPFRONT SHARES	10% DEFERRED SHARES	10% DEFERRED SHARES	20% DEFERRED CASH 10% DEFERRED SHARES
OTHER IDENTIFIED STAFF	PERFORMANCE YEAR	30% UPFRONT CASH	10% DEFERRED CASH	30% UPFRONT SHARES	10% DEFERRED CASH 10% DEFERRED SHARES	10% DEFERRED SHARES	

- all the instalments are subject to the application of claw-back conditions, as legally enforceable;
- in coherence with 2015, a minimum threshold<sup>22</sup> will be introduced, below which no deferral mechanisms will be applied, accordingly with relevant regulatory indications;
- the number of shares to be allocated in the respective instalments shall be defined in 2017, 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 2016 performance achievements;
- free Fineco ordinary shares that will be allocated will be freely transferable;
- the payment structure has been defined in line with Bank of Italy provisions requiring a share retention period for upfront and deferred shares. In particular, the implementation of the share retention periods may be carried out in line with the fiscal framework, either via the allocation of restricted shares or the promise of shares that shall subsequently be allocated at the end of the intended retention period;
- the 2016 Incentive System provides for an expected impact on FinecoBank share capital of approximately 0,06%, assuming that all free shares for employees have been distributed. The overall dilution for all other current outstanding FinecoBank equity-based plans equals 0,61%;
- 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.

<sup>21</sup> Considering also the gravity of any internal/external findings (e.g. Audit, Bank of Italy, Consob and/or analogous local authorities).

<sup>22</sup> Equal to Euro 75.000 that will be paid in cash.

## 5.4 Comprehensive Performance Measurement

The 2016 Incentive System, described in the chapter 5.3, is supported by an annual performance measurement framework assuring coherence, consistency and clarity of performance objectives with business strategy, and encouraging and rewarding desired behaviours and risk orientation. Our performance management process ensures that to all *Identified Staff* are assigned at the beginning of the year their own individuals goals and includes a rigorous review of their goals achievements.

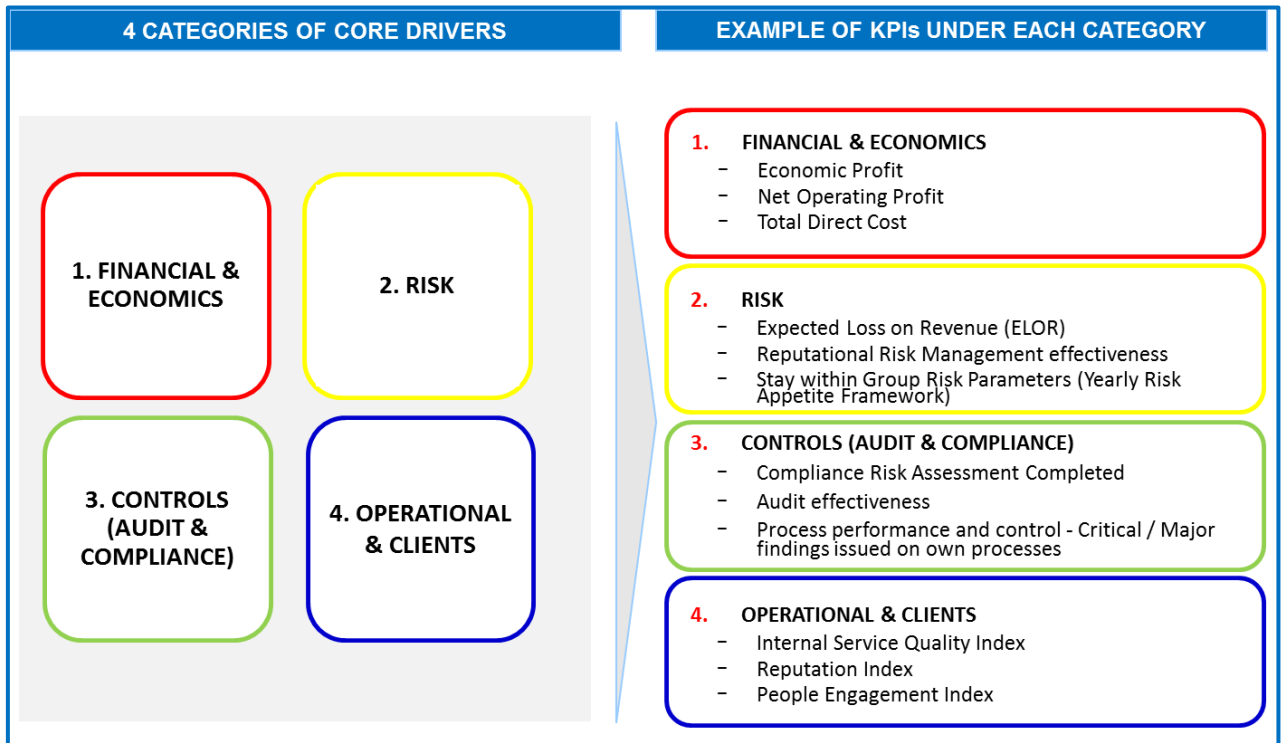
A specific process is performed annually at Group level with the involvement of key relevant functions (*Human Resources, Strategy & Finance, Risk Management, Compliance, Group Sustainability, Audit, Group Stakeholder and Service Intelligence*) to review the so-called *KPI Bluebook*.

The *KPI Bluebook* serves as the framework for the definition of performance goals coherent, high quality based, aligned to business strategy, compliant with regulatory requirements and consistent with our corporate values and Group Competency model. Therefore it supports the employees and their managers in the definition of individual Performance Screen.

*KPI Bluebook* includes a list of indicators certified at Group level, as well as specific guidelines related to:

- the use of risk-adjusted goal (e.g. select at least one KPI belonging to “Risk category” or related to risk management / risk-adjusted profitability)
- the use of sustainability objectives ( e.g. at least half of the goals should be related to sustainability)
- the definition of the target of reference, in case objectives not included in certified list are selected( e.g. use clear and pre-defined parameters for future evaluation of performance)
- the selection of goals for the Company Control Functions, in order to ensure their independence (e.g. avoid KPI linked to economic measure).














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 12 clusters of business (Asset Gathering included) to help identifying the most relevant standardized KPIs (all certified by relevant Group functions) for each business, with specific focus on risk-adjusted, sustainability-driven metrics and economic measures.

**2016 Chief Executive Officer and General Manager Performance Screen**

2016 KPIs defined and approved by FinecoBank Board of Directors as the core drivers of performance for FinecoBank Chief Executive Officer and General Manager include goals related to Bank profitability, with particular focus on risk, consistency with *Risk Appetite Framework* and sustainability. For 2016 a specific KPI has been introduced, with reference to “*Tone from the top*” related to integrity towards conduct principles and spread of compliance culture among the organization.

#	CORE GOALS	REFERENCE PERIMETER	REFERENCE TARGET	LINK TO 5 FUNDAMENTALS	RISK ADJUSTMENT	SUSTAINABILITY GOAL
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	Stakeholder Value: Customer satisfaction (TRIM external), People Engagement, Reputation	FinecoBank	vs target	Client Obsession 		
5	Operational Risk Management	FinecoBank	vs qualitative assessment considering: • # incidents • Losses • Launch of mitigation actions	Risk Management 		
6	Execution of Strategic Plan	FinecoBank	vs qualitative assessment with a specific focus on: • Loan business volume increase • Net sales of guided products	Execution & Discipline 		
7	Tone from the top on conduct and compliance culture, also coherent with FSB guidelines	FinecoBank	vs qualitative assessment, considering: • Initiatives aimed at promoting staff integrity towards internal/external conduct principles • Findings or proceedings in place (severity and aging)	Execution & Discipline 		

All goals carry the same weight for evaluation purposes.

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 2016 Incentive System for Financial Advisors belonging to *Identified Staff*

The 2016 Incentive System PFA, as approved by the Board of Directors of FinecoBank on January 12<sup>th</sup>, 2016, aims to retain and motivate beneficiary Advisors 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.

In particular the system provides for:

- allocation of a variable incentive defined on the basis of the available bonus pool, individual performance evaluation 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 Fineco ordinary shares;
- distribution of Fineco 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 Fineco 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 (capital and liquidity) are not met at both Group and local level (at local level also profitability will be considered). In particular, the bonus pool of 2016 will be zeroed.

Total incentive pay-out as defined will be made over a multi-year period (2017-2021), as indicated below, in absence of any individual / values compliance breach, considering also the gravity of any internal / external findings (e.g. Audit, Consob and/or analogous local authorities) and provided that the agency relationship of the beneficiaries is in place at the time of each payment:

- in 2017 the first instalment of the overall incentive will be paid in cash;
- over the period 2018-2021 the remaining amount of the overall incentive will be paid in several instalments in cash and/or FinecoBank ordinary shares; each further instalments will be subject to the application of the Zero Factor for the year of allocation;

	2017	2018	2019	2020	2021
Financial Advisors belonging to <i>Identified Staff</i>	30% cash	10% cash	30% shares	10% cash + 10% shares	10% shares

- it's foreseen a specific minimum threshold<sup>23</sup> below which deferrals and instruments will not be applied;
- the number of shares to be allocated with the third, fourth and fifth instalments will be defined in the year 2017, on the basis of the arithmetic mean of the official closing price of the shares in the month before the date of the resolution by the Board of Directors that evaluates 2016 performance achievements; the maximum impact on the share capital is about 0,04% in case all the shares would be assigned to the Financial Advisors beneficiaries;
- Fineco ordinary shares that will be allocated will be freely transferable;
- the beneficiaries cannot activate programs or agreements that specifically protect the value of unavailable financial instruments assigned within the incentive plans.

<sup>23</sup> Equal to Euro 75.000 that will be paid in cash.

## 6. Compensation Data

### 6.1 2015 Compensation Outcomes

#### Employees

Euro/ 000

Population as of 31/12/2015	No.	Fix	2015 Short Term Variable				Deferred variable from previous exercises				Variable paid in 2015 from previous exercises	
			Upfront		Deferred		Vested in 2015		Unvested			
			€	Shares	€	Shares	€	Shares	€	Shares	€	Shares
Chief Executive Officer and General Manager (CEO)*	1	850	170	0	255	425	234	279	198	5.398	311	678
Other Executives Directors**	1	0	0	0	0	0	0	0	0	0	0	0
Non-executives directors**	7	622	0	0	0	0	0	0	0	0	0	0
Executives with strategic responsibilities	5	1.648	297	0	446	743	207	272	207	9.144	511	565
Other Identified Staff	7	1.196	344	0	179	297	14	557	14	543	343	197

\* 10% of the amount has been paid by Unicredit S.p.A.

\*\* 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.

The vested component refers to cash and equity awards to which the right matured in 2015 as the performance conditions were achieved:

- vested cash payments refer to *2012 and 2014 Group Incentive System*;
- vested equity payments refer to *2012 and 2013 Group Incentive System* and to "*2014 Plan Key People*".

The unvested component refer to cash and equity awards for which the right did not matured in 2015 and for which any potential future gain has not been yet realized and remains subject to future performance:

- unvested cash payments refer to *2013 and 2014 Group Incentive System*;
- unvested equity payments refer to *2012, 2013 and 2014 Group incentive System*, to "*2014-2017 Multi-year Plan Top Management*" and to "*2014 Plan Key People*".

The value of the shares shown as 2015 short term variable and deferred variable from previous exercises is calculated considering:

- for *2014 Group Incentive System* the arithmetic mean of the official closing prices of Fineco ordinary shares from January 7<sup>th</sup> to February 7<sup>th</sup>, 2016;
- for "*2014-2017 Multi-year Plan Top Management*" the listing price of Fineco ordinary shares for the 3rd and 4th instalments' number of shares, while the arithmetic mean of the official closing prices of Fineco ordinary shares from January 7<sup>th</sup> to February 7<sup>th</sup>, 2016 for the 1st and 2nd instalments' number of shares;
- for "*2014 Plan Key People*" the arithmetic mean of the official closing prices of Fineco ordinary shares from January 7<sup>th</sup> to February 7<sup>th</sup>, 2016;
- for *2012, 2013 and 2014 Group Incentive System* based on UniCredit shares, the arithmetic mean of the official closing prices of UniCredit ordinary shares from January 2<sup>nd</sup> to February 2<sup>nd</sup>, 2016.

Variable paid in 2015 from previous exercises includes pay-outs based on demonstrated multi-year performance achievements related to Group Incentive Systems plans based on

Fineco and UniCredit shares, to the “2014 Plan Key People” and to other forms of variable remuneration.

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 2015 have been rewarded with more than 1 mln Euros.

### Financial Advisors

Euro/ 000

Population as of 31/12/2015	No.	Fix*	2015 Short Term Variable**				Deferred variable** from previous exercises				Variable** paid in 2015 from previous exercises	
			Upfront		Deferred		Vested in 2015		Unvested		€	Shares
			€	Shares	€	Shares***	€	Shares	€	Shares		
Financial Advisors belonging to Identified Staff	6	4.081	250	0	126	315		104		104	489	

\* Recurring remuneration

\*\* Non-recurring remuneration

\*\*\* Phantom Share

The vested component refers to equity awards to which the right matured in 2015 as the performance conditions were achieved. In particular amounts refer to “2014 Plan PFA” for Financial Advisors and Managers of the Network.

The unvested component refer to equity awards to which the right did not matured in 2015 and for which any potential future gain has not been yet realized and remains subject to future performance. In particular amounts refer to “2014 Plan PFA” for Financial Advisors and Managers of the Network.

The value of the shares / Phantom shares shown as 2015 short term variable and deferred variable from previous exercises is calculated considering the arithmetic mean of the official closing prices of Fineco ordinary shares from January 7<sup>th</sup> to February 7<sup>th</sup>, 2016.

Variable paid in 2015 from previous exercises includes pay-outs based on actual performance achievements related to “2014 Plan PFA” for Financial Advisors and Managers of the Network and to other forms of variable remuneration.



## 6.2 2016 Compensation Policy

COMPENSATION PAY-MIX		
	FIXED AND OTHER NON-PERFORMANCE RELATED PAY	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	80%	20%
Support functions	91%	9%
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 2015) subscribers can distribute their contribution – depending on their own risk appetite – among four investment lines (Insurance, Short, Medium and Long Term) characterized by different risk / yield ratios. In addition, always in this section, the enrolled employees may open complementary pension plan positions in favour of their family members dependent for tax purposes.

## 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 2015 amounts to Euro 1.885.755

The overall compensation paid by FinecoBank to the Board of Statutory Auditors for 2015 amounts to Euro 167.571.

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 General Manager 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 favour 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 Favour of Members of the Administrative Body, General Managers and other Executives with strategic responsibilities***

Provides the details of all the cash incentives accrued during the year in favour 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)
Name and surname	Office	Period for which office was held		Office expiry	Fixed compensation						Compensation for committee participation	Variable non-equity compensation		Non-monetary benefits	Other remuneration	Total	Fair value of equity compensation	Severance indemnity for end of office or termination of employment
					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		Bonuses and other incentives	Profit sharing					
ENRICO COTTA RAMUSINO	Chairman of the Board of Directors	01/01/2015	31/12/2015	approv.AR at 31/12/16	50.000	3.300	-	150.000	-	203.300	-	-	-	2.931	-	206.231	-	-
	(I) Total compensation in the company preparing the financial statements				50.000	3.300	-	150.000	-	203.300	-	-	-	2.931	-	206.231	-	-
	(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	-	-	-
(III) Total				50.000	3.300	-	150.000	-	203.300	-	-	-	-	2.931	-	206.231	-	-
FRANCESCO SAITA	Vice Chairman of the Board of Directors	01/01/2015	31/12/2015	approv.AR at 31/12/16	40.000	3.000	-	50.000	-	93.000	-	-	-	-	-	93.000	-	-
	Chairman of the Audit and Related Parties Committee	01/01/2015	31/12/2015	approv.AR at 31/12/16	20.000	4.800	-	-	-	24.800	-	-	-	-	-	24.800	-	-
	(I) Total compensation in the company preparing the financial statements				60.000	7.800	-	50.000	-	117.800	-	-	-	-	-	117.800	-	-
(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(III) Total				60.000	7.800	-	50.000	-	117.800	-	-	-	-	-	-	117.800	-	-
ALESSANDRO FOTI	Chief Executive Officer / General Manager**	01/01/2015	31/12/2015	approv.AR at 31/12/16	-	-	-	-	850.000	850.000	-	404.375	-	6.474	-	1.260.849	158.492	-
	(I) Total compensation in the company preparing the financial statements				-	-	-	-	850.000	850.000	-	404.375	-	6.474	-	1.260.849	158.492	-
	(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	-	-	-
(III) Total				-	-	-	-	850.000	850.000	-	404.375	-	6.474	-	1.260.849	158.492	-	
GIROLAMO IELO	Member of the Board of Directors	01/01/2015	31/12/2015	approv.AR at 31/12/16	40.000	3.300	1.720	-	45.020	-	-	-	-	-	45.020	-	-	
	Chairman Corporate Governance	01/01/2015	31/12/2015	approv.AR at 31/12/16	20.000	1.500	369	-	21.869	-	-	-	-	-	21.869	-	-	
	Member of the Remuneration and Appointments Committee	01/01/2015	31/12/2015	approv.AR at 31/12/16	15.000	3.300	737	-	19.037	-	-	-	-	-	19.037	-	-	
(I) Total compensation in the company preparing the financial statements				75.000	8.100	2.826	-	85.926	-	-	-	-	-	-	85.926	-	-	
(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(III) Total				75.000	8.100	2.826	-	85.926	-	-	-	-	-	-	85.926	-	-	
PIETRO ANGELO GUINDANI	Member of the Board of Directors	01/01/2015	31/12/2015	approv.AR at 31/12/16	40.000	3.000	-	-	43.000	-	-	-	-	-	43.000	-	-	
	Member of the Audit and Related Parties Committee	01/01/2015	31/12/2015	approv.AR at 31/12/16	15.000	4.800	-	-	19.800	-	-	-	-	-	19.800	-	-	
	(I) Total compensation in the company preparing the financial statements				55.000	7.800	-	-	62.800	-	-	-	-	-	62.800	-	-	
(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(III) Total				55.000	7.800	-	-	62.800	-	-	-	-	-	-	62.800	-	-	
MARIANGELA GROSOLI	Member of the Board of Directors	01/01/2015	31/12/2015	approv.AR at 31/12/16	40.000	3.000	2.362	-	45.362	-	-	-	-	-	45.362	-	-	
	Member of the Audit and Related Parties Committee	01/01/2015	31/12/2015	approv.AR at 31/12/16	15.000	3.900	1.218	-	20.118	-	-	-	-	-	20.118	-	-	
	Member of the Remuneration and Appointments Committee	01/01/2015	31/12/2015	approv.AR at 31/12/16	15.000	3.600	1.169	-	19.769	-	-	-	-	-	19.769	-	-	
(I) Total compensation in the company preparing the financial statements				70.000	10.500	4.749	-	85.249	-	-	-	-	-	-	85.249	-	-	
(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(III) Total				70.000	10.500	4.749	-	85.249	-	-	-	-	-	-	85.249	-	-	
GIANLUIGI BERTOLLI	Member of the Board of Directors	01/01/2015	31/12/2015	approv.AR at 31/12/16	40.000	3.300	-	-	43.300	-	-	-	-	-	43.300	-	-	
	Chairman of the Remuneration and Appointments Committee	01/01/2015	31/12/2015	approv.AR at 31/12/16	20.000	3.600	-	-	23.600	-	-	-	-	-	23.600	-	-	
	(I) Total compensation in the company preparing the financial statements				60.000	6.900	-	-	66.900	-	-	-	-	-	66.900	-	-	
(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(III) Total				60.000	6.900	-	-	66.900	-	-	-	-	-	-	66.900	-	-	
LAURA STEFANIA PENNA*	Member of the Board of Directors	01/01/2015	31/12/2015	approv.AR at 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	01/01/2015	31/12/2015	approv.AR at 31/12/16	-	-	-	-	-	-	-	-	-	-	-	-	-	
	(I) Total compensation in the company preparing the financial statements				-	-	-	-	-	-	-	-	-	-	-	-	-	
	(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	-	-	
(III) Total				-	-	-	-	-	-	-	-	-	-	-	-	-	-	
* 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.																		
** 10% of the amount has been paid by UniCredit S.p.A.																		
TOTAL BOARD OF DIRECTORS	(I) Total compensation in the company preparing the financial statements				370.000	44.400	7.575	200.000	850.000	1.471.975	-	404.375	-	9.405	-	1.885.755	158.492	-
	(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(III) Total				370.000	44.400	7.575	200.000	850.000	1.471.975	-	404.375	-	9.405	-	1.885.755	158.492	-

TABLE 1: Compensation paid to members of the administrative and auditing bodies, to general managers and to other executives with strategic responsibilities																		
Amounts in Euro	(A)	(B)	(C)		(D)	(1)					(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and surname	Office	Period for which office was held	Office expiry	Fixed compensation					Compensation for committee participation	Variable non-equity compensation		Non-monetary benefits	Other remuneration	Total	Fair value of equity compensation	Severance indemnity for end of office or termination of employment		
				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	Bonuses and other incentives						Profit sharing	

B O A R D	Gian-Carlo Noris Gaccioli	Chairman of the Board of Statutory Auditors	01/01/2015	31/12/2015	approv.AR at 31/12/16	50,000	3,300	4,562	-	-	57,862			5,850		63,712			
		(I) Total compensation in the company preparing the financial statements					50,000	3,300	4,562	-	-	57,862			5,850		63,712		-
		(II) Compensation from subsidiaries and associates					-	-	-	-	-	-			-		-		-
O F	Barbara Aloisi	Standing Auditor	01/01/2015	31/12/2015	approv.AR at 31/12/16	40,000	3,300	320	-	-	43,620			5,850		49,470			
		(I) Total compensation in the company preparing the financial statements					40,000	3,300	320	-	-	43,620			5,850		49,470		-
		(II) Compensation from subsidiaries and associates					-	-	-	-	-	-			-		-		-
S T A T U T O R Y	Mariano Viozzi	Standing Auditor	01/01/2015	31/12/2015	approv.AR at 31/12/16	40,000	3,300	5,239	-	-	48,539			5,850		54,389			
		(I) Total compensation in the company preparing the financial statements					40,000	3,300	5,239	-	-	48,539			5,850		54,389		-
		(II) Compensation from subsidiaries and associates					-	-	-	-	-	-			-		-		-
A U D I T O R S	Federica Bonato	Alternate Auditor	01/01/2015	31/12/2015	approv.AR at 31/12/16	-	-	-	-	-	-			-		-		-	
		(I) Total compensation in the company preparing the financial statements					-	-	-	-	-	-			-		-		-
		(II) Compensation from subsidiaries and associates					-	-	-	-	-	-			-		-		-
O T H E R	Marzio Duilio Rubagotti	Alternate Auditor	01/01/2015	31/12/2015	approv.AR at 31/12/16	-	-	-	-	-	-			-		-		-	
		(I) Total compensation in the company preparing the financial statements					-	-	-	-	-	-			-		-		-
		(II) Compensation from subsidiaries and associates					-	-	-	-	-	-			-		-		-
S	TOTAL BOARD OF STATUTORY AUDITORS	(I) Total compensation in the company preparing the financial statements					130,000	9,900	10,121	-	-	150,021			17,550****		167,571		-
		(II) Compensation from subsidiaries and associates					-	-	-	-	-	-			-		-		-
		(III) Total					130,000	9,900	10,121	-	-	150,021			17,550****		167,571		-

\*\*\* To be considered as expense reimbursements "a piè di lista" and reimbursement per km.

\*\*\*\* 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									1,647.976	1,647.976	503.600		64.069	4.813	2.220.459	156.426	
	(II) Compensation from subsidiaries and associates									-	-			-	-	-	-	
	(III) Total									1,647.976	1,647.976	503.600		64.069	4.813	2.220.459	156.426	

TABLE 2: Stock Options Assigned to the Members of the Administrative Body, to General Managers and Other Executives with Strategic Responsibilities																	
Amounts in Euro																	
(A)	(B)	(1)	Options Held at Star of the Year			Options Assigned During the Year						Options Exercised During the Year			(14)	(15)	(16)
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)			
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 Assignment 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)
<b>Alessandro Foti</b>	<b>Chief Executive Officer/General Manager</b>																
(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	
(II) Compensation from Subsidiaries and Associates																	
<b>(III) Total</b>			<b>332.478</b>												<b>116.094</b>	<b>216.384</b>	<b>-</b>
Other Executives with Strategic Responsibilities																	
(I) Compensation in the Company preparing the Financial Statement	<b>no. 2 Executives</b>	LTI UniCredit Plan - 2004 Stock Options	24.000	22,420	03/09/2008 31/12/2017											24.000	
		LTI UniCredit Plan - 2005 Stock Options	45.500	26,878	26/11/2009 31/12/2018											45.500	
		LTI UniCredit Plan - 2006 Stock Options	34.400	33,205	28/06/2010 31/12/2019											34.400	
		LTI UniCredit Plan - 2007 Stock Options	57.793	39,583	13/07/2011 15/07/2017											57.793	
		LTI UniCredit Plan - 2008 Stock Options	194.748	23,351	09/07/2012 09/07/2018											194.748	
(II) Compensation from Subsidiaries and Associates																	
<b>(III) Total</b>			<b>356.441</b>													<b>356.441</b>	

\*Plan also named "LTI UniCredit Plan - 2011 Performance Stock Options"

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														
Amounts in Euro	(A)	(B)	(1)	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 assignable		Financial instruments relevant to the year
				(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	
<b>Alessandro Foti</b>	<b>Chief Executive Officer/General Manager</b>													
(f) Compensation in the Company preparing the Financial Statement		UniCredit shares - 2011 Group Incentive System										47.381	297.316	
		UniCredit shares - 2012 Group Incentive System										60.724	381.043	
		UniCredit shares promised - 2012 Group Incentive System	91.086	67% 31.12.2015 33% 31.12.2016									64.762	
		UniCredit shares promised - 2013 Group Incentive System	60.165	40% 31.12.2015 40% 31.12.2016 20% 31.12.2017									93.730	
		Fineco shares promised - 2014 Group Incentive System	89.946	40% 31.12.2017 30% 31.12.2018 30% 31.12.2019									-	
		Fineco shares promised - 2014-2017 Multy year Plan Top Management	868.994*	26% 31.12.2016 22% 31.12.2017 26% 31.12.2018 26% 31.12.2019									-	
		Fineco shares promised - 2015 Group Incentive System			61.010	424.996	40% 31.12.2015 20% 31.12.2017 20% 31.12.2018 20% 31.12.2019	08/02/2016	6,966				-	
(g) Compensation from Subsidiaries and Associates														
<b>(h) Total</b>						<b>424.996</b>							<b>678.359</b>	<b>158.492</b>
Other Executives with Strategic Responsibilities														
(f) Compensation in the Company preparing the Financial Statement	<b>no. 5 Executives</b>	UniCredit shares - 2011 Group Incentive System										39.586	248.402	
	<b>no. 5 Executives</b>	UniCredit shares - 2012 Group Incentive System										50.531	317.082	
	<b>no. 5 Executives</b>	UniCredit shares promised - 2012 Group Incentive System	50.531	31.12.2015									44.272	
	<b>no. 5 Executives</b>	UniCredit shares promised - 2013 Group Incentive System	64.700	50% 31.12.2015 50% 31.12.2016									112.154	
	<b>no. 5 Executives</b>	Fineco shares promised - 2014 Group Incentive System	155.445	40% 31.12.2017 30% 31.12.2018 30% 31.12.2019**									-	
	<b>no. 5 Executives</b>	Fineco shares promised - 2014-2017 Multy year Plan Top Management	1.518.049*	26% 31.12.2016 22% 31.12.2017 26% 31.12.2018 26% 31.12.2019									-	
	<b>no. 5 Executives</b>	Fineco shares promised - 2015 Group Incentive System			106.577	742.415	40% 31.12.2015 20% 31.12.2017 20% 31.12.2018 20% 31.12.2019	08/02/2016	6,966				-	
(g) Compensation from Subsidiaries and Associates														
<b>(h) Total</b>						<b>742.415</b>							<b>565.484</b>	<b>156.426</b>

\* Maximum number of shares granted for the entire Plan. The Board of Directors of 09/02/2015 approved the number of shares related to the 2<sup>nd</sup> instalment adjusted to respect the ratio between fixed and variable remuneration in line with current regulations, on the basis of the arithmetic mean of the official prices of Fineco ordinary 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 entry conditions achievements to the same day in the previous month (€ 4,725).

\*\* 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

TABLE 3B: Monetary Incentive Plans in Favour of Members of the Administrative Body, General Managers and Other Executives with Strategic Responsibilities										
Amounts in Euro	(A)	(B)	(1)	(2)			(3)			(4)
Name and surname	Office	Plan	Annual Bonus			Previous Years Bonuses			Other Bonuses	
			(A)	(B)	(C)	(A)	(B)	(C)		
			Payable / paid	Deferred	Deferral period	Non longer payable	Payable / paid	Still Deferred		
<b>Alessandro Foti</b>	<b>Chief Executive Officer/General Manager</b>									
(I) Compensation in the Company preparing the Financial Statement		2015 Group Incentive System	170.000	255.000	33% 31.12.2016 67% 31.12.2020					
		2014 Group Incentive System					127.500	127.500		
		2013 Group Incentive System						70.538		
		2012 Group Incentive System					106.875			
(II) Compensation from Subsidiaries and Associates										
<b>(III) Total</b>			<b>170.000</b>	<b>255.000</b>			<b>234.375</b>	<b>198.038</b>		
<b>Other Executives with Strategic Responsibilities</b>										
(I) Compensation in the Company preparing the Financial Statement	<b>n. 5 Dirigenti</b>	2015 Group Incentive System	297.000	445.500	33% 31.12.2016 67% 31.12.2020					
	<b>n. 5 Dirigenti</b>	2014 Group Incentive System					206.600	206.600		
(II) Compensation from Subsidiaries and Associates										
<b>(III) Total</b>			<b>297.000</b>	<b>445.500</b>			<b>206.600</b>	<b>206.600</b>		



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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 2014	Acquired	Sold	Held at the end of 2015
<b>BOARD OF DIRECTORS</b>							
Enrico Cotta Ramusino	Chairman	FinecoBank	Ord.	25.000	12.000		37.000
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						
<b>BOARD OF STATUTORY AUDITORS</b>							
Gian-Carlo Noris Gaccioli	Chairman of the Board Statutory Auditors	FinecoBank	Ord.	6.600	16.700	23.300,00	-
Barbara Aloisi	Standing Auditor						
Marziano Viozzi	Standing Auditor						
Federica Bonato	Alternate Auditor						
Marzio Duilio Rubagotti	Alternate Auditor						
<b>TABLE 2: Investments of Other Executives with Strategic Responsibilities</b>							
Number of Executives with strategic responsibilities	Investee Company	Type of shares	Number of shares				
			Held at the end of 2014	Acquired	Sold	Held at the end of 2015	
4	FinecoBank	Ord.	11.000			11.000	



## SECTION IV

# 2016 COMPENSATION SYSTEMS BASED ON FINANCIAL INSTRUMENTS

**FINECO, THE BANK THAT SIMPLIFIES BANKING.**

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## 1. INTRODUCTION

Pursuant to the provision set forth in Article 114-bis of legislative decree no. 58 of February 24<sup>th</sup>, 1998 as well as to the provisions of the issuer adopted by Consob with resolution no. 11971 of May 14<sup>th</sup>, 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 12<sup>th</sup>, 2016 which is called to resolve, *inter alia*, upon the approval for 2016 of the following new incentives plans:

- **“2016 Incentive System”** 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;
- **“2016 Incentive System for Financial Advisors belonging to *Identified Staff*”** defined in order to reward Financial Advisors, belonging to *Identified Staff*, with an incentive payable in cash and/or Fineco ordinary 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 – was also prepared for the purpose of giving information concerning the execution of the following **“FinecoBank Compensation Systems”** already approved by the Shareholders’ Meetings of April 23<sup>rd</sup>, 2015 and of June 5<sup>th</sup>, 2014 and 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:

- **2015 Incentive System for Financial Advisors**
- **2015 Incentive System**
- **2014 Incentive System**
- **“2014-2017 Multi-year Plan Top Management”**
- **“2014 Plan Key People”**
- **“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. 2016 INCENTIVE SYSTEM

In compliance with the last Bank of Italy provisions set forth in Circular 285, December 17<sup>th</sup>, 2013 (Section “*Regulations on remuneration and incentive policies and practices of Banks and Banking groups*”) – VII Update of November 18<sup>th</sup>, 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 was proposed the adoption of the Plan “**2016 Incentive System**” (hereinafter also “**2016 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 2016 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 2016 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 2016 Incentive System are defined based on criteria provided by *European Banking Authority (EBA) Regulatory Technical Standards* issued on December 16<sup>th</sup>, 2013, as follows:

- Chief Executive Officer (CEO) and General Manager (GM), Deputy General Managers (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 2016 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 with strategic responsibilities 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.

#### **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 2016 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 Deputy General Manager and 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 Pellicciari

**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.

**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 2016 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 2016 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 2016 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 2016 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 on the basis of available bonus pool, individual performance evaluation and internal benchmarking 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 pay-outs shall be made over a multi-year period (2017-2022) subject to continuous employment at each date of payment and as follows:

- in 2017 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);
- over the period 2018-2022 the remaining amount of the overall incentive will be paid in several instalments in cash and/or Fineco free ordinary shares; each subsequent 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);
- 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 2016 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 2016 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 2016 Incentive System provides that in 2017 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 2016 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 2016 Incentive System definition was not 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 2016 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**

### **2.3.1 Powers delegated to the Board of Directors by the Shareholders' Meeting for the implementation of the plan**



The Board of Directors, on January 12<sup>th</sup>, 2016, approved the proposal related to the 2016 Incentive System to be submitted to the General Shareholder's Meeting called on April 12<sup>th</sup>, 2016. Furthermore, the Board of Directors, in the same meeting, formulated the proposal to provide to the Board of Directors the delegation of power to carry out a free capital increase for the 2016 Incentive System, to be executed by 2021, with the possibility to submit to a future Shareholders' Meeting approval the proposal aimed at integrating this power to carry out a further capital increase for the 2016 Incentive System, in order to assign the last share instalment foreseen for 2022.

### **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 2016 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 2016 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 2016 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 2016 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 12<sup>th</sup>, 2016 (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 268.000 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, 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;
- 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 was registered and therefore, until 2021, in order to assign the last share instalment provided for 2022 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 2016 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 2017, 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 2016 performance achievements. The allocation of a maximum number of 335.000 Fineco free ordinary shares is proposed, representing about 0,06% of FinecoBank share capital, of which a maximum n° of 33.500 Fineco ordinary shares for the possible hiring of *Identified Staff* from external market.

Over the period 2018-2022 the remaining amount of the overall incentive will be paid in several instalments in cash and/or Fineco free ordinary shares; each subsequent 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).

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 2016 Incentive System, 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 among the potential beneficiaries of the 2016 Incentive System, he did not participated in the definition of the 2016 Incentive System.

### **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 12<sup>th</sup>, 2016 approved the proposal related to the 2016 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 2016 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 8<sup>th</sup>, 2016 positively resolved upon the criteria and the methodology elaborated for the definition of the 2016 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 2016 Incentive System proposal (January 12<sup>th</sup>, 2016) and on the date of the positive opinion released by the Remuneration and Appointments Committee of FinecoBank (January 8<sup>th</sup>, 2016), resulted equal to € 7,28 and to € 7,27 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, was 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 2016 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 on the basis of available bonus pool, individual performance evaluation and internal benchmarking 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 2016 Incentive System provides that in 2017 the Board of Directors – once verified the achievement of the goals defined for 2016 – will define the percentage of payments in cash and shares established for each category of beneficiaries, as illustrated in the table below:

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
CEO/GM and 1 <sup>st</sup> reporting line	20% cash	10% cash	20% shares	10% shares	10% shares	20% cash + 10% shares
Other Identified Staff	30% cash	10% cash	30% shares	10% cash + 10% shares	10% shares	-

The number of shares to be allocated in the respective instalments shall be defined in 2017, 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 2016 performance achievements. The maximum number of Fineco free ordinary shares to service the 2016 System is estimated at 335.000 representing about 0,06% of FinecoBank share capital, of which maximum n° of 33.500 Fineco ordinary shares for the possible hiring of *Identified Staff* from external market.

Pay-outs 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 pay-outs shall be made over a multi-year period (2017-2022) 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 2016 Incentive System will be allocated by FinecoBank in multiple instalments (as shown in the table above) subject to the Board assessment in 2017 of the goal achievement set for 2016.

#### **2.4.3 The termination date of the plan**

The 2016 Incentive System will lapse by July 2022.

#### **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 ordinary shares is estimated at 335.000, representing about 0,06% of FinecoBank share capital, of which maximum n° of 33.500 Fineco ordinary shares for the possible hiring of *Identified Staff* from external market.

For the assignment of the last instalment of shares planned for 2022 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 2016 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 2016 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 are 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 2016 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 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 2016 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 2016 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 2016 Incentive System provides that the Board of Directors will have the faculty to identify, in the resolution that will execute the 2016 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 rules.

#### **2.4.9 The indication of any other provisions which may trigger the cancellation of the plan**

The 2016 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 2016 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 2016 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 2016 Incentive System at the grant date of the free shares, was made on the basis of the IAS principles, considering the accounting assumptions 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 (IAS cost) on the basis of the effective performance conditions met, could be equal to € 4.000.000 to be split in 6 years. Nevertheless, at this stage it is not possible to define the exact cost in each year of life of the 2016 Incentive System, since the definition of the actual incentive 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 2016 Incentive System on FinecoBank share capital shall be approx. 0,06% 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 2016 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 2016 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 2016 Incentive System does not provide for options.

**2.4.17 The termination date of the options**

The 2016 Incentive System does not provide for options.

#### **2.4.18 The modalities, time limits and clauses for the exercise of the options**

The 2016 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 2016 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 2016 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 2016 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 2016 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 2016 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. 2016 INCENTIVE SYSTEM FOR FINANCIAL ADVISORS BELONGING TO IDENTIFIED STAFF (HEREAFTER ALSO "2016 INCENTIVE SYSTEM PFA")**

In compliance with the last Bank of Italy provisions set forth in Circular 285, December 17<sup>th</sup>, 2013 (Section "Regulations on remuneration and incentive policies and practices of Banks and Banking groups") – VII Update of November 18<sup>th</sup>, 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 was proposed the adoption of the Plan “**2016 Incentive System for Financial Advisors belonging to Identified Staff**”, which provides for, to selected Financial Advisors belonging to *Identified Staff*, the allocation of an incentive – in cash and Fineco ordinary 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 2016 Incentive System PFA are 11 *Identified Staff* whose activities have impacts on Bank’s risks based on criteria provided by *European Banking Authority (EBA) Regulatory Technical Standards* issued on December 16<sup>th</sup>, 2013. In particular the following criteria were applied:

- Personal Financial Advisors with a total remuneration (“recurring” and “non-recurring”) more than Euro 750,000 in the last year and with an impact on Bank risk profiles;
- Personal Financial Advisors Area Manager who coordinate a structure which is linked an overall portfolio equal to or more than 5% of total network assets and with an impact on Bank risk profiles.

#### **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 2016 Incentive System PFA; therefore this provision is not applicable.

#### **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 2016 Incentive System PFA; therefore this provision is not applicable.

#### **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 2016 Incentive System PFA.

##### **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 this provision is not applicable.

**c) natural persons controlling FinecoBank, who are employee or collaborator of FinecoBank**

No individual controls FinecoBank and meet the description; therefore this provision is not applicable.

**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 this provision is not applicable.

**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.

**c) other categories of employees or collaborators for which different characteristics are envisaged for the plan (e.g. executives, middle management, employees etc.)**

No classes of employees meet the description; therefore this provision is not applicable.

**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 2016 Incentive System PFA aims to retain and motivate beneficiary Advisors 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 2016 Incentive System PFA 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 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 Fineco ordinary shares;
- distribution of Fineco 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 Fineco 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 (capital and liquidity) are not met at both Group and local level (at local level also profitability will be considered). In particular, the bonus pool of 2016 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**

Individual bonuses will be allocated based on available bonus pool, individual performance evaluation and internal benchmarking for specific roles.

Total incentive pay-out as defined will be made over a multi-year period (2017-2021), as indicated below and provided that the agency relationship of the beneficiaries is in place at the time of each payment:

- in 2017 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, Consob and/or analogous local authorities);
- over the period 2018-2021 the remaining amount of the overall incentive will be paid in several instalments in cash and/or Fineco ordinary shares; each subsequent 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, Consob and/or analogous local authorities);
- distribution of share payments takes into account the applicable regulatory requirements regarding the application of share retention periods.

### **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**

In 2016 Incentive System PFA 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 2016 Incentive System PFA 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 2016 Incentive System PFA provides that in 2017 will be formulated the promise to pay the incentive in cash and 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 2016 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 2016 Incentive System PFA definition was not 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 2016 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**

### **3.3.1 Powers delegated to the Board of Directors by the Shareholders' Meeting for the implementation of the plan**

The Board of Directors, on January 12<sup>th</sup>, 2016, approved the proposal related to the 2016 Incentive System PFA to be submitted to the General Shareholder's Meeting called on April 12<sup>th</sup>, 2016. Furthermore, the Board of Directors, in the same meeting, formulated the proposal to provide the delegation of power to purchase and to dispose of treasury shares, after having received the necessary authorization of the Regulator.

### **3.3.2 Indication of the individuals in charge of the management of the plan, their powers authority**

"Human Resources" function and "Network Controls, Monitoring and Service Department" function of FinecoBank are in charge for the management of the 2016 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 2016 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 2016 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 2016 Incentive System PFA, in 2017 the Board of Directors will define the number of 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 2016 performance achievements to the same day in the previous month (both inclusive).

The maximum number of Fineco free ordinary shares is estimated at 250.000, representing about 0,04% of FinecoBank share capital that will be purchased from the market, after having received the necessary authorization of the Regulator.

Over the period 2019-2021 each instalments of 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, Consob and/or analogous local authorities).

Distribution of 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 2016 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 2016 Incentive System PFA, he participated in the definition of the 2016 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 January 12<sup>th</sup>, 2016 approved the proposal related to the 2016 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 January 8<sup>th</sup>, 2016 positively resolved upon the criteria and the methodology elaborated for the definition of the 2016 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 2016 Incentive System PFA proposal (January 12<sup>th</sup>, 2016) and on the date of the

decision made by the Remuneration and Appointments Committee of FinecoBank (January 8<sup>th</sup>, 2016), resulted equal to € 7,28 and to € 7,27 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, was 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 2016 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 available bonus pool and individual performance evaluation.

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 2016 Incentive System PFA provides that in 2017 the Board of Directors – once verified the achievement of the goals defined for 2016 – will define the payments in cash and shares, as illustrated in the table below:

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Financial Advisors belonging to <i>Identified Staff</i>	30% cash	10% cash	30% shares	10% cash + 10% shares	10% shares

The number of shares to assign for the 3rd, 4th and 5th instalments will be defined in 2017, 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 2016 performance achievements to the same day in the previous month (both inclusive).

The maximum number of Fineco free ordinary shares is estimated at 250.000, representing about 0,04% of FinecoBank share capital.

Pay-outs in shares comply with the applicable regulatory provisions in terms of holding period.

### **3.4.2 Indication of the time period for the implementation of the plan also indicating different cycles, if any, of its implementation**

Incentive pay-outs shall be made over a multi-year period (2017-2021) 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. Shares related to the 2016 Incentive System PFA will be allocated by FinecoBank in multiple instalments (as shown in the table above) subject to the Board assessment in 2017 of the goal achievement set for 2016.

### **3.4.3 The termination date of the plan**

The 2016 Incentive System PFA will lapse by May 2021.

### **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**

The maximum number of Fineco free ordinary shares is estimated at 250.000, representing about 0,04% of FinecoBank share capital.

At this stage it is not possible to indicate the maximum number of shares allocated in each fiscal year during the life of the 2016 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**

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 are the mechanism that determines the possible application of *malus* clause (*Zero Factor*) on the basis of performance indicators in terms of capital and liquidity defined at both Group and local level (at local level also profitability will be considered). In particular the bonus pool of 2016 will be zeroed.

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 might be defined for retention purposes and in order to maintain the minimum pay levels needed to play in the market.

**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**

The 2016 Incentive System PFA provides that the 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 3.2.1.

**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 2016 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 2016 Incentive System PFA provides that the Board of Directors will have the faculty to identify, in the resolution that will execute the 2016 plan, 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 rules.

**3.4.9 The indication of any other provisions which may trigger the cancellation of the plan**

The 2016 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 2016 Incentive System PFA does not provide for the redemption by FinecoBank.

**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 2016 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 2016 Incentive System PFA at the grant date of the shares, was made on the basis of the IAS principles, considering the accounting assumptions on the probability to achieve the performance targets related to the allocation of the shares.

On the basis of these estimations, the overall expected cost for FinecoBank (IAS cost) on the basis of the effective performance conditions met, could be equal to € 3.000.000 to be split in 4 years. Nevertheless, at this stage it is not possible to define the exact cost in each year of life of the 2016 Incentive System PFA, since the definition of the actual incentive 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**

Considering that the shares for 2016 Incentive System PFA will be purchased from the market, impact on FinecoBank share capital is not foreseen.

**3.4.14 Any limitation to the voting and to the economic rights**

At this stage, the 2016 Incentive System PFA does not provide for any limitation to the voting or economic rights for the shares allocated.

**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**

The 2016 Incentive System PFA provides only for the use of Fineco ordinary shares negotiated on regulated markets.

**3.4.16 The number of financial instruments belonging to each option**

The 2016 Incentive System PFA does not provide for options.

**3.4.17 The termination date of the options**

The 2016 Incentive System PFA does not provide for options.

**3.4.18 The modalities, time limits and clauses for the exercise of the options**

The 2016 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 2016 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 2016 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 2016 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 2016 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 2016 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' resolutions of:

- February 8<sup>th</sup>, 2016
- February 9<sup>th</sup>, 2015
- July 15<sup>th</sup>, 2014

for the execution of **2015 Incentive System PFA**, of **2015 Incentive System**, of **2014 Incentive System**, of "**2014-2017 Multi-year Plan Top Management**", of "**2014 Plan Key People**" and of "**2014 Plan PFA**" (hereinafter "**FinecoBank Compensation Systems**"), approved by the Shareholders' Meetings of April 23<sup>rd</sup>, 2015 and of June 5<sup>th</sup>, 2014,

were identified the following beneficiaries for the respective plans:

- **2015 Incentive System PFA**, foresees an incentive – payable in cash and/or Phantom shares – for the Financial Advisors *Identified Staff* of FinecoBank over a

multi-year period of maximum 5 years (2016-2020), after the verification of the achievement of specific performance goals, of entry conditions and of those individual (continuous employment and no compliance breach);

- **2015 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 employees *Identified Staff* of FinecoBank over a multi-year period of maximum 6 years (2016-2021), after the verification of the achievement of specific performance goals, of entry conditions and of those individual (continuous employment and no compliance breach);
- **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 employees *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 instalment of shares promised in 2014 will be done in 2017, the other instalments will be done in 2018, in 2019 and in 2020 respectively, after the verification of the achievement of entry conditions and of those individual (continuous employment and no compliance breach);
- **“2014 Plan Key People”**, foresees an incentive – linked to FinecoBank IPO – payable in free Fineco ordinary shares, for 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 2nd instalment of shares promised in 2014 will be done in 2016, 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 over a multi-year period (2015-2017) through the assignment of ordinary shares to Managers of the Network and Financial Advisors of FinecoBank that, during 2014, 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 2nd instalment of shares promised in 2014 will be done in 2016, 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 2015 Incentive System, of 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 **2015 Incentive System**:

- the Deputy General Managers, the other Executives with strategic responsibilities and the other *Identified Staff* 2015 of FinecoBank

for the **2014 Incentive System**:

- the Deputy General Managers, the other Executives with strategic responsibilities and the other *Identified Staff* 2014 of FinecoBank

for the plan "**2014-2017 Multi-year Plan Top Management**":

- the Deputy General Managers and the other Executives with strategic responsibilities of FinecoBank;

for the plan "**2014 Plan Key People**":

- 79 selected employees of FinecoBank, among which 3 belonging to *Identified Staff* 2014;

for **2015 Incentive System PFA** there are no employees of FinecoBank that benefit from the plan. It is highlighted that the beneficiaries are 1 Financial Advisors, 1 Group Manager e 4 Area Managers belonging to Financial Advisors *Identified Staff* 2015 of FinecoBank;

for the plan "**2014 Plan PFA**" there are no employees of FinecoBank that benefit from the plan. It is highlighted that the beneficiaries are 832 Financial Advisors, 169 Group Managers and 32 Area Managers.

#### **4.1.3 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, of 2014 Incentive System and of the plan "*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 this provision is not applicable.

##### **c) natural persons controlling FinecoBank, who are employee or collaborator of FinecoBank**

No individual controls FinecoBank and, therefore, this provision is not applicable.

#### 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 **2015 Incentive System**, from the **2014 Incentive System** and from the plan **“2014-2017 Multi-year Plan Top Management”**:

1. the Deputy General Manager and Head of Global Banking Services, Mr. Fabio Milanesi
2. the Deputy General Manager and 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 Pelliciarì

Regarding the **2015 Incentive System PFA** and the plans **“2014 Plan Key People”** 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.

##### 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 employees *Identified Staff* of FinecoBank to which different characteristics of **“2014 Plan Key People”** 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 **2015 Incentive System PFA** aims to retain and motivate beneficiary Advisors, taking into account the objectives of growth in the medium and long term, in a general framework of overall sustainability.

The 2015 Incentive System PFA is compliant with FinecoBank Compensation Policy and with the most recent national and international regulatory requirements.

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.

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.

The plan “**2014-2017 Multi-year Plan Top Management**” is a special award for Top Management of FinecoBank, linked to the Initial Public Offering. It aims to build retention of the Top Management, taking into account the objectives of growth in the medium and long term.

The plan “**2014 Plan Key People**” 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.

The plan “**2014 Plan PFA**” is a special award for Managers of the Network 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 **2015 Incentive System PFA** foresees that individual bonuses will be allocated based on individual performance evaluation.

Total incentive pay-out 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 (“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, 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 subsequent 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, Consob and/or analogous local authorities).

The **2015 Incentive System** foresees that individual bonuses will be allocated on the internal basis of available bonus pool, individual performance evaluation and internal benchmarking 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 pay-outs 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);
- 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 subsequent 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);
- distribution of share payments takes into account the applicable regulatory requirements regarding the application of share retention periods.

The **2014 Incentive System** foresees that individual bonuses will be allocated on the basis of available bonus pool, individual performance evaluation and internal benchmarking 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 pay-outs shall be made over a multi-year period (2015-2020) subject to continuous employment at each date of payment and as follows:

- in 2015 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);
- over the period 2016-2020 the remaining amount of the overall incentive will be paid in several instalments in cash and/or Fineco free ordinary shares; each subsequent 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);
- distribution of share payments takes into account the applicable regulatory requirements regarding the application of share retention periods.

The plan “**2014-2017 Multi-year Plan Top Management**” foresees that the assignment of the 1st instalment of shares promised in 2014 will be done in 2017 for the 6 beneficiaries of FinecoBank, the other instalments will be done in 2018, in 2019 and in 2020 respectively, after the verification of the achievement of entry conditions and of those individual (continuous employment and no compliance breach).

The plan “**2014 Plan Key People**” foresees that the assignment of the 2nd instalments of shares promised in 2014 will be done in 2016 for the 79 beneficiaries of FinecoBank, after the verification of the achievement of entry conditions and of those individual (continuous employment and no compliance breach).

The plan “**2014 Plan PFA**” foresees that the assignment of the 2nd instalments of shares promised in 2014 will be done in 2016, 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 followed, in the resolutions that after the Shareholders' Meeting approval executed the Plans, to define the actual number of beneficiaries and the number of free shares to be granted.

The **2015 Incentive System PFA** provides that in 2016 the Board of Directors – once verified the achievement of the entry conditions, of the individual performance conditions and of the goals defined for 2015 – will define the number of Phantom shares to be paid in the 3rd, 4th and 5th instalments.

The **2015 Incentive System** provides that in 2016 the Board of Directors – once verified the achievement of the entry conditions, of the individual performance conditions and of the goals defined for 2015 – will define the number of shares to be paid in the respective instalments for each category of beneficiaries.

The **2014 Incentive System** provides that in 2015 the Board of Directors – once verified the achievement of the entry conditions, of the individual performance conditions and of the goals defined for 2015 – will define the number of shares to be paid in the respective instalments for each category of beneficiaries.

The plan “**2014-2017 Multi-year Plan Top Management**” provides that in 2016 the Board of Directors – once verified the achievement of the entry conditions and of those individual – will define the individual assignments of the 3rd instalment of shares to be granted in 2019, adjusting the shares promised in 2014 respect the ratio between fixed and variable remuneration.

The plan “**2014 Key People Plan**” provides that in 2016 the Board of Directors – once verified the achievement of entry conditions and of those individual – will authorize the assignment of the 2nd instalment of shares allocated in 2014.

The plan “**2014 Plan PFA**” provides that in 2016 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 2nd instalment of shares allocated 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 was not 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 General Shareholder's Meetings of April 23<sup>rd</sup>, 2015 and of June 5<sup>th</sup>, 2014 provided to the Board of Directors the delegation of power:

- for the **Compensation Systems for the employees *Identified Staff* (2015 Incentive System, 2014 Incentive System, "2014-2017 Multi-year Plan Top Management" and "2014 Plan Key People")**, on one or more occasions, to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code;
- for the **Compensation Systems for the Financial Advisors:**
  - (i) for the **2015 Incentive System PFA** to allocate Phantom shares
  - (ii) for the plan **"2014 Plan PFA"**, pursuant to sect. 2357 of the Civil Code, to purchase and dispose of Fineco ordinary shares

##### **4.3.2 Indication of the individuals in charge of the management of the plan, their powers authority**

"Human Resources" function and, related to 2015 Incentive System PFA and to the "2014 Plan PFA", "Network Controls, Monitoring and Service Department" function, of FinecoBank are in charge for the management of FinecoBank Compensation Systems.

##### **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 Reports presented to the Extraordinary Shareholders' Meetings of April 23<sup>rd</sup>, 2015 and of June 5<sup>th</sup>, 2014.

In force of this delegation, the Board of Directors could resolve:

- for the **2015 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 397.453 Fineco ordinary shares;
- 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 the plan “**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 the plan “**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 **2015 Incentive System PFA**, the best solution identified is to delegate the Board of Directors the faculty to authorize the allocation of Phantom shares.

Moreover, regarding the execution of the plan “**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 the plan “**2015-2017 Plan PFA**”, approved in 2014 whose execution is foreseen starting from 2018).

#### **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 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 2015 Incentive System, of the 2014 Incentive System and of “**2014-2017 Multi-year Plan Top Management**”, he abstained from participating in the decision on the granting 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 **2015 Incentive System PFA**, in exercising the delegation received by the Shareholders’ Meeting, as described in point 4.3.1, the Board of Directors on February 8<sup>th</sup>, 2016 approved the promise to grant no. 45.171 Phantom shares to Financial Advisors *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 the **2015 Incentive System**, in exercising the delegation received by the Shareholders’ Meeting, as described in point 4.3.1, the Board of Directors on February 8<sup>th</sup>, 2016 approved the promise to grant no. 210.288 Fineco ordinary shares to employees *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 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 9<sup>th</sup>, 2015 approved the promise to grant no. 269.728 Fineco ordinary shares to employees *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 the “**2014-2017 Multi-year Plan Top Management**” plan, in exercising the delegation received by the Shareholders’ Meeting, as described in point 4.3.1, the Board of Directors on February 8<sup>th</sup>, 2016 approved the promise to grant no. 335.624 Fineco ordinary

shares to the 6 beneficiaries of FinecoBank, after the verification of the achievement of the Entry Conditions foreseen for the beneficiaries, as described in point 4.2.3

To execute the “**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 8<sup>th</sup>, 2016 approved the assignment of the 2nd instalment of shares, equal to no. 289.703 Fineco ordinary shares, to the 79 beneficiaries of FinecoBank, after the verification of the achievement of the Entry Conditions foreseen for the beneficiaries, as described in point 4.2.3

To execute the “**2014 Plan PFA**” plan, in exercising the delegation received by the Shareholders’ Meeting, as described in point 4.3.1, the Board of Directors on February 8<sup>th</sup>, 2016 approved the assignment of the 2nd instalment of shares, equal to no. 700.953 Fineco ordinary shares, to the 1.034 Financial Advisors of FinecoBank beneficiaries, after the verification of the achievement of the Entry Conditions foreseen for the beneficiaries, as 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 January 29<sup>th</sup>, 2016 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 8<sup>th</sup>, 2016) and on the date of the decision made by the Remuneration and Appointments Committee of FinecoBank (January 29<sup>th</sup>, 2016), resulted equal to € 6,31 and to € 7,11 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 was 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 **2015 Incentive System PFA** foresees an incentive – payable in cash and/or Phantom shares – over a multi-year period (2016-2020), subject to the achievement of specific entry conditions.

The **2015 Incentive System** foresees an incentive – payable in cash and/or free Fineco ordinary shares – over a multi-year period (2016-2021), subject to the achievement of specific entry conditions.

The **2014 Incentive System** foresees an incentive – payable in cash and/or free Fineco ordinary shares – over a multi-year period (2015-2020), subject to the achievement of specific entry conditions.

The plan “**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.

The plan “**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.

The plan “**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 Phantom shares for the **2015 Incentive System PFA** 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 the **2015 Incentive System** will be assigned by FinecoBank in multiple instalments (in the period 2019-2021) subject to the Board assessment of specific entry conditions, as described in point 4.2.3.

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 the “**2014-2017 Multi-year Plan Top Management**” plan 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 the “**2014 Key People Plan**” 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 the “**2014 Plan PFA**” 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.

#### **4.4.3 The termination date of the plan**

The **2015 Incentive System PFA** will lapse by July 2020.

The **2015 Incentive System** will lapse by July 2021.

The **2014 Incentive System** will lapse by July 2020.

The plan “**2014-2017 Multi-year Plan Top Management**” will lapse by July 2020.

The plan “**2014 Plan Key People**” will lapse by July 2017.

The plan “**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 Phantom shares that the Board of Directors is authorized to allocate for the **2015 Incentive System PFA** is equal to no. 45.171 Phantom shares.

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 **2015 Incentive System** is equal to no. 397.453 shares.

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**
- the plan “**2014-2017 Multi-year Plan Top Management**”
- the plan “**2014 Plan Key People**”

is equal to no. 3.500.000 shares.

Regarding the execution of “**2014 Plan PFA**” instead, the Board of Directors is authorized 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 2018).

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 2016 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 resolutions 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 rules.

**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, was 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 € 52.371.721, split in:

- Euro 1.500.000, split in 5 years, for the **2015 Incentive System PFA**
- Euro 3.666.500, split in 6 years, for the **2015 Incentive System**
- Euro 2.598.909, split in 6 years, for the **2014 Incentive System**
- Euro 9.336.580, split in 6 years, for the plan **“2014-2017 Multi-year Plan Top Management”**
- Euro 2.946.643, split in 3 years, for the plan **“2014 Plan Key People”**
- Euro 14.952.999, split in 4 years, for the plan **“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 (2015 Incentive System PFA and the plan “2014 Plan PFA” excluded) on FinecoBank share capital shall be approx. 0,61%.

**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).

**INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS**  
**Table no. 1 of scheme 7 of Annex 3A Regulation no. 11971/1999**

Date: March 8<sup>th</sup>, 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	11/05/2012	Unicredit	91.086	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
Alessandro Foti	CEO/GM	05/06/2014	FinecoBank	89.946	05/02/2015 cpr 09/02/2015 cda/oc	0	4,725	09/02/2015 31/12/2019
Alessandro Foti	CEO/GM	05/06/2014	FinecoBank	868.994*	27/05/2014 cpr 15/07/2014 cda/oc	0	3,700	15/07/2014 31/12/2019
5 Executives with strategic responsibilities		11/05/2012	Unicredit	50.531	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
5 Executives with strategic responsibilities		05/06/2014	FinecoBank	155.445	05/02/2015 cpr 09/02/2015 cda/oc	0	4,725	09/02/2015 31/12/2019
5 Executives with strategic responsibilities		05/06/2014	FinecoBank	1.518.049*	27/05/2014 cpr 15/07/2014 cda/oc	0	3,700	15/07/2014 31/12/2019
Category of other employees: Executives		11/05/2012	Unicredit	6.676	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		13/05/2014	Unicredit	11.165	09/04/2015 cpr 09/04/2015 cda/oc	0	6,269	09/04/2015 31/12/2019
Category of other employees: Executives		05/06/2014	FinecoBank	24.337	05/02/2015 cpr 09/02/2015 cda/oc	0	4,725	09/02/2015 31/12/2017
Category of other employees: Executives, Middle Management		05/06/2014	FinecoBank	550.890	27/05/2014 cpr 15/07/2014 cda/oc	0	3,700	15/07/2014 31/12/2016
Category of non-employees collaborators: Financial Advisors		05/06/2014	FinecoBank	1.400.623	09/07/2015 cpr 09/07/2015 cda/oc	0	6,783	09/07/2015 30/06/2017

\* Maximum number of shares granted for the entire Plan. The Board of Directors of 09/02/2015 approved the number of shares related to the 2<sup>a</sup> instalment adjusted to respect the ratio between fixed and variable remuneration in line with current regulations, on the basis of the arithmetic mean of the official prices of Fineco ordinary 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 entry conditions achievements to the same day in the previous month (€ 4,725).



Name or category (1)	Capacity	Box 1 Financial instruments other than Stock Options (8)						
		Section 2 Financial instruments to be assigned on the basis of the decision of*: <input type="checkbox"/> BoD, as to be proposed to shareholders meeting <input checked="" type="checkbox"/> competent Body to implement Shareholders' Meeting resolution (9)						
		Date of Shareholders' Meeting resolution	Type of financial instruments (12)	Number of financial instruments	Assignment date (10)	Purchase price of financial instruments, if any	Market price at the assignment date	Vesting period (14)
Alessandro Foti	CEO/GM	23/04/2015	FinecoBank	61.010	29/01/2016 cpr 08/02/2016 cda/oc	0	6,966	08/02/2016 31/12/2019
5 Executives with strategic responsibilities		23/04/2015	FinecoBank	106.577	29/01/2016 cpr 08/02/2016 cda/oc	0	6,966	08/02/2016 31/12/2019
Category of other employees: Executives		23/04/2015	FinecoBank	42.701	29/01/2016 cpr 08/02/2016 cda/oc	0	6,966	08/02/2016 31/12/2019
Category of non-employees collaborators: Financial Advisors		23/04/2015	FinecoBank	45.171*	29/01/2016 cpr 08/02/2016 cda/oc	0	6,966	08/02/2016 31/12/2018
* Phantom Share								

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 25/06/2008 cda/oc	23,351	22,893	09/07/2012 09/07/2018
2 Executives with strategic responsibilities		04/05/2004	Unicredit	4.300	0	29/06/2004 cpr 22/07/2004 cda/oc	22,420	3,945	03/09/2008 31/12/2017
2 Executives with strategic responsibilities		04/05/2004	Unicredit	8.153	0	10/11/2005 cpr 18/11/2005 cda/oc	26,878	5,266	26/11/2009 31/12/2018
2 Executives with strategic responsibilities		12/05/2006	Unicredit	6.165	0	07/06/2006 cpr 13/06/2006 cda/oc	33,205	5,626	28/06/2010 31/12/2019
2 Executives with strategic responsibilities		10/05/2007	Unicredit	10.357	0	07/06/2007 cpr 12/06/2007 cda/oc	39,583	37,127	13/07/2011 15/07/2017
5 Executives with strategic responsibilities		08/05/2008	Unicredit	34.902	0	17/06/2008 cpr 25/06/2008 cda/oc	23,351	22,893	09/07/2012 09/07/2018
5 Executives with strategic responsibilities		08/05/2008	Unicredit	25.262	0	17/06/2008 cpr 25/06/2008 cda/oc	23,351	22,893	09/07/2012 09/07/2018

\* The data is referred 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: <input type="checkbox"/> BoD, as to be proposed to shareholders meeting <input type="checkbox"/> 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		-	-	-	-	-	-	-

## 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.

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

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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 €200,245,793.88 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.

Ordinary Shareholders Meeting 12, April 2016

RESULTS OF VOTING

Subject: **Approval of the financial statements at December 31, 2015**

no **427** persons entitled to vote took part in the voting on own behalf or by proxy

no **521,181,707** ordinary shares

**The counting of votes produced the following results**

		<b>% OF ORDINARY SHARE CAPITAL PRESENT (Voting Quorum)</b>	<b>%OF ORDINARY SHARE ENTITLED TO VOTE</b>	<b>%SHARE CAPITAL</b>
<b>In Favour</b>	521,120,734	99.988301	99.988301	85.879378
<b>Against</b>	60,940	0.011693	0.011693	0.010043
<b>SubTotal</b>	521,181,674	99.999994	99.999994	85.889421
<b>Abstentions</b>	33	0.000006	0.000006	0.000005
<b>Not Voting</b>	0	0.000000	0.000000	0.000000
<b>SubTotal</b>	33	0.000006	0.000006	0.000005
<b>Total</b>	521,181,707	100.000000	100.000000	85.889426

Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

**Subject: Approval of the financial statements at December 31, 2015**

**AGAINST**

Surname	Tot. Vote	On own behalf	Proxy
4034      PETTINICCHIO LAURA	0	0	0
**D      NIGOSC ADMINISTRATORS NILG PENSION FUND	60,940	0	60,940
<b>Total vote</b>	60,940		
<b>Percentage of voters %</b>	0.011693		
<b>Percentage of Capital %</b>	0.010043		

Shareholders:  
Shareholders on own  
behalf:

1 People:  
0 Shareholders by  
proxy:

1 DE\* Proxy to the natural person above mentioned with the badge number  
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 12. April 2016

RESULTS OF VOTING

**Subject: Approval of the financial statements at December 31, 2015**

**ABSTENTIONS**

Surname	Tot. Vote	On own behalf	Proxy
4034 PETTINICCHIO LAURA	0	0	0
**D ERGOS OFFSHORE I LTD CO HARNEYS CORPORATE SERVICES	1	0	1
**D CLINTON LIGHTHOUSE EQUITY STRATEGIES MASTER FUND LTD. C/O CLINTON GROUP, INC	7	0	7
**D CLINTON EQUITY STRATEGIES MASTER FUND LTD	25	0	25

**Total vote** 33  
**Percentage of voters %** 0.000006  
**Percentage of Capital %** 0.000005

Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

**Subject: Approval of the financial statements at December 31, 2015**

**NOT VOTING**

Surname	Tot. Vote	On own behalf	Proxy
<b>Total vote</b>	0		
<b>Percentage of voters %</b>	0.000000		
<b>Percentage of Capital %</b>	0.000000		

Shareholders:  
Shareholders on own  
behalf:

0 People:  
0 Shareholders by  
proxy:

0 DE\* Proxy to the natural person above mentioned with the badge number  
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 12. April 2016

RESULTS OF VOTING

Subject: Approval of the financial statements at December 31, 2015

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
1253 ROSSOTTI ROBERTO	4,900	4,900	0
1570 AMADEI STEFANO	2,500	2,500	0
1985 FOGLI MAURIZIO	80	80	0
2066 CAGLIA MARIA	0	0	0
DE* UNICREDIT S.P.A.	397,108,033	0	397,108,033
2067 CERASUOLO STEFANO	5,000	5,000	0
3400 ANNIBALETTI ANGELO	30,000	30,000	0
4034 PETTINICCHIO LAURA	0	0	0
**D MERRILL LYNCH PROFESSIONAL CLEARING	82,692	0	82,692
**D VANGUARD EUROPEAN STOCK INDEX FUND	469,785	0	469,785
**D VANGUARD DEVELOPED MARKETS INDEX FUND	501,466	0	501,466
**D WELLINGTON MANAGEMENT PORTFOLIOS	222,081	0	222,081
**D WELLINGTON MANAGNT PORTFOLIOS GLOB RESEA	29,677	0	29,677
**D VANGUARD TOTAL WORLD STOCK INDEX FUND	34,759	0	34,759
**D VANGUARD FTSE ALL-WORLD EX US INDEX FUND	283,525	0	283,525
**D BBH&C BOS FOR PYRAM GR TRUST FOR EMPL EMERG MM COM	41,600	0	41,600
**D WELLINGTON TRUST COMP COMM TRUST INT OPP	152,282	0	152,282
**D VANGUARD FUNDS PLC	32,115	0	32,115
**D RAINIER INT SMALL CAP EQUITY COLLECTIVE	67,490	0	67,490
**D WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUITY PORTFOLIO	3,429	0	3,429
**D JAPAN TRUSTEE SERVICES BANK LTD	241,951	0	241,951
**D BEST INVESTMENT CORPORATION	20,484	0	20,484
**D SCHRODER INSTITUTIONAL POOLED FUNDS-EUROPEAN EQUITY FUND	101,642	0	101,642
**D FCP CNP ACTIONS EUROPE SCHRODER	239,250	0	239,250
**D FONDS RESERVE RETRAITES	865,731	0	865,731
**D FONDS RESERVE RETRAITES	99,233	0	99,233
**D FRR	36,674	0	36,674
**D ALLIANZ AKTIEN EUROPA	341,310	0	341,310
**D PICTET TOTAL RETURN	692,588	0	692,588
**D HENDERSON HORIZON FUND SICAV	978,023	0	978,023
**D HENDERSON GARTMORE FUND	337,536	0	337,536
**D FCP_CAGNI	15,000	0	15,000
**D BANQUE PICTET & CIE SA	25,933	0	25,933
**D ALKEN FUND	1,523,696	0	1,523,696
**D ALKEN FUND-EUROPEAN OPPORTUNITIES	2,404,521	0	2,404,521
**D PFIZER JAPAN INC PENSION FUND	47,861	0	47,861
**D ROBECO CAPITAL GROWTH FUNDS	150,000	0	150,000
**D MOMENTUM INVESTMENT FUNDS SICAV-SIF	43,440	0	43,440
**D SCHRODER INTERNATIONAL SELECTION FUND	9,904,816	0	9,904,816
**D VANGUARD INVESTMENT SERIES, PLC	28,955	0	28,955
**D BLACKROCK INSTITUTIONAL POOLED FUNDS PLC	6,097	0	6,097
**D TREMBLANT LONG UCITS FUND	32,291	0	32,291
**D UBS IRL INVESTOR SELECTION PLC	80,312	0	80,312
**D HE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTBJ400045842	1,859,429	0	1,859,429

Shareholders: 423 People: 11 DE\* Proxy to the natural person above mentioned with the badge number  
 Shareholders on own behalf: 9 Shareholders by proxy: 414 \*\*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 12. April 2016

RESULTS OF VOTING

Subject: Approval of the financial statements at December 31, 2015

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK	59,525	0	59,525
**D UBS GLOBAL ASSET MANAGEMENT LIFE LTD	32,092	0	32,092
**D JPMORGAN CHASE BANK	47,680	0	47,680
**D MERIFIN CAPITAL B.V.	17,380	0	17,380
**D CHINA LIFE INSURANCE COMPANY LIMITED	41,347	0	41,347
**D FONDO CONSOLIDADO DE RESERVAS PREVISIONA	59,048	0	59,048
**D CHINA LIFE INSURANCE (GROUP) COMPANY	2,554	0	2,554
**D THE BARCLAYS BANK UK RETIREMENT FUND	61,884	0	61,884
**D UBS (US) GROUP TRUST	7,469	0	7,469
**D BT WHOLESALE MULTI MANAG INTL SHARE FUND	112,364	0	112,364
**D ONEPATH GLOBAL SHARES - SMALL CAP INDEX	7,474	0	7,474
**D COINVEST LIMITED	8,594	0	8,594
**D THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST	109,643	0	109,643
**D THE BOEING COMPANY EMPLOYEE RETIREMENT P	122,800	0	122,800
**D BLACKROCK INDEXED ALL-COUNTRY EQUITY FUN	1,214	0	1,214
**D VANGUARD INTERNATIONAL SMALL COMPANIES I	13,069	0	13,069
**D ARTEMIS EUROPEAN OPPORTUNITIES FUND	809,663	0	809,663
**D NVIT MULTI MANAGER INTERNATIONAL GROWTH	231,270	0	231,270
**D SBC MASTER PENSION TRUST SBC MASTER PENSION TRUST 208	86,383	0	86,383
**D T ROWE PRICE INTERNATIONAL EQUITY INDEX	8,050	0	8,050
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OH	75,987	0	75,987
**D STICHTING PENSIOENFONDS VOOR HUISARTSEN	11,406	0	11,406
**D VANGUARD TOTAL INTERNATIONAL STOCK INDEX	1,700,103	0	1,700,103
**D VANGUARD INTERNATIONAL EXPLORER FUND	2,000,000	0	2,000,000
**D MI-FONDS 392	277,833	0	277,833
**D JPMORGAN EUROPEAN INVESTMENT TRUST PLC	63,898	0	63,898
**D KAPITFORENI INSTIT INVEST GLOBALE AKTIER	16,958	0	16,958
**D NEW MEXICO STATE INVESTMENT COUNCIL	5,996	0	5,996
**D TRUST AND CUSTODY SERVICED BANK LIMITED	34,753	0	34,753
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND 10F	126,930	0	126,930
**D BUREAU OF LABOR FUNDS- LABOR PENSION FUND	25,505	0	25,505
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND 10F	18,335	0	18,335
**D SCHRODER EUROPEAN FUND	1,239,313	0	1,239,313
**D SCHRODER EUROPEAN SMALLER COMPANIES FUND	376,881	0	376,881
**D MASTER TRUST FOR NATIONAL PENSION FD	35,108	0	35,108
**D JAPAN TRUSTEE SERVICES BANK LTD	109,135	0	109,135
**D ENTERGY CORP.RETIREMENT PLANS MASTER TR.	135,814	0	135,814
**D NEW YORK LIFE INSURANCE COMPANY	34,727	0	34,727
**D SCHRODER INTERNATIONAL SMALL COMPANIES P	20,000	0	20,000
**D SCHRODER CAPITAL MANAGEMENT COLLECTIVE T	200,000	0	200,000
**D PROSHARES HEDGED FTSE EUROPE ETF	593	0	593
**D INVESCO GLOBAL SMALL CAP EQUITY POOL	50,904	0	50,904
**D RBC CANADIAN MASTER TRUST	67,964	0	67,964
**D THE GBC INTL GROWTH FUND	86,877	0	86,877

Ordinary Shareholders Meeting 12. April 2016

## RESULTS OF VOTING

**Subject: Approval of the financial statements at December 31, 2015****IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D THE NOVA SCOTIA HEALTH EMPLOYEES PENS PL	352,954	0	352,954
**D REGIME DE RETRAITE D HYDRO QUEBEC	83,099	0	83,099
**D FLF STRATEGIC GLOBAL EQUITY FUND	67,117	0	67,117
**D TR EUROPEN GROWTH TRUST PLC	848,642	0	848,642
**D SAINT MARTIN 2	864,000	0	864,000
**D AXA OPTIMAL INCOME	2,306,782	0	2,306,782
**D AXA VALEURS EURO	662,000	0	662,000
**D FCPE TOTAL ACTIONS EUROPEENNES	670,000	0	670,000
**D COLISEE IFC 1 FCP	615,000	0	615,000
**D FCP KLESIA A DIVERSIFIE	260,000	0	260,000
**D SICAV C I P E C	55,000	0	55,000
**D SICAV MONT	25,000	0	25,000
**D FCP BRONGNIART AVENIR	179,000	0	179,000
**D SUPER FUNDS MANAG CORP SOUTH AUSTRALIA	119,451	0	119,451
**D AVIVA LIFE & PENSIONS UK LIMITED	33,620	0	33,620
**D AVIVA LIFE AND PENSIONS UK LIMITED	94,510	0	94,510
**D REASSURE LIMITED	8,235	0	8,235
**D HSBC EUROPEAN INDEX FUND	46,133	0	46,133
**D REALDANIA	350,000	0	350,000
**D ANIMA SGR SPA - ANIMA GEO ITALIA	1,328,570	0	1,328,570
**D ANIMA SGR SPA - ANIMA SFORZESCO	187,890	0	187,890
**D ANIMA SGR SPA - ANIMA VISCONTEO	568,746	0	568,746
**D ANIMA SGR SPA - ANIMA ITALIA	717,010	0	717,010
**D METZLER INTERNATIONAL INV. PLC	1,110,700	0	1,110,700
**D PIONEER INVESTMENT MANAGEMENT SGRPA / AZIONARIO CRESCITA	247,723	0	247,723
**D SEI GLOBAL MASTER FUND PLC	137,749	0	137,749
**D PIONEER STRATEGY FUNDS-EUR.EQ.	72,159	0	72,159
**D PIONEER FUNDS-CORE EUROPEAN EQ	241,695	0	241,695
**D PIONEER FUNDS - ITALIAN EQUITY	74,271	0	74,271
**D PIONEER FUNDS - EUROP. POTENT	3,819,112	0	3,819,112
**D PIONEER FUNDS - EUROPEAN RESE.	653,126	0	653,126
**D ALLIANZ ACTIONS EURO PME-ETI	93,700	0	93,700
**D NUMERIC MULTI STRATEGY MARKET NEUTRAL LEVERED OFFSHORE FUND LIMITED	26,900	0	26,900
**D AQR DELTA MASTER ACCOUNT LP COOGER FIDUCIARY SERVICES (CAYMAN) LTD	8	0	8
**D NUMERIC SOCIALLY AWARE MULTI STRATEGY FUND LTD	4,800	0	4,800
**D PM MANAGER FUND SPC - SEGREGATED PORTFOLIO	147,907	0	147,907
**D NUMERIC SOCIALLY AWARE MULTI-STRATEGY FUND LTD	2,600	0	2,600
**D AQR MULTI-STRATEGY FUND VI LP CO AQR CAPITAL MGM LLC	27	0	27
**D ALT BETA EQUITY SIZE STRATEGY LIMITED CO NUMERIC INVESTORS LLC	36	0	36
**D AQR STYLE PREMIA MASTER ACCOUNT LP CO AQR CAPITAL MGM LLC	181	0	181
**D THREADNEEDLE INVESTMENT FUNDS ICVC	12,003,090	0	12,003,090
**D WELLINGTON GL RES EQ PFTO ATTN SIJIA CHEN MACQUARIE INVESTMENT MANAGEMENT LIMITED	3,481	0	3,481
**D SIEFOREBANAMEXBASICA3SADECV	121,296	0	121,296
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND.	170,890	0	170,890

Page 6

Shareholders: 423 People: 11 DE\* Proxy to the natural person above mentioned with the badge number  
Shareholders on own behalf: 9 Shareholders by proxy: 414 \*\*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 12. April 2016

RESULTS OF VOTING

Subject: Approval of the financial statements at December 31, 2015

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	512,536	0	512,536
**D SIEFOREBANAMEXBASICA2SADECV	105,474	0	105,474
**D LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST	4,578	0	4,578
**D SIEFOREBANAMEXBASICA4SADECV	131,844	0	131,844
**D THREADNEEDLE (LUX	848,043	0	848,043
**D CITIBANK KOREA INC	1,899,003	0	1,899,003
**D STATE TEACHERS RETIREMENT SYSTEM OF OHIO	278,642	0	278,642
**D STICHTING PGGM DEPOSITARY	265,000	0	265,000
**D IRISH LIFE ASSURANCE	105,932	0	105,932
**D UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	25,082	0	25,082
**D CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALL CAP PASSIVE II	6,059	0	6,059
**D GOVERNMENT OF NORWAY	7,824,850	0	7,824,850
**D NORGES BANK	22,097	0	22,097
**D CANADIAN BROADCASTING CORPORATION	95,509	0	95,509
**D NUMERIC INVESTORS LLC	14,400	0	14,400
**D THE METHODIST HOSPITAL	32,626	0	32,626
**D LAUDUS INTERNATIONAL MARKETMASTERS FUND	754,480	0	754,480
**D WELLINGTON MNGM PTF (CANADA) GLOBAL OPPORTUNITIES PTF	104,160	0	104,160
**D INTERNATIONAL MONETARY FUND	2,140	0	2,140
**D INTERNATIONAL MONETARY FUND	3,017	0	3,017
**D BERNSTEIN FUND, INC,- INTERNATIONAL SMALL CAP PORTFOLIO	236,590	0	236,590
**D AMERICAN CENTURY STRATEGIC ASSET ALL, INC, STRAT ALL CONS F	4,527	0	4,527
**D AMERICAN CENTURY STRAT ASSET ALL. INC. STRAT ALL MODERATE F	22,953	0	22,953
**D AMERICAN CENTURY STRAT ASSET ALL. INC. STRATEGIC ALL AGGR F	20,260	0	20,260
**D AMERICAN CENTURY WORLD MUTUAL FUNDS. INC. INTL DISCOVERY F	458,900	0	458,900
**D AMERICAN CENTURY WORLD MUTUAL FUNDS. INC. INTL OPPORTUNITIES	265,330	0	265,330
**D AMERICAN CENTURY WORLD MUTUAL FUNDS INC - NT INT SM MID CAP F	189,970	0	189,970
**D AMERICAN CENTURY WORLD MUTUAL FUNDS. INC - GLO SMALL CAP FD	6,254	0	6,254
**D AMERICAN CENTURY RETIREMENT DATE TRUST	34,556	0	34,556
**D STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	157,548	0	157,548
**D FONDS PRIVE GPD ACTIONS INTERNATIONALES	115,000	0	115,000
**D CALVERT RESP INX SRS, INC,-CLVRT DVD MRKTS EX-U.S. RSP IX FND	139	0	139
**D PYRAMIS CONCENTRATED INTERNATIONAL SMALL CAP TRUST	133,241	0	133,241
**D ALLIANZGI INTERNATIONAL SMALL-CAP FUND	212,186	0	212,186
**D UAW RETIREE MEDICAL BENEFITS TRUST	85,455	0	85,455
**D EATON VANCE INTERNATIONAL SMALL-CAP FUND	9,823	0	9,823
**D THE BOEING COMPANY EMPLOYEE SAVINGS PLANS MASTER TRUST	44,981	0	44,981
**D HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND	703,661	0	703,661
**D THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND	954,928	0	954,928
**D THE HARTFORDGLOBAL ALL- ASSET FUND	54,151	0	54,151
**D HARTFORD HEALTHCARE ENDOWMENT LLC	11,998	0	11,998
**D HARTFORD HEALTHCARE CORP DEFINED BENEFIT MASTER TR AGREEMENT	17,020	0	17,020
**D ALLIANZGI GLOBAL SMALL-CAP FUND	185,421	0	185,421
**D WILLIAM BLAIR COLLECTIVE INVESTMENT TRUST	317,891	0	317,891

Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: Approval of the financial statements at December 31, 2015

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D WILLIAM BLAIR INTERNATIONAL SMALL CAP GROWTH FUND	371,638	0	371,638
**D ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO	5,774	0	5,774
**D ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM	37,990	0	37,990
**D RUSSELL INVESTMENT COMPANY IV PLC	11,423	0	11,423
**D HENKEL OF AMERICA MASTER RETIREMENT TRUST	13,327	0	13,327
**D LATTICE DEVELOPED MARKETS (EX-US) STRATEGY ETF	2,211	0	2,211
**D ALLIANCEBERNSTEIN INTERNATIONAL DISCOVERY SERIES	49,459	0	49,459
**D MARYLAND STATE RETIREMENT & PENSION SYSTEM	522	0	522
**D MGI FUNDS PLC	215,672	0	215,672
**D MERCER QIF CCF	1,074,182	0	1,074,182
**D MERCER QIF CCF	525,234	0	525,234
**D STATE OF MONTANA BOARD OF INVESTMENTS	2,469	0	2,469
**D ASHWOOD INVESTMENTS LIMITED	4,128	0	4,128
**D STATE OF NEW JERSEY COMMON PENSION FUND D	153,943	0	153,943
**D NEW YORK STATE DEFERRED COMPENSATION PLAN	89,286	0	89,286
**D COSMIC INVESTMENT FUND	136,961	0	136,961
**D CANADA PENSION PLAN INVESTMENT BOARD	2,429	0	2,429
**D CITY OF NEW YORK GROUP TRUST	485,124	0	485,124
**D WELLINGTON MNGT PTF (CAYMAN)-GL OPP EX-JAPAN PTF F QUA INST IN	61,634	0	61,634
**D FIRST ASSET MORNINGSTAR INTERNATIONAL MOMENTUM INDEX ETF	22,733	0	22,733
**D HONG KONG SPECIAL ADMINISTRATIVE REGION GOVERNMENT-EXCHANGE F	151,604	0	151,604
**D CTBC BANK CO LTD AMC FOR AB INC & GTH UM FD-ALL EUR INC & GR F	78,380	0	78,380
**D BIMCOR GLOBAL EQUITY POOLED FUND	67,446	0	67,446
**D BANK OF KOREA	331,843	0	331,843
**D MINISTRY OF STRATEGY AND FINANCE	104,747	0	104,747
**D MINISTRY OF STRATEGY AND FINANCE	21,465	0	21,465
**D STATE STREET IRELAND UNIT TRUST	40,088	0	40,088
**D SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	13,672	0	13,672
**D THE STARR FOUNDATION	31,540	0	31,540
**D CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	601,745	0	601,745
**D CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	202,425	0	202,425
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	311,857	0	311,857
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	625,850	0	625,850
**D SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST	37,395	0	37,395
**D VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	2,643	0	2,643
**D VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF	480	0	480
**D VANGUARD INVESTMENTS II COMMON CONTRACTUAL FUND	3,987	0	3,987
**D VANGUARD INVESTMENTS COMMON CONTRACTUAL FUND	13,272	0	13,272
**D VANGUARD FTSE DEVELOPED EUROPE INDEX ETF	371	0	371
**D THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST	291,789	0	291,789
**D THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF	61,084	0	61,084
**D THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF	160,262	0	160,262
**D THE WELLINGTON TR CO NAT ASS MULT COMM EUROPE SMALLER CO PTF	5,165	0	5,165
**D THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II	337,248	0	337,248

Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: Approval of the financial statements at December 31, 2015

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR	14,339	0	14,339
**D WASHINGTON STATE INVESTMENT BOARD	83,044	0	83,044
**D WISDOMTREE DYNAMIC CURRENCY HEDGED EUROPE EQUITY FUND	712	0	712
**D WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	839	0	839
**D WISDOMTREE INTERNATIONAL MIDCAP DIVIDEND FUND	21,820	0	21,820
**D WISDOMTREE INTERNATIONAL HEDGED EQUITY FUND	363	0	363
**D WISDOMTREE EUROPE LOCAL RECOVERY FUND	2,470	0	2,470
**D WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	364,624	0	364,624
**D PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY	187,380	0	187,380
**D WELLINGTON MANAGEMENT FUNDS (IRELAND) PLC	22,427	0	22,427
**D SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	325,882	0	325,882
**D STATE STREET GLOBAL ADVISORS LUXEMBOURG SICAV	96,843	0	96,843
**D AXA WORLD FUNDS	10,842,656	0	10,842,656
**D RAS LUX FUND	25,000	0	25,000
**D ALLIANZ GLOBAL INVESTORS FUND	1,827,996	0	1,827,996
**D BLACKROCK STRATEGIC FUNDS	21,547	0	21,547
**D GOLDMAN SACHS FUNDS	1,759	0	1,759
**D MARCH FUND	1,887	0	1,887
**D MARCH FUND	30,856	0	30,856
**D UBS ETF	16,263	0	16,263
**D ISHARES MSCI EAFE SMALL CAP ETF	388,076	0	388,076
**D ISHARES MSCI EUROPE SMALL-CAP ETF	12,245	0	12,245
**D BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR	959,848	0	959,848
**D ISHARES CORE MSCI EAFE ETF	187,861	0	187,861
**D ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	30,853	0	30,853
**D ISHARES CORE MSCI EAFE IMI INDEX ETF	8,177	0	8,177
**D ISHARES MSCI EUROPE IMI INDEX ETF	4,947	0	4,947
**D ISHARES MSCI EUROPE IMI ETF	30,856	0	30,856
**D CONNECTICUT GENERAL LIFE INSURANCE COMPANY	2,775	0	2,775
**D CDN ACWI ALPHA TILTS FUND	15,426	0	15,426
**D BLACKROCK CDN MSCI EAFE INDEX PLUS FUND	372	0	372
**D INTERNATIONAL EQUITY INDEX PLUS FUNDS B	334	0	334
**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	76,267	0	76,267
**D BGI MSCI EMU IMI INDEX FUND B	312	0	312
**D DEVELOPED EX-FOSSIL FUEL INDEX FUND B	1,845	0	1,845
**D GLOBAL EX US ALPHA TILTS FUND B	5,409	0	5,409
**D INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST	47,788	0	47,788
**D OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM	206,399	0	206,399
**D RUSSELL TRUST CO COMMINGLED EMPLOYEE BENEFIT FUNDS TRUST	63,828	0	63,828
**D COLLEGE RETIREMENT EQUITIES FUND	179,485	0	179,485
**D TRANSAMERICA INTERNATIONAL SMALL CAP	600,000	0	600,000
**D SPDR S+P INTERNATIONAL MIDCAP ETF	13,714	0	13,714

Shareholders: 423 People: 11  
 Shareholders on own behalf: 9 Shareholders by proxy: 414

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 12. April 2016

RESULTS OF VOTING

Subject: Approval of the financial statements at December 31, 2015

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D MULTI-STYLE, MULTI-MANAGER FUNDS PLC	105,800	0	105,800
**D SACRAMENTO COUNTY EMPLOYEES RETIREMENT SYSTEM	14,704	0	14,704
**D THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF	172,056	0	172,056
**D THE WELLINGTON TR CO, NAT ASS MULT COMM TR F TR, INT RES EQ F	17,869	0	17,869
**D THE WELLINGTON TR CO NAT ASS MULT COMM TR F TR GLB RES EQ PTF	4,667	0	4,667
**D MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	52,167	0	52,167
**D ISHARES VII PLC	308,702	0	308,702
**D BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F	30,631	0	30,631
**D AQR FUNDS- AQR STYLE PREMIA ALTERNATIVE FUND	476,489	0	476,489
**D AQR FUNDS- AQR STYLE PREMIA ALTERNATIVE LV FUND	22,177	0	22,177
**D AQR FUNDS - AQR LONG SHORT EQUITY FUND	35,433	0	35,433
**D AQR TAX PLUS U,S, RELAXED CONSTRAINT EQUITY FUND	1,326	0	1,326
**D AQR R,C, EQUITY AUSTRALIA FUND	15,213	0	15,213
**D AQR GLOBAL LONG-SHORT QUITY FUND	66,071	0	66,071
**D THE TRUSTEES OF BP PENSION FUND	816,030	0	816,030
**D TRUSTEES OF KINGFISHER PENSION SCHEME	14,375	0	14,375
**D MANAGED PENSION FUNDS LIMITED	98,064	0	98,064
**D GOVERNMENT INSTITUTIONS PENSION FUND	51,335	0	51,335
**D FAMILY INVESTMENTS CHILD TRUST FUND	2,760	0	2,760
**D FAMILY INVESTMENTS GLOBAL ICVC FAMILY BALANCED INT FUND	3,467	0	3,467
**D HSBC AS TRUSTEE FOR SSGA EUROPE EX UK EQUITY TRACKER FUND	128,450	0	128,450
**D FRIENDS LIFE LIMITED	1,522	0	1,522
**D STICHTING PHILIPS PENSIOENFONDS	38,321	0	38,321
**D BNY MELLON TR+DEP ATF ST, JAMES`S PLACE MNGD GROWTH UNIT TR	1,381,604	0	1,381,604
**D VANGUARD INV FDS ICVC-VANG FTSE DEV WOR LD EX - UK EQT IND FD	17,521	0	17,521
**D VANGUARD INV F ICVC-VANGUARD FTSE DEV EUROPE EX-UK EQ INDEX F	48,158	0	48,158
**D SUNSUPER SUPERANNUATION FUND	673	0	673
**D GUIDESTONE FUNDS INTERNATIONAL EQUITY FUND	99,448	0	99,448
**D MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST	57,188	0	57,188
**D NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND	7,451	0	7,451
**D THE UNIVERSITY OF ARKANSAS FOUNDATION, INC	114,400	0	114,400
**D CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	39,644	0	39,644
**D SCHLUMBERGER COMMON INVESTMENT FUND	37,304	0	37,304
**D AXIOM INVESTORS TRUST II	24,582	0	24,582
**D WYOMING RETIREMENT SYSTEM	8,796	0	8,796
**D WYOMING RETIREMENT SYSTEM	3,844	0	3,844
**D LTW GROUP HOLDINGS, LLC	105,100	0	105,100
**D LOY PARTNERSHIP, LLC	59,600	0	59,600
**D RAMI PARTNERS, LLC	40,800	0	40,800
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P.R.C	18,050	0	18,050
**D MICROSOFT GLOBAL FINANCE	126,125	0	126,125
**D BLUE SKY GROUP	126,139	0	126,139
**D PYRAMIS GROUP TRUST FOR EMPLOYEE BENEFIT PLANS	291,526	0	291,526
**D MASTER TR AGREE BETWEEN PFIZER INC AND THE NORTHERN TR CO	5,756	0	5,756

Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: Approval of the financial statements at December 31, 2015

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	183,825	0	183,825
**D SUTTER HEALTH MASTER RETIREMENT TRUST	308,797	0	308,797
**D TYCO ELECTRONICS DEFINED BENEFIT PLANS MASTER TRUST	10,795	0	10,795
**D HRW TESTAMENTARY TRUST NO 3	78,600	0	78,600
**D THE WALTON FAMILY FOUNDATION	174,000	0	174,000
**D HRW TESTAMENTARY TRUST NO 8	78,600	0	78,600
**D HRW TESTAMENTARY TRUST NO 2	78,600	0	78,600
**D HRW TESTAMENTARY TRUST NO 12	67,500	0	67,500
**D NEW ZEALAND SUPERANNUATION FUND	15,212	0	15,212
**D EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS	29,952	0	29,952
**D GENERAL PENSION AND SOCIAL SECURITY AUTHORITY	91,752	0	91,752
**D ILLINOIS MUNICIPAL RETIREMENT FUND	146,145	0	146,145
**D LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	16,385	0	16,385
**D SAN FRANCISCO CITY & COUNTY EMPLOYEES` RETIREMENT SYSTEM	222,166	0	222,166
**D STATE UNIVERSITIES RETIREMENT SYSTEM	35,921	0	35,921
**D UTAH STATE RETIREMENT SYSTEMS	15,487	0	15,487
**D FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	1,181	0	1,181
**D MERCER DS TRUST	133,965	0	133,965
**D WHEELS COMMON INVESTMENT FUND	5,543	0	5,543
**D THE TRUSTEES OF ZURICH FINANCIAL SERVICES UK PENSION SCHEME	522,821	0	522,821
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	34,658	0	34,658
**D MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO	22,540	0	22,540
**D NAT WEST BK AS TRUSTEE OF LEGAL & GENERAL EUROPEAN INDEX TR	59,585	0	59,585
**D AMG FUND PLC	16,800	0	16,800
**D SSGA GROSS ROLL UP UNIT TRUST	5,169	0	5,169
**D LEGAL & GENERAL AUTHORISED CONTRACTUAL SCHEME	1,753	0	1,753
**D ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND	25,495	0	25,495
**D SLI GLOBAL SICAV GLOBAL FOCUSEDSTRATEGIES FUND	86,188	0	86,188
**D POWERSHARES DYNAMIC INTERNATIONAL	1,267	0	1,267
**D PRUDENTIAL SECTOR FUNDS INC PRUDENTIAL FINANCIAL SERVICE	501,454	0	501,454
**D INVESCO FUNDS	100,000	0	100,000
**D BNYMTD (UK) AS TRUSTEE OF BLACKROCK CONTINENTAL EUROPE EQUITY TRY TRACKER FUND	167,160	0	167,160
**D POWERSHARES FTSE RAFI DEVELOPED MARKETS EX-US SMALL PORTFOLIO	4,776	0	4,776
**D THE BANK OF KOREA	4,355	0	4,355
**D POWERSHARES GLOBAL FUNDS IRELAND PLC	1,737	0	1,737
**D AMG TIMESSQUARE INTERNATIONAL SMALL CAP FUND	102,400	0	102,400
**D PNC INTERNATIONAL EQUITY FUND	220,000	0	220,000
**D ING FUNDS SERVICES, LLC	184,840	0	184,840
**D BLACKROCK LIFE LIMITED	495,684	0	495,684
**D THE BANK OF KOREA	1	0	1
**D INVESCO PERPETUAL GLOBAL SMALLER CO, FD	438,586	0	438,586
**D INVESCO FUNDS SERIES 4	1,559,338	0	1,559,338
**D PNC BALANCED ALLOCATION FUND	3,150	0	3,150
**D POWERSAHRES S(AND)P INTERNATIONAL DEVELOPED HIGH BETA PORTFOLIO	451	0	451

Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: Approval of the financial statements at December 31, 2015

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D RAINIER INTERNATIONAL DISCOVERYFUND	120,270	0	120,270
**D ADVANCED SERIES TRUST -AST FI PYRAMIS QUANTITATIVE PORTFOLIO	92,469	0	92,469
**D WMP OPPORTUNISTIC INVESTMENT PARTNERS, L.P.	24,584	0	24,584
**D FIRST INVESTORS GLOBAL FUND	208,630	0	208,630
**D ADVANCED SERIES TRUST-AST QMA EMERGING MARKETS EQUITY PORTFOLIO	148,743	0	148,743
**D RIVER AND MERCANTILE WORLD RECOVERY FUND	96,000	0	96,000
**D FIRST TRUST INTERNATIONAL IPO ETF	1,230	0	1,230
**D RIVER AND MERCANTILE DYNAMIC ASSET ALLOCATION FUND	5,000	0	5,000
**D ADVANCED SERIES TRUST-AST PRUDENTIAL GROWTH ALLOCATION PORTFOLIO	17,276	0	17,276
**D DEUTSCHE X-TRACKERS MSCI EMU HEDGED EQUITY ETF	6,815	0	6,815
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO	152,035	0	152,035
**D IQ 50 PERCENT HEDGED FTSE EUROPE ETF	784	0	784
**D VANGUARD INTERNATIONAL HIGH DIVIDEND YIELD INDEX FUND	577	0	577
**D NATIONAL TREASURY MANAGEMENT AGENCY (AS CONTROLLER AND MANAGER OF THE IRELAND STRATEGIC INVESTM	36,302	0	36,302
**D ERIE INSURANCE EXCHANGE	129,552	0	129,552
**D POWERSHARES FTSE INTERNATIONAL LOW BETA EQUAL WEIGHT PORTFOLIO	18,790	0	18,790
**D STICHTING PENSIOENFONDS HORECA & CATERING	13,683	0	13,683
**D DEUTSCHE X-TRACKERS FTSE DEVELOPED EX US ENHANCED BETA ETF	16	0	16
**D STICHTING DEPOSITARY APG DEVELOPED MARKETS EQUITY POOL	184,646	0	184,646
**D STG PFDS V,D, GRAFISCHE	47,541	0	47,541
**D FCP GROUPAMA AVENIR EURO	2,768,283	0	2,768,283
**D FCP ECUREUIL RETRAITE EURO ACTIONS 4	200,000	0	200,000
**D FCP UFF CROISSANCE PME MAITRE	720,044	0	720,044
**D CPR EURO HIGH DIVIDEND	132,215	0	132,215
**D FCP COLOMBES 6 BIS	160,000	0	160,000
**D SICAV LAGTOO	64,400	0	64,400
**D FCP EDMOND DE ROTHSCHILD EURO LEADERS	889,100	0	889,100
**D FCP EDMOND DE ROTHSCHILD EUROPEMIDCAPS	39,500	0	39,500
**D FCP GARANCE	68,200	0	68,200
**D I.2.C. ACTIONS	520,000	0	520,000
**D FCP VILLIERS DIAPASON	80,031	0	80,031
**D FCP LCF PHARMA INTERNATIONAL	137,380	0	137,380
**D EDMOND DE ROTHSCHILD ASSET MANAGEMENT	249,250	0	249,250
**D SICAV BBM V-FLEX	111,049	0	111,049
**D FCP BEST BUSINESS MODELS	1,550,000	0	1,550,000
**D GREAT EUROPEAN MODELS	813,000	0	813,000
**D THE NORTH CAROLINA SUPPLEMENTALRETIREMENT PLANS GROUP TRUST	157,262	0	157,262
**D PNC INTERNATIONAL GROWTH FUND	1,933	0	1,933
**D BLACKROCK GLOBAL FUNDS	9,039	0	9,039
**D ALASKA PERMANENT FUND CORPORATION	21,397	0	21,397
**D ALABAMA TRUST FUND	64,389	0	64,389
**D THE CLEVELAND CLINIC FOUNDATION	44,851	0	44,851
**D PUBLIC SCHOOL TEACHERS` PENSIONAND RETIREMENT FUND OF CHICAGO	109,447	0	109,447
**D CN CANADIAN MASTER TRUST FUND ,	2,069	0	2,069

Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: Approval of the financial statements at December 31, 2015

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D COMMONWEALTH OF PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES RETIREMENTENT SYSTEM	78,706	0	78,706
**D COX ENTERPRISES INC MASTER TRUST	1	0	1
**D THE STATE OF CONNECTICUT ACTINGTHROUGH ITS TREASURER	268,902	0	268,902
**D BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN	7,864	0	7,864
**D FLORIDA RETIREMENT SYSTEM	557,242	0	557,242
**D JOHN S, & JAMES L, KNIGHT FOUNDATION	98,666	0	98,666
**D MINISTERS & MISSIONARIES BENEFIT BOARD AMERICAN BAPTIST CHURCH	4,815	0	4,815
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF MISSISSIPI	98,311	0	98,311
**D PROVINCE PF NEWFOUNLAND AND LABRADOR POOLED PENSION FUND	22,345	0	22,345
**D PUBLIC SERVICE PENSION PLAN FUND	27,804	0	27,804
**D BELL ATLANTIC MASTER TRUST	1	0	1
**D PENSION RESERVES INVESTMENT TRUST FUND	103,810	0	103,810
**D INDIANA PUBLIC EMPLOYEES RETIREMENT FUND	18,478	0	18,478
**D RAYTHEON MASTER PENSION TRUST	1,528	0	1,528
**D TELUS FOREIGN EQUITY ACTIVE ALPHA POOL	63,306	0	63,306
**D PUBLIC SECTOR PENSION INVESTMENT BOARD	79,518	0	79,518
**D CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY	25,944	0	25,944
**D CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY	32,479	0	32,479
**D UMC BENEFIT BOARD, INC	3,052	0	3,052
**D UNISYS MASTER TRUST	61,682	0	61,682
**D CURATORS OF UNIVERSITY OF MISSOURI	16,167	0	16,167
**D VERIZON MASTER SAVINGS TRUST	62,888	0	62,888
**D CIBC INTERNATIONAL SMALL COMPANIES FUND	52,620	0	52,620
**D CF DV ACWI EX-U.S, IMI FUND	2,181	0	2,181
**D TIMESQUARE FOCUS FUND LP	18,300	0	18,300
4054 BOIDO VITTORIO	2,000	2,000	0
4267 CROCE MARIO	500	500	0
541 PISTONE UGO LUIGI	1,000	1,000	0
652 ZACCARDI ANTONELLA	1,000	1,000	0

**Total vote** 521,120,734  
**Percentage of voters %** 99.988301  
**Percentage of Capital %** 85.879378

Ordinary Shareholders Meeting 12, April 2016RESULTS OF VOTING**Subject : Allocation of 2015 net profit of the year**

no **427** persons entitled to vote took part in the voting on own behalf or by proxy

no **521,181,707** ordinary shares

**The counting of votes produced the following results**

		<b>% OF ORDINARY SHARE CAPITAL PRESENT (Voting Quorum)</b>	<b>% OF ORDINARY SHARE ENTITLED TO VOTE</b>	<b>% SHARE CAPITAL</b>
<b>Favorevoli</b>	521,181,174	99.999898	99.999898	85.889338
<b>Contrari</b>	0	0.000000	0.000000	0.000000
<b>SubTotale</b>	521,181,174	99.999898	99.999898	85.889338
<b>Astenuti</b>	533	0.000102	0.000102	0.000088
<b>Non Votanti</b>	0	0.000000	0.000000	0.000000
<b>SubTotale</b>	533	0.000102	0.000102	0.000088
<b>Totale</b>	521,181,707	100.000000	100.000000	85.889426

Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

**Subject: Allocation of 2015 net profit of the year**

**AGAINST**

Surname	Tot. Vote	On own behalf	Proxy
<b>Total vote</b>	0		
<b>Percentage of voters%</b>	0.000000		
<b>Percentage of Capital %</b>	0.000000		

Shareholders:  
Shareholders on own  
behalf:

0 People:  
0 Shareholders by  
proxy:

0 DE\* Proxy to the natural person above mentioned with the badge number  
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 12. April 2016

RESULTS OF VOTING

**Subject: Allocation of 2015 net profit of the year**

**ABSTENTIONS**

Surname	Tot. Vote	On own behalf	Proxy
4034 PETTINICCHIO LAURA	0	0	0
**D ERGOS OFFSHORE I LTD CO HARNEYS CORPORATE SERVICES	1	0	1
**D CLINTON LIGHTHOUSE EQUITY STRATEGIES MASTER FUND LTD. C/O CLINTON GROUP, INC	7	0	7
**D CLINTON EQUITY STRATEGIES MASTER FUND LTD	25	0	25
4267 CROCE MARIO	500	500	0

**Total vote** 533  
**Percentage of voters %** 0.000102  
**Percentage of Capital %** 0.000088

Shareholders:  
 Shareholders on own  
 behalf:

4 People:  
 1 Shareholders by  
 proxy:

2 DE\* Proxy to the natural person above mentioned with the badge number  
 3 \*\*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 12. April 2016

RESULTS OF VOTING

**Subject: Allocation of 2015 net profit of the year**

**NOT VOTING**

Surname		Tot. Vote	On own behalf	Proxy
<b>Total vote</b>	0			
<b>Percentage of voters%</b>	0.000000			
<b>Percentage of Capital %</b>	0.000000			

Shareholders:  
Shareholders on own  
behalf:

0 People:  
0 Shareholders by  
proxy:

0 DE\* Proxy to the natural person above mentioned with the badge number  
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Ordinary Shareholders Meeting 12. April 2016

## RESULTS OF VOTING

## Subject: Allocation of 2015 net profit of the year

## IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
1253 ROSSOTTI ROBERTO	4,900	4,900	0
1570 AMADEI STEFANO	2,500	2,500	0
1985 FOGLI MAURIZIO	80	80	0
2066 CAGLIA MARIA	0	0	0
DE* UNICREDIT S.P.A.	397,108,033	0	397,108,033
2067 CERASUOLO STEFANO	5,000	5,000	0
3400 ANNIBALETTI ANGELO	30,000	30,000	0
4034 PETTINICCHIO LAURA	0	0	0
**D MERRILL LYNCH PROFESSIONAL CLEARING	82,692	0	82,692
**D VANGUARD EUROPEAN STOCK INDEX FUND	469,785	0	469,785
**D VANGUARD DEVELOPED MARKETS INDEX FUND	501,466	0	501,466
**D WELLINGTON MANAGEMENT PORTFOLIOS	222,081	0	222,081
**D WELLINGTON MANAGNT PORTFOLIOS GLOB RESEA	29,677	0	29,677
**D VANGUARD TOTAL WORLD STOCK INDEX FUND	34,759	0	34,759
**D VANGUARD FTSE ALL-WORLD EX US INDEX FUND	283,525	0	283,525
**D BBH&C BOS FOR PYRAM GR TRUST FOR EMPL EMERG MM COM	41,600	0	41,600
**D WELLINGTON TRUST COMP COMM TRUST INT OPP	152,282	0	152,282
**D VANGUARD FUNDS PLC	32,115	0	32,115
**D RAINIER INT SMALL CAP EQUITY COLLECTIVE	67,490	0	67,490
**D WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUITY PORTFOLIO	3,429	0	3,429
**D JAPAN TRUSTEE SERVICES BANK LTD	241,951	0	241,951
**D BEST INVESTMENT CORPORATION	20,484	0	20,484
**D SCHRODER INSTITUTIONAL POOLED FUNDS-EUROPEAN EQUITY FUND	101,642	0	101,642
**D FCP CNP ACTIONS EUROPE SCHRODER	239,250	0	239,250
**D FONDS RESERVE RETRAITES	865,731	0	865,731
**D FONDS RESERVE RETRAITES	99,233	0	99,233
**D FRR	36,674	0	36,674
**D ALLIANZ AKTIEN EUROPA	341,310	0	341,310
**D PICTET TOTAL RETURN	692,588	0	692,588
**D HENDERSON HORIZON FUND SICAV	978,023	0	978,023
**D HENDERSON GARTMORE FUND	337,536	0	337,536
**D FCP_CAGNI	15,000	0	15,000
**D BANQUE PICTET & CIE SA	25,933	0	25,933
**D ALKEN FUND	1,523,696	0	1,523,696
**D ALKEN FUND-EUROPEAN OPPORTUNITIES	2,404,521	0	2,404,521
**D PFIZER JAPAN INC PENSION FUND	47,861	0	47,861
**D ROBECO CAPITAL GROWTH FUNDS	150,000	0	150,000
**D MOMENTUM INVESTMENT FUNDS SICAV-SIF	43,440	0	43,440
**D SCHRODER INTERNATIONAL SELECTION FUND	9,904,816	0	9,904,816
**D VANGUARD INVESTMENT SERIES, PLC	28,955	0	28,955
**D BLACKROCK INSTITUTIONAL POOLED FUNDS PLC	6,097	0	6,097
**D TREMBLANT LONG UCITS FUND	32,291	0	32,291
**D UBS IRL INVESTOR SELECTION PLC	80,312	0	80,312
**D HE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTBJ400045842	1,859,429	0	1,859,429
**D TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK	59,525	0	59,525

Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: Allocation of 2015 net profit of the year

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D UBS GLOBAL ASSET MANAGEMENT LIFE LTD	32,092	0	32,092
**D JPMORGAN CHASE BANK	47,680	0	47,680
**D MERIFIN CAPITAL B.V.	17,380	0	17,380
**D CHINA LIFE INSURANCE COMPANY LIMITED	41,347	0	41,347
**D FONDO CONSOLIDADO DE RESERVAS PREVISIONA	59,048	0	59,048
**D CHINA LIFE INSURANCE (GROUP) COMPANY	2,554	0	2,554
**D THE BARCLAYS BANK UK RETIREMENT FUND	61,884	0	61,884
**D UBS (US) GROUP TRUST	7,469	0	7,469
**D BT WHOLESALE MULTI MANAG INTL SHARE FUND	112,364	0	112,364
**D ONEPATH GLOBAL SHARES - SMALL CAP INDEX	7,474	0	7,474
**D COINVEST LIMITED	8,594	0	8,594
**D THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST	109,643	0	109,643
**D THE BOEING COMPANY EMPLOYEE RETIREMENT P	122,800	0	122,800
**D BLACKROCK INDEXED ALL-COUNTRY EQUITY FUN	1,214	0	1,214
**D VANGUARD INTERNATIONAL SMALL COMPANIES I	13,069	0	13,069
**D ARTEMIS EUROPEAN OPPORTUNITIES FUND	809,663	0	809,663
**D NVIT MULTI MANAGER INTERNATIONAL GROWTH	231,270	0	231,270
**D SBC MASTER PENSION TRUST SBC MASTER PENSION TRUST 208	86,383	0	86,383
**D T ROWE PRICE INTERNATIONAL EQUITY INDEX	8,050	0	8,050
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OH	75,987	0	75,987
**D STICHTING PENSIOENFONDS VOOR HUISARTSEN	11,406	0	11,406
**D VANGUARD TOTAL INTERNATIONAL STOCK INDEX	1,700,103	0	1,700,103
**D VANGUARD INTERNATIONAL EXPLORER FUND	2,000,000	0	2,000,000
**D MI-FONDS 392	277,833	0	277,833
**D JPMORGAN EUROPEAN INVESTMENT TRUST PLC	63,898	0	63,898
**D KAPITFORENI INSTIT INVEST GLOBALE AKTIER	16,958	0	16,958
**D NEW MEXICO STATE INVESTMENT COUNCIL	5,996	0	5,996
**D TRUST AND CUSTODY SERVICED BANK LIMITED	34,753	0	34,753
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND 10F	126,930	0	126,930
**D BUREAU OF LABOR FUNDS- LABOR PENSION FUND	25,505	0	25,505
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND 10F	18,335	0	18,335
**D SCHRODER EUROPEAN FUND	1,239,313	0	1,239,313
**D SCHRODER EUROPEAN SMALLER COMPANIES FUND	376,881	0	376,881
**D MASTER TRUST FOR NATIONAL PENSION FD	35,108	0	35,108
**D JAPAN TRUSTEE SERVICES BANK LTD	109,135	0	109,135
**D ENTERGY CORP.RETIREMENT PLANS MASTER TR,	135,814	0	135,814
**D NEW YORK LIFE INSURANCE COMPANY	34,727	0	34,727
**D SCHRODER INTERNATIONAL SMALL COMPANIES P	20,000	0	20,000
**D SCHRODER CAPITAL MANAGEMENT COLLECTIVE T	200,000	0	200,000
**D PROSHARES HEDGED FTSE EUROPE ETF	593	0	593
**D INVESCO GLOBAL SMALL CAP EQUITY POOL	50,904	0	50,904
**D RBC CANADIAN MASTER TRUST	67,964	0	67,964
**D THE GBC INTL GROWTH FUND	86,877	0	86,877
**D THE NOVA SCOTIA HEALTH EMPLOYEES PENS PL	352,954	0	352,954
**D REGIME DE RETRAITE D HYDRO QUEBEC	83,099	0	83,099

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Ordinary Shareholders Meeting 12. April 2016

## RESULTS OF VOTING

## Subject: Allocation of 2015 net profit of the year

## IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D FLF STRATEGIC GLOBAL EQUITY FUND	67,117	0	67,117
**D TR EUROPEAN GROWTH TRUST PLC	848,642	0	848,642
**D SAINT MARTIN 2	864,000	0	864,000
**D AXA OPTIMAL INCOME	2,306,782	0	2,306,782
**D AXA VALEURS EURO	662,000	0	662,000
**D FCPE TOTAL ACTIONS EUROPEENNES	670,000	0	670,000
**D COLISEE IFC 1 FCP	615,000	0	615,000
**D FCP KLESIA A DIVERSIFIE	260,000	0	260,000
**D SICAV C I P E C	55,000	0	55,000
**D SICAV MONT	25,000	0	25,000
**D FCP BRONGNIART AVENIR	179,000	0	179,000
**D SUPER FUNDS MANAG CORP SOUTH AUSTRALIA	119,451	0	119,451
**D AVIVA LIFE & PENSIONS UK LIMITED	33,620	0	33,620
**D AVIVA LIFE AND PENSIONS UK LIMITED	94,510	0	94,510
**D REASSURE LIMITED	8,235	0	8,235
**D HSBC EUROPEAN INDEX FUND	46,133	0	46,133
**D NIGOSC ADMINISTERS NILG PENSION FUND	60,940	0	60,940
**D REALDANIA	350,000	0	350,000
**D ANIMA SGR SPA - ANIMA GEO ITALIA	1,328,570	0	1,328,570
**D ANIMA SGR SPA - ANIMA SFORZESCO	187,890	0	187,890
**D ANIMA SGR SPA - ANIMA VISCONTEO	568,746	0	568,746
**D ANIMA SGR SPA - ANIMA ITALIA	717,010	0	717,010
**D METZLER INTERNATIONAL INV, PLC	1,110,700	0	1,110,700
**D PIONEER INVESTMENT MANAGEMENT SGRPA / AZIONARIO CRESCITA	247,723	0	247,723
**D SEI GLOBAL MASTER FUND PLC	137,749	0	137,749
**D PIONEER STRATEGY FUNDS-EUR,EQ,	72,159	0	72,159
**D PIONEER FUNDS-CORE EUROPEAN EQ	241,695	0	241,695
**D PIONEER FUNDS - ITALIAN EQUITY	74,271	0	74,271
**D PIONEER FUNDS - EUROP.POTENT.	3,819,112	0	3,819,112
**D PIONEER FUNDS - EUROPEAN RESE.	653,126	0	653,126
**D ALLIANZ ACTIONS EURO PME-ETI	93,700	0	93,700
**D NUMERIC MULTI STRATEGY MARKET NEUTRAL LEVERED OFFSHORE FUND LIMITED	26,900	0	26,900
**D AQR DELTA MASTER ACCOUNT LP COOGIER FIDUCIARY SERVICES (CAYMAN) LTD	8	0	8
**D NUMERIC SOCIALLY AWARE MULTI STRATEGY FUND LTD	4,800	0	4,800
**D PM MANAGER FUND SPC - SEGREGATED PORTFOLIO	147,907	0	147,907
**D NUMERIC SOCIALLY AWARE MULTI-STRATEGY FUND LTD	2,600	0	2,600
**D AQR MULTI-STRATEGY FUND VI LP CO AQR CAPITAL MGM LLC	27	0	27
**D ALT BETA EQUITY SIZE STRATEGY LIMITED CO NUMERIC INVESTORS LLC	36	0	36
**D AQR STYLE PREMIA MASTER ACCOUNT LP CO AQR CAPITAL MGM LLC	181	0	181
**D THREADNEEDLE INVESTMENT FUNDS ICVC	12,003,090	0	12,003,090
**D WELLINGTON GL RES EQ PTFO ATTN SIJIA CHEN MACQUARIE INVESTMENT MANAGEMENT LIMITED	3,481	0	3,481
**D SIEFOREBANAMEXBASICA3SADECV	121,296	0	121,296
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND,	170,890	0	170,890
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	512,536	0	512,536
**D SIEFOREBANAMEXBASICA2SADECV	105,474	0	105,474

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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: Allocation of 2015 net profit of the year

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST	4,578	0	4,578
**D SIEFOREBANAME BASICA4SADECV	131,844	0	131,844
**D THREADNEEDLE (LUX	848,043	0	848,043
**D CITIBANK KOREA INC	1,899,003	0	1,899,003
**D STATE TEACHERS RETIREMENT SYSTEM OF OHIO	278,642	0	278,642
**D STICHTING PGGM DEPOSITARY	265,000	0	265,000
**D IRISH LIFE ASSURANCE	105,932	0	105,932
**D UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	25,082	0	25,082
**D CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALL CAP PASSIVE II	6,059	0	6,059
**D GOVERNMENT OF NORWAY	7,824,850	0	7,824,850
**D NORGES BANK	22,097	0	22,097
**D CANADIAN BROADCASTING CORPORATION	95,509	0	95,509
**D NUMERIC INVESTORS LLC	14,400	0	14,400
**D THE METHODIST HOSPITAL	32,626	0	32,626
**D LAUDUS INTERNATIONAL MARKETMASTERS FUND	754,480	0	754,480
**D WELLINGTON MNGM PTF (CANADA) GLOBAL OPPORTUNITIES PTF	104,160	0	104,160
**D INTERNATIONAL MONETARY FUND	2,140	0	2,140
**D INTERNATIONAL MONETARY FUND	3,017	0	3,017
**D BERNSTEIN FUND, INC,- INTERNATIONAL SMALL CAP PORTFOLIO	236,590	0	236,590
**D AMERICAN CENTURY STRATEGIC ASSET ALL, INC, STRAT ALL CONS F	4,527	0	4,527
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRAT ALL MODERATE F	22,953	0	22,953
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRATEGIC ALL AGGR F	20,260	0	20,260
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL DISCOVERY F	458,900	0	458,900
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL OPPORTUNITIES	265,330	0	265,330
**D AMERICAN CENTURY WORLD MUTUAL FUNDS INC - NT INT SM MID CAP F	189,970	0	189,970
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, - GLO SMALL CAP FD	6,254	0	6,254
**D AMERICAN CENTURY RETIREMENT DATE TRUST	34,556	0	34,556
**D STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	157,548	0	157,548
**D FONDS PRIVE GPD ACTIONS INTERNATIONALES	115,000	0	115,000
**D CALVERT RESP INX SRS, INC,-CLVRT DVD MRKTS EX-U,S, RSP IX FND	139	0	139
**D PYRAMIS CONCENTRATED INTERNATIONAL SMALL CAP TRUST	133,241	0	133,241
**D ALLIANZGI INTERNATIONAL SMALL-CAP FUND	212,186	0	212,186
**D UAW RETIREE MEDICAL BENEFITS TRUST	85,455	0	85,455
**D EATON VANCE INTERNATIONAL SMALL-CAP FUND	9,823	0	9,823
**D THE BOEING COMPANY EMPLOYEE SAVINGS PLANS MASTER TRUST	44,981	0	44,981
**D HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND	703,661	0	703,661
**D THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND	954,928	0	954,928
**D THE HARTFORDGLOBAL ALL- ASSET FUND	54,151	0	54,151
**D HARTFORD HEALTHCARE ENDOWMENT LLC	11,998	0	11,998
**D HARTFORD HEALTHCARE CORP DEFINED BENEFIT MASTER TR AGREEMENT	17,020	0	17,020
**D ALLIANZGI GLOBAL SMALL-CAP FUND	185,421	0	185,421
**D WILLIAM BLAIR COLLECTIVE INVESTMENT TRUST	317,891	0	317,891
**D WILLIAM BLAIR INTERNATIONAL SMALL CAP GROWTH FUND	371,638	0	371,638
**D ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO	5,774	0	5,774
**D ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM	37,990	0	37,990

Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: Allocation of 2015 net profit of the year

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D RUSSELL INVESTMENT COMPANY IV PLC	11,423	0	11,423
**D HENKEL OF AMERICA MASTER RETIREMENT TRUST	13,327	0	13,327
**D LATTICE DEVELOPED MARKETS (EX-US) STRATEGY ETF	2,211	0	2,211
**D ALLIANCEBERNSTEIN INTERNATIONAL DISCOVERY SERIES	49,459	0	49,459
**D MARYLAND STATE RETIREMENT & PENSION SYSTEM	522	0	522
**D MGI FUNDS PLC	215,672	0	215,672
**D MERCER QIF CCF	1,074,182	0	1,074,182
**D MERCER QIF CCF	525,234	0	525,234
**D STATE OF MONTANA BOARD OF INVESTMENTS	2,469	0	2,469
**D ASHWOOD INVESTMENTS LIMITED	4,128	0	4,128
**D STATE OF NEW JERSEY COMMON PENSION FUND D	153,943	0	153,943
**D NEW YORK STATE DEFERRED COMPENSATION PLAN	89,286	0	89,286
**D COSMIC INVESTMENT FUND	136,961	0	136,961
**D CANADA PENSION PLAN INVESTMENT BOARD	2,429	0	2,429
**D CITY OF NEW YORK GROUP TRUST	485,124	0	485,124
**D WELLINGTON MNGT PTF (CAYMAN)-GL OPP EX-JAPAN PTF F QUA INST IN	61,634	0	61,634
**D FIRST ASSET MORNINGSTAR INTERNATIONAL MOMENTUM INDEX ETF	22,733	0	22,733
**D HONG KONG SPECIAL ADMINISTRATIVE REGION GOVERNMENT-EXCHANGE F	151,604	0	151,604
**D CTBC BANK CO LTD AMC FOR AB INC & GTH UM FD-ALL EUR INC & GR F	78,380	0	78,380
**D BIMCOR GLOBAL EQUITY POOLED FUND	67,446	0	67,446
**D BANK OF KOREA	331,843	0	331,843
**D MINISTRY OF STRATEGY AND FINANCE	104,747	0	104,747
**D MINISTRY OF STRATEGY AND FINANCE	21,465	0	21,465
**D STATE STREET IRELAND UNIT TRUST	40,088	0	40,088
**D SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	13,672	0	13,672
**D THE STARR FOUNDATION	31,540	0	31,540
**D CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	601,745	0	601,745
**D CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	202,425	0	202,425
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	311,857	0	311,857
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	625,850	0	625,850
**D SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST	37,395	0	37,395
**D VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	2,643	0	2,643
**D VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF	480	0	480
**D VANGUARD INVESTMENTS II COMMON CONTRACTUAL FUND	3,987	0	3,987
**D VANGUARD INVESTMENTS COMMON CONTRACTUAL FUND	13,272	0	13,272
**D VANGUARD FTSE DEVELOPED EUROPE INDEX ETF	371	0	371
**D THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST	291,789	0	291,789
**D THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF	61,084	0	61,084
**D THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF	160,262	0	160,262
**D THE WELLINGTON TR CO NAT ASS MULT COMM EUROPE SMALLER CO PTF	5,165	0	5,165
**D THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II	337,248	0	337,248
**D WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR	14,339	0	14,339
**D WASHINGTON STATE INVESTMENT BOARD	83,044	0	83,044
**D WISDOMTREE DYNAMIC CURRENCY HEDGED EUROPE EQUITY FUND	712	0	712
**D WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	839	0	839

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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: Allocation of 2015 net profit of the year

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D WISDOMTREE INTERNATIONAL MIDCAP DIVIDEND FUND	21,820	0	21,820
**D WISDOMTREE INTERNATIONAL HEDGED EQUITY FUND	363	0	363
**D WISDOMTREE EUROPE LOCAL RECOVERY FUND	2,470	0	2,470
**D WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	364,624	0	364,624
**D PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY	187,380	0	187,380
**D WELLINGTON MANAGEMENT FUNDS (IRELAND) PLC	22,427	0	22,427
**D SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	325,882	0	325,882
**D STATE STREET GLOBAL ADVISORS LUXEMBOURG SICAV	96,843	0	96,843
**D AXA WORLD FUNDS	10,842,656	0	10,842,656
**D RAS LUX FUND	25,000	0	25,000
**D ALLIANZ GLOBAL INVESTORS FUND	1,827,996	0	1,827,996
**D BLACKROCK STRATEGIC FUNDS	21,547	0	21,547
**D GOLDMAN SACHS FUNDS	1,759	0	1,759
**D MARCH FUND	1,887	0	1,887
**D MARCH FUND	30,856	0	30,856
**D UBS ETF	16,263	0	16,263
**D ISHARES MSCI EAFE SMALL CAP ETF	388,076	0	388,076
**D ISHARES MSCI EUROPE SMALL-CAP ETF	12,245	0	12,245
**D BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR	959,848	0	959,848
**D ISHARES CORE MSCI EAFE ETF	187,861	0	187,861
**D ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	30,853	0	30,853
**D ISHARES CORE MSCI EAFE IMI INDEX ETF	8,177	0	8,177
**D ISHARES MSCI EUROPE IMI INDEX ETF	4,947	0	4,947
**D ISHARES MSCI EUROPE IMI ETF	30,856	0	30,856
**D CONNECTICUT GENERAL LIFE INSURANCE COMPANY	2,775	0	2,775
**D CDN ACWI ALPHA TILTS FUND	15,426	0	15,426
**D BLACKROCK CDN MSCI EAFE INDEX PLUS FUND	372	0	372
**D INTERNATIONAL EQUITY INDEX PLUS FUNDS B	334	0	334
**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	76,267	0	76,267
**D BGI MSCI EMU IMI INDEX FUND B	312	0	312
**D DEVELOPED EX-FOSSIL FUEL INDEX FUND B	1,845	0	1,845
**D GLOBAL EX US ALPHA TILTS FUND B	5,409	0	5,409
**D INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST	47,788	0	47,788
**D OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM	206,399	0	206,399
**D RUSSELL TRUST CO COMMINGLED EMPLOYEE BENEFIT FUNDS TRUST	63,828	0	63,828
**D COLLEGE RETIREMENT EQUITIES FUND	179,485	0	179,485
**D TRANSAMERICA INTERNATIONAL SMALL CAP	600,000	0	600,000
**D SPDR S+P INTERNATIONAL MIDCAP ETF	13,714	0	13,714
**D MULTI-STYLE, MULTI-MANAGER FUNDS PLC	105,800	0	105,800
**D SACRAMENTO COUNTY EMPLOYEES RETIREMENT SYSTEM	14,704	0	14,704
**D THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF	172,056	0	172,056
**D THE WELLINGTON TR CO, NAT ASS MULT COMM TR F TR, INT RES EQ F	17,869	0	17,869
**D THE WELLINGTON TR CO NAT ASS MULT COMM TR F TR GLB RES EQ PTF	4,667	0	4,667

Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: Allocation of 2015 net profit of the year

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	52,167	0	52,167
**D ISHARES VII PLC	308,702	0	308,702
**D BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F	30,631	0	30,631
**D AQR FUNDS- AQR STYLE PREMIA ALTERNATIVE FUND	476,489	0	476,489
**D AQR FUNDS- AQR STYLE PREMIA ALTERNATIVE LV FUND	22,177	0	22,177
**D AQR FUNDS - AQR LONG SHORT EQUITY FUND	35,433	0	35,433
**D AQR TAX PLUS U.S. RELAXED CONSTRAINT EQUITY FUND	1,326	0	1,326
**D AQR R.C. EQUITY AUSTRALIA FUND	15,213	0	15,213
**D AQR GLOBAL LONG-SHORT QUITTY FUND	66,071	0	66,071
**D THE TRUSTEES OF BP PENSION FUND	816,030	0	816,030
**D TRUSTEES OF KINGFISHER PENSION SCHEME	14,375	0	14,375
**D MANAGED PENSION FUNDS LIMITED	98,064	0	98,064
**D GOVERNMENT INSTITUTIONS PENSION FUND	51,335	0	51,335
**D FAMILY INVESTMENTS CHILD TRUST FUND	2,760	0	2,760
**D FAMILY INVESTMENTS GLOBAL ICVC FAMILY BALANCED INT FUND	3,467	0	3,467
**D HSBC AS TRUSTEE FOR SSGA EUROPE EX UK EQUITY TRACKER FUND	128,450	0	128,450
**D FRIENDS LIFE LIMITED	1,522	0	1,522
**D STICHTING PHILIPS PENSIOENFONDS	38,321	0	38,321
**D BNY MELLON TR+DEP ATF ST, JAMES`S PLACE MNGD GROWTH UNIT TR	1,381,604	0	1,381,604
**D VANGUARD INV FDS ICVC-VANG FTSE DEV WOR LD EX - UK EQT IND FD	17,521	0	17,521
**D VANGUARD INV F ICVC-VANGUARD FTSE DEV EUROPE EX-UK EQ INDEX F	48,158	0	48,158
**D SUNSUPER SUPERANNUATION FUND	673	0	673
**D GUIDESTONE FUNDS INTERNATIONAL EQUITY FUND	99,448	0	99,448
**D MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST	57,188	0	57,188
**D NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND	7,451	0	7,451
**D THE UNIVERSITY OF ARKANSAS FOUNDATION, INC	114,400	0	114,400
**D CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	39,644	0	39,644
**D SCHLUMBERGER COMMON INVESTMENT FUND	37,304	0	37,304
**D AXIOM INVESTORS TRUST II	24,582	0	24,582
**D WYOMING RETIREMENT SYSTEM	8,796	0	8,796
**D WYOMING RETIREMENT SYSTEM	3,844	0	3,844
**D LTW GROUP HOLDINGS, LLC	105,100	0	105,100
**D LOY PARTNERSHIP, LLC	59,600	0	59,600
**D RAMI PARTNERS, LLC	40,800	0	40,800
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P,R,C	18,050	0	18,050
**D MICROSOFT GLOBAL FINANCE	126,125	0	126,125
**D BLUE SKY GROUP	126,139	0	126,139
**D PYRAMIS GROUP TRUST FOR EMPLOYEE BENEFIT PLANS	291,526	0	291,526
**D MASTER TR AGREE BETWEEN PFIZER INC AND THE NORTHERN TR CO	5,756	0	5,756
**D NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	183,825	0	183,825
**D SUTTER HEALTH MASTER RETIREMENT TRUST	308,797	0	308,797
**D TYCO ELECTRONICS DEFINED BENEFIT PLANS MASTER TRUST	10,795	0	10,795
**D HRW TESTAMENTARY TRUST NO 3	78,600	0	78,600
**D THE WALTON FAMILY FOUNDATION	174,000	0	174,000
**D HRW TESTAMENTARY TRUST NO, 8	78,600	0	78,600

Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: Allocation of 2015 net profit of the year

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D HRW TESTAMENTARY TRUST NO 2	78,600	0	78,600
**D HRW TESTAMENTARY TRUST NO, 12	67,500	0	67,500
**D NEW ZEALAND SUPERANNUATION FUND	15,212	0	15,212
**D EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS	29,952	0	29,952
**D GENERAL PENSION AND SOCIAL SECURITY AUTHORITY	91,752	0	91,752
**D ILLINOIS MUNICIPAL RETIREMENT FUND	146,145	0	146,145
**D LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	16,385	0	16,385
**D SAN FRANCISCO CITY & COUNTY EMPLOYEES` RETIREMENT SYSTEM	222,166	0	222,166
**D STATE UNIVERSITIES RETIREMENT SYSTEM	35,921	0	35,921
**D UTAH STATE RETIREMENT SYSTEMS	15,487	0	15,487
**D FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	1,181	0	1,181
**D MERCER DS TRUST	133,965	0	133,965
**D WHEELS COMMON INVESTMENT FUND	5,543	0	5,543
**D THE TRUSTEES OF ZURICH FINANCIAL SERVICES UK PENSION SCHEME	522,821	0	522,821
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	34,658	0	34,658
**D MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO	22,540	0	22,540
**D NAT WEST BK AS TRUSTEE OF LEGAL & GENERAL EUROPEAN INDEX TR	59,585	0	59,585
**D AMG FUND PLC	16,800	0	16,800
**D SSGA GROSS ROLL UP UNIT TRUST	5,169	0	5,169
**D LEGAL & GENERAL AUTHORISED CONTRACTUAL SCHEME	1,753	0	1,753
**D ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND	25,495	0	25,495
**D SLI GLOBAL SICAV GLOBAL FOCUSEDSTRATEGIES FUND	86,188	0	86,188
**D POWERSHARES DYNAMIC INTERNATIONAL	1,267	0	1,267
**D PRUDENTIAL SECTOR FUNDS INC PRUDENTIAL FINANCIAL SERVICE	501,454	0	501,454
**D INVESCO FUNDS	100,000	0	100,000
**D BNYMTD (UK) AS TRUSTEE OF BLACKROCK CONTINENTAL EUROPE EQUITY TRY TRACKER FUND	167,160	0	167,160
**D POWERSHARES FTSE RAFI DEVELOPED MARKETS EX-US SMALL PORTFOLIO	4,776	0	4,776
**D THE BANK OF KOREA	4,355	0	4,355
**D POWERSHARES GLOBAL FUNDS IRELAND PLC	1,737	0	1,737
**D AMG TIMESSQUARE INTERNATIONAL SMALL CAP FUND	102,400	0	102,400
**D PNC INTERNATIONAL EQUITY FUND	220,000	0	220,000
**D ING FUNDS SERVICES, LLC	184,840	0	184,840
**D BLACKROCK LIFE LIMITED	495,684	0	495,684
**D THE BANK OF KOREA	1	0	1
**D INVESCO PERPETUAL GLOBAL SMALLER CO, FD	438,586	0	438,586
**D INVESCO FUNDS SERIES 4	1,559,338	0	1,559,338
**D PNC BALANCED ALLOCATION FUND	3,150	0	3,150
**D POWERSAHRES S(AND)P INTERNATIONAL DEVELOPED HIGH BETA PORTFOLIO	451	0	451
**D RAINIER INTERNATIONAL DISCOVERYFUND	120,270	0	120,270
**D ADVANCED SERIES TRUST -AST FI PYRAMLS QUANTITATIVE PORTFOLIO	92,469	0	92,469
**D WMP OPPORTUNISTIC INVESTMENT PARTNERS, L,P,	24,584	0	24,584
**D FIRST INVESTORS GLOBAL FUND	208,630	0	208,630
**D ADVANCED SERIES TRUST-AST QMA EMERGING MARKETS EQUITY PORTFOLIO	148,743	0	148,743
**D RIVER AND MERCANTILE WORLD RECOVERY FUND	96,000	0	96,000
**D FIRST TRUST INTERNATIONAL IPO ETF	1,230	0	1,230



Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: Allocation of 2015 net profit of the year

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D RIVER AND MERCANTILE DYNAMIC ASSET ALLOCATION FUND	5,000	0	5,000
**D ADVANCED SERIES TRUST-AST PRUDENTIAL GROWTH ALLOCATION PORTFOLIO	17,276	0	17,276
**D DEUTSCHE X-TRACKERS MSCI EMU HEDGED EQUITY ETF	6,815	0	6,815
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO	152,035	0	152,035
**D IQ 50 PERCENT HEDGED FTSE EUROPE ETF	784	0	784
**D VANGUARD INTERNATIONAL HIGH DIVIDEND YIELD INDEX FUND	577	0	577
**D NATIONAL TREASURY MANAGEMENT AGENCY (AS CONTROLLER AND MANAGER OF THE IRELAND STRATEGIC INVESTM	36,302	0	36,302
**D ERIE INSURANCE EXCHANGE	129,552	0	129,552
**D POWERSHARES FTSE INTERNATIONAL LOW BETA EQUAL WEIGHT PORTFOLIO	18,790	0	18,790
**D STICHTING PENSIOENFONDS HORECA & CATERING	13,683	0	13,683
**D DEUTSCHE X-TRACKERS FTSE DEVELOPED EX US ENHANCED BETA ETF	16	0	16
**D STICHTING DEPOSITARY APG DEVELOPED MARKETS EQUITY POOL	184,646	0	184,646
**D STG PFDS V.D. GRAFISCHE	47,541	0	47,541
**D FCP GROUPAMA AVENIR EURO	2,768,283	0	2,768,283
**D FCP ECUREULL RETRAITE EURO ACTIONS 4	200,000	0	200,000
**D FCP UFF CROISSANCE PME MAITRE	720,044	0	720,044
**D CPR EURO HIGH DIVIDEND	132,215	0	132,215
**D FCP COLOMBES 6 BIS	160,000	0	160,000
**D SICAV LAGTOO	64,400	0	64,400
**D FCP EDMOND DE ROTHSCHILD EURO LEADERS	889,100	0	889,100
**D FCP EDMOND DE ROTHSCHILD EUROPEMIDCAPS	39,500	0	39,500
**D FCP GARANCE	68,200	0	68,200
**D I.2.C. ACTIONS	520,000	0	520,000
**D FCP VILLIERS DIAPASON	80,031	0	80,031
**D FCP LCF PHARMA INTERNATIONAL	137,380	0	137,380
**D EDMOND DE ROTHSCHILD ASSET MANAGEMENT	249,250	0	249,250
**D SICAV BBM V-FLEX	111,049	0	111,049
**D FCP BEST BUSINESS MODELS	1,550,000	0	1,550,000
**D GREAT EUROPEAN MODELS	813,000	0	813,000
**D THE NORTH CAROLINA SUPPLEMENTALRETIREMENT PLANS GROUP TRUST	157,262	0	157,262
**D PNC INTERNATIONAL GROWTH FUND	1,933	0	1,933
**D BLACKROCK GLOBAL FUNDS	9,039	0	9,039
**D ALASKA PERMANENT FUND CORPORATION	21,397	0	21,397
**D ALABAMA TRUST FUND	64,389	0	64,389
**D THE CLEVELAND CLINIC FOUNDATION	44,851	0	44,851
**D PUBLIC SCHOOL TEACHERS` PENSIONAND RETIREMENT FUND OF CHICAGO	109,447	0	109,447
**D CN CANADIAN MASTER TRUST FUND ,	2,069	0	2,069
**D COMMONWEALTH OF PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES RETIREMENTENT SYSTEM	78,706	0	78,706
**D COX ENTERPRISES INC MASTER TRUST	1	0	1
**D THE STATE OF CONNECTICUT ACTINGTHROUGH ITS TREASURER	268,902	0	268,902
**D BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN	7,864	0	7,864
**D FLORIDA RETIREMENT SYSTEM	557,242	0	557,242
**D JOHN S, & JAMES L, KNIGHT FOUNDATION	98,666	0	98,666
**D MINISTERS & MISSIONARIES BENEFIT BOARD AMERICAN BAPTIST CHURCH	4,815	0	4,815
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF MISSISSIPI	98,311	0	98,311

Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

**Subject: Allocation of 2015 net profit of the year**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D PROVINCE PF NEWFOUNLAND AND LABRADOR POOLED PENSION FUND	22,345	0	22,345
**D PUBLIC SERVICE PENSION PLAN FUND	27,804	0	27,804
**D BELL ATLANTIC MASTER TRUST	1	0	1
**D PENSION RESERVES INVESTMENT TRUST FUND	103,810	0	103,810
**D INDIANA PUBLIC EMPLOYEES RETIREMENT FUND	18,478	0	18,478
**D RAYTHEON MASTER PENSION TRUST	1,528	0	1,528
**D TELUS FOREIGN EQUITY ACTIVE ALPHA POOL	63,306	0	63,306
**D PUBLIC SECTOR PENSION INVESTMENT BOARD	79,518	0	79,518
**D CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY	25,944	0	25,944
**D CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY	32,479	0	32,479
**D UMC BENEFIT BOARD, INC	3,052	0	3,052
**D UNISYS MASTER TRUST	61,682	0	61,682
**D CURATORS OF UNIVERSITY OF MISSOURI	16,167	0	16,167
**D VERIZON MASTER SAVINGS TRUST	62,888	0	62,888
**D CIBC INTERNATIONAL SMALL COMPANIES FUND	52,620	0	52,620
**D CF DV ACWI EX-U,S, IMI FUND	2,181	0	2,181
**D TIMESQUARE FOCUS FUND LP	18,300	0	18,300
4054 BOIDO VITTORIO	2,000	2,000	0
541 PISTONE UGO LUIGI	1,000	1,000	0
652 ZACCARDI ANTONELLA	1,000	1,000	0

**Total vote** 521,181,174  
**Percentage of voters %** 99.999898  
**Percentage of Capital %** 85.889338

Shareholders:  
 Shareholders on own  
 behalf:

423 People:  
 8 Shareholders by  
 proxy:

10  
 415

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 12, April 2016

RESULTS OF VOTING

Subject: **2016 Compensation Policy**

no **427** persons entitled to vote took part in the voting on own behalf or by proxy

no **521,181,707** ordinary shares

The counting of votes produced the following results

		<b>% OF ORDINARY SHARE CAPITAL PRESENT (Voting Quorum)</b>	<b>% OF ORDINARY SHARE ENTITLED TO VOTE</b>	<b>% SHARE CAPITAL</b>
<b>In Favour</b>	515,824,590	98.972121	98.972121	85.006587
<b>Against</b>	4,544,421	0.871946	0.871946	0.748909
<b>Sub Total</b>	520,369,011	99.844067	99.844067	85.755496
<b>Abstentions</b>	812,696	0.155933	0.155933	0.133930
<b>Not Voting</b>	0	0.000000	0.000000	0.000000
<b>Sub Total</b>	812,696	0.155933	0.155933	0.133930
<b>Total</b>	521,181,707	100.000000	100.000000	85.889426

Shareholders:  
Shareholders on own  
behalf:

427 People:  
9 Shareholders by proxy

11  
418

Ordinary Shareholders Meeting 12. April 2016

## RESULTS OF VOTING

Subject: 2016 Compensation Policy

## AGAINST

Surname	Tot. Vote	On own behalf	Proxy
4034 PETTINICCHIO LAURA	0	0	0
**D FONDS RESERVE RETRAITES	99,233	0	99,233
**D FCP_CAGNI	15,000	0	15,000
**D JPMORGAN CHASE BANK	47,680	0	47,680
**D STICHTING PENSIOENFONDS VOOR HUISARTSEN	11,406	0	11,406
**D MI-FONDS 392	277,833	0	277,833
**D KAPITFORENI INSTIT INVEST GLOBALE AKTIER	16,958	0	16,958
**D SICAV C I P E C	55,000	0	55,000
**D SICAV MONT	25,000	0	25,000
**D FCP BRONGNIART AVENIR	179,000	0	179,000
**D AVIVA LIFE & PENSIONS UK LIMITED	33,620	0	33,620
**D AVIVA LIFE AND PENSIONS UK LIMITED	94,510	0	94,510
**D NIGOSC ADMINISTERS NILG PENSION FUND	60,940	0	60,940
**D METZLER INTERNATIONAL INV, PLC	1,110,700	0	1,110,700
**D SEI GLOBAL MASTER FUND PLC	137,749	0	137,749
**D STICHTING PGGM DEPOSITARY	265,000	0	265,000
**D BERNSTEIN FUND, INC.- INTERNATIONAL SMALL CAP PORTFOLIO	236,590	0	236,590
**D ALLIANCEBERNSTEIN INTERNATIONAL DISCOVERY SERIES	49,459	0	49,459
**D CTBC BANK CO LTD AMC FOR AB INC & GTH UM FD-ALL EUR INC & GR F	78,380	0	78,380
**D FRIENDS LIFE LIMITED	1,522	0	1,522
**D WYOMING RETIREMENT SYSTEM	8,796	0	8,796
**D CPR EURO HIGH DIVIDEND	132,215	0	132,215
**D FCP COLOMBES 6 BIS	160,000	0	160,000
**D SICAV LAGTOO	64,400	0	64,400
**D FCP EDMOND DE ROTHSCHILD EURO LEADERS	889,100	0	889,100
**D FCP EDMOND DE ROTHSCHILD EUROPEMIDCAPS	39,500	0	39,500
**D FCP GARANCE	68,200	0	68,200
**D FCP LCF PHARMA INTERNATIONAL	137,380	0	137,380
**D EDMOND DE ROTHSCHILD ASSET MANAGEMENT	249,250	0	249,250

**Total vote** 4,544,421  
**Percentage of voters%%** 0.871946  
**Percentage of Capital %** 0.748909

## Page 1

Shareholders:  
Shareholders on own  
behalf:

28 People:  
0 Shareholders by  
proxy:

1 DE\* Proxy to the natural person above mentioned with the badge number  
28 \*\*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 12. April 2016

RESULTS OF VOTING

Subject: **2016 Compensation Policy**

**ABSTENTIONS**

Surname	Tot. Vote	On own behalf	Proxy
1570 AMADEI STEFANO	2,500	2,500	0
4034 PETTINICCHIO LAURA	0	0	0
**D ARTEMIS EUROPEAN OPPORTUNITIES FUND	809,663	0	809,663
**D ERGOS OFFSHORE I LTD CO HARNEYS CORPORATE SERVICES	1	0	1
**D CLINTON LIGHTHOUSE EQUITY STRATEGIES MASTER FUND LTD, C/O CLINTON GROUP, INC	7	0	7
**D CLINTON EQUITY STRATEGIES MASTER FUND LTD	25	0	25
4038 CROCE MARIO	500	500	0
<b>Total vote</b>	812,696		
<b>Percentage of voters%%</b>	0.155933		
<b>Percentage of Capital %</b>	0.133930		

Shareholders:  
Shareholders on own  
behalf:

6 People:  
2 Shareholders by  
proxy:

3 DE\* Proxy to the natural person above mentioned with the badge number  
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 12, April 2016

RESULTS OF VOTING  
Subject: **2016 Compensation Policy**

**NOT VOTING**

Surname	Tot. Vote	On own behalf	Proxy
<b>Total vote</b>	0		
<b>Percentage of voters%</b>	0.000000		
<b>Percentage of Capital %</b>	0.000000		

Shareholders:  
Shareholders on own  
behalf:

0 People:  
0 Shareholders by  
proxy:

Page 3  
0 DE\* Proxy to the natural person above mentioned with the badge number  
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 12. April 2016

RESULTS OF VOTING

Subject: **2016 Compensation Policy**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
1253 ROSSOTTI ROBERTO	4,900	4,900	0
1985 FOGLI MAURIZIO	80	80	0
2066 CAGLIA MARIA	0	0	0
DE* UNICREDIT S.P.A.	397,108,033	0	397,108,033
2067 CERASUOLO STEFANO	5,000	5,000	0
3400 ANNIBALETTI ANGELO	30,000	30,000	0
4034 PETTINICCHIO LAURA	0	0	0
**D MERRILL LYNCH PROFESSIONAL CLEARING	82,692	0	82,692
**D VANGUARD EUROPEAN STOCK INDEX FUND	469,785	0	469,785
**D VANGUARD DEVELOPED MARKETS INDEX FUND	501,466	0	501,466
**D WELLINGTON MANAGEMENT PORTFOLIOS	222,081	0	222,081
**D WELLINGTON MANAGNT PORTFOLIOS GLOB RESEA	29,677	0	29,677
**D VANGUARD TOTAL WORLD STOCK INDEX FUND	34,759	0	34,759
**D VANGUARD FTSE ALL-WORLD EX US INDEX FUND	283,525	0	283,525
**D BBH&C BOS FOR PYRAM GR TRUST FOR EMPL EMERG MM COM	41,600	0	41,600
**D WELLINGTON TRUST COMP COMM TRUST INT OPP	152,282	0	152,282
**D VANGUARD FUNDS PLC	32,115	0	32,115
**D RAINIER INT SMALL CAP EQUITY COLLECTIVE	67,490	0	67,490
**D WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUITY PORTFOLIO	3,429	0	3,429
**D JAPAN TRUSTEE SERVICES BANK LTD	241,951	0	241,951
**D BEST INVESTMENT CORPORATION	20,484	0	20,484
**D SCHRODER INSTITUTIONAL POOLED FUNDS-EUROPEAN EQUITY FUND	101,642	0	101,642
**D FCP CNP ACTIONS EUROPE SCHRODER	239,250	0	239,250
**D FONDS RESERVE RETRAITES	865,731	0	865,731
**D FRR	36,674	0	36,674
**D ALLIANZ AKTIEN EUROPA	341,310	0	341,310
**D PICTET TOTAL RETURN	692,588	0	692,588
**D HENDERSON HORIZON FUND SICAV	978,023	0	978,023
**D HENDERSON GARTMORE FUND	337,536	0	337,536
**D BANQUE PICTET & CIE SA	25,933	0	25,933
**D ALKEN FUND	1,523,696	0	1,523,696
**D ALKEN FUND-EUROPEAN OPPORTUNITIES	2,404,521	0	2,404,521
**D PFIZER JAPAN INC PENSION FUND	47,861	0	47,861
**D ROBECO CAPITAL GROWTH FUNDS	150,000	0	150,000
**D MOMENTUM INVESTMENT FUNDS SICAV-SIF	43,440	0	43,440
**D SCHRODER INTERNATIONAL SELECTION FUND	9,904,816	0	9,904,816
**D VANGUARD INVESTMENT SERIES, PLC	28,955	0	28,955
**D BLACKROCK INSTITUTIONAL POOLED FUNDS PLC	6,097	0	6,097
**D TREMBLANT LONG UCITS FUND	32,291	0	32,291
**D UBS IRL INVESTOR SELECTION PLC	80,312	0	80,312
**D HE MASTER TRUST BANK OF JAPAN TD AS TRUSTEE FOR MTBJ400045842	1,859,429	0	1,859,429
**D TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK	59,525	0	59,525
**D UBS GLOBAL ASSET MANAGEMENT LIFE LTD	32,092	0	32,092
**D MERIFIN CAPITAL B.V.	17,380	0	17,380

Shareholders:  
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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **2016 Compensation Policy**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D CHINA LIFE INSURANCE COMPANY LIMITED	41,347	0	41,347
**D FONDO CONSOLIDADO DE RESERVAS PREVISIONA	59,048	0	59,048
**D CHINA LIFE INSURANCE (GROUP) COMPANY	2,554	0	2,554
**D THE BARCLAYS BANK UK RETIREMENT FUND	61,884	0	61,884
**D UBS (US) GROUP TRUST	7,469	0	7,469
**D BT WHOLESALE MULTI MANAG INTL SHARE FUND	112,364	0	112,364
**D ONEPATH GLOBAL SHARES - SMALL CAP INDEX	7,474	0	7,474
**D COINVEST LIMITED	8,594	0	8,594
**D THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST	109,643	0	109,643
**D THE BOEING COMPANY EMPLOYEE RETIREMENT P	122,800	0	122,800
**D BLACKROCK INDEXED ALL-COUNTRY EQUITY FUN	1,214	0	1,214
**D VANGUARD INTERNATIONAL SMALL COMPANIES I	13,069	0	13,069
**D NVIT MULTI MANAGER INTERNATIONAL GROWTH	231,270	0	231,270
**D SBC MASTER PENSION TRUST SBC MASTER PENSION TRUST 208	86,383	0	86,383
**D T ROWE PRICE INTERNATIONAL EQUITY INDEX	8,050	0	8,050
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OH	75,987	0	75,987
**D VANGUARD TOTAL INTERNATIONAL STOCK INDEX	1,700,103	0	1,700,103
**D VANGUARD INTERNATIONAL EXPLORER FUND	2,000,000	0	2,000,000
**D JPMORGAN EUROPEAN INVESTMENT TRUST PLC	63,898	0	63,898
**D NEW MEXICO STATE INVESTMENT COUNCIL	5,996	0	5,996
**D TRUST AND CUSTODY SERVICED BANK LIMITED	34,753	0	34,753
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND 10F	126,930	0	126,930
**D BUREAU OF LABOR FUNDS- LABOR PENSION FUND	25,505	0	25,505
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND 10F	18,335	0	18,335
**D SCHRODER EUROPEAN FUND	1,239,313	0	1,239,313
**D SCHRODER EUROPEAN SMALLER COMPANIES FUND	376,881	0	376,881
**D MASTER TRUST FOR NATIONAL PENSION FD	35,108	0	35,108
**D JAPAN TRUSTEE SERVICES BANK LTD	109,135	0	109,135
**D ENTERGY CORP,RETIREMENT PLANS MASTER TR,	135,814	0	135,814
**D NEW YORK LIFE INSURANCE COMPANY	34,727	0	34,727
**D SCHRODER INTERNATIONAL SMALL COMPANIES P	20,000	0	20,000
**D SCHRODER CAPITAL MANAGEMENT COLLECTIVE T	200,000	0	200,000
**D PROSHARES HEDGED FTSE EUROPE ETF	593	0	593
**D INVESCO GLOBAL SMALL CAP EQUITY POOL	50,904	0	50,904
**D RBC CANADIAN MASTER TRUST	67,964	0	67,964
**D THE GBC INTL GROWTH FUND	86,877	0	86,877
**D THE NOVA SCOTIA HEALTH EMPLOYEES PENS PL	352,954	0	352,954
**D REGIME DE RETRAITE D HYDRO QUEBEC	83,099	0	83,099
**D FLF STRATEGIC GLOBAL EQUITY FUND	67,117	0	67,117
**D TR EUROPEN GROWTH TRUST PLC	848,642	0	848,642
**D SAINT MARTIN 2	864,000	0	864,000
**D AXA OPTIMAL INCOME	2,306,782	0	2,306,782
**D AXA VALEURS EURO	662,000	0	662,000
**D FCPE TOTAL ACTIONS EUROPEENNES	670,000	0	670,000

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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **2016 Compensation Policy**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D COLISEE IFC 1 FCP	615,000	0	615,000
**D FCP KLESIA A DIVERSIFIE	260,000	0	260,000
**D SUPER FUNDS MANAG CORP SOUTH AUSTRALIA	119,451	0	119,451
**D REASSURE LIMITED	8,235	0	8,235
**D HSBC EUROPEAN INDEX FUND	46,133	0	46,133
**D REALDANIA	350,000	0	350,000
**D ANIMA SGR SPA - ANIMA GEO ITALIA	1,328,570	0	1,328,570
**D ANIMA SGR SPA - ANIMA SFORZESCO	187,890	0	187,890
**D ANIMA SGR SPA - ANIMA VISCONTEO	568,746	0	568,746
**D ANIMA SGR SPA - ANIMA ITALIA	717,010	0	717,010
**D PIONEER INVESTMENT MANAGEMENT SGRPA / AZIONARIO CRESCITA	247,723	0	247,723
**D PIONEER STRATEGY FUNDS-EUR.EQ.	72,159	0	72,159
**D PIONEER FUNDS-CORE EUROPEAN EQ	241,695	0	241,695
**D PIONEER FUNDS - ITALIAN EQUITY	74,271	0	74,271
**D PIONEER FUNDS - EUROP.POTENT.	3,819,112	0	3,819,112
**D PIONEER FUNDS - EUROPEAN RESE.	653,126	0	653,126
**D ALLIANZ ACTIONS EURO PME-ETI	93,700	0	93,700
**D NUMERIC MULTI STRATEGY MARKET NEUTRAL LEVERED OFFSHORE FUND LIMITED	26,900	0	26,900
**D AQR DELTA MASTER ACCOUNT LP COOGIER FIDUCIARY SERVICES (CAYMAN) LTD	8	0	8
**D NUMERIC SOCIALLY AWARE MULTI STRATEGY FUND LTD	4,800	0	4,800
**D PM MANAGER FUND SPC - SEGREGATED PORTFOLIO	147,907	0	147,907
**D NUMERIC SOCIALLY AWARE MULTI-STRATEGY FUND LTD	2,600	0	2,600
**D AQR MULTI-STRATEGY FUND VI LP CO AQR CAPITAL MGM LLC	27	0	27
**D ALT BETA EQUITY SIZE STRATEGY LIMITED CO NUMERIC INVESTORS LLC	36	0	36
**D AQR STYLE PREMIA MASTER ACCOUNT LP CO AQR CAPITAL MGM LLC	181	0	181
**D THREADNEEDLE INVESTMENT FUNDS ICVC	12,003,090	0	12,003,090
**D WELLINGTON GL RES EQ PTFO ATTN SIJIA CHEN MACQUARIE INVESTMENT MANAGEMENT LIMITED	3,481	0	3,481
**D SIEFOREBANAMEXBASICA3SADECV	121,296	0	121,296
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND,	170,890	0	170,890
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	512,536	0	512,536
**D SIEFOREBANAMEXBASICA2SADECV	105,474	0	105,474
**D LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST	4,578	0	4,578
**D SIEFOREBANAMEXBASICA4SADECV	131,844	0	131,844
**D THREADNEEDLE (LUX)	848,043	0	848,043
**D CITIBANK KOREA INC	1,899,003	0	1,899,003
**D STATE TEACHERS RETIREMENT SYSTEM OF OHIO	278,642	0	278,642
**D IRISH LIFE ASSURANCE	105,932	0	105,932
**D UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	25,082	0	25,082
**D CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALL CAP PASSIVE II	6,059	0	6,059
**D GOVERNMENT OF NORWAY	7,824,850	0	7,824,850
**D NORGES BANK	22,097	0	22,097
**D CANADIAN BROADCASTING CORPORATION	95,509	0	95,509
**D NUMERIC INVESTORS LLC	14,400	0	14,400
**D THE METHODIST HOSPITAL	32,626	0	32,626

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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **2016 Compensation Policy**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D LAUDUS INTERNATIONAL MARKETMASTERS FUND	754,480	0	754,480
**D WELLINGTON MNGM PTF (CANADA) GLOBAL OPPORTUNITIES PTF	104,160	0	104,160
**D INTERNATIONAL MONETARY FUND	2,140	0	2,140
**D INTERNATIONAL MONETARY FUND	3,017	0	3,017
**D AMERICAN CENTURY STRATEGIC ASSET ALL, INC, STRAT ALL CONS F	4,527	0	4,527
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRAT ALL MODERATE F	22,953	0	22,953
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRATEGIC ALL AGGR F	20,260	0	20,260
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL DISCOVERY F	458,900	0	458,900
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL OPPORTUNITIES	265,330	0	265,330
**D AMERICAN CENTURY WORLD MUTUAL FUNDS INC - NT INT SM MID CAP F	189,970	0	189,970
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, - GLO SMALL CAP FD	6,254	0	6,254
**D AMERICAN CENTURY RETIREMENT DATE TRUST	34,556	0	34,556
**D STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	157,548	0	157,548
**D FONDS PRIVE GPD ACTIONS INTERNATIONALES	115,000	0	115,000
**D CALVERT RESP INX SRS, INC,-CLVRT DVD MRKTS EX-U.S. RSP IX FND	139	0	139
**D PYRAMIS CONCENTRATED INTERNATIONAL SMALL CAP TRUST	133,241	0	133,241
**D ALLIANZGI INTERNATIONAL SMALL-CAP FUND	212,186	0	212,186
**D UAW RETIREE MEDICAL BENEFITS TRUST	85,455	0	85,455
**D EATON VANCE INTERNATIONAL SMALL-CAP FUND	9,823	0	9,823
**D THE BOEING COMPANY EMPLOYEE SAVINGS PLANS MASTER TRUST	44,981	0	44,981
**D HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND	703,661	0	703,661
**D THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND	954,928	0	954,928
**D THE HARTFORDGLOBAL ALL- ASSET FUND	54,151	0	54,151
**D HARTFORD HEALTHCARE ENDOWMENT LLC	11,998	0	11,998
**D HARTFORD HEALTHCARE CORP DEFINED BENEFIT MASTER TR AGREEMENT	17,020	0	17,020
**D ALLIANZGI GLOBAL SMALL-CAP FUND	185,421	0	185,421
**D WILLIAM BLAIR COLLECTIVE INVESTMENT TRUST	317,891	0	317,891
**D WILLIAM BLAIR INTERNATIONAL SMALL CAP GROWTH FUND	371,638	0	371,638
**D ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO	5,774	0	5,774
**D ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM	37,990	0	37,990
**D RUSSELL INVESTMENT COMPANY IV PLC	11,423	0	11,423
**D HENKEL OF AMERICA MASTER RETIREMENT TRUST	13,327	0	13,327
**D LATTICE DEVELOPED MARKETS (EX-US) STRATEGY ETF	2,211	0	2,211
**D MARYLAND STATE RETIREMENT & PENSION SYSTEM	522	0	522
**D MGI FUNDS PLC	215,672	0	215,672
**D MERCER QIF CCF	1,074,182	0	1,074,182
**D MERCER QIF CCF	525,234	0	525,234
**D STATE OF MONTANA BOARD OF INVESTMENTS	2,469	0	2,469
**D ASHWOOD INVESTMENTS LIMITED	4,128	0	4,128
**D STATE OF NEW JERSEY COMMON PENSION FUND D	153,943	0	153,943
**D NEW YORK STATE DEFERRED COMPENSATION PLAN	89,286	0	89,286
**D COSMIC INVESTMENT FUND	136,961	0	136,961
**D CANADA PENSION PLAN INVESTMENT BOARD	2,429	0	2,429
**D CITY OF NEW YORK GROUP TRUST	485,124	0	485,124

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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: 2016 Compensation Policy

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D WELLINGTON MNGT PTF (CAYMAN)-GL OPP EX-JAPAN PTF F QUA INST IN	61,634	0	61,634
**D FIRST ASSET MORNINGSTAR INTERNATIONAL MOMENTUM INDEX ETF	22,733	0	22,733
**D HONG KONG SPECIAL ADMINISTRATIVE REGION GOVERNMENT-EXCHANGE F	151,604	0	151,604
**D BIMCOR GLOBAL EQUITY POOLED FUND	67,446	0	67,446
**D BANK OF KOREA	331,843	0	331,843
**D MINISTRY OF STRATEGY AND FINANCE	104,747	0	104,747
**D MINISTRY OF STRATEGY AND FINANCE	21,465	0	21,465
**D STATE STREET IRELAND UNIT TRUST	40,088	0	40,088
**D SSGA SPDR ETFs EUROPE II PUBLIC LIMITED COMPANY	13,672	0	13,672
**D THE STARR FOUNDATION	31,540	0	31,540
**D CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	601,745	0	601,745
**D CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	202,425	0	202,425
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	311,857	0	311,857
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	625,850	0	625,850
**D SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST	37,395	0	37,395
**D VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	2,643	0	2,643
**D VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF	480	0	480
**D VANGUARD INVESTMENTS II COMMON CONTRACTUAL FUND	3,987	0	3,987
**D VANGUARD INVESTMENTS COMMON CONTRACTUAL FUND	13,272	0	13,272
**D VANGUARD FTSE DEVELOPED EUROPE INDEX ETF	371	0	371
**D THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST	291,789	0	291,789
**D THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF	61,084	0	61,084
**D THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF	160,262	0	160,262
**D THE WELLINGTON TR CO NAT ASS MULT COMM EUROPE SMALLER CO PTF	5,165	0	5,165
**D THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II	337,248	0	337,248
**D WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR	14,339	0	14,339
**D WASHINGTON STATE INVESTMENT BOARD	83,044	0	83,044
**D WISDOMTREE DYNAMIC CURRENCY HEDGED EUROPE EQUITY FUND	712	0	712
**D WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	839	0	839
**D WISDOMTREE INTERNATIONAL MIDCAP DIVIDEND FUND	21,820	0	21,820
**D WISDOMTREE INTERNATIONAL HEDGED EQUITY FUND	363	0	363
**D WISDOMTREE EUROPE LOCAL RECOVERY FUND	2,470	0	2,470
**D WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	364,624	0	364,624
**D PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY	187,380	0	187,380
**D WELLINGTON MANAGEMENT FUNDS (IRELAND) PLC	22,427	0	22,427
**D SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	325,882	0	325,882
**D STATE STREET GLOBAL ADVISORS LUXEMBOURG SICAV	96,843	0	96,843
**D AXA WORLD FUNDS	10,842,656	0	10,842,656
**D RAS LUX FUND	25,000	0	25,000
**D ALLIANZ GLOBAL INVESTORS FUND	1,827,996	0	1,827,996
**D BLACKROCK STRATEGIC FUNDS	21,547	0	21,547
**D GOLDMAN SACHS FUNDS	1,759	0	1,759
**D MARCH FUND	1,887	0	1,887
**D MARCH FUND	30,856	0	30,856

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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: 2016 Compensation Policy

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D UBS ETF	16,263	0	16,263
**D ISHARES MSCI EAFE SMALL CAP ETF	388,076	0	388,076
**D ISHARES MSCI EUROPE SMALL-CAP ETF	12,245	0	12,245
**D BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR	959,848	0	959,848
**D ISHARES CORE MSCI EAFE ETF	187,861	0	187,861
**D ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	30,853	0	30,853
**D ISHARES CORE MSCI EAFE IMI INDEX ETF	8,177	0	8,177
**D ISHARES MSCI EUROPE IMI INDEX ETF	4,947	0	4,947
**D ISHARES MSCI EUROPE IMI ETF	30,856	0	30,856
**D CONNECTICUT GENERAL LIFE INSURANCE COMPANY	2,775	0	2,775
**D CDN ACWI ALPHA TILTS FUND	15,426	0	15,426
**D BLACKROCK CDN MSCI EAFE INDEX PLUS FUND	372	0	372
**D INTERNATIONAL EQUITY INDEX PLUS FUNDS B	334	0	334
**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	76,267	0	76,267
**D BGI MSCI EMU IMI INDEX FUND B	312	0	312
**D DEVELOPED EX-FOSSIL FUEL INDEX FUND B	1,845	0	1,845
**D GLOBAL EX US ALPHA TILTS FUND B	5,409	0	5,409
**D INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST	47,788	0	47,788
**D OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM	206,399	0	206,399
**D RUSSELL TRUST CO COMMINGLED EMPLOYEE BENEFIT FUNDS TRUST	63,828	0	63,828
**D COLLEGE RETIREMENT EQUITIES FUND	179,485	0	179,485
**D TRANSAMERICA INTERNATIONAL SMALL CAP	600,000	0	600,000
**D SPDR S+P INTERNATIONAL MIDCAP ETF	13,714	0	13,714
**D MULTI-STYLE, MULTI-MANAGER FUNDS PLC	105,800	0	105,800
**D SACRAMENTO COUNTY EMPLOYEES RETIREMENT SYSTEM	14,704	0	14,704
**D THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF	172,056	0	172,056
**D THE WELLINGTON TR CO, NAT ASS MULT COMM TR F TR, INT RES EQ F	17,869	0	17,869
**D THE WELLINGTON TR CO NAT ASS MULT COMM TR F TR GLB RES EQ PTF	4,667	0	4,667
**D MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	52,167	0	52,167
**D ISHARES VII PLC	308,702	0	308,702
**D BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F	30,631	0	30,631
**D AQR FUNDS- AQR STYLE PREMIA ALTERNATIVE FUND	476,489	0	476,489
**D AQR FUNDS- AQR STYLE PREMIA ALTERNATIVE LV FUND	22,177	0	22,177
**D AQR FUNDS - AQR LONG SHORT EQUITY FUND	35,433	0	35,433
**D AQR TAX PLUS U.S. RELAXED CONSTRAINT EQUITY FUND	1,326	0	1,326
**D AQR R.C. EQUITY AUSTRALIA FUND	15,213	0	15,213
**D AQR GLOBAL LONG-SHORT QUITTY FUND	66,071	0	66,071
**D THE TRUSTEES OF BP PENSION FUND	816,030	0	816,030
**D TRUSTEES OF KINGFISHER PENSION SCHEME	14,375	0	14,375
**D MANAGED PENSION FUNDS LIMITED	98,064	0	98,064
**D GOVERNMENT INSTITUTIONS PENSION FUND	51,335	0	51,335
**D FAMILY INVESTMENTS CHILD TRUST FUND	2,760	0	2,760

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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **2016 Compensation Policy**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D FAMILY INVESTMENTS GLOBAL ICVC FAMILY BALANCED INT FUND	3,467	0	3,467
**D HSBC AS TRUSTEE FOR SSGA EUROPE EX UK EQUITY TRACKER FUND	128,450	0	128,450
**D STICHTING PHILIPS PENSIOENFONDS	38,321	0	38,321
**D BNY MELLON TR+DEP ATF ST, JAMES`S PLACE MNGD GROWTH UNIT TR	1,381,604	0	1,381,604
**D VANGUARD INV FDS ICVC-VANG FTSE DEV WOR LD EX - UK EQT IND FD	17,521	0	17,521
**D VANGUARD INV F ICVC-VANGUARD FTSE DEV EUROPE EX-UK EQ INDEX F	48,158	0	48,158
**D SUNSUPER SUPERANNUATION FUND	673	0	673
**D GUIDESTONE FUNDS INTERNATIONAL EQUITY FUND	99,448	0	99,448
**D MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST	57,188	0	57,188
**D NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND	7,451	0	7,451
**D THE UNIVERSITY OF ARKANSAS FOUNDATION, INC	114,400	0	114,400
**D CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	39,644	0	39,644
**D SCHLUMBERGER COMMON INVESTMENT FUND	37,304	0	37,304
**D AXIOM INVESTORS TRUST II	24,582	0	24,582
**D WYOMING RETIREMENT SYSTEM	3,844	0	3,844
**D LTW GROUP HOLDINGS, LLC	105,100	0	105,100
**D LOY PARTNERSHIP, LLC	59,600	0	59,600
**D RAMI PARTNERS, LLC	40,800	0	40,800
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P,R,C	18,050	0	18,050
**D MICROSOFT GLOBAL FINANCE	126,125	0	126,125
**D BLUE SKY GROUP	126,139	0	126,139
**D PYRAMIS GROUP TRUST FOR EMPLOYEE BENEFIT PLANS	291,526	0	291,526
**D MASTER TR AGREE BETWEEN PFIZER INC AND THE NORTHERN TR CO	5,756	0	5,756
**D NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	183,825	0	183,825
**D SUTTER HEALTH MASTER RETIREMENT TRUST	308,797	0	308,797
**D TYCO ELECTRONICS DEFINED BENEFIT PLANS MASTER TRUST	10,795	0	10,795
**D HRW TESTAMENTARY TRUST NO 3	78,600	0	78,600
**D THE WALTON FAMILY FOUNDATION	174,000	0	174,000
**D HRW TESTAMENTARY TRUST NO, 8	78,600	0	78,600
**D HRW TESTAMENTARY TRUST NO 2	78,600	0	78,600
**D HRW TESTAMENTARY TRUST NO, 12	67,500	0	67,500
**D NEW ZEALAND SUPERANNUATION FUND	15,212	0	15,212
**D EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS	29,952	0	29,952
**D GENERAL PENSION AND SOCIAL SECURITY AUTHORITY	91,752	0	91,752
**D ILLINOIS MUNICIPAL RETIREMENT FUND	146,145	0	146,145
**D LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	16,385	0	16,385
**D SAN FRANCISCO CITY & COUNTY EMPLOYEES` RETIREMENT SYSTEM	222,166	0	222,166
**D STATE UNIVERSITIES RETIREMENT SYSTEM	35,921	0	35,921
**D UTAH STATE RETIREMENT SYSTEMS	15,487	0	15,487
**D FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	1,181	0	1,181
**D MERCER DS TRUST	133,965	0	133,965
**D WHEELS COMMON INVESTMENT FUND	5,543	0	5,543
**D THE TRUSTEES OF ZURICH FINANCIAL SERVICES UK PENSION SCHEME	522,821	0	522,821
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	34,658	0	34,658

Shareholders: 9 DE\* Proxy to the natural person above mentioned with the badge number  
 Shareholders on own behalf: 7 Shareholders proxy: 386 \*\*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 12. April 2016

## RESULTS OF VOTING

## Subject: 2016 Compensation Policy

## IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO	22,540	0	22,540
**D NAT WEST BK AS TRUSTEE OF LEGAL & GENERAL EUROPEAN INDEX TR	59,585	0	59,585
**D AMG FUND PLC	16,800	0	16,800
**D SSGA GROSS ROLL UP UNIT TRUST	5,169	0	5,169
**D LEGAL & GENERAL AUTHORISED CONTRACTUAL SCHEME	1,753	0	1,753
**D ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND	25,495	0	25,495
**D SLI GLOBAL SICAV GLOBAL FOCUSEDSTRATEGIES FUND	86,188	0	86,188
**D POWERSHARES DYNAMIC INTERNATIONAL	1,267	0	1,267
**D PRUDENTIAL SECTOR FUNDS INC PRUDENTIAL FINANCIAL SERVICE	501,454	0	501,454
**D INVESCO FUNDS	100,000	0	100,000
**D BNYMTD (UK) AS TRUSTEE OF BLACKROCK CONTINENTAL EUROPE EQUITY TRY TRACKER FUND	167,160	0	167,160
**D POWERSHARES FTSE RAFI DEVELOPED MARKETS EX-US SMALL PORTFOLIO	4,776	0	4,776
**D THE BANK OF KOREA	4,355	0	4,355
**D POWERSHARES GLOBAL FUNDS IRELAND PLC	1,737	0	1,737
**D AMG TIMESSQUARE INTERNATIONAL SMALL CAP FUND	102,400	0	102,400
**D PNC INTERNATIONAL EQUITY FUND	220,000	0	220,000
**D ING FUNDS SERVICES, LLC	184,840	0	184,840
**D BLACKROCK LIFE LIMITED	495,684	0	495,684
**D THE BANK OF KOREA	1	0	1
**D INVESCO PERPETUAL GLOBAL SMALLER CO, FD	438,586	0	438,586
**D INVESCO FUNDS SERIES 4	1,559,338	0	1,559,338
**D PNC BALANCED ALLOCATION FUND	3,150	0	3,150
**D POWERSAHRES S(AND)P INTERNATIONAL DEVELOPED HIGH BETA PORTFOLIO	451	0	451
**D RAINIER INTERNATIONAL DISCOVERYFUND	120,270	0	120,270
**D ADVANCED SERIES TRUST -AST FI PYRAMIS QUANTITATIVE PORTFOLIO	92,469	0	92,469
**D WMP OPPORTUNISTIC INVESTMENT PARTNERS, L.P.	24,584	0	24,584
**D FIRST INVESTORS GLOBAL FUND	208,630	0	208,630
**D ADVANCED SERIES TRUST-AST QMA EMERGING MARKETS EQUITY PORTFOLIO	148,743	0	148,743
**D RIVER AND MERCANTILE WORLD RECOVERY FUND	96,000	0	96,000
**D FIRST TRUST INTERNATIONAL IPO ETF	1,230	0	1,230
**D RIVER AND MERCANTILE DYNAMIC ASSET ALLOCATION FUND	5,000	0	5,000
**D ADVANCED SERIES TRUST-AST PRUDENTIAL GROWTH ALLOCATION PORTFOLIO	17,276	0	17,276
**D DEUTSCHE X-TRACKERS MSCI EMU HEDGED EQUITY ETF	6,815	0	6,815
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO	152,035	0	152,035
**D IQ 50 PERCENT HEDGED FTSE EUROPE ETF	784	0	784
**D VANGUARD INTERNATIONAL HIGH DIVIDEND YIELD INDEX FUND	577	0	577
**D NATIONAL TREASURY MANAGEMENT AGENCY (AS CONTROLLER AND MANAGEROF THE IRELAND STRATEGIC INVESTM	36,302	0	36,302
**D ERIE INSURANCE EXCHANGE.	129,552	0	129,552
**D POWERSHARES FTSE INTERNATIONAL LOW BETA EQUAL WEIGHT PORTFOLIO	18,790	0	18,790
**D STICHTING PENSIOENFONDS HORECA & CATERING	13,683	0	13,683
**D DEUTSCHE X-TRACKERS FTSE DEVELOPED EX US ENHANCED BETA ETF	16	0	16
**D STICHTING DEPOSITARY APG DEVELOPED MARKETS EQUITY POOL	184,646	0	184,646
**D STG PFDS V.D. GRAFISCHE	47,541	0	47,541
**D FCP GROUPAMA AVENIR EURO	2,768,283	0	2,768,283

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Shareholders: 293 People: 9 DE\* Proxy to the natural person above mentioned with the badge number  
 Shareholders on own behalf: 7 Shareholders proxy: 386 \*\*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 12. April 2016

RESULTS OF VOTING

Subject: **2016 Compensation Policy**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D FCP ECUREUIL RETRAITE EURO ACTIONS 4	200,000	0	200,000
**D FCP UFF CROISSANCE PME MAITRE	720,044	0	720,044
**D I.2.C. ACTIONS	520,000	0	520,000
**D FCP VILLIERS DIAPASON	80,031	0	80,031
**D SICAV BBM V-FLEX	111,049	0	111,049
**D FCP BEST BUSINESS MODELS	1,550,000	0	1,550,000
**D GREAT EUROPEAN MODELS	813,000	0	813,000
**D THE NORTH CAROLINA SUPPLEMENTALRETIREMENT PLANS GROUP TRUST	157,262	0	157,262
**D PNC INTERNATIONAL GROWTH FUND	1,933	0	1,933
**D BLACKROCK GLOBAL FUNDS	9,039	0	9,039
**D ALASKA PERMANENT FUND CORPORATION	21,397	0	21,397
**D ALABAMA TRUST FUND	64,389	0	64,389
**D THE CLEVELAND CLINIC FOUNDATION	44,851	0	44,851
**D PUBLIC SCHOOL TEACHERS` PENSIONAND RETIREMENT FUND OF CHICAGO	109,447	0	109,447
**D CN CANADIAN MASTER TRUST FUND,	2,069	0	2,069
**D COMMONWEALTH OF PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES RETIREMENTENT SYSTEM	78,706	0	78,706
**D COX ENTERPRISES INC MASTER TRUST	1	0	1
**D THE STATE OF CONNECTICUT ACTINGTHROUGH ITS TREASURER	268,902	0	268,902
**D BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN	7,864	0	7,864
**D FLORIDA RETIREMENT SYSTEM	557,242	0	557,242
**D JOHN S, & JAMES L, KNIGHT FOUNDATION	98,666	0	98,666
**D MINISTERS & MISSIONARIES BENEFIT BOARD AMERICAN BAPTIST CHURCH	4,815	0	4,815
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF MISSISSIPI	98,311	0	98,311
**D PROVINCE PF NEWFOUNLAND AND LABRADOR POOLED PENSION FUND	22,345	0	22,345
**D PUBLIC SERVICE PENSION PLAN FUND	27,804	0	27,804
**D BELL ATLANTIC MASTER TRUST	1	0	1
**D PENSION RESERVES INVESTMENT TRUST FUND	103,810	0	103,810
**D INDIANA PUBLIC EMPLOYEES RETIREMENT FUND	18,478	0	18,478
**D RAYTHEON MASTER PENSION TRUST	1,528	0	1,528
**D TELUS FOREIGN EQUITY ACTIVE ALPHA POOL	63,306	0	63,306
**D PUBLIC SECTOR PENSION INVESTMENT BOARD	79,518	0	79,518
**D CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY	25,944	0	25,944
**D CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY	32,479	0	32,479
**D UMC BENEFIT BOARD, INC	3,052	0	3,052
**D UNISYS MASTER TRUST	61,682	0	61,682
**D CURATORS OF UNIVERSITY OF MISSOURI	16,167	0	16,167
**D VERIZON MASTER SAVINGS TRUST ,	62,888	0	62,888
**D CIBC INTERNATIONAL SMALL COMPANIES FUND	52,620	0	52,620
**D CF DV ACWI EX-U,S, IMI FUND	2,181	0	2,181
**D TIMESQUARE FOCUS FUND LP	18,300	0	18,300
4054 BOIDO VITTORIO	2,000	2,000	0
541 PISTONE UGO LUIGI	1,000	1,000	0
652 ZACCARDI ANTONELLA	1,000	1,000	0

Shareholders:  
Shareholders on own  
behalf:

933 People:  
7 Shareholders by  
proxy:

9 DE\* Proxy to the natural person above mentioned with the badge number  
386 \*\*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 12, April 2016

RESULTS OF VOTING

Subject: **2016 Compensation Policy**

**IN FAVOUR**

Surname	
<b>Total vote</b>	515,824,590
<b>Percentage of voters%</b>	98.972121
<b>Percentage of Capital %</b>	85.006587

Tot. Vote

On own behalf

Proxy

Shareholders:  
Shareholders on own  
behalf:

393 People:  
7 Shareholders by  
proxy:

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9 DE\* Proxy to the natural person above mentioned with the badge number  
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Ordinary Shareholders Meeting 12, April 2016

RESULTS OF VOTING

Subject: **2016 Incentive System**

no **427** persons entitled to vote took part in the voting on own behalf or by proxy

no **521,181,707** ordinary shares

**The counting of votes produced the following results**

		<b>% OF ORDINARY SHARE CAPITAL PRESENT (Voting Quorum)</b>	<b>% OF ORDINARY SHARE ENTITLED TO VOTE</b>	<b>%SHARE CAPITAL</b>
<b>In Favour</b>	520,843,734	99.935153	99.935153	85.833729
<b>Against</b>	334,940	0.064265	0.064265	0.055197
<b>Sub Total</b>	521,178,674	99.999418	99.999418	85.888926
<b>Abstentions</b>	3,033	0.000582	0.000582	0.000500
<b>Not Voting</b>	0	0.000000	0.000000	0.000000
<b>Sub Total</b>	3,033	0.000582	0.000582	0.000500
<b>Total</b>	521,181,707	100.000000	100.000000	85.889426

Shareholders:  
Shareholders on own  
behalf:

427 People:  
9 Shareholders by proxy

11  
418

Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **2016 Incentive System**

**AGAINST**

Surname	Tot. Vote	On own behalf	Proxy
4034 PETTINICCHIO LAURA	0	0	0
**D FCP_CAGNI	15,000	0	15,000
**D SICAV C I P E C	55,000	0	55,000
**D SICAV MONT	25,000	0	25,000
**D FCP BRONGNIART AVENIR	179,000	0	179,000
**D NIGOSC ADMINISTRATORS NILG PENSION FUND	60,940	0	60,940
<b>Total vote</b>	334,940		
<b>Percentage of voters %</b>	0.064265		
<b>Percentage of Capital %</b>	0.055197		

Shareholders:  
Shareholders on own  
behalf:

5 People:  
0 Shareholders by  
proxy:

1 DE\* Proxy to the natural person above mentioned with the badge number  
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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **2016 Incentive System**

**ABSTENTIONS**

Surname	Tot. Vote	On own behalf	Proxy
1570 AMADEI STEFANO	2,500	2,500	0
4034 PETTINICCHIO LAURA	0	0	0
**D ERGOS OFFSHORE I LTD CO HARNEYS CORPORATE SERVICES	1	0	1
**D CLINTON LIGHTHOUSE EQUITY STRATEGIES MASTER FUND LTD, C/O CLINTON GROUP, INC	7	0	7
**D CLINTON EQUITY STRATEGIES MASTER FUND LTD	25	0	25
4038 CROCE MARIO	500	500	0
<b>Total vote</b>	3,033		
<b>Percentage of voters %</b>	0.000582		
<b>Percentage of Capital %</b>	0.000500		

Shareholders:  
Shareholders on own  
behalf:

5 People:  
2 Shareholders by  
proxy:

3 DE\* Proxy to the natural person above mentioned with the badge number  
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 12, April 2016

RESULTS OF VOTING  
Subject: **2016 Incentive System**

**NOT VOTING**

Surname	Tot. Vote	On own behalf	Proxy
<b>Total vote</b>	0		
<b>Percentage of voters%</b>	0.000000		
<b>Percentage of Capital %</b>	0.000000		

Shareholders:  
Shareholders on own  
behalf:

0 People:  
0 Shareholders by  
proxy:

0 DE\* Proxy to the natural person above mentioned with the badge number  
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 12. April 2016

RESULTS OF VOTING

Subject: **2016 Incentive System**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
1253 ROSSOTTI ROBERTO	4,900	4,900	0
1985 FOGLI MAURIZIO	80	80	0
2066 CAGLIA MARIA	0	0	0
DE* UNICREDIT S.P.A,	397,108,033	0	397,108,033
2067 CERASUOLO STEFANO	5,000	5,000	0
3400 ANNIBALETTI ANGELO	30,000	30,000	0
4034 PETTINICCHIO LAURA	0	0	0
**D MERRILL LYNCH PROFESSIONAL CLEARING	82,692	0	82,692
**D VANGUARD EUROPEAN STOCK INDEX FUND	469,785	0	469,785
**D VANGUARD DEVELOPED MARKETS INDEX FUND	501,466	0	501,466
**D WELLINGTON MANAGEMENT PORTFOLIOS	222,081	0	222,081
**D WELLINGTON MANAGNT PORTFOLIOS GLOB RESEA	29,677	0	29,677
**D VANGUARD TOTAL WORLD STOCK INDEX FUND	34,759	0	34,759
**D VANGUARD FTSE ALL-WORLD EX US INDEX FUND	283,525	0	283,525
**D BBH&C BOS FOR PYRAM GR TRUST FOR EMPL EMERG MM COM	41,600	0	41,600
**D WELLINGTON TRUST COMP COMM TRUST INT OPP	152,282	0	152,282
**D VANGUARD FUNDS PLC	32,115	0	32,115
**D RAINIER INT SMALL CAP EQUITY COLLECTIVE	67,490	0	67,490
**D WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUITY PORTFOLIO	3,429	0	3,429
**D JAPAN TRUSTEE SERVICES BANK LTD	241,951	0	241,951
**D BEST INVESTMENT CORPORATION	20,484	0	20,484
**D SCHRODER INSTITUTIONAL POOLED FUNDS-EUROPEAN EQUITY FUND	101,642	0	101,642
**D FCP CNP ACTIONS EUROPE SCHRODER	239,250	0	239,250
**D FONDS RESERVE RETRAITES	865,731	0	865,731
**D FONDS RESERVE RETRAITES	99,233	0	99,233
**D FRR	36,674	0	36,674
**D ALLIANZ AKTIEN EUROPA	341,310	0	341,310
**D PICTET TOTAL RETURN	692,588	0	692,588
**D HENDERSON HORIZON FUND SICAV	978,023	0	978,023
**D HENDERSON GARTMORE FUND	337,536	0	337,536
**D BANQUE PICTET & CIE SA	25,933	0	25,933
**D ALKEN FUND	1,523,696	0	1,523,696
**D ALKEN FUND-EUROPEAN OPPORTUNITIES	2,404,521	0	2,404,521
**D PFIZER JAPAN INC PENSION FUND	47,861	0	47,861
**D ROBECO CAPITAL GROWTH FUNDS	150,000	0	150,000
**D MOMENTUM INVESTMENT FUNDS SICAV-SIF	43,440	0	43,440
**D SCHRODER INTERNATIONAL SELECTION FUND	9,904,816	0	9,904,816
**D VANGUARD INVESTMENT SERIES, PLC	28,955	0	28,955
**D BLACKROCK INSTITUTIONAL POOLED FUNDS PLC	6,097	0	6,097
**D TREMBLANT LONG UCITS FUND	32,291	0	32,291
**D UBS IRL INVESTOR SELECTION PLC	80,312	0	80,312
**D HE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTBJ400045842	1,859,429	0	1,859,429
**D TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK	59,525	0	59,525
**D UBS GLOBAL ASSET MANAGEMENT LIFE LTD	32,092	0	32,092
**D JPMORGAN CHASE BANK	47,680	0	47,680

Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: 2016 Incentive System

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D MERIFIN CAPITAL B.V.	17,380	0	17,380
**D CHINA LIFE INSURANCE COMPANY LIMITED	41,347	0	41,347
**D FONDO CONSOLIDADO DE RESERVAS PREVISIONA	59,048	0	59,048
**D CHINA LIFE INSURANCE (GROUP) COMPANY	2,554	0	2,554
**D THE BARCLAYS BANK UK RETIREMENT FUND	61,884	0	61,884
**D UBS (US) GROUP TRUST	7,469	0	7,469
**D BT WHOLESALE MULTI MANAG INTL SHARE FUND	112,364	0	112,364
**D ONEPATH GLOBAL SHARES - SMALL CAP INDEX	7,474	0	7,474
**D COINVEST LIMITED	8,594	0	8,594
**D THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST	109,643	0	109,643
**D THE BOEING COMPANY EMPLOYEE RETIREMENT P	122,800	0	122,800
**D BLACKROCK INDEXED ALL-COUNTRY EQUITY FUN	1,214	0	1,214
**D VANGUARD INTERNATIONAL SMALL COMPANIES I	13,069	0	13,069
**D ARTEMIS EUROPEAN OPPORTUNITIES FUND	809,663	0	809,663
**D NVIT MULTI MANAGER INTERNATIONAL GROWTH	231,270	0	231,270
**D SBC MASTER PENSION TRUST SBC MASTER PENSION TRUST 208	86,383	0	86,383
**D T ROWE PRICE INTERNATIONAL EQUITY INDEX	8,050	0	8,050
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OH	75,987	0	75,987
**D STICHTING PENSIOENFONDS VOOR HUISARTSEN	11,406	0	11,406
**D VANGUARD TOTAL INTERNATIONAL STOCK INDEX	1,700,103	0	1,700,103
**D VANGUARD INTERNATIONAL EXPLORER FUND	2,000,000	0	2,000,000
**D MI-FONDS 392	277,833	0	277,833
**D JPMORGAN EUROPEAN INVESTMENT TRUST PLC	63,898	0	63,898
**D KAPITFORENI INSTIT INVEST GLOBALE AKTIER	16,958	0	16,958
**D NEW MEXICO STATE INVESTMENT COUNCIL	5,996	0	5,996
**D TRUST AND CUSTODY SERVICED BANK LIMITED	34,753	0	34,753
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND 10F	126,930	0	126,930
**D BUREAU OF LABOR FUNDS- LABOR PENSION FUND	25,505	0	25,505
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND 10F	18,335	0	18,335
**D SCHRODER EUROPEAN FUND	1,239,313	0	1,239,313
**D SCHRODER EUROPEAN SMALLER COMPANIES FUND	376,881	0	376,881
**D MASTER TRUST FOR NATIONAL PENSION FD	35,108	0	35,108
**D JAPAN TRUSTEE SERVICES BANK LTD	109,135	0	109,135
**D ENTERGY CORP RETIREMENT PLANS MASTER TR,	135,814	0	135,814
**D NEW YORK LIFE INSURANCE COMPANY	34,727	0	34,727
**D SCHRODER INTERNATIONAL SMALL COMPANIES P	20,000	0	20,000
**D SCHRODER CAPITAL MANAGEMENT COLLECTIVE T	200,000	0	200,000
**D PROSHARES HEDGED FTSE EUROPE ETF	593	0	593
**D INVESCO GLOBAL SMALL CAP EQUITY POOL	50,904	0	50,904
**D RBC CANADIAN MASTER TRUST	67,964	0	67,964
**D THE GBC INTL GROWTH FUND	86,877	0	86,877
**D THE NOVA SCOTIA HEALTH EMPLOYEES PENS PL	352,954	0	352,954
**D REGIME DE RETRAITE D HYDRO QUEBEC	83,099	0	83,099
**D FLF STRATEGIC GLOBAL EQUITY FUND	67,117	0	67,117
**D TR EUROPEN GROWTH TRUST PLC	848,642	0	848,642

Shareholders: 417 People: 9  
 Shareholders on own behalf: 7 Shareholders by proxy: 410

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 12. April 2016

RESULTS OF VOTING

Subject: **2016 Incentive System**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D SAINT MARTIN 2	864,000	0	864,000
**D AXA OPTIMAL INCOME	2,306,782	0	2,306,782
**D AXA VALEURS EURO	662,000	0	662,000
**D FCPE TOTAL ACTIONS EUROPEENNES	670,000	0	670,000
**D COLISEE IFC 1 FCP	615,000	0	615,000
**D FCP KLESIA A DIVERSIFIE	260,000	0	260,000
**D SUPER FUNDS MANAG CORP SOUTH AUSTRALIA	119,451	0	119,451
**D AVIVA LIFE & PENSIONS UK LIMITED	33,620	0	33,620
**D AVIVA LIFE AND PENSIONS UK LIMITED	94,510	0	94,510
**D REASSURE LIMITED	8,235	0	8,235
**D HSBC EUROPEAN INDEX FUND	46,133	0	46,133
**D REALDANIA	350,000	0	350,000
**D ANIMA SGR SPA - ANIMA GEO ITALIA	1,328,570	0	1,328,570
**D ANIMA SGR SPA - ANIMA SFORZESCO	187,890	0	187,890
**D ANIMA SGR SPA - ANIMA VISCONTEO	568,746	0	568,746
**D ANIMA SGR SPA - ANIMA ITALIA	717,010	0	717,010
**D METZLER INTERNATIONAL INV, PLC	1,110,700	0	1,110,700
**D PIONEER INVESTMENT MANAGEMENT SGRPA / AZIONARIO CRESCITA	247,723	0	247,723
**D SEI GLOBAL MASTER FUND PLC	137,749	0	137,749
**D PIONEER STRATEGY FUNDS-EUR,EQ,	72,159	0	72,159
**D PIONEER FUNDS-CORE EUROPEAN EQ	241,695	0	241,695
**D PIONEER FUNDS - ITALIAN EQUITY	74,271	0	74,271
**D PIONEER FUNDS - EUROP, POTENT,	3,819,112	0	3,819,112
**D PIONEER FUNDS - EUROPEAN RESE,	653,126	0	653,126
**D ALLIANZ ACTIONS EURO PME-ETI	93,700	0	93,700
**D NUMERIC MULTI STRATEGY MARKET NEUTRAL LEVERED OFFSHORE FUND LIMITED	26,900	0	26,900
**D AQR DELTA MASTER ACCOUNT LP COOGIER FIDUCIARY SERVICES (CAYMAN) LTD	8	0	8
**D NUMERIC SOCIALLY AWARE MULTI STRATEGY FUND LTD	4,800	0	4,800
**D PM MANAGER FUND SPC - SEGREGATED PORTFOLIO	147,907	0	147,907
**D NUMERIC SOCIALLY AWARE MULTI-STRATEGY FUND LTD	2,600	0	2,600
**D AQR MULTI-STRATEGY FUND VI LP CO AQR CAPITAL MGM LLC	27	0	27
**D ALT BETA EQUITY SIZE STRATEGY LIMITED CO NUMERIC INVESTORS LLC	36	0	36
**D AQR STYLE PREMIA MASTER ACCOUNT LP CO AQR CAPITAL MGM LLC	181	0	181
**D THREADNEEDLE INVESTMENT FUNDS ICVC	12,003,090	0	12,003,090
**D WELLINGTON GL RES EQ PTFO ATTN SIJIA CHEN MACQUARIE INVESTMENT MANAGEMENT LIMITED	3,481	0	3,481
**D SIEFOREBANAMEXBASICA3SADECV	121,296	0	121,296
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND,	170,890	0	170,890
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	512,536	0	512,536
**D SIEFOREBANAMEXBASICA2SADECV	105,474	0	105,474
**D LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST	4,578	0	4,578
**D SIEFOREBANAMEXBASICA4SADECV	131,844	0	131,844
**D THREADNEEDLE LUX	848,043	0	848,043
**D CITIBANK KOREA INC	1,899,003	0	1,899,003
**D STATE TEACHERS RETIREMENT SYSTEM OF OHIO	278,642	0	278,642
**D STICHTING PGGM DEPOSITARY	265,000	0	265,000

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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: 2016 Incentive System

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D IRISH LIFE ASSURANCE	105,932	0	105,932
**D UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	25,082	0	25,082
**D CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALL CAP PASSIVE II	6,059	0	6,059
**D GOVERNMENT OF NORWAY	7,824,850	0	7,824,850
**D NORGES BANK	22,097	0	22,097
**D CANADIAN BROADCASTING CORPORATION	95,509	0	95,509
**D NUMERIC INVESTORS LLC	14,400	0	14,400
**D THE METHODIST HOSPITAL	32,626	0	32,626
**D LAUDUS INTERNATIONAL MARKETMASTERS FUND	754,480	0	754,480
**D WELLINGTON MNGM PTF (CANADA) GLOBAL OPPORTUNITIES PTF	104,160	0	104,160
**D INTERNATIONAL MONETARY FUND	2,140	0	2,140
**D INTERNATIONAL MONETARY FUND	3,017	0	3,017
**D BERNSTEIN FUND, INC. - INTERNATIONAL SMALL CAP PORTFOLIO	236,590	0	236,590
**D AMERICAN CENTURY STRATEGIC ASSET ALL, INC, STRAT ALL CONS F	4,527	0	4,527
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRAT ALL MODERATE F	22,953	0	22,953
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRATEGIC ALL AGGR F	20,260	0	20,260
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL DISCOVERY F	458,900	0	458,900
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL OPPORTUNITIES	265,330	0	265,330
**D AMERICAN CENTURY WORLD MUTUAL FUNDS INC - NT INT SM MID CAP F	189,970	0	189,970
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, - GLO SMALL CAP FD	6,254	0	6,254
**D AMERICAN CENTURY RETIREMENT DATE TRUST	34,556	0	34,556
**D STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	157,548	0	157,548
**D FONDS PRIVE GPD ACTIONS INTERNATIONALES	115,000	0	115,000
**D CALVERT RESP INX SRS, INC, -CLVRT DVD MRKTS EX-U,S, RSP IX FND	139	0	139
**D PYRAMIS CONCENTRATED INTERNATIONAL SMALL CAP TRUST	133,241	0	133,241
**D ALLIANZGI INTERNATIONAL SMALL-CAP FUND	212,186	0	212,186
**D UAW RETIREE MEDICAL BENEFITS TRUST	85,455	0	85,455
**D EATON VANCE INTERNATIONAL SMALL-CAP FUND	9,823	0	9,823
**D THE BOEING COMPANY EMPLOYEE SAVINGS PLANS MASTER TRUST	44,981	0	44,981
**D HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND	703,661	0	703,661
**D THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND	954,928	0	954,928
**D THE HARTFORDGLOBAL ALL- ASSET FUND	54,151	0	54,151
**D HARTFORD HEALTHCARE ENDOWMENT LLC	11,998	0	11,998
**D HARTFORD HEALTHCARE CORP DEFINED BENEFIT MASTER TR AGREEMENT	17,020	0	17,020
**D ALLIANZGI GLOBAL SMALL-CAP FUND	185,421	0	185,421
**D WILLIAM BLAIR COLLECTIVE INVESTMENT TRUST	317,891	0	317,891
**D WILLIAM BLAIR INTERNATIONAL SMALL CAP GROWTH FUND	371,638	0	371,638
**D ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO	5,774	0	5,774
**D ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM	37,990	0	37,990
**D RUSSELL INVESTMENT COMPANY IV PLC	11,423	0	11,423
**D HENKEL OF AMERICA MASTER RETIREMENT TRUST	13,327	0	13,327
**D LATTICE DEVELOPED MARKETS (EX-US) STRATEGY ETF	2,211	0	2,211
**D ALLIANCEBERNSTEIN INTERNATIONAL DISCOVERY SERIES	49,459	0	49,459
**D MARYLAND STATE RETIREMENT & PENSION SYSTEM	522	0	522
**D MGI FUNDS PLC	215,672	0	215,672

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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: 2016 Incentive System

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D MERCER QIF CCF	1,074,182	0	1,074,182
**D MERCER QIF CCF	525,234	0	525,234
**D STATE OF MONTANA BOARD OF INVESTMENTS	2,469	0	2,469
**D ASHWOOD INVESTMENTS LIMITED	4,128	0	4,128
**D STATE OF NEW JERSEY COMMON PENSION FUND D	153,943	0	153,943
**D NEW YORK STATE DEFERRED COMPENSATION PLAN	89,286	0	89,286
**D COSMIC INVESTMENT FUND	136,961	0	136,961
**D CANADA PENSION PLAN INVESTMENT BOARD	2,429	0	2,429
**D CITY OF NEW YORK GROUP TRUST	485,124	0	485,124
**D WELLINGTON MNGT PTF (CAYMAN)-GL OPP EX-JAPAN PTF F QUA INST IN	61,634	0	61,634
**D FIRST ASSET MORNINGSTAR INTERNATIONAL MOMENTUM INDEX ETF	22,733	0	22,733
**D HONG KONG SPECIAL ADMINISTRATIVE REGION GOVERNMENT-EXCHANGE F	151,604	0	151,604
**D CTBC BANK CO LTD AMC FOR AB INC & GTH UM FD-ALL EUR INC & GR F	78,380	0	78,380
**D BIMCOR GLOBAL EQUITY POOLED FUND	67,446	0	67,446
**D BANK OF KOREA	331,843	0	331,843
**D MINISTRY OF STRATEGY AND FINANCE	104,747	0	104,747
**D MINISTRY OF STRATEGY AND FINANCE	21,465	0	21,465
**D STATE STREET IRELAND UNIT TRUST	40,088	0	40,088
**D SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	13,672	0	13,672
**D THE STARR FOUNDATION	31,540	0	31,540
**D CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	601,745	0	601,745
**D CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	202,425	0	202,425
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	311,857	0	311,857
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	625,850	0	625,850
**D SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST	37,395	0	37,395
**D VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	2,643	0	2,643
**D VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF	480	0	480
**D VANGUARD INVESTMENTS II COMMON CONTRACTUAL FUND	3,987	0	3,987
**D VANGUARD INVESTMENTS COMMON CONTRACTUAL FUND	13,272	0	13,272
**D VANGUARD FTSE DEVELOPED EUROPE INDEX ETF	371	0	371
**D THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST	291,789	0	291,789
**D THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF	61,084	0	61,084
**D THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF	160,262	0	160,262
**D THE WELLINGTON TR CO NAT ASS MULT COMM EUROPE SMALLER CO PTF	5,165	0	5,165
**D THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II	337,248	0	337,248
**D WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR	14,339	0	14,339
**D WASHINGTON STATE INVESTMENT BOARD	83,044	0	83,044
**D WISDOMTREE DYNAMIC CURRENCY HEDGED EUROPE EQUITY FUND	712	0	712
**D WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	839	0	839
**D WISDOMTREE INTERNATIONAL MIDCAP DIVIDEND FUND	21,820	0	21,820
**D WISDOMTREE INTERNATIONAL HEDGED EQUITY FUND	363	0	363
**D WISDOMTREE EUROPE LOCAL RECOVERY FUND	2,470	0	2,470
**D WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	364,624	0	364,624
**D PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY	187,380	0	187,380
**D WELLINGTON MANAGEMENT FUNDS (IRELAND) PLC	22,427	0	22,427

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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: 2016 Incentive System

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	325,882	0	325,882
**D STATE STREET GLOBAL ADVISORS LUXEMBOURG SICAV	96,843	0	96,843
**D AXA WORLD FUNDS	10,842,656	0	10,842,656
**D RAS LUX FUND	25,000	0	25,000
**D ALLIANZ GLOBAL INVESTORS FUND	1,827,996	0	1,827,996
**D BLACKROCK STRATEGIC FUNDS	21,547	0	21,547
**D GOLDMAN SACHS FUNDS	1,759	0	1,759
**D MARCH FUND	1,887	0	1,887
**D MARCH FUND	30,856	0	30,856
**D UBS ETF	16,263	0	16,263
**D ISHARES MSCI EAFE SMALL CAP ETF	388,076	0	388,076
**D ISHARES MSCI EUROPE SMALL-CAP ETF	12,245	0	12,245
**D BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR	959,848	0	959,848
**D ISHARES CORE MSCI EAFE ETF	187,861	0	187,861
**D ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	30,853	0	30,853
**D ISHARES CORE MSCI EAFE IMI INDEX ETF	8,177	0	8,177
**D ISHARES MSCI EUROPE IMI INDEX ETF	4,947	0	4,947
**D ISHARES MSCI EUROPE IMI ETF	30,856	0	30,856
**D CONNECTICUT GENERAL LIFE INSURANCE COMPANY	2,775	0	2,775
**D CDN ACWI ALPHA TILTS FUND	15,426	0	15,426
**D BLACKROCK CDN MSCI EAFE INDEX PLUS FUND	372	0	372
**D INTERNATIONAL EQUITY INDEX PLUS FUNDS B	334	0	334
**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	76,267	0	76,267
**D BGI MSCI EMU IMI INDEX FUND B	312	0	312
**D DEVELOPED EX-FOSSIL FUEL INDEX FUND B	1,845	0	1,845
**D GLOBAL EX US ALPHA TILTS FUND B	5,409	0	5,409
**D INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST	47,788	0	47,788
**D OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM	206,399	0	206,399
**D RUSSELL TRUST CO COMMINGLED EMPLOYEE BENEFIT FUNDS TRUST	63,828	0	63,828
**D COLLEGE RETIREMENT EQUITIES FUND	179,485	0	179,485
**D TRANSAMERICA INTERNATIONAL SMALL CAP	600,000	0	600,000
**D SPDR S+P INTERNATIONAL MIDCAP ETF	13,714	0	13,714
**D MULTI-STYLE, MULTI-MANAGER FUNDS PLC	105,800	0	105,800
**D SACRAMENTO COUNTY EMPLOYEES RETIREMENT SYSTEM	14,704	0	14,704
**D THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF	172,056	0	172,056
**D THE WELLINGTON TR CO, NAT ASS MULT COMM TR F TR, INT RES EQ F	17,869	0	17,869
**D THE WELLINGTON TR CO NAT ASS MULT COMM TR F TR GLB RES EQ PTF	4,667	0	4,667
**D MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	52,167	0	52,167
**D ISHARES VII PLC	308,702	0	308,702
**D BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F	30,631	0	30,631
**D AQR FUNDS- AQR STYLE PREMIA ALTERNATIVE FUND	476,489	0	476,489
**D AQR FUNDS- AQR STYLE PREMIA ALTERNATIVE LV FUND	22,177	0	22,177
**D AQR FUNDS - AQR LONG SHORT EQUITY FUND	35,433	0	35,433

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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **2016 Incentive System**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D AQR TAX PLUS U.S. RELAXED CONSTRAINT EQUITY FUND	1,326	0	1,326
**D AQR R.C. EQUITY AUSTRALIA FUND	15,213	0	15,213
**D AQR GLOBAL LONG-SHORT QIITY FUND	66,071	0	66,071
**D THE TRUSTEES OF BP PENSION FUND	816,030	0	816,030
**D TRUSTEES OF KINGFISHER PENSION SCHEME	14,375	0	14,375
**D MANAGED PENSION FUNDS LIMITED	98,064	0	98,064
**D GOVERNMENT INSTITUTIONS PENSION FUND	51,335	0	51,335
**D FAMILY INVESTMENTS CHILD TRUST FUND	2,760	0	2,760
**D FAMILY INVESTMENTS GLOBAL ICVC FAMILY BALANCED INT FUND	3,467	0	3,467
**D HSBC AS TRUSTEE FOR SSGA EUROPE EX UK EQUITY TRACKER FUND	128,450	0	128,450
**D FRIENDS LIFE LIMITED	1,522	0	1,522
**D STICHTING PHILIPS PENSIOfONFONDS	38,321	0	38,321
**D BNY MELLON TR+DEP ATF ST, JAMES`S PLACE MNGD GROWTH UNIT TR	1,381,604	0	1,381,604
**D VANGUARD INV FDS ICVC-VANG FTSE DEV WOR LD EX - UK EQT IND FD	17,521	0	17,521
**D VANGUARD INV F ICVC-VANGUARD FTSE DEV EUROPE EX-UK EQ INDEX F	48,158	0	48,158
**D SUNSUPER SUPERANNUATION FUND	673	0	673
**D GUIDESTONE FUNDS INTERNATIONAL EQUITY FUND	99,448	0	99,448
**D MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST	57,188	0	57,188
**D NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND	7,451	0	7,451
**D THE UNIVERSITY OF ARKANSAS FOUNDATION, INC	114,400	0	114,400
**D CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	39,644	0	39,644
**D SCHLUMBERGER COMMON INVESTMENT FUND	37,304	0	37,304
**D AXIOM INVESTORS TRUST II	24,582	0	24,582
**D WYOMING RETIREMENT SYSTEM	8,796	0	8,796
**D WYOMING RETIREMENT SYSTEM	3,844	0	3,844
**D LTW GROUP HOLDINGS, LLC	105,100	0	105,100
**D LOY PARTNERSHIP, LLC	59,600	0	59,600
**D RAMI PARTNERS, LLC	40,800	0	40,800
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P,R,C	18,050	0	18,050
**D MICROSOFT GLOBAL FINANCE	126,125	0	126,125
**D BLUE SKY GROUP	126,139	0	126,139
**D PYRAMIS GROUP TRUST FOR EMPLOYEE BENEFIT PLANS	291,526	0	291,526
**D MASTER TR AGREE BETWEEN PFIZER INC AND THE NORTHERN TR CO	5,756	0	5,756
**D NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	183,825	0	183,825
**D SUTTER HEALTH MASTER RETIREMENT TRUST	308,797	0	308,797
**D TYCO ELECTRONICS DEFINED BENEFIT PLANS MASTER TRUST	10,795	0	10,795
**D HRW TESTAMENTARY TRUST NO 3	78,600	0	78,600
**D THE WALTON FAMILY FOUNDATION	174,000	0	174,000
**D HRW TESTAMENTARY TRUST NO, 8	78,600	0	78,600
**D HRW TESTAMENTARY TRUST NO 2	78,600	0	78,600
**D HRW TESTAMENTARY TRUST NO, 12	67,500	0	67,500
**D NEW ZEALAND SUPERANNUATION FUND	15,212	0	15,212
**D EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS	29,952	0	29,952
**D GENERAL PENSION AND SOCIAL SECURITY AUTHORITY	91,752	0	91,752
**D ILLINOIS MUNICIPAL RETIREMENT FUND	146,145	0	146,145

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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **2016 Incentive System**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	16,385	0	16,385
**D SAN FRANCISCO CITY & COUNTY EMPLOYEES` RETIREMENT SYSTEM	222,166	0	222,166
**D STATE UNIVERSITIES RETIREMENT SYSTEM	35,921	0	35,921
**D UTAH STATE RETIREMENT SYSTEMS	15,487	0	15,487
**D FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	1,181	0	1,181
**D MERCER DS TRUST	133,965	0	133,965
**D WHEELS COMMON INVESTMENT FUND	5,543	0	5,543
**D THE TRUSTEES OF ZURICH FINANCIAL SERVICES UK PENSION SCHEME	522,821	0	522,821
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	34,658	0	34,658
**D MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO	22,540	0	22,540
**D NAT WEST BK AS TRUSTEE OF LEGAL & GENERAL EUROPEAN INDEX TR	59,585	0	59,585
**D AMG FUND PLC	16,800	0	16,800
**D SSGA GROSS ROLL UP UNIT TRUST	5,169	0	5,169
**D LEGAL & GENERAL AUTHORISED CONTRACTUAL SCHEME	1,753	0	1,753
**D ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND	25,495	0	25,495
**D SLI GLOBAL SICAV GLOBAL FOCUSEDSTRATEGIES FUND	86,188	0	86,188
**D POWERSHARES DYNAMIC INTERNATIONAL	1,267	0	1,267
**D PRUDENTIAL SECTOR FUNDS INC PRUDENTIAL FINANCIAL SERVICE	501,454	0	501,454
**D INVESCO FUNDS	100,000	0	100,000
**D BNYMTD (UK) AS TRUSTEE OF BLACKROCK CONTINENTAL EUROPE EQUITY TRY TRACKER FUND	167,160	0	167,160
**D POWERSHARES FTSE RAFI DEVELOPED MARKETS EX-US SMALL PORTFOLIO	4,776	0	4,776
**D THE BANK OF KOREA	4,355	0	4,355
**D POWERSHARES GLOBAL FUNDS IRELAND PLC	1,737	0	1,737
**D AMG TIMESSQUARE INTERNATIONAL SMALL CAP FUND	102,400	0	102,400
**D PNC INTERNATIONAL EQUITY FUND	220,000	0	220,000
**D ING FUNDS SERVICES, LLC	184,840	0	184,840
**D BLACKROCK LIFE LIMITED	495,684	0	495,684
**D THE BANK OF KOREA	1	0	1
**D INVESCO PERPETUAL GLOBAL SMALLER CO, FD	438,586	0	438,586
**D INVESCO FUNDS SERIES 4	1,559,338	0	1,559,338
**D PNC BALANCED ALLOCATION FUND	3,150	0	3,150
**D POWERSAHRES S(AND)P INTERNATIONAL DEVELOPED HIGH BETA PORTFOLIO	451	0	451
**D RAINIER INTERNATIONAL DISCOVERYFUND	120,270	0	120,270
**D ADVANCED SERIES TRUST -AST FI PYRAMIS QUANTITATIVE PORTFOLIO	92,469	0	92,469
**D WMP OPPORTUNISTIC INVESTMENT PARTNERS, L.P.	24,584	0	24,584
**D FIRST INVESTORS GLOBAL FUND	208,630	0	208,630
**D ADVANCED SERIES TRUST-AST QMA EMERGING MARKETS EQUITY PORTFOLIO	148,743	0	148,743
**D RIVER AND MERCANTILE WORLD RECOVERY FUND	96,000	0	96,000
**D FIRST TRUST INTERNATIONAL IPO ETF	1,230	0	1,230
**D RIVER AND MERCANTILE DYNAMIC ASSET ALLOCATION FUND	5,000	0	5,000
**D ADVANCED SERIES TRUST-AST PRUDENTIAL GROWTH ALLOCATION PORTFOLIO	17,276	0	17,276
**D DEUTSCHE X-TRACKERS MSCI EMU HEDGED EQUITY ETF	6,815	0	6,815
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO	152,035	0	152,035
**D IQ 50 PERCENT HEDGED FTSE EUROPE ETF	784	0	784
**D VANGUARD INTERNATIONAL HIGH DIVIDEND YIELD INDEX FUND	577	0	577

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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **2016 Incentive System**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D NATIONAL TREASURY MANAGEMENT AGENCY (AS CONTROLLER AND MANAGER OF THE IRELAND STRATEGIC INVESTM	36,302	0	36,302
**D ERIE INSURANCE EXCHANGE,	129,552	0	129,552
**D POWERSHARES FTSE INTERNATIONAL LOW BETA EQUAL WEIGHT PORTFOLIO	18,790	0	18,790
**D STICHTING PENSIOENFONDS HORECA & CATERING	13,683	0	13,683
**D DEUTSCHE X-TRACKERS FTSE DEVELOPED EX US ENHANCED BETA ETF	16	0	16
**D STICHTING DEPOSITARY APG DEVELOPED MARKETS EQUITY POOL	184,646	0	184,646
**D STG PFDS V,D, GRAFISCHE	47,541	0	47,541
**D FCP GROUPAMA AVENIR EURO	2,768,283	0	2,768,283
**D FCP ECUREULL RETRAITE EURO ACTIONS 4	200,000	0	200,000
**D FCP UFF CROISSANCE PME MAITRE	720,044	0	720,044
**D CPR EURO HIGH DIVIDEND	132,215	0	132,215
**D FCP COLOMBES 6 BIS	160,000	0	160,000
**D SICAV LAGTOO	64,400	0	64,400
**D FCP EDMOND DE ROTHSCHILD EURO LEADERS	889,100	0	889,100
**D FCP EDMOND DE ROTHSCHILD EUROPEMIDCAPS	39,500	0	39,500
**D FCP GARANCE	68,200	0	68,200
**D I,2,C, ACTIONS	520,000	0	520,000
**D FCP VILLIERS DIAPASON	80,031	0	80,031
**D FCP LCF PHARMA INTERNATIONAL	137,380	0	137,380
**D EDMOND DE ROTHSCHILD ASSET MANAGEMENT	249,250	0	249,250
**D SICAV BBM V-FLEX	111,049	0	111,049
**D FCP BEST BUSINESS MODELS	1,550,000	0	1,550,000
**D GREAT EUROPEAN MODELS	813,000	0	813,000
**D THE NORTH CAROLINA SUPPLEMENTAL RETIREMENT PLANS GROUP TRUST	157,262	0	157,262
**D PNC INTERNATIONAL GROWTH FUND	1,933	0	1,933
**D BLACKROCK GLOBAL FUNDS	9,039	0	9,039
**D ALASKA PERMANENT FUND CORPORATION	21,397	0	21,397
**D ALABAMA TRUST FUND	64,389	0	64,389
**D THE CLEVELAND CLINIC FOUNDATION	44,851	0	44,851
**D PUBLIC SCHOOL TEACHERS` PENSION AND RETIREMENT FUND OF CHICAGO	109,447	0	109,447
**D CN CANADIAN MASTER TRUST FUND.	2,069	0	2,069
**D COMMONWEALTH OF PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM	78,706	0	78,706
**D COX ENTERPRISES INC MASTER TRUST	1	0	1
**D THE STATE OF CONNECTICUT ACTING THROUGH ITS TREASURER	268,902	0	268,902
**D BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN	7,864	0	7,864
**D FLORIDA RETIREMENT SYSTEM	557,242	0	557,242
**D JOHN S, & JAMES L, KNIGHT FOUNDATION	98,666	0	98,666
**D MINISTERS & MISSIONARIES BENEFIT BOARD AMERICAN BAPTIST CHURCH	4,815	0	4,815
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF MISSISSIPPI	98,311	0	98,311
**D PROVINCE OF NEWFOUNDLAND AND LABRADOR POOLED PENSION FUND	22,345	0	22,345
**D PUBLIC SERVICE PENSION PLAN FUND	27,804	0	27,804
**D BELL ATLANTIC MASTER TRUST	1	0	1
**D PENSION RESERVES INVESTMENT TRUST FUND	103,810	0	103,810
**D INDIANA PUBLIC EMPLOYEES RETIREMENT FUND	18,478	0	18,478
**D RAYTHEON MASTER PENSION TRUST	1,528	0	1,528

Shareholders: 417 People: 9 DE\* Proxy to the natural person above mentioned with the badge number  
 Shareholders on own behalf: 7 Shareholders by proxy: 410 \*\*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 12. April 2016

RESULTS OF VOTING

Subject: **2016 Incentive System**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D TELUS FOREIGN EQUITY ACTIVE ALPHA POOL	63,306	0	63,306
**D PUBLIC SECTOR PENSION INVESTMENT BOARD	79,518	0	79,518
**D CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY	25,944	0	25,944
**D CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY	32,479	0	32,479
**D UMC BENEFIT BOARD, INC	3,052	0	3,052
**D UNISYS MASTER TRUST	61,682	0	61,682
**D CURATORS OF UNIVERSITY OF MISSOURI	16,167	0	16,167
**D VERIZON MASTER SAVINGS TRUST	62,888	0	62,888
**D CIBC INTERNATIONAL SMALL COMPANIES FUND	52,620	0	52,620
**D CF DV ACWI EX-U.S. IMI FUND	2,181	0	2,181
**D TIMESQUARE FOCUS FUND LP	18,300	0	18,300
4054 BOIDO VITTORIO	2,000	2,000	0
541 PISTONE UGO LUIGI	1,000	1,000	0
652 ZACCARDI ANTONELLA	1,000	1,000	0
<b>Total vote</b>	<b>520,843,734</b>		
<b>Percentage of voters %</b>	<b>99.935153</b>		
<b>Percentage of Capital %</b>	<b>85.833729</b>		

Shareholders:  
Shareholders on own  
behalf:

417 People:  
7 Shareholders by  
proxy:

9 DE\* Proxy to the natural person above mentioned with the badge number  
410 \*\*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 12, April 2016RESULTS OF VOTING

Subject: **2016 Incentive System for Financial Advisors (PFA) identified staff**

no **427** persons entitled to vote took part in the voting on own behalf or by proxy

no **521,181,707** ordinary shares

**The counting of votes produced the following results**

		<b>% OF ORDINARY SHARE CAPITAL PRESENT (Voting Quorum)</b>	<b>% OF ORDINARY SHARE ENTITLED TO VOTE</b>	<b>% SHARE CAPITAL</b>
<b>In Favour</b>	457,569,352	87.794592	87.794592	75.406271
<b>Against</b>	62,799,659	12.049475	12.049475	10.349225
<b>Sub Total</b>	520,369,011	99.844067	99.844067	85.755496
<b>Abstentions</b>	812,696	0.155933	0.155933	0.133930
<b>Not Voting</b>	0	0.000000	0.000000	0.000000
<b>Sub Total</b>	812,696	0.155933	0.155933	0.133930
<b>Total</b>	521,181,707	100.000000	100.000000	85.889426

Shareholders:  
Shareholders on own  
behalf:

427 People:  
9 Shareholders by proxy

11  
418

Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **2016 Incentive System for Financial Advisors (PFA) identified staff**

**AGAINST**

Surname	Tot. Vote	On own behalf	Proxy
4034 PETTINICCHIO LAURA	0	0	0
**D MERRILL LYNCH PROFESSIONAL CLEARING	82,692	0	82,692
**D RAINIER INT SMALL CAP EQUITY COLLECTIVE	67,490	0	67,490
**D JAPAN TRUSTEE SERVICES BANK LTD	241,951	0	241,951
**D BEST INVESTMENT CORPORATION	20,484	0	20,484
**D FONDS RESERVE RETRAITES	865,731	0	865,731
**D FRR	36,674	0	36,674
**D ALLIANZ AKTIEN EUROPA	341,310	0	341,310
**D PICTET TOTAL RETURN	692,588	0	692,588
**D FCP_CAGNI	15,000	0	15,000
**D PFIZER JAPAN INC PENSION FUND	47,861	0	47,861
**D MOMENTUM INVESTMENT FUNDS SICAV-SIF	43,440	0	43,440
**D BLACKROCK INSTITUTIONAL POOLED FUNDS PLC	6,097	0	6,097
**D UBS IRL INVESTOR SELECTION PLC	80,312	0	80,312
**D UBS GLOBAL ASSET MANAGEMENT LIFE LTD	32,092	0	32,092
**D JPMORGAN CHASE BANK	47,680	0	47,680
**D MERIFIN CAPITAL B.V.	17,380	0	17,380
**D CHINA LIFE INSURANCE (GROUP) COMPANY	2,554	0	2,554
**D UBS (US) GROUP TRUST	7,469	0	7,469
**D BT WHOLESALE MULTI MANAG INTL SHARE FUND	112,364	0	112,364
**D THE BOEING COMPANY EMPLOYEE RETIREMENT P	122,800	0	122,800
**D BLACKROCK INDEXED ALL-COUNTRY EQUITY FUN	1,214	0	1,214
**D NVIT MULTI MANAGER INTERNATIONAL GROWTH	231,270	0	231,270
**D SBC MASTER PENSION TRUST SBC MASTER PENSION TRUST 208	86,383	0	86,383
**D T ROWE PRICE INTERNATIONAL EQUITY INDEX	8,050	0	8,050
**D STICHTING PENSIOENFONDS VOOR HUISARTSEN	11,406	0	11,406
**D MI-FONDS 392	277,833	0	277,833
**D JPMORGAN EUROPEAN INVESTMENT TRUST PLC	63,898	0	63,898
**D KAPITFORENI INSTIT INVEST GLOBALE AKTIER	16,958	0	16,958
**D NEW MEXICO STATE INVESTMENT COUNCIL	5,996	0	5,996
**D TRUST AND CUSTODY SERVICED BANK LIMITED	34,753	0	34,753
**D BUREAU OF LABOR FUNDS- LABOR PENSION FUND	25,505	0	25,505
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND 10F	18,335	0	18,335
**D MASTER TRUST FOR NATIONAL PENSION FD	35,108	0	35,108
**D NEW YORK LIFE INSURANCE COMPANY	34,727	0	34,727
**D PROSHARES HEDGED FTSE EUROPE ETF	593	0	593
**D THE GBC INTL GROWTH FUND	86,877	0	86,877
**D THE NOVA SCOTIA HEALTH EMPLOYEES PENS PL	352,954	0	352,954
**D SAINT MARTIN 2	864,000	0	864,000
**D AXA OPTIMAL INCOME	2,306,782	0	2,306,782
**D AXA VALEURS EURO	662,000	0	662,000
**D FCPE TOTAL ACTIONS EUROPEENNES	670,000	0	670,000
**D COLISEE IFC 1 FCP	615,000	0	615,000
**D FCP KLESIA A DIVERSIFIE	260,000	0	260,000
**D SICAV C I P E C	55,000	0	55,000

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Shareholders: 216 People: 1  
 Shareholders on own behalf: 0 Shareholders by proxy: 216

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RL\* legal representation to the natural person above mentioned with the badge number



Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **2016 Incentive System for Financial Advisors (PFA) identified staff**

**AGAINST**

Surname	Tot. Vote	On own behalf	Proxy
**D SICAV MONT	25,000	0	25,000
**D FCP BRONGNIART AVENIR	179,000	0	179,000
**D SUPER FUNDS MANAG CORP SOUTH AUSTRALIA	119,451	0	119,451
**D AVIVA LIFE & PENSIONS UK LIMITED	33,620	0	33,620
**D AVIVA LIFE AND PENSIONS UK LIMITED	94,510	0	94,510
**D NIGOSC ADMINISTERS NILG PENSION FUND	60,940	0	60,940
**D ANIMA SGR SPA - ANIMA GEO ITALIA	1,328,570	0	1,328,570
**D ANIMA SGR SPA - ANIMA SFORZESCO	187,890	0	187,890
**D ANIMA SGR SPA - ANIMA VISCONTEO	568,746	0	568,746
**D ANIMA SGR SPA - ANIMA ITALIA	717,010	0	717,010
**D METZLER INTERNATIONAL INV, PLC	1,110,700	0	1,110,700
**D SEI GLOBAL MASTER FUND PLC	137,749	0	137,749
**D ALLIANZ ACTIONS EURO PME-ETI	93,700	0	93,700
**D NUMERIC MULTI STRATEGY MARKET NEUTRAL LEVERED OFFSHORE FUND LIMITED	26,900	0	26,900
**D AQR DELTA MASTER ACCOUNT LP COOGIER FIDUCIARY SERVICES (CAYMAN) LTD	8	0	8
**D NUMERIC SOCIALLY AWARE MULTI STRATEGY FUND LTD	4,800	0	4,800
**D PM MANAGER FUND SPC - SEGREGATED PORTFOLIO	147,907	0	147,907
**D NUMERIC SOCIALLY AWARE MULTI-STRATEGY FUND LTD	2,600	0	2,600
**D AQR MULTI-STRATEGY FUND VI LP CO AQR CAPITAL MGM LLC	27	0	27
**D ALT BETA EQUITY SIZE STRATEGY LIMITED CO NUMERIC INVESTORS LLC	36	0	36
**D AQR STYLE PREMIA MASTER ACCOUNT LP CO AQR CAPITAL MGM LLC	181	0	181
**D THREADNEEDLE INVESTMENT FUNDS ICVC	12,003,090	0	12,003,090
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	512,536	0	512,536
**D LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST	4,578	0	4,578
**D THREADNEEDLE LUX	848,043	0	848,043
**D STATE TEACHERS RETIREMENT SYSTEM OF OHIO	278,642	0	278,642
**D STICHTING PGGM DEPOSITARY	265,000	0	265,000
**D IRISH LIFE ASSURANCE	105,932	0	105,932
**D UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	25,082	0	25,082
**D CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALL CAP PASSIVE II	6,059	0	6,059
**D NUMERIC INVESTORS LLC	14,400	0	14,400
**D THE METHODIST HOSPITAL	32,626	0	32,626
**D INTERNATIONAL MONETARY FUND	3,017	0	3,017
**D BERNSTEIN FUND, INC.- INTERNATIONAL SMALL CAP PORTFOLIO	236,590	0	236,590
**D AMERICAN CENTURY STRATEGIC ASSET ALL, INC, STRAT ALL CONS F	4,527	0	4,527
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRAT ALL MODERATE F	22,953	0	22,953
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRATEGIC ALL AGGR F	20,260	0	20,260
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL DISCOVERY F	458,900	0	458,900
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL OPPORTUNITIES	265,330	0	265,330
**D AMERICAN CENTURY WORLD MUTUAL FUNDS INC - NT INT SM MID CAP F	189,970	0	189,970
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, - GLO SMALL CAP FD	6,254	0	6,254
**D AMERICAN CENTURY RETIREMENT DATE TRUST	34,556	0	34,556
**D FONDS PRIVE GPD ACTIONS INTERNATIONALES	115,000	0	115,000
**D CALVERT RESP INX SRS, INC,-CLVRT DVD MRKTS EX-U.S. RSP IX FND	139	0	139
**D ALLIANZGI INTERNATIONAL SMALL-CAP FUND	212,186	0	212,186

Shareholders: 216 People: 1 DE\* Proxy to the natural person above mentioned with the badge number  
 Shareholders on own behalf: 0 Shareholders proxy: 216 \*\*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 12. April 2016

RESULTS OF VOTING

Subject: 2016 Incentive System for Financial Advisors (PFA) identified staff

AGAINST

Surname	Tot. Vote	On own behalf	Proxy
**D UAW RETIREE MEDICAL BENEFITS TRUST	85,455	0	85,455
**D EATON VANCE INTERNATIONAL SMALL-CAP FUND	9,823	0	9,823
**D ALLIANZGI GLOBAL SMALL-CAP FUND	185,421	0	185,421
**D WILLIAM BLAIR COLLECTIVE INVESTMENT TRUST	317,891	0	317,891
**D WILLIAM BLAIR INTERNATIONAL SMALL CAP GROWTH FUND	371,638	0	371,638
**D ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO	5,774	0	5,774
**D ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM	37,990	0	37,990
**D LATTICE DEVELOPED MARKETS (EX-US) STRATEGY ETF	2,211	0	2,211
**D ALLIANCEBERNSTEIN INTERNATIONAL DISCOVERY SERIES	49,459	0	49,459
**D MARYLAND STATE RETIREMENT & PENSION SYSTEM	522	0	522
**D MGI FUNDS PLC	215,672	0	215,672
**D MERCER QIF CCF	1,074,182	0	1,074,182
**D STATE OF MONTANA BOARD OF INVESTMENTS	2,469	0	2,469
**D STATE OF NEW JERSEY COMMON PENSION FUND D	153,943	0	153,943
**D CANADA PENSION PLAN INVESTMENT BOARD	2,429	0	2,429
**D CTBC BANK CO LTD AMC FOR AB INC & GTH UM FD-ALL EUR INC & GR F	78,380	0	78,380
**D BANK OF KOREA	331,843	0	331,843
**D MINISTRY OF STRATEGY AND FINANCE	21,465	0	21,465
**D THE STARR FOUNDATION	31,540	0	31,540
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	625,850	0	625,850
**D WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR	14,339	0	14,339
**D WISDOMTREE DYNAMIC CURRENCY HEDGED EUROPE EQUITY FUND	712	0	712
**D WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	839	0	839
**D WISDOMTREE INTERNATIONAL MIDCAP DIVIDEND FUND	21,820	0	21,820
**D WISDOMTREE INTERNATIONAL HEDGED EQUITY FUND	363	0	363
**D WISDOMTREE EUROPE LOCAL RECOVERY FUND	2,470	0	2,470
**D WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	364,624	0	364,624
**D AXA WORLD FUNDS	10,842,656	0	10,842,656
**D RAS LUX FUND	25,000	0	25,000
**D ALLIANZ GLOBAL INVESTORS FUND	1,827,996	0	1,827,996
**D BLACKROCK STRATEGIC FUNDS	21,547	0	21,547
**D GOLDMAN SACHS FUNDS	1,759	0	1,759
**D MARCH FUND	1,887	0	1,887
**D UBS ETF	16,263	0	16,263
**D ISHARES MSCI EAFE SMALL CAP ETF	388,076	0	388,076
**D ISHARES MSCI EUROPE SMALL-CAP ETF	12,245	0	12,245
**D BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR	959,848	0	959,848
**D ISHARES CORE MSCI EAFE ETF	187,861	0	187,861
**D ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	30,853	0	30,853
**D ISHARES CORE MSCI EAFE IMI INDEX ETF	8,177	0	8,177
**D ISHARES MSCI EUROPE IMI INDEX ETF	4,947	0	4,947
**D ISHARES MSCI EUROPE IMI ETF	30,856	0	30,856
**D CONNECTICUT GENERAL LIFE INSURANCE COMPANY	2,775	0	2,775
**D CDN ACWI ALPHA TILTS FUND	15,426	0	15,426
**D BLACKROCK CDN MSCI EAFE INDEX PLUS FUND	372	0	372

Shareholders: 216 People: 1 DE\* Proxy to the natural person above mentioned with the badge number  
 Shareholders on own behalf: 0 Shareholders by proxy: 216 \*\*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 12. April 2016

RESULTS OF VOTING

Subject: 2016 Incentive System for Financial Advisors (PFA) identified staff

AGAINST

Surname	Tot. Vote	On own behalf	Proxy
**D INTERNATIONAL EQUITY INDEX PLUS FUNDS B	334	0	334
**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	76,267	0	76,267
**D BGI MSCI EMU IMI INDEX FUND B	312	0	312
**D DEVELOPED EX-FOSSIL FUEL INDEX FUND B	1,845	0	1,845
**D GLOBAL EX US ALPHA TILTS FUND B	5,409	0	5,409
**D SACRAMENTO COUNTY EMPLOYEES RETIREMENT SYSTEM	14,704	0	14,704
**D ISHARES VII PLC	308,702	0	308,702
**D BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F	30,631	0	30,631
**D AQR FUNDS- AQR STYLE PREMIA ALTERNATIVE FUND	476,489	0	476,489
**D AQR FUNDS- AQR STYLE PREMIA ALTERNATIVE LV FUND	22,177	0	22,177
**D AQR FUNDS - AQR LONG SHORT EQUITY FUND	35,433	0	35,433
**D AQR TAX PLUS U,S, RELAXED CONSTRAINT EQUITY FUND	1,326	0	1,326
**D AQR R,C, EQUITY AUSTRALIA FUND	15,213	0	15,213
**D AQR GLOBAL LONG-SHORT QUITTY FUND	66,071	0	66,071
**D THE TRUSTEES OF BP PENSION FUND	816,030	0	816,030
**D FRIENDS LIFE LIMITED	1,522	0	1,522
**D STICHTING PHILIPS PENSIOENFONDS	38,321	0	38,321
**D GUIDESTONE FUNDS INTERNATIONAL EQUITY FUND	99,448	0	99,448
**D AXIOM INVESTORS TRUST II	24,582	0	24,582
**D WYOMING RETIREMENT SYSTEM	8,796	0	8,796
**D WYOMING RETIREMENT SYSTEM	3,844	0	3,844
**D MASTER TR AGREE BETWEEN PFIZER INC AND THE NORTHERN TR CO	5,756	0	5,756
**D ILLINOIS MUNICIPAL RETIREMENT FUND	146,145	0	146,145
**D LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	16,385	0	16,385
**D SAN FRANCISCO CITY & COUNTY EMPLOYEES` RETIREMENT SYSTEM	222,166	0	222,166
**D MERCER DS TRUST	133,965	0	133,965
**D THE TRUSTEES OF ZURICH FINANCIAL SERVICES UK PENSION SCHEME	522,821	0	522,821
**D NAT WEST BK AS TRUSTEE OF LEGAL & GENERAL EUROPEAN INDEX TR	59,585	0	59,585
**D LEGAL & GENERAL AUTHORISED CONTRACTUAL SCHEME	1,753	0	1,753
**D SLI GLOBAL SICAV GLOBAL FOCUSEDSTRATEGIES FUND	86,188	0	86,188
**D POWERSHARES DYNAMIC INTERNATIONAL	1,267	0	1,267
**D BNYMTD (UK) AS TRUSTEE OF BLACKROCK CONTINENTAL EUROPE EQUITY TRY TRACKER FUND	167,160	0	167,160
**D POWERSHARES FTSE RAFI DEVELOPED MARKETS EX-US SMALL PORTFOLIO	4,776	0	4,776
**D POWERSHARES GLOBAL FUNDS IRELAND PLC	1,737	0	1,737
**D PNC INTERNATIONAL EQUITY FUND	220,000	0	220,000
**D BLACKROCK LIFE LIMITED	495,684	0	495,684
**D THE BANK OF KOREA	1	0	1
**D PNC BALANCED ALLOCATION FUND	3,150	0	3,150
**D POWERSAHRES S(AND)P INTERNATIONAL DEVELOPED HIGH BETA PORTFOLIO	451	0	451
**D RAINIER INTERNATIONAL DISCOVERYFUND	120,270	0	120,270
**D ADVANCED SERIES TRUST-AST QMA EMERGING MARKETS EQUITY PORTFOLIO	148,743	0	148,743
**D RIVER AND MERCANTILE WORLD RECOVERY FUND	96,000	0	96,000
**D FIRST TRUST INTERNATIONAL IPO ETF	1,230	0	1,230

Shareholders: 216 People: 1 DE\* Proxy to the natural person above mentioned with the badge number  
 Shareholders on own behalf: 0 Shareholders by proxy: 216 \*\*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 12. April 2016

RESULTS OF VOTING

Subject: **2016 Incentive System for Financial Advisors (PFA) identified staff**

**AGAINST**

Surname	Tot. Vote	On own behalf	Proxy
**D RIVER AND MERCANTILE DYNAMIC ASSET ALLOCATION FUND	5,000	0	5,000
**D DEUTSCHE X-TRACKERS MSCI EMU HEDGED EQUITY ETF	6,815	0	6,815
**D IQ 50 PERCENT HEDGED FTSE EUROPE ETF	784	0	784
**D NATIONAL TREASURY MANAGEMENT AGENCY (AS CONTROLLER AND MANAGER OF THE IRELAND STRATEGIC INVESTM	36,302	0	36,302
**D POWERSHARES FTSE INTERNATIONAL LOW BETA EQUAL WEIGHT PORTFOLIO	18,790	0	18,790
**D DEUTSCHE X-TRACKERS FTSE DEVELOPED EX US ENHANCED BETA ETF	16	0	16
**D STICHTING DEPOSITARY APG DEVELOPED MARKETS EQUITY POOL	184,646	0	184,646
**D FCP GROUPAMA AVENIR EURO	2,768,283	0	2,768,283
**D FCP ECUREULL RETRAITE EURO ACTIONS 4	200,000	0	200,000
**D FCP UFF CROISSANCE PME MAITRE	720,044	0	720,044
**D SICAV LAGTOO	64,400	0	64,400
**D FCP EDMOND DE ROTHSCHILD EURO LEADERS	889,100	0	889,100
**D FCP EDMOND DE ROTHSCHILD EUROPEMIDCAPS	39,500	0	39,500
**D FCP GARANCE	68,200	0	68,200
**D I,2,C, ACTIONS	520,000	0	520,000
**D FCP VILLIERS DIAPASON	80,031	0	80,031
**D FCP LCF PHARMA INTERNATIONAL	137,380	0	137,380
**D EDMOND DE ROTHSCHILD ASSET MANAGEMENT	249,250	0	249,250
**D SICAV BBM V-FLEX	111,049	0	111,049
**D FCP BEST BUSINESS MODELS	1,550,000	0	1,550,000
**D GREAT EUROPEAN MODELS	813,000	0	813,000
**D PNC INTERNATIONAL GROWTH FUND	1,933	0	1,933
**D BLACKROCK GLOBAL FUNDS	9,039	0	9,039
**D ALABAMA TRUST FUND	64,389	0	64,389
**D PUBLIC SCHOOL TEACHERS` PENSION AND RETIREMENT FUND OF CHICAGO	109,447	0	109,447
**D THE STATE OF CONNECTICUT ACTING THROUGH ITS TREASURER	268,902	0	268,902
**D BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN	7,864	0	7,864
**D FLORIDA RETIREMENT SYSTEM,	557,242	0	557,242
**D MINISTERS & MISSIONARIES BENEFIT BOARD AMERICAN BAPTIST CHURCH	4,815	0	4,815
**D PENSION RESERVES INVESTMENT TRUST FUND	103,810	0	103,810
**D INDIANA PUBLIC EMPLOYEES RETIREMENT FUND	18,478	0	18,478
**D RAYTHEON MASTER PENSION TRUST	1,528	0	1,528
**D PUBLIC SECTOR PENSION INVESTMENT BOARD	79,518	0	79,518
**D CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY	32,479	0	32,479
**D CURATORS OF UNIVERSITY OF MISSOURI	16,167	0	16,167
**D CIBC INTERNATIONAL SMALL COMPANIES FUND	52,620	0	52,620
**D CF DV ACWI EX-U., IMI FUND	2,181	0	2,181

**Total vote** 62.799,659  
**Percentage of voters %** 12.049475  
**Percentage of Capital %** 10.349225

Shareholders: 216 People: 1 DE\* Proxy to the natural person above mentioned with the badge number  
 Shareholders on own behalf: 0 Shareholders by proxy: 216 \*\*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 12. April 2016

RESULTS OF VOTING

Subject: **2016 Incentive System for Financial Advisors (PFA) identified staff**

**ABSTENTIONS**

Surname	Tot. Vote	On own behalf	Proxy
1570 AMADEI STEFANO	2,500	2,500	0
4034 PETTINICCHIO LAURA	0	0	0
**D ARTEMIS EUROPEAN OPPORTUNITIES FUND	809,663	0	809,663
**D ERGOS OFFSHORE I LTD CO HARNEYS CORPORATE SERVICES	1	0	1
**D CLINTON LIGHTHOUSE EQUITY STRATEGIES MASTER FUND LTD, C/O CLINTON GROUP, INC	7	0	7
**D CLINTON EQUITY STRATEGIES MASTER FUND LTD	25	0	25
4038 CROCE MARIO	500	500	0
<b>Total vote</b>	812,696		
<b>Percentage of voters %</b>	0.155933		
<b>Percentage of Capital %</b>	0.133930		

Shareholders:  
Shareholders on own  
behalf:

6 People:  
2 Shareholders by  
proxy:

3 DE\* Proxy to the natural person above mentioned with the badge number  
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 12, April 2016

RESULTS OF VOTING

Subject: **2016 Incentive System for Financial Advisors (PFA) identified staff**

**NOT VOTING**

Surname		Tot. Vote	On own behalf	Proxy
<b>Total vote</b>	0			
<b>Percentage of voters%</b>	0.000000			
<b>Percentage of Capital %</b>	0.000000			

Shareholders:  
Shareholders on own  
behalf:

0 People:  
0 Shareholders by  
proxy:

0 DE\* Proxy to the natural person above mentioned with the badge number  
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 12. April 2016

RESULTS OF VOTING

Subject: **2016 Incentive System for Financial Advisors (PFA) identified staff**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
1253 ROSSOTTI ROBERTO	4,900	4,900	0
1985 FOGLI MAURIZIO	80	80	0
2066 CAGLIA MARIA	0	0	0
DE* UNICREDIT S.P.A.	397,108,033	0	397,108,033
2067 CERASUOLO STEFANO	5,000	5,000	0
3400 ANNIBALETTI ANGELO	30,000	30,000	0
4034 PETTINICCHIO LAURA	0	0	0
**D VANGUARD EUROPEAN STOCK INDEX FUND	469,785	0	469,785
**D VANGUARD DEVELOPED MARKETS INDEX FUND	501,466	0	501,466
**D WELLINGTON MANAGEMENT PORTFOLIOS	222,081	0	222,081
**D WELLINGTON MANAGNT PORTFOLIOS GLOB RESEA	29,677	0	29,677
**D VANGUARD TOTAL WORLD STOCK INDEX FUND	34,759	0	34,759
**D VANGUARD FTSE ALL-WORLD EX US INDEX FUND	283,525	0	283,525
**D BBH&C BOS FOR PYRAM GR TRUST FOR EMPL EMERG MM COM	41,600	0	41,600
**D WELLINGTON TRUST COMP COMM TRUST INT OPP	152,282	0	152,282
**D VANGUARD FUNDS PLC	32,115	0	32,115
**D WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUITY PORTFOLIO	3,429	0	3,429
**D SCHRODER INSTITUTIONAL POOLED FUNDS-EUROPEAN EQUITY FUND	101,642	0	101,642
**D FCP CNP ACTIONS EUROPE SCHRODER	239,250	0	239,250
**D FONDS RESERVE RETRAITES	99,233	0	99,233
**D HENDERSON HORIZON FUND SICAV	978,023	0	978,023
**D HENDERSON GARTMORE FUND	337,536	0	337,536
**D BANQUE PICTET & CIE SA	25,933	0	25,933
**D ALKEN FUND	1,523,696	0	1,523,696
**D ALKEN FUND-EUROPEAN OPPORTUNITIES	2,404,521	0	2,404,521
**D ROBECO CAPITAL GROWTH FUNDS	150,000	0	150,000
**D SCHRODER INTERNATIONAL SELECTION FUND	9,904,816	0	9,904,816
**D VANGUARD INVESTMENT SERIES, PLC	28,955	0	28,955
**D TREMBLANT LONG UCITS FUND	32,291	0	32,291
**D HE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTBJ400045842	1,859,429	0	1,859,429
**D TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK	59,525	0	59,525
**D CHINA LIFE INSURANCE COMPANY LIMITED	41,347	0	41,347
**D FONDO CONSOLIDADO DE RESERVAS PREVISIONA	59,048	0	59,048
**D THE BARCLAYS BANK UK RETIREMENT FUND	61,884	0	61,884
**D ONEPATH GLOBAL SHARES - SMALL CAP INDEX	7,474	0	7,474
**D COINVEST LIMITED	8,594	0	8,594
**D THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST	109,643	0	109,643
**D VANGUARD INTERNATIONAL SMALL COMPANIES I	13,069	0	13,069
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OH	75,987	0	75,987
**D VANGUARD TOTAL INTERNATIONAL STOCK INDEX	1,700,103	0	1,700,103
**D VANGUARD INTERNATIONAL EXPLORER FUND	2,000,000	0	2,000,000
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND 10F	126,930	0	126,930
**D SCHRODER EUROPEAN FUND	1,239,313	0	1,239,313
**D SCHRODER EUROPEAN SMALLER COMPANIES FUND	376,881	0	376,881
**D JAPAN TRUSTEE SERVICES BANK LTD	109,135	0	109,135

Shareholders: 205 People: 9  
 Shareholders on own behalf: 7 Shareholders by proxy: 198

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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **2016 Incentive System for Financial Advisors (PFA) identified staff**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D ENTERGY CORP. RETIREMENT PLANS MASTER TR,	135,814	0	135,814
**D SCHRODER INTERNATIONAL SMALL COMPANIES P	20,000	0	20,000
**D SCHRODER CAPITAL MANAGEMENT COLLECTIVE T	200,000	0	200,000
**D INVESCO GLOBAL SMALL CAP EQUITY POOL	50,904	0	50,904
**D RBC CANADIAN MASTER TRUST	67,964	0	67,964
**D REGIME DE RETRAITE D HYDRO QUEBEC	83,099	0	83,099
**D FLF STRATEGIC GLOBAL EQUITY FUND	67,117	0	67,117
**D TR EUROPEN GROWTH TRUST PLC	848,642	0	848,642
**D REASSURE LIMITED	8,235	0	8,235
**D HSBC EUROPEAN INDEX FUND	46,133	0	46,133
**D REALDANIA	350,000	0	350,000
**D PIONEER INVESTMENT MANAGEMENT SGRPA / AZIONARIO CRESCITA	247,723	0	247,723
**D PIONEER STRATEGY FUNDS-EUR.EQ.	72,159	0	72,159
**D PIONEER FUNDS-CORE EUROPEAN EQ	241,695	0	241,695
**D PIONEER FUNDS - ITALIAN EQUITY	74,271	0	74,271
**D PIONEER FUNDS - EUROP, POTENT,	3,819,112	0	3,819,112
**D PIONEER FUNDS - EUROPEAN RESE,	653,126	0	653,126
**D WELLINGTON GL RES EQ PTFO ATTN SIJIA CHEN MACQUARIE INVESTMENT MANAGEMENT LIMITED	3,481	0	3,481
**D SIEFOREBANAMEXBASICA3SADECV	121,296	0	121,296
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND,	170,890	0	170,890
**D SIEFOREBANAMEXBASICA2SADECV	105,474	0	105,474
**D SIEFOREBANAMEXBASICA4SADECV	131,844	0	131,844
**D CITIBANK KOREA INC	1,899,003	0	1,899,003
**D GOVERNMENT OF NORWAY	7,824,850	0	7,824,850
**D NORGES BANK	22,097	0	22,097
**D CANADIAN BROADCASTING CORPORATION	95,509	0	95,509
**D LAUDUS INTERNATIONAL MARKETMASTERS FUND	754,480	0	754,480
**D WELLINGTON MNGM PTF (CANADA) GLOBAL OPPORTUNITIES PTF	104,160	0	104,160
**D INTERNATIONAL MONETARY FUND	2,140	0	2,140
**D STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	157,548	0	157,548
**D PYRAMIS CONCENTRATED INTERNATIONAL SMALL CAP TRUST	133,241	0	133,241
**D THE BOEING COMPANY EMPLOYEE SAVINGS PLANS MASTER TRUST	44,981	0	44,981
**D HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND	703,661	0	703,661
**D THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND	954,928	0	954,928
**D THE HARTFORDGLOBAL ALL- ASSET FUND	54,151	0	54,151
**D HARTFORD HEALTHCARE ENDOWMENT LLC	11,998	0	11,998
**D HARTFORD HEALTHCARE CORP DEFINED BENEFIT MASTER TR AGREEMENT	17,020	0	17,020
**D RUSSELL INVESTMENT COMPANY IV PLC	11,423	0	11,423
**D HENKEL OF AMERICA MASTER RETIREMENT TRUST	13,327	0	13,327
**D MERCER QIF CCF	525,234	0	525,234
**D ASHWOOD INVESTMENTS LIMITED	4,128	0	4,128
**D NEW YORK STATE DEFERRED COMPENSATION PLAN	89,286	0	89,286
**D COSMIC INVESTMENT FUND	136,961	0	136,961
**D CITY OF NEW YORK GROUP TRUST	485,124	0	485,124
**D WELLINGTON MNGT PTF (CAYMAN)-GL OPP EX-JAPAN PTF F QUA INST IN	61,634	0	61,634



Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: 2016 Incentive System for Financial Advisors (PFA) identified staff

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D FIRST ASSET MORNINGSTAR INTERNATIONAL MOMENTUM INDEX ETF	22,733	0	22,733
**D HONG KONG SPECIAL ADMINISTRATIVE REGION GOVERNMENT-EXCHANGE F	151,604	0	151,604
**D BIMCOR GLOBAL EQUITY POOLED FUND	67,446	0	67,446
**D MINISTRY OF STRATEGY AND FINANCE	104,747	0	104,747
**D STATE STREET IRELAND UNIT TRUST	40,088	0	40,088
**D SSGA SPDR ETFs EUROPE II PUBLIC LIMITED COMPANY	13,672	0	13,672
**D CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	601,745	0	601,745
**D CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	202,425	0	202,425
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	311,857	0	311,857
**D SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST	37,395	0	37,395
**D VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	2,643	0	2,643
**D VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF	480	0	480
**D VANGUARD INVESTMENTS II COMMON CONTRACTUAL FUND	3,987	0	3,987
**D VANGUARD INVESTMENTS COMMON CONTRACTUAL FUND	13,272	0	13,272
**D VANGUARD FTSE DEVELOPED EUROPE INDEX ETF	371	0	371
**D THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST	291,789	0	291,789
**D THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF	61,084	0	61,084
**D THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF	160,262	0	160,262
**D THE WELLINGTON TR CO NAT ASS MULT COMM EUROPE SMALLER CO PTF	5,165	0	5,165
**D THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II	337,248	0	337,248
**D WASHINGTON STATE INVESTMENT BOARD	83,044	0	83,044
**D PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY	187,380	0	187,380
**D WELLINGTON MANAGEMENT FUNDS (IRELAND) PLC	22,427	0	22,427
**D SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	325,882	0	325,882
**D STATE STREET GLOBAL ADVISORS LUXEMBOURG SICAV	96,843	0	96,843
**D MARCH FUND	30,856	0	30,856
**D INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST	47,788	0	47,788
**D OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM	206,399	0	206,399
**D RUSSELL TRUST CO COMMINGLED EMPLOYEE BENEFIT FUNDS TRUST	63,828	0	63,828
**D COLLEGE RETIREMENT EQUITIES FUND	179,485	0	179,485
**D TRANSAMERICA INTERNATIONAL SMALL CAP	600,000	0	600,000
**D SPDR S+P INTERNATIONAL MIDCAP ETF	13,714	0	13,714
**D MULTI-STYLE, MULTI-MANAGER FUNDS PLC	105,800	0	105,800
**D THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF	172,056	0	172,056
**D THE WELLINGTON TR CO, NAT ASS MULT COMM TR F TR, INT RES EQ F	17,869	0	17,869
**D THE WELLINGTON TR CO NAT ASS MULT COMM TR F TR GLB RES EQ PTF	4,667	0	4,667
**D MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	52,167	0	52,167
**D TRUSTEES OF KINGFISHER PENSION SCHEME	14,375	0	14,375
**D MANAGED PENSION FUNDS LIMITED	98,064	0	98,064
**D GOVERNMENT INSTITUTIONS PENSION FUND	51,335	0	51,335
**D FAMILY INVESTMENTS CHILD TRUST FUND	2,760	0	2,760
**D FAMILY INVESTMENTS GLOBAL ICVC FAMILY BALANCED INT FUND	3,467	0	3,467
**D HSBC AS TRUSTEE FOR SSGA EUROPE EX UK EQUITY TRACKER FUND	128,450	0	128,450
**D BNY MELLON TR+DEP ATF ST, JAMES`S PLACE MNGD GROWTH UNIT TR	1,381,604	0	1,381,604
**D VANGUARD INV FDS ICVC-VANG FTSE DEV WOR LD EX - UK EQT IND FD	17,521	0	17,521

Shareholders: 205 People: 9 DE\* Proxy to the natural person above mentioned with the badge number  
 Shareholders on own behalf: 7 Shareholders by proxy: 198 \*\*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 12. April 2016

RESULTS OF VOTING

Subject: **2016 Incentive System for Financial Advisors (PFA) identified staff**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D VANGUARD INV F ICVC-VANGUARD FTSE DEV EUROPE EX-UK EQ INDEX F	48,158	0	48,158
**D SUNSUPER SUPERANNUATION FUND	673	0	673
**D MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST	57,188	0	57,188
**D NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND	7,451	0	7,451
**D THE UNIVERSITY OF ARKANSAS FOUNDATION, INC	114,400	0	114,400
**D CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	39,644	0	39,644
**D SCHLUMBERGER COMMON INVESTMENT FUND	37,304	0	37,304
**D LTW GROUP HOLDINGS, LLC	105,100	0	105,100
**D LOY PARTNERSHIP, LLC	59,600	0	59,600
**D RAMI PARTNERS, LLC	40,800	0	40,800
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P.R.C	18,050	0	18,050
**D MICROSOFT GLOBAL FINANCE	126,125	0	126,125
**D BLUE SKY GROUP	126,139	0	126,139
**D PYRAMIS GROUP TRUST FOR EMPLOYEE BENEFIT PLANS	291,526	0	291,526
**D NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	183,825	0	183,825
**D SUTTER HEALTH MASTER RETIREMENT TRUST	308,797	0	308,797
**D TYCO ELECTRONICS DEFINED BENEFIT PLANS MASTER TRUST	10,795	0	10,795
**D HRW TESTAMENTARY TRUST NO 3	78,600	0	78,600
**D THE WALTON FAMILY FOUNDATION	174,000	0	174,000
**D HRW TESTAMENTARY TRUST NO, 8	78,600	0	78,600
**D HRW TESTAMENTARY TRUST NO 2	78,600	0	78,600
**D HRW TESTAMENTARY TRUST NO, 12	67,500	0	67,500
**D NEW ZEALAND SUPERANNUATION FUND	15,212	0	15,212
**D EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS	29,952	0	29,952
**D GENERAL PENSION AND SOCIAL SECURITY AUTHORITY	91,752	0	91,752
**D STATE UNIVERSITIES RETIREMENT SYSTEM	35,921	0	35,921
**D UTAH STATE RETIREMENT SYSTEMS	15,487	0	15,487
**D FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	1,181	0	1,181
**D WHEELS COMMON INVESTMENT FUND	5,543	0	5,543
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	34,658	0	34,658
**D MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO	22,540	0	22,540
**D AMG FUND PLC	16,800	0	16,800
**D SSGA GROSS ROLL UP UNIT TRUST	5,169	0	5,169
**D ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND	25,495	0	25,495
**D PRUDENTIAL SECTOR FUNDS INC PRUDENTIAL FINANCIAL SERVICE	501,454	0	501,454
**D INVESCO FUNDS	100,000	0	100,000
**D THE BANK OF KOREA	4,355	0	4,355
**D AMG TIMESSQUARE INTERNATIONAL SMALL CAP FUND	102,400	0	102,400
**D ING FUNDS SERVICES, LLC	184,840	0	184,840
**D INVESCO PERPETUAL GLOBAL SMALLER CO, FD	438,586	0	438,586
**D INVESCO FUNDS SERIES 4	1,559,338	0	1,559,338
**D ADVANCED SERIES TRUST -AST FI PYRAMIS QUANTITATIVE PORTFOLIO	92,469	0	92,469
**D WMP OPPORTUNISTIC INVESTMENT PARTNERS, L,P,	24,584	0	24,584
**D FIRST INVESTORS GLOBAL FUND	208,630	0	208,630
**D ADVANCED SERIES TRUST-AST PRUDENTIAL GROWTH ALLOCATION PORTFOLIO	17,276	0	17,276

Shareholders: 205 People: 9 DE\* Proxy to the natural person above mentioned with the badge number  
 Shareholders on own behalf: 7 Shareholders by proxy: 198 \*\*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 12. April 2016

RESULTS OF VOTING

Subject: **2016 Incentive System for Financial Advisors (PFA) identified staff**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO	152,035	0	152,035
**D VANGUARD INTERNATIONAL HIGH DIVIDEND YIELD INDEX FUND	577	0	577
**D ERIE INSURANCE EXCHANGE	129,552	0	129,552
**D STICHTING PENSIOENFONDS HORECA & CATERING	13,683	0	13,683
**D STG PFDS V,D, GRAFISCHE	47,541	0	47,541
**D CPR EURO HIGH DIVIDEND	132,215	0	132,215
**D FCP COLOMBES 6 BIS	160,000	0	160,000
**D THE NORTH CAROLINA SUPPLEMENTALRETIREMENT PLANS GROUP TRUST	157,262	0	157,262
**D ALASKA PERMANENT FUND CORPORATION	21,397	0	21,397
**D THE CLEVELAND CLINIC FOUNDATION	44,851	0	44,851
**D CN CANADIAN MASTER TRUST FUND	2,069	0	2,069
**D COMMONWEALTH OF PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES RETIREMENTENT SYSTEM	78,706	0	78,706
**D COX ENTERPRISES INC MASTER TRUST	1	0	1
**D JOHN S, & JAMES L, KNIGHT FOUNDATION	98,666	0	98,666
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF MISSISSIPI	98,311	0	98,311
**D PROVINCE PF NEWFOUNLAND AND LABRADOR POOLED PENSION FUND	22,345	0	22,345
**D PUBLIC SERVICE PENSION PLAN FUND	27,804	0	27,804
**D BELL ATLANTIC MASTER TRUST	1	0	1
**D TELUS FOREIGN EQUITY ACTIVE ALPHA POOL	63,306	0	63,306
**D CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY	25,944	0	25,944
**D UMC BENEFIT BOARD, INC	3,052	0	3,052
**D UNISYS MASTER TRUST	61,682	0	61,682
**D VERIZON MASTER SAVINGS TRUST	62,888	0	62,888
**D TIMESQUARE FOCUS FUND LP	18,300	0	18,300
4054 BOIDO VITTORIO	2,000	2,000	0
541 PISTONE UGO LUIGI	1,000	1,000	0
652 ZACCARDI ANTONELLA	1,000	1,000	0
<b>Total vote</b>	<b>457,569,352</b>		
<b>Percentage of voters %</b>	<b>87.794592</b>		
<b>Percentage of Capital %</b>	<b>75.406271</b>		

Shareholders:  
Shareholders on own  
behalf:

205 People:  
7 Shareholders by  
proxy:

9  
198

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 12, April 2016

RESULTS OF VOTING

Subject : **Authorization to purchase and dispose of treasury shares**

no **427** persons entitled to vote took part in the voting on own behalf or by proxy

no **521,181,707** ordinary shares

**The counting of votes produced the following results**

		<b>%OF ORDINARY SHARE CAPITAL PRESENT (Voting Quorum)</b>	<b>%OF ORDINARY SHARE ENTITLED TO VOTE</b>	<b>%SHARE CAPITAL</b>
<b>In Favour</b>	520,019,853	99.777073	99.777073	85.697956
<b>Against</b>	1,161,321	0.222825	0.222825	0.191383
<b>Sub Total</b>	521,181,174	99.999898	99.999898	85.889338
<b>Abstentions</b>	533	0.000102	0.000102	0.000088
<b>Not Voting</b>	0	0.000000	0.000000	0.000000
<b>Sub Total</b>	533	0.000102	0.000102	0.000088
<b>Total</b>	521,181,707	100.000000	100.000000	85.889426

Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject : **Authorization to purchase and dispose of treasury shares**

**AGAINST**

Surname	Tot. Vote	On own behalf	Proxy
4034 PETTINICCHIO LAURA	0	0	0
**D FCP_CAGNI	15,000	0	15,000
**D UBS IRL INVESTOR SELECTION PLC	80,312	0	80,312
**D UBS GLOBAL ASSET MANAGEMENT LIFE LTD	32,092	0	32,092
**D UBS (US) GROUP TRUST	7,469	0	7,469
**D SICAV C I P E C	55,000	0	55,000
**D SICAV MONT	25,000	0	25,000
**D FCP BRONGNIART AVENIR	179,000	0	179,000
**D UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	25,082	0	25,082
**D CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALL CAP PASSIVE II	6,059	0	6,059
**D UBS ETF	16,263	0	16,263
**D FCP UFF CROISSANCE PME MAITRE	720,044	0	720,044

**Total vote** 1,161,321  
**Percentage of voters %** 0.222825  
**Percentage of Capital % %** 0.191383

Shareholders:  
 Shareholders on own  
 behalf:

11 People:  
 0 Shareholders by  
 proxy:

1 DE\* Proxy to the natural person above mentioned with the badge number  
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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **Authorization to purchase and dispose of treasury shares**

**ABSTENTIONS**

Surname	Tot. Vote	On own behalf	Proxy
4034 PETTINICCHIO LAURA	0	0	0
**D ERGOS OFFSHORE I LTD CO HARNEYS CORPORATE SERVICES	1	0	1
**D CLINTON LIGHTHOUSE EQUITY STRATEGIES MASTER FUND LTD. C/O CLINTON GROUP, INC	7	0	7
**D CLINTON EQUITY STRATEGIES MASTER FUND LTD	25	0	25
4038 CROCE MARIO	500	500	0

**Total vote** 533  
**Percentage of voters %** 0.000102  
**Percentage of Capital %** 0.000088

Shareholders:  
 Shareholders on own  
 behalf:

4 People:  
 1 Shareholders by  
 proxy:

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Ordinary Shareholders Meeting 12, April 2016

RESULTS OF VOTING

Subject : **Authorization to purchase and dispose of treasury shares**

**NOT VOTING**

Surname	Tot. Vote	On own behalf	Proxy
<b>Total vote</b>	0		
<b>Percentage of voters%</b>	0.000000		
<b>Percentage of Capital %</b>	0.000000		

Shareholders:  
Shareholders on own  
behalf:

0 People:  
0 Shareholders by  
proxy:

0 DE\* Proxy to the natural person above mentioned with the badge number  
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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: Authorization to purchase and dispose of treasury shares

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
1253 ROSSOTTI ROBERTO	4,900	4,900	0
1570 AMADEI STEFANO	2,500	2,500	0
1985 FOGLI MAURIZIO	80	80	0
2066 CAGLIA MARIA	0	0	0
DE* UNICREDIT S,P,A,	397,108,033	0	397,108,033
2067 CERASUOLO STEFANO	5,000	5,000	0
3400 ANNIBALETTI ANGELO	30,000	30,000	0
4034 PETTINICCHIO LAURA	0	0	0
**D MERRILL LYNCH PROFESSIONAL CLEARING	82,692	0	82,692
**D VANGUARD EUROPEAN STOCK INDEX FUND	469,785	0	469,785
**D VANGUARD DEVELOPED MARKETS INDEX FUND	501,466	0	501,466
**D WELLINGTON MANAGEMENT PORTFOLIOS	222,081	0	222,081
**D WELLINGTON MANAGNT PORTFOLIOS GLOB RESEA	29,677	0	29,677
**D VANGUARD TOTAL WORLD STOCK INDEX FUND	34,759	0	34,759
**D VANGUARD FTSE ALL-WORLD EX US INDEX FUND	283,525	0	283,525
**D BBH&C BOS FOR PYRAM GR TRUST FOR EMPL EMERG MM COM	41,600	0	41,600
**D WELLINGTON TRUST COMP COMM TRUST INT OPP	152,282	0	152,282
**D VANGUARD FUNDS PLC	32,115	0	32,115
**D RAINIER INT SMALL CAP EQUITY COLLECTIVE	67,490	0	67,490
**D WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUITY PORTFOLIO	3,429	0	3,429
**D JAPAN TRUSTEE SERVICES BANK LTD	241,951	0	241,951
**D BEST INVESTMENT CORPORATION	20,484	0	20,484
**D SCHRODER INSTITUTIONAL POOLED FUNDS-EUROPEAN EQUITY FUND	101,642	0	101,642
**D FCP CNP ACTIONS EUROPE SCHRODER	239,250	0	239,250
**D FONDS RESERVE RETRAITES	865,731	0	865,731
**D FONDS RESERVE RETRAITES	99,233	0	99,233
**D FRR	36,674	0	36,674
**D ALLIANZ AKTIEN EUROPA	341,310	0	341,310
**D PICTET TOTAL RETURN	692,588	0	692,588
**D HENDERSON HORIZON FUND SICAV	978,023	0	978,023
**D HENDERSON GARTMORE FUND	337,536	0	337,536
**D BANQUE PICTET & CIE SA	25,933	0	25,933
**D ALKEN FUND	1,523,696	0	1,523,696
**D ALKEN FUND-EUROPEAN OPPORTUNITIES	2,404,521	0	2,404,521
**D PFIZER JAPAN INC PENSION FUND	47,861	0	47,861
**D ROBECO CAPITAL GROWTH FUNDS	150,000	0	150,000
**D MOMENTUM INVESTMENT FUNDS SICAV-SIF	43,440	0	43,440
**D SCHRODER INTERNATIONAL SELECTION FUND	9,904,816	0	9,904,816
**D VANGUARD INVESTMENT SERIES, PLC	28,955	0	28,955
**D BLACKROCK INSTITUTIONAL POOLED FUNDS PLC	6,097	0	6,097
**D TREMBLANT LONG UCITS FUND	32,291	0	32,291
**D HE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTBJ400045842	1,859,429	0	1,859,429
**D TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK	59,525	0	59,525
**D JPMORGAN CHASE BANK	47,680	0	47,680

Shareholders:  
Shareholders on own  
behalf:

412 People:  
8 Shareholders by  
proxy:

10  
404

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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: Authorization to purchase and dispose of treasury shares

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D MERIFIN CAPITAL B.V.	17,380	0	17,380
**D CHINA LIFE INSURANCE COMPANY LIMITED	41,347	0	41,347
**D FONDO CONSOLIDADO DE RESERVAS PREVISIONA	59,048	0	59,048
**D CHINA LIFE INSURANCE (GROUP) COMPANY	2,554	0	2,554
**D THE BARCLAYS BANK UK RETIREMENT FUND	61,884	0	61,884
**D BT WHOLESALE MULTI MANAG INTL SHARE FUND	112,364	0	112,364
**D ONEPATH GLOBAL SHARES - SMALL CAP INDEX	7,474	0	7,474
**D COINVEST LIMITED	8,594	0	8,594
**D THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST	109,643	0	109,643
**D THE BOEING COMPANY EMPLOYEE RETIREMENT P	122,800	0	122,800
**D BLACKROCK INDEXED ALL-COUNTRY EQUITY FUN	1,214	0	1,214
**D VANGUARD INTERNATIONAL SMALL COMPANIES I	13,069	0	13,069
**D ARTEMIS EUROPEAN OPPORTUNITIES FUND	809,663	0	809,663
**D NVIT MULTI MANAGER INTERNATIONAL GROWTH	231,270	0	231,270
**D SBC MASTER PENSION TRUST SBC MASTER PENSION TRUST 208	86,383	0	86,383
**D T ROWE PRICE INTERNATIONAL EQUITY INDEX	8,050	0	8,050
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OH	75,987	0	75,987
**D STICHTING PENSIOENFONDS VOOR HUISARTSEN	11,406	0	11,406
**D VANGUARD TOTAL INTERNATIONAL STOCK INDEX	1,700,103	0	1,700,103
**D VANGUARD INTERNATIONAL EXPLORER FUND	2,000,000	0	2,000,000
**D MI-FONDS 392	277,833	0	277,833
**D JPMORGAN EUROPEAN INVESTMENT TRUST PLC	63,898	0	63,898
**D KAPITFORENI INSTIT INVEST GLOBALE AKTIER	16,958	0	16,958
**D NEW MEXICO STATE INVESTMENT COUNCIL	5,996	0	5,996
**D TRUST AND CUSTODY SERVICED BANK LIMITED	34,753	0	34,753
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND 10F	126,930	0	126,930
**D BUREAU OF LABOR FUNDS- LABOR PENSION FUND	25,505	0	25,505
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND 10F	18,335	0	18,335
**D SCHRODER EUROPEAN FUND	1,239,313	0	1,239,313
**D SCHRODER EUROPEAN SMALLER COMPANIES FUND	376,881	0	376,881
**D MASTER TRUST FOR NATIONAL PENSION FD	35,108	0	35,108
**D JAPAN TRUSTEE SERVICES BANK LTD	109,135	0	109,135
**D ENTERGY CORP.RETIREMENT PLANS MASTER TR,	135,814	0	135,814
**D NEW YORK LIFE INSURANCE COMPANY	34,727	0	34,727
**D SCHRODER INTERNATIONAL SMALL COMPANIES P	20,000	0	20,000
**D SCHRODER CAPITAL MANAGEMENT COLLECTIVE T	200,000	0	200,000
**D PROSHARES HEDGED FTSE EUROPE ETF	593	0	593
**D INVESCO GLOBAL SMALL CAP EQUITY POOL	50,904	0	50,904
**D RBC CANADIAN MASTER TRUST	67,964	0	67,964
**D THE GBC INTL GROWTH FUND	86,877	0	86,877
**D THE NOVA SCOTIA HEALTH EMPLOYEES PENS PL	352,954	0	352,954
**D REGIME DE RETRAITE D HYDRO QUEBEC	83,099	0	83,099
**D FLF STRATEGIC GLOBAL EQUITY FUND	67,117	0	67,117
**D TR EUROPEN GROWTH TRUST PLC	848,642	0	848,642

Shareholders:  
Shareholders on own  
behalf:

412 People:  
8 Shareholders by  
proxy:

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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **Authorization to purchase and dispose of treasury shares**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D SAINT MARTIN 2	864,000	0	864,000
**D AXA OPTIMAL INCOME	2,306,782	0	2,306,782
**D AXA VALEURS EURO	662,000	0	662,000
**D FCPE TOTAL ACTIONS EUROPEENNES	670,000	0	670,000
**D COLISEE IFC 1 FCP	615,000	0	615,000
**D FCP KLESIA A DIVERSIFIE	260,000	0	260,000
**D SUPER FUNDS MANAG CORP SOUTH AUSTRALIA	119,451	0	119,451
**D AVIVA LIFE & PENSIONS UK LIMITED	33,620	0	33,620
**D AVIVA LIFE AND PENSIONS UK LIMITED	94,510	0	94,510
**D REASSURE LIMITED	8,235	0	8,235
**D HSBC EUROPEAN INDEX FUND	46,133	0	46,133
**D NIGOSC ADMINISTERS NILG PENSION FUND	60,940	0	60,940
**D REALDANIA	350,000	0	350,000
**D ANIMA SGR SPA - ANIMA GEO ITALIA	1,328,570	0	1,328,570
**D ANIMA SGR SPA - ANIMA SFORZESCO	187,890	0	187,890
**D ANIMA SGR SPA - ANIMA VISCONTEO	568,746	0	568,746
**D ANIMA SGR SPA - ANIMA ITALIA	717,010	0	717,010
**D METZLER INTERNATIONAL INV, PLC	1,110,700	0	1,110,700
**D PIONEER INVESTMENT MANAGEMENT SGRPA / AZIONARIO CRESCITA	247,723	0	247,723
**D SEI GLOBAL MASTER FUND PLC	137,749	0	137,749
**D PIONEER STRATEGY FUNDS-EUR. EQ,	72,159	0	72,159
**D PIONEER FUNDS-CORE EUROPEAN EQ	241,695	0	241,695
**D PIONEER FUNDS - ITALIAN EQUITY	74,271	0	74,271
**D PIONEER FUNDS - EUROP, POTENT,	3,819,112	0	3,819,112
**D PIONEER FUNDS - EUROPEAN RESE,	653,126	0	653,126
**D ALLIANZ ACTIONS EURO PME-ETI	93,700	0	93,700
**D NUMERIC MULTI STRATEGY MARKET NEUTRAL LEVERED OFFSHORE FUND LIMITED	26,900	0	26,900
**D AQR DELTA MASTER ACCOUNT LP COOGER FIDUCIARY SERVICES (CAYMAN) LTD	8	0	8
**D NUMERIC SOCIALLY AWARE MULTI STRATEGY FUND LTD	4,800	0	4,800
**D PM MANAGER FUND SPC - SEGREGATED PORTFOLIO	147,907	0	147,907
**D NUMERIC SOCIALLY AWARE MULTI-STRATEGY FUND LTD	2,600	0	2,600
**D AQR MULTI-STRATEGY FUND VI LP CO AQR CAPITAL MGM LLC	27	0	27
**D ALT BETA EQUITY SIZE STRATEGY LIMITED CO NUMERIC INVESTORS LLC	36	0	36
**D AQR STYLE PREMIA MASTER ACCOUNT LP CO AQR CAPITAL MGM LLC	181	0	181
**D THREADNEEDLE INVESTMENT FUNDS ICVC	12,003,090	0	12,003,090
**D WELLINGTON GL RES EQ PTFO ATTN SIJIA CHEN MACQUARIE INVESTMENT MANAGEMENT LIMITED	3,481	0	3,481
**D SIEFOREBANAMEXBASICA3SADECV	121,296	0	121,296
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND,	170,890	0	170,890
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	512,536	0	512,536
**D SIEFOREBANAMEXBASICA2SADECV	105,474	0	105,474
**D LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST	4,578	0	4,578
**D SIEFOREBANAMEXBASICA4SADECV	131,844	0	131,844
**D THREADNEEDLE LUX	848,043	0	848,043
**D CITIBANK KOREA INC	1,899,003	0	1,899,003

Shareholders: 412 People: 10 DE\* Proxy to the natural person above mentioned with the badge number  
 Shareholders on own behalf: 8 Shareholders by proxy: 404 \*\*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 12. April 2016

RESULTS OF VOTING

Subject: **Authorization to purchase and dispose of treasury shares**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D STATE TEACHERS RETIREMENT SYSTEM OF OHIO	278,642	0	278,642
**D STICHTING PGGM DEPOSITARY	265,000	0	265,000
**D IRISH LIFE ASSURANCE	105,932	0	105,932
**D GOVERNMENT OF NORWAY	7,824,850	0	7,824,850
**D NORGES BANK	22,097	0	22,097
**D CANADIAN BROADCASTING CORPORATION	95,509	0	95,509
**D NUMERIC INVESTORS LLC	14,400	0	14,400
**D THE METHODIST HOSPITAL	32,626	0	32,626
**D LAUDUS INTERNATIONAL MARKETMASTERS FUND	754,480	0	754,480
**D WELLINGTON MNGM PTF (CANADA) GLOBAL OPPORTUNITIES PTF	104,160	0	104,160
**D INTERNATIONAL MONETARY FUND	2,140	0	2,140
**D INTERNATIONAL MONETARY FUND	3,017	0	3,017
**D BERNSTEIN FUND, INC,- INTERNATIONAL SMALL CAP PORTFOLIO	236,590	0	236,590
**D AMERICAN CENTURY STRATEGIC ASSET ALL, INC, STRAT ALL CONS F	4,527	0	4,527
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRAT ALL MODERATE F	22,953	0	22,953
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRATEGIC ALL AGGR F	20,260	0	20,260
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL DISCOVERY F	458,900	0	458,900
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL OPPORTUNITIES	265,330	0	265,330
**D AMERICAN CENTURY WORLD MUTUAL FUNDS INC - NT INT SM MID CAP F	189,970	0	189,970
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, - GLO SMALL CAP FD	6,254	0	6,254
**D AMERICAN CENTURY RETIREMENT DATE TRUST	34,556	0	34,556
**D STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	157,548	0	157,548
**D FONDS PRIVE GPD ACTIONS INTERNATIONALES	115,000	0	115,000
**D CALVERT RESP INX SRS, INC,-CLVRT DVD MRKTS EX-U.S. RSP IX FND	139	0	139
**D PYRAMIS CONCENTRATED INTERNATIONAL SMALL CAP TRUST	133,241	0	133,241
**D ALLIANZGI INTERNATIONAL SMALL-CAP FUND	212,186	0	212,186
**D UAW RETIREE MEDICAL BENEFITS TRUST	85,455	0	85,455
**D EATON VANCE INTERNATIONAL SMALL-CAP FUND	9,823	0	9,823
**D THE BOEING COMPANY EMPLOYEE SAVINGS PLANS MASTER TRUST	44,981	0	44,981
**D HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND	703,661	0	703,661
**D THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND	954,928	0	954,928
**D THE HARTFORDGLOBAL ALL- ASSET FUND	54,151	0	54,151
**D HARTFORD HEALTHCARE ENDOWMENT LLC	11,998	0	11,998
**D HARTFORD HEALTHCARE CORP DEFINED BENEFIT MASTER TR AGREEMENT	17,020	0	17,020
**D ALLIANZGI GLOBAL SMALL-CAP FUND	185,421	0	185,421
**D WILLIAM BLAIR COLLECTIVE INVESTMENT TRUST	317,891	0	317,891
**D WILLIAM BLAIR INTERNATIONAL SMALL CAP GROWTH FUND	371,638	0	371,638
**D ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO	5,774	0	5,774
**D ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM	37,990	0	37,990
**D RUSSELL INVESTMENT COMPANY IV PLC	11,423	0	11,423
**D HENKEL OF AMERICA MASTER RETIREMENT TRUST	13,327	0	13,327
**D LATTICE DEVELOPED MARKETS (EX-US) STRATEGY ETF	2,211	0	2,211
**D ALLIANCEBERNSTEIN INTERNATIONAL DISCOVERY SERIES	49,459	0	49,459
**D MARYLAND STATE RETIREMENT & PENSION SYSTEM	522	0	522

Shareholders:  
Shareholders on own  
behalf:

412 People:  
8 Shareholders by  
proxy:

10  
404

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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: Authorization to purchase and dispose of treasury shares

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D MGI FUNDS PLC	215,672	0	215,672
**D MERCER QIF CCF	1,074,182	0	1,074,182
**D MERCER QIF CCF	525,234	0	525,234
**D STATE OF MONTANA BOARD OF INVESTMENTS	2,469	0	2,469
**D ASHWOOD INVESTMENTS LIMITED	4,128	0	4,128
**D STATE OF NEW JERSEY COMMON PENSION FUND D	153,943	0	153,943
**D NEW YORK STATE DEFERRED COMPENSATION PLAN	89,286	0	89,286
**D COSMIC INVESTMENT FUND	136,961	0	136,961
**D CANADA PENSION PLAN INVESTMENT BOARD	2,429	0	2,429
**D CITY OF NEW YORK GROUP TRUST	485,124	0	485,124
**D WELLINGTON MNGT PTF (CAYMAN)-GL OPP EX-JAPAN PTF F QUA INST IN	61,634	0	61,634
**D FIRST ASSET MORNINGSTAR INTERNATIONAL MOMENTUM INDEX ETF	22,733	0	22,733
**D HONG KONG SPECIAL ADMINISTRATIVE REGION GOVERNMENT-EXCHANGE F	151,604	0	151,604
**D CTBC BANK CO LTD AMC FOR AB INC & GTH UM FD-ALL EUR INC & GR F	78,380	0	78,380
**D BIMCOR GLOBAL EQUITY POOLED FUND	67,446	0	67,446
**D BANK OF KOREA	331,843	0	331,843
**D MINISTRY OF STRATEGY AND FINANCE	104,747	0	104,747
**D MINISTRY OF STRATEGY AND FINANCE	21,465	0	21,465
**D STATE STREET IRELAND UNIT TRUST	40,088	0	40,088
**D SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	13,672	0	13,672
**D THE STARR FOUNDATION	31,540	0	31,540
**D CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	601,745	0	601,745
**D CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	202,425	0	202,425
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	311,857	0	311,857
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	625,850	0	625,850
**D SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST	37,395	0	37,395
**D VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	2,643	0	2,643
**D VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF	480	0	480
**D VANGUARD INVESTMENTS II COMMON CONTRACTUAL FUND	3,987	0	3,987
**D VANGUARD INVESTMENTS COMMON CONTRACTUAL FUND	13,272	0	13,272
**D VANGUARD FTSE DEVELOPED EUROPE INDEX ETF	371	0	371
**D THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST	291,789	0	291,789
**D THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF	61,084	0	61,084
**D THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF	160,262	0	160,262
**D THE WELLINGTON TR CO NAT ASS MULT COMM EUROPE SMALLER CO PTF	5,165	0	5,165
**D THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II	337,248	0	337,248
**D WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR	14,339	0	14,339
**D WASHINGTON STATE INVESTMENT BOARD	83,044	0	83,044
**D WISDOMTREE DYNAMIC CURRENCY HEDGED EUROPE EQUITY FUND	712	0	712
**D WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	839	0	839
**D WISDOMTREE INTERNATIONAL MIDCAP DIVIDEND FUND	21,820	0	21,820
**D WISDOMTREE INTERNATIONAL HEDGED EQUITY FUND	363	0	363
**D WISDOMTREE EUROPE LOCAL RECOVERY FUND	2,470	0	2,470
**D WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	364,624	0	364,624

Shareholders: 412 People: 10 DE\* Proxy to the natural person above mentioned with the badge number  
 Shareholders on own behalf: 8 Shareholders proxy: 404 \*\*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 12. April 2016

RESULTS OF VOTING

Subject: **Authorization to purchase and dispose of treasury shares**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY	187,380	0	187,380
**D WELLINGTON MANAGEMENT FUNDS (IRELAND) PLC	22,427	0	22,427
**D SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	325,882	0	325,882
**D STATE STREET GLOBAL ADVISORS LUXEMBOURG SICAV	96,843	0	96,843
**D AXA WORLD FUNDS	10,842,656	0	10,842,656
**D RAS LUX FUND	25,000	0	25,000
**D ALLIANZ GLOBAL INVESTORS FUND	1,827,996	0	1,827,996
**D BLACKROCK STRATEGIC FUNDS	21,547	0	21,547
**D GOLDMAN SACHS FUNDS	1,759	0	1,759
**D MARCH FUND	1,887	0	1,887
**D MARCH FUND	30,856	0	30,856
**D ISHARES MSCI EAFE SMALL CAP ETF	388,076	0	388,076
**D ISHARES MSCI EUROPE SMALL-CAP ETF	12,245	0	12,245
**D BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR	959,848	0	959,848
**D ISHARES CORE MSCI EAFE ETF	187,861	0	187,861
**D ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	30,853	0	30,853
**D ISHARES CORE MSCI EAFE IMI INDEX ETF	8,177	0	8,177
**D ISHARES MSCI EUROPE IMI INDEX ETF	4,947	0	4,947
**D ISHARES MSCI EUROPE IMI ETF	30,856	0	30,856
**D CONNECTICUT GENERAL LIFE INSURANCE COMPANY	2,775	0	2,775
**D CDN ACWI ALPHA TILTS FUND	15,426	0	15,426
**D BLACKROCK CDN MSCI EAFE INDEX PLUS FUND	372	0	372
**D INTERNATIONAL EQUITY INDEX PLUS FUNDS B	334	0	334
**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	76,267	0	76,267
**D BGI MSCI EMU IMI INDEX FUND B	312	0	312
**D DEVELOPED EX-FOSSIL FUEL INDEX FUND B	1,845	0	1,845
**D GLOBAL EX US ALPHA TILTS FUND B	5,409	0	5,409
**D INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST	47,788	0	47,788
**D OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM	206,399	0	206,399
**D RUSSELL TRUST CO COMMINGLED EMPLOYEE BENEFIT FUNDS TRUST	63,828	0	63,828
**D COLLEGE RETIREMENT EQUITIES FUND	179,485	0	179,485
**D TRANSAMERICA INTERNATIONAL SMALL CAP	600,000	0	600,000
**D SPDR S+P INTERNATIONAL MIDCAP ETF	13,714	0	13,714
**D MULTI-STYLE, MULTI-MANAGER FUNDS PLC	105,800	0	105,800
**D SACRAMENTO COUNTY EMPLOYEES RETIREMENT SYSTEM	14,704	0	14,704
**D THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF	172,056	0	172,056
**D THE WELLINGTON TR CO, NAT ASS MULT COMM TR F TR, INT RES EQ F	17,869	0	17,869
**D THE WELLINGTON TR CO NAT ASS MULT COMM TR F TR GLB RES EQ PTF	4,667	0	4,667
**D MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	52,167	0	52,167
**D ISHARES VII PLC	308,702	0	308,702
**D BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F	30,631	0	30,631
**D AQR FUNDS- AQR STYLE PREMIA ALTERNATIVE FUND	476,489	0	476,489

Shareholders: 412 People: 10 DE\* Proxy to the natural person above mentioned with the badge number  
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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **Authorization to purchase and dispose of treasury shares**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D AQR FUNDS- AQR STYLE PREMIA ALTERNATIVE LV FUND	22,177	0	22,177
**D AQR FUNDS - AQR LONG SHORT EQUITY FUND	35,433	0	35,433
**D AQR TAX PLUS U.S. RELAXED CONSTRAINT EQUITY FUND	1,326	0	1,326
**D AQR R,C, EQUITY AUSTRALIA FUND	15,213	0	15,213
**D AQR GLOBAL LONG-SHORT QUITTY FUND	66,071	0	66,071
**D THE TRUSTEES OF BP PENSION FUND	816,030	0	816,030
**D TRUSTEES OF KINGFISHER PENSION SCHEME	14,375	0	14,375
**D MANAGED PENSION FUNDS LIMITED	98,064	0	98,064
**D GOVERNMENT INSTITUTIONS PENSION FUND	51,335	0	51,335
**D FAMILY INVESTMENTS CHILD TRUST FUND	2,760	0	2,760
**D FAMILY INVESTMENTS GLOBAL ICVC FAMILY BALANCED INT FUND	3,467	0	3,467
**D HSBC AS TRUSTEE FOR SSGA EUROPE EX UK EQUITY TRACKER FUND	128,450	0	128,450
**D FRIENDS LIFE LIMITED	1,522	0	1,522
**D STICHTING PHILIPS PENSIOENFONDS	38,321	0	38,321
**D BNY MELLON TR+DEP ATF ST, JAMES`S PLACE MNGD GROWTH UNIT TR	1,381,604	0	1,381,604
**D VANGUARD INV FDS ICVC-VANG FTSE DEV WOR LD EX - UK EQT IND FD	17,521	0	17,521
**D VANGUARD INV F ICVC-VANGUARD FTSE DEV EUROPE EX-UK EQ INDEX F	48,158	0	48,158
**D SUNSUPER SUPERANNUATION FUND	673	0	673
**D GUIDESTONE FUNDS INTERNATIONAL EQUITY FUND	99,448	0	99,448
**D MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST	57,188	0	57,188
**D NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND	7,451	0	7,451
**D THE UNIVERSITY OF ARKANSAS FOUNDATION, INC	114,400	0	114,400
**D CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	39,644	0	39,644
**D SCHLUMBERGER COMMON INVESTMENT FUND	37,304	0	37,304
**D AXIOM INVESTORS TRUST II	24,582	0	24,582
**D WYOMING RETIREMENT SYSTEM	8,796	0	8,796
**D WYOMING RETIREMENT SYSTEM	3,844	0	3,844
**D LTW GROUP HOLDINGS, LLC	105,100	0	105,100
**D LOY PARTNERSHIP, LLC	59,600	0	59,600
**D RAMI PARTNERS, LLC	40,800	0	40,800
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P.R.C	18,050	0	18,050
**D MICROSOFT GLOBAL FINANCE	126,125	0	126,125
**D BLUE SKY GROUP	126,139	0	126,139
**D PYRAMIS GROUP TRUST FOR EMPLOYEE BENEFIT PLANS	291,526	0	291,526
**D MASTER TR AGREE BETWEEN PFIZER INC AND THE NORTHERN TR CO	5,756	0	5,756
**D NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	183,825	0	183,825
**D SUTTER HEALTH MASTER RETIREMENT TRUST	308,797	0	308,797
**D TYCO ELECTRONICS DEFINED BENEFIT PLANS MASTER TRUST	10,795	0	10,795
**D HRW TESTAMENTARY TRUST NO 3	78,600	0	78,600
**D THE WALTON FAMILY FOUNDATION	174,000	0	174,000
**D HRW TESTAMENTARY TRUST NO, 8	78,600	0	78,600
**D HRW TESTAMENTARY TRUST NO 2	78,600	0	78,600
**D HRW TESTAMENTARY TRUST NO, 12	67,500	0	67,500
**D NEW ZEALAND SUPERANNUATION FUND	15,212	0	15,212

Shareholders:  
Shareholders on own  
behalf:

412 People:  
8 Shareholders by  
proxy:

10  
404

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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **Authorization to purchase and dispose of treasury shares**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS	29,952	0	29,952
**D GENERAL PENSION AND SOCIAL SECURITY AUTHORITY	91,752	0	91,752
**D ILLINOIS MUNICIPAL RETIREMENT FUND	146,145	0	146,145
**D LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	16,385	0	16,385
**D SAN FRANCISCO CITY & COUNTY EMPLOYEES` RETIREMENT SYSTEM	222,166	0	222,166
**D STATE UNIVERSITIES RETIREMENT SYSTEM	35,921	0	35,921
**D UTAH STATE RETIREMENT SYSTEMS	15,487	0	15,487
**D FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	1,181	0	1,181
**D MERCER DS TRUST	133,965	0	133,965
**D WHEELS COMMON INVESTMENT FUND	5,543	0	5,543
**D THE TRUSTEES OF ZURICH FINANCIAL SERVICES UK PENSION SCHEME	522,821	0	522,821
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	34,658	0	34,658
**D MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO	22,540	0	22,540
**D NAT WEST BK AS TRUSTEE OF LEGAL & GENERAL EUROPEAN INDEX TR	59,585	0	59,585
**D AMG FUND PLC	16,800	0	16,800
**D SSGA GROSS ROLL UP UNIT TRUST	5,169	0	5,169
**D LEGAL & GENERAL AUTHORISED CONTRACTUAL SCHEME	1,753	0	1,753
**D ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND	25,495	0	25,495
**D SLI GLOBAL SICAV GLOBAL FOCUSEDSTRATEGIES FUND	86,188	0	86,188
**D POWERSHARES DYNAMIC INTERNATIONAL	1,267	0	1,267
**D PRUDENTIAL SECTOR FUNDS INC PRUDENTIAL FINANCIAL SERVICE	501,454	0	501,454
**D INVESCO FUNDS	100,000	0	100,000
**D BNYMTD (UK) AS TRUSTEE OF BLACKROCK CONTINENTAL EUROPE EQUITY TRY TRACKER FUND	167,160	0	167,160
**D POWERSHARES FTSE RAFI DEVELOPED MARKETS EX-US SMALL PORTFOLIO	4,776	0	4,776
**D THE BANK OF KOREA	4,355	0	4,355
**D POWERSHARES GLOBAL FUNDS IRELAND PLC	1,737	0	1,737
**D AMG TIMESQUARE INTERNATIONAL SMALL CAP FUND	102,400	0	102,400
**D PNC INTERNATIONAL EQUITY FUND	220,000	0	220,000
**D ING FUNDS SERVICES, LLC	184,840	0	184,840
**D BLACKROCK LIFE LIMITED	495,684	0	495,684
**D THE BANK OF KOREA	1	0	1
**D INVESCO PERPETUAL GLOBAL SMALLER CO, FD	438,586	0	438,586
**D INVESCO FUNDS SERIES 4	1,559,338	0	1,559,338
**D PNC BALANCED ALLOCATION FUND	3,150	0	3,150
**D POWERSAHRES S(AND)P INTERNATIONAL DEVELOPED HIGH BETA PORTFOLIO	451	0	451
**D RAINIER INTERNATIONAL DISCOVERYFUND	120,270	0	120,270
**D ADVANCED SERIES TRUST -AST FI PYRAMIS QUANTITATIVE PORTFOLIO	92,469	0	92,469
**D WMP OPPORTUNISTIC INVESTMENT PARTNERS, L,P,	24,584	0	24,584
**D FIRST INVESTORS GLOBAL FUND	208,630	0	208,630
**D ADVANCED SERIES TRUST-AST QMA EMERGING MARKETS EQUITY PORTFOLIO	148,743	0	148,743
**D RIVER AND MERCANTILE WORLD RECOVERY FUND	96,000	0	96,000
**D FIRST TRUST INTERNATIONAL IPO ETF	1,230	0	1,230
**D RIVER AND MERCANTILE DYNAMIC ASSET ALLOCATION FUND	5,000	0	5,000
**D ADVANCED SERIES TRUST-AST PRUDENTIAL GROWTH ALLOCATION PORTFOLIO	17,276	0	17,276

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Shareholders: 412 People: 10 DE\* Proxy to the natural person above mentioned with the badge number  
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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **Authorization to purchase and dispose of treasury shares**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D DEUTSCHE X-TRACKERS MSCI EMU HEDGED EQUITY ETF	6,815	0	6,815
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO	152,035	0	152,035
**D IQ 50 PERCENT HEDGED FTSE EUROPE ETF	784	0	784
**D VANGUARD INTERNATIONAL HIGH DIVIDEND YIELD INDEX FUND	577	0	577
**D NATIONAL TREASURY MANAGEMENT AGENCY (AS CONTROLLER AND MANAGER OF THE IRELAND STRATEGIC INVESTM	36,302	0	36,302
**D ERIE INSURANCE EXCHANGE	129,552	0	129,552
**D POWERSHARES FTSE INTERNATIONAL LOW BETA EQUAL WEIGHT PORTFOLIO	18,790	0	18,790
**D STICHTING PENSIOENFONDS HORECA & CATERING	13,683	0	13,683
**D DEUTSCHE X-TRACKERS FTSE DEVELOPED EX US ENHANCED BETA ETF	16	0	16
**D STICHTING DEPOSITARY APG DEVELOPED MARKETS EQUITY POOL	184,646	0	184,646
**D STG PFDS V.D. GRAFISCHE	47,541	0	47,541
**D FCP GROUPAMA AVENIR EURO	2,768,283	0	2,768,283
**D FCP ECUREUIL RETRAITE EURO ACTIONS 4	200,000	0	200,000
**D CPR EURO HIGH DIVIDEND	132,215	0	132,215
**D FCP COLOMBES 6 BIS	160,000	0	160,000
**D SICAV LAGTOO	64,400	0	64,400
**D FCP EDMOND DE ROTHSCHILD EURO LEADERS	889,100	0	889,100
**D FCP EDMOND DE ROTHSCHILD EUROPEMIDCAPS	39,500	0	39,500
**D FCP GARANCE	68,200	0	68,200
**D I.2.C. ACTIONS	520,000	0	520,000
**D FCP VILLIERS DIAPASON	80,031	0	80,031
**D FCP LCF PHARMA INTERNATIONAL	137,380	0	137,380
**D EDMOND DE ROTHSCHILD ASSET MANAGEMENT	249,250	0	249,250
**D SICAV BBM V-FLEX	111,049	0	111,049
**D FCP BEST BUSINESS MODELS	1,550,000	0	1,550,000
**D GREAT EUROPEAN MODELS	813,000	0	813,000
**D THE NORTH CAROLINA SUPPLEMENTAL RETIREMENT PLANS GROUP TRUST	157,262	0	157,262
**D PNC INTERNATIONAL GROWTH FUND	1,933	0	1,933
**D BLACKROCK GLOBAL FUNDS	9,039	0	9,039
**D ALASKA PERMANENT FUND CORPORATION	21,397	0	21,397
**D ALABAMA TRUST FUND	64,389	0	64,389
**D THE CLEVELAND CLINIC FOUNDATION	44,851	0	44,851
**D PUBLIC SCHOOL TEACHERS` PENSION AND RETIREMENT FUND OF CHICAGO	109,447	0	109,447
**D CN CANADIAN MASTER TRUST FUND	2,069	0	2,069
**D COMMONWEALTH OF PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM	78,706	0	78,706
**D COX ENTERPRISES INC MASTER TRUST	1	0	1
**D THE STATE OF CONNECTICUT ACTING THROUGH ITS TREASURER	268,902	0	268,902
**D BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN	7,864	0	7,864
**D FLORIDA RETIREMENT SYSTEM	557,242	0	557,242
**D JOHN S, & JAMES L, KNIGHT FOUNDATION	98,666	0	98,666
**D MINISTERS & MISSIONARIES BENEFIT BOARD AMERICAN BAPTIST CHURCH	4,815	0	4,815
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF MISSISSIPPI	98,311	0	98,311
**D PROVINCE OF NEWFOUNDLAND AND LABRADOR POOLED PENSION FUND	22,345	0	22,345
**D PUBLIC SERVICE PENSION PLAN FUND	27,804	0	27,804

Shareholders: 412 People: 10 DE\* Proxy to the natural person above mentioned with the badge number  
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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **Authorization to purchase and dispose of treasury shares**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D BELL ATLANTIC MASTER TRUST	1	0	1
**D PENSION RESERVES INVESTMENT TRUST FUND	103,810	0	103,810
**D INDIANA PUBLIC EMPLOYEES RETIREMENT FUND	18,478	0	18,478
**D RAYTHEON MASTER PENSION TRUST	1,528	0	1,528
**D TELUS FOREIGN EQUITY ACTIVE ALPHA POOL	63,306	0	63,306
**D PUBLIC SECTOR PENSION INVESTMENT BOARD	79,518	0	79,518
**D CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY	25,944	0	25,944
**D CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY	32,479	0	32,479
**D UMC BENEFIT BOARD, INC	3,052	0	3,052
**D UNISYS MASTER TRUST	61,682	0	61,682
**D CURATORS OF UNIVERSITY OF MISSOURI	16,167	0	16,167
**D VERIZON MASTER SAVINGS TRUST	62,888	0	62,888
**D CIBC INTERNATIONAL SMALL COMPANIES FUND	52,620	0	52,620
**D CF DV ACWI EX-U.S. IMI FUND	2,181	0	2,181
**D TIMESQUARE FOCUS FUND LP	18,300	0	18,300
4054 BOIDO VITTORIO	2,000	2,000	0
541 PISTONE UGO LUIGI	1,000	1,000	0
652 ZACCARDI ANTONELLA	1,000	1,000	0

**Total vote** 520,019.853  
**Percentage of voters %** 99.777073  
**Percentage of Capital %** 85.697956

Shareholders:  
 Shareholders on own  
 behalf:

412 People:  
 8 Shareholders by  
 proxy:

10 DE\* Proxy to the natural person above mentioned with the badge number  
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Ordinary Shareholders Meeting 12, April 2016RESULTS OF VOTING

Subject: **Remuneration for the Chairman of the Board of Statutory Auditor Body**

no **426** persons entitled to vote took part in the voting on own behalf or by proxy

no **521,179,207** ordinary shares

**The counting of votes produced the following results**

		<b>% OF ORDINARY SHARE CAPITAL PRESENT (Voting Quorum)</b>	<b>% OF ORDINARY SHARE ENTITLED TO VOTE</b>	<b>% SHARE CAPITAL</b>
<b>In Favour</b>	521,117,734	99.988205	99.988205	85.878884
<b>Against</b>	60,940	0.011693	0.011693	0.010043
<b>Sub Total</b>	521,178,674	99.999898	99.999898	85.888926
<b>Abstentions</b>	533	0.000102	0.000102	0.000088
<b>Not Voting</b>	0	0.000000	0.000000	0.000000
<b>Sub Total</b>	533	0.000102	0.000102	0.000088
<b>Total</b>	521,179,207	100.000000	100.000000	85.889014

Shareholders:  
Shareholders on own  
behalf:

426 People:  
8 Shareholders by proxy

10  
418

Ordinary Shareholders Meeting 12, April 2016

RESULTS OF VOTING

Subject: **Remuneration for the Chairman of the Board of Statutory Auditor**

**AGAINST**

Surname	Tot. Vote	On own behalf	Proxy
4034 PETTINICCHIO LAURA	0	0	0
**D NIGOSC ADMINISTRATORS NILG PENSION FUND	60,940	0	60,940
<b>Total vote</b>	60,940		
<b>Percentage of voters %</b>	0.011693		
<b>Percentage of Capital %</b>	0.010043		

Shareholders:  
Shareholders on own  
behalf:

1 People:  
0 Shareholders by  
proxy:

1 DE\* Proxy to the natural person above mentioned with the badge number  
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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **Remuneration for the Chairman of the Board of Statutory Auditor**

**ABSTENTIONS**

Surname	Tot. Vote	On own behalf	Proxy
4034 PETTINICCHIO LAURA	0	0	0
**D ERGOS OFFSHORE I LTD CO HARNEYS CORPORATE SERVICES	1	0	1
**D CLINTON LIGHTHOUSE EQUITY STRATEGIES MASTER FUND LTD. C/O CLINTON GROUP, INC	7	0	7
**D CLINTON EQUITY STRATEGIES MASTER FUND LTD	25	0	25
4038 CROCE MARIO	500	500	0

**Total vote** 533  
**Percentage of voters %** 0.000102  
**Percentage of Capital %** 0.000088

Shareholders:  
 Shareholders on own  
 behalf:

4 People:  
 1 Shareholders by  
 proxy:

2 DE\* Proxy to the natural person above mentioned with the badge number  
 3 \*\*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 12. April 2016

RESULTS OF VOTING

Subject: **Remuneration for the Chairman of the Board of Statutory Auditor**

**NOT VOTING**

Surname		Tot. Vote	On own behalf	Proxy
<b>Total vote</b>	0			
<b>Percentage of voters%</b>	0.000000			
<b>Percentage of Capital %</b>	0.000000			

Shareholders:  
Shareholders on own  
behalf:

0 People:  
0 Shareholders by  
proxy:

0 DE\* Proxy to the natural person above mentioned with the badge number  
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 12. April 2016

RESULTS OF VOTING

Subject: **Remuneration for the Chairman of the Board of Statutory Auditor**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
1253 ROSSOTTI ROBERTO	4,900	4,900	0
1985 FOGLI MAURIZIO	80	80	0
2066 CAGLIA MARIA	0	0	0
DE* UNICREDIT S.P.A.	397,108,033	0	397,108,033
2067 CERASUOLO STEFANO	5,000	5,000	0
3400 ANNIBALETTI ANGELO	30,000	30,000	0
4034 PETTINICCHIO LAURA	0	0	0
**D MERRILL LYNCH PROFESSIONAL CLEARING	82,692	0	82,692
**D VANGUARD EUROPEAN STOCK INDEX FUND	469,785	0	469,785
**D VANGUARD DEVELOPED MARKETS INDEX FUND	501,466	0	501,466
**D WELLINGTON MANAGEMENT PORTFOLIOS	222,081	0	222,081
**D WELLINGTON MANAGNT PORTFOLIOS GLOB RESEA	29,677	0	29,677
**D VANGUARD TOTAL WORLD STOCK INDEX FUND	34,759	0	34,759
**D VANGUARD FTSE ALL-WORLD EX US INDEX FUND	283,525	0	283,525
**D BBH&C BOS FOR PYRAM GR TRUST FOR EMPL EMERG MM COM	41,600	0	41,600
**D WELLINGTON TRUST COMP COMM TRUST INT OPP	152,282	0	152,282
**D VANGUARD FUNDS PLC	32,115	0	32,115
**D RAINIER INT SMALL CAP EQUITY COLLECTIVE	67,490	0	67,490
**D WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUITY PORTFOLIO	3,429	0	3,429
**D JAPAN TRUSTEE SERVICES BANK LTD	241,951	0	241,951
**D BEST INVESTMENT CORPORATION	20,484	0	20,484
**D SCHRODER INSTITUTIONAL POOLED FUNDS-EUROPEAN EQUITY FUND	101,642	0	101,642
**D FCP CNP ACTIONS EUROPE SCHRODER	239,250	0	239,250
**D FONDS RESERVE RETRAITES	865,731	0	865,731
**D FONDS RESERVE RETRAITES	99,233	0	99,233
**D FRR	36,674	0	36,674
**D ALLIANZ AKTIEN EUROPA	341,310	0	341,310
**D PICTET TOTAL RETURN	692,588	0	692,588
**D HENDERSON HORIZON FUND SICAV	978,023	0	978,023
**D HENDERSON GARTMORE FUND	337,536	0	337,536
**D FCP_CAGNI	15,000	0	15,000
**D BANQUE PICTET & CIE SA	25,933	0	25,933
**D ALKEN FUND	1,523,696	0	1,523,696
**D ALKEN FUND-EUROPEAN OPPORTUNITIES	2,404,521	0	2,404,521
**D PFIZER JAPAN INC PENSION FUND	47,861	0	47,861
**D ROBECO CAPITAL GROWTH FUNDS	150,000	0	150,000
**D MOMENTUM INVESTMENT FUNDS SICAV-SIF	43,440	0	43,440
**D SCHRODER INTERNATIONAL SELECTION FUND	9,904,816	0	9,904,816
**D VANGUARD INVESTMENT SERIES, PLC	28,955	0	28,955
**D BLACKROCK INSTITUTIONAL POOLED FUNDS PLC	6,097	0	6,097
**D TREMBLANT LONG UCITS FUND	32,291	0	32,291
**D UBS IRL INVESTOR SELECTION PLC	80,312	0	80,312
**D HE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTBJ400045842	1,859,429	0	1,859,429
**D TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK	59,525	0	59,525
**D UBS GLOBAL ASSET MANAGEMENT LIFE LTD	32,092	0	32,092

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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **Remuneration for the Chairman of the Board of Statutory Auditor**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D JPMORGAN CHASE BANK	47,680	0	47,680
**D MERIFIN CAPITAL B.V.	17,380	0	17,380
**D CHINA LIFE INSURANCE COMPANY LIMITED	41,347	0	41,347
**D FONDO CONSOLIDADO DE RESERVAS PREVISIONA	59,048	0	59,048
**D CHINA LIFE INSURANCE (GROUP) COMPANY	2,554	0	2,554
**D THE BARCLAYS BANK UK RETIREMENT FUND	61,884	0	61,884
**D UBS (US) GROUP TRUST	7,469	0	7,469
**D BT WHOLESALE MULTI MANAG INTL SHARE FUND	112,364	0	112,364
**D ONEPATH GLOBAL SHARES - SMALL CAP INDEX	7,474	0	7,474
**D COINVEST LIMITED	8,594	0	8,594
**D THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST	109,643	0	109,643
**D THE BOEING COMPANY EMPLOYEE RETIREMENT P	122,800	0	122,800
**D BLACKROCK INDEXED ALL-COUNTRY EQUITY FUN	1,214	0	1,214
**D VANGUARD INTERNATIONAL SMALL COMPANIES I	13,069	0	13,069
**D ARTEMIS EUROPEAN OPPORTUNITIES FUND	809,663	0	809,663
**D NVIT MULTI MANAGER INTERNATIONAL GROWTH	231,270	0	231,270
**D SBC MASTER PENSION TRUST SBC MASTER PENSION TRUST 208	86,383	0	86,383
**D T ROWE PRICE INTERNATIONAL EQUITY INDEX	8,050	0	8,050
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OH	75,987	0	75,987
**D STICHTING PENSIOENFONDS VOOR HUISARTSEN	11,406	0	11,406
**D VANGUARD TOTAL INTERNATIONAL STOCK INDEX	1,700,103	0	1,700,103
**D VANGUARD INTERNATIONAL EXPLORER FUND	2,000,000	0	2,000,000
**D MI-FONDS 392	277,833	0	277,833
**D JPMORGAN EUROPEAN INVESTMENT TRUST PLC	63,898	0	63,898
**D KAPITFORENI INSTIT INVEST GLOBALE AKTIER	16,958	0	16,958
**D NEW MEXICO STATE INVESTMENT COUNCIL	5,996	0	5,996
**D TRUST AND CUSTODY SERVICED BANK LIMITED	34,753	0	34,753
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND 10F	126,930	0	126,930
**D BUREAU OF LABOR FUNDS- LABOR PENSION FUND	25,505	0	25,505
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND 10F	18,335	0	18,335
**D SCHRODER EUROPEAN FUND	1,239,313	0	1,239,313
**D SCHRODER EUROPEAN SMALLER COMPANIES FUND	376,881	0	376,881
**D MASTER TRUST FOR NATIONAL PENSION FD	35,108	0	35,108
**D JAPAN TRUSTEE SERVICES BANK LTD	109,135	0	109,135
**D ENTERGY CORP.RETIREMENT PLANS MASTER TR,	135,814	0	135,814
**D NEW YORK LIFE INSURANCE COMPANY	34,727	0	34,727
**D SCHRODER INTERNATIONAL SMALL COMPANIES P	20,000	0	20,000
**D SCHRODER CAPITAL MANAGEMENT COLLECTIVE T	200,000	0	200,000
**D PROSHARES HEDGED FTSE EUROPE ETF	593	0	593
**D INVESCO GLOBAL SMALL CAP EQUITY POOL	50,904	0	50,904
**D RBC CANADIAN MASTER TRUST	67,964	0	67,964
**D THE GBC INTL GROWTH FUND	86,877	0	86,877
**D THE NOVA SCOTIA HEALTH EMPLOYEES PENS PL	352,954	0	352,954
**D REGIME DE RETRAITE D HYDRO QUEBEC	83,099	0	83,099
**D FLF STRATEGIC GLOBAL EQUITY FUND	67,117	0	67,117

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Ordinary Shareholders Meeting 12. April 2016

## RESULTS OF VOTING

Subject: **Remuneration for the Chairman of the Board of Statutory Auditor****IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D TR EUROPEAN GROWTH TRUST PLC	848,642	0	848,642
**D SAINT MARTIN 2	864,000	0	864,000
**D AXA OPTIMAL INCOME	2,306,782	0	2,306,782
**D AXA VALEURS EURO	662,000	0	662,000
**D FCPE TOTAL ACTIONS EUROPEENNES	670,000	0	670,000
**D COLISEE IFC 1 FCP	615,000	0	615,000
**D FCP KLESIA A DIVERSIFIE	260,000	0	260,000
**D SICAV C I P E C	55,000	0	55,000
**D SICAV MONT	25,000	0	25,000
**D FCP BRONGNIART AVENIR	179,000	0	179,000
**D SUPER FUNDS MANAG CORP SOUTH AUSTRALIA	119,451	0	119,451
**D AVIVA LIFE & PENSIONS UK LIMITED	33,620	0	33,620
**D AVIVA LIFE AND PENSIONS UK LIMITED	94,510	0	94,510
**D REASSURE LIMITED	8,235	0	8,235
**D HSBC EUROPEAN INDEX FUND	46,133	0	46,133
**D REALDANIA	350,000	0	350,000
**D ANIMA SGR SPA - ANIMA GEO ITALIA	1,328,570	0	1,328,570
**D ANIMA SGR SPA - ANIMA SFORZESCO	187,890	0	187,890
**D ANIMA SGR SPA - ANIMA VISCONTEO	568,746	0	568,746
**D ANIMA SGR SPA - ANIMA ITALIA	717,010	0	717,010
**D METZLER INTERNATIONAL INV, PLC	1,110,700	0	1,110,700
**D PIONEER INVESTMENT MANAGEMENT SGRPA / AZIONARIO CRESCITA	247,723	0	247,723
**D SEI GLOBAL MASTER FUND PLC	137,749	0	137,749
**D PIONEER STRATEGY FUNDS-EUR,EQ,	72,159	0	72,159
**D PIONEER FUNDS-CORE EUROPEAN EQ	241,695	0	241,695
**D PIONEER FUNDS - ITALIAN EQUITY	74,271	0	74,271
**D PIONEER FUNDS - EUROP, POTENT,	3,819,112	0	3,819,112
**D PIONEER FUNDS - EUROPEAN RESE,	653,126	0	653,126
**D ALLIANZ ACTIONS EURO PME-ETI	93,700	0	93,700
**D NUMERIC MULTI STRATEGY MARKET NEUTRAL LEVERED OFFSHORE FUND LIMITED	26,900	0	26,900
**D AQR DELTA MASTER ACCOUNT LP COOGER FIDUCIARY SERVICES (CAYMAN) LTD	8	0	8
**D NUMERIC SOCIALLY AWARE MULTI STRATEGY FUND LTD	4,800	0	4,800
**D PM MANAGER FUND SPC - SEGREGATED PORTFOLIO	147,907	0	147,907
**D NUMERIC SOCIALLY AWARE MULTI-STRATEGY FUND LTD	2,600	0	2,600
**D AQR MULTI-STRATEGY FUND VI LP CO AQR CAPITAL MGM LLC	27	0	27
**D ALT BETA EQUITY SIZE STRATEGY LIMITED CO NUMERIC INVESTORS LLC	36	0	36
**D AQR STYLE PREMIA MASTER ACCOUNT LP CO AQR CAPITAL MGM LLC	181	0	181
**D THREADNEEDLE INVESTMENT FUNDS ICVC	12,003,090	0	12,003,090
**D WELLINGTON GL RES EQ PTFO ATTN SIJIA CHEN MACQUARIE INVESTMENT MANAGEMENT LIMITED	3,481	0	3,481
**D SIEFOREBANAMEXBASICA3SADECV	121,296	0	121,296
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND,	170,890	0	170,890
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	512,536	0	512,536
**D SIEFOREBANAMEXBASICA2SADECV	105,474	0	105,474
**D LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST	4,578	0	4,578
**D SIEFOREBANAMEXBASICA4SADECV	131,844	0	131,844

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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **Remuneration for the Chairman of the Board of Statutory Auditor**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D THREADNEEDLE (LUX	848,043	0	848,043
**D CITIBANK KOREA INC	1,899,003	0	1,899,003
**D STATE TEACHERS RETIREMENT SYSTEM OF OHIO	278,642	0	278,642
**D STICHTING PGM DEPOSITARY	265,000	0	265,000
**D IRISH LIFE ASSURANCE	105,932	0	105,932
**D UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	25,082	0	25,082
**D CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALL CAP PASSIVE II	6,059	0	6,059
**D GOVERNMENT OF NORWAY	7,824,850	0	7,824,850
**D NORGES BANK	22,097	0	22,097
**D CANADIAN BROADCASTING CORPORATION	95,509	0	95,509
**D NUMERIC INVESTORS LLC	14,400	0	14,400
**D THE METHODIST HOSPITAL	32,626	0	32,626
**D LAUDUS INTERNATIONAL MARKETMASTERS FUND	754,480	0	754,480
**D WELLINGTON MNGM PTF (CANADA) GLOBAL OPPORTUNITIES PTF	104,160	0	104,160
**D INTERNATIONAL MONETARY FUND	2,140	0	2,140
**D INTERNATIONAL MONETARY FUND	3,017	0	3,017
**D BERNSTEIN FUND, INC,- INTERNATIONAL SMALL CAP PORTFOLIO	236,590	0	236,590
**D AMERICAN CENTURY STRATEGIC ASSET ALL, INC, STRAT ALL CONS F	4,527	0	4,527
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRAT ALL MODERATE F	22,953	0	22,953
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRATEGIC ALL AGGR F	20,260	0	20,260
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL DISCOVERY F	458,900	0	458,900
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC. INTL OPPORTUNITIES	265,330	0	265,330
**D AMERICAN CENTURY WORLD MUTUAL FUNDS INC - NT INT SM MID CAP F	189,970	0	189,970
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC. - GLO SMALL CAP FD	6,254	0	6,254
**D AMERICAN CENTURY RETIREMENT DATE TRUST	34,556	0	34,556
**D STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	157,548	0	157,548
**D FONDS PRIVE GPD ACTIONS INTERNATIONALES	115,000	0	115,000
**D CALVERT RESP INX SRS, INC,-CLVRT DVD MRKTS EX-U,S, RSP IX FND	139	0	139
**D PYRAMIS CONCENTRATED INTERNATIONAL SMALL CAP TRUST	133,241	0	133,241
**D ALLIANZGI INTERNATIONAL SMALL-CAP FUND	212,186	0	212,186
**D UAW RETIREE MEDICAL BENEFITS TRUST	85,455	0	85,455
**D EATON VANCE INTERNATIONAL SMALL-CAP FUND	9,823	0	9,823
**D THE BOEING COMPANY EMPLOYEE SAVINGS PLANS MASTER TRUST	44,981	0	44,981
**D HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND	703,661	0	703,661
**D THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND	954,928	0	954,928
**D THE HARTFORDGLOBAL ALL- ASSET FUND	54,151	0	54,151
**D HARTFORD HEALTHCARE ENDOWMENT LLC	11,998	0	11,998
**D HARTFORD HEALTHCARE CORP DEFINED BENEFIT MASTER TR AGREEMENT	17,020	0	17,020
**D ALLIANZGI GLOBAL SMALL-CAP FUND	185,421	0	185,421
**D WILLIAM BLAIR COLLECTIVE INVESTMENT TRUST	317,891	0	317,891
**D WILLIAM BLAIR INTERNATIONAL SMALL CAP GROWTH FUND	371,638	0	371,638
**D ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO	5,774	0	5,774
**D ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM	37,990	0	37,990
**D RUSSELL INVESTMENT COMPANY IV PLC	11,423	0	11,423
**D HENKEL OF AMERICA MASTER RETIREMENT TRUST	13,327	0	13,327

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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **Remuneration for the Chairman of the Board of Statutory Auditor**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D LATTICE DEVELOPED MARKETS (EX-US) STRATEGY ETF	2,211	0	2,211
**D ALLIANCEBERNSTEIN INTERNATIONAL DISCOVERY SERIES	49,459	0	49,459
**D MARYLAND STATE RETIREMENT & PENSION SYSTEM	522	0	522
**D MGI FUNDS PLC	215,672	0	215,672
**D MERCER QIF CCF	1,074,182	0	1,074,182
**D MERCER QIF CCF	525,234	0	525,234
**D STATE OF MONTANA BOARD OF INVESTMENTS	2,469	0	2,469
**D ASHWOOD INVESTMENTS LIMITED	4,128	0	4,128
**D STATE OF NEW JERSEY COMMON PENSION FUND D	153,943	0	153,943
**D NEW YORK STATE DEFERRED COMPENSATION PLAN	89,286	0	89,286
**D COSMIC INVESTMENT FUND	136,961	0	136,961
**D CANADA PENSION PLAN INVESTMENT BOARD	2,429	0	2,429
**D CITY OF NEW YORK GROUP TRUST	485,124	0	485,124
**D WELLINGTON MNGT PTF (CAYMAN)-GL OPP EX-JAPAN PTF F QUA INST IN	61,634	0	61,634
**D FIRST ASSET MORNINGSTAR INTERNATIONAL MOMENTUM INDEX ETF	22,733	0	22,733
**D HONG KONG SPECIAL ADMINISTRATIVE REGION GOVERNMENT-EXCHANGE F	151,604	0	151,604
**D CTBC BANK CO LTD AMC FOR AB INC & GTH UM FD-ALL EUR INC & GR F	78,380	0	78,380
**D BIMCOR GLOBAL EQUITY POOLED FUND	67,446	0	67,446
**D BANK OF KOREA	331,843	0	331,843
**D MINISTRY OF STRATEGY AND FINANCE	104,747	0	104,747
**D MINISTRY OF STRATEGY AND FINANCE	21,465	0	21,465
**D STATE STREET IRELAND UNIT TRUST	40,088	0	40,088
**D SSGA SPDR ETFs EUROPE II PUBLIC LIMITED COMPANY	13,672	0	13,672
**D THE STARR FOUNDATION	31,540	0	31,540
**D CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	601,745	0	601,745
**D CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	202,425	0	202,425
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	311,857	0	311,857
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	625,850	0	625,850
**D SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST	37,395	0	37,395
**D VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	2,643	0	2,643
**D VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF	480	0	480
**D VANGUARD INVESTMENTS II COMMON CONTRACTUAL FUND	3,987	0	3,987
**D VANGUARD INVESTMENTS COMMON CONTRACTUAL FUND	13,272	0	13,272
**D VANGUARD FTSE DEVELOPED EUROPE INDEX ETF	371	0	371
**D THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST	291,789	0	291,789
**D THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF	61,084	0	61,084
**D THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF	160,262	0	160,262
**D THE WELLINGTON TR CO NAT ASS MULT COMM EUROPE SMALLER CO PTF	5,165	0	5,165
**D THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II	337,248	0	337,248
**D WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR	14,339	0	14,339
**D WASHINGTON STATE INVESTMENT BOARD	83,044	0	83,044
**D WISDOMTREE DYNAMIC CURRENCY HEDGED EUROPE EQUITY FUND	712	0	712
**D WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	839	0	839
**D WISDOMTREE INTERNATIONAL MIDCAP DIVIDEND FUND	21,820	0	21,820
**D WISDOMTREE INTERNATIONAL HEDGED EQUITY FUND	363	0	363

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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: Remuneration for the Chairman of the Board of Statutory Auditor

IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D WISDOMTREE EUROPE LOCAL RECOVERY FUND	2,470	0	2,470
**D WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	364,624	0	364,624
**D PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY	187,380	0	187,380
**D WELLINGTON MANAGEMENT FUNDS (IRELAND) PLC	22,427	0	22,427
**D SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	325,882	0	325,882
**D STATE STREET GLOBAL ADVISORS LUXEMBOURG SICAV	96,843	0	96,843
**D AXA WORLD FUNDS	10,842,656	0	10,842,656
**D RAS LUX FUND	25,000	0	25,000
**D ALLIANZ GLOBAL INVESTORS FUND	1,827,996	0	1,827,996
**D BLACKROCK STRATEGIC FUNDS	21,547	0	21,547
**D GOLDMAN SACHS FUNDS	1,759	0	1,759
**D MARCH FUND	1,887	0	1,887
**D MARCH FUND	30,856	0	30,856
**D UBS ETF	16,263	0	16,263
**D ISHARES MSCI EAFE SMALL CAP ETF	388,076	0	388,076
**D ISHARES MSCI EUROPE SMALL-CAP ETF	12,245	0	12,245
**D BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR	959,848	0	959,848
**D ISHARES CORE MSCI EAFE ETF	187,861	0	187,861
**D ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	30,853	0	30,853
**D ISHARES CORE MSCI EAFE IMI INDEX ETF	8,177	0	8,177
**D ISHARES MSCI EUROPE IMI INDEX ETF	4,947	0	4,947
**D ISHARES MSCI EUROPE IMI ETF	30,856	0	30,856
**D CONNECTICUT GENERAL LIFE INSURANCE COMPANY	2,775	0	2,775
**D CDN ACWI ALPHA TILTS FUND	15,426	0	15,426
**D BLACKROCK CDN MSCI EAFE INDEX PLUS FUND	372	0	372
**D INTERNATIONAL EQUITY INDEX PLUS FUNDS B	334	0	334
**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	76,267	0	76,267
**D BGI MSCI EMU IMI INDEX FUND B	312	0	312
**D DEVELOPED EX-FOSSIL FUEL INDEX FUND B	1,845	0	1,845
**D GLOBAL EX US ALPHA TILTS FUND B	5,409	0	5,409
**D INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST	47,788	0	47,788
**D OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM	206,399	0	206,399
**D RUSSELL TRUST CO COMMINGLED EMPLOYEE BENEFIT FUNDS TRUST	63,828	0	63,828
**D COLLEGE RETIREMENT EQUITIES FUND	179,485	0	179,485
**D TRANSAMERICA INTERNATIONAL SMALL CAP	600,000	0	600,000
**D SPDR S+P INTERNATIONAL MIDCAP ETF	13,714	0	13,714
**D MULTI-STYLE, MULTI-MANAGER FUNDS PLC	105,800	0	105,800
**D SACRAMENTO COUNTY EMPLOYEES RETIREMENT SYSTEM	14,704	0	14,704
**D THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF	172,056	0	172,056
**D THE WELLINGTON TR CO, NAT ASS MULT COMM TR F TR, INT RES EQ F	17,869	0	17,869
**D THE WELLINGTON TR CO NAT ASS MULT COMM TR F TR GLB RES EQ PTF	4,667	0	4,667
**D MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	52,167	0	52,167
**D ISHARES VII PLC	308,702	0	308,702

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Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **Remuneration for the Chairman of the Board of Statutory Auditor**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F	30,631	0	30,631
**D AQR FUNDS- AQR STYLE PREMIA ALTERNATIVE FUND	476,489	0	476,489
**D AQR FUNDS- AQR STYLE PREMIA ALTERNATIVE LV FUND	22,177	0	22,177
**D AQR FUNDS - AQR LONG SHORT EQUITY FUND	35,433	0	35,433
**D AQR TAX PLUS U.S. RELAXED CONSTRAINT EQUITY FUND	1,326	0	1,326
**D AQR R,C, EQUITY AUSTRALIA FUND	15,213	0	15,213
**D AQR GLOBAL LONG-SHORT QUITTY FUND	66,071	0	66,071
**D THE TRUSTEES OF BP PENSION FUND	816,030	0	816,030
**D TRUSTEES OF KINGFISHER PENSION SCHEME	14,375	0	14,375
**D MANAGED PENSION FUNDS LIMITED	98,064	0	98,064
**D GOVERNMENT INSTITUTIONS PENSION FUND	51,335	0	51,335
**D FAMILY INVESTMENTS CHILD TRUST FUND	2,760	0	2,760
**D FAMILY INVESTMENTS GLOBAL ICVC FAMILY BALANCED INT FUND	3,467	0	3,467
**D HSBC AS TRUSTEE FOR SSGA EUROPE EX UK EQUITY TRACKER FUND	128,450	0	128,450
**D FRIENDS LIFE LIMITED	1,522	0	1,522
**D STICHTING PHILIPS PENSIOENFONDS	38,321	0	38,321
**D BNY MELLON TR+DEP ATF ST, JAMES`S PLACE MNGD GROWTH UNIT TR	1,381,604	0	1,381,604
**D VANGUARD INV FDS ICVC-VANG FTSE DEV WOR LD EX - UK EQT IND FD	17,521	0	17,521
**D VANGUARD INV F ICVC-VANGUARD FTSE DEV EUROPE EX-UK EQ INDEX F	48,158	0	48,158
**D SUNSUPER SUPERANNUATION FUND	673	0	673
**D GUIDESTONE FUNDS INTERNATIONAL EQUITY FUND	99,448	0	99,448
**D MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST	57,188	0	57,188
**D NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND	7,451	0	7,451
**D THE UNIVERSITY OF ARKANSAS FOUNDATION, INC	114,400	0	114,400
**D CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	39,644	0	39,644
**D SCHLUMBERGER COMMON INVESTMENT FUND	37,304	0	37,304
**D AXIOM INVESTORS TRUST II	24,582	0	24,582
**D WYOMING RETIREMENT SYSTEM	8,796	0	8,796
**D WYOMING RETIREMENT SYSTEM	3,844	0	3,844
**D LTW GROUP HOLDINGS, LLC	105,100	0	105,100
**D LOY PARTNERSHIP, LLC	59,600	0	59,600
**D RAMI PARTNERS, LLC	40,800	0	40,800
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P.R.C	18,050	0	18,050
**D MICROSOFT GLOBAL FINANCE	126,125	0	126,125
**D BLUE SKY GROUP	126,139	0	126,139
**D PYRAMIS GROUP TRUST FOR EMPLOYEE BENEFIT PLANS	291,526	0	291,526
**D MASTER TR AGREE BETWEEN PFIZER INC AND THE NORTHERN TR CO	5,756	0	5,756
**D NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	183,825	0	183,825
**D SUTTER HEALTH MASTER RETIREMENT TRUST	308,797	0	308,797
**D TYCO ELECTRONICS DEFINED BENEFIT PLANS MASTER TRUST	10,795	0	10,795
**D HRW TESTAMENTARY TRUST NO 3	78,600	0	78,600
**D THE WALTON FAMILY FOUNDATION	174,000	0	174,000
**D HRW TESTAMENTARY TRUST NO, 8	78,600	0	78,600
**D HRW TESTAMENTARY TRUST NO 2	78,600	0	78,600
**D HRW TESTAMENTARY TRUST NO, 12	67,500	0	67,500

Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **Remuneration for the Chairman of the Board of Statutory Auditor**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D NEW ZEALAND SUPERANNUATION FUND	15,212	0	15,212
**D EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS	29,952	0	29,952
**D GENERAL PENSION AND SOCIAL SECURITY AUTHORITY	91,752	0	91,752
**D ILLINOIS MUNICIPAL RETIREMENT FUND	146,145	0	146,145
**D LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	16,385	0	16,385
**D SAN FRANCISCO CITY & COUNTY EMPLOYEES` RETIREMENT SYSTEM	222,166	0	222,166
**D STATE UNIVERSITIES RETIREMENT SYSTEM	35,921	0	35,921
**D UTAH STATE RETIREMENT SYSTEMS	15,487	0	15,487
**D FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	1,181	0	1,181
**D MERCER DS TRUST	133,965	0	133,965
**D WHEELS COMMON INVESTMENT FUND	5,543	0	5,543
**D THE TRUSTEES OF ZURICH FINANCIAL SERVICES UK PENSION SCHEME	522,821	0	522,821
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	34,658	0	34,658
**D MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO	22,540	0	22,540
**D NAT WEST BK AS TRUSTEE OF LEGAL & GENERAL EUROPEAN INDEX TR	59,585	0	59,585
**D AMG FUND PLC	16,800	0	16,800
**D SSGA GROSS ROLL UP UNIT TRUST	5,169	0	5,169
**D LEGAL & GENERAL AUTHORISED CONTRACTUAL SCHEME	1,753	0	1,753
**D ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND	25,495	0	25,495
**D SLI GLOBAL SICAV GLOBAL FOCUSEDSTRATEGIES FUND	86,188	0	86,188
**D POWERSHARES DYNAMIC INTERNATIONAL	1,267	0	1,267
**D PRUDENTIAL SECTOR FUNDS INC PRUDENTIAL FINANCIAL SERVICE	501,454	0	501,454
**D INVESCO FUNDS	100,000	0	100,000
**D BNYMTD (UK) AS TRUSTEE OF BLACKROCK CONTINENTAL EUROPE EQUITY TRY TRACKER FUND	167,160	0	167,160
**D POWERSHARES FTSE RAFI DEVELOPED MARKETS EX-US SMALL PORTFOLIO	4,776	0	4,776
**D THE BANK OF KOREA	4,355	0	4,355
**D POWERSHARES GLOBAL FUNDS IRELAND PLC	1,737	0	1,737
**D AMG TIMESQUARE INTERNATIONAL SMALL CAP FUND	102,400	0	102,400
**D PNC INTERNATIONAL EQUITY FUND	220,000	0	220,000
**D ING FUNDS SERVICES, LLC	184,840	0	184,840
**D BLACKROCK LIFE LIMITED	495,684	0	495,684
**D THE BANK OF KOREA	1	0	1
**D INVESCO PERPETUAL GLOBAL SMALLER CO, FD	438,586	0	438,586
**D INVESCO FUNDS SERIES 4	1,559,338	0	1,559,338
**D PNC BALANCED ALLOCATION FUND	3,150	0	3,150
**D POWERSAHRES S(AND)P INTERNATIONAL DEVELOPED HIGH BETA PORTFOLIO	451	0	451
**D RAINIER INTERNATIONAL DISCOVERYFUND	120,270	0	120,270
**D ADVANCED SERIES TRUST -AST FI PYRAMIS QUANTITATIVE PORTFOLIO	92,469	0	92,469
**D WMP OPPORTUNISTIC INVESTMENT PARTNERS, L.P.	24,584	0	24,584
**D FIRST INVESTORS GLOBAL FUND	208,630	0	208,630
**D ADVANCED SERIES TRUST-AST QMA EMERGING MARKETS EQUITY PORTFOLIO	148,743	0	148,743
**D RIVER AND MERCANTILE WORLD RECOVERY FUND	96,000	0	96,000
**D FIRST TRUST INTERNATIONAL IPO ETF	1,230	0	1,230
**D RIVER AND MERCANTILE DYNAMIC ASSET ALLOCATION FUND	5,000	0	5,000
**D ADVANCED SERIES TRUST-AST PRUDENTIAL GROWTH ALLOCATION PORTFOLIO	17,276	0	17,276

Shareholders: 421 People: 9 DE\* Proxy to the natural person above mentioned with the badge number  
 Shareholders on own behalf: 7 Shareholders proxy: 414 \*\*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 12. April 2016

RESULTS OF VOTING

Subject: **Remuneration for the Chairman of the Board of Statutory Auditor**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D DEUTSCHE X-TRACKERS MSCI EMU HEDGED EQUITY ETF	6,815	0	6,815
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO	152,035	0	152,035
**D IQ 50 PERCENT HEDGED FTSE EUROPE ETF	784	0	784
**D VANGUARD INTERNATIONAL HIGH DIVIDEND YIELD INDEX FUND	577	0	577
**D NATIONAL TREASURY MANAGEMENT AGENCY (AS CONTROLLER AND MANAGER OF THE IRELAND STRATEGIC INVESTM	36,302	0	36,302
**D ERIE INSURANCE EXCHANGE,	129,552	0	129,552
**D POWERSHARES FTSE INTERNATIONAL LOW BETA EQUAL WEIGHT PORTFOLIO	18,790	0	18,790
**D STICHTING PENSIOENFONDS HORECA & CATERING	13,683	0	13,683
**D DEUTSCHE X-TRACKERS FTSE DEVELOPED EX US ENHANCED BETA ETF	16	0	16
**D STICHTING DEPOSITARY APG DEVELOPED MARKETS EQUITY POOL	184,646	0	184,646
**D STG PFDS V.D. GRAFISCHE	47,541	0	47,541
**D FCP GROUPAMA AVENIR EURO	2,768,283	0	2,768,283
**D FCP ECUREUIL RETRAITE EURO ACTIONS 4	200,000	0	200,000
**D FCP UFF CROISSANCE PME MAITRE	720,044	0	720,044
**D CPR EURO HIGH DIVIDEND	132,215	0	132,215
**D FCP COLOMBES 6 BIS	160,000	0	160,000
**D SICAV LAGTOO	64,400	0	64,400
**D FCP EDMOND DE ROTHSCHILD EURO LEADERS	889,100	0	889,100
**D FCP EDMOND DE ROTHSCHILD EUROPEMIDCAPS	39,500	0	39,500
**D FCP GARANCE	68,200	0	68,200
**D I,2,C, ACTIONS	520,000	0	520,000
**D FCP VILLIERS DIAPASON	80,031	0	80,031
**D FCP LCF PHARMA INTERNATIONAL	137,380	0	137,380
**D EDMOND DE ROTHSCHILD ASSET MANAGEMENT	249,250	0	249,250
**D SICAV BBM V-FLEX	111,049	0	111,049
**D FCP BEST BUSINESS MODELS	1,550,000	0	1,550,000
**D GREAT EUROPEAN MODELS	813,000	0	813,000
**D THE NORTH CAROLINA SUPPLEMENTAL RETIREMENT PLANS GROUP TRUST	157,262	0	157,262
**D PNC INTERNATIONAL GROWTH FUND	1,933	0	1,933
**D BLACKROCK GLOBAL FUNDS	9,039	0	9,039
**D ALASKA PERMANENT FUND CORPORATION	21,397	0	21,397
**D ALABAMA TRUST FUND	64,389	0	64,389
**D THE CLEVELAND CLINIC FOUNDATION	44,851	0	44,851
**D PUBLIC SCHOOL TEACHERS` PENSION AND RETIREMENT FUND OF CHICAGO	109,447	0	109,447
**D CN CANADIAN MASTER TRUST FUND	2,069	0	2,069
**D COMMONWEALTH OF PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM	78,706	0	78,706
**D COX ENTERPRISES INC MASTER TRUST	1	0	1
**D THE STATE OF CONNECTICUT ACTING THROUGH ITS TREASURER	268,902	0	268,902
**D BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN	7,864	0	7,864
**D FLORIDA RETIREMENT SYSTEM	557,242	0	557,242
**D JOHN S, & JAMES L, KNIGHT FOUNDATION	98,666	0	98,666
**D MINISTERS & MISSIONARIES BENEFIT BOARD AMERICAN BAPTIST CHURCH	4,815	0	4,815
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF MISSISSIPI	98,311	0	98,311
**D PROVINCE PF NEWFOUNLAND AND LABRADOR POOLED PENSION FUND	22,345	0	22,345
**D PUBLIC SERVICE PENSION PLAN FUND	27,804	0	27,804

Ordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **Remuneration for the Chairman of the Board of Statutory Auditor**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D BELL ATLANTIC MASTER TRUST	1	0	1
**D PENSION RESERVES INVESTMENT TRUST FUND	103,810	0	103,810
**D INDIANA PUBLIC EMPLOYEES RETIREMENT FUND	18,478	0	18,478
**D RAYTHEON MASTER PENSION TRUST	1,528	0	1,528
**D TELUS FOREIGN EQUITY ACTIVE ALPHA POOL	63,306	0	63,306
**D PUBLIC SECTOR PENSION INVESTMENT BOARD	79,518	0	79,518
**D CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY	25,944	0	25,944
**D CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY	32,479	0	32,479
**D UMC BENEFIT BOARD, INC	3,052	0	3,052
**D UNISYS MASTER TRUST	61,682	0	61,682
**D CURATORS OF UNIVERSITY OF MISSOURI	16,167	0	16,167
**D VERIZON MASTER SAVINGS TRUST	62,888	0	62,888
**D CIBC INTERNATIONAL SMALL COMPANIES FUND	52,620	0	52,620
**D CF DV ACWI EX-U.S. IMI FUND	2,181	0	2,181
**D TIMESQUARE FOCUS FUND LP	18,300	0	18,300
4054 BOIDO VITTORIO	2,000	2,000	0
541 PISTONE UGO LUIGI	1,000	1,000	0
652 ZACCARDI ANTONELLA	1,000	1,000	0

**Total vote** 521,117,734  
**Percentage of voters%** 99.988205  
**Percentage of Capital%** 85.878884

Shareholders:  
 Shareholders on own  
 behalf:

421 People:  
 7 Shareholders by  
 proxy:

9 DE\* Proxy to the natural person above mentioned with the badge number  
 414 \*\*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 12 April 2016RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase in 2021**

no. **245** persons entitled to vote took part in the voting on own behalf or by proxy

no. **521,149,207** ordinary shares

**The counting of votes produced the following results:**

		<b>% OF ORDINARY SHARE CAPITAL PRESENT (Voting Quorum)</b>	<b>%OF ORDINARY SHARE ENTITLED TO VOTE</b>	<b>%SHARE CAPITAL</b>
<b>In Favour</b>	520,874,674	99.947322	99.947322	85.838828
<b>Against</b>	274,000	0.052576	0.052576	0.045155
<b>Sub Total</b>	521,148,674	99.999898	99.999898	85.883982
<b>Abstentions</b>	533	0.000102	0.000102	0.000088
<b>Not Voting</b>	0	0.000000	0.000000	0.000000
<b>Sub Total</b>	533	0.000102	0.000102	0.000088
<b>Total</b>	521,149,207	100.000000	100.000000	85.884070

**N.B.** Number of votes necessary for the resolution approval: **347,432,805**, equivalent to 66.666667 of ordinary share entitled to vote.

Shareholders:  
Shareholders on own  
behalf:

425 People:  
7 Shareholders by proxy

9  
418



Extraordinary Shareholders Meeting 12, April 2016

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase in 2021**

**AGAINST**

Surname	Tot. Vote	On own behalf	Proxy
4034 PETTINICCHIO LAURA	0	0	0
**D FCP_CAGNI	15,000	0	15,000
**D SICAV C I P E C	55,000	0	55,000
**D SICAV MONT	25,000	0	25,000
**D FCP BRONGNIART AVENIR	179,000	0	179,000
<b>Total vote</b>	274,000		
<b>Percentage of voters %</b>	0.052576		
<b>Percentage of Capital %</b>	0.045155		

Shareholders:  
Shareholders on own  
behalf:

4 People:  
0 Shareholders by  
proxy:

1 DE\* Proxy to the natural person above mentioned with the badge number  
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

Extraordinary Shareholders Meeting 12, April 2016

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase in 2021**

**ABSTENTIONS**

Surname	Tot. Vote	On own behalf	Proxy
4034 PETTINICCHIO LAURA	0	0	0
**D ERGOS OFFSHORE I LTD CO HARNEYS CORPORATE SERVICES	1	0	1
**D CLINTON LIGHTHOUSE EQUITY STRATEGIES MASTER FUND LTD. C/O CLINTON GROUP, INC	7	0	7
**D CLINTON EQUITY STRATEGIES MASTER FUND LTD	25	0	25
4038 CROCE MARIO	500	500	0

**Total vote** 533  
**Percentage of voters %** 0.000102  
**Percentage of Capital %** 0.000088

Shareholders:  
 Shareholders on own  
 behalf:

4 People:  
 1 Shareholders by  
 proxy:

2 DE\* Proxy to the natural person above mentioned with the badge number  
 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

Extraordinary Shareholders Meeting 12, April 2016

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase in 2021**

**NOT VOTING**

Surname		Tot. Vote	On own behalf	Proxy
<b>Total vote</b>	0			
<b>Percentage of voters%</b>	0.000000			
<b>Percentage of Capital %</b>	0.000000			

Shareholders:  
Shareholders on own  
behalf:

0 People:  
0 Shareholders by  
proxy:

0 DE\* Proxy to the natural person above mentioned with the badge number  
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 12, April 2016

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase in 2021**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
1253 ROSSOTTI ROBERTO	4,900	4,900	0
1985 FOGLI MAURIZIO	80	80	0
2066 CAGLIA MARIA	0	0	0
DE* UNICREDIT S.P.A.	397,108,033	0	397,108,033
2067 CERASUOLO STEFANO	5,000	5,000	0
4034 PETTINICCHIO LAURA	0	0	0
**D MERRILL LYNCH PROFESSIONAL CLEARING	82,692	0	82,692
**D VANGUARD EUROPEAN STOCK INDEX FUND	469,785	0	469,785
**D VANGUARD DEVELOPED MARKETS INDEX FUND	501,466	0	501,466
**D WELLINGTON MANAGEMENT PORTFOLIOS	222,081	0	222,081
**D WELLINGTON MANAGNT PORTFOLIOS GLOB RESEA	29,677	0	29,677
**D VANGUARD TOTAL WORLD STOCK INDEX FUND	34,759	0	34,759
**D VANGUARD FTSE ALL-WORLD EX US INDEX FUND	283,525	0	283,525
**D BBH&C BOS FOR PYRAM GR TRUST FOR EMPL EMERG MM COM	41,600	0	41,600
**D WELLINGTON TRUST COMP COMM TRUST INT OPP	152,282	0	152,282
**D VANGUARD FUNDS PLC	32,115	0	32,115
**D RAINIER INT SMALL CAP EQUITY COLLECTIVE	67,490	0	67,490
**D WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUITY PORTFOLIO	3,429	0	3,429
**D JAPAN TRUSTEE SERVICES BANK LTD	241,951	0	241,951
**D BEST INVESTMENT CORPORATION	20,484	0	20,484
**D SCHRODER INSTITUTIONAL POOLED FUNDS-EUROPEAN EQUITY FUND	101,642	0	101,642
**D FCP CNP ACTIONS EUROPE SCHRODER	239,250	0	239,250
**D FONDS RESERVE RETRAITES	865,731	0	865,731
**D FONDS RESERVE RETRAITES	99,233	0	99,233
**D FRR	36,674	0	36,674
**D ALLIANZ AKTIEN EUROPA	341,310	0	341,310
**D PICTET TOTAL RETURN	692,588	0	692,588
**D HENDERSON HORIZON FUND SICAV	978,023	0	978,023
**D HENDERSON GARTMORE FUND	337,536	0	337,536
**D BANQUE PICTET & CIE SA	25,933	0	25,933
**D ALKEN FUND	1,523,696	0	1,523,696
**D ALKEN FUND-EUROPEAN OPPORTUNITIES	2,404,521	0	2,404,521
**D PFIZER JAPAN INC PENSION FUND	47,861	0	47,861
**D ROBECO CAPITAL GROWTH FUNDS	150,000	0	150,000
**D MOMENTUM INVESTMENT FUNDS SICAV-SIF	43,440	0	43,440
**D SCHRODER INTERNATIONAL SELECTION FUND	9,904,816	0	9,904,816
**D VANGUARD INVESTMENT SERIES, PLC	28,955	0	28,955
**D BLACKROCK INSTITUTIONAL POOLED FUNDS PLC	6,097	0	6,097
**D TREMBLANT LONG UCITS FUND	32,291	0	32,291
**D UBS IRL INVESTOR SELECTION PLC	80,312	0	80,312
**D HE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTBJ400045842	1,859,429	0	1,859,429
**D TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK	59,525	0	59,525
**D UBS GLOBAL ASSET MANAGEMENT LIFE LTD	32,092	0	32,092
**D JPMORGAN CHASE BANK	47,680	0	47,680

Shareholders: 417 People: 8 DE\* Proxy to the natural person above mentioned with the badge number  
 Shareholders on own behalf: 6 Shareholders by proxy: 411 \*\*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 12. April 2016

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase in 2021**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D MERIFIN CAPITAL B.V.	17,380	0	17,380
**D CHINA LIFE INSURANCE COMPANY LIMITED	41,347	0	41,347
**D FONDO CONSOLIDADO DE RESERVAS PREVISIONA	59,048	0	59,048
**D CHINA LIFE INSURANCE (GROUP) COMPANY	2,554	0	2,554
**D THE BARCLAYS BANK UK RETIREMENT FUND	61,884	0	61,884
**D UBS (US) GROUP TRUST	7,469	0	7,469
**D BT WHOLESALE MULTI MANAG INTL SHARE FUND	112,364	0	112,364
**D ONEPATH GLOBAL SHARES - SMALL CAP INDEX	7,474	0	7,474
**D COINVEST LIMITED	8,594	0	8,594
**D THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST	109,643	0	109,643
**D THE BOEING COMPANY EMPLOYEE RETIREMENT P	122,800	0	122,800
**D BLACKROCK INDEXED ALL-COUNTRY EQUITY FUN	1,214	0	1,214
**D VANGUARD INTERNATIONAL SMALL COMPANIES I	13,069	0	13,069
**D ARTEMIS EUROPEAN OPPORTUNITIES FUND	809,663	0	809,663
**D NVIT MULTI MANAGER INTERNATIONAL GROWTH	231,270	0	231,270
**D SBC MASTER PENSION TRUST SBC MASTER PENSION TRUST 208	86,383	0	86,383
**D T ROWE PRICE INTERNATIONAL EQUITY INDEX	8,050	0	8,050
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OH	75,987	0	75,987
**D STICHTING PENSIOENFONDS VOOR HUISARTSEN	11,406	0	11,406
**D VANGUARD TOTAL INTERNATIONAL STOCK INDEX	1,700,103	0	1,700,103
**D VANGUARD INTERNATIONAL EXPLORER FUND	2,000,000	0	2,000,000
**D MI-FONDS 392	277,833	0	277,833
**D JPMORGAN EUROPEAN INVESTMENT TRUST PLC	63,898	0	63,898
**D KAPITFORENI INSTIT INVEST GLOBALE AKTIER	16,958	0	16,958
**D NEW MEXICO STATE INVESTMENT COUNCIL	5,996	0	5,996
**D TRUST AND CUSTODY SERVICED BANK LIMITED	34,753	0	34,753
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND 10F	126,930	0	126,930
**D BUREAU OF LABOR FUNDS- LABOR PENSION FUND	25,505	0	25,505
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND 10F	18,335	0	18,335
**D SCHRODER EUROPEAN FUND	1,239,313	0	1,239,313
**D SCHRODER EUROPEAN SMALLER COMPANIES FUND	376,881	0	376,881
**D MASTER TRUST FOR NATIONAL PENSION FD	35,108	0	35,108
**D JAPAN TRUSTEE SERVICES BANK LTD	109,135	0	109,135
**D ENTERGY CORP.RETIREMENT PLANS MASTER TR,	135,814	0	135,814
**D NEW YORK LIFE INSURANCE COMPANY	34,727	0	34,727
**D SCHRODER INTERNATIONAL SMALL COMPANIES P	20,000	0	20,000
**D SCHRODER CAPITAL MANAGEMENT COLLECTIVE T	200,000	0	200,000
**D PROSHARES HEDGED FTSE EUROPE ETF	593	0	593
**D INVESCO GLOBAL SMALL CAP EQUITY POOL	50,904	0	50,904
**D RBC CANADIAN MASTER TRUST	67,964	0	67,964
**D THE GBC INTL GROWTH FUND	86,877	0	86,877
**D THE NOVA SCOTIA HEALTH EMPLOYEES PENS PL	352,954	0	352,954
**D REGIME DE RETRAITE D HYDRO QUEBEC	83,099	0	83,099
**D FLF STRATEGIC GLOBAL EQUITY FUND	67,117	0	67,117

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RL\* legal representation to the natural person above mentioned with the badge number

Extraordinary Shareholders Meeting 12. April 2016

## RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase in 2021**

## IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
**D TR EUROPEAN GROWTH TRUST PLC	848,642	0	848,642
**D SAINT MARTIN 2	864,000	0	864,000
**D AXA OPTIMAL INCOME	2,306,782	0	2,306,782
**D AXA VALEURS EURO	662,000	0	662,000
**D FCPE TOTAL ACTIONS EUROPEENNES	670,000	0	670,000
**D COLISEE IFC 1 FCP	615,000	0	615,000
**D FCP KLESIA A DIVERSIFIE	260,000	0	260,000
**D SUPER FUNDS MANAG CORP SOUTH AUSTRALIA	119,451	0	119,451
**D AVIVA LIFE & PENSIONS UK LIMITED	33,620	0	33,620
**D AVIVA LIFE AND PENSIONS UK LIMITED	94,510	0	94,510
**D REASSURE LIMITED	8,235	0	8,235
**D HSBC EUROPEAN INDEX FUND	46,133	0	46,133
**D NIGOSC ADMINISTERS NILG PENSION FUND	60,940	0	60,940
**D REALDANIA	350,000	0	350,000
**D ANIMA SGR SPA - ANIMA GEO ITALIA	1,328,570	0	1,328,570
**D ANIMA SGR SPA - ANIMA SFORZESCO	187,890	0	187,890
**D ANIMA SGR SPA - ANIMA VISCONTEO	568,746	0	568,746
**D ANIMA SGR SPA - ANIMA ITALIA	717,010	0	717,010
**D METZLER INTERNATIONAL INV, PLC	1,110,700	0	1,110,700
**D PIONEER INVESTMENT MANAGEMENT SGRPA / AZIONARIO CRESCITA	247,723	0	247,723
**D SEI GLOBAL MASTER FUND PLC	137,749	0	137,749
**D PIONEER STRATEGY FUNDS-EUR,EQ,	72,159	0	72,159
**D PIONEER FUNDS-CORE EUROPEAN EQ	241,695	0	241,695
**D PIONEER FUNDS - ITALIAN EQUITY	74,271	0	74,271
**D PIONEER FUNDS - EUROP, POTENT,	3,819,112	0	3,819,112
**D PIONEER FUNDS - EUROPEAN RESE,	653,126	0	653,126
**D ALLIANZ ACTIONS EURO PME-ETI	93,700	0	93,700
**D NUMERIC MULTI STRATEGY MARKET NEUTRAL LEVERED OFFSHORE FUND LIMITED	26,900	0	26,900
**D AQR DELTA MASTER ACCOUNT LP COOGIER FIDUCIARY SERVICES (CAYMAN) LTD	8	0	8
**D NUMERIC SOCIALLY AWARE MULTI STRATEGY FUND LTD	4,800	0	4,800
**D PM MANAGER FUND SPC - SEGREGATED PORTFOLIO	147,907	0	147,907
**D NUMERIC SOCIALLY AWARE MULTI-STRATEGY FUND LTD	2,600	0	2,600
**D AQR MULTI-STRATEGY FUND VI LP CO AQR CAPITAL MGM LLC	27	0	27
**D ALT BETA EQUITY SIZE STRATEGY LIMITED CO NUMERIC INVESTORS LLC	36	0	36
**D AQR STYLE PREMIA MASTER ACCOUNT LP CO AQR CAPITAL MGM LLC	181	0	181
**D THREADNEEDLE INVESTMENT FUNDS ICVC	12,003,090	0	12,003,090
**D WELLINGTON GL RES EQ PTFO ATTN SIJIA CHEN MACQUARIE INVESTMENT MANAGEMENT LIMITED	3,481	0	3,481
**D SIEFOREBANAMEXBASICA3SADECV	121,296	0	121,296
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND,	170,890	0	170,890
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	512,536	0	512,536
**D SIEFOREBANAMEXBASICA2SADECV	105,474	0	105,474
**D LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST	4,578	0	4,578
**D SIEFOREBANAMEXBASICA4SADECV	131,844	0	131,844
**D THREADNEEDLE (LUX)	848,043	0	848,043

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Extraordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase in 2021**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D CITIBANK KOREA INC	1,899,003	0	1,899,003
**D STATE TEACHERS RETIREMENT SYSTEM OF OHIO	278,642	0	278,642
**D STICHTING PGGM DEPOSITARY	265,000	0	265,000
**D IRISH LIFE ASSURANCE	105,932	0	105,932
**D UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	25,082	0	25,082
**D CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALL CAP PASSIVE II	6,059	0	6,059
**D GOVERNMENT OF NORWAY	7,824,850	0	7,824,850
**D NORGES BANK	22,097	0	22,097
**D CANADIAN BROADCASTING CORPORATION	95,509	0	95,509
**D NUMERIC INVESTORS LLC	14,400	0	14,400
**D THE METHODIST HOSPITAL	32,626	0	32,626
**D LAUDUS INTERNATIONAL MARKETMASTERS FUND	754,480	0	754,480
**D WELLINGTON MNGM PTF (CANADA) GLOBAL OPPORTUNITIES PTF	104,160	0	104,160
**D INTERNATIONAL MONETARY FUND	2,140	0	2,140
**D INTERNATIONAL MONETARY FUND	3,017	0	3,017
**D BERNSTEIN FUND, INC- INTERNATIONAL SMALL CAP PORTFOLIO	236,590	0	236,590
**D AMERICAN CENTURY STRATEGIC ASSET ALL, INC, STRAT ALL CONS F	4,527	0	4,527
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRAT ALL MODERATE F	22,953	0	22,953
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRATEGIC ALL AGGR F	20,260	0	20,260
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL DISCOVERY F	458,900	0	458,900
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL OPPORTUNITIES	265,330	0	265,330
**D AMERICAN CENTURY WORLD MUTUAL FUNDS INC - NT INT SM MID CAP F	189,970	0	189,970
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, - GLO SMALL CAP FD	6,254	0	6,254
**D AMERICAN CENTURY RETIREMENT DATE TRUST	34,556	0	34,556
**D STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	157,548	0	157,548
**D FONDS PRIVE GPD ACTIONS INTERNATIONALES	115,000	0	115,000
**D CALVERT RESP INX SRS, INC,-CLVRT DVD MRKTS EX-U,S, RSP IX FND	139	0	139
**D PYRAMIS CONCENTRATED INTERNATIONAL SMALL CAP TRUST	133,241	0	133,241
**D ALLIANZGI INTERNATIONAL SMALL-CAP FUND	212,186	0	212,186
**D UAW RETIREE MEDICAL BENEFITS TRUST	85,455	0	85,455
**D EATON VANCE INTERNATIONAL SMALL-CAP FUND	9,823	0	9,823
**D THE BOEING COMPANY EMPLOYEE SAVINGS PLANS MASTER TRUST	44,981	0	44,981
**D HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND	703,661	0	703,661
**D THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND	954,928	0	954,928
**D THE HARTFORDGLOBAL ALL- ASSET FUND	54,151	0	54,151
**D HARTFORD HEALTHCARE ENDOWMENT LLC	11,998	0	11,998
**D HARTFORD HEALTHCARE CORP DEFINED BENEFIT MASTER TR AGREEMENT	17,020	0	17,020
**D ALLIANZGI GLOBAL SMALL-CAP FUND	185,421	0	185,421
**D WILLIAM BLAIR COLLECTIVE INVESTMENT TRUST	317,891	0	317,891
**D WILLIAM BLAIR INTERNATIONAL SMALL CAP GROWTH FUND	371,638	0	371,638
**D ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO	5,774	0	5,774
**D ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM	37,990	0	37,990
**D RUSSELL INVESTMENT COMPANY IV PLC	11,423	0	11,423
**D HENKEL OF AMERICA MASTER RETIREMENT TRUST	13,327	0	13,327

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Extraordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase in 2021**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D LATTICE DEVELOPED MARKETS (EX-US) STRATEGY ETF	2,211	0	2,211
**D ALLIANCEBERNSTEIN INTERNATIONAL DISCOVERY SERIES	49,459	0	49,459
**D MARYLAND STATE RETIREMENT & PENSION SYSTEM	522	0	522
**D MGI FUNDS PLC	215,672	0	215,672
**D MERCER QIF CCF	1,074,182	0	1,074,182
**D MERCER QIF CCF	525,234	0	525,234
**D STATE OF MONTANA BOARD OF INVESTMENTS	2,469	0	2,469
**D ASHWOOD INVESTMENTS LIMITED	4,128	0	4,128
**D STATE OF NEW JERSEY COMMON PENSION FUND D	153,943	0	153,943
**D NEW YORK STATE DEFERRED COMPENSATION PLAN	89,286	0	89,286
**D COSMIC INVESTMENT FUND	136,961	0	136,961
**D CANADA PENSION PLAN INVESTMENT BOARD	2,429	0	2,429
**D CITY OF NEW YORK GROUP TRUST	485,124	0	485,124
**D WELLINGTON MNGT PTF (CAYMAN)-GL OPP EX-JAPAN PTF F QUA INST IN	61,634	0	61,634
**D FIRST ASSET MORNINGSTAR INTERNATIONAL MOMENTUM INDEX ETF	22,733	0	22,733
**D HONG KONG SPECIAL ADMINISTRATIVE REGION GOVERNMENT-EXCHANGE F	151,604	0	151,604
**D CTBC BANK CO LTD AMC FOR AB INC & GTH UM FD-ALL EUR INC & GR F	78,380	0	78,380
**D BIMCOR GLOBAL EQUITY POOLED FUND	67,446	0	67,446
**D BANK OF KOREA	331,843	0	331,843
**D MINISTRY OF STRATEGY AND FINANCE	104,747	0	104,747
**D MINISTRY OF STRATEGY AND FINANCE	21,465	0	21,465
**D STATE STREET IRELAND UNIT TRUST	40,088	0	40,088
**D SSGA SPDR ETFS EUROPE II PUBLIC LIMITED COMPANY	13,672	0	13,672
**D THE STARR FOUNDATION	31,540	0	31,540
**D CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	601,745	0	601,745
**D CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	202,425	0	202,425
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	311,857	0	311,857
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	625,850	0	625,850
**D SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST	37,395	0	37,395
**D VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	2,643	0	2,643
**D VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF	480	0	480
**D VANGUARD INVESTMENTS II COMMON CONTRACTUAL FUND	3,987	0	3,987
**D VANGUARD INVESTMENTS COMMON CONTRACTUAL FUND	13,272	0	13,272
**D VANGUARD FTSE DEVELOPED EUROPE INDEX ETF	371	0	371
**D THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST	291,789	0	291,789
**D THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF	61,084	0	61,084
**D THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF	160,262	0	160,262
**D THE WELLINGTON TR CO NAT ASS MULT COMM EUROPE SMALLER CO PTF	5,165	0	5,165
**D THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II	337,248	0	337,248
**D WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR	14,339	0	14,339
**D WASHINGTON STATE INVESTMENT BOARD	83,044	0	83,044
**D WISDOMTREE DYNAMIC CURRENCY HEDGED EUROPE EQUITY FUND	712	0	712
**D WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	839	0	839
**D WISDOMTREE INTERNATIONAL MIDCAP DIVIDEND FUND	21,820	0	21,820

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Extraordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase in 2021**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D WISDOMTREE INTERNATIONAL HEDGED EQUITY FUND	363	0	363
**D WISDOMTREE EUROPE LOCAL RECOVERY FUND	2,470	0	2,470
**D WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	364,624	0	364,624
**D PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY	187,380	0	187,380
**D WELLINGTON MANAGEMENT FUNDS (IRELAND) PLC	22,427	0	22,427
**D SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	325,882	0	325,882
**D STATE STREET GLOBAL ADVISORS LUXEMBOURG SICAV	96,843	0	96,843
**D AXA WORLD FUNDS	10,842,656	0	10,842,656
**D RAS LUX FUND	25,000	0	25,000
**D ALLIANZ GLOBAL INVESTORS FUND	1,827,996	0	1,827,996
**D BLACKROCK STRATEGIC FUNDS	21,547	0	21,547
**D GOLDMAN SACHS FUNDS	1,759	0	1,759
**D MARCH FUND	1,887	0	1,887
**D MARCH FUND	30,856	0	30,856
**D UBS ETF	16,263	0	16,263
**D ISHARES MSCI EAFE SMALL CAP ETF	388,076	0	388,076
**D ISHARES MSCI EUROPE SMALL-CAP ETF	12,245	0	12,245
**D BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR	959,848	0	959,848
**D ISHARES CORE MSCI EAFE ETF	187,861	0	187,861
**D ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	30,853	0	30,853
**D ISHARES CORE MSCI EAFE IMI INDEX ETF	8,177	0	8,177
**D ISHARES MSCI EUROPE IMI INDEX ETF	4,947	0	4,947
**D ISHARES MSCI EUROPE IMI ETF	30,856	0	30,856
**D CONNECTICUT GENERAL LIFE INSURANCE COMPANY	2,775	0	2,775
**D CDN ACWI ALPHA TILTS FUND	15,426	0	15,426
**D BLACKROCK CDN MSCI EAFE INDEX PLUS FUND	372	0	372
**D INTERNATIONAL EQUITY INDEX PLUS FUNDS B	334	0	334
**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	76,267	0	76,267
**D BGI MSCI EMU IMI INDEX FUND B	312	0	312
**D DEVELOPED EX-FOSSIL FUEL INDEX FUND B	1,845	0	1,845
**D GLOBAL EX US ALPHA TILTS FUND B	5,409	0	5,409
**D INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST	47,788	0	47,788
**D OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM	206,399	0	206,399
**D RUSSELL TRUST CO COMMINGLED EMPLOYEE BENEFIT FUNDS TRUST	63,828	0	63,828
**D COLLEGE RETIREMENT EQUITIES FUND	179,485	0	179,485
**D TRANSAMERICA INTERNATIONAL SMALL CAP	600,000	0	600,000
**D SPDR S+P INTERNATIONAL MIDCAP ETF	13,714	0	13,714
**D MULTI-STYLE, MULTI-MANAGER FUNDS PLC	105,800	0	105,800
**D SACRAMENTO COUNTY EMPLOYEES RETIREMENT SYSTEM	14,704	0	14,704
**D THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF	172,056	0	172,056
**D THE WELLINGTON TR CO, NAT ASS MULT COMM TR F TR, INT RES EQ F	17,869	0	17,869
**D THE WELLINGTON TR CO NAT ASS MULT COMM TR F TR GLB RES EQ PTF	4,667	0	4,667

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RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase in 2021**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	52,167	0	52,167
**D ISHARES VII PLC	308,702	0	308,702
**D BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F	30,631	0	30,631
**D AQR FUNDS- AQR STYLE PREMIA ALTERNATIVE FUND	476,489	0	476,489
**D AQR FUNDS- AQR STYLE PREMIA ALTERNATIVE LV FUND	22,177	0	22,177
**D AQR FUNDS - AQR LONG SHORT EQUITY FUND	35,433	0	35,433
**D AQR TAX PLUS U,S, RELAXED CONSTRAINT EQUITY FUND	1,326	0	1,326
**D AQR R,C, EQUITY AUSTRALIA FUND	15,213	0	15,213
**D AQR GLOBAL LONG-SHORT QUITTY FUND	66,071	0	66,071
**D THE TRUSTEES OF BP PENSION FUND	816,030	0	816,030
**D TRUSTEES OF KINGFISHER PENSION SCHEME	14,375	0	14,375
**D MANAGED PENSION FUNDS LIMITED	98,064	0	98,064
**D GOVERNMENT INSTITUTIONS PENSION FUND	51,335	0	51,335
**D FAMILY INVESTMENTS CHILD TRUST FUND	2,760	0	2,760
**D FAMILY INVESTMENTS GLOBAL ICVC FAMILY BALANCED INT FUND	3,467	0	3,467
**D HSBC AS TRUSTEE FOR SSGA EUROPE EX UK EQUITY TRACKER FUND	128,450	0	128,450
**D FRIENDS LIFE LIMITED	1,522	0	1,522
**D STICHTING PHILIPS PENSIOENFONDS	38,321	0	38,321
**D BNY MELLON TR+DEP ATF ST, JAMES`S PLACE MNGD GROWTH UNIT TR	1,381,604	0	1,381,604
**D VANGUARD INV FDS ICVC-VANG FTSE DEV WOR LD EX - UK EQT IND FD	17,521	0	17,521
**D VANGUARD INV F ICVC-VANGUARD FTSE DEV EUROPE EX-UK EQ INDEX F	48,158	0	48,158
**D SUNSUPER SUPERANNUATION FUND	673	0	673
**D GUIDESTONE FUNDS INTERNATIONAL EQUITY FUND	99,448	0	99,448
**D MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST	57,188	0	57,188
**D NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND	7,451	0	7,451
**D THE UNIVERSITY OF ARKANSAS FOUNDATION, INC	114,400	0	114,400
**D CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	39,644	0	39,644
**D SCHLUMBERGER COMMON INVESTMENT FUND	37,304	0	37,304
**D AXIOM INVESTORS TRUST II	24,582	0	24,582
**D WYOMING RETIREMENT SYSTEM	8,796	0	8,796
**D WYOMING RETIREMENT SYSTEM	3,844	0	3,844
**D LTW GROUP HOLDINGS, LLC	105,100	0	105,100
**D LOY PARTNERSHIP, LLC	59,600	0	59,600
**D RAMI PARTNERS, LLC	40,800	0	40,800
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P,R,C	18,050	0	18,050
**D MICROSOFT GLOBAL FINANCE	126,125	0	126,125
**D BLUE SKY GROUP	126,139	0	126,139
**D PYRAMIS GROUP TRUST FOR EMPLOYEE BENEFIT PLANS	291,526	0	291,526
**D MASTER TR AGREE BETWEEN PFIZER INC AND THE NORTHERN TR CO	5,756	0	5,756
**D NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	183,825	0	183,825
**D SUTTER HEALTH MASTER RETIREMENT TRUST	308,797	0	308,797
**D TYCO ELECTRONICS DEFINED BENEFIT PLANS MASTER TRUST	10,795	0	10,795
**D HRW TESTAMENTARY TRUST NO 3	78,600	0	78,600
**D THE WALTON FAMILY FOUNDATION	174,000	0	174,000

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RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase in 2021**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D HRW TESTAMENTARY TRUST NO, 8	78,600	0	78,600
**D HRW TESTAMENTARY TRUST NO 2	78,600	0	78,600
**D HRW TESTAMENTARY TRUST NO, 12	67,500	0	67,500
**D NEW ZEALAND SUPERANNUATION FUND	15,212	0	15,212
**D EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS	29,952	0	29,952
**D GENERAL PENSION AND SOCIAL SECURITY AUTHORITY	91,752	0	91,752
**D ILLINOIS MUNICIPAL RETIREMENT FUND	146,145	0	146,145
**D LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	16,385	0	16,385
**D SAN FRANCISCO CITY & COUNTY EMPLOYEES` RETIREMENT SYSTEM	222,166	0	222,166
**D STATE UNIVERSITIES RETIREMENT SYSTEM	35,921	0	35,921
**D UTAH STATE RETIREMENT SYSTEMS	15,487	0	15,487
**D FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	1,181	0	1,181
**D MERCER DS TRUST	133,965	0	133,965
**D WHEELS COMMON INVESTMENT FUND	5,543	0	5,543
**D THE TRUSTEES OF ZURICH FINANCIAL SERVICES UK PENSION SCHEME	522,821	0	522,821
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	34,658	0	34,658
**D MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO	22,540	0	22,540
**D NAT WEST BK AS TRUSTEE OF LEGAL & GENERAL EUROPEAN INDEX TR	59,585	0	59,585
**D AMG FUND PLC	16,800	0	16,800
**D SSGA GROSS ROLL UP UNIT TRUST	5,169	0	5,169
**D LEGAL & GENERAL AUTHORISED CONTRACTUAL SCHEME	1,753	0	1,753
**D ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND	25,495	0	25,495
**D SLI GLOBAL SICAV GLOBAL FOCUSEDSTRATEGIES FUND	86,188	0	86,188
**D POWERSHARES DYNAMIC INTERNATIONAL	1,267	0	1,267
**D PRUDENTIAL SECTOR FUNDS INC PRUDENTIAL FINANCIAL SERVICE	501,454	0	501,454
**D INVESCO FUNDS	100,000	0	100,000
**D BNYMTD (UK) AS TRUSTEE OF BLACKROCK CONTINENTAL EUROPE EQUITY TRY TRACKER FUND	167,160	0	167,160
**D POWERSHARES FTSE RAFI DEVELOPED MARKETS EX-US SMALL PORTFOLIO	4,776	0	4,776
**D THE BANK OF KOREA	4,355	0	4,355
**D POWERSHARES GLOBAL FUNDS IRELAND PLC	1,737	0	1,737
**D AMG TIMESSQUARE INTERNATIONAL SMALL CAP FUND	102,400	0	102,400
**D PNC INTERNATIONAL EQUITY FUND	220,000	0	220,000
**D ING FUNDS SERVICES, LLC	184,840	0	184,840
**D BLACKROCK LIFE LIMITED	495,684	0	495,684
**D THE BANK OF KOREA	1	0	1
**D INVESCO PERPETUAL GLOBAL SMALLER CO, FD	438,586	0	438,586
**D INVESCO FUNDS SERIES 4	1,559,338	0	1,559,338
**D PNC BALANCED ALLOCATION FUND	3,150	0	3,150
**D POWERSAHRES S(AND)P INTERNATIONAL DEVELOPED HIGH BETA PORTFOLIO	451	0	451
**D RAINIER INTERNATIONAL DISCOVERYFUND	120,270	0	120,270
**D ADVANCED SERIES TRUST -AST FI PYRAMIS QUANTITATIVE PORTFOLIO	92,469	0	92,469
**D WMP OPPORTUNISTIC INVESTMENT PARTNERS, L,P,	24,584	0	24,584
**D FIRST INVESTORS GLOBAL FUND	208,630	0	208,630
**D ADVANCED SERIES TRUST-AST QMA EMERGING MARKETS EQUITY PORTFOLIO	148,743	0	148,743

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 Shareholders on own behalf: 6 Shareholders by proxy: 411 \*\*D Proxy to natural person above mentioned with the badge number (voting at the specific "assisted voting stations")

Extraordinary Shareholders Meeting 12, April 2016

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase in 2021**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D RIVER AND MERCANTILE WORLD RECOVERY FUND	96,000	0	96,000
**D FIRST TRUST INTERNATIONAL IPO ETF	1,230	0	1,230
**D RIVER AND MERCANTILE DYNAMIC ASSET ALLOCATION FUND	5,000	0	5,000
**D ADVANCED SERIES TRUST-AST PRUDENTIAL GROWTH ALLOCATION PORTFOLIO	17,276	0	17,276
**D DEUTSCHE X-TRACKERS MSCI EMU HEDGED EQUITY ETF	6,815	0	6,815
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO	152,035	0	152,035
**D IQ 50 PERCENT HEDGED FTSE EUROPE ETF	784	0	784
**D VANGUARD INTERNATIONAL HIGH DIVIDEND YIELD INDEX FUND	577	0	577
**D NATIONAL TREASURY MANAGEMENT AGENCY (AS CONTROLLER AND MANAGER OF THE IRELAND STRATEGIC INVESTM	36,302	0	36,302
**D ERIE INSURANCE EXCHANGE ,	129,552	0	129,552
**D POWERSHARES FTSE INTERNATIONAL LOW BETA EQUAL WEIGHT PORTFOLIO	18,790	0	18,790
**D STICHTING PENSIOENFONDS HORECA & CATERING	13,683	0	13,683
**D DEUTSCHE X-TRACKERS FTSE DEVELOPED EX US ENHANCED BETA ETF	16	0	16
**D STICHTING DEPOSITARY APG DEVELOPED MARKETS EQUITY POOL	184,646	0	184,646
**D STG PFDS V,D, GRAFISCHE	47,541	0	47,541
**D FCP GROUPAMA AVENIR EURO	2,768,283	0	2,768,283
**D FCP ECUREUIL RETRAITE EURO ACTIONS 4	200,000	0	200,000
**D FCP UFF CROISSANCE PME MAITRE	720,044	0	720,044
**D CPR EURO HIGH DIVIDEND	132,215	0	132,215
**D FCP COLOMBES 6 BIS	160,000	0	160,000
**D SICAV LAGTOO	64,400	0	64,400
**D FCP EDMOND DE ROTHSCHILD EURO LEADERS	889,100	0	889,100
**D FCP EDMOND DE ROTHSCHILD EUROPEMIDCAPS	39,500	0	39,500
**D FCP GARANCE	68,200	0	68,200
**D I,2,C, ACTIONS	520,000	0	520,000
**D FCP VILLIERS DIAPASON	80,031	0	80,031
**D FCP LCF PHARMA INTERNATIONAL	137,380	0	137,380
**D EDMOND DE ROTHSCHILD ASSET MANAGEMENT	249,250	0	249,250
**D SICAV BBM V-FLEX	111,049	0	111,049
**D FCP BEST BUSINESS MODELS	1,550,000	0	1,550,000
**D GREAT EUROPEAN MODELS	813,000	0	813,000
**D THE NORTH CAROLINA SUPPLEMENTALRETIREMENT PLANS GROUP TRUST	157,262	0	157,262
**D PNC INTERNATIONAL GROWTH FUND	1,933	0	1,933
**D BLACKROCK GLOBAL FUNDS	9,039	0	9,039
**D ALASKA PERMANENT FUND CORPORATION	21,397	0	21,397
**D ALABAMA TRUST FUND	64,389	0	64,389
**D THE CLEVELAND CLINIC FOUNDATION	44,851	0	44,851
**D PUBLIC SCHOOL TEACHERS` PENSIONAND RETIREMENT FUND OF CHICAGO	109,447	0	109,447
**D CN CANADIAN MASTER TRUST FUND ,	2,069	0	2,069
**D COMMONWEALTH OF PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES RETIREMENTENT SYSTEM	78,706	0	78,706
**D COX ENTERPRISES INC MASTER TRUST	1	0	1
**D THE STATE OF CONNECTICUT ACTINGTHROUGH ITS TREASURER	268,902	0	268,902
**D BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN	7,864	0	7,864
**D FLORIDA RETIREMENT SYSTEM	557,242	0	557,242

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Extraordinary Shareholders Meeting 12, April 2016

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase in 2021**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D JOHN S, & JAMES L, KNIGHT FOUNDATION	98,666	0	98,666
**D MINISTERS & MISSIONARIES BENEFIT BOARD AMERICAN BAPTIST CHURCH	4,815	0	4,815
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF MISSISSIPI	98,311	0	98,311
**D PROVINCE PF NEWFOUNLAND AND LABRADOR POOLED PENSION FUND	22,345	0	22,345
**D PUBLIC SERVICE PENSION PLAN FUND	27,804	0	27,804
**D BELL ATLANTIC MASTER TRUST	1	0	1
**D PENSION RESERVES INVESTMENT TRUST FUND	103,810	0	103,810
**D INDIANA PUBLIC EMPLOYEES RETIREMENT FUND	18,478	0	18,478
**D RAYTHEON MASTER PENSION TRUST	1,528	0	1,528
**D TELUS FOREIGN EQUITY ACTIVE ALPHA POOL	63,306	0	63,306
**D PUBLIC SECTOR PENSION INVESTMENT BOARD	79,518	0	79,518
**D CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY	25,944	0	25,944
**D CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY	32,479	0	32,479
**D UMC BENEFIT BOARD, INC	3,052	0	3,052
**D UNISYS MASTER TRUST	61,682	0	61,682
**D CURATORS OF UNIVERSITY OF MISSOURI	16,167	0	16,167
**D VERIZON MASTER SAVINGS TRUST	62,888	0	62,888
**D CIBC INTERNATIONAL SMALL COMPANIES FUND	52,620	0	52,620
**D CF DV ACWI EX-U,S, IMI FUND	2,181	0	2,181
**D TIMESQUARE FOCUS FUND LP	18,300	0	18,300
4054 BOIDO VITTORIO	2,000	2,000	0
541 PISTONE UGO LUIGI	1,000	1,000	0
652 ZACCARDI ANTONELLA	1,000	1,000	0
<b>Total vote</b>	<b>520,874,674</b>		
<b>Percentage of voters%</b>	<b>99.947322</b>		
<b>Percentage of Capital %</b>	<b>85.838828</b>		

Extraordinary Shareholders Meeting 12 April 2016RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase 5 times**

no. **245** persons entitled to vote took part in the voting on own behalf or by proxy

no. **521,149,207** ordinary shares

**The counting of votes produced the following results:**

		<b>% OF ORDINARY SHARE CAPITAL PRESENT (Voting Quorum)</b>	<b>%OF ORDINARY SHARE ENTITLED TO VOTE</b>	<b>%SHARE CAPITAL</b>
<b>In Favour</b>	520,874,674	99.947322	99.947322	85.838828
<b>Against</b>	274,000	0.052576	0.052576	0.045155
<b>Sub Total</b>	521,148,674	99.999898	99.999898	85.883982
<b>Abstentions</b>	533	0.000102	0.000102	0.000088
<b>Not Voting</b>	0	0.000000	0.000000	0.000000
<b>Sub Total</b>	533	0.000102	0.000102	0.000088
<b>Total</b>	521,149,207	100.000000	100.000000	85.884070

**N.B.** Number of votes necessary for the resolution approval: **347,432,805**, equivalent to 66.666667 of ordinary share entitled to vote.

Shareholders:  
Shareholders on own  
behalf:

425 People:  
7 Shareholders by proxy

9  
418

Extraordinary Shareholders Meeting 12, April 2016

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase 5 times**

**AGAINST**

Surname	Tot. Vote	On own behalf	Proxy
4034 PETTINICCHIO LAURA	0	0	0
**D FCP_CAGNI	15,000	0	15,000
**D SICAV C I P E C	55,000	0	55,000
**D SICAV MONT	25,000	0	25,000
**D FCP BRONGNIART AVENIR	179,000	0	179,000
<b>Total vote</b>	274,000		
<b>Percentage of voters %</b>	0.052576		
<b>Percentage of Capital %</b>	0.045155		

Shareholders:  
Shareholders on own  
behalf:

4 People:  
0 Shareholders by  
proxy:

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Extraordinary Shareholders Meeting 12, April 2016

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase 5 times**

**ABSTENTIONS**

4034	PETTINICCHIO LAURA	0	0	0
**D	ERGOS OFFSHORE I LTD CO HARNEYS CORPORATE SERVICES	1	0	1
**D	CLINTON LIGHTHOUSE EQUITY STRATEGIES MASTER FUND LTD. C/O CLINTON GROUP, INC	7	0	7
**D	CLINTON EQUITY STRATEGIES MASTER FUND LTD	25	0	25
4038	CROCE MARIO	500	500	0

**Total vote** 533  
**Percentage of voters %** 0.000102  
**Percentage of Capital %** 0.000088

Shareholders:  
 Shareholders on own  
 behalf:

4 People:  
 1 Shareholders by  
 proxy:

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Extraordinary Shareholders Meeting 12, April 2016

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase 5 times**

**NOT VOTING**

Surname		Tot. Vote	On own behalf	Proxy
<b>Total vote</b>	0			
<b>Percentage of voters%</b>	0.000000			
<b>Percentage of Capital %</b>	0.000000			

Shareholders:  
Shareholders on own  
behalf:

0 People:  
0 Shareholders by  
proxy:

0 DE\* Proxy to the natural person above mentioned with the badge number  
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Extraordinary Shareholders Meeting 12. April 2016

## RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase 5 times**

## IN FAVOUR

Surname	Tot. Vote	On own behalf	Proxy
1253 ROSSOTTI ROBERTO	4,900	4,900	0
1985 FOGLI MAURIZIO	80	80	0
2066 CAGLIA MARIA	0	0	0
DE* UNICREDIT S,P,A,	397,108,033	0	397,108,033
2067 CERASUOLO STEFANO	5,000	5,000	0
4034 PETTINICCHIO LAURA	0	0	0
**D MERRILL LYNCH PROFESSIONAL CLEARING	82,692	0	82,692
**D VANGUARD EUROPEAN STOCK INDEX FUND	469,785	0	469,785
**D VANGUARD DEVELOPED MARKETS INDEX FUND	501,466	0	501,466
**D WELLINGTON MANAGEMENT PORTFOLIOS	222,081	0	222,081
**D WELLINGTON MANAGNT PORTFOLIOS GLOB RESEA	29,677	0	29,677
**D VANGUARD TOTAL WORLD STOCK INDEX FUND	34,759	0	34,759
**D VANGUARD FTSE ALL-WORLD EX US INDEX FUND	283,525	0	283,525
**D BBH&C BOS FOR PYRAM GR TRUST FOR EMPL EMERG MM COM	41,600	0	41,600
**D WELLINGTON TRUST COMP COMM TRUST INT OPP	152,282	0	152,282
**D VANGUARD FUNDS PLC	32,115	0	32,115
**D RAINIER INT SMALL CAP EQUITY COLLECTIVE	67,490	0	67,490
**D WTC NA MULTIPLE CTF TRUST INTERNATIONAL SMALL CAP RESEARCH EQUITY PORTFOLIO	3,429	0	3,429
**D JAPAN TRUSTEE SERVICES BANK LTD	241,951	0	241,951
**D BEST INVESTMENT CORPORATION	20,484	0	20,484
**D SCHRODER INSTITUTIONAL POOLED FUNDS-EUROPEAN EQUITY FUND	101,642	0	101,642
**D FCP CNP ACTIONS EUROPE SCHRODER	239,250	0	239,250
**D FONDS RESERVE RETRAITES	865,731	0	865,731
**D FONDS RESERVE RETRAITES	99,233	0	99,233
**D FRR	36,674	0	36,674
**D ALLIANZ AKTIEN EUROPA	341,310	0	341,310
**D PICTET TOTAL RETURN	692,588	0	692,588
**D HENDERSON HORIZON FUND SICAV	978,023	0	978,023
**D HENDERSON GARTMORE FUND	337,536	0	337,536
**D BANQUE PICTET & CIE SA	25,933	0	25,933
**D ALKEN FUND	1,523,696	0	1,523,696
**D ALKEN FUND-EUROPEAN OPPORTUNITIES	2,404,521	0	2,404,521
**D PFIZER JAPAN INC PENSION FUND	47,861	0	47,861
**D ROBECO CAPITAL GROWTH FUNDS	150,000	0	150,000
**D MOMENTUM INVESTMENT FUNDS SICAV-SIF	43,440	0	43,440
**D SCHRODER INTERNATIONAL SELECTION FUND	9,904,816	0	9,904,816
**D VANGUARD INVESTMENT SERIES, PLC	28,955	0	28,955
**D BLACKROCK INSTITUTIONAL POOLED FUNDS PLC	6,097	0	6,097
**D TREMBLANT LONG UCITS FUND	32,291	0	32,291
**D UBS IRL INVESTOR SELECTION PLC	80,312	0	80,312
**D HE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE FOR MTBJ400045842	1,859,429	0	1,859,429
**D TEACHERS` RETIREMENT SYSTEM OF THE CITY OF NEW YORK	59,525	0	59,525

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Shareholders:  
Shareholders on own  
behalf:

417 People:  
6 Shareholders by  
proxy:

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Extraordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase 5 times**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D UBS GLOBAL ASSET MANAGEMENT LIFE LTD	32,092	0	32,092
**D JPMORGAN CHASE BANK	47,680	0	47,680
**D MERIFIN CAPITAL B,V,	17,380	0	17,380
**D CHINA LIFE INSURANCE COMPANY LIMITED	41,347	0	41,347
**D FONDO CONSOLIDADO DE RESERVAS PREVISIONA	59,048	0	59,048
**D CHINA LIFE INSURANCE (GROUP) COMPANY	2,554	0	2,554
**D THE BARCLAYS BANK UK RETIREMENT FUND	61,884	0	61,884
**D UBS (US) GROUP TRUST	7,469	0	7,469
**D BT WHOLESALE MULTI MANAG INTL SHARE FUND	112,364	0	112,364
**D ONEPATH GLOBAL SHARES - SMALL CAP INDEX	7,474	0	7,474
**D COINVEST LIMITED	8,594	0	8,594
**D THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST	109,643	0	109,643
**D THE BOEING COMPANY EMPLOYEE RETIREMENT P	122,800	0	122,800
**D BLACKROCK INDEXED ALL-COUNTRY EQUITY FUN	1,214	0	1,214
**D VANGUARD INTERNATIONAL SMALL COMPANIES I	13,069	0	13,069
**D ARTEMIS EUROPEAN OPPORTUNITIES FUND	809,663	0	809,663
**D NVIT MULTI MANAGER INTERNATIONAL GROWTH	231,270	0	231,270
**D SBC MASTER PENSION TRUST SBC MASTER PENSION TRUST 208	86,383	0	86,383
**D T ROWE PRICE INTERNATIONAL EQUITY INDEX	8,050	0	8,050
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OH	75,987	0	75,987
**D STICHTING PENSIOENFONDS VOOR HUISARTSEN	11,406	0	11,406
**D VANGUARD TOTAL INTERNATIONAL STOCK INDEX	1,700,103	0	1,700,103
**D VANGUARD INTERNATIONAL EXPLORER FUND	2,000,000	0	2,000,000
**D MI-FONDS 392	277,833	0	277,833
**D JPMORGAN EUROPEAN INVESTMENT TRUST PLC	63,898	0	63,898
**D KAPITFORENI INSTIT INVEST GLOBALE AKTIER	16,958	0	16,958
**D NEW MEXICO STATE INVESTMENT COUNCIL	5,996	0	5,996
**D TRUST AND CUSTODY SERVICED BANK LIMITED	34,753	0	34,753
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND 10F	126,930	0	126,930
**D BUREAU OF LABOR FUNDS- LABOR PENSION FUND	25,505	0	25,505
**D BUREAU OF LABOR FUNDS-LABOR INSURANCE FUND 10F	18,335	0	18,335
**D SCHRODER EUROPEAN FUND	1,239,313	0	1,239,313
**D SCHRODER EUROPEAN SMALLER COMPANIES FUND	376,881	0	376,881
**D MASTER TRUST FOR NATIONAL PENSION FD	35,108	0	35,108
**D JAPAN TRUSTEE SERVICES BANK LTD	109,135	0	109,135
**D ENERGY CORP,RETIREMENT PLANS MASTER TR,	135,814	0	135,814
**D NEW YORK LIFE INSURANCE COMPANY	34,727	0	34,727
**D SCHRODER INTERNATIONAL SMALL COMPANIES P	20,000	0	20,000
**D SCHRODER CAPITAL MANAGEMENT COLLECTIVE T	200,000	0	200,000
**D PROSHARES HEDGED FTSE EUROPE ETF	593	0	593
**D INVESCO GLOBAL SMALL CAP EQUITY POOL	50,904	0	50,904
**D RBC CANADIAN MASTER TRUST	67,964	0	67,964

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Extraordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase 5 times**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D THE GBC INTL GROWTH FUND	86,877	0	86,877
**D THE NOVA SCOTIA HEALTH EMPLOYEES PENS PL	352,954	0	352,954
**D REGIME DE RETRAITE D HYDRO QUEBEC	83,099	0	83,099
**D FLF STRATEGIC GLOBAL EQUITY FUND	67,117	0	67,117
**D TR EUROPEAN GROWTH TRUST PLC	848,642	0	848,642
**D SAINT MARTIN 2	864,000	0	864,000
**D AXA OPTIMAL INCOME	2,306,782	0	2,306,782
**D AXA VALEURS EURO	662,000	0	662,000
**D FCPE TOTAL ACTIONS EUROPEENNES	670,000	0	670,000
**D COLISEE IFC 1 FCP	615,000	0	615,000
**D FCP KLESIA A DIVERSIFIE	260,000	0	260,000
**D SUPER FUNDS MANAG CORP SOUTH AUSTRALIA	119,451	0	119,451
**D AVIVA LIFE & PENSIONS UK LIMITED	33,620	0	33,620
**D AVIVA LIFE AND PENSIONS UK LIMITED	94,510	0	94,510
**D REASSURE LIMITED	8,235	0	8,235
**D HSBC EUROPEAN INDEX FUND	46,133	0	46,133
**D NIGOSC ADMINISTERS NILG PENSION FUND	60,940	0	60,940
**D REALDANIA	350,000	0	350,000
**D ANIMA SGR SPA - ANIMA GEO ITALIA	1,328,570	0	1,328,570
**D ANIMA SGR SPA - ANIMA SFORZESCO	187,890	0	187,890
**D ANIMA SGR SPA - ANIMA VISCONTEO	568,746	0	568,746
**D ANIMA SGR SPA - ANIMA ITALIA	717,010	0	717,010
**D METZLER INTERNATIONAL INV, PLC	1,110,700	0	1,110,700
**D PIONEER INVESTMENT MANAGEMENT SGRPA / AZIONARIO CRESCITA	247,723	0	247,723
**D SEI GLOBAL MASTER FUND PLC	137,749	0	137,749
**D PIONEER STRATEGY FUNDS-EUR,EQ,	72,159	0	72,159
**D PIONEER FUNDS-CORE EUROPEAN EQ	241,695	0	241,695
**D PIONEER FUNDS - ITALIAN EQUITY	74,271	0	74,271
**D PIONEER FUNDS - EUROP, POTENT,	3,819,112	0	3,819,112
**D PIONEER FUNDS - EUROPEAN RESE,	653,126	0	653,126
**D ALLIANZ ACTIONS EURO PME-ETI	93,700	0	93,700
**D NUMERIC MULTI STRATEGY MARKET NEUTRAL LEVERED OFFSHORE FUND LIMITED	26,900	0	26,900
**D AQR DELTA MASTER ACCOUNT LP COOGIER FIDUCIARY SERVICES (CAYMAN) LTD	8	0	8
**D NUMERIC SOCIALLY AWARE MULTI STRATEGY FUND LTD	4,800	0	4,800
**D PM MANAGER FUND SPC - SEGREGATED PORTFOLIO	147,907	0	147,907
**D NUMERIC SOCIALLY AWARE MULTI-STRATEGY FUND LTD	2,600	0	2,600
**D AQR MULTI-STRATEGY FUND VI LP CO AQR CAPITAL MGM LLC	27	0	27
**D ALT BETA EQUITY SIZE STRATEGY LIMITED CO NUMERIC INVESTORS LLC	36	0	36
**D AQR STYLE PREMIA MASTER ACCOUNT LP CO AQR CAPITAL MGM LLC	181	0	181
**D THREADNEEDLE INVESTMENT FUNDS ICVC	12,003,090	0	12,003,090
**D WELLINGTON GL RES EQ PTFO ATTN SIJIA CHEN MACQUARIE INVESTMENT MANAGEMENT LIMITED	3,481	0	3,481
**D SIEFOREBANAMEXBASICA3SADECV	121,296	0	121,296

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Extraordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase 5 times**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND,	170,890	0	170,890
**D LEGAL AND GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	512,536	0	512,536
**D SIEFOREBANAMEXBASICA2SADECV	105,474	0	105,474
**D LEGAL AND GENERAL COLLECTIVE INVESTMENT TRUST	4,578	0	4,578
**D SIEFOREBANAMEXBASICA4SADECV	131,844	0	131,844
**D THREADNEEDLE (LUX	848,043	0	848,043
**D CITIBANK KOREA INC	1,899,003	0	1,899,003
**D STATE TEACHERS RETIREMENT SYSTEM OF OHIO	278,642	0	278,642
**D STICHTING PGGM DEPOSITARY	265,000	0	265,000
**D IRISH LIFE ASSURANCE	105,932	0	105,932
**D UBS FUND MGT (CH) AG CH0516/UBSCHIF2-EGSCPII	25,082	0	25,082
**D CH0526 - UBS (CH) INSTITUTIONAL FUND - EQUITIES GLOBAL SMALL CAP PASSIVE II	6,059	0	6,059
**D GOVERNMENT OF NORWAY	7,824,850	0	7,824,850
**D NORGES BANK	22,097	0	22,097
**D CANADIAN BROADCASTING CORPORATION	95,509	0	95,509
**D NUMERIC INVESTORS LLC	14,400	0	14,400
**D THE METHODIST HOSPITAL	32,626	0	32,626
**D LAUDUS INTERNATIONAL MARKETMASTERS FUND	754,480	0	754,480
**D WELLINGTON MNGM PTF (CANADA) GLOBAL OPPORTUNITIES PTF	104,160	0	104,160
**D INTERNATIONAL MONETARY FUND	2,140	0	2,140
**D INTERNATIONAL MONETARY FUND	3,017	0	3,017
**D BERNSTEIN FUND, INC,- INTERNATIONAL SMALL CAP PORTFOLIO	236,590	0	236,590
**D AMERICAN CENTURY STRATEGIC ASSET ALL, INC, STRAT ALL CONS F	4,527	0	4,527
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRAT ALL MODERATE F	22,953	0	22,953
**D AMERICAN CENTURY STRAT ASSET ALL, INC, STRATEGIC ALL AGGR F	20,260	0	20,260
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL DISCOVERY F	458,900	0	458,900
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, INTL OPPORTUNITIES	265,330	0	265,330
**D AMERICAN CENTURY WORLD MUTUAL FUNDS INC - NT INT SM MID CAP F	189,970	0	189,970
**D AMERICAN CENTURY WORLD MUTUAL FUNDS, INC, - GLO SMALL CAP FD	6,254	0	6,254
**D AMERICAN CENTURY RETIREMENT DATE TRUST	34,556	0	34,556
**D STATE OF ALASKA RETIREMENT AND BENEFITS PLANS	157,548	0	157,548
**D FONDS PRIVE GPD ACTIONS INTERNATIONALES	115,000	0	115,000
**D CALVERT RESP INX SRS, INC,-CLVRT DVD MRKTS EX-U,S, RSP IX FND	139	0	139
**D PYRAMIS CONCENTRATED INTERNATIONAL SMALL CAP TRUST	133,241	0	133,241
**D ALLIANZGI INTERNATIONAL SMALL-CAP FUND	212,186	0	212,186
**D UAW RETIREE MEDICAL BENEFITS TRUST	85,455	0	85,455
**D EATON VANCE INTERNATIONAL SMALL-CAP FUND	9,823	0	9,823
**D THE BOEING COMPANY EMPLOYEE SAVINGS PLANS MASTER TRUST	44,981	0	44,981
**D HARTFORD INTERNATIONAL OPPORTUNITIES HLS FUND	703,661	0	703,661
**D THE HARTFORD INTERNATIONAL OPPORTUNITIES FUND	954,928	0	954,928
**D THE HARTFORDGLOBAL ALL- ASSET FUND	54,151	0	54,151
**D HARTFORD HEALTHCARE ENDOWMENT LLC	11,998	0	11,998

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Extraordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase 5 times**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D HARTFORD HEALTHCARE CORP DEFINED BENEFIT MASTER TR AGREEMENT	17,020	0	17,020
**D ALLIANZGI GLOBAL SMALL-CAP FUND	185,421	0	185,421
**D WILLIAM BLAIR COLLECTIVE INVESTMENT TRUST	317,891	0	317,891
**D WILLIAM BLAIR INTERNATIONAL SMALL CAP GROWTH FUND	371,638	0	371,638
**D ANCHOR SERIES TRUST STRATEGIC MULTI-ASSET PORTFOLIO	5,774	0	5,774
**D ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM	37,990	0	37,990
**D RUSSELL INVESTMENT COMPANY IV PLC	11,423	0	11,423
**D HENKEL OF AMERICA MASTER RETIREMENT TRUST	13,327	0	13,327
**D LATTICE DEVELOPED MARKETS (EX-US) STRATEGY ETF	2,211	0	2,211
**D ALLIANCEBERNSTEIN INTERNATIONAL DISCOVERY SERIES	49,459	0	49,459
**D MARYLAND STATE RETIREMENT & PENSION SYSTEM	522	0	522
**D MGI FUNDS PLC	215,672	0	215,672
**D MERCER QIF CCF	1,074,182	0	1,074,182
**D MERCER QIF CCF	525,234	0	525,234
**D STATE OF MONTANA BOARD OF INVESTMENTS	2,469	0	2,469
**D ASHWOOD INVESTMENTS LIMITED	4,128	0	4,128
**D STATE OF NEW JERSEY COMMON PENSION FUND D	153,943	0	153,943
**D NEW YORK STATE DEFERRED COMPENSATION PLAN	89,286	0	89,286
**D COSMIC INVESTMENT FUND	136,961	0	136,961
**D CANADA PENSION PLAN INVESTMENT BOARD	2,429	0	2,429
**D CITY OF NEW YORK GROUP TRUST	485,124	0	485,124
**D WELLINGTON MNGT PTF (CAYMAN)-GL OPP EX-JAPAN PTF F QUA INST IN	61,634	0	61,634
**D FIRST ASSET MORNINGSTAR INTERNATIONAL MOMENTUM INDEX ETF	22,733	0	22,733
**D HONG KONG SPECIAL ADMINISTRATIVE REGION GOVERNMENT-EXCHANGE F	151,604	0	151,604
**D CTBC BANK CO LTD AMC FOR AB INC & GTH UM FD-ALL EUR INC & GR F	78,380	0	78,380
**D BIMCOR GLOBAL EQUITY POOLED FUND	67,446	0	67,446
**D BANK OF KOREA	331,843	0	331,843
**D MINISTRY OF STRATEGY AND FINANCE	104,747	0	104,747
**D MINISTRY OF STRATEGY AND FINANCE	21,465	0	21,465
**D STATE STREET IRELAND UNIT TRUST	40,088	0	40,088
**D SSGA SPDR ETFs EUROPE II PUBLIC LIMITED COMPANY	13,672	0	13,672
**D THE STARR FOUNDATION	31,540	0	31,540
**D CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	601,745	0	601,745
**D CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	202,425	0	202,425
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	311,857	0	311,857
**D TENNESSEE CONSOLIDATED RETIREMENT SYSTEM	625,850	0	625,850
**D SAINT-GOBAIN CORPORATION DEFINED BENEFIT MASTER TRUST	37,395	0	37,395
**D VANGUARD FTSE DEVELOPED EUROPE ALL CAP INDEX ETF	2,643	0	2,643
**D VANGUARD FTSE DEVELOPED ALL CAP EX NORTH AMERICA INDEX ETF	480	0	480
**D VANGUARD INVESTMENTS II COMMON CONTRACTUAL FUND	3,987	0	3,987
**D VANGUARD INVESTMENTS COMMON CONTRACTUAL FUND	13,272	0	13,272
**D VANGUARD FTSE DEVELOPED EUROPE INDEX ETF	371	0	371

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Extraordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase 5 times**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D THE WELLINGTON TR COM NATIONAL ASS MULT COLLECT INV F TRUST	291,789	0	291,789
**D THE WELLINGTON TR CO NAT ASS MULT C TR F TR, OPPORT EQ PTF	61,084	0	61,084
**D THE WELLINGTON TR CO NAT ASS MULT COM GLB OPPORT PTF	160,262	0	160,262
**D THE WELLINGTON TR CO NAT ASS MULT COMM EUROPE SMALLER CO PTF	5,165	0	5,165
**D THE WELLINGTON TR CO NAT ASS MULT COLLECTIVE INV F TRUST II	337,248	0	337,248
**D WELLS FARGO BK DECL OF TR EST INV FUNDS FOR EMPLOYEE BEN TR	14,339	0	14,339
**D WASHINGTON STATE INVESTMENT BOARD	83,044	0	83,044
**D WISDOMTREE DYNAMIC CURRENCY HEDGED EUROPE EQUITY FUND	712	0	712
**D WISDOMTREE DYNAMIC CURRENCY HEDGED INTRNL EQUITY FUND	839	0	839
**D WISDOMTREE INTERNATIONAL MIDCAP DIVIDEND FUND	21,820	0	21,820
**D WISDOMTREE INTERNATIONAL HEDGED EQUITY FUND	363	0	363
**D WISDOMTREE EUROPE LOCAL RECOVERY FUND	2,470	0	2,470
**D WISDOMTREE EUROPE HEDGED SMALLCAP EQUITY FUND	364,624	0	364,624
**D PRUDENTIAL RETIREMENT INSURANCE & ANNUITY COMPANY	187,380	0	187,380
**D WELLINGTON MANAGEMENT FUNDS (IRELAND) PLC	22,427	0	22,427
**D SS BK AND TRUST COMPANY INV FUNDS FOR TAXEXEMPT RETIREMENT PL	325,882	0	325,882
**D STATE STREET GLOBAL ADVISORS LUXEMBOURG SICAV	96,843	0	96,843
**D AXA WORLD FUNDS	10,842,656	0	10,842,656
**D RAS LUX FUND	25,000	0	25,000
**D ALLIANZ GLOBAL INVESTORS FUND	1,827,996	0	1,827,996
**D BLACKROCK STRATEGIC FUNDS	21,547	0	21,547
**D GOLDMAN SACHS FUNDS	1,759	0	1,759
**D MARCH FUND	1,887	0	1,887
**D MARCH FUND	30,856	0	30,856
**D UBS ETF	16,263	0	16,263
**D ISHARES MSCI EAFE SMALL CAP ETF	388,076	0	388,076
**D ISHARES MSCI EUROPE SMALL-CAP ETF	12,245	0	12,245
**D BLACKROCK INST TRUST CO NA INV FUNDSFOR EMPLOYEE BENEFIT TR	959,848	0	959,848
**D ISHARES CORE MSCI EAFE ETF	187,861	0	187,861
**D ISHARES CORE MSCI TOTAL INTERNATIONAL STOCK ETF	30,853	0	30,853
**D ISHARES CORE MSCI EAFE IMI INDEX ETF	8,177	0	8,177
**D ISHARES MSCI EUROPE IMI INDEX ETF	4,947	0	4,947
**D ISHARES MSCI EUROPE IMI ETF	30,856	0	30,856
**D CONNECTICUT GENERAL LIFE INSURANCE COMPANY	2,775	0	2,775
**D CDN ACWI ALPHA TILTS FUND	15,426	0	15,426
**D BLACKROCK CDN MSCI EAFE INDEX PLUS FUND	372	0	372
**D INTERNATIONAL EQUITY INDEX PLUS FUNDS B	334	0	334
**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	76,267	0	76,267
**D BGI MSCI EMU IMI INDEX FUND B	312	0	312
**D DEVELOPED EX-FOSSIL FUEL INDEX FUND B	1,845	0	1,845

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Extraordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase 5 times**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D GLOBAL EX US ALPHA TILTS FUND B	5,409	0	5,409
**D INTERNATIONAL PAPER CO COMMINGLED INVESTMENT GROUP TRUST	47,788	0	47,788
**D OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM	206,399	0	206,399
**D RUSSELL TRUST CO COMMINGLED EMPLOYEE BENEFIT FUNDS TRUST	63,828	0	63,828
**D COLLEGE RETIREMENT EQUITIES FUND	179,485	0	179,485
**D TRANSAMERICA INTERNATIONAL SMALL CAP	600,000	0	600,000
**D SPDR S+P INTERNATIONAL MIDCAP ETF	13,714	0	13,714
**D MULTI-STYLE, MULTI-MANAGER FUNDS PLC	105,800	0	105,800
**D SACRAMENTO COUNTY EMPLOYEES RETIREMENT SYSTEM	14,704	0	14,704
**D THE WELLINGTON TR CO NAT ASS MULT COM ALPHA STRATEGIES PTF	172,056	0	172,056
**D THE WELLINGTON TR CO, NAT ASS MULT COMM TR F TR, INT RES EQ F	17,869	0	17,869
**D THE WELLINGTON TR CO NAT ASS MULT COMM TR F TR GLB RES EQ PTF	4,667	0	4,667
**D MSCI EAFE SMALL CAP PROV INDEX SEC COMMON TR F	52,167	0	52,167
**D ISHARES VII PLC	308,702	0	308,702
**D BLACKROCK AM SCH AG OBO BIFS WORLD EX SW SMALL CAP EQ INDEX F	30,631	0	30,631
**D AQR FUNDS- AQR STYLE PREMIA ALTERNATIVE FUND	476,489	0	476,489
**D AQR FUNDS- AQR STYLE PREMIA ALTERNATIVE LV FUND	22,177	0	22,177
**D AQR FUNDS - AQR LONG SHORT EQUITY FUND	35,433	0	35,433
**D AQR TAX PLUS U,S, RELAXED CONSTRAINT EQUITY FUND	1,326	0	1,326
**D AQR R,C, EQUITY AUSTRALIA FUND	15,213	0	15,213
**D AQR GLOBAL LONG-SHORT QUITTY FUND	66,071	0	66,071
**D THE TRUSTEES OF BP PENSION FUND	816,030	0	816,030
**D TRUSTEES OF KINGFISHER PENSION SCHEME	14,375	0	14,375
**D MANAGED PENSION FUNDS LIMITED	98,064	0	98,064
**D GOVERNMENT INSTITUTIONS PENSION FUND	51,335	0	51,335
**D FAMILY INVESTMENTS CHILD TRUST FUND	2,760	0	2,760
**D FAMILY INVESTMENTS GLOBAL ICVC FAMILY BALANCED INT FUND	3,467	0	3,467
**D HSBC AS TRUSTEE FOR SSGA EUROPE EX UK EQUITY TRACKER FUND	128,450	0	128,450
**D FRIENDS LIFE LIMITED	1,522	0	1,522
**D STICHTING PHILIPS PENSIOENFONDS	38,321	0	38,321
**D BNY MELLON TR+DEP ATF ST, JAMES`S PLACE MNGD GROWTH UNIT TR	1,381,604	0	1,381,604
**D VANGUARD INV FDS ICVC-VANG FTSE DEV WOR LD EX - UK EQT IND FD	17,521	0	17,521
**D VANGUARD INV F ICVC-VANGUARD FTSE DEV EUROPE EX-UK EQ INDEX F	48,158	0	48,158
**D SUNSUPER SUPERANNUATION FUND	673	0	673
**D GUIDESTONE FUNDS INTERNATIONAL EQUITY FUND	99,448	0	99,448
**D MORGAN STANLEY DEFINED CONTRIBUTION MASTER TRUST	57,188	0	57,188
**D NTGI-QM COMMON DAILY ALL COUNWD EX-US INV MKT INDEX F NONLEND	7,451	0	7,451
**D THE UNIVERSITY OF ARKANSAS FOUNDATION, INC	114,400	0	114,400
**D CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN	39,644	0	39,644
**D SCHLUMBERGER COMMON INVESTMENT FUND	37,304	0	37,304
**D AXIOM INVESTORS TRUST II	24,582	0	24,582
**D WYOMING RETIREMENT SYSTEM	8,796	0	8,796

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Extraordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase 5 times**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D WYOMING RETIREMENT SYSTEM	3,844	0	3,844
**D LTW GROUP HOLDINGS, LLC	105,100	0	105,100
**D LOY PARTNERSHIP, LLC	59,600	0	59,600
**D RAMI PARTNERS, LLC	40,800	0	40,800
**D NATIONAL COUNCIL FOR SOCIAL SECURITY FUND, P,R,C	18,050	0	18,050
**D MICROSOFT GLOBAL FINANCE	126,125	0	126,125
**D BLUE SKY GROUP	126,139	0	126,139
**D PYRAMIS GROUP TRUST FOR EMPLOYEE BENEFIT PLANS	291,526	0	291,526
**D MASTER TR AGREE BETWEEN PFIZER INC AND THE NORTHERN TR CO	5,756	0	5,756
**D NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	183,825	0	183,825
**D SUTTER HEALTH MASTER RETIREMENT TRUST	308,797	0	308,797
**D TYCO ELECTRONICS DEFINED BENEFIT PLANS MASTER TRUST	10,795	0	10,795
**D HRW TESTAMENTARY TRUST NO 3	78,600	0	78,600
**D THE WALTON FAMILY FOUNDATION	174,000	0	174,000
**D HRW TESTAMENTARY TRUST NO, 8	78,600	0	78,600
**D HRW TESTAMENTARY TRUST NO 2	78,600	0	78,600
**D HRW TESTAMENTARY TRUST NO, 12	67,500	0	67,500
**D NEW ZEALAND SUPERANNUATION FUND	15,212	0	15,212
**D EMPLOYEES RETIREMENT FUND OF THE CITY OF DALLAS	29,952	0	29,952
**D GENERAL PENSION AND SOCIAL SECURITY AUTHORITY	91,752	0	91,752
**D ILLINOIS MUNICIPAL RETIREMENT FUND	146,145	0	146,145
**D LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM	16,385	0	16,385
**D SAN FRANCISCO CITY & COUNTY EMPLOYEES` RETIREMENT SYSTEM	222,166	0	222,166
**D STATE UNIVERSITIES RETIREMENT SYSTEM	35,921	0	35,921
**D UTAH STATE RETIREMENT SYSTEMS	15,487	0	15,487
**D FORD MOTOR COMPANY OF CANADA, LIMITED PENSION TRUST	1,181	0	1,181
**D MERCER DS TRUST	133,965	0	133,965
**D WHEELS COMMON INVESTMENT FUND	5,543	0	5,543
**D THE TRUSTEES OF ZURICH FINANCIAL SERVICES UK PENSION SCHEME	522,821	0	522,821
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF COLORADO	34,658	0	34,658
**D MUNICIPAL EMPLOYEES` ANNUITY AND BENEFIT FUND OF CHICAGO	22,540	0	22,540
**D NAT WEST BK AS TRUSTEE OF LEGAL & GENERAL EUROPEAN INDEX TR	59,585	0	59,585
**D AMG FUND PLC	16,800	0	16,800
**D SSGA GROSS ROLL UP UNIT TRUST	5,169	0	5,169
**D LEGAL & GENERAL AUTHORISED CONTRACTUAL SCHEME	1,753	0	1,753
**D ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND	25,495	0	25,495
**D SLI GLOBAL SICAV GLOBAL FOCUSEDSTRATEGIES FUND	86,188	0	86,188
**D POWERSHARES DYNAMIC INTERNATIONAL	1,267	0	1,267
**D PRUDENTIAL SECTOR FUNDS INC PRUDENTIAL FINANCIAL SERVICE	501,454	0	501,454
**D INVESCO FUNDS	100,000	0	100,000
**D BNYMTD (UK) AS TRUSTEE OF BLACKROCK CONTINENTAL EUROPE EQUITY TRY TRACKER FUND	167,160	0	167,160
**D POWERSHARES FTSE RAFI DEVELOPED MARKETS EX-US SMALL PORTFOLIO	4,776	0	4,776

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Extraordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase 5 times**

**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D THE BANK OF KOREA	4,355	0	4,355
**D POWERSHARES GLOBAL FUNDS IRELAND PLC	1,737	0	1,737
**D AMG TIMESQUARE INTERNATIONAL SMALL CAP FUND	102,400	0	102,400
**D PNC INTERNATIONAL EQUITY FUND	220,000	0	220,000
**D ING FUNDS SERVICES, LLC	184,840	0	184,840
**D BLACKROCK LIFE LIMITED	495,684	0	495,684
**D THE BANK OF KOREA	1	0	1
**D INVESCO PERPETUAL GLOBAL SMALLER CO, FD	438,586	0	438,586
**D INVESCO FUNDS SERIES 4	1,559,338	0	1,559,338
**D PNC BALANCED ALLOCATION FUND	3,150	0	3,150
**D POWERSAHRES S(AND)P INTERNATIONAL DEVELOPED HIGH BETA PORTFOLIO	451	0	451
**D RAINIER INTERNATIONAL DISCOVERYFUND	120,270	0	120,270
**D ADVANCED SERIES TRUST -AST FI PYRAMIS QUANTITATIVE PORTFOLIO	92,469	0	92,469
**D WMP OPPORTUNISTIC INVESTMENT PARTNERS, L,P,	24,584	0	24,584
**D FIRST INVESTORS GLOBAL FUND	208,630	0	208,630
**D ADVANCED SERIES TRUST-AST QMA EMERGING MARKETS EQUITY PORTFOLIO	148,743	0	148,743
**D RIVER AND MERCANTILE WORLD RECOVERY FUND	96,000	0	96,000
**D FIRST TRUST INTERNATIONAL IPO ETF	1,230	0	1,230
**D RIVER AND MERCANTILE DYNAMIC ASSET ALLOCATION FUND	5,000	0	5,000
**D ADVANCED SERIES TRUST-AST PRUDENTIAL GROWTH ALLOCATION PORTFOLIO	17,276	0	17,276
**D DEUTSCHE X-TRACKERS MSCI EMU HEDGED EQUITY ETF	6,815	0	6,815
**D PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO	152,035	0	152,035
**D IQ 50 PERCENT HEDGED FTSE EUROPE ETF	784	0	784
**D VANGUARD INTERNATIONAL HIGH DIVIDEND YIELD INDEX FUND	577	0	577
**D NATIONAL TREASURY MANAGEMENT AGENCY (AS CONTROLLER AND MANAGEROF THE IRELAND STRATEGIC INVESTM	36,302	0	36,302
**D ERIE INSURANCE EXCHANGE ,	129,552	0	129,552
**D POWERSHARES FTSE INTERNATIONAL LOW BETA EQUAL WEIGHT PORTFOLIO	18,790	0	18,790
**D STICHTING PENSIOENFONDS HORECA & CATERING	13,683	0	13,683
**D DEUTSCHE X-TRACKERS FTSE DEVELOPED EX US ENHANCED BETA ETF	16	0	16
**D STICHTING DEPOSITARY APG DEVELOPED MARKETS EQUITY POOL	184,646	0	184,646
**D STG PFDS V,D, GRAFISCHE	47,541	0	47,541
**D FCP GROUPAMA AVENIR EURO	2,768,283	0	2,768,283
**D FCP ECUREUIL RETRAITE EURO ACTIONS 4	200,000	0	200,000
**D FCP UFF CROISSANCE PME MAITRE	720,044	0	720,044
**D CPR EURO HIGH DIVIDEND	132,215	0	132,215
**D FCP COLOMBES 6 BIS	160,000	0	160,000
**D SICAV LAGTOO	64,400	0	64,400
**D FCP EDMOND DE ROTHSCHILD EURO LEADERS	889,100	0	889,100
**D FCP EDMOND DE ROTHSCHILD EUROPEMIDCAPS	39,500	0	39,500
**D FCP GARANCE	68,200	0	68,200
**D I,2,C, ACTIONS	520,000	0	520,000
**D FCP VILLIERS DIAPASON	80,031	0	80,031

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Extraordinary Shareholders Meeting 12. April 2016

RESULTS OF VOTING

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**IN FAVOUR**

Surname	Tot. Vote	On own behalf	Proxy
**D FCP LCF PHARMA INTERNATIONAL	137,380	0	137,380
**D EDMOND DE ROTHSCHILD ASSET MANAGEMENT	249,250	0	249,250
**D SICAV BBM V-FLEX	111,049	0	111,049
**D FCP BEST BUSINESS MODELS	1,550,000	0	1,550,000
**D GREAT EUROPEAN MODELS	813,000	0	813,000
**D THE NORTH CAROLINA SUPPLEMENTALRETIREMENT PLANS GROUP TRUST	157,262	0	157,262
**D PNC INTERNATIONAL GROWTH FUND	1,933	0	1,933
**D BLACKROCK GLOBAL FUNDS	9,039	0	9,039
**D ALASKA PERMANENT FUND CORPORATION	21,397	0	21,397
**D ALABAMA TRUST FUND	64,389	0	64,389
**D THE CLEVELAND CLINIC FOUNDATION	44,851	0	44,851
**D PUBLIC SCHOOL TEACHERS` PENSIONAND RETIREMENT FUND OF CHICAGO	109,447	0	109,447
**D CN CANADIAN MASTER TRUST FUND ,	2,069	0	2,069
**D COMMONWEALTH OF PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES RETIREMENTENT SYSTEM	78,706	0	78,706
**D COX ENTERPRISES INC MASTER TRUST	1	0	1
**D THE STATE OF CONNECTICUT ACTINGTHROUGH ITS TREASURER	268,902	0	268,902
**D BNY MELLON EMPLOYEE BENEFIT COLLECTIVE INVESTMENT FUND PLAN	7,864	0	7,864
**D FLORIDA RETIREMENT SYSTEM ,	557,242	0	557,242
**D JOHN S, & JAMES L, KNIGHT FOUNDATION	98,666	0	98,666
**D MINISTERS & MISSIONARIES BENEFIT BOARD AMERICAN BAPTIST CHURCH	4,815	0	4,815
**D PUBLIC EMPLOYEES RETIREMENT SYSTEM OF MISSISSIPI	98,311	0	98,311
**D PROVINCE PF NEWFOUNLAND AND LABRADOR POOLED PENSION FUND	22,345	0	22,345
**D PUBLIC SERVICE PENSION PLAN FUND	27,804	0	27,804
**D BELL ATLANTIC MASTER TRUST	1	0	1
**D PENSION RESERVES INVESTMENT TRUST FUND	103,810	0	103,810
**D INDIANA PUBLIC EMPLOYEES RETIREMENT FUND	18,478	0	18,478
**D RAYTHEON MASTER PENSION TRUST	1,528	0	1,528
**D TELUS FOREIGN EQUITY ACTIVE ALPHA POOL	63,306	0	63,306
**D PUBLIC SECTOR PENSION INVESTMENT BOARD	79,518	0	79,518
**D CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY	25,944	0	25,944
**D CURATORS OF UNIVERSITY OF MISSOURI AS TTE UNV MO RET, DISABILITY	32,479	0	32,479
**D UMC BENEFIT BOARD, INC	3,052	0	3,052
**D UNISYS MASTER TRUST	61,682	0	61,682
**D CURATORS OF UNIVERSITY OF MISSOURI	16,167	0	16,167
**D VERIZON MASTER SAVINGS TRUST ,	62,888	0	62,888
**D CIBC INTERNATIONAL SMALL COMPANIES FUND	52,620	0	52,620
**D CF DV ACWI EX-U,S, IMI FUND	2,181	0	2,181
**D TIMESQUARE FOCUS FUND LP	18,300	0	18,300
4054 BOIDO VITTORIO	2,000	2,000	0
541 PISTONE UGO LUIGI	1,000	1,000	0
652 ZACCARDI ANTONELLA	1,000	1,000	0

Shareholders: 417 People: 8 DE\* Proxy to the natural person above mentioned with the badge number  
 Shareholders on own behalf: 6 Shareholders by proxy: 411 \*\*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 12, April 2016

RESULTS OF VOTING

Subject: **Delegation to the Board of Directors to approve a free capital increase 5 times**

**IN FAVOUR**

Surname		Tot. Vote	On own behalf	Proxy
<b>Total vote</b>	520,874,674			
<b>Percentage of voters%</b>	99.947322			
<b>Percentage of Capital %</b>	85.838828			

Shareholders:  
Shareholders on own  
behalf:

417 People:  
6 Shareholders by  
proxy:

8 DE\* Proxy to the natural person above mentioned with the badge number  
411 \*\*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

**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 is Euro 200,245,793.88, divided into 606,805,436 ordinary shares with a par value of Euro 0.33 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 corresponding to 241,700 ordinary shares with a nominal value of Euro 0.33 each, to service the implementation of employee incentive plans.  
The Board of Directors, in partial exercise of the powers conferred on the same pursuant to Article 2443 of the Civil Code by the Extraordinary Shareholders' Meeting of June 5, 2014, decided, on February 8, 2016, to increase the share capital by the nominal amount of Euro 95,601.99, corresponding to 289,703 ordinary shares with par value of Euro 0.33 each, to service the implementation of employee incentive schemes.
9. The Board of Directors has the right, pursuant to Article 2443 of the Civil Code, to resolve a free increase in share capital, pursuant to Article 2349 of the Civil Code, one or more times and for a maximum period of five years (i) from the date of the shareholders' resolution dated April 23, 2015, for a maximum amount of Euro 131,159.49, with the issue of up to 397,453 new FinecoBank ordinary shares, as well as (ii) from the date of the shareholders' resolution dated April 12, 2016, for a maximum amount of Euro 32,789.79 with the issue of up to 99,363 new FinecoBank ordinary shares; attributable entirely to capital at Euro 0.33 per share, equal to the par value of 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 .

10. 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 12, 2016, a free increase in share capital, pursuant to Article 2349 of the Civil Code, for a maximum amount of Euro 88,440 (attributable entirely to capital at Euro 0.33 per share, equal to the par value of each), with the issue of up to 268,000 new FinecoBank 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 the Identified Staff of FinecoBank in execution of the 2016 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 they 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 is 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, Managers 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 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



DIPARTIMENTO VIGILANZA BANCARIA E FINANZIARIA  
SERVIZIO SUPERVISIONE BANCARIA I (840)  
DIVISIONE GRUPPI BANCARI I (022)

Rifer. a nota n. del

Classificazione VII 2 6

*Oggetto* UniCredit Group. Modifica dell'articolo 5 dello Statuto sociale di Fineco Bank S.p.a. Provvedimento.

Con lettera del 12 gennaio 2016, integrata con nota del 19 gennaio 2016, UniCredit S.p.a. ha presentato - ai sensi degli artt. 56 e 61 del D. Lgs. 385/1993 - un progetto di modifica dello Statuto sociale di Fineco Bank S.p.a.

Secondo quanto prospettato, la modifica riguarda l'art. 5 dello Statuto.

Al riguardo, avuto presente l'esito dell'istruttoria condotta dalla Banca d'Italia e l'assenza di obiezioni da parte della Banca Centrale Europea, ai sensi dell'art. 56 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 DELEGA DEL DIRETTORIO

Firmato digitalmente da  
GIOVAN BATTISTA SALA

Firmato digitalmente da  
ENZO SERATA