Interim Financial Report
at September 30th, 2017 – Press Release

FinecoBank will voluntarily publish an "Interim Financial Report - Press Release" for Q1 and Q3 of each year in order to ensure continuity with the previous quarterly reports.

Results at September 30th, 2017 approved

- Net profit adjusted for non-recurring items[1]:
  €156.9 million (+7.8% y/y)
- Strong growth in gross operating profit: **€256.2 million (+9.3% y/y[2])**
- Cost/income ratio down: **40.5% (-1.7 p.p.[2])**
- Revenues: **€430.9 million (+6.3% y/y[2])**
- Operating costs: **€174.7 million (+2.1% y/y)**

FIGURES AT OCTOBER 31st, 2017
Strong net inflows. Growing assets and clients

- Net sales October 2017: **€517 million (+46% y/y)**,
  of which **€497 million (+20% y/y)** in Guided Products
- Net sales since the beginning of the year: **€4,690 million (+19% y/y)**,
  of which €**2,883 million** in AuM **(+102% y/y)**,
  confirming a continuous improvement in the asset mix
- Guided Products up to **62%** of AuM stock **(+7 p.p. y/y)**
- Total financial assets: **€66.3 billion (+14% y/y)**
- **Over 1,188,000** total clients **(+7% y/y)**,
  of which **10,257** new clients in October **(+10% y/y)**

[1] -€5.9 million net (-€8.8 million gross) for write-down of the exposure in equities and the commitment to the Voluntary Scheme for the bailout of Carim and Carismi). Change y/y adjusted for non-recurring items recorded in 2016 (see note 2)

[2] Change adjusted for non-recurring items recorded in the first nine months of 2016: sale of stake in Visa Europe Limited for a net profit after tax of €10.3 million (revenues); tax release of €6.5 million following a positive settlement of tax disputes (tax)

FINECOBANK	
9M17 HIGHLIGHTS	■ **Revenues €430.9 million,** +6.3% y/y[2] **driven by Investing area (+14.2% y/y),** with management fees up 14.5% y/y sustained by the continuous improvement in the asset mix and the network's productivity, and by **Banking area (+9.7% y/y),** thanks to the increase in transactional liquidity and lending volumes. **Solid performance for Brokerage area despite volatility at lowest since 2013** ■ **Operating costs well under control at €174.7 million, +2.1% y/y. Cost/Income ratio[2] down to 40.5%, -1.7 p.p.** ■ **Adjusted net profit[1] at €156.9 million,** +7.8% y/y[2]**, which includes -€8.3 million net related to the Deposit Guarantee Scheme (DGS) contribution**
UPDATE ON INITIATIVES	■ **The boost in the lending offer continues**, with a strong focus on credit quality. Mortgages +38.8% q/q, personal loans +58.9% y/y. Growth in Lombard loans +30.5% y/y, also thanks to the contribution of the new Credit Lombard ■ **Continued improvement in PFA productivity and asset mix thanks to the strong focus on the cyber-advisory approach:** 60% of 9M17 net sales represented by Assets under Management and average total financial assets per financial advisor at €21.4 million, up 13.9% y/y ■ **Strong positioning in the Private segment continues**, with TFA growing to €25.1 billion (+20% y/y) ■ The implementation phase for the constitution of the **Irish Asset Management Company** is underway and progressing in line with expectations. The company will focus on fund of funds and sub-adviced single funds with the aim to offer more efficient, flexible and guided solutions to our clients, according to their investments goals and risk-return profile

Milan, November 7th, 2017

The Board of Directors of FinecoBank S.p.A. has approved the results at September 30th, 2017.
Alessandro Foti, CEO and General Manager of FinecoBank, stated:

"The very positive results recorded in the first nine months of 2017 testify that Fineco's growth path is healthy and sustainable. They also confirm the success of a business model able to produce every quarter a well diversified revenue stream, total net sales in continuous improvement both for volumes and asset mix,

a steady increase in our Network's productivity and an acceleration in the acquisition of new customers thanks to the quality of our services.
Fineco confirms with its results the effectiveness of its strategic choices: organic growth, a strong positioning in the Private Banking segment, the strengthening of its lending offer with a particular focus on credit quality. Looking ahead we look for a further improvement of these trends, also thanks to our new initiatives, among which the constitution of Fineco Asset Management".

TOTAL FINANCIAL ASSETS AND NET SALES

Total Financial Assets at September 30th, 2017 amounted to €65.4 billion, up 14% on September 2016. The stock of Assets under Management was up 13.9% y/y to €31.3 billion at September 30th, 2017; Assets under Custody totalled €14.3 billion (+9.9% y/y) and direct deposits came to €19.7 billion (+15.8% y/y) thanks to the continuous growth in new customers and "transactional" deposits.

The TFA related to Private Banking clients, i.e. with assets above €500,000, totalled €25.1 billion, up 20% y/y.

Total net sales came to €4,174 million (+16% y/y). The asset mix continued to improve, as already noted in previous months: Assets under Management totalled €2,507 million (+128% on the first nine months of 2016), Assets under Custody amounted to €482 million, and direct deposits came to €1,185 million. Total net sales for "Guided Products & Services" amounted to €2,729 million, bringing their penetration on total AuM to 61%, compared to 54% in September 2016 and 56% in December 2016.

At September 30th, 2017, the network was composed of 2,629 personal financial advisors operating through 372 Fineco Centers. Net sales through the PFA network in the first nine months of the year totalled €3,813 million, up 22% on the same period of 2016.

In terms of customers' acquisition, since the beginning of the year 87,050 new clients have been acquired (+6% y/y), of which 9,118 in September alone (+7% y/y). The total number of customers was over 1,180,000 as of September 30th 2017, up 7% compared to the same period of the previous year.

INCOME STATEMENT RESULTS AT SEPTEMBER 30TH, 2017

mln	3Q16	9M16 Adj.[1]	2Q17	3Q17 Adj.[2]	9M17 Adj.[2]	*9M17/ 9M16*	*3Q17/ 3Q16*	*3Q17/ 2Q17*
Net interest income	62.5	186.0	64.3	67.4	194.6	*4.6%*	*7.7%*	*4.8%*
Net commissions	59.3	177.1	65.0	69.7	199.4	*12.6%*	*17.6%*	*7.2%*
Trading profit	10.8	42.4	12.3	11.1	37.1	*-12.4%*	*3.2%*	*-9.4%*
Other expenses/income	-0.8	0.0	-0.8	0.1	-0.2	*n.m.*	*n.m.*	*n.m.*
Total revenues	**131.8**	**405.4**	**140.8**	**148.2**	**430.9**	***6.3%***	***12.5%***	***5.3%***
Staff expenses	-19.3	-57.1	-19.7	-19.8	-58.7	*2.9%*	*2.2%*	*0.3%*
Other admin.expenses	-31.4	-106.8	-38.2	-31.1	-108.5	*1.6%*	*-0.8%*	*-18.6%*
D&A	-2.6	-7.2	-2.5	-2.6	-7.5	*3.4%*	*0.7%*	*5.0%*
Operating expenses	***-53.4***	***-171.1***	***-60.4***	***-53.5***	***-174.7***	*2.1%*	*0.3%*	*-11.4%*
Gross operating profit	**78.4**	**234.3**	**80.4**	**94.7**	**256.2**	***9.3%***	***20.7%***	***17.8%***
Provisions	-11.3	-13.9	-0.8	-13.6	-16.8	*20.8%*	*20.3%*	*n.m.*
LLP	-0.7	-3.5	-1.0	-1.5	-3.1	*-12.8%*	*112.2%*	*52.6%*
Integration costs	0.0	0.0	0.0	0.0	0.0	*n.m.*	*n.m.*	*n.m.*
Profit from investments	0.0	0.0	-0.4	0.0	-0.4	*n.m.*	*n.m.*	*n.m.*
Profit before taxes	**66.4**	**216.9**	**78.3**	**79.5**	**236.0**	***8.8%***	***19.8%***	***1.6%***
Income taxes	-21.8	-71.3	-25.7	-26.8	-79.0	*10.8%*	*23.2%*	*4.5%*
Net profit adjusted	**44.6**	**145.6**	**52.6**	**52.7**	**156.9**	***7.8%***	***18.1%***	***0.2%***

Revenues in the first nine months of 2017 amounted to €430.9 million, up 6.3% compared to €405.4 million for the same period of the previous year, net of the profit realized on the sale of the stake in Visa Europe Limited in 2016.

Net interest income came to €194.6 million at September 30th, 2017, up 4.6% on €186.0 million for the same period of the previous year, thanks to the increase in transactional liquidity and, consequently, in financial investments, and higher lending volumes, which more than offset the lower interest income linked to the fall in market rates.
The average gross margin on interest-earning assets amounted to 1.28% in the first nine months of 2017 compared to 1.37% for the same period of 2016.

Net commissions for the first nine months of 2017 amounted to €199.4 million and were up 12.6% on the same period of the previous year, mainly thanks to the continuous growth in Assets under Management and the level of "Guided products & services" as a percentage of total AuM (+14.2% y/y net fees from the Investing area, of which +14.5% y/y management fees). Moreover, higher commissions generated by the Banking area following the introduction of a fee on new credit cards.

[1] Net of non-recurring items recorded in the first nine months of 2016: sale of stake in Visa Europe Limited for a net profit after tax of €10.3 million (revenues); tax release of €6.5 million following a positive settlement of tax disputes (tax)
[2] Net of non-recurring items recorded in the first nine months of 2017: -€5.9 million net (-€8.8 million gross) for the write-down of the exposure in equities and the commitment to the Voluntary Scheme for the bailout of Carim and Carismi).

Trading profit was mainly driven by the income generated from the internalisation of securities and CFDs, financial instruments used for the operational hedging of CFDs, and the exchange differences on foreign-currency assets and liabilities. At September 30th, 2017 it amounted to €37.1 million, down 12.4%, net of the gain of €15.3 million on the sale of the stake in Visa Europe Limited. Taking into account the gains realised in 2016 from the sale of government securities recorded in the "Available-for-sale financial assets" portfolio, amounting to €5 million, Trading profit would have shown no significant change compared to the same period of the previous year (-0.6% y/y).

Operating costs at September 30th, 2017 came to €174.7 million, up 2.1% on €171.1 million for the same period of the previous year, despite the continuous expansion of the business, assets and customers thanks to the strong operational efficiency of the Bank.
The cost/income ratio was 40.5% for the first nine months of 2017, down 1.7 p.p. compared to 42.2% for the first nine months of 2016, net of the gain realised from the Visa sale in 2016.

Staff expenses amounted to €58.7 million at September 30th, 2017, up 2.9% mainly due to the increase in the number of employees from 1,066 at September 30th, 2016 to 1,105 at September 30th, 2017.

Other administrative expenses, net of recovery of expenses, for the first nine months of 2017 amounted to €108.5 million, representing an increase of 1.6%.

Gross operating profit totalled €256.2 million at September 30th, 2017, up 9.3% on €234.3 million for the same period of the previous year, net of the gain realised from the Visa sale in 2016.

Net write-downs of loans and provisions for guarantees and commitments totalled €3.1 million, down 12.8% on €3.5 million at September 30th, 2016. The cost of risk was 30 bps versus 50 bps for the first nine months of 2016. The decrease was due to several factors: the increase of volumes, with secured and low risk products, and extraordinary write-backs partly coming from the improvement of the quality of the portfolio.

Provisions for risks and charges amounted to €24.2 million at September 30th, 2017, of which €7.4 million non-recurring related to the write-down of the contribution to the Voluntary Scheme for the capital increase of Carim and Carismi. Net of this non-recurring item, the provisions for risks and charges were up 20.8% y/y, mainly due to the higher ordinary annual DGS contribution, estimated at €12.4 million and calculated without including the risk adjustment applicable to each individual consortium in accordance with the Directive 2014/49/EU.

Profit from investments at September 30th mainly included a non-recurring item related to the full write-down of the exposure in equities (Available-for-sale financial assets) due to €1.4 million contribution to the Voluntary Scheme for future capital increases of Carim and Carismi.

The **Profit before taxes**, net of non-recurring item[2] was at €236.0 million, +8.8% on €216.9 million for the first nine months of 2016, net of the gain on Visa sale in 2016.

The **Net Profit for the period** at September 30th, 2017, net of non-recurring item[2] was at €156.9 million, up 7.8% on €145.6 million for the same period of the previous year, net of non-recurring items[1].

SHAREHOLDERS' EQUITY AND CAPITAL RATIOS

Shareholders' equity stood at €672 million, down €9.8 million compared to December 31st, 2016.

The Bank confirmed its capital strength with a transitional CET1 ratio of 20.74% (22.94% at the end of 2016). The total transitional capital ratio was 20.74% (22.94% at the end of 2016).

The leverage ratio was 5.95% (8.26% at year-end 2016) and was calculated in accordance with EU Delegated Regulation 2015/62 of October 10th, 2014. As required by Circular No. 285 of the Bank of Italy, Part Two, Chapter 12, Section III, Exercise of national discretion, exposures to UniCredit Group companies based in Italy and weighted at 0% pursuant to Article 113, par. 6 of the CRR have not been included in the calculation of total exposure, in accordance with Article 429 (7) of the CRR amended by the Delegated Regulation (EU) 2015/62.

MAIN INCOME STATEMENT RESULTS FOR THE THIRD QUARTER 2017

Revenues amounted to €148.2 million, up 5.3% on the previous quarter and 12.5% on the third quarter of 2016.

Net interest income for the third quarter came to €67.4 million, up 4.8% on the previous quarter and 7.7% on the third quarter of 2016, mainly supported by an increase in transactional liquidity and higher lending volumes.
In the third quarter 2017, the average gross margin on interest-earning assets was 1.27% and did not differ from the previous quarter, whereas in the third quarter of 2016 it was 1.32%.

Net commissions for the third quarter 2017 amounted to €69.7 million, up 7.2% on the previous quarter and 17.6% on the third quarter of 2016. This positive trend was mainly driven by the growth in fees from the Investing area, in addition to higher fees generated by the Banking area as a result of the introduction of a fee on new credit cards, partly offset – especially compared to the second quarter of 2017 – by lower brokerage fees.

Trading profit amounted to €11.1 million, down 9.4% on the second quarter 2017, but up 3.2% on the third quarter 2016.

Total **operating costs** in the third quarter came to €53.5 million, down 11.4% on the previous quarter, mainly due to lower marketing costs, and were in line with €53.4 million for the third quarter 2016.

Gross operating profit for the third quarter amounted to €94.7 million, strongly up by 17.8% on the previous quarter and by 20.7% on the same quarter of 2016.

Provisions for risks and charges amounted to €21 million for the third quarter, of which €7.4 million non-recurring, related to the write-down of the contribution to the Voluntary Scheme for the capital increase of Carim and Carismi. Net of this non-recurring item, the provisions for risks and charges were up 20.3% y/y, mainly due to higher ordinary annual DGS contribution, estimated at €12.4 million and calculated without including the risk adjustment applicable to each individual consortium in accordance with the Directive 2014/49/EU. The change compared to the previous quarter was not significant due to the recording of the ordinary DGS contribution.

Profit from investments for the third quarter mainly included a non-recurring item related to the full write-down of the exposure in equities (Available-for-sale financial assets) due to €1.4 million contribution to the Voluntary Scheme for future capital increases of Carim and Carismi.

The **Profit before taxes** for the third quarter, net of non-recurring item[2], was at €94.7 million, up 17.8% on the second quarter 2017 and up 20.7% on the same period of the previous year.

The **Net Profit for the period**, net of non-recurring item[2], was at €52.7 million, in line with the previous quarter, despite DGS contribution (-€8.3 million net of taxes) in the third quarter 2017. Net profit was up 18.1% on the third quarter 2016.

SIGNIFICANT EVENTS IN Q3 2017 AND SUBSEQUENT EVENTS

Here below, the financial press release occurred after July 31, 2017 (date of approval of First Half Financial Report as at June 30, 2017): “FinecoBank: 3Q17 Preliminary Results” (press release published on October 24, 2017).

NEW INITIATIVES MONITORING

The Bank added a lot of fuel to Lending In the Banking area, with a strong focus on credit quality sustained by a strategy to offer lending exclusively to existing clients leveraging on Big Data analytics. Mortgages, launched at the end of 2016, totalled €357 million at September 30th, 2017, +38.8% q/q and +382.9% on March. Personal loans amounted to €326 million, +5.3% q/q and +58.9% y/y. The level of Lombard loans also increased: the amounts drawn at September 30th totalled €459 million (+30.5% q/q), of which €133 million for the new Credit Lombard.

As regards the Investing Area, the relaunch of Private Banking continued, aimed at further strengthening the Bank's positioning in this segment, with TFA increasing to €25.1 billion (+19.8% y/y), equal to 38% of the Bank’s total financial assets (+2 p.p. y/y).

The productivity of the network is constantly growing. The average portfolio per financial advisor amounted to €21.4 million, up 13.9% y/y and 3.3% q/q. The asset mix also continued to improve: 60% of the net sales for the first nine months of 2017 referred to Assets under Management.

The implementation phase for the constitution of the Irish Asset Management Company is underway and progressing in line with expectations. The goal is to further increase the Bank's competitiveness through a vertically integrated business model, diversify and improve the offer. The company will focus on fund of funds and sub-adviced single funds with the aim to offer more efficient, flexible and guided solutions to our clients, according to their investments goals and risk-return profile.

CONDENSED BALANCE SHEET

ASSETS	DECEMBER 31 2016	SEPTEMBER 30 2017	Absolute changes	%
Cash and cash balances	5	1,671	1,666	33320.0%
Financial assets held for trading	6,044	10,538	4,494	74.4%
Loans and receivables with banks	15,735,540	14,292,534	(1,443,006)	-9.2%
Loans and receivables with customers	1,016,798	1,715,684	698,886	68.7%
Financial investments	3,757,529	5,418,872	1,661,343	44.2%
Hedging instruments	9,211	16,172	6,961	75.6%
Property, plant and equipment	14,451	15,197	746	5.2%
Goodwill	89,602	89,602	-	-
Other intangible assets	7,731	7,712	(19)	-0.2%
Tax assets	13,165	14,279	1,114	8.5%
Other assets	336,300	233,188	(103,112)	-30.7%
TOTAL ASSETS	**20,986,376**	**21,815,449**	**829,073**	**4.0%**

(Amounts in € thousand)

PASSIVO E PATRIMONIO NETTO	DECEMBER 31 2016	SEPTEMBER 30 2017	Variazione assoluta	Variazione %
Deposits from banks	1,111,106	696,554	(414,552)	-37.3%
Deposits from customers	18,801,073	20,007,773	1,206,700	6.4%
Financial liabilities held for trading	2,626	3,274	648	24.7%
Hedging instruments	11,371	18,731	7,360	64.7%
Provisions for risks and charges	111,756	103,666	(8,090)	-7.2%
Tax liabilities	10,048	49,310	39,262	390.7%
Other liabilities	257,097	264,641	7,544	2.9%
Shareholders' Equity	681,299	671,500	(9,799)	-1.4%
- capital and reserves	*476,249*	*524,273*	*48,024*	*10.1%*
- revaluation reserves (available-for-sale financial assets and actuarial gains (losses) for defined benefits plans)	*(6,794)*	*(3,811)*	*2,983*	*-43.9%*
- net profit (loss)	*211,844*	*151,038*	*(60,806)*	*-28.7%*
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**20,986,376**	**21,815,449**	**829,073**	**4.0%**

(Amounts in € thousand)

CONDENSED BALANCE SHEET – QUARTERLY FIGURES

ASSETS	SEPTEMBER 30 2016	DECEMBER 31 2016	MARCH 31 2017	JUNE 30 2017	SEPTEMBER 30 2017
Cash and cash balances	8	5	615	2,902	1,671
Financial assets held for trading	5,547	6,044	5,714	9,791	10,538
Loans and receivables with banks	14,441,864	15,735,540	15,461,841	14,827,089	14,292,534
Loans and receivables with customers	971,888	1,016,798	1,166,180	1,503,867	1,715,684
Financial investments	3,586,682	3,757,529	3,906,456	4,760,269	5,418,872
Hedging instruments	7,559	9,211	12,410	15,417	16,172
Property, plant and equipment	14,366	14,451	14,379	15,396	15,197
Goodwill	89,602	89,602	89,602	89,602	89,602
Other intangible assets	7,557	7,731	7,702	8,025	7,712
Tax assets	5,578	13,165	14,486	9,276	14,279
Other assets	321,867	336,300	247,202	271,613	233,188
TOTAL ASSETS	**19,452,518**	**20,986,376**	**20,926,587**	**21,513,247**	**21,815,449**

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	SEPTEMBER 30 2016	DECEMBER 31 2016	MARCH 31 2017	JUNE 30 2017	SEPTEMBER 30 2017
Deposits from banks	1,139,241	1,111,106	980,245	929,859	696,554
Deposits from customers	17,249,625	18,801,073	18,883,826	19,440,617	20,007,773
Financial liabilities held for trading	4,822	2,626	2,228	4,113	3,274
Hedging instruments	15,304	11,371	16,738	16,084	18,731
Provisions for risks and charges	117,360	111,756	113,060	102,123	103,666
Tax liabilities	47,409	10,048	36,073	19,525	49,310
Other liabilities	222,813	257,097	162,730	380,059	264,641
Shareholders' Equity	655,944	681,299	731,687	620,867	671,500
- capital and reserves	*474,255*	*476,249*	*690,077*	*522,475*	*524,273*
- revaluation reserves (available-for-sale financial assets and actuarial gains (losses) for defined benefits plans)	*19,316*	*(6,794)*	*(10,084)*	*(5,875)*	*(3,811)*
- net profit (loss)	*162,373*	*211,844*	*51,694*	*104,267*	*151,038*
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**19,452,518**	**20,986,376**	**20,926,587**	**21,513,247**	**21,815,449**

(Amounts in € thousand)

CONDENSED INCOME STATEMENT

	FIRST 9 MONTHS 2016	FIRST 9 MONTHS 2017	Absolute changes	%
Net interest	185,976	194,554	8,578	4.6%
Dividends and other income from equity investments	-	18	18	n.c.
Net fee and commission income	177,095	199,387	22,292	12.6%
Net trading, hedging and fair value income	57,711	37,119	(20,592)	-35.7%
Net other expenses/income	(35)	(170)	(135)	385.7%
OPERATING INCOME	**420,747**	**430,908**	**10,161**	**2.4%**
Payroll costs	(57,065)	(58,693)	(1,628)	2.9%
Other administrative expenses	(170,865)	(176,914)	(6,049)	3.5%
Recovery of expenses	64,084	68,380	4,296	6.7%
Impairment/write-backs on intangible and tangible assets	(7,219)	(7,461)	(242)	3.4%
Operating costs	**(171,065)**	**(174,688)**	**(3,623)**	**2.1%**
OPERATING PROFIT (LOSS)	**249,682**	**256,220**	**6,538**	**2.6%**
Net write-downs of loans and provisions for guarantees and commitments	(3,521)	(3,069)	452	-12.8%
NET OPERATING PROFIT (LOSS)	**246,161**	**253,151**	**6,990**	**2.8%**
Provisions for risks and charges	(13,895)	(24,179)	(10,284)	74.0%
Integration costs	(10)	(20)	(10)	100.0%
Net income from investments	-	(1,801)	(1,801)	n.c.
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**232,256**	**227,151**	**(5,105)**	**-2.2%**
Income tax for the period	(69,883)	(76,113)	(6,230)	8.9%
PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**162,373**	**151,038**	**(11,335)**	**-7.0%**
NET PROFIT (LOSS) FOR THE PERIOD	**162,373**	**151,038**	**(11,335)**	**-7.0%**

(Amounts in € thousand)

CONDENSED INCOME STATEMENT – QUARTERLY FIGURES

	3 QUARTER 2016	1 QUARTER 2017	2 QUARTER 2017	3 QUARTER 2017	FIRST 9 MONTHS 2017
Net interest	62,527	62,906	64,282	67,366	194,554
Dividends and other income from equity investments	-	6	6	6	18
Net fee and commission income	59,274	64,681	65,026	69,680	199,387
Net trading, hedging and fair value income	10,785	13,710	12,282	11,127	37,119
Net other expenses/income	(793)	531	(764)	63	(170)
OPERATING INCOME	**131,793**	**141,834**	**140,832**	**148,242**	**430,908**
Payroll costs	(19,349)	(19,216)	(19,708)	(19,769)	(58,693)
Other administrative expenses	(53,141)	(62,442)	(61,451)	(53,021)	(176,914)
Recovery of expenses	21,747	23,277	23,215	21,888	68,380
Impairment/write-backs on intangible and tangible assets	(2,610)	(2,330)	(2,503)	(2,628)	(7,461)
Operating costs	**(53,353)**	**(60,711)**	**(60,447)**	**(53,530)**	**(174,688)**
OPERATING PROFIT (LOSS)	**78,440**	**81,123**	**80,385**	**94,712**	**256,220**
Net write-downs of loans and provisions for guarantees and commitments	(720)	(540)	(1,001)	(1,528)	(3,069)
NET OPERATING PROFIT (LOSS)	**77,720**	**80,583**	**79,384**	**93,184**	**253,151**
Provisions for risks and charges	(11,342)	(2,377)	(773)	(21,029)	(24,179)
Integration costs	(3)	(14)	1	(7)	(20)
Net income from investments	-	8	(361)	(1,448)	(1,801)
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**66,375**	**78,200**	**78,251**	**70,700**	**227,151**
Income tax for the period	(21,784)	(26,506)	(25,678)	(23,929)	(76,113)
PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**44,591**	**51,694**	**52,573**	**46,771**	**151,038**
NET PROFIT (LOSS) FOR THE PERIOD	**44,591**	**51,694**	**52,573**	**46,771**	**151,038**

(Amounts in € thousand)

SOVEREIGN EXPOSURES

The following table shows the book value of the sovereign exposures in debt securities at September 30th, 2017, classified in the "Available-for-sale financial assets" and "Held-to-maturity investments" portfolio; the exposures to sovereign debt securities accounted for 24.41% of the Bank's total assets.
The Bank also holds sovereign exposures in debt instruments classified in the "Financial Assets held for trading" portfolio amounting to €11 thousand.

	BOOK VALUE AS AT SEPTEMBER 30, 2017	% OF FINANCIAL STATEMENT ITEM
Italy	**3,074,232**	
Available-for-sale financial assets	1,181,960	78.26%
Held-to-maturity investments	1,892,272	48.41%
France	**10,138**	
Available-for-sale financial assets	10,138	0.67%
Spain	**2,139,144**	
Available-for-sale financial assets	247,763	16.41%
Held-to-maturity investments	1,891,381	48.39%
Spain	**35,058**	
Held-to-maturity investments	35,058	0.90%
USA	**66,147**	
Available-for-sale financial assets	66,147	4.38%
Total Sovereign exposures - AFS and HTM	**5,324,719**	**24.41%**

(Amounts in € thousand)

OPERATING STRUCTURE

	SEPTEMBER 30 2016	DECEMBER 31 2016	SEPTEMBER 30 2017
No. of Employees	1,066	1,086	1,105
No. of Human Resources (1)	1,075	1,096	1,117
No. Personal financial advisors	2,626	2,628	2,629
No. Financial shops (2)	353	358	372

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

BASIS OF PREPARATION

This Interim Financial Report at September 30th, 2017 - Press Release has been prepared on a voluntary basis to ensure consistency with previous quarterly reports, because under Legislative Decree 25/2016 implementing Directive 2013/50/EU it is no longer obligatory to provide financial reporting more frequently than the half-year and annual reports. This Interim Financial Report at September 30th, 2017 – Press Release, as well as the press releases on significant events during the period, the market presentation on the third quarter 2017 results and the Database are also available on FinecoBank's website.
The items in the condensed balance sheet and income statement were prepared starting from the formats provided in the instructions in Circular 262/2005 issued by the Bank of Italy, to which the reconciliations explained under the section "Reconciliation of condensed accounts to mandatory reporting" of the 2016 Financial Statements were introduced.
In order to provide additional information on the Bank's performance, several alternative performance indicators have been used - APM (such as Cost/income ratio, Cost of Risk, Guided products & services/AUM and Guided products & services/TFA), whose description is found in Attachment 2 "Glossary of technical terminology and acronyms used" of the First Half Financial Report at June 30th, 2017, in line with the guidelines published by the European Securities and Markets Authority (ESMA/2015/1415) on October 5th, 2015.
The information contained in this Interim Financial Report at September 30th, 2017 – Press Release was not prepared in accordance with the international accounting standard applicable to interim financial reports (IAS 34).
The Interim Financial Report at September 30th, 2017 - Press Release, presented in reclassified format, was prepared on the basis of the IAS/IFRS international accounting standards in force today, as explained in the "accounting policies" found in the Notes to the Accounts - Part A - Accounting Policies of the 2016 Financial Statements, except for the elements pointed out below. For the purposes of the Interim Financial Report at September 30th, 2017 – Press Release, FinecoBank has not re-measured the recoverable value of intangible and tangible assets, including goodwill and assets whose value depends on these estimates. Where necessary, these valuations will be updated for the Annual Financial Statements at December 31st, 2017.
If the accounting recognition has not fully appreciated the pertinent period of the items not characterised by the "pro rata temporis" accrual such as, in particular, the administrative expenses, the accounting figure was integrated with budget-based estimates.
With reference to the 2017 DGS contributions, the impact was accounted in the item "Provision for Risks and Charges" and was the best estimate according to available information at September 30th, 2017 for the annual contribution to be paid to the Italian Interbank Deposit Guarantee Fund, calculated without including the risk adjustment applicable to each individual consortium in accordance with the Directive 2014/49/EU.
With regard to the ordinary contributions due to the Single Resolution Fund for the year 2017, this cost was estimated at zero.

This Interim Financial Report at September 30th, 2017 – Press Release has not been audited by the External Auditors.

CERTIFICATIONS AND OTHER COMMUNICATIONS

Related-Party Transactions

With reference to paragraph 8 of Article 5 - "Public information on transactions with related parties" of the Consob Regulation containing provisions relating to transactions with related parties (adopted by Consob through Resolution No. 17221 of March 12th, 2010, as subsequently amended by Resolution No. 17389 of June 23rd, 2010), it is noted that the following transactions were approved in the first nine months of 2017:

1. on February 7th, 2017 the Board of Directors, upon recommendation from the Audit and Related Parties Committee, approved the renewal of the "*Framework Resolution for the entering into hedging derivative contracts with the Parent Company or companies in the UniCredit Group*", an ordinary Significant Transaction at market conditions with validity up to February 7th, 2018, which enables the Bank to enter into contracts with the Parent Company or with other companies in the UniCredit Group for the hedging of commercial assets or liabilities that, for ALM purposes, require interest rate hedging up to a maximum ceiling of €1,000 million with the Parent Company and €1,300 million with UniCredit Bank AG;

2. on May 9th, 2017, the Board of Directors, upon recommendation from the Risk and Related Parties Committee, approved the renewal of the "*Framework Agreement - Repurchase Agreements and Term Deposits with the Parent Company*", an ordinary Significant Transaction at market conditions with validity up to May 9th, 2018, concerning *(i)* Repurchase Agreements with the Parent Company up to a maximum ceiling of €6.2 billion, calculated as the sum of the individual transactions in absolute value (for both repos or reverse repos) and *(ii)* Term deposits with the Parent Company up to a maximum ceiling of €8.5 billion, calculated as the sum of the individual transactions in absolute value.

3. On June 6th, 2017, the Board of Directors, upon recommendation from the Risk and Related Parties Committee , approved the early renewal of the "*Framework Agreement for the transactions on current accounts held with UniCredit*", an ordinary Significant Transaction at market conditions with validity up to June 6th, 2018, which enables the Bank to manage its liquidity in euro and in foreign currencies through specific current accounts already held with UniCredit S.p.A. up to a maximum ceiling of less than €1,000 million understood as a single transaction (single payment and single withdrawal).

4. On July 4th, 2017, the Board of Directors, upon recommendation from the Risk and Related Parties Committee , approved the renewal of the "*Framework Resolution - Trading of financial instruments with related-party institutional counterparties*", an ordinary Significant Transaction at market conditions with validity up to July 3rd, 2018, which enables the Bank to carry out trades in financial instruments with related-party institutional counterparties, up to a maximum ceiling of: (i) €1 billion with UniCredit Bank AG and (ii) €500 million with Mediobanca S.p.A..

5. On September 19th, 2017, the Board of Directors, upon recommendation from the Risk and Related Parties Committee, approved the renewal of the "*Framework Resolution - Stock Lending Transactions with institutional clients*", an ordinary Significant Transaction at market conditions with validity up to September 18th, 2018, which enables the Bank to carry out Stock Lending Transactions with institutional counterparties, up to a maximum ceiling of: (i) €500 million with UniCredit Bank AG and (ii) €200 million with Mediobanca SpA.

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

As at September 30th, 2017, no other transactions had been undertaken with related parties that could significantly affect the Bank's financial position or earnings.

Declaration of the nominated official in charge of drawing up company accounts

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

DECLARES

in compliance with the provisions of the second paragraph of Article 154-bis of the "Consolidated Finance Act", that the accounting information contained in this Interim Financial Report at September 30th, 2017 corresponds to results in the Company's accounts, books and records.

Milan, November 7th, 2017

The Nominated Official in charge of drawing up
the Company's Accounts

FIGURES AT OCTOBER 30TH, 2017

FinecoBank recorded total net sales of € 4,690 million since the beginning of 2017 (+19% y/y), confirming the continuous improvement in the asset mix with respect to 2016, as highlighted in the previous months: Asset under Management totalled € 2,883 million (+102% compared to the same period of 2016) equal to 61% on total net inflows, Asset under Custody amounted at € 505 million and direct depos totalled € 1,302 million. Since the beginning of the year "Guided products & services" net sales amounted at € 3,227 million, increasing the penetration rate at 62% on total AuM compared to 55% in October 2016 and 56% in December 2016.

In October, net sales amounted at € 517 million (+46% y/y), of which € 376 million in Asset under Management, € 23 million Asset under Custody and € 117 direct deposits. "Guided products & services" net sales amounted at € 497 million (+20% y/y).
Since the beginning of the year net sales through our network of personal financial advisors totalled € 4,313 million, +25% compared to last year.
Total Financial Assets were at € 66,270 million (+10% compared to December 2016 and +14% y/y).
In terms of customers' acquisition, since the beginning of the year 97,307 new clients have been acquired (+7% y/y), of which 10,257 in October (+10% y/y). Total number of customers was more than 1,188,000 as of October 31st 2017, up 7% y/y.

Tables showing the figures for October 2017 are provided below.

figures in € million

TOTAL NET SALES	**OCT 2017**	**JAN - OCT 2017**	**JAN - OCT 2016**
Assets under management	376.1	2,882.9	1,424.0
Assets under custody	23.2	505.3	876.2
Direct deposits	117.3	1,302.1	1,637.7
TOTAL NET SALES	**516.6**	**4,690.3**	**3,938.0**

figures in € million

PFA NETWORK NET SALES	**OCT 2017**	**JAN - OCT 2017**	**JAN - OCT 2016**
Assets under management	373.2	2,864.5	1,436.8
Assets under custody	8.2	348.6	689.5
Direct deposits	119.5	1,100.4	1,315.7
TOTAL NET SALES PFA NETWORK	**501.0**	**4,313.5**	**3,442.0**

figures in € million

TOTAL FINANCIAL ASSETS	**OCT 2017**	**DEC 2016**	**OCT 2016**
Assets under management	32,034.6	28,607.9	27,796.3
Assets under custody	14,443.9	13,077.7	13,072.0
Direct deposits	19,791.7	18,509.5	17,239.3
TOTAL FINANCIAL ASSETS	**66,270.1**	**60,195.1**	**58,107.7**

figures in € million

PFA NETWORK TFA	OCT 2017	DEC 2016	OCT 2016
Assets under management	31,516.6	28,105.2	27,302.3
Assets under custody	10,834.8	9,736.1	9,742.3
Direct deposits	14,674.0	13,593.0	12,659.1
PFA NETWORK TFA	**57,025.4**	**51,434.3**	**49,703.7**

FinecoBank

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

* Source: Assoreti

** Source: Assosim

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