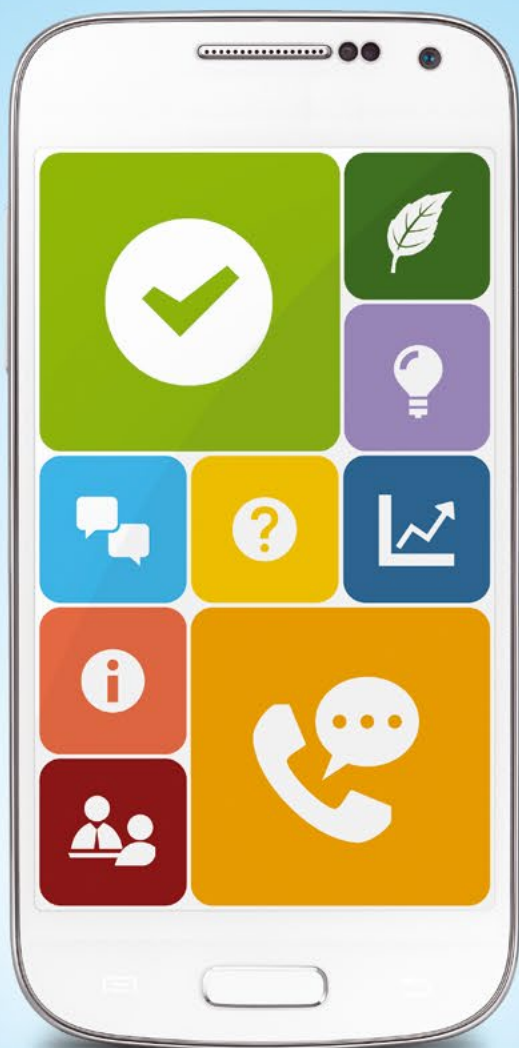




Listen,
understand,
respond.

FinecoBank S.p.A.
Interim Report
as at March 31, 2014

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Share capital

€200,070,430.89 fully paid-up, divided into 606,274,033 shares with a par value of €0.33, 100.00% held by UniCredit S.p.A..

Registered office

Piazza Durante 11, 20131 Milan, Italy

"FinecoBank Banca Fineco S.p.A."

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

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

Board of Directors and Board of Statutory Auditors

BOARD OF DIRECTORS AND BOARD OF STATUTORY AUDITORS

Board of Directors

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

Board of Statutory Auditors

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

External Auditors

Deloitte & Touche S.p.A.

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

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

Report on Operations

INTRODUCTION TO THE INTERIM REPORT AND ACCOUNTS

This Interim Report as at March 31, 2014 has been drawn up in accordance with the recognition and valuation criteria set out in the international accounting standards IAS/IFRS issued by the International Accounting Standards Board (IASB), including the SIC and IFRIC interpretation documents, approved by the European Commission as established by European Union Regulation no. 1606/2002 of July 19, 2012, implemented in Italy through Legislative Decree no. 38 of February 28, 2005.

Specifically, the interim report as at March 31, 2014 complies with the international accounting standard applicable to interim financial reports (IAS 34). Based on section 10 of IAS 34, the Bank has opted to prepare the Interim Financial Statements in an abbreviated form.

The Interim Report and Accounts include:

- the **Bank's Financial Statements**, presented with a comparison to those of 2013, in line with the instructions issued by the Bank of Italy in Circular no. 262 of December 22, 2005, as amended;
- the **Notes to the Accounts**

They are accompanied by the **Report on Operations**, which contains the condensed accounts and comments on the results for the period.

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

ASSETS	03.31.2014	12.31.2013	Changes	
			Amount	%
Cash and cash balances	7	5	2	40.0%
Financial assets held for trading	8,405	4,700	3,705	78.8%
Loans and receivables with banks	17,084,534	16,330,912	753,622	4.6%
Loans and receivables with customers	669,141	641,250	27,891	4.3%
Financial investments	93,934	93,114	820	0.9%
Hedging instruments	130,687	179,265	(48,578)	-27.1%
Property, plant and equipment	10,718	10,772	(54)	-0.5%
Goodwill	89,602	89,602	-	-
Other intangible assets	8,055	8,014	41	0.5%
Tax assets	48,420	67,934	(19,514)	-28.7%
Other assets	170,281	256,629	(86,348)	-33.6%
Total assets	18,313,784	17,682,197	631,587	3.6%

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	03.31.2014	12.31.2013	Changes	
			Amount	%
Deposits from banks	1,590,439	1,648,675	(58,236)	-3.5%
Deposits from customers and debt securities in issue	15,796,181	15,054,820	741,361	4.9%
Financial liabilities held for trading	7,902	2,301	5,601	243.4%
Hedging instruments	130,411	178,574	(48,163)	-27.0%
Provisions for risks and charges	109,346	109,354	(8)	0.0%
Tax liabilities	38,770	37,701	1,069	2.8%
Other liabilities	184,969	231,623	(46,654)	-20.1%
Shareholders' equity	455,766	419,149	36,617	8.7%
- capital and reserves	414,934	329,719	85,215	25.8%
- revaluation reserves for available-for-sale financial assets	1,150	641	509	79.4%
Revaluation reserves actuarial gains (losses) from defined benefit plans	2,756	3,573	(817)	-22.9%
- net profit	36,926	85,216	(48,290)	-56.7%
Total liabilities and shareholders' equity	18,313,784	17,682,197	631,587	3.6%

(Amounts in € thousand)

Balance Sheet - Quarterly data

ASSETS	<i>03.31.2014</i>	<i>12.31.2013</i>	<i>09.30.2013</i>	<i>06.30.2013</i>	<i>03.31.2013</i>
Cash and cash balances	7	5	7	8	8
Financial assets held for trading	8,405	4,700	5,600	5,606	9,134
Loans and receivables with banks	17,084,534	16,330,912	16,305,247	17,008,411	17,230,117
Loans and receivables with customers	669,141	641,250	550,292	561,002	551,278
Financial investments	93,934	93,114	92,406	102,329	98,413
Hedging instruments	130,687	179,265	160,226	158,275	95,866
Property, plant and equipment	10,718	10,772	9,615	8,697	8,438
Goodwill	89,602	89,602	89,602	89,602	89,602
Other intangible assets	8,055	8,014	7,683	7,879	7,919
Tax assets	48,420	67,934	43,089	44,178	46,663
Other assets	170,281	256,629	201,573	178,414	192,295
Total assets	18,313,784	17,682,197	17,465,340	18,164,401	18,329,733

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	<i>03.31.2014</i>	<i>12.31.2013</i>	<i>09.30.2013</i>	<i>06.30.2013</i>	<i>03.31.2013</i>
Deposits from banks	1,590,439	1,648,675	1,459,707	1,673,720	1,753,883
Deposits from customers and debt securities in issue	15,796,181	15,054,820	15,067,680	15,573,002	15,607,068
Financial liabilities held for trading	7,902	2,301	4,998	4,853	8,599
Hedging instruments	130,411	178,574	159,649	157,436	94,554
Provisions for risks and charges	109,346	109,354	101,031	99,860	101,936
Tax liabilities	38,770	37,701	52,593	37,475	84,024
Other liabilities	184,969	231,623	206,909	228,392	205,516
Shareholders' equity	455,766	419,149	412,773	389,663	474,153
- capital and reserves	414,934	329,719	329,718	329,718	443,776
- revaluation reserves for available-for-sale financial assets	1,150	641	229	276	(54)
Revaluation reserves actuarial gains (losses) from defined benefit plans	2,756	3,573	3,407	3,407	3,407
- net profit	36,926	85,216	79,419	56,262	27,024
Total liabilities and shareholders' equity	18,313,784	17,682,197	17,465,340	18,164,401	18,329,733

(Amounts in € thousand)

Income statement

Net interest	58.333	48.380	9.953	20,6%
Net fees and commissions	47.718	41.169	6.549	15,9%
Net trading, hedging and fair value income	7.079	8.967	(1.888)	-21,1%
Net other expenses/income	(814)	560	(1.374)	-245,4%
OPERATING INCOME	112.316	99.076	13.240	13,4%
Payroll costs	(15.770)	(15.340)	(430)	2,8%
Other administrative expenses	(51.962)	(48.199)	(3.763)	7,8%
Recovery of expenses	18.807	14.069	4.738	33,7%
Amortization, depreciation and impairment losses on intangible and tangible assets	(1.905)	(1.712)	(193)	11,3%
Operating costs	(50.830)	(51.182)	352	-0,7%
OPERATING PROFIT (LOSS)	61.486	47.894	13.592	28,4%
Net impairment losses on loans and provisions for guarantees and commitments	(465)	(790)	325	-41,1%
NET OPERATING PROFIT (LOSS)	61.021	47.104	13.917	29,5%
Provisions for risks and charges	(3.373)	(2.706)	(667)	24,6%
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	57.648	44.398	13.250	29,8%
Income tax for the period	(20.722)	(17.374)	(3.348)	19,3%
PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	36.926	27.024	9.902	36,6%
NET PROFIT (LOSS) FOR THE PERIOD	36.926	27.024	9.902	36,6%

(Amounts in € thousand)

Income statement - Quarterly data

	2014	2013			
	Q1	Q4	Q3	Q2	Q1
Net interest	58,333	43,119	41,254	47,525	48,380
Net fees and commissions	47,718	45,358	39,573	40,636	41,169
Net trading, hedging and fair value income	7,079	6,416	6,057	6,841	8,967
Net other expenses/income	(814)	(4,025)	(585)	(914)	560
OPERATING INCOME	112,316	90,868	86,299	94,088	99,076
Payroll costs	(15,770)	(16,474)	(15,874)	(15,650)	(15,340)
Other administrative expenses	(51,962)	(41,965)	(40,064)	(44,408)	(48,199)
Recovery of expenses	18,807	14,624	14,319	13,985	14,069
Amortization, depreciation and impairment losses on intangible and tangible assets	(1,905)	(2,654)	(1,936)	(1,779)	(1,712)
Operating costs	(50,830)	(46,469)	(43,555)	(47,852)	(51,182)
OPERATING PROFIT (LOSS)	61,486	44,399	42,744	46,236	47,894
Net impairment losses on loans and provisions for guarantees and commitments	(465)	(1,320)	(600)	(565)	(790)
NET OPERATING PROFIT (LOSS)	61,021	43,079	42,144	45,671	47,104
Provisions for risks and charges	(3,373)	(11,584)	(4,115)	2,346	(2,706)
Net income from investments	-	-	-	(6)	-
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	57,648	31,495	38,029	48,011	44,398
Income tax for the period	(20,722)	(25,698)	(14,872)	(18,773)	(17,374)
PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	36,926	5,797	23,157	29,238	27,024
NET PROFIT (LOSS) FOR THE PERIOD	36,926	5,797	23,157	29,238	27,024

(Amounts in € thousand)

Main balance sheet figures

	03.31.2014	12.31.2013	Changes Amount	%
Loans and receivables with customers (1)	387,217	421,784	(34,567)	-8.2%
Total assets	18,313,784	17,682,197	631,587	3.6%
Customer direct deposits (2)	13,250,945	12,518,293	732,652	5.9%
Customer indirect deposits (3)	32,355,718	31,088,364	1,267,354	4.1%
Total customer (direct and indirect) deposits	45,606,663	43,606,657	2,000,006	4.6%
Shareholders' equity	455,766	419,149	36,617	8.7%

(Amounts in € thousand)

- (1) Ordinary loans and receivables with customers refer solely to loans granted to customers;
(2) Customer direct deposits include overdrawn current accounts, Supersave repos and the Cash Park deposit account;
(3) Indirect deposits from customers consist of products placed online or through the sales networks of FinecoBank.

KEY FIGURES**Operating Structure**

	03.31.2014	12.31.2013	03.31.2013
No. of Employees	967	965	936
No. of Human Resources	976	976	951
No. of Financial Advisers	2,479	2,438	2,356
No. of Operating financial outlets	315	311	298

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

Number of operating financial stores: financial stores managed by the Bank and financial stores managed by financial advisers (Fineco Center).

Profitability, productivity and efficiency ratios

	03.31.2014	12.31.2013	03.31.2013
Net interest/Operating income	51.94%	48.68%	48.83%
Income from brokerage and other income/Operating income	48.06%	51.32%	51.17%
Income from brokerage and other income/Operating costs	106.20%	100.53%	99.05%
Cost/income ratio	45.26%	51.05%	51.66%
Operating costs/TFA	0.47%	0.45%	0.51%
Cost of risk	46 bp	83 bp	89 bp
ROE	36.92%	23.58%	32.71%
EVA	32,708	68,142	22,670
RARORAC	75.10%	39.38%	51.39%
ROAC	84.80%	49.25%	61.26%
Total customer deposits/Average resources	46,728	45,306	43,180
Total customer deposits/(Average resources + PFA)	13,279	13,056	12,482

(Amounts in € thousand)

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

Operating costs/TFA: ratio of operating costs to Total Financial Assets (direct and indirect deposits) Operating costs as at March 31, 2014 and March 31, 2013 have been annualized. The TFA used for the ratio is the average for the period calculated as the average between the period-end balance and the balance as at the previous December 31.

Cost of risk: ratio between net impairment losses on loans and the average loans and receivables with ordinary customers. net impairment losses on loans as at March 31, 2014 and March 31, 2013 have been annualized. Average ordinary customer loans were calculated as the average between the period-end balance and the balance as at the previous December 31.

ROE: the shareholders' equity used for the ratio is the average figure for the period excluding dividends to be distributed and revaluation reserves. The net profit for the period has been annualized.

EVA (Economic Value Added): expresses the ability to create value in monetary terms, as the difference between net operating profit and the figurative cost of the allocated capital.

RARORAC (Risk Adjusted Return on Risk Adjusted Capital): is the ratio of EVA to Allocated Capital and expresses the ability to create value by risk unit as a percentage.

ROAC (Return on Allocated Capital): is the ratio of Net Operating Profit and Allocated Capital and expresses the value generated by the Allocated Capital as a percentage. Allocated Capital: is the higher of internal capital (share of capital needed to cover risks, periodically provided by the Parent Company) and regulatory capital. The regulatory capital used to calculate the indicators EVA,

RARORAC and ROAC is calculated on a consolidated basis. To calculate the indicators as at March 31, 2014, the figure for internal capital is that at December 31, 2013, and is the latest available figure provided by the Parent Company.

Balance Sheet indicators

	03.31.2014	12.31.2013
Loans and receivables with ordinary customers/Total assets	2.11%	2.39%
Loans and receivables with banks/Total assets	93.29%	92.36%
Financial assets/Total assets	0.56%	0.55%
Direct deposits/Total liabilities and shareholders' equity	72.36%	70.80%
Debt securities in issue/Total liabilities and shareholders' equity	12.68%	13.13%
Shareholders' equity (including profit)/Total liabilities and shareholders' equity	2.49%	2.37%
Loans and receivables with ordinary customers/Customer direct deposits	2.92%	3.37%

<i>Credit quality</i>	03.31.2014	12.31.2013
Impaired loans/Loans and receivables with ordinary customers	1.25%	1.12%
Non-performing loans/Loans and receivables with ordinary customers	0.87%	0.78%
Coverage - Non-performing loans	81.82%	81.45%
Coverage - Doubtful loans	67.42%	67.43%
Coverage - Past-due impaired loans	45.53%	45.92%
Coverage - Total impaired loans	78.04%	77.66%

Solvency indicators

	03.31.2014	12.31.2013*
Common Equity Tier 1 ratio (CET1 ratio)	16%	12%
Total capital ratio	16%	12%

* The CET1 ratio and the Total capital ratio are calculated based on the Basel II RWAs. The Common Equity Tier 1 and the Total capital used for the calculations have been remeasured using the rules in force at 1 January 2014.

The CET1 ratio and the Total capital ratio as at March 31, 2014 were calculated by applying the current Basel III regulatory provisions.

Conversely, as at December 31, 2013, Common Equity Tier 1 and Total Capital used in the calculation were restated by applying the rules in force as at January 1, 2014, while RWA were calculated by applying the Basel II regulatory provisions, supplementing the Basel I floor total capital requirements, equal to the positive difference between 80% of the capital requirements calculated on the basis of the regulations in force as at December 31, 2006 and the sum of capital requirements for credit, counterparty, market and operational risks, calculated using the provisions of Basel II.

BUSINESS PERFORMANCE AND MAIN INITIATIVES IN THE PERIOD

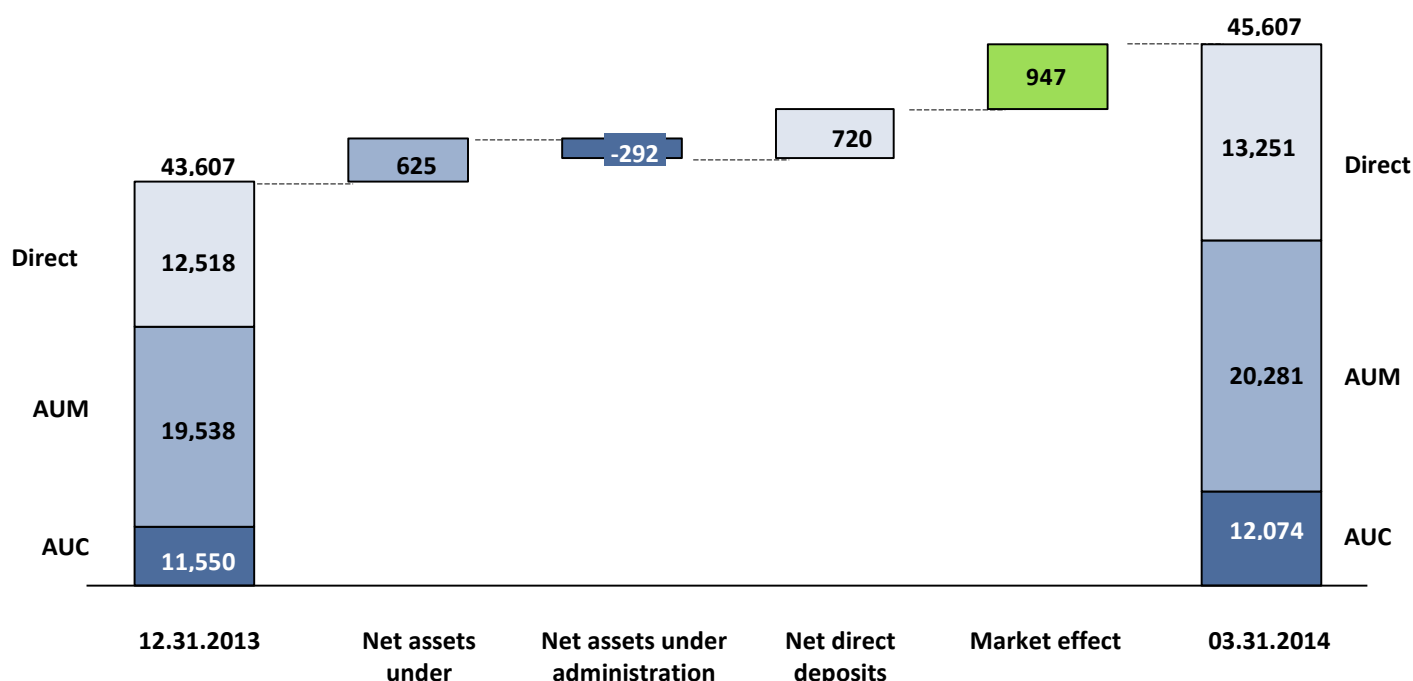
FinecoBank is a direct bank operating in Italy providing banking and financial services and investment services, focused almost exclusively on the retail customer segment, which employs an integrated multi-channel service consisting of the financial advisers network, the online channel and the mobile channel.

In addition to consolidating its leadership position at domestic and European level in the trading segment, FinecoBank is the UniCredit group's Asset Gathering bank, with almost 2,500 personal financial advisers dedicated to customers who prefer to deal with professionals, focused on providing advice and asset management.

FinecoBank offers a full range of banking services (current account, payment services and issue of debit and credit cards) and investment services, including services of placement and trading of financial products. In particular, with regard to investment services, the Bank offers its customers, on one hand, an investment platform with approximately 5,000 mutual investment funds and SICAV sub-funds managed by 64 international and Italian investment houses and, the other hand, direct access to major global equity markets and the opportunity to invest in CFDs (on Forex, indices and shares), futures, options, bonds, ETFs and investment certificates.

Performance of balance sheet aggregates

Total (direct and indirect) customer deposits reached €45,607 million, as at March 31, 2014, with an increase of 4.6% compared to the end of 2013, thanks to net deposits of approximately €1 billion and a positive effect related to market performance of approximately €950 million. Indirect customer deposits (Assets under Management-AUM plus Assets under Custody-AUC) were equal to €32,355 million, compared to €31,088 million as at December 31, 2013, going up by 4.1%, confirming a constant growth trend, as well as an ongoing improvement in the quality of deposits.



AUC = Assets under custody

AUM = Assets under management

TFA = Total Financial Assets (direct and indirect deposits)

The table below shows the figures for the balance of direct deposits, assets under management and assets under administration of Fineco customers, including both those linked to a financial adviser and on-line customers.

Assets under administration and under management

	03.31.2014	%	12.31.2013	%	Change	% Change
Current accounts, repos and deposit account	13,250,945	29.1%	12,518,293	28.7%	732,652	5.9%
BALANCE DIRECT DEPOSITS	13,250,945	29.1%	12,518,293	28.7%	732,652	5.9%
Segregated accounts	14,546	0.0%	41,901	0.1%	(27,355)	-65.3%
UCITS and other investment funds	18,413,089	40.4%	17,691,343	40.6%	721,746	4.1%
Insurance products	1,853,622	4.1%	1,805,235	4.1%	48,387	2.7%
BALANCE ASSETS UNDER MANAGEMENT	20,281,257	44.5%	19,538,479	44.8%	742,778	3.8%
Government securities, bonds and stocks	12,074,461	26.5%	11,549,885	26.5%	524,576	4.5%
BALANCE ASSETS UNDER ADMINISTRATION	12,074,461	26.5%	11,549,885	26.5%	524,576	4.5%
BALANCE DIRECT AND INDIRECT DEPOSITS	45,606,663	100.0%	43,606,657	100.0%	2,000,006	4.6%

(Amounts in € thousand)

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

Assets under administration and under management - Personal Financial Advisers Network

	03.31.2014	%	12.31.2013	%	Change	% Change
Current accounts, repos and deposit account	9,294,177	24.5%	8,709,498	24.1%	584,679	6.7%
BALANCE DIRECT DEPOSITS	9,294,177	24.5%	8,709,498	24.1%	584,679	6.7%
Segregated accounts	14,546	0.0%	41,901	0.1%	(27,355)	-65.3%
UCITS and other investment funds	18,054,102	47.7%	17,344,996	47.9%	709,106	4.1%
Insurance products	1,756,552	4.6%	1,703,434	4.7%	53,118	3.1%
BALANCE ASSETS UNDER MANAGEMENT	19,825,200	52.3%	19,090,331	52.7%	734,869	3.8%
Government securities, bonds and stocks	8,765,862	23.1%	8,392,123	23.2%	373,739	4.5%
BALANCE ASSETS UNDER ADMINISTRATION	8,765,862	23.1%	8,392,123	23.2%	373,739	4.5%
BALANCE DIRECT AND INDIRECT DEPOSITS	37,885,239	100.0%	36,191,952	100.0%	1,693,287	4.7%

(Amounts in € thousand)

The table below shows the trend in the number of orders made by customers in financial instruments recorded in the first quarter of 2014 and the first quarter of 2013.

	03.31.2014	03.31.2013	Change	% Change
Orders - Equity Italy (including internalised orders)	2,072,967	1,848,262	224,705	12.2%
Orders - Equity USA	354,717	180,596	174,121	96.4%
Orders - Equity other markets	121,783	76,858	44,925	58.5%
Total equity orders	2,549,467	2,105,716	443,751	21.1%
Orders - Bonds	199,579	216,416	(16,837)	-7.8%
Orders - Derivatives	760,942	733,960	26,982	3.7%
Orders - Forex	315,246	406,150	(90,904)	-22.4%
Orders - CFDs	278,213	148,867	129,346	86.9%
Orders - Funds	525,153	462,114	63,039	13.6%
Orders - Repos	9,286	10,376	(16,837)	-162.3%
TOTAL ORDERS	4,637,886	4,083,599	538,540	13.2%

Performance of income statement aggregates

Profit before tax amounted to €36.9 million (+36.6%).

Profit before tax increased sharply compared to the same period of the previous year, due to the improvement in the net interest margin (up €10 million) attributable to both the increase in volumes and the revision of the liquidity investment policies. Net commissions increased by 16%, thanks to the contribution of commissions on asset management products and the improvement in trading commissions as a result of the growth in the number of orders executed.

This continues the success of a strategy that for years has targeted diversification and the introduction of new products and services. Thanks to this positioning, customers have maintained and strengthened their relations with FinecoBank, because they have found all the products and services they need to diversify their operations and their investment and trading strategies, with the support of the related platform or through financial advisers.

Though there was a significant increase in commercial activities, other administrative expenses, net of indirect taxes and duties and "advertising expense – marketing and communication expenses", only increased by €2 million, reflecting the ongoing improvements in the efficiency of the operating structure and functions supporting the business.

Communications and external relations

The positioning of "La Banca che semplifica la banca" (The Bank that Simplifies Banking), launched in 2013, was also confirmed in the first quarter of 2014, and will be supported during the year with important communications flights.

The first flight was launched from January to February, featuring the slogan "Semplice come immaginare" (As simple as imagining), with the aim of solidifying the memories of the advertising implemented in 2013 and consolidating Fineco's brand awareness.

Two short product advertisements were also launched, for the Core Series and Amministrato, to further solidify its offering for investment target customers.

The communications strategy covered all the media, in particular television, with 70% of planning focused on information content. In addition to: radio, cinema, the economic and financial press, the web and social media.

An annual economic/financial press monitoring plan was also implemented, targeting all major publications, with the slogan Advice.

Running concurrently with this first communications flight, the Fineco&Friends Member Get Member campaign was also launched, which boosted the number of new accounts opened. The decision to schedule the communications

flight at the same time as the Member Get Member campaign resulted in an increase of 39% in accounts opened compared to the same period of the previous year.

Fineco is still the Italian bank with the most followers on Twitter – over 6,700 followers – while its fan page on Facebook recently surpassed the threshold of 20,000 fans, with very high levels of interaction and engagement.

MAIN BALANCE SHEET AGGREGATES

ASSETS	03.31.2014	12.31.2013	Amount	%
Cash and cash balances	7	5	2	40.0%
Financial assets held for trading	8,405	4,700	3,705	78.8%
Loans and receivables with banks	17,084,534	16,330,912	753,622	4.6%
Loans and receivables with customers	669,141	641,250	27,891	4.3%
Financial investments	93,934	93,114	820	0.9%
Hedging instruments	130,687	179,265	(48,578)	-27.1%
Property, plant and equipment	10,718	10,772	(54)	-0.5%
Goodwill	89,602	89,602	-	-
Other intangible assets	8,055	8,014	41	0.5%
Tax assets	48,420	67,934	(19,514)	-28.7%
Other assets	170,281	256,629	(86,348)	-33.6%
Total assets	18,313,784	17,682,197	631,587	3.6%

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	03.31.2014	12.31.2013	Changes	
			Amount	%
Deposits from banks	1,590,439	1,648,675	(58,236)	-3.5%
Deposits from customers and debt securities in issue	15,796,181	15,054,820	741,361	4.9%
Financial liabilities held for trading	7,902	2,301	5,601	243.4%
Hedging instruments	130,411	178,574	(48,163)	-27.0%
Provisions for risks and charges	109,346	109,354	(8)	0.0%
Tax liabilities	38,770	37,701	1,069	2.8%
Other liabilities	184,969	231,623	(46,654)	-20.1%
Shareholders' equity	455,766	419,149	36,617	8.7%
- capital and reserves	414,934	329,719	85,215	25.8%
- revaluation reserves for available-for-sale financial assets	1,150	641	509	79.4%
Revaluation reserves actuarial gains (losses) from defined benefit plans	2,756	3,573	(817)	-22.9%
- net profit	36,926	85,216	(48,290)	-56.7%
Total liabilities and shareholders' equity	18,313,784	17,682,197	631,587	3.6%

(Amounts in € thousand)

Financial assets held for trading

Financial assets held for trading consist of:

- bonds and equities classified as HFT (held for trading), amounting to €65 thousand, held in the Bank's portfolio as a result of trading activity, and intended to be traded in the short term;
- the positive valuation of spot contracts for securities in the HFT portfolio and currencies to be settled in time frames established by market practices ("regular way") for €7.3 million, which correspond to negative valuations booked under item 40 "Financial liabilities held for trading";
- the positive valuation of CFDs on indices and Forex for €1 million.

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

Loans and receivables with banks

	03.31.2014	12.31.2013	Changes	
			Amount	%
Current accounts and demand deposits	10,343,487	9,433,356	910,131	9.6%
Time deposits	3,595,157	3,563,334	31,823	0.9%
Other loans:				
1 Reverse repos	67,542	5,584	61,958	1109.6%
2 Other	5,807	6,022	(215)	-3.6%
Debt securities	3,072,541	3,322,616	(250,075)	-7.5%
Total	17,084,534	16,330,912	753,622	4.6%

(Amounts in € thousand)

Loans and receivables with banks for current accounts and demand deposits mainly consist of accounts held with UniCredit S.p.A., with a book value of €10,334 million and to a lesser extent, by current accounts held with non-Group Banks for transactions in securities.

Time deposits recognized under assets consist of the deposit held with UniCredit S.p.A. for compulsory reserves, with a book value of €127 million, in addition to time deposits held with UniCredit S.p.A. of €3,468 million, opened to employ the funds collected through repurchase agreements and CashPark transactions with retail customers and repurchase agreements with credit institutions in the same time-frame.

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

The debt securities held in the portfolio are mainly represented by debt securities issued by the Parent Company, and amount to €3,073 million. They were subscribed in order to invest liquid funds and to be used for repurchase agreements with retail customers.

Loans and receivables with customers

	03.31.2014	12.31.2013	Changes	
			Amount	%
Current accounts	105,028	101,195	3,833	3.8%
Reverse repos	145,748	120,860	24,888	20.6%
Mortgages	72	76	(4)	-5.3%
Credit cards and personal loans	280,719	319,087	(38,368)	-12.0%
Other loans	137,573	100,031	37,542	37.5%
Debt securities	1	1	-	0.0%
Total	669,141	641,250	27,891	4.3%

(Amounts in € thousand)

Loans and receivables with customers, amounting to €669 million, can essentially be broken down as follows:

- €387 million in loans to ordinary customers;
- €146 million in reverse repos;
- €70 million in collateral deposits, initial and variance margins with clearing houses for derivative transactions;
- €66 million relating to current receivables associated with the provision of financial services.

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

Other loans mainly consist of collateral deposits, initial and variance margins with clearing houses for derivative transactions, mostly on behalf of third parties, as well as current receivables associated with the provision of financial services.

Loans and receivables with customers (Management reclassification)	03.31.2014	12.31.2013	Changes	
			Amount	%
Current accounts	102,236	98,455	3,781	3.8%
Use of credit cards	181,076	219,010	(37,934)	-17.3%
Personal loans	97,758	98,241	(483)	-0.5%
Other loans	1,374	1,402	(28)	-2.0%
Performing loans	382,444	417,108	(34,664)	-8.3%
Current accounts	2,792	2,740	52	1.9%
Mortgages	72	76	(4)	-5.3%
Use of credit cards	147	130	17	13.1%
Personal loans	1,738	1,706	32	1.9%
Other loans	24	24	-	0.0%
Impaired loans	4,773	4,676	97	2.1%
Total loans and receivables with ordinary customers	387,217	421,784	(34,567)	-8.2%
Reverse repos	145,698	120,804	24,894	20.6%
Reverse repos - impaired	50	56	(6)	-10.7%
Collateral deposits and initial and variation margins	70,263	32,007	38,256	119.5%
Current receivables associated with the provision of financial services	65,912	66,598	(686)	-1.0%
Debt securities	1	1	-	0.0%
Total current loans and other loans	281,924	219,466	62,458	28.5%

The ordinary customer loan portfolio mainly consists of receivables for personal loans, current accounts and credit card use; overall, loans to ordinary customers decreased by 8.2%, due to less use of credit cards with full payment of the balance at term.

Impaired assets

The amount of impaired loans net of impairment losses was €4.8 million, €3.4 million of which in non-performing loans, €0.6 million in doubtful loans and €0.8 million in past-due loans. Impaired loans mostly relate to current account overdrafts, credit card use and personal loans.

Impaired customer loans represent 1.25% of loans and receivables with ordinary customers, up against the figure of 1.12% as at December 31, 2013 as a result of the reduction in loans for use of credit cards with full payment of the balance at term.

Categoria	Gross amount		Impairment provision		Net amount	
	03.31.2014	12.31.2013	03.31.2014	12.31.2013	03.31.2014	12.31.2013
Non-performing loans	18.526	17.664	(15.158)	(14.387)	3.368	3.277
Doubtful loans	1.899	2.065	(1.280)	(1.392)	619	673
Past-due loans	1.534	1.444	(698)	(663)	836	781
Total	21.959	21.173	(17.136)	(16.442)	4.823	4.731

(Amounts in € thousand)

Financial investments

	03.31.2014	12.31.2013	Changes	
			Amount	%
Financial assets measured at fair value	2,368	3,199	(831)	-26.0%
Available-for-sale financial assets	91,566	89,915	1,651	1.8%
Total	93,934	93,114	820	0.9%

(Amounts in € thousand)

Financial assets measured at fair value consist solely of debt securities issued by banks with a book value of €2.4 million, of which €1.2 million of bonds issued by UniCredit S.p.A.

Available-for-sale financial assets comprise debt securities issued by the Italian Central Government, with a book value of €81.4 million, debt securities issued by the French Central Government, with a book value of €10.2 million and investments in companies in which the Bank does not exercise control or significant influence, amounting to €5 thousand, including the 20 shares of UniCredit Business Integrated Solutions S.c.p.A. totaling €172.22.

The debt securities classified in the *Available-for-sale financial assets* portfolio are entirely used as collateral for bankers' drafts or guarantees with third parties.

Hedging instruments

	03.31.2014	12.31.2013	Changes	
			Amount	%
Asset hedging derivatives - positive valuations	41.643	47.784	(6.141)	-12,9%
Liability hedging derivatives - positive valuations	52.794	75.359	(22.565)	-29,9%
Adjustment to the value of assets under macro-hedge	36.250	56.122	(19.872)	-35,4%
Total assets	130.687	179.265	(48.578)	-27,1%
of which:				
Positive valuations	96.516	125.197	(28.681)	-22,9%
Related accrued assets and liabilities	(2.079)	(2.054)	(25)	1,2%
Adjustments to the value of hedged assets	36.250	56.122	(19.872)	-35,4%
Total assets	130.687	179.265	(48.578)	-27,1%
Asset hedging derivatives - negative valuations	68.432	93.987	(25.555)	-27,2%
Liability hedging derivatives - negative valuations	41.808	47.814	(6.006)	-12,6%
Adjustment to the value of liabilities under macro-hedge	20.171	36.773	(16.602)	-45,1%
Total liabilities	130.411	178.574	(48.163)	-27,0%
of which:				
Negative valuations	112.595	144.546	(31.951)	-22,1%
Related accrued assets and liabilities	(2.355)	(2.745)	390	-14,2%
Adjustments to the value of hedged liabilities	20.171	36.773	(16.602)	-45,1%
Total liabilities	130.411	178.574	(48.163)	-27,0%

(Amounts in € thousand)

Summary of hedging derivative valuations 03.31.2014	Assets	Liabilities	Difference
Valuation of asset and liability hedging derivatives	96,516	112,595	(16,079)
Change in fair value of hedged assets/liabilities	36,250	20,171	16,079
Total	132,766	132,766	-

(Amounts in € thousand)

Hedged assets consist of receivables for personal loans due from retail customers and bonds issued by UniCredit S.p.A. belonging to the *Loans and Receivables* category.

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

Accruals relating to asset and liability hedging derivatives amount respectively to €2.1 million and €2.4 million, and are included in the net interest margin.

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

Property, plant and equipment

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

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

Property, plant and equipment	Balance 01.01.2014	Investments as at 03.31.2014	Other Changes- Sales	Depreciation and write-downs as at 03.31.2014	Balance 03.31.2014
Properties	2,734	-	-	(29)	2,705
Electronic machines	5,846	510	-	(518)	5,838
Furniture and fixtures	834	155	-	(81)	908
Plant and machinery	1,358	30	-	(121)	1,267
TOTAL	10,772	695	-	(749)	10,718

(Amounts in € thousand)

Goodwill

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

As at March 31, 2014, the goodwill recorded in the financial statements was made up as follows:

	03.31.2014	12.31.2013
Goodwill relating to Fineco On Line Sim S.p.A.	16,087	16,087
Goodwill relating to the trading and banking division of Banca della Rete	2,034	2,034
Goodwill relating to PFA division formerly FinecoGroup S.p.A.	3,463	3,463
Goodwill relating to PFA division formerly UniCredit Xelion Banca S.p.A.	68,018	68,018
Total	89,602	89,602

(Amounts in € thousand)

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

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

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

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

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

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

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

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

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

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

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

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

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

It should be noted that all the goodwill (totaling €90 million) relates to acquisitions of divisions or companies carrying out trading activities or the distribution of financial, banking and insurance products through personal financial advisers.

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

In fact, in view of the specific business model adopted by FinecoBank, which envisages a high level of integration between personal financial advisers and the trading and banking platform, the allocation of costs/revenues to the business units is not considered relevant or meaningful; the personal financial advisers network is an integral part of the overall offer, along with banking, brokerage and investing services.

Other intangible assets

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

Intangible assets	Balance 01.01.2014	Investments as at 03.31.2014	Other changes- sales	Amortization and write-downs as at 03.31.2014	Balance 03.31.2014
Software	6,853	1,132	-	(1,071)	6,914
Other intangible assets	1,161	65	-	(85)	1,141
TOTAL	8,014	1,197	-	(1,156)	8,055

(Amounts in € thousand)

Tax Assets and Other Assets

	03.31.2014	12.31.2013	Changes	
			Amount	%
Tax assets				
Current assets	6,413	25,264	(18,851)	-74.6%
Deferred tax assets	38,889	39,197	(308)	-0.8%
Deferred tax assets pursuant to Law 214/2011	3,118	3,473	(355)	-10.2%
Total	48,420	67,934	(19,514)	-28.7%
Other assets				
Items in processing	11,582	9,488	2,094	22.1%
Definitive items not recognised under other items	55,845	62,491	(6,646)	-10.6%
Current receivables not related to the provision of financial services	1,453	1,707	(254)	-14.9%
Tax items other than those included in the item "Tax assets"	76,954	160,908	(83,954)	-52.2%
Prepayments	13,992	10,940	3,052	27.9%
Improvement and incremental expenses incurred on leasehold assets	10,315	10,962	(647)	-5.9%
Other items	140	133	7	5.3%
Total	170,281	256,629	(86,348)	-33.6%

(Amounts in € thousand)

The decrease in "Current tax assets" of €19.5 million is due to the use of the IRES and IRAP advances for taxes for the period.

With regard to the "Other assets", there was a decrease in "Items deemed definitive but not-attributable to other items", relating to lower tax credits for stamp duty to be collected from customers, and the "Tax items other than those recognized under the item Tax assets", as a result of the recognition of tax advances paid, as a withholding agent, for the stamp tax and withholding tax on other income.

Deposits from banks

	03.31.2014	12.31.2013	Changes	
			Amount	%
Deposits from central banks	-	-	-	-
Deposits from banks				
Current accounts and demand deposits	23,719	29,139	(5,420)	-18.6%
Loans				
Repos	1,565,079	1,619,295	(54,216)	-3.3%
Other liabilities	1,641	241	1,400	580.9%
Total	1,590,439	1,648,675	(58,236)	-3.5%

(Amounts in € thousand)

The item current accounts and demand deposits mainly consists of reciprocal current accounts and loans with UniCredit group companies, with a book value of €20.4 million, as well as reciprocal current accounts and loans with banks outside the Group of €3.3 million.

Repos include €1,495 million of transactions performed with UniCredit S.p.A. and €9.3 million of transactions with UniCredit AG Monaco.

Deposits from customers and debt securities in issue

The balance of deposits from customers, mainly raised through current accounts, the Cash Park deposit account and Supersave repos, totaled €13,474 million, an increase of 5.8% compared to December 31, 2013.

	03.31.2014	12.31.2013	<i>Changes</i>	
			<i>amount</i>	<i>%</i>
Current accounts and demand deposits	11,302,835	10,666,363	636,472	6.0%
Time deposits	1,768,738	1,699,635	69,103	4.1%
Loans				
Repos	337,697	304,380	33,317	10.9%
Other liabilities	64,384	61,931	2,453	4.0%
Deposits from customers	13,473,654	12,732,309	741,345	5.8%
Debt securities in issue	2,322,527	2,322,511	16	0.0%
Deposits from customers and debt securities in issue	15,796,181	15,054,820	741,361	4.9%

(Amounts in € thousand)

Financial liabilities held for trading

Financial liabilities held for trading consist of:

- technical overdrafts classified under as *HFT (held for trading)*, held in the Bank's portfolio as a result of trading activity, for an immaterial amount;
- the negative valuation of spot contracts for securities in the HFT portfolio and currencies to be settled in time frames established by market practices ("regular way") for €7.2 million, which correspond to positive valuations booked under item 20 "Financial assets held for trading";
- the negative valuation of CFDs on indices and Forex for €0.7 million.

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

Provisions for risks and charges

Provisions for risks and charges include allowances for a total of €109 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 fulfillment 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.

	03.31.2014	12.31.2013	<i>Changes</i>	
			<i>Amount</i>	<i>%</i>
Legal disputes	53.714	55.578	(1.864)	-3,4%
- Pending proceedings	39.180	40.573	(1.393)	-3,4%
- Claims	14.534	15.005	(471)	-3,1%
Staff expenses	882	-	882	-
Other	54.750	53.776	974	1,8%
- Supplementary customer indemnity provision	33.827	32.178	1.649	5,1%
- Contractual payments and payments under non-competition agreements	1.967	1.916	51	2,7%
- Tax disputes	7.439	7.439	-	0,0%
- Other provisions	11.517	12.243	(726)	-5,9%
Total provisions for risks and charges - other provisions	109.346	109.354	(8)	0,0%

(Amounts in € thousand)

Tax liabilities and Other liabilities

	03.31.2014	12.31.2013	<i>Changes</i>	
			<i>Amount</i>	<i>%</i>
Tax liabilities				
Current liabilities	17,342	16,842	500	3.0%
Deferred tax liabilities	21,428	20,859	569	2.7%
Total	38,770	37,701	1,069	2.8%
Other liabilities				
Items in processing	53,530	47,398	6,132	12.9%
Definitive items not recognised under other items	39,125	34,396	4,729	13.7%
Payables to employees and other personnel	16,184	15,229	955	6.3%
Payables to Directors and Statutory auditors	141	244	(103)	-42.2%
Current payables not related to the provision of financial services	25,135	27,400	(2,265)	-8.3%
Tax items other than those included in the item "Tax liabilities "	31,742	83,854	(52,112)	-62.1%
Social security contributions to be paid	6,537	4,853	1,684	34.7%
Adjustments for illiquid portfolio items	7,983	13,847	(5,864)	-42.3%
Other items	656	641	15	2.3%
Employee severance pay provision	3,936	3,761	175	4.7%
Total	184,969	231,623	(46,654)	-20.1%

(Amounts in € thousand)

With regard to the "Other liabilities", there was an increase in "Items in processing" relating to outgoing bank transfers, an increase in "Items deemed definitive but not-attributable to other items", relating to the settlement of credit card

transactions and a reduction in "Tax items other than those recognized under the item Tax liabilities", as a result of the recognition of the tax payable to the tax authorities for stamp tax and for withholding tax on current account interest, acting as a withholding agent.

Shareholders' equity

As at March 31, 2014, the Bank's share capital came to €200 million, and was divided into 606,274,033 shares with a par value of €0.33 each. Reserves are represented by the legal reserve, amounting to €28.8 million, and the extraordinary reserve, amounting to €98.7 million and unavailable retained earnings, for an amount of €0.2 million.

The Bank does not hold any treasury shares in the portfolio.

Shareholders' equity as at March 31, 2014 included the 2013 profit before tax of €85.2 million, which the Shareholders' Meeting of April 15, 2014 decided to allocate as follows:

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

Shareholders' equity

Item/Amount	03.31.2014	12.31.2013	Changes	
			Amount	%
Share capital	200,070	200,070	-	-
Share premium reserve	1,934	1,934	-	-
Reserves				-
- Legal reserve	28,800	28,800	-	-
- Extraordinary reserve	98,744	98,744	-	-
- Other reserves	170	171	(1)	-0.6%
Revaluation reserves	3,906	4,214	(308)	-7.3%
Retained Profit (Loss)	85,216	-	85,216	-
Net Profit (Loss) for the year	36,926	85,216	(48,290)	-56.7%
Total	455,766	419,149	(48,599)	-11.6%

(Amounts in € thousand)

CAPITAL RESOURCES AND PRUDENTIAL REQUIREMENTS¹

	03.31.2014	12.31.2013 *
Common Equity Tier 1 - CET1	316,295	316,008
Additional Tier 1 – AT1	-	-
TIER 2 – T2	-	-
Total Own Funds	316,295	316,008
Common Equity Tier 1 ratio (CET1 ratio)	16%	12%
Total capital ratio	16%	12%

(Amounts in € thousand)

* The CET1 ratio and the Total capital ratio are calculated on the bases of the Basel II RWAs. The Common Equity Tier 1 and Total Capital used for the calculation have been remeasured using the rules in force at 1 January 2014.

Total capital as at March 31, 2014 amounted to €316 million, substantially unchanged compared to December 31, 2013.

The CET1 ratio and the Total capital ratio as at March 31, 2014 were calculated by applying the current Basel III regulatory provisions.

Conversely, as at December 31, 2013, Common Equity Tier 1 and Total Capital used in the calculation were restated by applying the rules in force as at January 1, 2014, while RWA were calculated by applying the Basel II regulatory provisions, supplementing the Basel I floor total capital requirements, equal to the positive difference between 80% of the capital requirements calculated on the basis of the regulations in force as at December 31, 2006 and the sum of capital requirements for credit, counterparty, market and operational risks, calculated using the provisions of Basel II.

¹It should be noted that the first report based on Basel 3 (CRD IV – CRR) is to be sent to the Supervisory Authority by June 30, 2014. Consequently the amounts and capital ratios contained in this document may change.

INCOME STATEMENT FIGURES**Condensed Income Statement**

	03.31.2014	03.31.2013	<u>Changes</u>	
			Amount	%
Net interest	58,333	48,380	9,953	20.6%
Net fees and commissions	47,718	41,169	6,549	15.9%
Net trading, hedging and fair value income	7,079	8,967	(1,888)	-21.1%
Net other expenses/income	(814)	560	(1,374)	-245.4%
OPERATING INCOME	112,316	99,076	13,240	13.4%
Payroll costs	(15,770)	(15,340)	(430)	2.8%
Other administrative expenses	(51,962)	(48,199)	(3,763)	7.8%
Recovery of expenses	18,807	14,069	4,738	33.7%
Amortisation, depreciation and impairment losses on intangible and tangible assets	(1,905)	(1,712)	(193)	11.3%
Operating costs	(50,830)	(51,182)	352	-0.7%
OPERATING PROFIT (LOSS)	61,486	47,894	13,592	28.4%
Net impairment losses on loans and provisions for guarantees and commitments	(465)	(790)	325	-41.1%
NET OPERATING PROFIT (LOSS)	61,021	47,104	13,917	29.5%
Provisions for risks and charges	(3,373)	(2,706)	(667)	24.6%
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	57,648	44,398	13,250	29.8%
Income tax for the period	(20,722)	(17,374)	(3,348)	19.3%
PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	36,926	27,024	9,902	36.6%
NET PROFIT (LOSS) FOR THE PERIOD	36,926	27,024	9,902	36.6%

(Amounts in € thousand)

Net interest margin

The net interest margin as at March 31, 2014 came to €58.3 million, an increase of 20.6% on the same period of 2013. It is important to note that, from January 1, 2014, the liquidity investment policies of the UniCredit group applied by the Bank were revised, also in order to consider the actual duration of the deposits of each Company. Specifically, the parameters and algorithms used to define the portion of direct deposits on demand that may be considered "Core", which feature greater duration/stability, and the "Non Core" portion were updated. Liquidity classified as "Core" with duration exceeding one year was considered entirely be a source of medium/long-term structural financing. The rate of return on core deposits is increased by a spread calculated as the average of the spreads paid by UniCredit on the market on the total amount of medium/long-term senior bonds issued, irrespective of their maturity. In the past the spread was calculated as the weighted average of the spreads paid by UniCredit on the market on time deposits, equal to the average estimated life associated with the various components of "Core" liquidity.

The table below details the conditions as at December 31, 2013 and as at March 31, 2014 for the investment of liquidity deriving from current account deposits, showing an increase in average returns.

Type of investment	03.31.2014		12.31.2013	
	Amount	Yield	Amount	Yield
Reciprocal Account Euro	2,450,038	0.24% (Euribor 1m)	1,401,228	0.22% (Euribor 1m)
Reciprocal Account USD	255,403	0.15% (USD Libor 1m)	162,294	0.17% (USD Libor 1m)
Total volume "Non Core":	2,705,441	Weighted average:0.23%	1,563,522	Weighted average:0.21%
Accessory Account Euro	7,625,669	2.75% (Euribor 1m + 251 bp)	7,791,310	1.86% (Euribor 1m + 165 bp)
Accessory Account USD	208,076	2.63% (USD Libor 1m +247 bp)	255,901	1.84% (USD Libor 1m + 167 bp)
Bond IT0004322639	-		250,000	1.09% (Euribor 3m + 80 bp*)
Bond IT0004307861	750,000	0.83% (Euribor 3m + 51 bp)*	750,000	0.80% (Euribor 3m + 51 bp*)
Total volume "Core":	8,583,745	Weighted average:2.57%	9,047,211	Weighted average:1.75%
Total	11,289,186	Weighted average 2.02%	10,610,733	Weighted average 1.53%

(Amounts in € thousand)

* Spread calculated taking into account the financial effects of the related hedging derivatives.

Interest income	03.31.2014	03.31.2013	Changes	
			Amount	%
Financial assets held for trading	1	3	(2)	-66.7%
Available-for-sale financial assets	426	432	(6)	-1.4%
Loans and receivables with banks	67,241	67,281	(40)	-0.1%
Loans and receivables with customers	7,031	6,543	488	7.5%
Financial assets at fair value through profit or loss	3	48	(45)	-93.8%
Hedging derivatives	138	1,990	(1,852)	-93.1%
Other assets	-	2	(2)	-100.0%
Total interest income	74,840	76,299	(1,459)	-1.9%

(Amounts in € thousand)

Interest expense	03.31.2014	03.31.2013	Changes	
			Amount	%
Deposits from banks	(1,671)	(3,361)	1,690	-50.3%
Deposits from customers	(14,836)	(24,557)	9,721	-39.6%
Other liabilities	-	(1)	1	-100.0%
Total interest expense	(16,507)	(27,919)	11,412	-40.9%
Net interest	58,333	48,380	9,953	20.6%

(Amounts in € thousand)

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

Breakdown of interest income	03.31.2014	03.31.2013	Changes	
			Amount	%
Interest income on loans and receivables with banks	67,241	67,281	(40)	-0.1%
- current accounts	53,647	34,183	19,464	56.9%
- reverse repos	158	226	(68)	-30.1%
- time deposits for compulsory reserve	77	217	(140)	-64.5%
- time deposits	11,822	32,651	(20,829)	-63.8%
- other loans	2	3	(1)	-33.3%
- debt securities	1,535	1	1,534	153400.0%
Interest income on loans and receivables with customers	7,031	6,543	488	7.5%
- current accounts	1,092	779	313	40.2%
- reverse repos	2,822	2,539	283	11.1%
- credit cards	884	807	77	9.5%
- personal loans	2,192	2,391	(199)	-8.3%
- other loans	41	27	14	51.9%

(Amounts in € thousand)

Interest income on loans and receivables with banks amounted to €67.2 million and was unchanged compared to the same period of the previous year.

Despite the fact that interest income remained substantially unchanged compared to the same period of the previous year, it is important to note the reduction in interest from time deposits and the increase in interest on current accounts.

The reduction of €20.8 million in the former is partly due to the decline in volumes and partly to the change in market rates, which steadily decreased during 2013. However, in the first quarter of 2013 interest was boosted by the positive effect of the operations launched in 2012 and concluded in the first few months of 2013.

The increase in interest income on current accounts is partly attributable to the growth in volumes and partly to the revision of the liquidity investment policies of the UniCredit group, mentioned above, which had a positive impact on the Bank's net interest margin.

Interest income on loans and receivables with customers amounted to €7 million, showing an increase of 7.5% thanks to higher interest on current account credit lines and "Leva multiday" securities lending transactions guaranteed by sums of money.

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

Breakdown of interest expense	03.31.2014	03.31.2013	Changes	
			Amount	%
Interest expense on deposits from banks	(1,671)	(3,361)	1,690	-50.3%
- current accounts	(30)	(21)	(9)	42.9%
- other loans	(7)	(6)	(1)	16.7%
- reverse repos	(1,634)	(3,334)	1,700	-51.0%
Interest expense on deposits from customers	(14,836)	(24,557)	9,721	-39.6%
- current accounts	(4,014)	(4,722)	708	-15.0%
- demand deposits	(14)	(19)	5	-26.3%
- time deposits	(9,906)	(17,949)	8,043	-44.8%
- reverse repos	(902)	(1,867)	965	-51.7%

(Amounts in € thousand)

Interest expense on deposits from banks amounted to €1.7 million, down by €1.7 million compared to the same period of the previous year, attributable to lower interest accrued on repos due to the reduction in volumes and the decrease in market rates.

Interest expense on deposits from customers came to €14.8 million, down by €9.7 million compared to March 31, 2013, due to a reduction in volumes and in the rate of return on "Cash Park" time deposits.

Income from brokerage and other income

	03.31.2014	03.31.2013	Changes	
			Amount	%
Net interest	58,333	48,380	9,953	20.6%
Net fees and commissions	47,718	41,169	6,549	15.9%
Net trading, hedging and fair value income	7,079	8,967	(1,888)	-21.1%
Net other expenses/income	(814)	560	(1,374)	-245.4%
Operating income	112,316	99,076	13,240	13.4%

(Amounts in € thousand)

Net fees and commissions

Management reclassification	03.31.2014	03.31.2013	Changes	
			Amount	%
Management, brokerage and consultancy services:				
1. securities trading and order collection	22,731	19,767	2,964	15.0%
2. currency trading	(42)	(77)	35	-45.5%
3. custody and administration of securities	(923)	(846)	(77)	9.1%
4. placement of securities, investment fund units and segregated accounts	28,144	24,796	3,348	13.5%
6. investment advisory services	25	26	(1)	-3.8%
7. distribution of insurance products	3,267	2,852	415	14.6%
8. distribution of other products	(65)	(50)	(15)	30.0%
Collection and payment services	2,453	2,074	379	18.3%
Holding and management of current/deposit accounts	(1,730)	(1,834)	104	-5.7%
Other fee expense personal financial advisers	(6,520)	(5,235)	(1,285)	24.5%
Securities lending	(561)	(1,291)	730	-56.5%
Other Services	939	987	(48)	-4.9%
Total	47,718	41,169	6,549	15.9%

(Amounts in € thousand)

Net fees and commissions amounted to €47.7 million, increasing by 15.9% compared to the same period of the previous year.

This increase was mainly attributable to the increase in net fees and commissions from trading and asset management, UCIT units and discretionary accounts, thanks to the increase in assets under management and securities trading and order collection commissions, as a result of the increase in the number of orders executed.

Net trading, hedging and fair value income is mainly determined from gains realized from securities trading and CFDs. The decrease of €1.9 million is attributable to lower profits from securities trading and CFD Forex, partially offset by greater profits from trading on CFD on indices.

Operating costs

Breakdown of operating costs	03.31.2014	03.31.2013	Changes	
			Amount	%
Payroll costs	(15,770)	(15,340)	(430)	2.8%
Other administrative expenses	(51,962)	(48,199)	(3,763)	7.8%
Recovery of expenses	18,807	14,069	4,738	33.7%
Amortisation, depreciation and impairment losses on intangible and tangible assets	(1,905)	(1,712)	(193)	11.3%
Total operating costs	(50,830)	(51,182)	352	-0.7%

(Amounts in € thousand)

Payroll costs	03.31.2014	03.31.2013	Changes	
			Amount	%
1) Employees	(15,332)	(14,798)	(534)	3.6%
- wages and salaries	(10,662)	(10,308)	(354)	3.4%
- social security contributions	(2,886)	(2,818)	(68)	2.4%
- severance pay	(198)	(171)	(27)	15.8%
- allocation to employee severance pay provision	(33)	(32)	(1)	3.1%
- payments to external pension funds:				
a) defined contribution	(615)	(585)	(30)	5.1%
- costs related to share-based payments	(190)	(307)	117	-38.1%
- other employee benefits	(748)	(577)	(171)	29.6%
2) Other staff	(24)	(22)	(2)	9.1%
3) Directors and statutory auditors	(211)	(191)	(20)	10.5%
4) Early retirement costs	-	-	-	n.c.
5) Recovery of expenses for employees seconded to other companies	25	15	10	66.7%
6) Recovery of expenses for employees seconded to the Company	(228)	(344)	116	-33.7%
Total	(15,770)	(15,340)	(430)	2.8%

(Amounts in € thousand)

Following the issue of the 2nd update of Bank of Italy Circular no. 262 of January 21, 2014, employee severance fund payments to other defined contribution funds were booked under "payments to supplementary pension funds", previously booked to the item "severance pay".

To enable a like-for-like comparison, 2013 data were also reclassified.

Payroll costs as at March 31, 2014 show an increase of 2.8%.

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

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

Other administrative expenses and recovery of expenses	03.31.2014	03.31.2013	Changes	
			Amount	%
1) INDIRECT TAXES AND DUTIES	(19,247)	(14,184)	(5,063)	35.7%
2) MISCELLANEOUS COSTS AND EXPENSES				
A) Advertising expenses - Marketing and communication	(5,022)	(8,346)	3,324	-39.8%
Mass media campaigns	(4,167)	(7,251)	3,084	-42.5%
Marketing and promotions	(854)	(1,054)	200	-19.0%
Sponsorships	-	(41)	41	-100.0%
Conventions and internal communications	(1)	-	(1)	n.c.
B) Expenses related to credit risk	(294)	(267)	(27)	10.1%
Credit recovery expenses	(186)	(169)	(17)	10.1%
Commercial information and company searches	(108)	(98)	(10)	10.2%
C) Expenses related to personnel	(4,333)	(3,182)	(1,151)	36.2%
Personnel training	(170)	(111)	(59)	53.2%
Car rental and other payroll costs	(10)	(7)	(3)	42.9%
Personal financial adviser expenses	(4,014)	(2,950)	(1,064)	36.1%
Travel expenses	(123)	(91)	(32)	35.2%
Premises rentals for personnel	(16)	(23)	7	-30.4%
D) ICT expenses	(7,411)	(7,534)	123	-1.6%
Lease of ICT equipment and software	(1,082)	(1,335)	253	-19.0%
Software expenses: lease and maintenance	(1,766)	(1,640)	(126)	7.7%
ICT communication systems	(978)	(915)	(63)	6.9%
ICT services: external personnel/outsourced services	(1,691)	(1,648)	(43)	2.6%
Financial information providers	(1,894)	(1,996)	102	-5.1%
E) Consulting and professional services	(1,347)	(733)	(614)	83.8%
Consultancy for ordinary operations	(170)	(105)	(65)	61.9%
Consultancy for strategy, business development and organisational optimisation	(116)	-	(116)	n.c.
Legal expenses	(438)	-	(438)	n.c.
Legal disputes	(623)	(628)	5	-0.8%
F) Real estate expenses	(5,269)	(5,284)	15	-0.3%
Real estate services	(171)	(171)	-	0.0%
Repair and maintenance of furniture, machinery, and equipment	(46)	(39)	(7)	17.9%
Maintenance of premises	(251)	(259)	8	-3.1%
Premises rentals	(4,277)	(4,024)	(253)	6.3%
Cleaning of premises	(118)	(114)	(4)	3.5%
Utilities	(406)	(677)	271	-40.0%
G) Other functioning costs	(9,040)	(8,669)	(371)	4.3%
Surveillance and security services	(88)	(99)	11	-11.1%
Postage and transport of documents	(627)	(652)	25	-3.8%
Administrative and logistic services	(3,625)	(3,543)	(82)	2.3%
Insurance	(900)	(944)	44	-4.7%
Printing and stationery	(174)	(115)	(59)	51.3%
Association dues and fees	(3,487)	(3,137)	(350)	11.2%
Other administrative expenses	(139)	(179)	40	-22.3%
H) Recovery of costs	18,808	14,069	4,739	33.7%
Recovery of ancillary expenses	93	73	20	27.4%
Recovery of taxes	18,715	13,996	4,719	33.7%
Total	(33,155)	(34,130)	975	-2.9%

(Amounts in € thousand)

Indirect taxes and duties net of Recovery of taxes increased by €0.3 million, mainly attributable to the amount of "Tobin Tax" paid on transactions executed by the Bank on its own behalf.

Advertising – marketing and communication expenses decreased by €3.3 million, due to lower investments in advertising planned and implemented in the first quarter of 2014 compared to the first quarter of 2013.

There was an increase of €2 million compared to the previous year in other administrative expenses net of indirect taxes and duties, recovery of taxes and advertising expenses – marketing and communication.

This increase is attributable to higher charges incurred for rentals, linked to the increase in the number of Fineco Centers and cost of living (ISTAT) adjustments, greater expenses for financial advisers, as a result of the boost in recruitment which began in 2012 and continued throughout 2013. This resulted in higher costs for trade association dues and fees mainly owing to the increase in charges for the ENASARCO association and the FIRR termination

compensation fund, due to the increased number of advisers and the commissions used as the basis for determining dues.

These were in addition to legal expenses and consultancy for strategy, business development and organizational optimization, linked to the listing project pertaining to the first quarter of 2014.

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

Impairment losses on tangible assets refer to the depreciation applied to electronic machines, plant and machinery, furniture and fittings. These increased by €0.2 million on the previous year, mainly due to greater depreciation applied to electronic machines.

Profit (loss) before tax from continuing operations

	03.31.2014	03.31.2013	<i>Changes</i>	
			<i>Amount</i>	<i>%</i>
Operating profit (loss)	61,486	47,894	13,592	28.4%
Net impairment losses on loans and provisions for guarantees and commitments	(465)	(790)	325	-41.1%
Net operating profit (loss)	61,021	47,104	13,917	29.5%
Provisions for risks and charges	(3,373)	(2,706)	(667)	24.6%
Profit before tax	57,648	44,398	13,250	29.8%

(Amounts in € thousand)

Net impairment losses on loans decreased by €0.3 million compared to March 31, 2013.

Provisions for risks and charges increased by €0.7 million on the same period of 2013, owing to greater provisions made for customer complaints, mainly linked to alleged illegal conduct by personal financial advisers.

Profit before tax amounted to €57.6 million, increasing by 29.8% on March 31, 2013 due to the positive contribution from the net interest margin as a result of the revision of the liquidity investment policies of the UniCredit group, mentioned above, and from net fees and commissions, owing to the increase in commissions deriving from assets under management and securities trading and order collection commissions.

Income tax for the period

Breakdown of taxes for the year	03.31.2014	03.31.2013	Changes	
			Amount	%
Current IRES income tax charges	(14,882)	(12,695)	(2,187)	17.2%
Current IRAP corporate tax charges	(4,185)	(3,587)	(598)	16.7%
Adjustment to current tax of prior years	(500)	(1,000)	500	-50.0%
Total current taxes	(19,567)	(17,282)	(2,285)	13.2%
Change in deferred tax assets	(711)	369	(1,080)	-292.7%
Change in deferred tax liabilities	(333)	(350)	17	-4.9%
Total deferred tax liabilities	(1,044)	19	(1,063)	-5594.7%
Gain from substitute tax exemption	(111)	(111)	-	-
Income tax for the period	(20,722)	(17,374)	(3,348)	19.3%

(Amounts in € thousand)

Current income taxes were calculated according to the legal provisions introduced by Legislative Decree no. 38 of February 28, 2005, issued following the incorporation of IAS/IFRS into Italian legislation and of Decree no. 48 of April 1, 2009, which established provisions for the implementation and coordination of tax requirements for IAS Adopter parties.

Law no. 2/2009 introduced the option, through the payment of a substitute tax, to recalculate the tax deductible amounts of goodwill. On the instructions of the Parent Company, in 2008 FinecoBank realigned the goodwill recognized following the merger of UniCredit Xelion Sim into UniCredit Xelion Banca S.p.A..

The redeemed goodwill may be amortized off the books for an amount not exceeding one ninth for 2010 and one tenth from 2011 onwards.

In 2008, the tax benefit expected from the future deductibility of off-the-book amortization, corresponding to €4 million, was recognized in the accounts. A tenth of this amount will be recognized through profit or loss for each year of the tax deduction of tax-related amortization of goodwill.

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

Net Profit (Loss) for the period

Net profit for the period came to €36.9 million, an increase of 36.6% on the previous year due to the increase in the net interest margin and net fees and commissions, as mentioned above.

TRANSACTIONS WITH GROUP COMPANIES

The following table provides a summary of outstanding assets, liabilities, guarantees and commitments as at March 31, 2014 in relation to Group companies.

	<i>Assets</i>	<i>Liabilities</i>	<i>Guarantees and commitments</i>
Transactions with the Parent Company UniCredit S.p.A.	17,168,969	3,873,901	266,070
Transactions with companies controlled by UniCredit S.p.A.	18,888	22,933	-

(Amounts in € thousand)

SUBSEQUENT EVENTS AND OUTLOOK

OUTLOOK

As part of the examination aimed at identifying suitable tools and procedures to optimize the value of FinecoBank's business, on proposal by the Board of Directors, the Shareholders' Meeting of April 15, 2014 approved the proposal to list the ordinary shares of FinecoBank on the "Mercato Telematico Azionario" and, as a result: (i) the filing with Borsa Italiana S.p.A. of the request for the admission to list ordinary shares of the Company on the "Mercato Telematico Azionario" organized and managed by Borsa Italiana S.p.A., and (ii) the concurrent filing with CONSOB of the communication for the purpose of obtaining authorization to publish the Prospectus relating to the public offering and listing of its shares.

Over the years, among other successes, FinecoBank has created a unique business model that combines an efficient, innovative online platform with a network of top-level financial advisers, increased the range and quality of its products and services, maintained and strengthened its leading role in terms of technological know-how and innovation, and, more generally, confirmed and strengthened its position on its market of operation through gradual, steady growth. In this scenario, the listing is a necessary step in the Company's targeted growth actions. The expansion of the shareholding structure as a result of the listing will increase the visibility of the Bank's business model, thereby raising its standing in the market, also due to the participation of domestic and international professional investors in the share capital, accelerating the Bank's process of growth.

Following the launch of the plan to list FinecoBank, the Board of Directors' meeting of April 15, 2014 approved the new FinecoBank Strategic Plan 2014-2018, previously submitted to the Board at the meeting of March 10, 2014 and approved by the UniCredit Board of Directors on March 11, 2014. This new plan was revised to take account of the new liquidity investment policy from April 1, 2014, the costs relating to the incentive system for employees and personal financial advisers and the costs pertaining to the listing process.

As part of the listing process, the Board of Directors' meeting of March 27, 2014 approved the main guidelines for the liquidity investment policy, in force from April 1, 2014. Specifically, UniCredit securities with maturities from 2 years and 10 months to 7 years and 6 months were purchased, to be included in "Core" stable liquidity. These types of investment were selected in consideration of the overall structure of the Bank's financial statements and in order to optimize its liquidity risk profile. Liquidity classified as unstable "Non Core", with a nominal value of €1.5 billion, was invested in Italian government securities and at the same time derivative contracts were entered into, to change the fixed rate to a variable rate in order to comply with previously approved rate risk limits.

The table below shows the conditions as at April 10, 2014 for the investment of liquidity deriving from current account deposits.

Type of investment	04.10.2014	
	Amount	Yield
Reciprocal Account Euro	831,360	0.32% (Euribor 1m + 7 bp)
Italian government securities	1,604,157	0.98% (Euribor 3m + 65 bp)
Reciprocal Account USD	448,085	0.20% (USD Libor 1m + 5 bp)
Total volume "Non Core":	2,883,602	Weighted average: 0.70%
UniCredit Securities EUR April 2014	7,650,000	2.55% (Euribor 1m + 229 bp)
UniCredit Securities USD April 2014	180,284	2.63% (USD Libor 1m + 247 bp)
Bond IT0004307861	750,000	0.84% (Euribor 3m + 51 bp)*
Total volume "Core":	8,580,284	Weighted average: 2.40%
Total	11,463,886	Weighted average 1.99%

(Amounts in € thousand)

The tables below break down the investments in UniCredit securities and Italian government securities made in the first ten days of April 2014.

ISIN	Currency	Face value	Maturity	Indexing	Base rate ¹	Spread	Total Rate
1 - IT0005010233	Euro	382,500	01.30.2017	Euribor 1m	0.27%	1.78%	2.05%
2 - IT0005010241	Euro	382,500	04.28.2017	Euribor 1m	0.27%	1.87%	2.14%
3 - IT0005010258	Euro	382,500	07.27.2017	Euribor 1m	0.27%	1.94%	2.21%
4 - IT0005010738	Euro	382,500	10.25.2017	Euribor 1m	0.27%	2.01%	2.28%
5 - IT0005010266	Euro	382,500	01.24.2018	Euribor 1m	0.26%	2.08%	2.34%
6 - IT0005010274	Euro	382,500	04.22.2018	Euribor 1m	0.26%	2.14%	2.40%
7 - IT0005010290	Euro	382,500	07.21.2018	Euribor 1m	0.26%	2.19%	2.45%
8 - IT0005010357	Euro	382,500	10.19.2018	Euribor 1m	0.26%	2.24%	2.50%
9 - IT0005010373	Euro	382,500	01.18.2019	Euribor 1m	0.26%	2.29%	2.55%
102 - IT0005010613	Euro	382,500	04.01.2019	Euribor 1m	0.23%	2.33%	2.56%
11 - IT0005010282	Euro	382,500	07.15.2019	Euribor 1m	0.25%	2.37%	2.62%
12 - IT0005010399	Euro	382,500	10.13.2019	Euribor 1m	0.25%	2.40%	2.65%
13 - IT0005010324	Euro	382,500	01.12.2020	Euribor 1m	0.25%	2.44%	2.69%
14 - IT0005010365	Euro	382,500	04.10.2020	Euribor 1m	0.25%	2.47%	2.72%
15 - IT0005010308	Euro	382,500	07.09.2020	Euribor 1m	0.24%	2.49%	2.73%
16 - IT0005010381	Euro	382,500	10.07.2020	Euribor 1m	0.24%	2.52%	2.76%
17 - IT0005010332	Euro	382,500	01.06.2021	Euribor 1m	0.24%	2.54%	2.78%
18 - IT0005010316	Euro	382,500	04.04.2021	Euribor 1m	0.24%	2.56%	2.80%
19 - IT0005010340	Euro	382,500	07.03.2021	Euribor 1m	0.24%	2.58%	2.82%
20 - IT0005010225	Euro	382,500	10.16.2021	Euribor 1m	0.25%	2.60%	2.85%
21 - IT0005009490	USD*	36,258	04.25.2017	USD Libor 1m	0.19%	2.06%	2.25%
22 - IT0005010142	USD*	36,258	04.19.2018	USD Libor 1m	0.18%	2.34%	2.52%
233 - IT0005010134	USD*	36,258	04.01.2019	USD Libor 1m	0.15%	2.53%	2.68%
24 - IT0005010860	USD*	36,258	04.07.2020	USD Libor 1m	0.16%	2.66%	2.82%
254 - IT0005010217	USD*	36,258	04.01.2021	USD Libor 1m	0.15%	2.75%	2.90%
Total	Euro	7,650,000		Euribor 1m	0.25%	2.29%	2.55%
	USD*	181,290		USD Libor 1m	0.17%	2.47%	2.63%

* Exchange rate used: EUR/USD 1.379.

1 Euribor at 1 month or interpolation between Euribor at 1 month and Euribor at 2 months if first coupon period longer.

2 Spread calculated taking into account the financial effects of the related hedging derivatives.

3 Spread calculated taking into account the financial effects of the related hedging derivatives.

4 Spread calculated taking into account the financial effects of the related hedging derivatives.

(Amounts in € thousand)

ISIN	Currency	Face value	Maturity	Indexing hedging derivative	Derivative spread	Equivalent spread *Euribor 3m
IT0004712748 - BTP 3.75% 15/04/16	Euro	250,000	04.15.2016	Euribor 3m	4.22%	0.41%
IT0004761950 - BTP 3.75% 15/04/16	Euro	260,000	09.15.2016	Euribor 3m	4.39%	0.48%
IT0004987191 - BTP 1.50% 15/12/16	Euro	330,000	12.15.2016	Euribor 3m	1.15%	0.55%
IT0004867070 - BTP 3.50% 01/11/17	Euro	330,000	11.01.2017	Euribor 3m	3.28%	0.82%
IT0004273493 - BTP 4.50% 01/02/18	Euro	330,000	02.01.2018	Euribor 3m	4.02%	0.91%
Total		1,500,000				0.65%**

* The "equivalent spread" is recalculated to correlate the swap spread to the face value of the security and to express the actual spread of the loan.

** Weighted average.

(Amounts in € thousand)

NUMBER OF TREASURY SHARES OF THE PARENT COMPANY

FinecoBank does not hold, and did not hold during the first quarter of 2014, even through other companies or third parties, treasury shares or shares of the Parent Bank.

RECONCILIATION OF CONDENSED ACCOUNTS TO MANDATORY REPORTING SCHEDULE

ASSETS	03.31.2014	12.31.2013
Cash and cash balances = item 10	7	5
Financial assets held for trading = item 20	8,405	4,700
Loans and receivables with banks = item 60	17,084,534	16,330,912
Loans and receivables with customers = item 70	669,141	641,250
Financial investments	93,934	93,114
30. Financial assets at fair value through profit or loss	2,368	3,199
40. Available-for-sale financial assets	91,566	89,915
Hedging instruments	130,687	179,265
80. Hedging derivatives	94,437	123,143
90. Changes in fair value of portfolio hedged items	36,250	56,122
Property, plant and equipment = item 110	10,718	10,772
Goodwill = item 120. Intangible assets of which: goodwill	89,602	89,602
Other intangible assets = item 120 net of goodwill	8,055	8,014
Tax assets = item 130	48,420	67,934
Other assets = item 150	170,281	256,629
Total assets	18,313,784	17,682,197

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	03.31.2014	12.31.2013
Deposits from banks = item 10	1,590,439	1,648,675
Deposits from customers and debt securities in issue	15,796,181	15,054,820
20. Deposits from customers	13,473,654	12,732,309
30. Debt securities in issue	2,322,527	2,322,511
Financial liabilities held for trading = item 40	7,902	2,301
Hedging instruments	130,411	178,574
60. Hedging derivatives	110,240	141,801
70. Changes in fair value of portfolio hedged items	20,171	36,773
Provisions for risks and charges = item 120	109,346	109,354
Tax liabilities = item 80	38,770	37,701
Other liabilities	184,969	231,623
100. Other liabilities	181,033	227,862
110. Employee severance pay provision	3,936	3,761
Shareholders' equity	455,766	419,149
- capital and reserves	414,934	329,719
160. Reserves	212,930	127,715
170. Share premium reserve	1,934	1,934
180. Share capital	200,070	200,070
- revaluation reserves	3,906	4,214
130. Revaluation reserves of which: Available-for-sale financial assets	1,150	641
130. Revaluation reserves actuarial gains (losses) from defined benefit plans	2,756	3,573
- net profit = item 200	36,926	85,216
Total liabilities and shareholders' equity	18,313,784	17,682,197

(Amounts in € thousand)

INCOME STATEMENT	03.31.2014	03.31.2013
Net interest	58,333	48,380
30. Net interest margin	58,333	48,380
Dividends and other income from equity investments	-	-
70. Dividend income and similar revenue	-	-
less: dividends from held for trading equity instruments included in item 70	-	-
Net fees and commissions = item 60	47,718	41,169
60. Net fees and commissions	47,718	41,169
Net trading, hedging and fair value income	7,079	8,967
80. Gains (losses) on financial assets and liabilities held for trading	7,067	8,782
+ dividends from held for trading equity instruments (from item 70)	-	-
90. Fair value adjustments in hedge accounting	-	-
110. Gains (losses) on assets and liabilities at fair value through profit and loss	12	185
Net other expenses/income	(814)	560
190. Other net operating income	17,984	14,628
less: other operating income - of which: recovery of costs	(18,807)	(14,069)
100. Gains (losses) on disposal or repurchase of: a) loans and receivables	9	-
100. Gains (losses) on disposal or repurchase of: d) financial liabilities	-	-
OPERATING INCOME	112,316	99,076
Payroll costs	(15,770)	(15,340)
150. Administrative costs - a) payroll costs	(15,770)	(15,340)
Other administrative expenses	(51,962)	(48,199)
150. Administrative costs - b) other administrative expenses	(51,962)	(48,199)
Recovery of expenses	18,807	14,069
190. Other net operating income - of which: recovery of costs	18,807	14,069
Amortisation, depreciation and impairment losses on intangible and tangible assets	(1,905)	(1,712)
170. Impairment/Write-backs on property, plant and equipment	(749)	(549)
180. Impairments/write-backs on intangible assets	(1,156)	(1,163)
Operating costs	(50,830)	(51,182)
OPERATING PROFIT (LOSS)	61,486	47,894
Net impairment losses on loans and provisions for guarantees and commitments	(465)	(790)
130. impairment losses/write-backs on: a) loans and receivables	(465)	(790)
NET OPERATING PROFIT (LOSS)	61,021	47,104
Provisions for risks and charges	(3,373)	(2,706)
160. Provisions for risks and charges	(3,373)	(2,706)
Net income from investments	-	-
240. Gains (losses) on disposal of investments	-	-
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	57,648	44,398
Income tax for the period	(20,722)	(17,374)
260. Tax expense (income) related to profit or loss from continuing operations	(20,722)	(17,374)
PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	36,926	27,024
NET PROFIT (LOSS) FOR THE PERIOD	36,926	27,024

(Amounts in € thousand)

Bank Financial Statements

BALANCE SHEET

BALANCE SHEET - ASSETS	03.31.2014	12.31.2013
10. Cash and cash balances	7.306	4.634
20. Financial assets held for trading	8.405.059	4.700.335
30. Financial assets designated at fair value through profit or loss	2.368.349	3.199.399
40. Available-for-sale financial assets	91.565.470	89.914.773
60. Loans and receivables with banks	17.084.533.692	16.330.912.207
70. Loans and receivables with customers	669.141.196	641.249.951
80. Hedging derivatives	94.436.454	123.142.677
90. Changes in fair value of portfolio hedged financial assets (+/-)	36.250.341	56.122.418
110. Property, plant and equipment	10.718.481	10.771.844
120. Intangible assets	97.656.824	97.615.790
of which		
- goodwill	89.601.768	89.601.768
130. Tax assets	48.420.327	67.934.309
a) current tax assets	6.413.384	25.264.179
b) deferred tax assets	42.006.943	42.670.130
out of which for purposes of Law 214/2011	3.118.179	3.473.290
150. Other assets	170.280.572	256.629.063
Total assets	18.313.784.071	17.682.197.400

BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY	03.31.2014	12.31.2013
10. Deposits from banks	1.590.438.591	1.648.675.366
20. Deposits from customers	13.473.653.658	12.732.308.955
30. Debt securities in issue	2.322.526.835	2.322.511.058
40. Financial liabilities held for trading	7.902.372	2.301.409
60. Hedging derivatives	110.240.233	141.800.654
70. Changes in fair value of portfolio hedged financial liabilities (+/-)	20.171.093	36.773.395
80. Tax liabilities	38.769.928	37.700.727
a) current tax liabilities	17.341.629	16.841.629
b) deferred tax liabilities	21.428.299	20.859.098
100. Other liabilities	181.033.463	227.861.470
110. Provision for employee severance pay	3.935.604	3.760.989
120. Provisions for risks and charges	109.345.800	109.354.461
b) other reserves	109.345.800	109.354.461
130. Revaluation reserves	3.906.269	4.214.349
160. Reserves	212.930.023	127.714.418
170. Share premium reserve	1.934.113	1.934.113
180. Share capital	200.070.431	200.070.431
200. Net Profit (Loss) for the year	36.925.658	85.215.605
Total liabilities and shareholders' equity	18.313.784.071	17.682.197.400

INCOME STATEMENT

INCOME STATEMENT		01.01.2014-03.31.2014	01.01.2013-03.31.2013
10.	Interest income and similar revenues	74,840,186	76,298,748
20.	Interest expenses and similar charges	(16,507,402)	(27,918,631)
30.	Net interest income	58,332,784	48,380,117
40.	Fee and commission revenues	98,375,182	87,865,369
50.	Fee and commission expenses	(50,656,960)	(46,696,640)
60.	Net fee and commission income	47,718,222	41,168,729
70.	Dividend income and similar revenue	81	4
80.	Gains (losses) on financial assets and liabilities held for trading	7,067,318	8,781,728
90.	Fair value adjustments in hedge accounting	-	-
100.	Gains (losses) from disposal or repurchase of:	9,668	-
	a) loans and receivables	9,668	-
110.	Gains (losses) on financial assets/liabilities at fair value through profit or loss	11,424	185,383
120.	Operating income	113,139,497	98,515,961
130.	Impairment losses on:	(464,638)	(790,317)
	a) loans and receivables	(464,638)	(790,317)
140.	Net profit from financial activities	112,674,859	97,725,644
150.	Administrative costs	(67,732,312)	(63,538,758)
	a) payroll costs	(15,769,952)	(15,339,414)
	b) other administrative expenses	(51,962,360)	(48,199,344)
160.	Net provisions for risks and charges	(3,373,066)	(2,706,461)
170.	Impairment/Write-backs on property, plant and equipment	(749,047)	(549,002)
180.	Impairment/write-backs on intangible assets	(1,155,768)	(1,163,263)
190.	Other net operating income	17,983,070	14,630,052
200.	Operating costs	(55,027,123)	(53,327,432)
240.	Gains (losses) on disposal of investments	30	5
250.	Total profit (loss) before tax from continuing operations	57,647,766	44,398,217
260.	Tax expense (income) related to profit or loss from continuing operations	(20,722,108)	(17,374,342)
270.	Total profit (loss) after tax from continuing operations	36,925,658	27,023,875
290.	Net Profit (Loss) for the period	36,925,658	27,023,875

STATEMENT OF COMPREHENSIVE INCOME

	01.01.2014-03.31.2014	01.01.2013-03.31.2013
10. Net Profit (Loss) for the period	36,925,658	27,023,875
Other comprehensive income after tax without reclassification through profit or loss		
40. Defined benefit plans	(817,292)	-
Other comprehensive income after tax with reclassification through profit or loss		
100. Available-for-sale financial assets	509,212	(338,745)
130. Total other comprehensive income after tax	(308,080)	(338,745)
140. Comprehensive income (item 10+130)	36,617,578	26,685,130

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Statement of Changes in Shareholders' Equity as at 03.31.2014

	Balance as at 12.31.2013	Change in opening balance	Balance as at 01.01.2014	Allocation of profit from previous year		Change during the period							Shareholder s' equity as at 03.31.2014	
				Reserves	Dividends and other distributions	Changes in reserves	Shareholders' equity transactions					Comprehe nsive income as at 03.31.2014		
							Issues of new shares	Purchas e of own shares	Distribution of extraordinary dividends	Changes in equity instruments	Own share derivative s			Stock options
Share capital:														200,070,431
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											1,934,113
Reserves:														
a) from profits	127,714,418		127,714,418											127,714,418
b) other														
Revaluation reserves														(308,080)
Equity instruments														
Treasury shares														
Retained Profit (Loss)														85,215,605
Net Profit (Loss) for the peri														85,215,605 (85,215,605)
Shareholders' equity														419,148,916 - 419,148,916 - 36,617,578 455,766,494

Statement of Changes in Shareholders' Equity as at 31.03.2013

	Balance as at 12.31.2012	Change in opening balance	Balance as at 01.01.2013	Allocation of profit from previous year		Change during the period							Shareholders' equity at 03.31.2013
				Reserves	Dividends and other distributions	Changes in reserves	Issues of new shares	Purchase of own shares	Distribution of extraordinary dividends	Changes in equity instruments	Own share derivatives	Stock options	
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	116,304,721		116,304,721										116,304,721
b) other													
Revaluation reserves	3,691,949		3,691,949									(338,745)	3,353,204
Equity instruments													
Treasury shares													
Retained Profit (Loss)				125,466,685									125,466,685
Net Profit (Loss) for the period	125,466,685		125,466,685	(125,466,685)								27,023,875	27,023,875
Shareholders' equity	447,467,899		447,467,899	-	-	-	-	-	-	-	-	-	474,153,029

CASH FLOW STATEMENT**Indirect method**

	03.31.2014	03.31.2013
A. OPERATING ACTIVITIES		
1. Operations	43,343,526	38,129,218
- net profit (loss) for the period	36,925,658	27,023,875
- capital gains/losses on financial assets/liabilities held for trading and on assets/liabilities at fair value through profit and loss	(120,313)	(436,868)
- capital gains/losses on hedging transactions	-	-
- net write-offs/write-backs due to impairment	626,332	938,925
- net write-offs/write-backs on tangible and intangible assets	1,904,815	1,712,265
- provisions and other income/expenses	4,551,135	2,893,596
- duties, taxes and tax credits not paid	611,403	17,259,419
- net impairment/write-backs on disposal groups classified as held for sale after tax	-	-
- other adjustments	(1,155,504)	(11,261,994)
2. Cash flows from/used by financial assets	645,004,756	241,480,901
- financial assets held for trading	3,730,438	7,306,834
- financial assets at fair value through profit and loss	842,946	856,189
- available-for-sale financial assets	(595,501)	(30,008,029)
- loans and receivables with banks: on demand	-	-
- loans and receivables with banks: other loans and receivables	564,294,823	292,318,110
- loans and receivables with customers	(28,677,903)	1,263,201
- other assets	105,409,953	(30,255,404)
3. Cash flows from/used by financial liabilities	637,965,559	(22,724,440)
- deposits from banks: on demand	-	-
- deposits from banks: other payables	(54,257,302)	(290,569,000)
- deposits from customers	746,365,595	262,249,911
- debt securities in issue	-	-
- financial liabilities held for trading	(1,726,355)	(7,165,230)
- financial liabilities at fair value through profit and loss	-	-
- other liabilities	(52,416,379)	12,759,879
Net cash flows from/used in operating activities	1,326,313,841	256,885,679
B. INVESTMENT ACTIVITIES		
1. Cash flows from		
- sales of equity investments	-	-
- collected dividends on equity investments	-	-
- sales of financial assets held to maturity	-	-
- sales of tangible assets	30	5
- sales of intangible assets	-	-
- disposal of businesses	-	-
2. Cash flows used in		
- purchases of equity investments	-	-
- purchases of financial assets held to maturity	-	-
- purchases of tangible assets	(695,684)	(286,712)
- purchases of intangible assets	(1,196,802)	(905,405)
- purchases of businesses	-	-
Net cash flows from/used in investing activities	(1,892,456)	(1,192,112)
C. FINANCING ACTIVITIES		
- issue/purchase of treasury shares	-	-
- issue/purchase of equity instruments	-	-
- dividends and other distributions	-	-
Net cash flows from/used in financing activities	-	-
NET LIQUIDITY GENERATED / ABSORBED DURING THE PERIOD	1,324,421,385	255,693,567
RECONCILIATION		
Balance Sheet Items		
Cash and cash equivalents at the beginning of the period	10,038,098,537	9,305,413,792
Liquidity generated/absorbed during the period	1,324,421,385	255,693,567
Cash and cash equivalents effect of changes in exchange rates	695,394	8,934,326
Cash and cash equivalents at the end of the period	11,363,215,316	9,570,041,685

The term "cash and cash balances" means cash recorded under item 10 of assets "cash and cash balances" and the 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).

Notes to the Accounts²

² The following conventional symbols have been used in the tables:

a dash (-) indicates that the item/figure is inexistent or that the figure do not reach the minimum considered significant;
“X” indicates an item not to be completed according to Bank of Italy Circular n. 262/2005

PART A – ACCOUNTING POLICIES

A.1 GENERAL

Section 1 - Statement of Compliance with IFRS

This Interim Financial Statements for the three months period ended at March 31, 2014 have been prepared in accordance with the recognition and valuation criteria set out in the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (IASB), including the SIC and IFRIC interpretation documents, as endorsed by the European Commission pursuant to the European Union Regulation no. 1606/2002 of July 19, 2012, implemented in Italy through Legislative Decree no. 38 of February 28, 2005.

Specifically, the Interim Financial Statements as at March 31, 2014 have been prepared according to IAS 34 – *Interim financial reporting*. Based on paragraph 10 of IAS 34, the Interim Financial Statements have been prepared in a condensed form.

Section 2 - Preparation criteria

As stated above, these Interim Financial Statements have been prepared in accordance with the IFRS endorsed by the European Commission.

The Interim Financial Statements have been prepared in a condensed form and therefore should be read in conjunction with the Annual Financial Statements as at December 31, 2013.

The Interim 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, compiled using the indirect method, (the “Accounts”), and these explanatory Notes.

All figures in the Accounts are provided in euros and in thousands of euros in the Notes, unless when otherwise indicated.

With reference to IAS 1, these Interim 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 compared to the previous year, with the exception of accounting standards, amendments and interpretations which have become applicable on January 1, 2014 as discussed in the subsequent Section 4 – Other Matters of the Notes.

Section 3 - Subsequent events

As part of activities to identify suitable methods and procedures for fully valuing the operations of FinecoBank, the Shareholders’ Meeting, as proposed by the Board of Directors, in the meeting of April 15, 2014, approved the proposal to admit ordinary shares of FinecoBank for trading on the Mercato Telematico Azionario (electronic stock market) and consequently: (i) the filing with Borsa Italiana S.p.A. of the request for the admission to list ordinary shares of the

Company on the "Mercato Telematico Azionario" organized and managed by Borsa Italiana S.p.A., and (ii) the concurrent filing with CONSOB of the communication for the purpose of obtaining authorization to publish the Prospectus relating to the public offering and listing of its shares.

Over the years, among other successes, FinecoBank has created a unique business model that combines an efficient, innovative online platform with a network of top-level financial advisers, increased the range and quality of its products and services, maintained and strengthened its leading role in terms of technological know-how and innovation, and, more generally, confirmed and strengthened its position on its market of operation through gradual, steady growth. In this scenario, the listing is a necessary step in the Company's targeted growth actions. The expansion of the shareholding structure as a result of the listing will increase the visibility of the Bank's business model, thereby raising its standing in the market, also due to the participation of domestic and international professional investors in the share capital, accelerating the Bank's process of growth.

Following the launch of the plan to list FinecoBank, the Board of Directors' meeting of April 15, 2014 approved the new FinecoBank Strategic Plan 2014-2018, previously submitted to the Board at the meeting of March 10, 2014 and approved by the UniCredit Board of Directors on March 11, 2014. This new plan was revised to take account of the new liquidity investment policy from April 1, 2014, the costs relating to the incentive system for employees and personal financial advisers and the costs pertaining to the listing process.

As part of the listing process, the Board of Directors' meeting of March 27, 2014 approved the main guidelines for the liquidity investment policy, in force from April 1, 2014. Specifically, UniCredit securities with maturities from 2 years and 10 months to 7 years and 6 months were purchased, to be included in "Core" stable liquidity. These types of investment were selected in consideration of the overall structure of the Bank's financial statements and in order to optimize its liquidity risk profile. Liquidity classified as unstable "Non Core", with a nominal value of €1.5 billion, was invested in Italian government securities and at the same time derivative contracts were entered into, to change the fixed rate to a variable rate in order to comply with previously approved rate risk limits.

On April 15, 2014, FinecoBank's Board of Directors, in line with best practices and recommendations of the Corporate Governance Code for Listed Companies and with a view to continuing its remuneration strategy - adopted a remuneration system focused on incentives and the retention and motivation of its top management (i.e. Senior Managers and Employees of the Company who, due to the importance and critical nature of their role, as well as their expertise and potential, may impact the economic results and sustainability of the company) and Financial Advisers.

In particular, the following plans were approved:

1) Group Incentive System – Executive Vice President & Above and Group Incentive System – Senior Vice President & Below

The "Group Incentive System - GIS" has been adopted for several years by the Parent Company UniCredit, and targets Senior Managers of the Group and its subsidiaries, and thus includes key people at FinecoBank. These plans provide incentives in the form of money or the free assignment of shares to beneficiaries.

The Parent Company has identified some changes to make to the incentive system for 2014, which will be submitted to the Shareholders' Meeting for approval and concern, inter alia, the possibility of the Company being listed on the

Stock Exchange. In particular, with reference to GIS beneficiaries who work for FinecoBank, the changed incentive system will assign shares of the Company to these beneficiaries.

2) *2014 - 2017 Multi-year Plan – Top management*

This is a stock grant plan, subject to the listing of the ordinary shares of the Company, with the free assignment of new issue shares of the Company to beneficiaries, for a total number that will be determined at the end of the Global Offering on the basis of the Offering Price and notified to persons concerned. The above shares will be granted to beneficiaries in 4 annual installments, of which the first on completion of the listing and the subsequent ones in 2015, 2016 and 2017. The shares granted as above will vest over a three-year period (in 2017 for the first installment, and in 2020 for the fourth), subject to the following conditions: (i) the beneficiary is still employed by the Company; (ii) the beneficiary has observed internal and external regulations in force; (iii) long-term sustainability, in terms of the Company's profitability and solidity, verified during the vesting period, prior to each redemption, has been maintained.

3) *"2014 Plan – Key people"*

This is a stock grant plan for Senior Managers and Employees of the Company who, due to the importance and critical nature of their role, as well as their expertise and potential, may, in the Company's opinion, have an impact on the profitability and sustainability of FinecoBank. This plan, which is subject to the listing of the ordinary shares of the Company, provides for the free assignment of new issue shares of FinecoBank to beneficiaries, for a total number which will be determined at the end of the Global Offering on the basis of the Offering Price and notified to persons concerned. The shares determined as above will vest in favor of beneficiaries in 3 annual installments, of which the first in 2015 and the last in 2017 (vesting period), unless the Board of Directors decides a longer vesting period only for beneficiaries who are "key persons" (as defined by the Regulations of the Bank Italy concerning incentives and remuneration). Vesting is subject to the following conditions: (i) the beneficiary is still employed by the Company; (ii) the beneficiary has observed internal and external regulations in force; (iii) long-term sustainability, in terms of the Company's profitability and solidity, verified during the vesting period, prior to each redemption, has been maintained.

Shares for the plans as of points 1), 2) and 3) will be issued pursuant to gratuitous capital increases in accordance with Article 2349 of the Italian Civil Code. The maximum number of shares that may be granted pursuant to the above plans is 4,200,000. The dilution effect for shareholders is calculated as a maximum of 0.69% of the fully diluted capital.

4) *"2014 Plan - PFA"*

This is a stock incentive plan for financial advisors of the Company, with the exception of financial advisors beneficiaries of network entry incentives during 2014.

This plan, which is subject to the listing of ordinary shares of the Company, sets an amount, in favor of beneficiaries, of FinecoBank ordinary shares, with the total number determined on the basis of the average market prices registered by the FinecoBank share in the 30 days of trading prior to the shares being assigned to beneficiaries. This assignment (and consequent notice to beneficiaries of the number of shares set) will take place in 2015, following approval of the 2014 draft financial statements, and is subject to the Company's entire network of financial advisors and individual beneficiaries meeting their performance targets in 2014. The shares will vest in favor of beneficiaries in 3 annual installments, of which the first in 2015 and the last in 2017 (vesting period), unless the Board of Directors selects a longer vesting period only for beneficiaries who are "key persons" of the network (as defined by the Regulations of the

Bank Italy concerning incentives and remuneration), if provided for by applicable regulations. Vesting is subject to the following conditions: (i) long-term sustainability, in terms of the Company's profitability and solidity, verified during the vesting period, prior to each redemption, has been maintained; (ii) the beneficiary acts as agent for the Company; (iii) the beneficiary has observed internal and external regulations in force.

The maximum value of shares to be allocated to the 2014 PFA Plan is €14,953,000.

5) "2015 - 2017 Plan - PFA"

This is a stock grant plan for financial advisors of the Company's network, including – from January 1, of the year after the year when entry incentives have expired – financial advisors who received entry incentives over the 2015 - 2017 period.

This plan, which is subject to the listing of the ordinary shares of the Company, sets an amount, in favor of beneficiaries in proportion to the duration of the involvement of each beneficiary in the plan, of ordinary shares of the Company, with the total number determined on the basis of the average market prices registered by the FinecoBank share in the 30 days of trading prior to the shares being assigned to beneficiaries. This assignment (and consequent notice to beneficiaries of the number of shares thus determined) will take place in 2018, following approval of the 2017 draft financial statements, and is subject to the Company's entire network of financial advisors and individual beneficiaries meeting their performance targets over the 2015-2017 period.

The shares will vest in favor of beneficiaries in 3 annual installments, of which the first in 2018 and the last in 2020 (vesting period), unless the Board of Directors decides a longer vesting period only for beneficiaries who are "key people" of the network (as defined by the Regulations of the Bank Italy concerning incentives and remuneration), if provided for by applicable regulations. Vesting is subject to the following conditions: (i) long-term sustainability, in terms of the Company's profitability and solidity, verified during the vesting period, prior to each redemption, has been maintained; (ii) the beneficiary acts as agent for the Company; (iii) the beneficiary has observed internal and external regulations in force.

The maximum value of shares to be allocated to the 2015 - 2017 PFA Plan is €19,969,000.

Shares to be allocated to the plans as of points 4) and 5) will be purchased by the Company on the market on the basis of an authorization by the Shareholders' Meeting pursuant to Article 2357 of the Italian Civil Code.

No significant events occurred after March 31, 2014 that would make it necessary to change any of the information given in the interim Financial Statements.

The interim condensed Financial Statements as at March 31, 2014 were approved by the Board of Directors on May 8, 2014.

Section 4 - Other Matters

Accounting standards, amendments and interpretations adopted from January 1, 2014

The following accounting standards, amendments and interpretations have become effective for reporting periods beginning on or after January 1, 2014, and, where applicable, did not have an effect on the financial position and performance of the Bank:

- IAS 27 revised – Separate Financial Statements (EU Regulation 1254/2012);
- IAS 28 revised - Investments in Associates and Joint Ventures (EU Regulation 1254/2012);
- IFRS 10 - Consolidated Financial Statement (EU Regulation 1254/2012);
- IFRS 11 - Joint Arrangements (EU Regulation 1254/2012);
- IFRS 12 - Disclosure of Interests in Other Entities (EU Regulation 1254/2012);
- Amendments to IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets (Commission Regulation (EU) 1374/2013);
- Amendments to IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting (Commission Regulation 1375/2013);
- Amendments to IFRS 10, IFRS 11 and IFRS 12 – Transition Guidance (Commission Regulation 313/2013);
- Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment Entities (Commission Regulation 1174/2013).

Risks and uncertainties related to the use of estimates

In the application of the accounting policies the management is required to make judgments, estimates and assumptions about the carrying amounts of certain assets and liabilities as well as the information regarding potential assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimated figures have been used for the recognition of some of the largest value-based items in the Interim Financial Statements at March 31, 2014, as required by the accounting standards and regulations described above. These estimates are largely based on calculations of future recoverability of the values recognized in the accounts according to the rules laid down in current legislation and have been made on the assumption of a going concern, i.e. without contemplating the possibility of the forced sale of the items measured.

The processes adopted support the carrying values at March 31, 2014.

Valuation is particularly complex given the uncertainty of the macroeconomic and market situation, characterized by the significant volatility of financial indicators used in the valuation process and still high levels of credit 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, such that further effects on future carrying values cannot be ruled out.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects 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;
- severance pay (Italy) and other employee 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 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 development of ongoing or potential litigation.

A.2 THE MAIN ITEMS OF THE ACCOUNTS

Accounting principles and policies applied for main financial statement line items are consistent with those used for the annual Financial Statements as of December 31, 2013 (Part A.2 of the Notes) the reader should refer.

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 amendments to IAS 39 and to IFRS 7 "Reclassification of financial assets" approved by the IASB in 2008 make it possible to reclassify certain financial assets, after their initial recognition, out of the HfT and AfS portfolios.

In particular, the following may be reclassified:

- those HfT or AfS financial assets that would have satisfied the definition specified by IFRS for the loan portfolio (if such assets were not classified as HfT or AfS respectively on initial recognition) if the entity intends, and is able, to hold them for the foreseeable future or until maturity;
- "only in rare circumstances" those HfT financial assets which, at the time of their recording, did not satisfy the definition of loans.

FinecoBank has not reclassified any financial assets from the "held-for-trading" or the "available-for-sale" portfolios to the loan portfolio.

A.3.2 Reclassified financial assets: Impact on comprehensive income before transfer

No data to report.

A.3.3 Transfer of financial assets held for trading

No data to report.

A.3.4 Effective interest rate and cash flows expected from reclassified assets

No data to report.

A.4 INFORMATION ON FAIR VALUE

Qualitative information

With reference to the qualitative information on fair value, the reader should refer to the annual Financial Statements as of December 31, 2013 (Part A.4 of the Notes).

Quantitative information

The following tables show, for assets and liabilities that are measured at fair value on a recurring basis, the level of the fair value hierarchy (Level 1, 2 or 3) within which the fair value measurement are categorized in their entirety, the amount of any transfers between level 1 and level 2, as well as the reconciliation from the opening balances to the closing balances for fair value measurement categorized within Level 3.

The level of the fair value hierarchy within which classes of assets and liabilities that are not measured at fair value in the balance sheet, but for which fair value is disclosed, is also provided in table A.4.5.4.

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

	03.31.2014			12.31.2013		
Assets/Liabilities measured at fair value	L1	L2	L3	L1	L2	L3
1. Financial assets held for trading	7,286	1,102	17	3,717	969	14
2. Financial assets at fair value through profit or loss	2,368	-	-	3,199	-	-
3. Available-for-sale financial assets	91,560	-	-	89,910	-	-
4. Hedging derivatives	-	94,436	-	-	123,143	-
5. Property, plant and equipment	-	-	-	-	-	-
6. Intangible assets	-	-	-	-	-	-
Total	101,214	95,538	17	96,826	124,112	14
1. Financial liabilities held for Trading	7,183	718	1	1,709	592	-
2. Financial liabilities at fair value through profit and loss	-	-	-	-	-	-
3. Hedging derivatives	-	110,240	-	-	141,801	-
Total	7,183	110,958	1	1,709	142,393	-

(Amounts in € thousand)

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)

No data to report.

A.4.5.2 Assets measured at fair value on a recurring basis (level 3): changes of the period

	Financial assets held for trading	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Hedging derivatives	Property, plant and equipment	Intangible assets
1. Opening balances	14	-	-	-	-	-
2. Increases						
2.1 Purchases	458	-	-	-	-	-
2.2 Profits recognised in:						
2.2.1 Income Statement	3	-	-	-	-	-
- of which Unrealised gains	3	-	-	-	-	-
2.2.2 Equity			-	-	-	-
2.3 Transfers from other levels	-	-	-	-	-	-
2.4 Other increases	-	-	-	-	-	-
3. Decreases						
3.1 Sales	(457)	-	-	-	-	-
3.2 Redemptions	-	-	-	-	-	-
3.3 Losses recognised in:						
3.3.1 Income Statement	(1)	-	-	-	-	-
- of which Unrealised losses	(1)	-	-	-	-	-
3.3.2 Equity			-	-	-	-
3.4 Transfers to other levels	-	-	-	-	-	-
3.5 Other decreases	-	-	-	-	-	-
4. Closing balances	17	-	-	-	-	-

(Amounts in € thousand)

The sub-items 2.2.1 Gains recognized in the Income Statement and 3.3.1 Losses recognized in the Income Statement are recognized in the line item 80 - Gains and losses on financial assets held for trading of the Income statement.

A.4.5.3 Liabilities measured at fair value on a recurring basis (level 3): changes of the period

No data to report.

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

Asset/Liabilities not measured at fair value or measured at fair value on a non-recurring basis	03.31.2104				12.31.2013			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Held-to-maturity investments	-	-	-	-	-	-	-	-
2. Loans and receivables with banks	17,084,534	-	3,665,618	13,504,451	16,330,912	-	16,425,906	-
3. Loans and receivables with customers	669,141	-	113,661	570,015	641,250	-	650,772	4,731
4. Property, plant and equipment held for investment	2,705	-	-	4,813	2,734	-	-	4,813
5. Non-current assets and disposal groups classified as held for sale	-	-	-	-	-	-	-	-
Total	17,756,380	-	3,779,279	14,079,279	16,974,896	-	17,076,678	9,544
1. Deposits from banks	1,590,439	-	-	1,590,439	1,648,675	-	1,648,675	-
2. Deposits from customers	13,473,654	-	478,139	12,999,106	12,732,309	-	12,739,102	-
3. Debt securities in issue	2,322,527	-	2,408,093	-	2,322,511	-	2,422,470	-
4. Liabilities associated with assets classified as held for sale	-	-	-	-	-	-	-	-
Total	17,386,620	-	2,886,232	14,589,545	16,703,495	-	16,810,247	-

(Amounts in € thousand)

As from 2014, short-term (less than 12 months) loans and receivables with banks and customers and deposits from banks and customers, for which fair value has been approximated as being equal to the book value have been categorized into level 3 of the fair value hierarchy. As at December 31, 2013, they were categorized into level 2.

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

BV = Book Value

A.5 DAY ONE PROFIT/LOSS

The value at which financial instruments are recognized is equal to their fair value on the same date.

The fair value of financial instruments, other than those measured at fair value through profit or loss, at the date of their initial recognition is usually assumed to be equal to the amount collected or paid. For financial instruments held for trading and for financial instruments measured at fair value, any difference from the amount collected or paid is recognized in the appropriate line items of the income statement.

PART B - BALANCE SHEET**ASSETS****Section 1 - Cash and cash balances - Item 10***1.1 Cash and cash balances: breakdown*

	03.31.2014	12.31.2013
(a) Cash	7	5
(b) Demand deposits with Central Banks	-	-
Total	7	5

*(Amounts in € thousand)***Section 2 - Financial assets held for trading - Item 20***2.1 Financial assets held for trading: breakdown by category*

Item/Amount	03.31.2014			12.31.2013		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A. On-balance sheet assets						
1. Debt securities	44	-	-	48	-	-
1.1 Structured securities	4	-	-	4	-	-
1.2 Other debt securities	40	-	-	44	-	-
2. Equity instruments	5	-	16	9	-	14
3. Units in investment funds.	-	-	-	1,936	-	-
4. Loans	-	-	-	-	-	-
4.1 Reverse repos	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total A	49	-	16	1,993	-	14
B. Derivative instruments						
1. Financial derivatives	7,237	1,102	1	1,724	969	-
1.1 trading derivatives	7,237	1,102	1	1,724	969	-
1.2 related to the fair value option	-	-	-	-	-	-
1.3 other	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 trading derivatives	-	-	-	-	-	-
2.2 related to the fair value option	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
Total B	7,237	1,102	1	1,724	969	-
Total (A+B)	7,286	1,102	17	3,717	969	14

(Amounts in € thousand)

Trading financial derivatives refer to the positive valuation of Forex Contracts for Difference (CFDs), CFDs on indices and relative Futures on indices used to hedge CFDs.

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 regulated in times established by market practices ("regular way").

Section 3 - Financial assets at fair value through profit or loss – Item 30

3.1. Financial assets at fair value through profit or loss: breakdown by category

Item/Amount	03.31.2014			12.31.2013		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A. On-balance sheet assets						
1. Debt securities	2,368	-	-	3,199	-	-
1.1 Structured securities	-	-	-	844	-	-
1.2 Other debt securities	2,368	-	-	2,355	-	-
2. Equity instruments	-	-	-	-	-	-
3. Units in investment funds.	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
4.1 Structured	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total	2,368	-	-	3,199	-	-
Cost	2,369	-	-	3,211	-	-

(Amounts in € thousand)

The "fair value option" has been used to internally manage a portfolio of financial assets comprising securities, on a fair value basis. No derivatives on related receivables or similar instruments are used to mitigate the maximum exposure to credit risk.

Section 4 - Available-for-sale financial assets – Item 40

4.1 Available-for-sale financial assets: breakdown by category

Item/Amount	03.31.2014			12.31.2013		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	91,560	-	-	89,910	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	91,560	-	-	89,910	-	-
2. Equity instruments	-	-	5	-	-	5
2.1 Carried at fair value	-	-	-	-	-	-
2.2 Carried at cost	-	-	5	-	-	5
3. Units in investment funds.	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
Total	91,560	-	5	89,910	-	5

(Amounts in € thousand)

Equity instruments carried at cost refer to investments 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.

Other debt securities are issued by the Italian government, for a book value of €81,353 thousand (€79,871 thousand as at December 31, 2013) and by the French government, for a book value of €10,207 thousand (€10,039 thousand as at December 31, 2013).

Debt securities classified in the *Available-for-sale* portfolio are entirely used as collateral for bankers' drafts or guarantees with third parties.

Section 6 - Loans and receivables with banks – Item 60

6.1 Loans and receivables with banks: breakdown by category

Type of transaction/Amount	03.31.2014				12.31.2013			
	BV	FV			BV	FV		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Loans and receivables with Central Banks	-	-	-	-	-	-	-	-
1. Time deposits	-	X	X	X	-	X	X	X
2. Compulsory reserves	-	X	X	X	-	X	X	X
3. Reverse repos	-	X	X	X	-	X	X	X
4. Other	-	X	X	X	-	X	X	X
B. Loans and receivables with banks	17,011,185	-	3,665,618	13,504,451	16,319,306	-	16,425,906	-
1. Loans	13,938,644	-	510,291	13,504,451	12,996,690	-	13,103,290	-
1.1 Current accounts and demand deposits	10,343,487	X	X	X	9,433,356	X	X	X
1.2 Time deposits	3,595,157	X	X	X	3,563,334	X	X	X
1.3 Other loans		X	X	X		X	X	X
- Reverse repos	67,542	X	X	X	5,584	X	X	X
- Finance leases	-	X	X	X	-	X	X	X
- Other	5,807	X	X	X	6,022	X	X	X
2. Debt securities	3,072,541	-	3,155,327	-	3,322,616	-	3,322,616	-
2.1 Structured securities	12	X	X	X	12	X	X	X
2.2 Other debt securities	3,072,529	X	X	X	3,322,604	X	X	X
Total	17,084,534	-	3,665,618	13,504,451	16,330,912	-	16,425,906	-

(Amounts in € thousand)

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 S.p.A., with a book value of €10,333,613 thousand (€9,415,098 thousand as at December 31, 2013), and to a lesser extent, of current accounts held with other banks not belonging to UniCredit group for transactions in securities.

Time deposits consist of the deposit held with UniCredit S.p.A. (the Parent Company) for mandatory reserve, with a book value of €126,920 thousand (€124,028 thousand as at December 31, 2013), in addition to time deposits held with UniCredit S.p.A., with a book value of €3,468,237 thousand (€3,439,306 thousand as at December 31, 2013), in order to invest liquidity collected through repo transactions and CashPark accounts with retail customers and through repo transactions with credit institutions, with the same time-frame.

Debt securities held in the portfolio mainly consist of debt securities issued by the Parent Company, and amount to €3,072,539 thousand (€3,322,523 thousand as at December 31, 2013). They were subscribed in order to invest liquidity and to be used for repo transactions with retail customers.

At the reporting date there were no impaired assets with respect to banks.

Section 7 - Loans and receivables with customers – Item 70

7.1 Loans and receivables with customers: breakdown by category

Type of transaction/amount	03.31.2014						12.31.2013					
	Book value			Fair value			Book value			Fair value		
	Performing	Impaired		L1	L2	L3	Performing	Impaired		L1	L2	L3
		Purchased	Other					Purchased	Other			
Loans	664,317	-	4,823	-	113,660	570,015	636,518	-	4,731	-	650,771	4,731
1. Current accounts	102,236	-	2,792	X	X	X	98,455	-	2,740	X	X	X
2. Reverse repos	145,698	-	50	X	X	X	120,804	-	56	X	X	X
3. Mortgages	-	-	72	X	X	X	-	-	76	X	X	X
4. Credit cards												
personal loans and wage assignment loans	278,834	-	1,885	X	X	X	317,252	-	1,835	X	X	X
5. Finance leases	-	-	-	X	X	X	-	-	-	X	X	X
6. Factoring	-	-	-	X	X	X	-	-	-	X	X	X
7. Other loans	137,549	-	24	X	X	X	100,007	-	24	X	X	X
Debt securities	1	-	-	-	1	-	1	-	-	-	1	-
8. Structured securities	-	-	-	X	X	X	-	-	-	X	X	X
9. Other debt securities	1	-	-	X	X	X	1	-	-	X	X	X
Total	664,318	-	4,823	-	113,661	570,015	636,519	-	4,731	-	650,772	4,731

(Amounts in € thousand)

Section 8 – Hedging derivatives – Item 80

8.1 Hedging derivatives: breakdown by type of hedge and by hierarchical level

Item/Amount	FV 03.31.14			NA 03.31.2014	FV 12.31.2013			NA 12.31.2013
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives	-	94,436	-	2,322,527	-	123,143	-	2,322,511
1) Fair value	-	94,436	-	2,322,527	-	123,143	-	2,322,511
2) Cash flows	-	-	-	-	-	-	-	-
3) Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-
B. Credit derivatives	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	-	94,436	-	2,322,527	-	123,143	-	2,322,511

(Amounts in € thousand)

Key:

NA = Nominal or Notional amount

L1 = Level 1

L2 = Level 2

L3 = Level 3

Section 9 – Changes in fair value of portfolio hedged items – Item 90

9.1 Adjustments to the value of hedged financial assets: breakdown by hedged portfolios

Adjustments to the value of hedged assets/Amount	03.31.2014	12.31.2013
1. Positive changes		
1.1 of specific portfolios	74,313	100,241
a) loans and receivables	74,313	100,241
b) available-for-sale financial assets	-	-
1.2 overall	-	-
2. Negative changes		
2.1 of specific portfolios	(38,063)	(44,119)
a) loans and receivables	(38,063)	(44,119)
b) available-for-sale financial assets	-	-
2.2 overall	-	-
Total	36,250	56,122

(Amounts in € thousand)

Section 11 - Property, plant and equipment - Item 110

11.1 Property, plant and equipment used in the business: breakdown of assets carried at cost

Asset/Amount	03.31.2014	12.31.2013
1. Owned assets	8,013	8,038
a) land	-	-
b) buildings	-	-
c) office furniture and fittings	908	834
d) electronic systems	5,838	5,846
e) other	1,267	1,358
2. Assets under financial lease	-	-
a) land	-	-
b) buildings	-	-
c) office furniture and fittings	-	-
d) electronic systems	-	-
e) other	-	-
Total	8,013	8,038

(Amounts in € thousand)

11.2 Property, plant and equipment held for investment purposes: breakdown of assets carried at cost

Asset/Amount	03.31.2014				12.31.2013			
	Book value	Fair value			Book value	Fair value		
		L1	L2	L3		L1	L2	L3
1. Owned assets	2,705	-	-	4,813	2,734	-	-	4,813
a) land	-	-	-	-	-	-	-	-
b) buildings	2,705	-	-	4,813	2,734	-	-	4,813
2. Assets under financial lease	-	-	-	-	-	-	-	-
a) land	-	-	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-	-	-
Total	2,705	-	-	4,813	2,734	-	-	4,813

(Amounts in € thousand)

Section 12 - Intangible assets - Item 120

12.1 Intangible assets: breakdown

Asset/Amount	03.31.2014		12.31.2013	
	Finite life	Indefinite life	Finite life	Indefinite life
A.1 Goodwill	X	89,602	X	89,602
A.2 Other Intangible assets	8,055	-	8,014	-
A.2.1 Assets carried at cost:	8,055	-	8,014	-
a) Intangible assets generated internally	-	-	-	-
b) Other assets	8,055	-	8,014	-
A.2.2 Assets valued at fair value :	-	-	-	-
a) Intangible assets generated internally	-	-	-	-
b) Other assets	-	-	-	-
Total	8,055	89,602	8,014	89,602

(Amounts in € thousand)

Other information - Goodwill

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 advisers. These activities have been fully integrated with FinecoBank's ordinary operations, as a result it is not possible to isolate the contribution of each company/business division from the Bank's overall income; this means that to establish the reasonableness of the value of goodwill recognized in the financial statements it is necessary to take account of the Bank's overall income.

The cash generating unit (CGU) is the Bank as a whole. In fact, in view of the specific business model adopted by FinecoBank, which envisages a high level of integration between personal financial advisers and the trading and banking platform, an allocation of costs/revenues for business units is not considered relevant or meaningful; the personal financial advisers network is an integral part of the overall offer, which includes banking, brokerage and investing services.

As regards the impairment test, which is carried out annually, as at March 31, 2014 no indicators of an impairment of goodwill recognized in the financial statements have been identified. The main assumptions used in the impairment test carried out with reference to December 31, 2013 were analyzed, in qualitative terms, considering in particular

changes in forecasts used in that test following the approval by the Board of Directors on April 15, 2014 of the new Business Plan for the period 2014-2018, which was already approved by the Board in the meeting held on March 10, 2014 (and also approved by the Board of Directors of UniCredit S.p.A. on March 11, 2014). The Business Plan has been revised to take into account the effects of the new liquidity investment policy as from April 1, 2014, costs relative to the new incentive system for employees and financial advisers and costs relative to the listing process.

Based on the results of those qualitative analysis, the result of the impairment test as at December 31, 2013 is also confirmed with reference to March 31, 2014. For all other information on the impairment test, reference should be made to the Financial Statements as at December 31, 2013.

Section 13 - Tax Assets and Tax Liabilities - Asset item 130 and liability item 80

Current tax assets and current tax liabilities

Asset/Amount	03.31.2014	12.31.2013
Current tax assets	6,413	25,264
Current tax liabilities	17,342	16,842
<i>(Amounts in € thousand)</i>		

As regards risks arising from tax litigation and disputes or tax assessments, no changes took place compared to information provided in the Financial Statements as at December 31, 2013.

13.1 Deferred tax assets: breakdown

Asset/Amount	03.31.2014	12.31.2013
Allocations through equity	37,487	37,843
Allocations through equity	1,402	1,354
Impairment losses on loans (of which for purposes of Law 214/2011)	3,118	3,473
Total	42,007	42,670
<i>(Amounts in € thousand)</i>		

13.2 Deferred tax liabilities: breakdown

Asset/Amount	03.31.2014	12.31.2013
Property plant and equipment / Intangible assets	20,860	20,527
Other financial instruments /assets/ liabilities	568	332
Total	21,428	20,859
<i>(Amounts in € thousand)</i>		

Section 15 - Other assets - Item 150

15.1 Other assets: breakdown

	03.31.2014	12.31.2013
Items in transit not allocated to relevant accounts	21	13
Items in processing:		
- notes, cheques and other documents	11,068	9,108
- POS and ATM cards	507	379
- other items in processing	7	1
Current receivables not related to the provision of financial services	1,453	1,707
Definitive items not recognised under other items:		
- securities and coupons to be settled	8,417	8,283
- fees to be charged to customers	20,357	33,020
- amounts to be settled via clearing houses	119	908
- other transactions	26,952	20,281
Tax items other than those recognised under item 140:		
- tax advances	67,462	151,540
- tax credit	9,492	9,356
- tax advances on employee severance indemnities	-	12
Receivables due to disputed items not deriving from lending	119	119
Prepayments	13,992	10,940
Improvement and incremental expenses incurred on leasehold assets	10,315	10,962
Total	170,281	256,629

(Amounts in € thousand)

LIABILITIES

Section 1 - Deposits from banks - Item 10

1.1 Deposits from banks: breakdown by category

Type of transaction/Amount	03.31.2014	12.31.2013
1. Deposits from central banks	-	-
2. Deposits from banks	1,590,439	1,648,675
2.1 Current accounts and demand deposits	23,719	29,139
2.2 Time deposits	-	-
2.3 Loans	1,565,079	1,619,295
2.3.1 Repos	1,565,079	1,619,295
2.3.2 Other	-	-
2.4 Liabilities in respect of commitments to repurchase treasury shares	-	-
2.5 Other liabilities	1,641	241
Total	1,590,439	1,648,675
Fair value - level 1	-	-
Fair value - level 2	-	1,648,675
Fair value - level 3	1,590,439	-
Total fair value	1,590,439	1,648,675

(Amounts in € thousand)

Section 2 - Deposits from customers - Item 20

2.1 Deposits from customers: breakdown by category

Type of transaction/Amount	03.31.2014	12.31.2013
1. Current accounts and demand deposits	11,302,835	10,666,363
2. Time deposits	1,768,738	1,699,635
3. Loans	337,697	304,380
3.1 Repos	337,697	304,380
3.2 Other	-	-
4. Liabilities in respect of commitments to repurchase treasury shares	-	-
5. Other liabilities	64,384	61,931
Total	13,473,654	12,732,309
Fair value - level 1	-	-
Fair value - level 2	478,139	12,739,102
Fair value - level 3	12,999,106	-
Total fair value	13,477,245	12,739,102

(Amounts in € thousand)

Section 3 - Debt securities in issue - Item 30

3.1. Debt securities in issue: breakdown by category

Type of transaction/Amount	03.31.2014				12.31.2013			
	Book value	Fair value			Book value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Securities								
1. Bonds	2,322,527	-	2,408,093	-	2,322,511	-	2,422,470	-
1.1 structured	-	-	-	-	-	-	-	-
1.2 other	2,322,527	-	2,408,093	-	2,322,511	-	2,422,470	-
2. Other securities	-	-	-	-	-	-	-	-
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	-	-	-	-	-	-	-	-
Total	2,322,527	-	2,408,093	-	2,322,511	-	2,422,470	-

(Amounts in € thousand)

3.2 Breakdown of item 30 "Debt securities in issue": subordinated securities

No data to report.

Section 4 - Financial liabilities held for trading - Item 40

4.1 Financial liabilities held for trading: breakdown by category

Type of transaction/Amount	03.31.2014					12.31.2013				
	NA	FV			FV*	NA	FV			FV*
		L1	L2	L3			L1	L2	L3	
A. On-balance sheet liabilities										
1. Deposits from banks	-	-	-	-	-	-	-	-	-	-
2. Deposits from customers	579	3	-	-	3	633	-	-	-	-
3. Debt securities	-	-	-	-	X	-	-	-	-	X
3.1 Bonds	-	-	-	-	X	-	-	-	-	X
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-	X	-	-	-	-	X
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total A	579	3	-	-	3	633	-	-	-	-
B. Derivative instruments										
1. Financial derivatives	X	7,180	718	1	X	X	1,709	592	-	X
1.1 Trading derivatives	X	7,180	718	1	X	X	1,709	592	-	X
1.2 Related to 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 fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total B	X	7,180	718	1	X	X	1,709	592	-	X
Total (A+B)	X	7,183	718	1	3	X	1,709	592	-	-

(Amounts in € thousand)

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

Trading financial derivatives refer to the negative valuation of Forex Contracts for Difference (CFDs), CFDs on indices and relative Futures on indices used to hedge CFDs.

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 regulated in times established by market practices ("regular way").

Section 6 - Hedging derivatives - Item 60

6.1 Hedging derivatives: breakdown by type of hedge and by hierarchical level

Item/Amount	Fair value 03.31.2014			NA 03.31.2014	Fair value 12.31.2013			NA 12.31.2013
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives	-	110,240	-	3,127,356	-	141,801	-	3,382,879
1) Fair value	-	110,240	-	3,127,356	-	141,801	-	3,382,879
2) Cash flows	-	-	-	-	-	-	-	-
3) Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-
B. Credit derivatives	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	-	110,240	-	3,127,356	-	141,801	-	3,382,879

(Amounts in € thousand)

Key:

NA = Nominal or Notional amount

L1 = Level 1

L2 = Level 2

L3 = Level 3

Section 7 – Changes in fair value of portfolio hedged items - Item 70

7.1 - Adjustments to the value of hedged financial liabilities

Changes to hedged financial liabilities/Amounts	03.31.2014	12.31.2013
1. Positive changes to financial liabilities	58,452	81,077
2. Negative changes to financial liabilities	(38,281)	(44,304)
Total	20,171	36,773

(Amounts in € thousand)

Section 10 – Other liabilities – Item 100

10.1 Other liabilities: breakdown

	03.31.2014	12.31.2013
Accrued expenses other than those to be capitalised for the financial liabilities concerned	190	183
Other liabilities relative to employees	16,161	15,229
Other liabilities relative to other personnel	23	-
Other liabilities due to Directors and Statutory Auditors	141	244
Items in transit not allocated to relevant accounts	93	-
Sums available to be paid to customers	121	181
Items in processing:		
- incoming bank transfers	2,891	2,819
- outgoing bank transfers	50,076	44,326
- POS and ATM cards	379	-
- other items in processing	184	253
Current payables not related to the provision of financial services	25,135	27,400
Definitive items not recognised under other items:		
- securities and coupons to be settled	11,470	12,417
- other items	27,655	21,979
Adjustments for illiquid portfolio items	7,983	13,847
Tax items other than those included in item 80:		
- sums withheld from third parties as withholding agent	12,878	26,157
- other	18,864	57,697
Prepayments	252	276
Social security contributions to be paid	6,537	4,853
Total	181,033	227,861

(Amounts in € thousand)

Section 12 - Provisions for risks and charges - Item 120

12.1 - Provisions for risks and charges: breakdown

Item/Amount	03.31.2014	12.31.2013
1. Pensions and other post-retirement benefit obligations	-	-
2. Other provisions for risks and charges	109,346	109,354
2.1 legal disputes	53,714	55,577
2.2 staff expenses	882	-
2.3 other	54,750	53,777
Total	109,346	109,354

(Amounts in € thousand)

Sub-item 2.2 "staff expenses" includes provisions made in relation to the variable remuneration to be paid to employees in subsequent years which have an uncertain due date and/or amount. The related income component is recognized as "Payroll costs".

Other provisions for risks and charges under sub-item 2.3 include the supplementary customer indemnity provision amounting to €33,827 thousand compared with €32,178 thousand as at December 31, 2013.

12.4 Provisions for risks and charges - other provisions

	03.31.2014	12.31.2013
Legal disputes	53.714	55.578
- Pending proceedings	39.180	40.573
- Claims	14.534	15.005
Staff expenses	882	-
Other	54.750	53.776
- Supplementary customer indemnity provision	33.827	32.178
- Contractual payments and payments under non-competition agreements	1.967	1.916
- Tax disputes	7.439	7.439
- Other provisions	11.517	12.243
Total provisions for risks and charges - other provisions	109.346	109.354

(Amounts in € thousand)

Provisions for risks and charges	12.31.2013	Utilisations Q1 2014	Transfers	Change in shareholders' equity	Net allocations Q1 2014	03.31.2014
Legal disputes						
- Pending proceedings	40.573	(2.368)	209	-	766	39.180
- Claims	15.005	(1.922)	(209)	-	1.660	14.534
Staff expenses	-	-	-	-	882	882
Other						
- Supplementary customer indemnity provision	32.178	(345)	-	1.066	928	33.827
- Contractual payments and payments under non-competition agreements	1.916	-	-	32	19	1.967
- Tax disputes	7.439	-	-	-	-	7.439
- Other provisions	12.243	(992)	-	-	266	11.517
Total provisions for risks and charges	109.354	(5.627)	-	1.098	4.521	109.346

(Amounts in € thousand)

Section 14 - Bank's shareholders' equity - Items 130, 150, 160, 170, 180, 190 and 200

14.1 "Share capital" and "Treasury shares": breakdown

Share capital amounts to €200,070,430.89, fully paid-up, comprising 606,274,033 ordinary shares with a par value of €0.33.

Item/Amount	03.31.2014	12.31.2013
1. Share capital	200,070	200,070
2. Share premium reserve	1,934	1,934
3. Reserves		
- Legal reserve	28,800	28,800
- Extraordinary reserve	98,744	98,744
- Other reserves	85,386	171
4. (Treasury shares)	-	-
5. Revaluation reserves	3,906	4,214
6. Equity instruments	-	-
7. Net Profit (Loss) for the year	36,926	85,216
Total	455,766	419,149

(Amounts in € thousand)

The sub- item "Other reserves" as at March 31, 2014 includes the profit for the year 2013, of €85,216 thousand, which the Shareholders' Meeting of the Bank on April 15, 2014 resolved to allocate as follows:

- €4,261 thousand to the legal reserve;
- €58,948 thousand to the extraordinary reserve;
- €20,007 thousand, equal to €0.033 per share, to the sole shareholder;
- €2,000 thousand as charitable donations.

14.2 Share capital - Number of shares: annual changes

Items/type	03.31.2014	
	Ordinary	Other
A. Shares outstanding at the beginning of the period		
- fully paid	606,274,033	-
- not fully paid	-	-
A.1 Treasury shares (-)	-	-
A.2 Shares outstanding: opening balance	606,274,033	-
B. Increases		
B.1 New issues		
- against payment:		
- business combinations	-	-
- bonds converted	-	-
- warrants exercised	-	-
- other	-	-
- free		
- to employees	-	-
- to directors	-	-
- other	-	-
B.2 Sale of treasury shares	-	-
B.3 Other changes	-	-
C. Decreases		
C.1 Cancellation	-	-
C.2 Purchase of treasury shares	-	-
C.3 Business transfers	-	-
C.4 Other changes	-	-
D. Shares outstanding: closing balance	606,274,033	-
D.1 Treasury shares (+)	-	-
D.2 Shares outstanding as at the end of the period	-	-
- fully paid	606,274,033	-
- not fully paid	-	-

14.3 Share capital: other information

Ordinary shares have a nominal value of €0.33.

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 of profit: other information

Reserves are represented by the legal reserve, amounting to €28,800 thousand, the extraordinary reserve, amounting to €98,744 thousand, and other reserves, which include the unavailable retained earnings, amounting to €171 thousand and the profit of the year 2013, equal to €85,216 thousand.

Section 15 - Other information

1 Guarantees given and commitments

Transactions	03.31.2014	12.31.2013
1) Financial guarantees given	306,857	306,815
a) Banks	306,033	306,033
b) Customers	824	782
2) Commercial guarantees given	4	4
a) Banks	4	4
b) Customers	-	-
3) Irrevocable commitments to lend funds	318,467	178,000
a) Banks	80	28,028
i) certain to be called on	80	28,028
ii) not certain to be called on	-	-
b) Customers	318,387	149,972
i) certain to be called on	318,387	149,972
ii) not certain to be called on	-	-
4) Commitments underlying credit derivatives: protection sales	-	-
5) Assets given as collateral for third-party obligations	-	-
6) Other commitments	-	-
Total	625,328	484,819

(Amounts in € thousand)

Financial guarantees given to banks include 5 guarantees issued on request of UniCredit S.p.A., with indefinite duration, for a total amount of €256,065 thousand, the guarantee requested for UniCredit for transactions on foreign markets, for €10,000 thousand, and the commitment with the National Interbank Deposit Guarantee Fund (FITD), for €39,968 thousand.

Irrevocable commitments to lend funds refer to spot contracts for securities to be settled in times established by market practices ("regular way").

2. Assets given as collateral for own liabilities and commitments

Portfolios	03.31.2014	12.31.2013
1. Financial assets held for trading	-	-
2. Financial assets at fair value through profit or loss	-	-
3. Available-for-sale financial assets	-	-
4. Held-to-maturity investments	-	-
5. Loans and receivables with banks	211,832	188,989
6. Loans and receivables with customers	-	-
7. Property, plant and equipment	-	-
Total	211,832	188,989

(Amounts in € thousand)

Assets given as collateral for own liabilities and commitments in sub-item 5. “*Loans and receivables with banks*” refer to bonds issued by UniCredit S.p.A., classified in the *Loans and Receivables* category, subscribed by the Bank in order to conduct reverse repos with the obligation for the buyer to resell the activities object of the transaction at the end of the transaction; bonds are given as collateral for the entire duration of the reverse repos.

FinecoBank has also used debt securities issued by governments as collateral for bankers' drafts or guarantees with third parties in relation to transactions on foreign markets: In particular, the Bank has used bonds issued by the Italian and French Governments, classified as *Available-for-sale assets*, for a book value of €91,560 thousand (€89,910 thousand as at December 31, 2013). Securities are used as collateral until the Bank decides to stop the transactions for which the collateral or guarantees are granted.

3. Information on operating leases

With regard to outstanding non-cancellable leases, the future payemnts amount to:

- €4,708 thousand up to twelve months;
- €1,851 thousand from one to five years.

There are no sub-leases in place.

PART C - INCOME STATEMENT**SECTION 1 - INTEREST INCOME AND EXPENSE - ITEMS 10 AND 20***1.1 Interest income and similar revenues: breakdown*

Items/Type	Debt securities	Loans	Other transactions	01.01.2014- 03.31.2014	01.01.2013- 03.31.2013
1. Financial assets held for trading	1	-	-	1	3
2. Available-for-sale financial assets	426	-	-	426	432
3. Held-to-maturity investments	-	-	-	-	-
4. Loans and receivables with banks	1.535	65.706	-	67.241	67.281
5. Loans and receivables with customers	-	7.031	-	7.031	6.543
6. Financial assets at fair value through profit or loss	3	-	-	3	48
7. Hedging derivatives	-	-	138	138	1.990
8. Other assets	-	-	-	-	2
Total interest income	1.965	72.737	138	74.840	76.299

(Amounts in € thousand)

Interest accrued on impaired assets, relating exclusively to the item Loans and receivables with customers, amounts to €77 thousand (€64 thousand as at March 31, 2013).

1.4 Interest expenses and similar charges: breakdown

Items/Type	Payables	Securities	Other transactions	01.01.2014- 03.31.2014	01.01.2013- 03.31.2013
1. Deposits from central banks	-	-	-	-	-
2. Deposits from banks	(1,671)	-	-	(1,671)	(3,361)
3. Deposits from customers	(14,836)	-	-	(14,836)	(24,557)
4. Debt securities in issue	-	-	-	-	-
5. Financial liabilities held for trading	-	-	-	-	-
6. Financial liabilities at fair value through profit and loss	-	-	-	-	-
7. Other liabilities and provisions	-	-	-	-	(1)
8. Hedging derivatives	-	-	-	-	-
Total	(16,507)	-	-	(16,507)	(27,919)

(Amounts in € thousand)

SECTION 2 - FEE AND COMMISSION INCOME AND EXPENSE - ITEMS 40 AND 50

2.1 Fee and commission income: breakdown

Type of service/Amount	01.01.2014-03.31.2014	01.01.2013-03.31.2013
(a) guarantees given	16	15
(b) credit derivatives	-	-
(c) management, brokerage and consulting services:	89,419	79,542
1. securities trading	21,654	19,736
2. currency trading	-	-
3. portfolio management	-	-
3.1. individual	-	-
3.2. collective	-	-
4. custody and administration of securities	107	90
5. custodian bank	-	-
6. placement of securities	54,585	49,679
<i>of which commissions for maintenance of UCI placement</i>	<i>48,080</i>	<i>41,048</i>
7. reception and transmission of orders	3,436	2,002
8. advisory services	3,446	2,342
8.1. related to investments	3,446	2,342
8.2. related to financial structure	-	-
9. distribution of third-party services:	6,191	5,693
9.1. portfolio management	442	803
9.1.1 individual	62	524
9.1.2 collective	380	279
9.2. insurance products	5,749	4,880
9.3. other products	-	10
(d) collection and payment services	6,530	5,646
(e) securitisation servicing	-	-
(f) factoring	-	-
(g) tax collection services	-	-
(h) management of multilateral trading systems	-	-
(i) management of current accounts	1,403	1,601
(j) other services	1,007	1,061
Total	98,375	87,865

(Amounts in € thousand)

2.3 Fee and commission expense: breakdown

Service/Amount	01.01.2014-03.31.2014	01.01.2013-03.31.2013
(a) guarantees received	(7)	(7)
(b) credit derivatives	-	-
(c) management and brokerage services:	(45,932)	(41,978)
1. securities trading	(1,706)	(1,364)
2. currency trading	(42)	(77)
3. portfolio management	-	-
3.1 own	-	-
3.2 delegated to third parties	-	-
4. custody and administration of securities	(1,030)	(936)
5. placement of financial instruments	-	-
6. cold-calling to offer securities, products and services	(43,154)	(39,601)
(d) collection and payment services	(4,077)	(3,573)
(e) other services	(80)	(82)
(f) securities lending transactions	(561)	(1,057)
Total	(50,657)	(46,697)

(Amounts in € thousand)

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 March 31, 2014

Transaction/Income item	Unrealised gains (A)	Realised profits (B)	Unrealised losses (C)	Realised losses (D)	Net profit or loss [(A+B)-(C+D)]
1. Financial assets held for trading	3	14,068	(1)	(13,002)	1,068
1.1 Debt securities	-	4	-	(3)	1
1.2 Equity instruments	3	14,062	(1)	(12,984)	1,080
1.3 Units in investment funds	-	2	-	(15)	(13)
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	-	-
2. Financial liabilities held for trading	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Other financial assets and liabilities: exchange differences	X	X	X	X	959
4. Derivatives	7,525	4,968	(7,403)	(2,928)	5,040
4.1 Financial derivatives:	7,525	4,968	(7,403)	(2,928)	5,040
- On debt securities and interest rates	25	51	(11)	(17)	48
- On equity securities and share indices	7,500	4,774	(7,392)	(2,864)	2,018
- On currency and gold	X	X	X	X	2,878
- Other	-	143	-	(47)	96
4.2 Credit derivatives	-	-	-	-	-
Total	7,528	19,036	(7,404)	(15,930)	7,067

(Amounts in € thousand)

As at March 31, 2013

Transaction/Income item	Unrealised gains (A)	Realised profits (B)	Unrealised losses (C)	Realised losses (D)	Net profit or loss [(A+B)-(C+D)]
1. Financial assets held for trading	12	30,366	(2)	(23,326)	7,050
1.1 Debt securities	11	49	(1)	(3)	56
1.2 Equity instruments	1	26,131	(1)	(23,323)	2,808
1.3 Units in investment funds	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Other	-	4,186	-	-	4,186
2. Financial liabilities held for trading	1	-	-	(1)	-
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	1	-	-	(1)	-
3. Other financial assets and liabilities: exchange differences	X	X	X	X	687
4. Derivatives	4,913	1,610	(4,735)	(818)	1,045
4.1 Financial derivatives:	4,913	1,610	(4,735)	(818)	1,045
- On debt securities and interest rates	12	-	(10)	-	2
- On equity securities and share indices	4,901	1,606	(4,725)	(815)	967
- On currency and gold	X	X	X	X	75
- Other	-	4	-	(3)	1
4.2 Credit derivatives	-	-	-	-	-
Total	4,926	31,976	(4,737)	(24,145)	8,782

(Amounts in € thousand)

SECTION 5 – Fair value adjustments in hedge accounting – Item 90

5.1 Fair value adjustments in hedge accounting: breakdown

Income item/Amount	01.01.2014-03.31.2014	01.01.2013-03.31.2013
A. Gains on:		
A.1 Fair value hedging instruments	31,951	33,247
A.2 Hedged asset items (in fair value hedge relationship)	6,056	36,784
A.3 Hedged liability items (in fair value hedge relationship)	22,625	-
A.4 Cash-flow hedging derivatives	-	-
A.5 Assets and liabilities denominated in currency	-	-
Total gains on hedging activities (A)	60,632	70,031
B. Losses on:		
B.1 Fair value hedging instruments	(28,681)	(36,784)
B.2 Hedged asset items (in fair value hedge relationship)	(25,928)	(293)
B.3 Hedged liability items (in fair value hedge relationship)	(6,023)	(32,954)
B.4 Cash-flow hedging derivatives	-	-
B.5 Assets and liabilities denominated in currency	-	-
Total losses on hedging activities (B)	(60,632)	(70,031)
C. Fair value adjustments in hedge accounting (A-B)	-	-

(Amounts in € thousand)

SECTION 6 – Gains (Losses) on disposals/repurchases – Item 100

6.1 Gains (Losses) on disposals/repurchases: breakdown

Item/Income item	01.01.2014-03.31.2014			01.01.2013-03.31.2013		
	Profit	Loss	Net profit	Profit	Loss	Net profit
Financial assets						
1. Loans and receivables with banks	10	-	10	-	-	-
2. Loans and receivables with customers	-	-	-	-	-	-
3. Available-for-sale financial assets						
3.1 Debt securities	-	-	-	-	-	-
3.2 Equity instruments	-	-	-	-	-	-
3.3 Units in investment funds	-	-	-	-	-	-
3.4 Loans	-	-	-	-	-	-
4. Held-to-maturity investments	-	-	-	-	-	-
Total assets	10	-	10	-	-	-
Financial liabilities						
1. Deposits from banks	-	-	-	-	-	-
2. Deposits from customers	-	-	-	-	-	-
3. Debt securities in issue	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-

(Amounts in € thousand)

SECTION 7 – Gains (losses) on financial assets and liabilities measured at fair value – Item 110

7.1 Gain (losses) on financial assets and liabilities measured at fair value through profit and loss: breakdown

As at March 31, 2014

Transaction/Income item	Unrealised gains (A)	Realised profits (B)	Unrealised losses (C)	Realised losses (D)	Net profit or loss [(A+B)-(C+D)]
1. Financial assets	13	-	-	(2)	11
1.1 Debt securities	13	-	-	(2)	11
1.2 Equity instruments	-	-	-	-	-
1.3 UCIT Units	-	-	-	-	-
1.4 Loans	-	-	-	-	-
2. Financial liabilities	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-
2.2 Deposits from banks	-	-	-	-	-
2.3 Deposits from customers	-	-	-	-	-
3. Other financial assets and liabilities: exchange differences	X	X	X	X	-
4. Credit and financial derivatives	-	-	-	-	-
Total	13	-	-	(2)	11

(Amounts in € thousand)

As at March 31, 2013

Transaction/Income item	Unrealised gains (A)	Realised profits (B)	Unrealised losses (C)	Realised losses (D)	Net profit or loss [(A+B)-(C+D)]
1. Financial assets	174	12	-	(1)	185
1.1 Debt securities	174	12	-	(1)	185
1.2 Equity instruments	-	-	-	-	-
1.3 UCIT Units	-	-	-	-	-
1.4 Loans	-	-	-	-	-
2. Financial liabilities	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-
2.2 Deposits from banks	-	-	-	-	-
2.3 Deposits from customers	-	-	-	-	-
3. Other financial assets and liabilities: exchange differences	X	X	X	X	-
4. Credit and financial derivatives	-	-	-	-	-
Total	174	12	-	(1)	185

(Amounts in € thousand)

SECTION 8 – Impairment losses - Item 130

8.1 Impairment losses on loans and receivables: breakdown

Transaction/Income item	Impairments			Write-backs				01.01.2014- 03.31.2014	01.01.2013- 03.31.2013
	Micro		Macro	Micro		Macro			
	Write-offs	Other		A	B	A	B		
A. Loans and receivables with banks				A	B	A	B		
- Loans	-	-	-	-	-	-	-	-	-
- Debt securities	-	-	-	-	-	-	-	-	-
B. Loans and receivables with customers	-	-	-	-	-	-	-	-	-
Impaired related to purchase agreements	(5)	(1,301)	(322)	84	511	-	568	(465)	(790)
- Loans	-	-		-	-	-		-	-
- Debt securities	-	-	X	-	-	-	X	-	-
Other loans	-	-	X	-	-	-	X	-	-
- Loans	(5)	(1,301)	(322)	84	511	-	568	(465)	(790)
- Debt securities	(5)	(1,301)	(322)	84	511	-	568	(465)	(790)
C. Total	-	-	-	-	-	-	-	-	-
(Amounts in € thousand)	(5)	(1,301)	(322)	84	511	-	568	(465)	(790)

(Importi in migliaia)

Key

A = From interest

B = Other write-backs

In the period there were no impairment losses on available-for-sale financial assets, held-to-maturity investments and other financial assets..

SECTION 9 – Administrative costs – Item 150

9.1 Payroll costs: breakdown

Type of expense/Amount	01.01.2014-03.31.2014	01.01.2013-03.31.2013
1) Employees	(15,332)	(14,798)
a) wages and salaries	(10,662)	(10,308)
b) social security contributions	(2,886)	(2,818)
c) employee severance fund	(198)	(171)
d) pension costs	-	-
e) allocation to employee severance pay provision	(33)	(32)
f) provision for retirements and similar provisions		
- defined contribution	-	-
- defined benefit	-	-
g) payments to external pension funds		
- defined contribution	(615)	(585)
- defined benefit	-	-
h) costs related to share-based payments	(190)	(307)
i) other employee benefits	(748)	(577)
2) Other staff	(24)	(22)
3) Directors and statutory auditors	(211)	(191)
4) Early retirement costs	-	-
5) Recovery of expenses for employees seconded to other companies	25	15
6) Recovery of expenses for employees seconded to the company	(228)	(344)
Total	(15,770)	(15,340)

(Amounts in € thousand)

Following the issue of the 2nd update of Bank of Italy Circular no. 262 of January 21, 2014, employee severance fund payments made to other defined contribution funds which were previously recognized in the item "employee severance fund" have been recognized under "payments to supplementary pension funds".

To enable a like-for-like comparison, 2013 data have been also reclassified.

Sub-item h) "costs related to share-based payments", includes costs recognized in the income statement in relation to share-based payments of the Parent Company UniCredit S.p.A..

9.3 Pensions and other post-retirement defined-benefit obligations costs and revenues

No data to report.

9.5 Other administrative expenses: breakdown

01.01.2014-03.31.2014

01.01.2013-03.31.2013

1) INDIRECT TAXES AND DUTIES	(19,247)	(14,184)
2) MISCELLANEOUS COSTS AND EXPENSES		
A) Advertising expenses - Marketing and communication	(5,022)	(8,346)
Mass media campaigns	(4,167)	(7,251)
Marketing and promotions	(854)	(1,054)
Sponsorships	-	(41)
Conventions and internal communications	(1)	-
B) Expenses related to credit risk	(294)	(267)
Credit recovery expenses	(186)	(169)
Commercial information and company searches	(108)	(98)
C) Expenses related to personnel	(4,333)	(3,182)
Personnel training	(170)	(111)
Car rental and other payroll costs	(10)	(7)
Personal financial adviser expenses	(4,014)	(2,950)
Travel expenses	(123)	(91)
Premises rentals for personnel	(16)	(23)
D) ICT expenses	(7,411)	(7,534)
Lease of ICT equipment and software	(1,082)	(1,335)
Software expenses: lease and maintenance	(1,766)	(1,640)
ICT communication systems	(978)	(915)
ICT services: external personnel/outsourced services	(1,691)	(1,648)
Financial information providers	(1,894)	(1,996)
E) Consulting and professional services	(1,347)	(733)
Consultancy for ordinary operations	(170)	(105)
Consultancy for strategy, business development and organisational optimisation	(116)	-
Legal expenses	(438)	-
Legal disputes	(623)	(628)
F) Real estate expenses	(5,269)	(5,284)
Real estate services	(171)	(171)
Repair and maintenance of furniture, machinery, and equipment	(46)	(39)
Maintenance of premises	(251)	(259)
Premises rentals	(4,277)	(4,024)
Cleaning of premises	(118)	(114)
Utilities	(406)	(677)
G) Other functioning costs	(9,039)	(8,669)
Surveillance and security services	(88)	(99)
Postage and transport of documents	(627)	(652)
Administrative and logistic services	(3,625)	(3,543)
Insurance	(900)	(944)
Printing and stationery	(174)	(115)
Association dues and fees	(3,487)	(3,137)
Other administrative expenses	(138)	(179)
Total	(51,962)	(48,199)

(Amounts in € thousand)

Legal and consultancy for strategy, business development and organizational optimization expenses include expenses related to the project of admission to the listing of ordinary shares of the Bank pertaining to the first quarter of 2014.

SECTION 10 – NET PROVISIONS FOR RISKS AND CHARGES – ITEM 160

10.1 Net provisions for risks and charges: breakdown

	01.01.2014-03.31.2014			01.01.2013-03.31.2013		
	Allocations	Reallocations	Total	Allocations	Reallocations	Total
Disputes with customers and PFA	(5.799)	3.373	(2.426)	(5.460)	2.138	(3.322)
Supplementary customer indemnity provision	(928)	-	(928)	(758)	-	(758)
Other provisions for risks and charges	(19)	-	(19)	(524)	1.898	1.374
Total	(6.746)	3.373	(3.373)	(6.742)	4.036	(2.706)

(Amounts in € thousand)

SECTION 11 – IMPAIRMENTS/WRITE-BACKS ON PROPERTY, PLANT AND EQUIPMENT – ITEM 170

11.1 Impairment/write-backs on property, plant and equipment: breakdown

Asset/Income item	Depreciation (a)	Write-downs for impairment (b)	Write-backs (c)	Net gain (loss) 03.31.2014 (a+b-c)	Net gain (loss) 03.31.2013
A. Property, plant and equipment					
A.1 Owned	(745)	(4)	-	(749)	(549)
- Used in the business	(717)	(4)	-	(721)	(521)
- Held for investment	(28)	-	-	(28)	(28)
A.2 Finance lease	-	-	-	-	-
- Used in the business	-	-	-	-	-
- Held for investment	-	-	-	-	-
Total	(745)	(4)	-	(749)	(549)

(Amounts in € thousand)

SECTION 12 – Impairments/write-backs on intangible assets – Item 180

12.1 Impairments on intangible assets: breakdown

Asset/Income item	Depreciation (a)	Write-downs for impairment (b)	Write-backs (c)	Net gain (loss) 03.31.2014 (a+b-c)	Net gain (loss) 03.31.2013
A. Intangible assets					
A.1 Owned	(1,156)	-	-	(1,156)	(1,163)
- Generated internally by the Company	-	-	-	-	-
- Other	(1,156)	-	-	(1,156)	(1,163)
A.2 Finance lease					
Total	(1,156)	-	-	(1,156)	(1,163)

(Amounts in € thousand)

SECTION 13 – Other net operating income – Item 190*13.1 Other operating expenses: breakdown*

Type/Amount	01.01.2014-03.31.2014	01.01.2013-03.31.2013
Refunds and allowances	(31)	(86)
Penalties, fines and unfavourable rulings	(177)	(483)
Improvements and incremental expenses incurred on leasehold prope	(769)	(665)
Improvements and incremental expenses incurred on group properties	(3)	(3)
Exceptional write-downs	(211)	(287)
Other operating expense	(69)	(50)
Total	(1,260)	(1,574)

(Amounts in € thousand)

Exceptional write-downs of assets include costs incurred for credit card fraud of €202 thousand.

13.2 Other operating revenues: breakdown

Type/Amount	01.01.2014-03.31.2014	01.01.2013-03.31.2013
Recovery of costs:	18,807	14,069
- ancillary expenses - other	93	73
- taxes	18,714	13,996
Rental income from real estate investments	58	57
Other income from current year	378	2,078
Total	19,243	16,204

(Amounts in € thousand)

SECTION 18 – Tax expense (income) related to profit or loss from continuing operations – Item 260*18.1 Tax expense (income) related to profit or loss from continuing operations: breakdown*

Income item/Amount	01.01.2014-03.31.2014	01.01.2013-03.31.2013
1. Current tax (-)	(19,178)	(16,393)
2. Adjustment to current tax of prior years (+/-)	(500)	(1,000)
3. Reduction of current tax for the year (+)	-	-
3.bis Reduction of current tax for the year due to tax receivables pursuant to Law 214/2011 (+)	-	-
4. Changes in deferred tax assets (+/-)	(711)	369
5. Changes in deferred tax liabilities (+/-)	(333)	(350)
6. Tax expense for the period (-) (-1+/-2+3+/-4+/-5)	(20,722)	(17,374)

(Amounts in € thousand)

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 Cordusio

SECTION 21 - Earnings per share

21.1 Average number of diluted shares

Basic earnings per share are calculated by dividing the net profit of the period by the average number of ordinary shares outstanding during the period (the number of ordinary shares outstanding is the same during all the periods presented).

As at March 31, 2014 there were no transactions in place resulting in a dilutive effect on earnings per share.

	01.01.2014-03.31.2014	01.01.2013-03.31.2013
Net profit for the period (€ thousands)	36,926	
Average number of outstanding shares	606,274,033	606,274,033
Earnings per share (basic and diluted)	0.06	0.04

On April 15, 2014, FinecoBank's Board of Directors - in line with best practices and recommendations of the Corporate Governance Code for Listed Companies and with a view to continuing its remuneration strategy – resolved to adopt a remuneration system focused on incentives and the retention and motivation of its top management (i.e. Senior Managers and Employees of the Company who, due to the importance and critical nature of their role, as well as their expertise and potential, may impact the economic results and sustainability of the company) and Financial Advisers, as described in Part A - Section 3 - Subsequent events of the Notes.

Plans described in points 1), 2) and 3) of Part A - Section 3 - Subsequent events, will be settled with Company shares from free capital increases pursuant to Article 2349 of the Italian Civil Code. The maximum number of shares that could be assigned in execution of the above plans is 4,200,000. The dilution effect for shareholders arising from those free capital increases used in execution of the stock granting plans is calculated as a maximum of 0.69% of the fully diluted capital.

PART E - INFORMATION ON RISKS AND HEDGING POLICIES

In order to ensure lean and efficient management of risks, the risk management process is structured in accordance with the organizational choices made by the Group and the provisions of the Supervisory Instructions for Banks pertaining to the internal control system.

Risk management and control is performed by the Risk Management function of FinecoBank 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 CRO Department is responsible for credit operations and Risk Management. The disclosure, at various levels, is provided by the Strategic Bodies and Officers (Managing Director, Board of Directors, Risk Committee). In relation to the Basel II Pillar 2 instructions, reputational and business risk and, in collaboration with the CFO, liquidity risk are also monitored and reported.

The CRO and (CFO) are responsible for proposing the Risk Appetite and setting risk management strategies and policies, in line with the Bank's strategies and objectives, coordinating and monitoring their implementation by the units responsible, also in the various company areas.

The CRO Department ensures the control of the Bank's overall risk profile monitoring the various types of exposure, in accordance with the methods established by the Parent Company.

The Risk Management Unit prevents and monitors different components of Bank risks. The function specifically controls credit, market and operational risks to which the Bank is exposed. The Risk Management function also monitors business, reputational and liquidity risk. The Risk Management Unit supports the CRO, in the area of responsibility of the Department, in monitoring and reporting to the Strategic Bodies and Officers.

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.

For further information on the risks to which the Bank is exposed (credit risk, market risk, liquidity risk, operational risk and other risks), and relative hedging policies, reference should be made to Part E of the notes to the Financial Statements as at December 31, 2013.

With particular reference to credit risk, quantitative information concerning the Bank's credit quality is given below.

Section 1 – Credit Risk

Quantitative information

A. Credit quality

A.1 Impaired and performing loans: amounts, write-downs and changes

A.1.1 Breakdown of financial assets by portfolio and credit quality (carrying value)

Portfolio/quality	Non-performing loans	Doubtful loans	Restructured loans	Past-due impaired loans	Past-due non-impaired loans	Other assets	Total
1. Financial assets held for trading	-	-	-	-	-	8,383	8,383
2. Available-for-sale financial assets	-	-	-	-	-	91,560	91,560
3. Held-to-maturity investments	-	-	-	-	-	-	-
4. Loans and receivables with banks	-	-	-	-	-	17,084,534	17,084,534
5. Loans and receivables with customers	3,368	619	-	836	22,174	642,144	669,141
6. Financial assets at fair value through profit or loss	-	-	-	-	-	2,368	2,368
7. Financial instruments classified as held for sale	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	-	-	94,436	94,436
Total March 31, 2014	3,368	619	-	836	22,174	17,923,425	17,950,422
Total December 31, 2013	3,277	673	-	781	18,662	17,167,763	17,191,156

(Amounts in € thousand)

As at March 31, 2014 there were no impaired purchased loans.

A.1.2 Breakdown of credit exposures by portfolio and credit quality (gross and net values)

Portfolio/quality	Impaired assets			Performing			Total (net exposure)
	Gross exposure	Specific impairment	Net exposure	Gross exposure	Portfolio impairment	Net exposure	
1. Financial assets held for trading	-	-	-	X	X	8,383	8,383
2. Available-for-sale financial assets	-	-	-	91,560	-	91,560	91,560
3. Held-to-maturity investments	-	-	-	-	-	-	-
4. Loans and receivables with banks	-	-	-	17,084,534	-	17,084,534	17,084,534
5. Loans and receivables with customers	21,959	(17,136)	4,823	671,795	(7,477)	664,318	669,141
6. Financial assets at fair value through profit or loss	-	-	-	X	X	2,368	2,368
7. Financial instruments classified as held for sale	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	X	X	94,436	94,436
Total March 31, 2014	21,959	(17,136)	4,823	17,847,889	(7,477)	17,945,599	17,950,422
Total December 31, 2013	21,174	(16,443)	4,731	17,065,063	(7,722)	17,186,425	17,191,156

(Amounts in € thousand)

As at March 31, 2014, there were no performing loans to customers renegotiated under collective agreements and no impaired purchased loans; no partial write-backs have been made on impaired financial assets.

Breakdown by maturity of net performing loans to customers, amounting to €664,318 thousand (€636,519 thousand as at December 31, 2013), is as follows:

- not past due of €642,144 thousand (€617,858 thousand as at December 31, 2013);
- not-impaired, past due between 1 day and 90 days of €21,702 thousand (€18,015 thousand as at December 31, 2013);
- not-impaired, past due between 90 days and 180 days of €399 thousand (€451 thousand as at December 31, 2013);
- not-impaired, past due between 180 days and 1 year of €63 thousand (€191 thousand as at December 31, 2013);

- not-impaired, past due by more than 1 year of €10 thousand (€5 thousand as at December 31, 2013);

Other performing loans shown in table A.1.2 are all not past due.

A.1.3 On-balance sheet and off-balance-sheet credit exposures to banks: gross and net values

Type of exposure/Amount	Exposure gross	Specific impairments	Portfolio impairments	Net exposure
A. On-balance sheet exposures				
a) Non-performing loans	-	-	X	-
b) Doubtful loans	-	-	X	-
c) Restructured loans	-	-	X	-
d) Past-due impaired loans	-	-	X	-
e) Other assets	17,086,937	X	-	17,086,937
Total A	17,086,937	-	-	17,086,937
B. Off-balance sheet exposures				
a) Impaired	-	-	X	-
b) Other	840,812	X	-	840,812
Total B	840,812	-	-	840,812

(Amounts in € thousand)

In the above table, item B. "Off-balance sheet exposures" includes the counterparty risk related to repos classified as "Securities Financing Transactions" (SFT), as defined in Bank of Italy prudential regulations, amounting to €439,466 thousand (€401,792 thousand as at December 31, 2013).

There were no securities lending transactions collateralized by other securities or without a cash guarantee with banks.

A.1.4 On-balance sheet credit exposures to banks: trend of gross impaired exposures:

No data to report.

A.1.5 On-balance sheet credit exposures to banks: trend in total impairments

No data to report.

A.1.6 On-balance sheet and off-balance-sheet credit exposures to customers: gross and net values

Type of exposure/Amount	Exposure gross	Specific impairments	Portfolio impairments	Net exposure
A. On-balance sheet exposures				
a) Non-performing loans	18,526	(15,158)	X	3,368
b) Doubtful loans	1,899	(1,280)	X	619
c) Restructured loans	-	-	X	-
d) Past-due impaired loans	1,534	(698)	X	836
e) Other assets	763,365	X	(7,477)	755,888
Total A	785,324	(17,136)	(7,477)	760,711
B. Off-balance sheet exposures				
a) Impaired	-	-	X	-
b) Other	626,886	X	-	626,886
Total B	626,886	-	-	626,886

(Amounts in € thousand)

In the above table, item B. "Off-balance sheet exposures" include the counterparty risk related to securities lending transactions collateralized by other securities and to repos classified as "Securities Financing Transactions" (SFT), as defined in Bank of Italy prudential regulations, amounting to €616,211 thousand (€574,542 thousand as at December 31, 2013).

There were no securities lending transactions without cash guarantees with customers.

A.1.7 On-balance sheet credit exposures to customers: trend of gross impaired exposures:

Source / Categories	Non-performing loans	Doubtful loans	Restructured loans	Past-due loans
A. Opening balance - gross exposure	17,664	2,065	-	1,444
of which: assets sold but not derecognised	-	-	-	-
B. Increases				
B.1 inflows from performing loans	11	204	-	1,781
B.2 transfers from other categories			-	
of impaired exposures	944	837	-	-
B.3 Other increases	82	102	-	206
C. Decreases				
C.1 outflows to performing loans	-	(231)	-	(170)
C.2 de-recognitions	(30)	(3)	-	-
C.3 collections	(145)	(152)	-	(849)
C.4 disposals	-	-	-	-
C.4 bis losses on disposal	-	-	-	-
C.5 transfers to other categories				
of impaired exposures	-	(921)	-	(860)
C.6 other decreases	-	(2)	-	(18)
D. Gross exposure closing balance	18,526	1,899	-	1,534
of which: assets sold but not derecognised	-	-	-	-

(Amounts in € thousand)

A.1.8 On-balance sheet credit exposures to customers: trend in total impairments

Source / Categories	Non-performing loans	Doubtful loans	Restructured loans	Past-due loans
A. Total opening impairment	(14,387)	(1,393)	-	(663)
of which: assets sold but not derecognised	-	-	-	-
B. Increases				
B.1 impairment	(365)	(393)	-	(552)
B.1.a losses on disposal	-	-	-	-
B.2 transfers from other categories				
of impaired exposures	(610)	(268)	-	-
B.3 Other increases	(13)	-	-	-
C. Decreases				
C.1 write-backs from assessments	126	145	-	157
C.2 write-backs from recoveries	61	38	-	70
C.2.a gains on disposal	-	-	-	-
C.3 de-recognitions	30	3	-	-
C.4 transfers to other categories				
of impaired exposures	-	588	-	290
C.5 other decreases	-	-	-	-
D. Final overall impairment	(15,158)	(1,280)	-	(698)
of which: assets sold but not derecognised	-	-	-	-

(Amounts in € thousand)

There were no impaired on-balance sheet credit exposures to banks.

PART F – SHAREHOLDERS' EQUITY**Section 1 - Bank's shareholders' equity***B. Quantitative information**B.1 Bank's shareholders' equity: breakdown**Amount 03.31.2014**Amount 12.31.2013*

1. Share capital	200,070	200,070
2. Share premium reserve	1,934	1,934
3. Reserves	212,930	127,715
- from profits	212,930	127,715
a) legal	28,800	28,800
b) statutory	-	-
c) treasury shares	-	-
d) other	184,130	98,915
- other	-	-
4. Equity instruments	-	-
5. (Treasury shares)	-	-
6. Revaluation reserves	3,906	4,214
- Available-for-sale financial assets	1,150	641
- Property, plant and equipment	-	-
- Intangible assets	-	-
- Hedging instruments of foreign investments	-	-
- Cash flow hedges	-	-
- Exchange differences	-	-
- Non-current assets classified as held for sale	-	-
- Actuarial gains (losses) on defined benefits plans	2,756	3,573
- Revaluation reserves for associates carried at equity	-	-
- Special revaluation laws	-	-
7. Net Profit (Loss) for the year	36,926	85,216
Total	455,766	419,149

(Amounts in € thousand)*(Importi in migliaia)*

Sub- item 3. d) other reserves as at March 31, 2014 includes the profit for the year ended December 31, 2013, of €85,216 thousand, which the Shareholders' Meeting of the Bank on April 15, 2014 resolved to allocate as follows:

- €4,261 thousand to the legal reserve;
- €58,948 thousand to the extraordinary reserve;
- €20,007 thousand euro, equal to €0.033 per share, to the sole shareholder;
- €2,000 thousand as charitable donations.

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 Top Managers' Compensation

Key management personnel are persons having authority and responsibility for planning, directing, and controlling FinecoBank's activities, directly or indirectly. This category includes Board members and members of the Board of Statutory Auditors, pursuant to requirements of the Bank of Italy Circular no. 262 of December 22, 2005 as amended, as well as the CEO, the Deputy General Manager/GBS Manager, the Chief Financial Officer, the PFA Network Commercial Manager, the Direct Bank Manager and the Investment & Wealth Management Services Manager³.

01.01.2014-03.31.2014 01.01.2013-03.31.2013

Fees paid to "Key Management Personnel", Directors and the Board of Statutory Auditors		
a) short-term benefits	990	512
b) post-employment benefits	53	10
<i>of which under defined benefit plans</i>	-	-
<i>of which under defined contribution plans</i>	53	10
c) other long-term employee benefits	3	-
d) termination benefits	-	-
e) share-based payments	143	101
TOTAL	1,189	623

(Amounts in € thousand)

2. Related-party transactions

In order to ensure full compliance with current legislative and regulatory provisions on disclosure of related-party transactions, on December 13, 2010, the Company's Board of Directors approved the provisions for related-party transactions, in compliance with the provisions of the Consob Regulation, approved by Resolution No. 17221 of March 12, 2010 and subsequently amended by Resolution No. 17389 of June 23, 2010.

On December 17, 2013, the Board of Directors of the Bank approved the "Global Policy for the management of transactions with parties involving conflicts of interest" (Related Parties as defined by CONSOB, Associated Persons as defined by the Bank of Italy and Bank Officers pursuant to Article 136 of the Consolidated Law on Banking (TUB)" ("Global Policy") issued by the Parent Company UniCredit as part of its management and coordination of subsidiaries. The Global Policy sets out the principles and regulations to monitor risks arising from situations with a potential conflict of interest, and enacts applicable regulations and specifically the provisions of the Consob Related-Parties Regulation, of the Circular of the Bank of Italy no. 263 of December 27, 2006 and Article 136 of the Consolidated Law on Banking ("applicable regulations"). Moreover, on January 27, 2014, the Board of Directors of the Bank approved the UniCredit

³As at March 31, 2013, key managers of the Bank comprised Board members, members of the Board of Statutory Auditors and the CEO. As at March 31, 2014, key managers of the Bank also include the Deputy General Manager/GBS Manager, the Chief Financial Officer, the PFA Network Commercial Manager, the Direct Bank Manager and the Investment & Wealth Management Services Manager, as they have been identified as key managers by the Board of Directors on March 27, 2014.

"Global Operational Instructions for the management of transactions with persons in conflict of interest" that sets out the operating procedures for actual application of the principles and regulations established in the Global Policy.

In the first quarter of the year 2014, two non-standard transactions were carried out with related parties and associated persons, based on the approval of the Board of Directors on March 27, 2014, and specifically:

- a material transaction, concerning the change in the liquidity investment policy of FinecoBank with the Parent Company UniCredit S.p.A.;
- and
- a minor transaction, concerning the appointment of Mediobanca S.p.A. as sponsor for the admission to the listing of the ordinary shares of the Bank.

The above transactions were approved by UniCredit's Related-Parties and Equity Investments Committee and by (i) all members of FinecoBank's Audit Committee, the above transaction with Mediobanca and (ii) only by Independent Directors of the Committee, the new liquidity investment policy. The latter transaction was also examined by the Board of Directors of the Parent Company, on a conservative basis, assuming that at present, due to 100% control, inter-group transactions would be excluded from the above decision-making procedures.

During the first quarter of 2014, inter-group transactions and transactions with related parties in general, both Italian and foreign, were conducted within the ordinary course of business and related financial activities of the Bank and were carried out under conditions similar to those applied to transactions with unrelated third parties. Intra-group transactions were carried out based on assessments of a mutual economic advantage, and the determination of applicable terms and conditions took place in compliance with the criteria of substantial correctness, keeping in mind the common goal of creating value for the entire UniCredit group. The same principle was also applied in relation to the provision of intra-group services, combined with the principle of regulate such services at minimal rate solely to recover related production costs.

With regard to transactions of significant operating, capital and financial importance, during 2012, FinecoBank S.p.A. issued 5 bank guarantees in favor of the Italian Revenue Agency upon request by UniCredit S.p.A., with indefinite duration (specifically of a duration until payment of the underlying sums), for a total amount of €256,065 thousand, plus interest accrued and accruing until request for payment from the Italian Revenue Agency. The bank guarantees have been issued to secure the obligations assumed by UniCredit S.p.A. in relation to five VAT refund suspension orders issued by the Italian Revenue Agency and entail the assumption by FinecoBank S.p.A. of an irrevocable payment commitment on demand, within 30 days and without any exceptions. In the previous year, following the settlement of an assessment notice issued by the Regional Department of Liguria, for €4,505 thousand, replaced by another assessment notice issued by the same Department up to the amount settled, a guarantee already issued by FinecoBank S.p.A. was replaced, with amounts unchanged; this transaction did not change commitments undertaken according to the forms, procedures and risks already measured during 2012. No changes occurred in the first quarter of 2014.

The following table shows the outstanding assets, liabilities, guarantees and commitments as at March 31, 2014 for each group of related parties according to IAS 24:

	Amounts as at March 31, 2014			
	Joint ventures not consolidated	Associates	Directors and key personnel	Other related parties
Financial assets held for trading	-	-	-	30
Financial assets at fair value through profit or	-	-	-	-
Loans and receivables with banks	-	-	-	-
Loans and receivables with customers	-	-	6	6,745
Other assets	-	-	-	47
Total assets	-	-	6	6,822
Deposits from banks	-	-	-	812
Deposits from customers	-	-	823	8,522
Financial liabilities held for trading	-	-	-	-
Tax liabilities	-	-	-	-
Other liabilities	-	-	-	113
Total liabilities	-	-	823	9,447
Guarantees given and commitments	-	-	-	-

(Amounts in € thousand)

The following table sets out the impact of the above transactions with related parties on the main Income Statement items, for each group of related parties.

	Income Statement as at March 31, 2014			
	Joint ventures not consolidated	Associates	Directors and key personnel	Other related parties
Interest income and similar revenues	-	-	-	1
Interest expenses and similar charges	-	-	(1)	(2)
Fee and commission income	-	-	-	7,303
Fee and commission expense	-	-	-	(143)
Gains (losses) on financial assets and liabilities h	-	-	-	-
Fair value adjustments in hedge accounting	-	-	-	-
Payroll costs	-	-	-	-
Other administrative expenses	-	-	-	(1,844)
Other operating expense	-	-	-	-
Other administrative income	-	-	-	4
Net impairment losses on loans and provisions	-	-	-	-
for guarantees and commitments	-	-	-	-
Total income statement as at 31 March 2014	-	-	(1)	5,319
Total income statement as at 31 March 2013	-	-	(2)	3,692

(Amounts in € thousand)

With regard to the category "Directors and key personnel", in application of the special regulations laid down in Article 136 of Legislative Decree 385/93 (Consolidated Law on Banking), the obligations established for persons that perform administrative, management and control functions pursuant to those regulations were unanimously approved by a resolution of the Board of Directors with the favorable vote of all members of the Board of Statutory Auditors, in accordance with Article 136 of said Consolidated Law on Banking.

The category "Directors and key personnel" includes dealings with Directors and key personnel of FinecoBank (excluding related fees on which information is provided in point 1 above *Details of Top Managers' Compensation*) and the Parent Company UniCredit, mainly concerning assets for credit card use, liabilities for funds held with the Bank and profits and losses generated from the aforesaid assets and liabilities.

Transactions with "Other related parties" (natural persons and corporate bodies), mainly refer to:

- assets for credit card use, liabilities for funds held with the Bank or securities lending transactions guaranteed by sums of money;

- assets for current receivables associated with the provision of financial services, mainly referring to fees for the placement of asset management and insurance products principally carried out for Aviva S.p.A., BlackRock (Channel Islands) Limited, CNP UniCredit Vita S.p.A., CreditRas Vita S.p.A. and Pimco Europe Ltd.;
- profits and losses generated from the above assets and liabilities, mainly referring to subscription and management fee and commission income relative to the placement of asset management and insurance products.

The above item "Other related parties" does not include amounts as at March 31, 2014 and the income components accrued in the first quarter of 2014 relating to the Parent Company UniCredit and the UniCredit group companies, which are presented further below.

TRANSACTIONS WITH THE PARENT COMPANY AND OTHER UNICREDIT GROUP COMPANIES

Total Transactions with UniCredit group companies	03.31.2014	12.31.2013
Assets	17.187.857	16.461.642
Financial assets held for trading	27	30
Financial assets at fair value through profit or loss	1.197	1.186
Loans and receivables with banks	17.068.707	16.304.187
Loans and receivables with customers	18.219	13.444
Hedging derivative assets	94.436	123.143
Tax assets	302	15.179
Other assets	4.969	4.473
Liabilities	3.896.834	4.099.437
Deposits from banks	1.524.994	1.565.413
Deposits from customers	3.604	3.261
Debt securities in issue	2.322.527	2.322.511
Financial liabilities held for trading	14	8
Hedging derivative liabilities	110.240	141.801
Tax liabilities	(73.455)	58.578
Other liabilities	8.910	7.865
Guarantees	266.070	266.070
Guarantees given	266.070	266.070
	01.01.2014-03.31.2014	01.01.2013-03.31.2013

Income Statement	84.229	76.012
Interest income and similar revenues	67.278	69.455
Interest expenses and similar charges	(1.631)	(3.606)
Fee and commission income	20.850	19.275
Fee and commission expense	(1.391)	(1.085)
Gains (losses) on financial assets and liabilities held for trading	437	141
Fair value adjustments in hedge accounting	3.270	(3.537)
Administrative costs	(4.647)	(4.693)
Other net operating income	63	62

(Amounts in € thousand)

The following table summarizes transactions with UniCredit group companies as at March 31, 2014:

Company	Assets	Liabilities	Guarantees and commitments	Income Statement
Unicredit S.p.A.	17,168,969	3,873,901	266,070	66,724
Unicredit Bank AG	274	9,273	-	724
UniCredit Bank AG Milan	-	529	-	(18)
Direktanlage.AT AG	24	1,016	-	39
Unicredit Credit Management Bank S.p.A.	-	68	-	(25)
Localmind S.p.A.	-	2,665	-	(1)
Unicredit Luxembourg Finance SA	-	-	-	20
Unicredit Business Integrated Solutions S.C.p.A.	362	4,443	-	(3,311)
Pioneer Investment Management SGR p.A.	2,023	183	-	2,637
Fineco Leasing S.p.A.	-	939	-	125
Dab Bank AG	3	3,800	-	236
Cordusio Società Fiduciaria per Azioni	97	17	-	2
Pioneer Asset Management SA Luxembourg	16,105	-	-	17,077
Total	17,187,857	3,896,834	266,070	84,229

(Amounts in € thousand)

The following tables contain a breakdown of the items relating to Assets, Liabilities, Costs and Revenue for each company of the Group.

Transactions with parent companies

Transactions with UniCredit S.p.A.	03.31.2014	12.31.2013
Assets	17,168,969	16,448,012
Financial assets at fair value through profit or loss	1,197	1,187
Loans and receivables with banks	17,068,433	16,304,052
Hedging derivative assets	94,436	123,143
Tax assets	302	15,179
Other assets	4,601	4,451
Liabilities	3,873,901	3,963,574
Deposits from banks	1,510,919	1,554,316
Debt securities in issue	2,322,527	2,322,511
Hedging derivative liabilities	109,711	141,160
Tax liabilities	(73,455)	(58,578)
Other liabilities	4,199	4,165
Guarantees	266,070	266,070
Guarantees given	266,070	266,070

01.01.2014-03.31.2014 01.01.2013-03.31.2013

Income Statement	66,724	60,101
Interest income and similar revenues	67,354	69,422
Interest expenses and similar charges	(1,624)	(3,340)
Fee and commission income	233	82
Fee and commission expense	(1,152)	(939)
Fair value adjustments in hedge accounting	3,165	(3,830)
Administrative costs	(1,256)	(1,299)
Other net operating income	4	5

(Amounts in € thousand)

Transactions with companies controlled by UniCredit S.p.A.

Transactions with UniCredit Bank AG	03.31.2014	12.31.2013
Assets	274	144
Loans and receivables with banks	274	135
Other assets	-	9
Liabilities	9,273	5,890
Deposits from banks	9,273	5,890

01.01.2014-03.31.2014 01.01.2013-03.31.2013

Income Statement	724	239
Interest income and similar revenues	46	-
Interest expenses and similar charges	(3)	-
Fee and commission income	681	239

(Amounts in € thousand)

Transactions with UniCredit Bank AG, Milan 03.31.2014 12.31.2013

Liabilities	529	640
Hedging derivative liabilities	529	640

01.01.2014-03.31.2014 01.01.2013-03.31.2013

Income Statement	(18)	248
Interest income and similar revenues	(122)	33
Interest expenses and similar charges	-	(259)
Fee and commission income	-	183
Fee and commission expense	(1)	(2)
Fair value adjustments in hedge accounting	105	293

(Amounts in € thousand)

Transactions with Direktanlage.AT AG 03.31.2014 12.31.2013

Assets	24	25
Financial assets held for trading	24	25
Liabilities	1,016	1,024
Deposits from banks	1,009	1,020
Financial liabilities held for trading	7	4

01.01.2014-03.31.2014 01.01.2013-03.31.2013

Income Statement	39	(1)
Interest expenses and similar charges	(1)	(1)
Fee and commission income	2	2
Fee and commission expense	(19)	(12)
Gains (losses) on financial assets and liabilities held for trading	57	10

(Amounts in € thousand)

Transactions with UniCredit Credit Management Bank S.p.A. 03.31.2014 12.31.2013

Liabilities	68	61
Other liabilities	68	61

01.01.2014-03.31.2014 01.01.2013-03.31.2013

Income Statement	(25)	(25)
Administrative costs	(25)	(25)

(Amounts in € thousand)

Transactions with Localmind S.p.A. in liquidation 03.31.2014 12.31.2013

Liabilities	2,665	2,712
Deposits from customers	2,665	2,712

01.01.2014-03.31.2014 01.01.2013 / 03.31.2013

Income Statement	(1)	(6)
Interest expenses and similar charges	(1)	(6)

(Amounts in € thousand)

Transactions with UniCredit Luxembourg Finance SA 01.01.2014-03.31.2014 01.01.2013-03.31.2013

Income Statement	20	18
Fee and commission income	20	18

(Amounts in € thousand)

Transactions with Unicredit Business Integrated Solutions S.C.p.A. 03.31.2014 12.31.2013

Assets	362	4
Other assets	362	4
Liabilities	4,443	3,473
Other liabilities	4,443	3,473

01.01.2014-03.31.2014 01.01.2013-03.31.2013

Income Statement	(3,311)	(3,312)
Administrative costs	(3,368)	(3,369)
Other net operating income	57	57

(Amounts in € thousand)

Transactions with Pioneer Investment Management SGR p.A. 03.31.2014 12.31.2013

Assets	2,023	2,424
Loans and receivables with customers	2,023	2,424
Liabilities	183	122
Other liabilities	183	122

01.01.2014-03.31.2014 01.01.2013-03.31.2013

Income Statement	2,637	3,022
Fee and commission income	2,687	3,072
Fee and commission expense	(50)	(50)

(Amounts in € thousand)

Transactions with Fineco Leasing S.p.A. 03.31.2014 12.31.2013

Liabilities	939	550
Deposits from customers	939	550

01.01.2014-03.31.2014 01.01.2013-03.31.2013

Income Statement	125	167
Fee and commission income	125	167

(Amounts in € thousand)

Transactions with Dab Bank AG 03.31.2014 12.31.2013

Assets	3	5
Financial assets held for trading	3	5
Liabilities	3,800	4,191
Deposits from banks	3,793	4,187
Financial liabilities held for trading	7	4

01.01.2014-03.31.2014 01.01.2013-03.31.2013

Income Statement	236	76
Interest expenses and similar charges	(1)	(1)
Fee and commission income	12	10
Fee and commission expense	(154)	(65)
Gains (losses) on financial assets and liabilities held for trading	379	132

(Amounts in € thousand)

Transactions with Cordusio Società Fiduciaria per Azioni 03.31.2014 12.31.2013

Assets	97	74
Loans and receivables with customers	91	71
Other assets	6	3
Liabilities	17	44
Other liabilities	17	44

01.01.2014-03.31.2014 01.01.2013-03.31.2013

Income Statement	2	(2)
Fee and commission income	13	13
Fee and commission expense	(14)	(15)
Administrative costs	3	-

(Amounts in € thousand)

Transactions with Pioneer Asset Management SA Luxembourg 03.31.2014 12.31.2013

Assets	16,105	10,950
Loans and receivables with customers	16,105	10,950

01.01.2014-03.31.2014 01.01.2013-03.31.2013

Income Statement	17,077	15,478
Fee and commission income	17,077	15,478

(Amounts in € thousand)

Transactions with UniCredit Leasing S.p.A. 01.01.2014-03.31.2014 01.01.2013-03.31.2013

Income Statement	-	9
Fee and commission income	-	9

(Amounts in € thousand)

Transactions with UniCredit Bank Austria AG 03.31.2014 12.31.2013

Assets	-	2
Other assets	-	2

(Amounts in € thousand)

Bank Pekao SA 03.31.2014 12.31.2013

Assets	-	1
Other assets	-	1

(Amounts in € thousand)

Transactions with UniCredit BulBank AD 03.31.2014 12.31.2013

Assets	-	1
Other assets	-	1

(Amounts in € thousand)

PART I – SHARE-BASED PAYMENTS

A. Qualitative information

With reference to share-based payments outstanding as at March 31, 2014, which will be settled with shares of the Parent Company UniCredit, no changes occurred compared to the Financial Statements as at December 31, 2013.

B. Quantitative information

Financial statement presentation related to share based payments

	03.31.2014		03.31.2013	
	<i>Total</i>	<i>Vested Plans</i>	<i>Total</i>	<i>Vested Plans</i>
Costs	190		307	
- connected to Equity Settled Plans	190		307	
Debts paid to UniCredit S.p.A. for vested plans ¹		-		-
Debts paid to UniCredit S.p.A. ¹	1,694		1,346	

(Importi in migliaia)

¹Amount equal to the economic value accrued for services rendered by employees that are the beneficiaries of the plans that grant UniCredit shares.

PART L – SEGMENT REPORTING

The Bank does not provide segment reporting information as its business model provides for a high level of integration among its different activities. FinecoBank offers its services (banking and investment services) through a network of financial advisers 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.



