



B A N K

# 3Q18 Results



November 2018

FINECO. THE BANK THAT SIMPLIFIES BANKING.

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## **Fineco Results**

-  Focus on product areas
-  Key messages

## Executive Summary

- **9M18 net profit adjusted<sup>(1)</sup> at 178.8mIn, strongly up y/y (+13.9% y/y<sup>(2)</sup>)** confirming the sustainability of a business model able to delivery consistent results in every market condition
- **3Q18 net profit adjusted<sup>(1)</sup> at 53.6mIn (+1.8% y/y <sup>(2)</sup>).** Comparison with 2Q18 affected by the annual contribution to deposit guarantee scheme (-14.3 million gross accounted in 3Q18)
- **9M18 growing revenues (+7.8% y/y)** supported by Investing area (+9.9% y/y with management fees up +12.6% y/y) and Banking area (+8.8% y/y thanks to high quality volume growth in deposits and lending).
- **9M18 Operating Costs adjusted<sup>(1)</sup> well under control at 182.8mIn (+4.6% y/y) and C/I ratio at 39%, down -1.2 p.p. y/y,** confirming operating leverage as a key strength of the bank
- Strong and safe capital position: **CET1 ratio transitional at 20.5%** and **TCR transitional at 28.9%**
- **9M18 commercial activity confirms its robustness with strong y/y increase in net sales, assets and clients. Asset mix coherent with a more complex environment**
  - ✓ Net sales at 4.8bn (+14.5% y/y)
  - ✓ Total Financial Assets at 70.9bn (+8.4% y/y)
  - ✓ Guided Products & Services penetration rate on AuM stock up to 66% (+5.1 p.p. y/y)
  - ✓ Almost 1,260mIn clients (+6.5% y/y)

<sup>(1)</sup> 9M18 non recurring items: severance (staff expenses) -1.6mIn gross, -1.1mIn net in 3Q18.

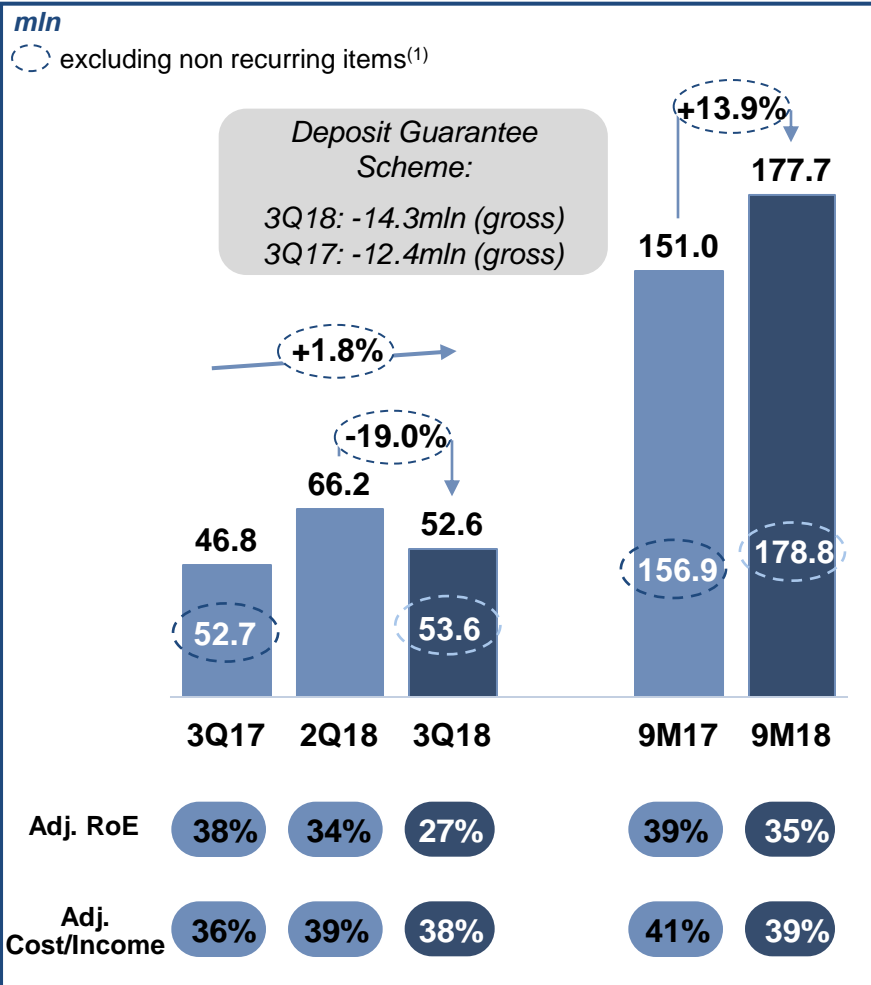
<sup>(2)</sup> 9M17 non recurring items: FITD/ Voluntary Scheme -8.8mIn gross, -5.9mIn net.

# Results

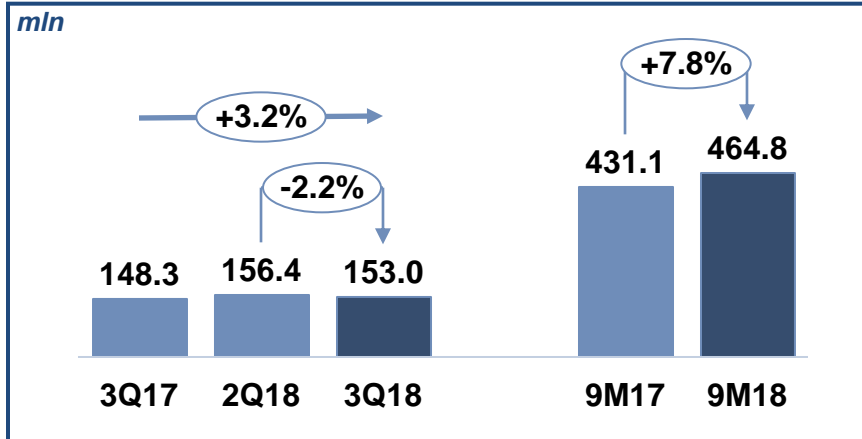
9M18 adjusted net profit +14% y/y in a more complex environment.

Well diversified revenues up +7.8% y/y and C/I ratio down ~1.2 p.p. y/y at 39%

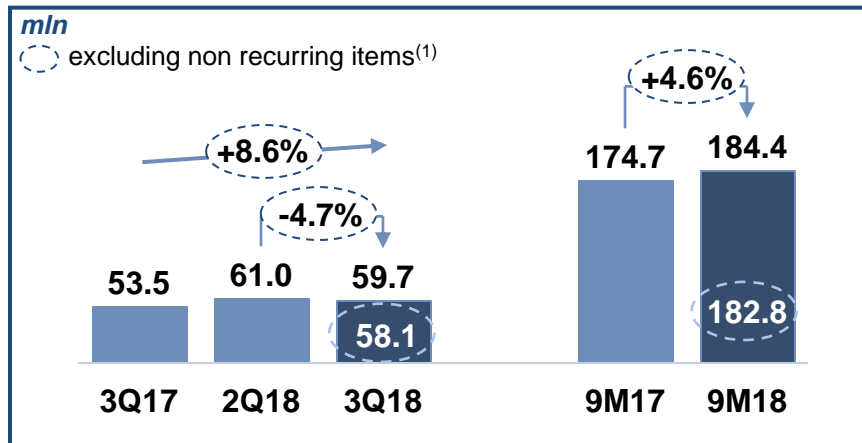
## Net Profit



## Revenues



## Operating Costs



<sup>(1)</sup> 9M18 non recurring items: severance (staff expenses) -1.6mln gross, -1.1mln net in 3Q18. 9M17 non recurring items: FITD/ Voluntary Scheme -8.8mln gross, -5.9mln net.

Adj. Cost/Income and adj. RoE calculated net of non recurring items. See page 33 for details.

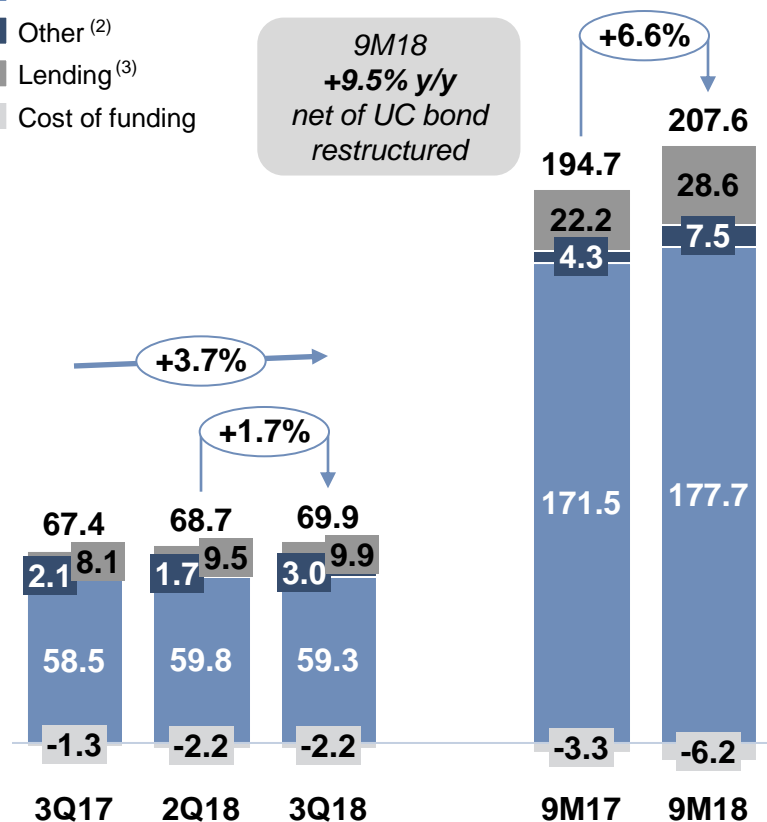
# Net interest income (1/2)

Remarkable net interest income dynamic (+6.6% y/y) in a negative rate environment.  
Relentless increase in high-quality lending portfolio

## Net Interest Income

mln

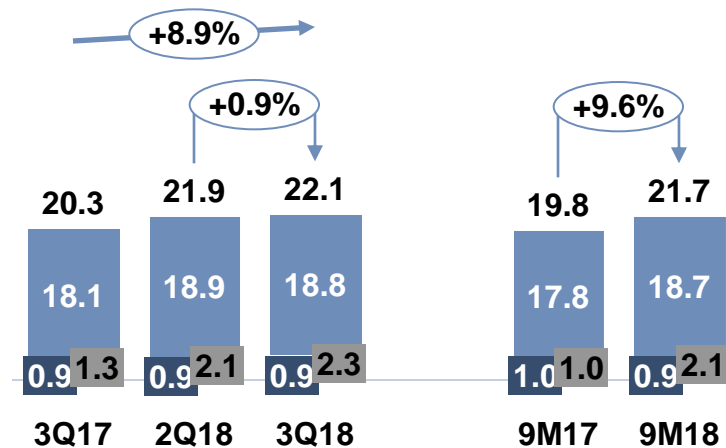
- Financial Investments <sup>(1)</sup>
- Other <sup>(2)</sup>
- Lending <sup>(3)</sup>
- Cost of funding



## Interest-earning assets

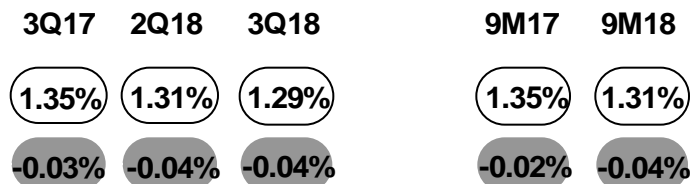
Avg, bn

- Financial Investments
- Lending
- Other <sup>(2)</sup>



Gross margins <sup>(4)</sup>

Cost of deposits



Eur1M -0.37%, flat

<sup>(1)</sup> Financial investments include interest income coming from the reinvestments of deposits (both sight and term) in: Government bonds, UC bonds and Other Financial Investments (repos and immediate available liquidity)

<sup>(2)</sup> Other net interest income includes Security Lending, Leverage and other (mainly marketing costs), other interest-earning assets include Security Lending and Leverage. See page 33 for details.

<sup>(3)</sup> Lending: only interest income

<sup>(4)</sup> Gross margins: interest income related to financial investments, lending, leverage, security lending on interest-earning assets. 2017 gross margins refined with managerial data for a better representation



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# Net interest income (2/2)

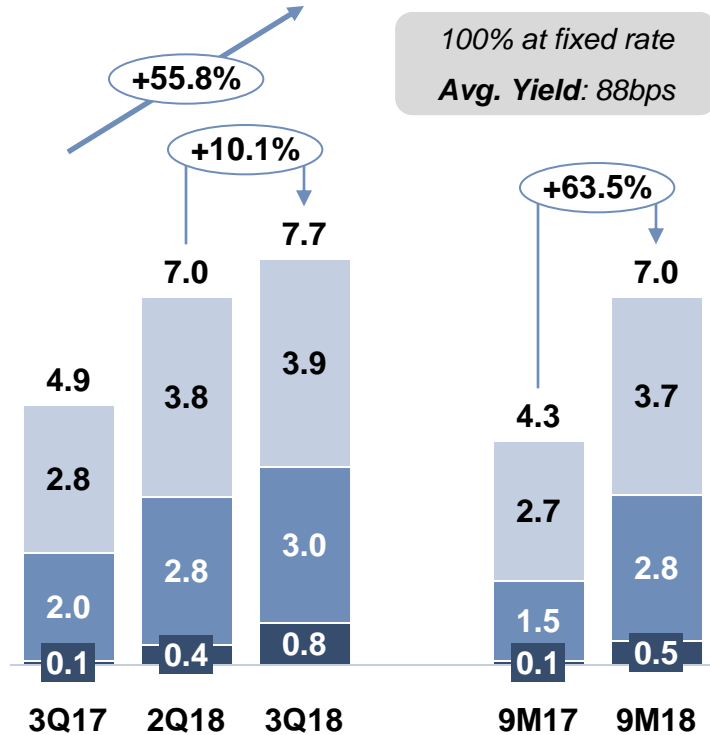
A progressive increase in a more diversified asset side continues.

Sensitivity analysis +100bps parallel shift: +113 mln

## Focus on Government Bonds

Avg, bn

Italy Spain Other <sup>(1)</sup>



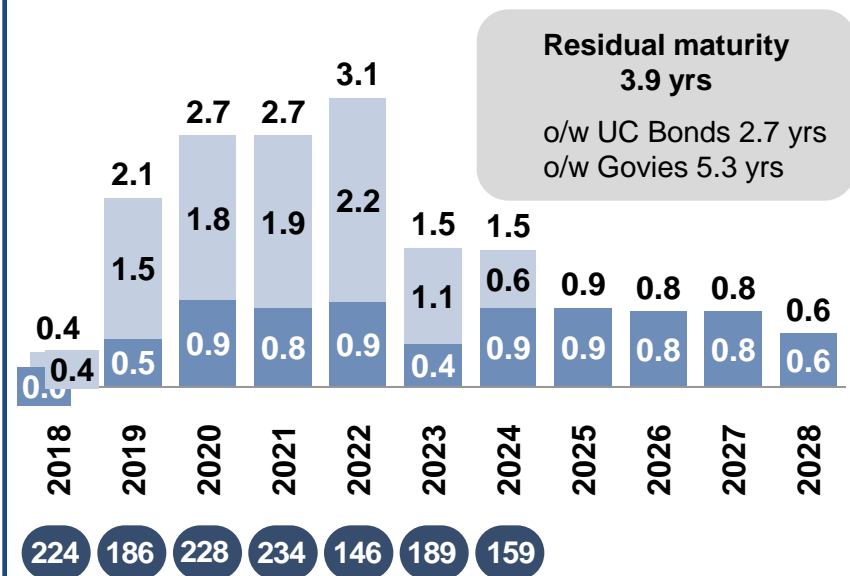
NII (mln)

7.7 15.2 16.4 18.1 44.4

## UC bonds and Govies run-offs

Eop, bn

UC Bonds Govies  
UC Bond avg spread (bps)



## Interest Rate Sensitivity

+100bps parallel shift (1M Eur):

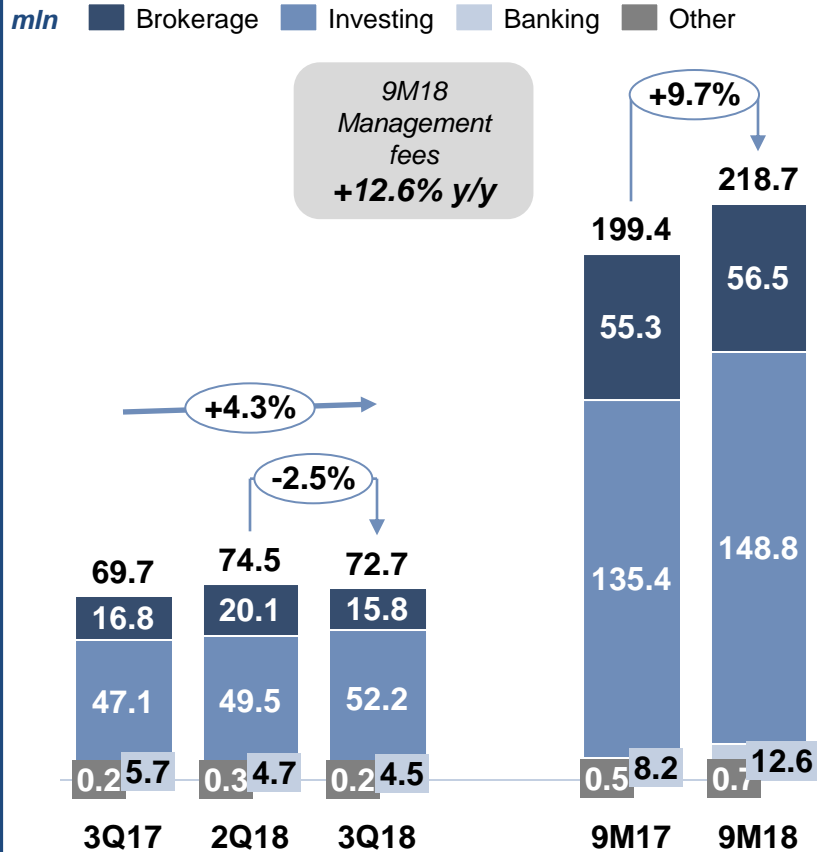
**+113 mln additional Net Interest Income**

<sup>(1)</sup> Other includes 85.5mln France, 73.9mln Ireland, 63.9mln USA, 74.6mln Poland, 18.7mln Austria, 11.8mln Germany, 99.9mln Istituto de Credito Oficial (ICO), 40.5mln Supranational Agencies

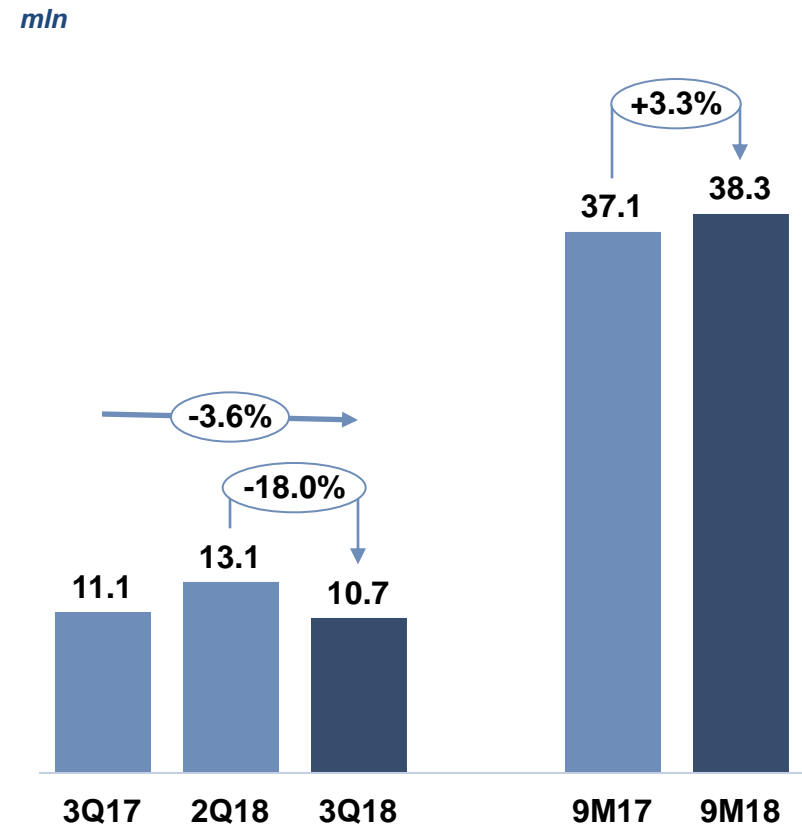
# Commissions and Trading Income

Fees and commissions grew +9.7% y/y with management fees up 12.6% y/y.  
3Q18 brokerage affected by low market volatility

## Fees and Commissions



## Trading Income

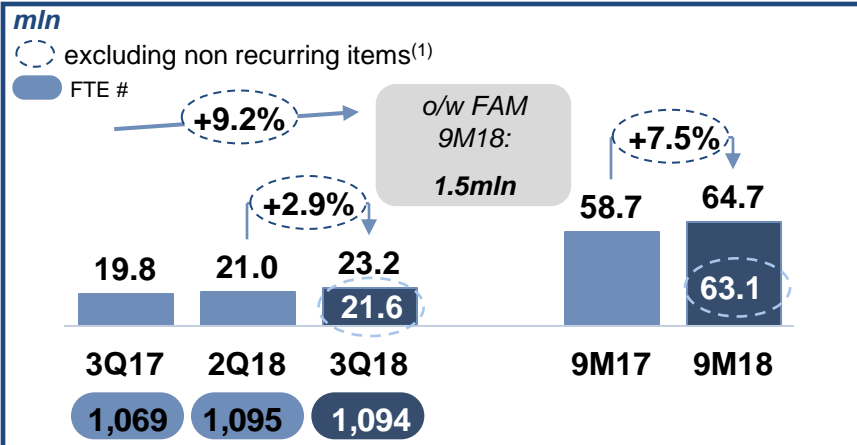




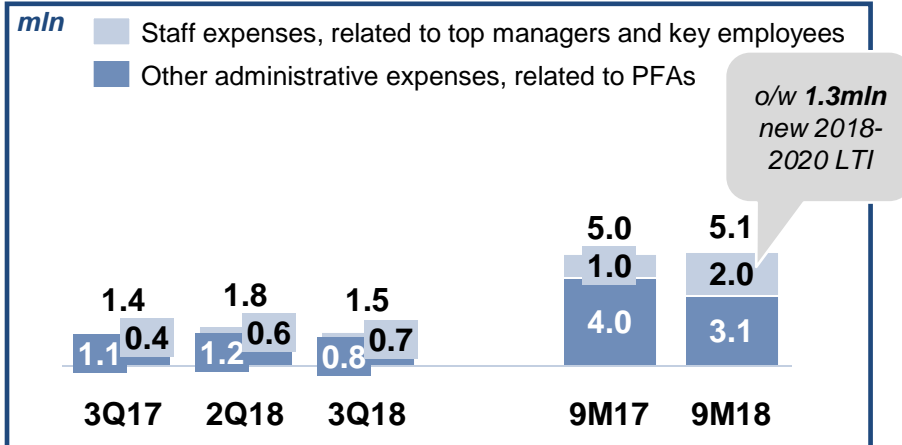
# Costs

Cost efficiency and operating leverage confirmed in our DNA

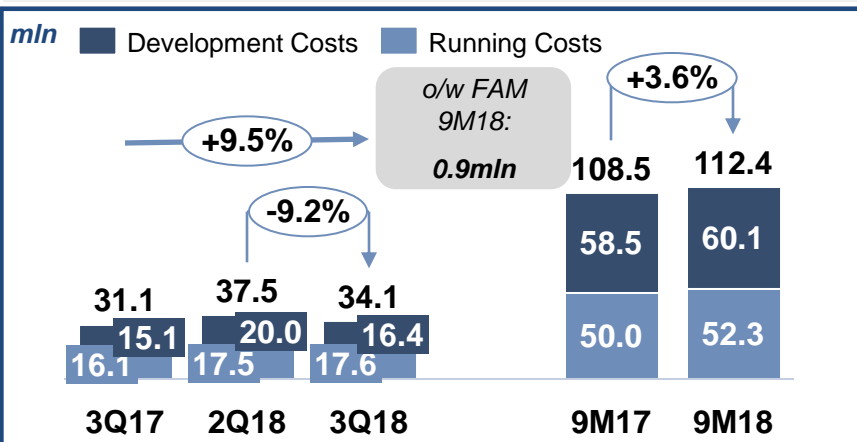
## Staff expenses and FTE



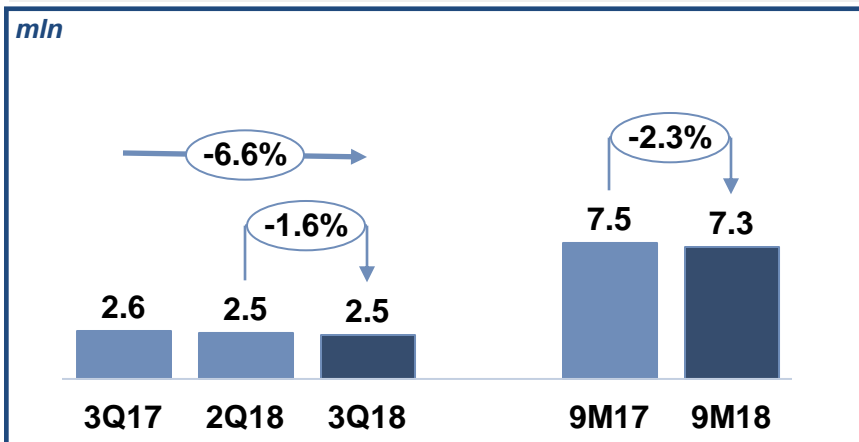
## Long Term Incentive Plans



## Other administrative expenses<sup>(2)</sup>



## Write-down/backups and depreciation



<sup>(1)</sup> non recurring items: severance (staff expenses) -1.6mln gross in 3Q18

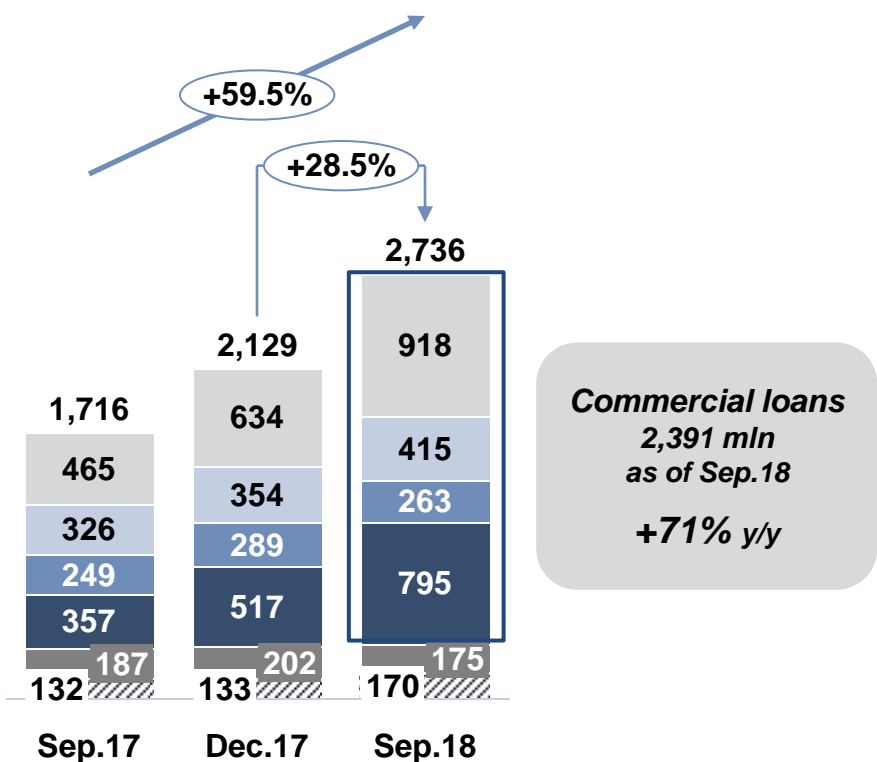
<sup>(2)</sup> Breakdown between development and running costs: managerial data

# Boost in high quality lending volume offered exclusively to the existing base of clients, leveraging on our internal Big Data analytics

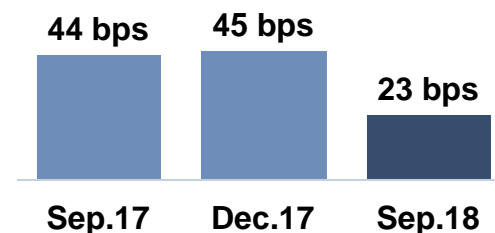
## Overall Lending portfolio

Eop, mln

Current accounts/Overdraft <sup>(1)</sup>
 Cards
  Reverse repos  
 Personal loans
  Mortgages
  Other <sup>(2)</sup>



## Cost of Risk on commercial loans <sup>(3)</sup>



- **September 2018 Cost of Risk** not fully comparable with previous periods, due to the introduction of new accounting standards (IFRS9)
- **We confirm our strategy aims to build a safe lending portfolio**, offering these products exclusively to our very well known base of clients, leveraging on a deep internal IT culture, powerful data warehouse system and Big Data analytics
- **More details on the quality of our portfolio in the following slide**, with a deep dive on the main products offered

<sup>(1)</sup> Current accounts/overdraft Include Lombard loans

<sup>(2)</sup> Other loans include current receivables associated with the provisions of financial services (83mln in Sep.18 vs 85mln in Dec.17), collateral deposits and initial and variation margins (85mln in Sep.18 vs 43mln in Dec.17), bad loans (1.8mln in Sep.18 vs 1.6mln in Dec.17), other (+0.2mln in Sep.18 vs +3.2mln in Dec.17)

<sup>(3)</sup> Cost of risk: commercial LLP annualised on avg commercial Loans

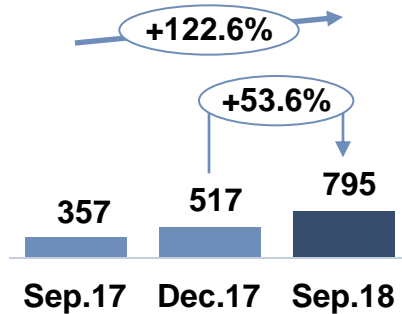
# Lending

Boost in high quality lending volume through mortgages, personal loans and lombard loans

## 2019 Guidance

### Mortgages

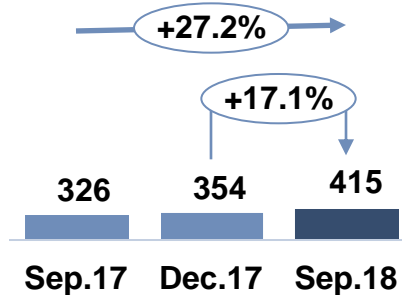
Eop, mln



- **7,756 mortgages** granted
- Average customer rate: **186bps. 9M18 Yield<sup>(1)</sup> at 83bps**
- Average Loan to Value **52%** and average maturity **19 yrs**
- **Very low expected loss** (~23bps)

- yearly new production: **~350mln**
- current market conditions will lead to increasing rates on new production

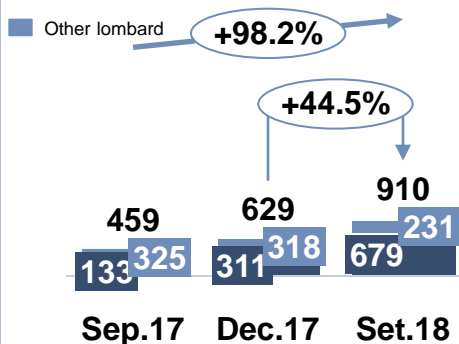
### Personal Loans



- Average ticket €8.900 and average maturity 4.4 years
- **9M18 Yield at 446bps**
- **Efficient and real time process**, instant approval platform for eligible clients' requests thanks to a deep knowledge of clients.
- **Low expected loss** (<~70 bps)

- yearly new production: **~250mln** (~90mln net)
- current market conditions will lead to increasing rates on new production

### Lombard Loans



#### Lombard Loans: 9M18 Yield at 127bps

o/w Credit Lombard<sup>(2)</sup>:

- **Attractive pricing**: retail clients 125bps and private clients up to 75bps (on 3M Eur <sup>(3)</sup>)
- **Differentiated margins** according to the riskiness of the pledged assets
- **Very low expected loss** (~10 bps)

- Expected growth: **~500mln** per year
- Expected yield: **~110bps**

<sup>(1)</sup> Yield on mortgages net of amortized and hedging costs

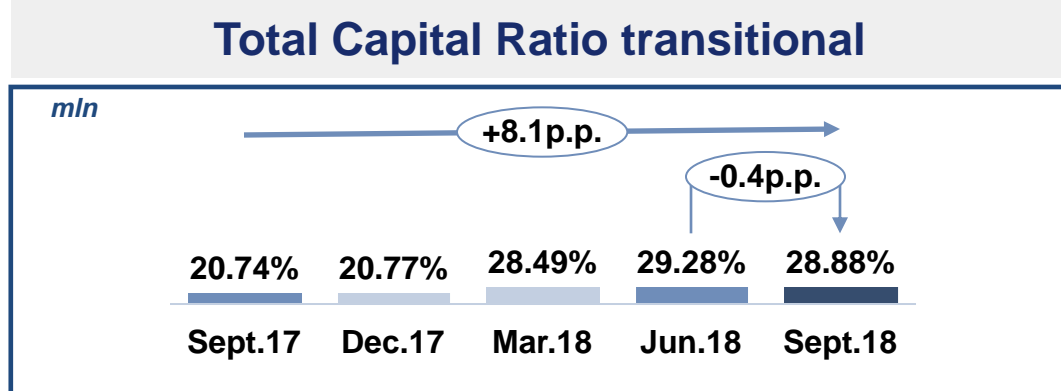
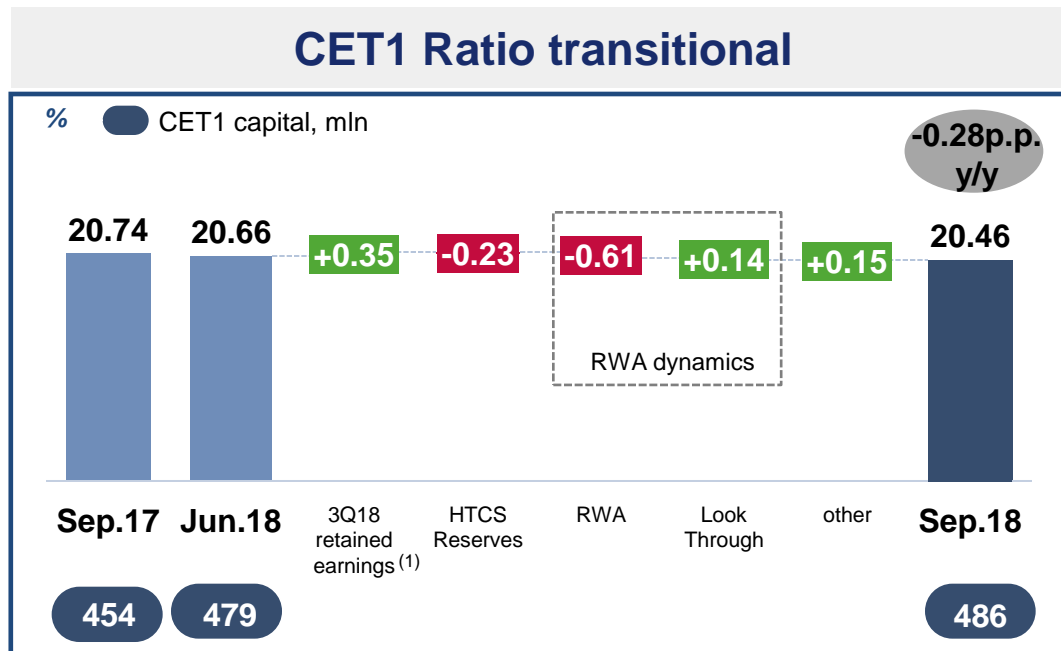
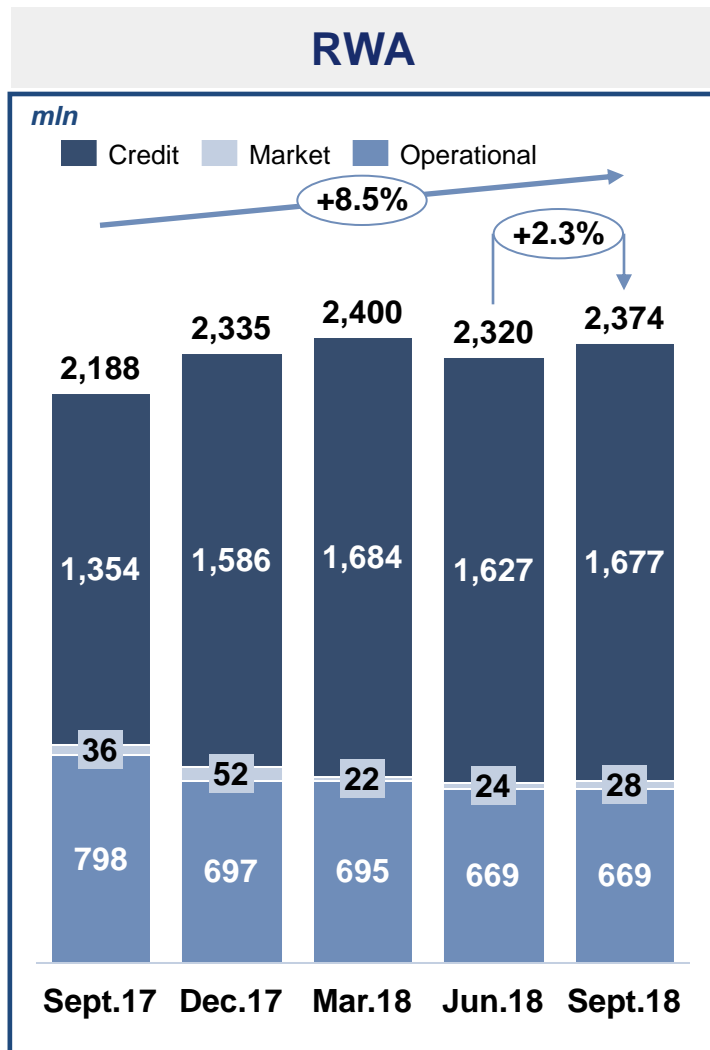
<sup>(2)</sup> Credit Lombard allows to change pledged assets without closing and re-opening the credit line, allowing more flexibility and efficiency

<sup>(3)</sup> with floor at zero

# Capital Ratios

Best in class capital position and low risk balance sheet.

Look-through implementation drove +208bps YTD benefit on CET1 ratio



(1) Starting from 3Q18, infra-semester results are certified by external Auditors, therefore retained earnings are included in Equity

# TFA

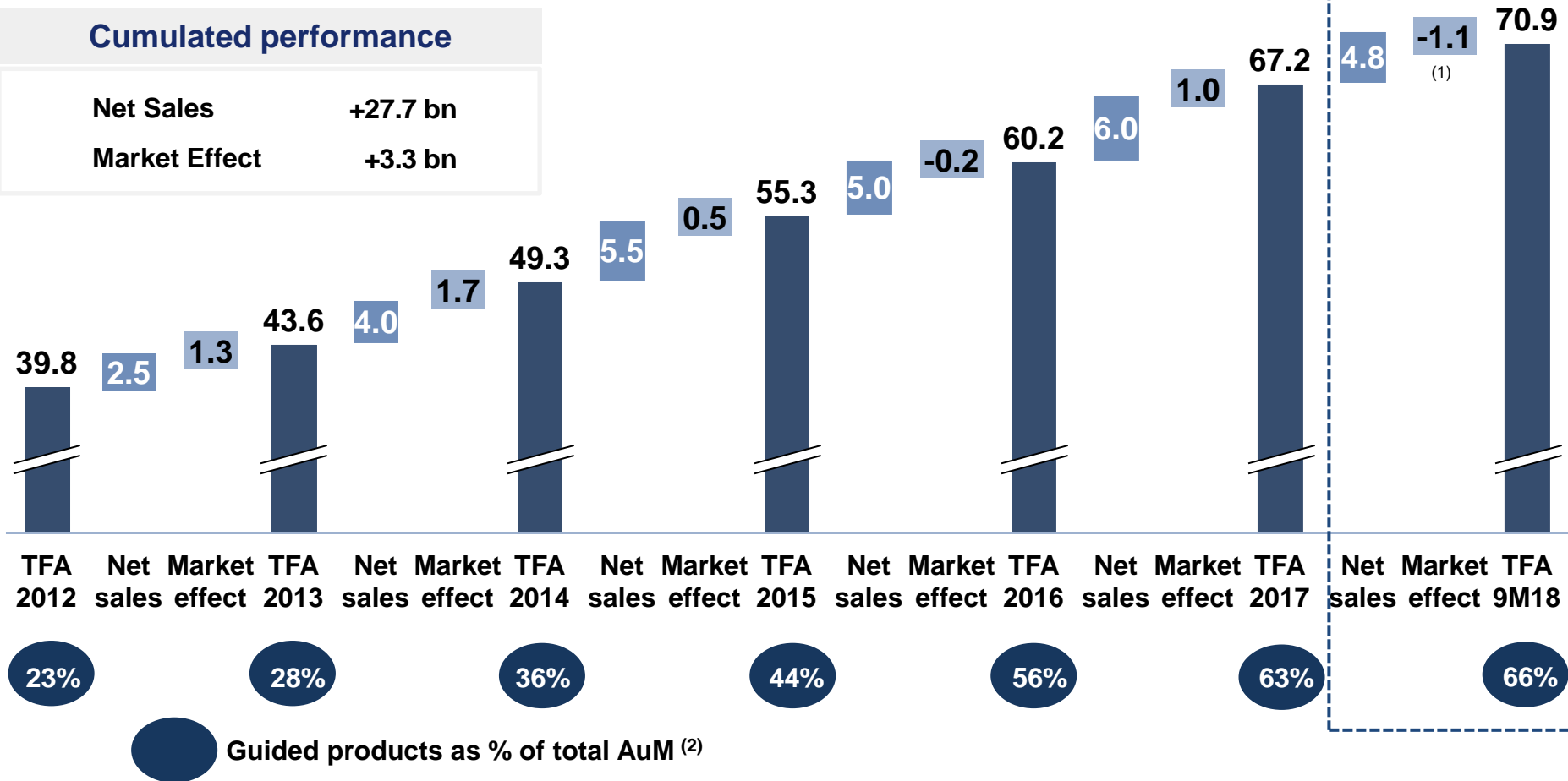
Relentless TFA growth thanks to a healthy expansion in net sales.  
 Guided products & Services increased at 66% of total AuM

## TFA evolution (Dec.12 – Sep.18)

bn

### Cumulated performance

Net Sales	+27.7 bn
Market Effect	+3.3 bn



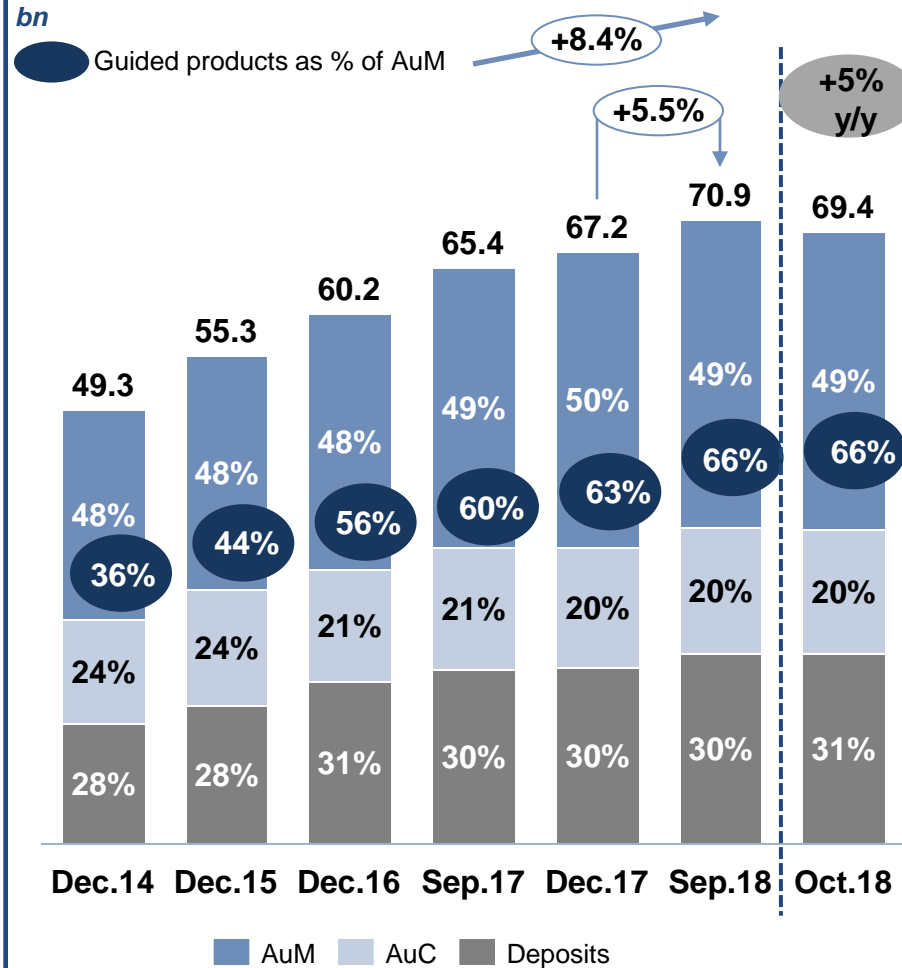
<sup>(1)</sup> 9M18 Market effect: AuM -0.6mln and AUC -0.5mln

<sup>(2)</sup> Calculated as Guided Products end of period divided by Asset under Management end of period

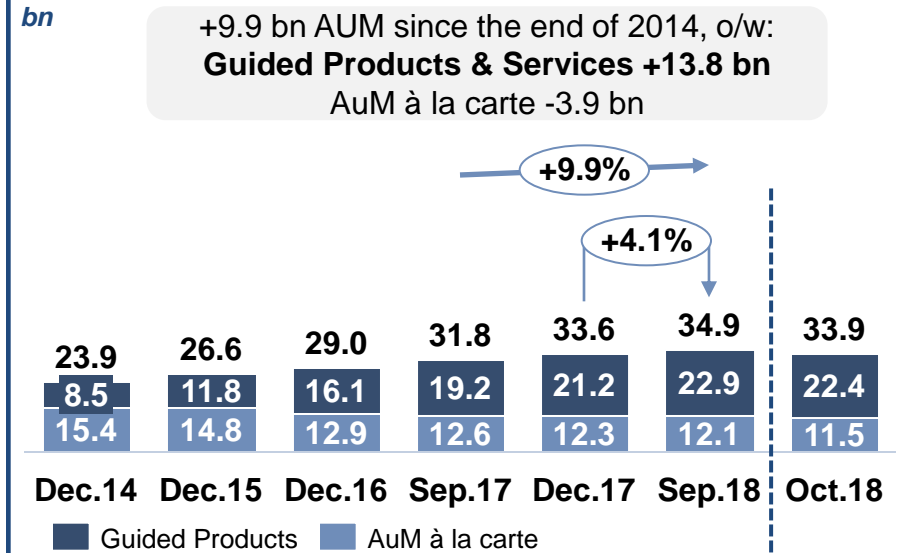
# TFA breakdown

Successful shift towards high added value products thanks to strong productivity of the network

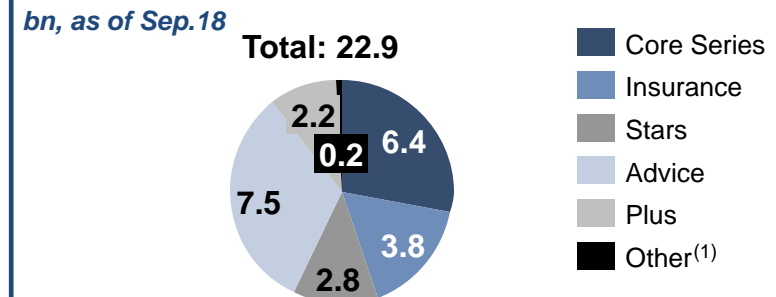
## Breakdown of total TFA



## Focus on AUM



## Guided Products breakdown

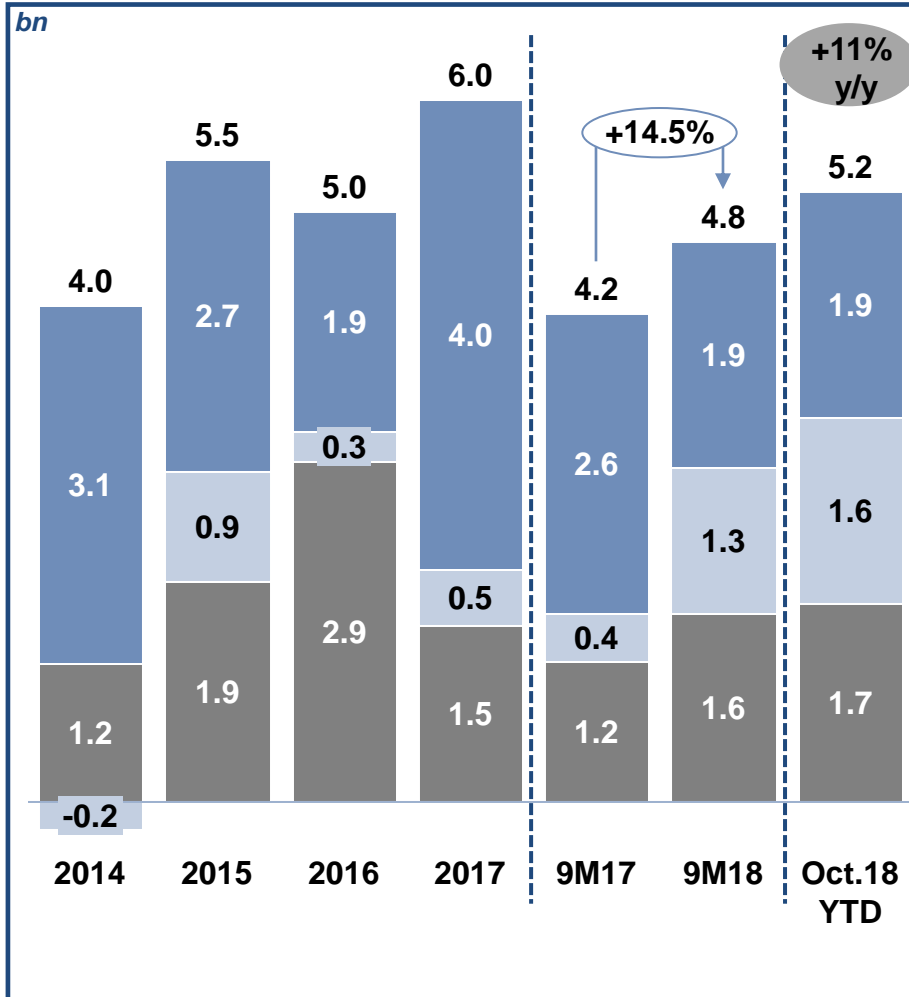


AuC and Deposits under advisory have been reclassified within AuM in order to have a better representation of the advisory nature of Advice and Plus services

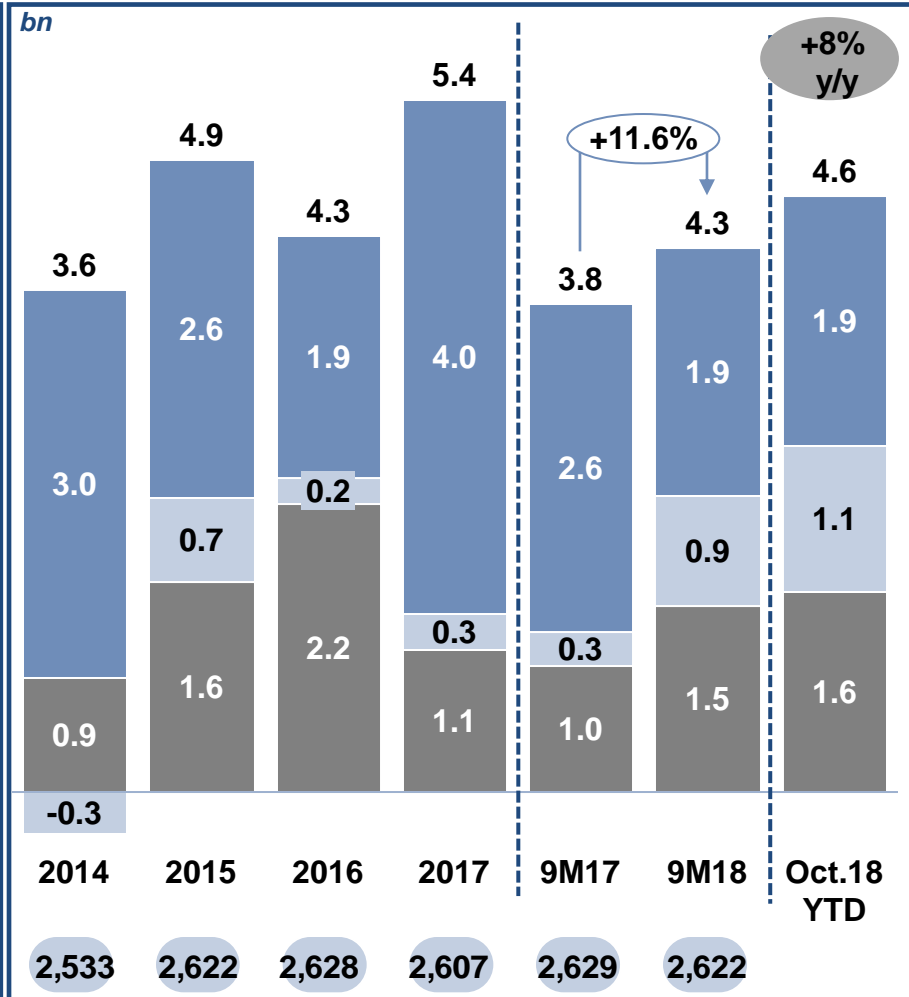
# Net sales breakdown

Solid 2018 net sales growth on the wave of structural trends in place despite a complex environment

## Breakdown of total Net Sales



## PFA Network – total Net Sales



■ AuM ■ AuC ■ Deposits

● PFA Network - headcount

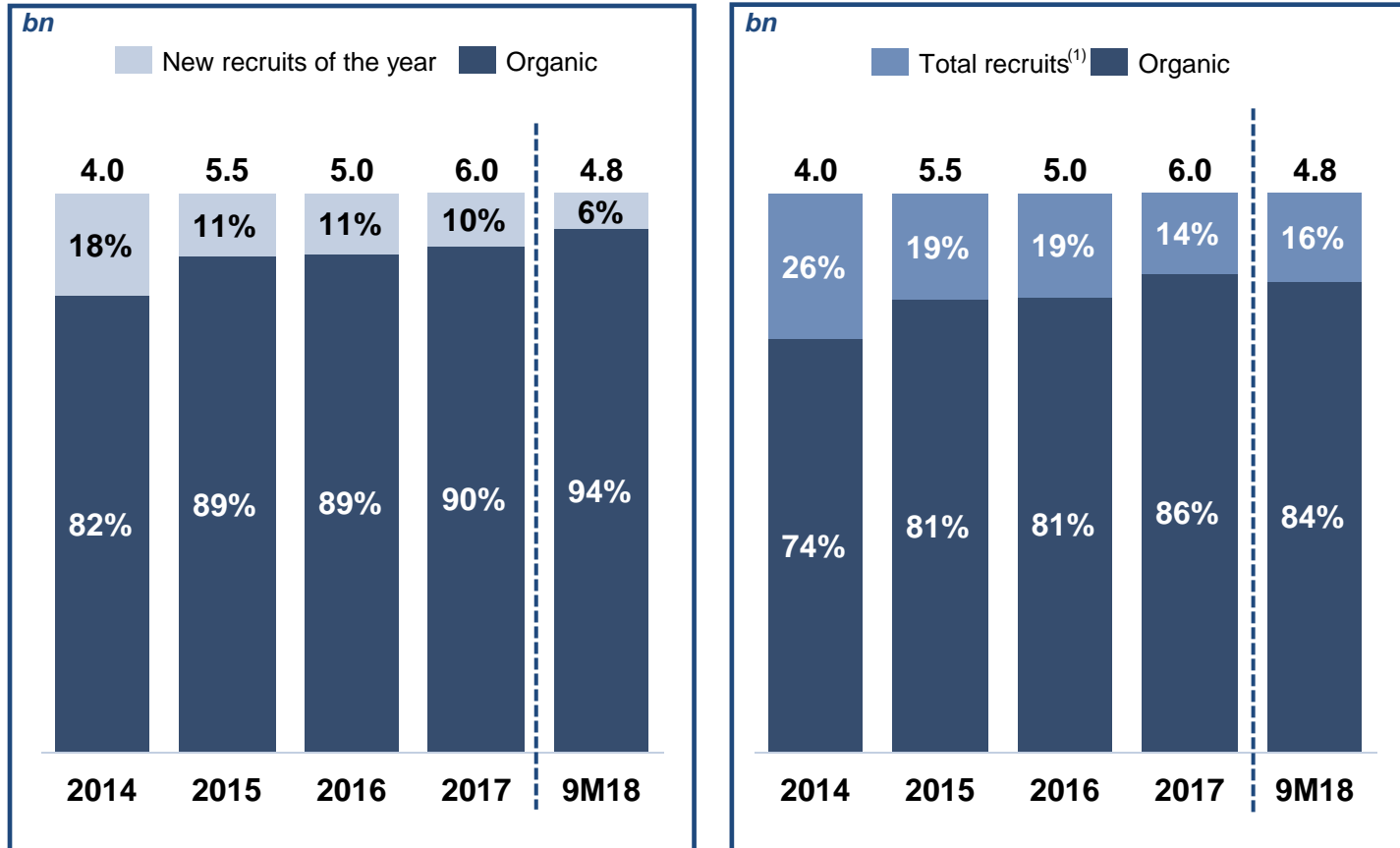


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# Organic growth

Net sales organically generated confirmed as key in our strategy of growth

## Net Sales – Organic / Recruit (%)



**Recruitment costs**  
(to be amortized)  
**stock 25.9mln**  
as of Sept.'18

125   118   85   98   54

# of PFAs recruited in the period

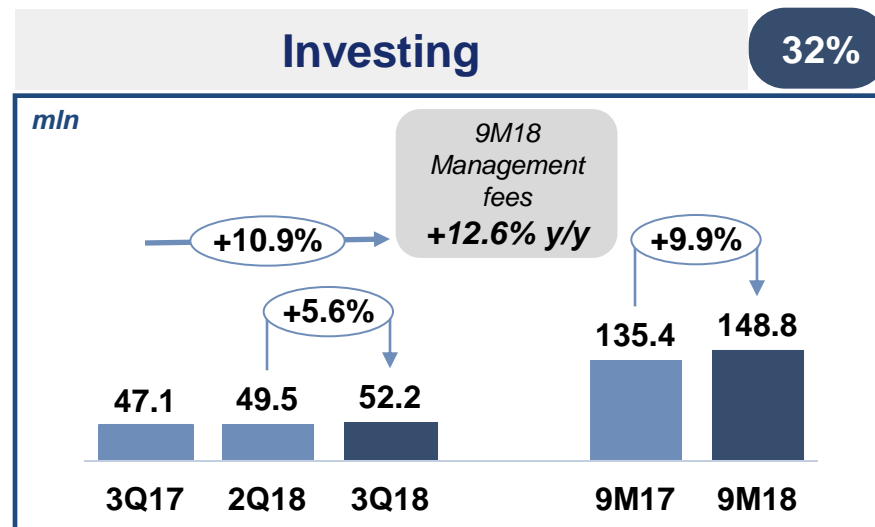
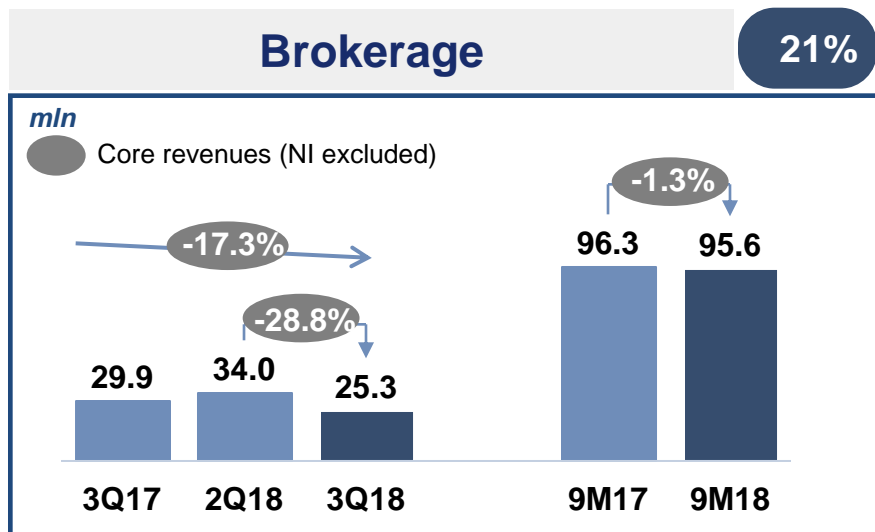
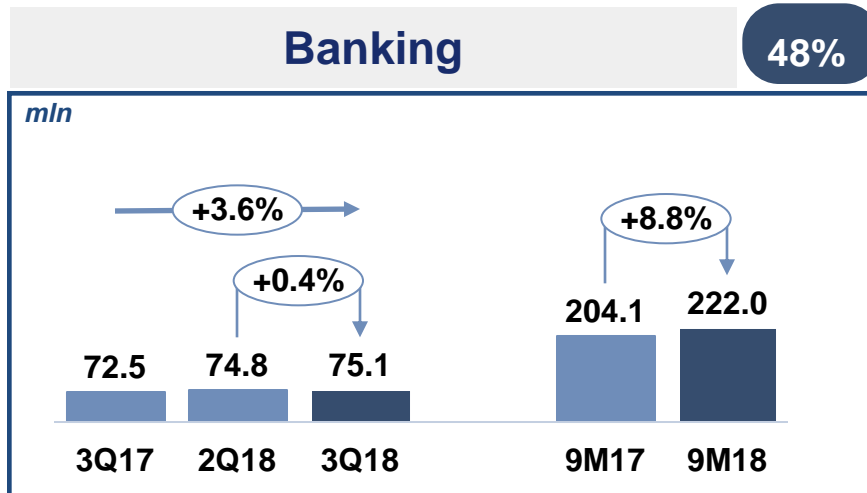


# Agenda

- Fineco Results
- **Focus on product areas**
- Key messages

# Revenues by Product Area

Well diversified stream of revenues allow the bank to successfully face any market environment



9M18 weight on total revenues for each product area

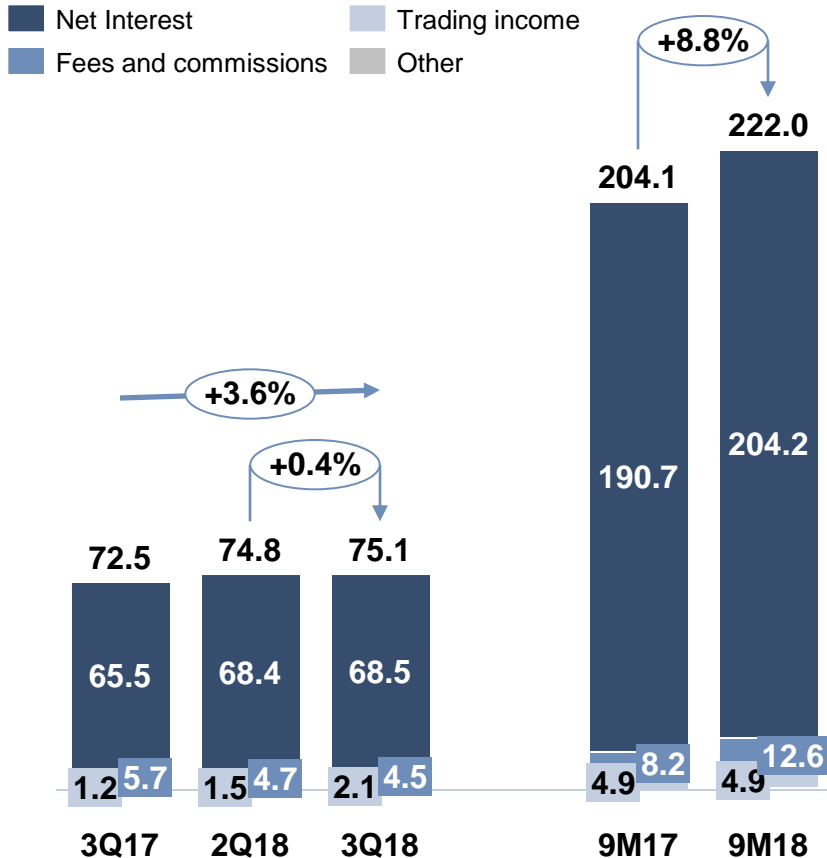
Managerial Data. Revenues attributable to single each product area, generated by products / services offered to customers according to the link between products and product area. Banking includes revenues generated by direct deposits and credit products. Investing includes revenues generated by asset under management products; Brokerage includes revenues from trading activity.

# Banking

Sound performance driven by strong volume growth and relentless clients' acquisition, thanks to high quality services and best-in-class customer satisfaction

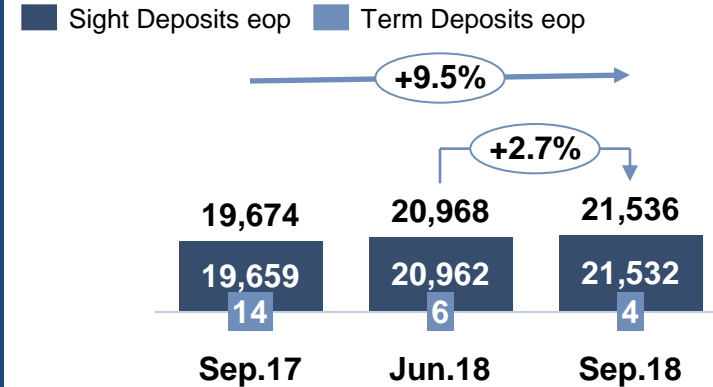
## Revenues

mln



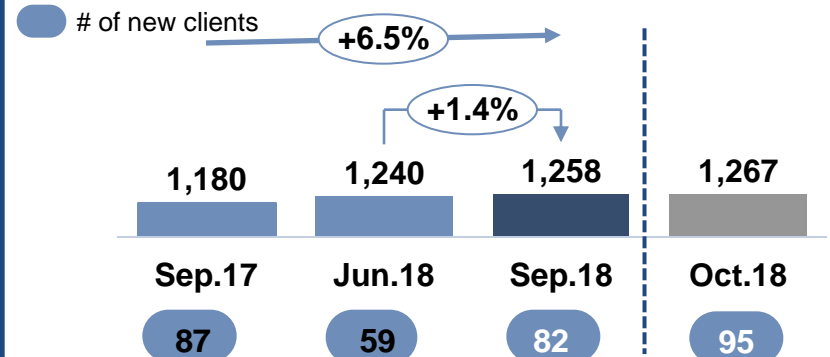
## Direct deposits

Eop, mln



## Clients and new clients

thd, #

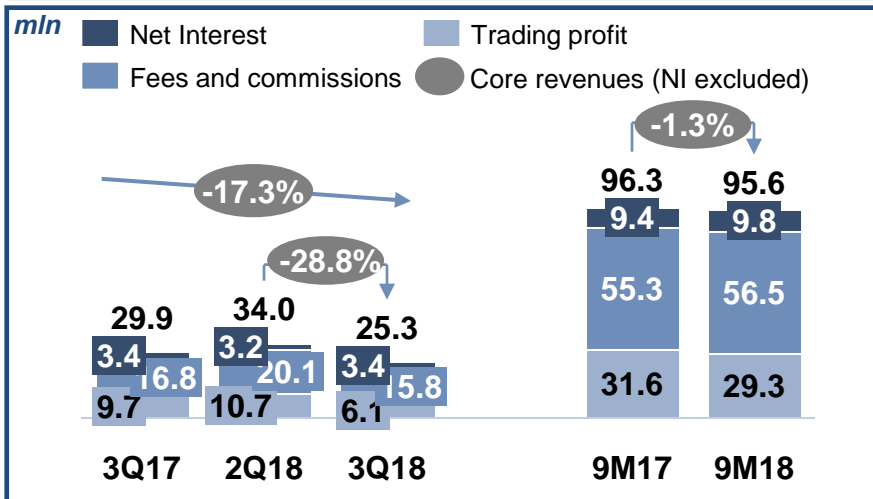


Managerial Data

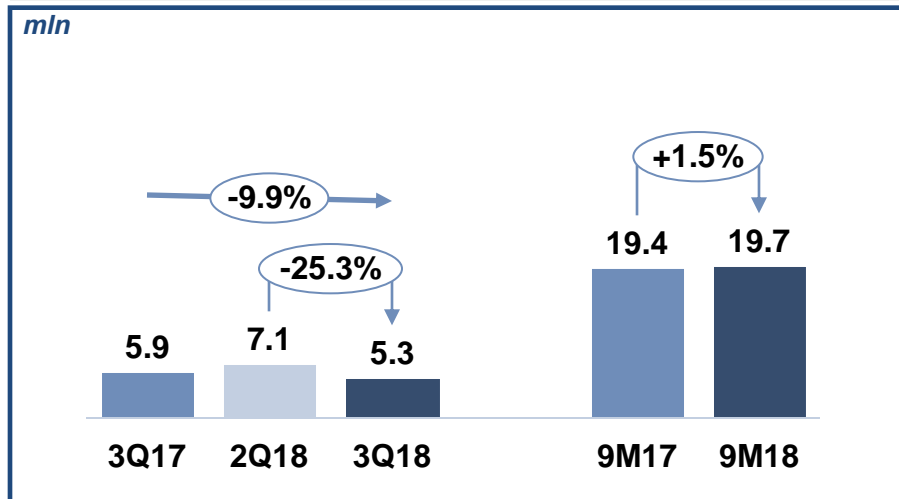
# Brokerage

Brokerage performance coherent with low markets' volatility in the period

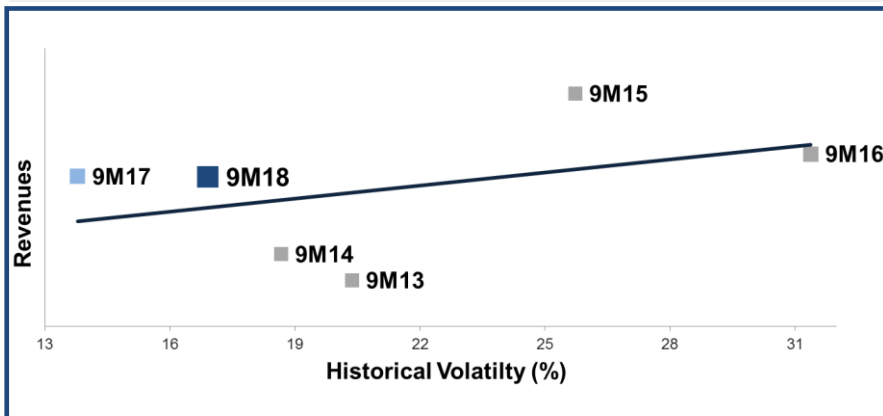
## Revenues



## Executed orders



## Revenues vs volatility<sup>(1)</sup>



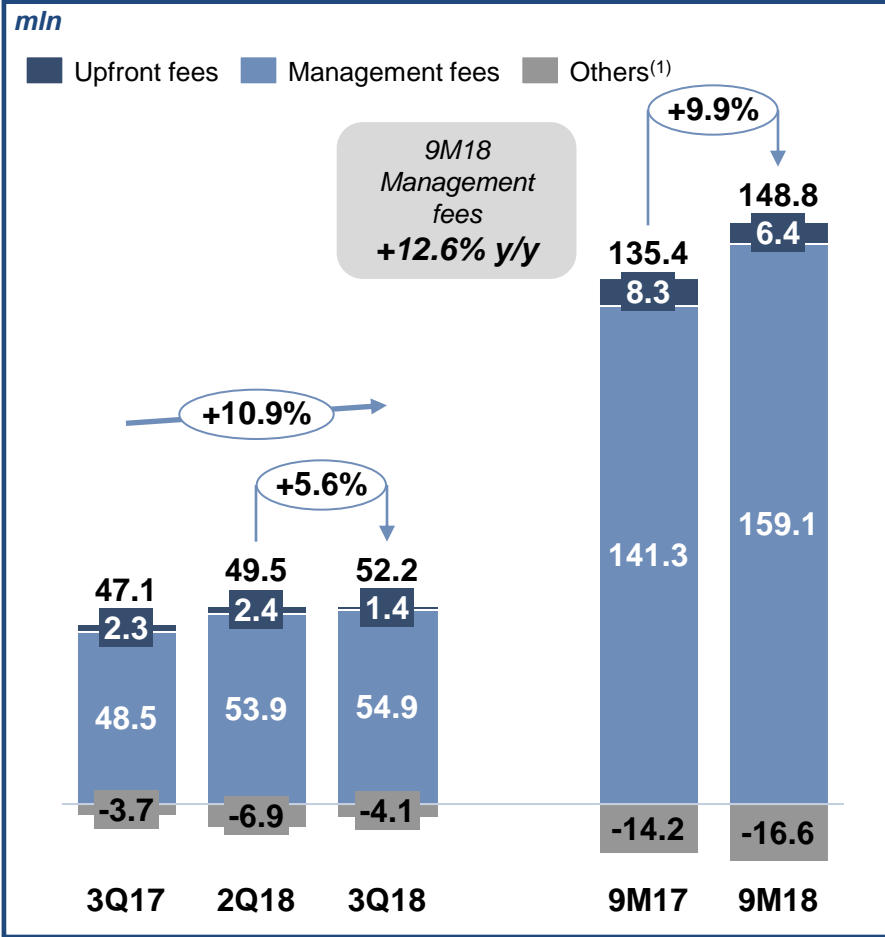
- 9M18 Revenues affected by **low market volatility**. In addition, starting from July 2018 **new ESMA regulation** in place with modest impacts on Brokerage performance. We are setting up new products and solutions to offset this effect.
- **Structural improvement** thanks to larger base of clients/higher market share and the enlargement of the products offer
- **Continuously increasing market share** (i.e. market share on equity traded volumes in Italy at 24% as of June 2018<sup>(2)</sup>, +4.4p.p. vs Dec.17 confirming Fineco as leader in brokerage)

Managerial Data

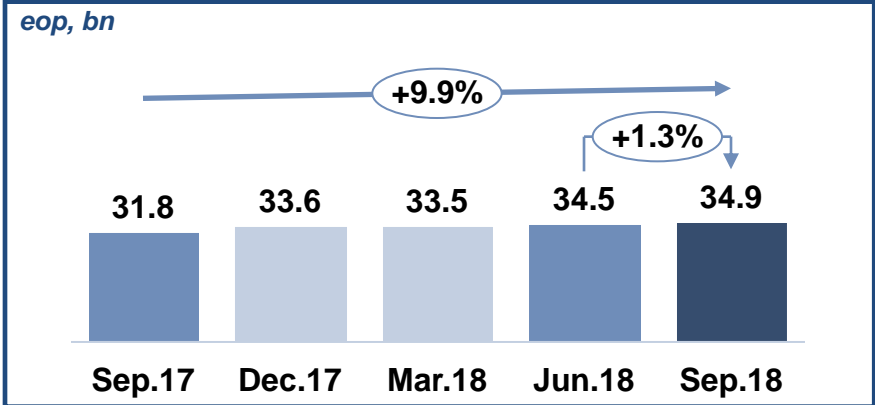
# Investing

Successful strategy based on our cyborg advisory approach drove a better asset mix and increasing fees y/y

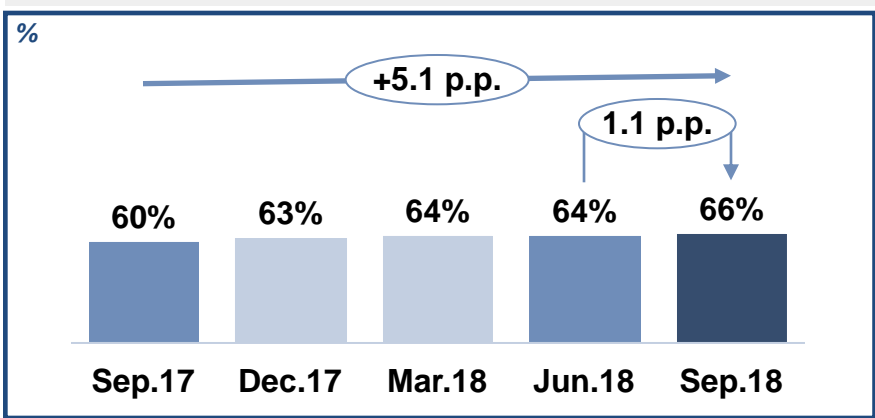
## Revenues (Net Fees)



## Assets under Management



## Guided products on total AuM



Managerial Data

<sup>(1)</sup> Mainly PFAs annual bonus and new 2018-2020 LTI to PFAs starting from 1Q18

**21** AuC and Deposits under advisory have been reclassified within AuM in order to have a better representation of the advisory nature of Advice and Plus services

# Agenda

- Fineco Results
- Focus on product areas
- **Key messages**

## 3 Pillars: Efficiency, Innovation and Transparency

The keys of our strategy, still leading our sustainable growth



### EFFICIENCY

Strong focus on IT & Operations,  
more flexibility, less costs



### INNOVATION

Anticipate new needs  
simplifying customers' life



### TRANSPARENCY

Fairness and Respect  
for all our stakeholders

#### We built everything from scratch



**Freedom:** Freedom to start over «from scratch», build a new bank, **the best you can imagine**

**Proprietary back-end:** In-house development and automated processes allow an efficient cost structure and fast time to market

**Excellent offer:** Unique customer user experience, top quality in all services



#### We were true pioneers

Fineco anticipated a main market trend: digitalization

Moving customer's focus from proximity to service and quality



#### We believe in a "Quality" One Stop Solution

Providing all services in a single account is a distinctive feature but it's not enough.

Gaining a competitive edge requires high quality on each single service and product

In 2018 Standard Ethics<sup>(1)</sup> **confirmed our Standard Ethics Rating<sup>(2)</sup> at "EE", a "full investment grade"** given to sustainable companies with low reputational risk profile and strong prospects for long-term growth

<sup>(1)</sup> Standard Ethics is an independent agency which assigns Solicited Sustainability Ratings to companies and sovereign issuers. Fineco is included in the Standard Ethics Italian Banks Index© and in the Standard Ethics Italian Index, among the major environmental, social and governance performance indices and benchmarks.

<sup>(2)</sup> The Standard Ethics Rating is an assessment of sustainability and governance based on the principles and voluntary directions of the United Nations, the Organization for Economic Cooperation and Development (OECD) and the European Union.

# Key messages

## Healthy growth and sustainability at the heart of Fineco's business model

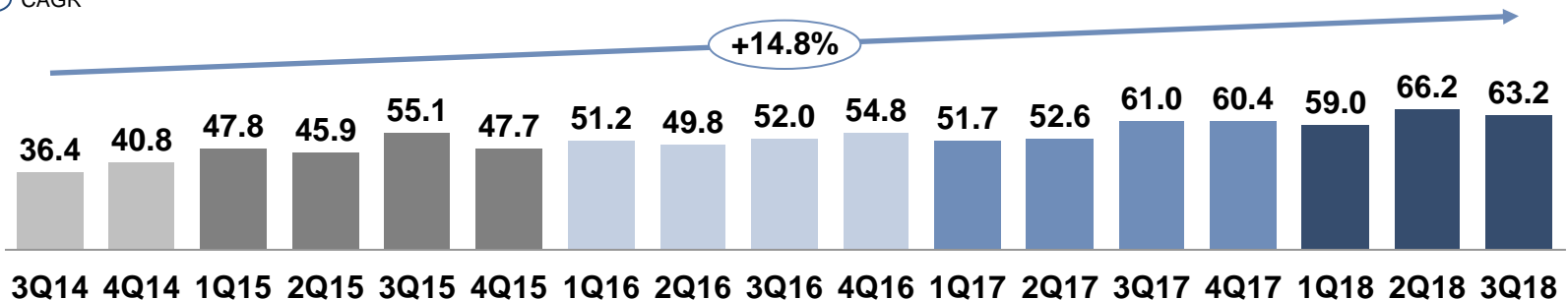
- ✓ **Clients' acquisition leveraging on high quality services.** Cost of funding close to zero
- ✓ **Organic growth** as main engine of growth. Selected recruits to improve the quality and related costs well under control
- ✓ **Sustainable investing revenues** for the most represented by recurring fees (entry fees ~4% on investing fees)
- ✓ **High quality Lending** with low cost of risk, strong competitive advantage leveraging on **Big Data analytics**

## Delivery of consistent results in every market condition

- ✓ Growing revenues thanks to a **very well diversified business model with smooth quarterly path**
- ✓ **Brokerage as countercyclical contributor in revenue generation** benefitting from spikes in markets' volatility
- ✓ Costs under control on the wave of a **huge operating leverage, strong IT internal culture**

Net Profit adjusted (net of DGS)<sup>(1)</sup>, mln

○ CAGR



<sup>(1)</sup> Net Profit adjusted net of Deposit Guarantee Scheme (2015: -3.1mln net, 2016: -7.1mln net, 2017: -7.1mln net, 9M18: -9.6mln net)



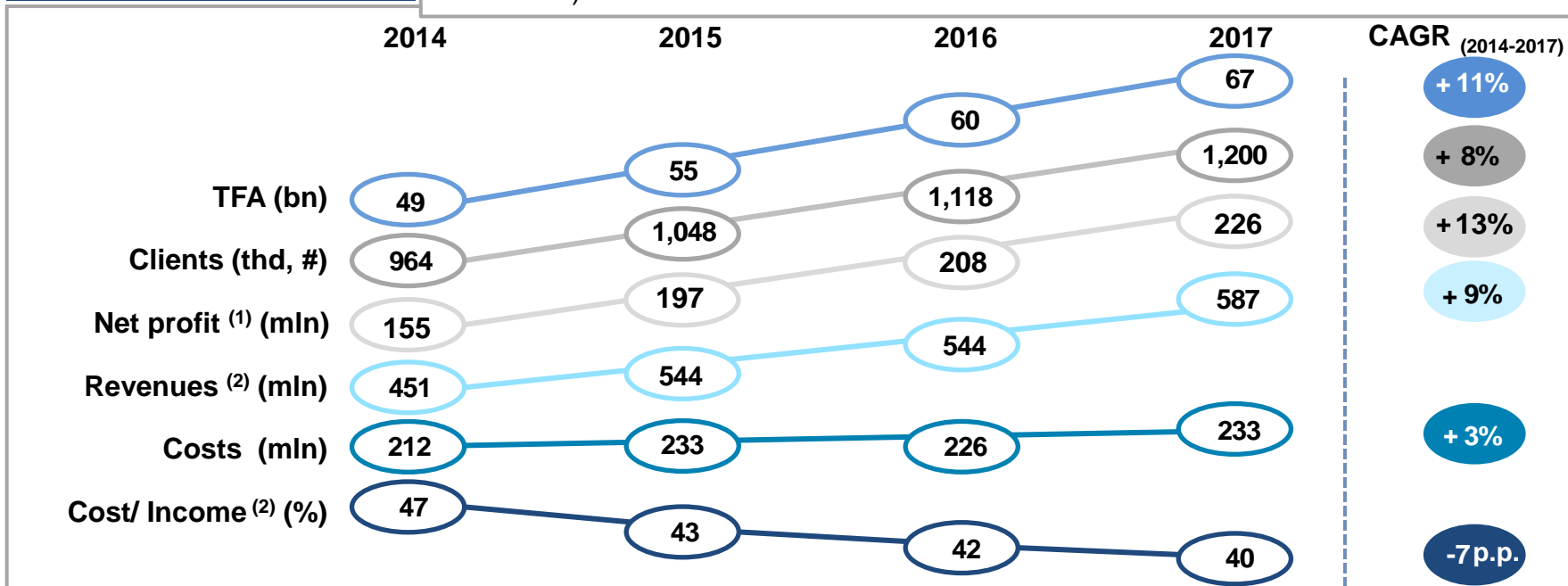
# Operating Leverage

A distinctive competitive advantage of Fineco

**Platform scalability**  
and  
**Operating gearing**

## IT and back office internally managed, deep internal know-how

- ✓ 18% FTEs in IT department, 25% in Back-Office
- ✓ Core system internally managed
- ✓ Internal DWH to fully leverage on Big Data Analytics
- ✓ Very low CAPEX (~10-12mln per year)
- ✓ Continuous innovation (new apps /features, products/services, initiatives) fully in-house developed: higher flexibility, better time to market and lower costs
- ✓ Internal development and implementation of regulatory processes and systems (i.e. Mifid 2) to maintain costs well under control



<sup>(1)</sup> Net Profit adjusted (see page 31) net of Deposit Guarantee Scheme (2015: -3.1mln net, 2016: -7.1mln net, 2017: -7.1 mln net)

<sup>(2)</sup> Net of gain on Visa sale (2016: +15.3mln gross)

## Dealing with pressure on margins in a pro-active way

1

### Improve QUALITY OF SERVICES

**Continuous innovation** leveraging on our best-in-class internal IT culture and Big Data analytics **to be recognized by clients as a premium brand.**  
(Cyborg-advisory approach, X-Net platform, Plus advisory etc).

2

### Increase PFAs PRODUCTIVITY

**Strong opportunities in enlarging the actively managed clients** thanks to our Cyborg Advisory approach and advisory platforms.  
+9.4% y/y total assets per PFA of which +10% y/y AuM and +20% y/y guided products and services.  
Net sales from existing clients more than doubled in the last 2 years.

3

### Increase OPERATIONAL EFFICIENCY

**Further increase of our operational efficiency through Fineco Asset Management**, being in control of the full AuM value chain for excellent quality and efficiency.  
Brand new portfolio solutions and **new generation of passive strategies** with attractive margins completely developed in house by FAM.

# Continuous innovation on usability and front-end efficiency to deliver distinctive products and services

1

Improve  
**QUALITY OF  
SERVICES**

## INVESTING

**Advanced reporting to improve usability** (X-Net evolution, full access to Advice and Plus also from mobile with customizable widgets)

**Monitoring of Advice** service more easy and flexible

**Continuous evolution of Plus**

## BROKERAGE

**Continuous enlargement of products and markets** (i.e. Daily Options with innovative features in terms of usability and customer experience)

Dedicated offer to professional clients: full operativity on binary options, direct access to professional trading desk

## BANKING

**Instant payments** through web and mobile

**Flexible mortgages** combining fixed and floating rates according with clients needs

**Instant approval** on personal loans leveraging on Big Data analytics

**Continuous evolution of Lombard loans** more flexible and with no operational impacts for clients

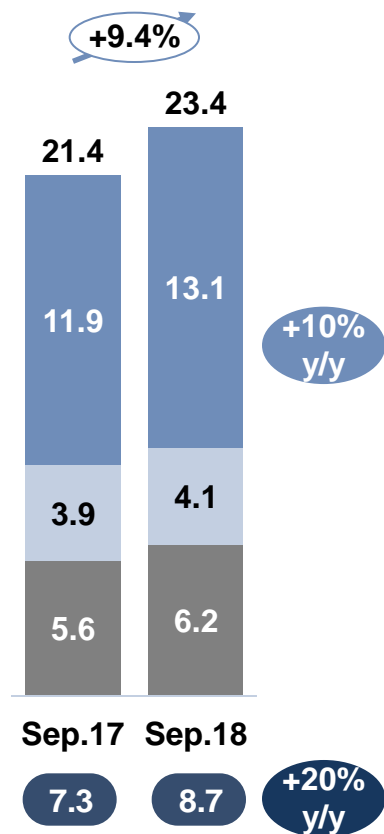
**96% CUSTOMER SATISFACTION<sup>(1)</sup>**

**FINECO**

B A N K

### Total Assets per PFA

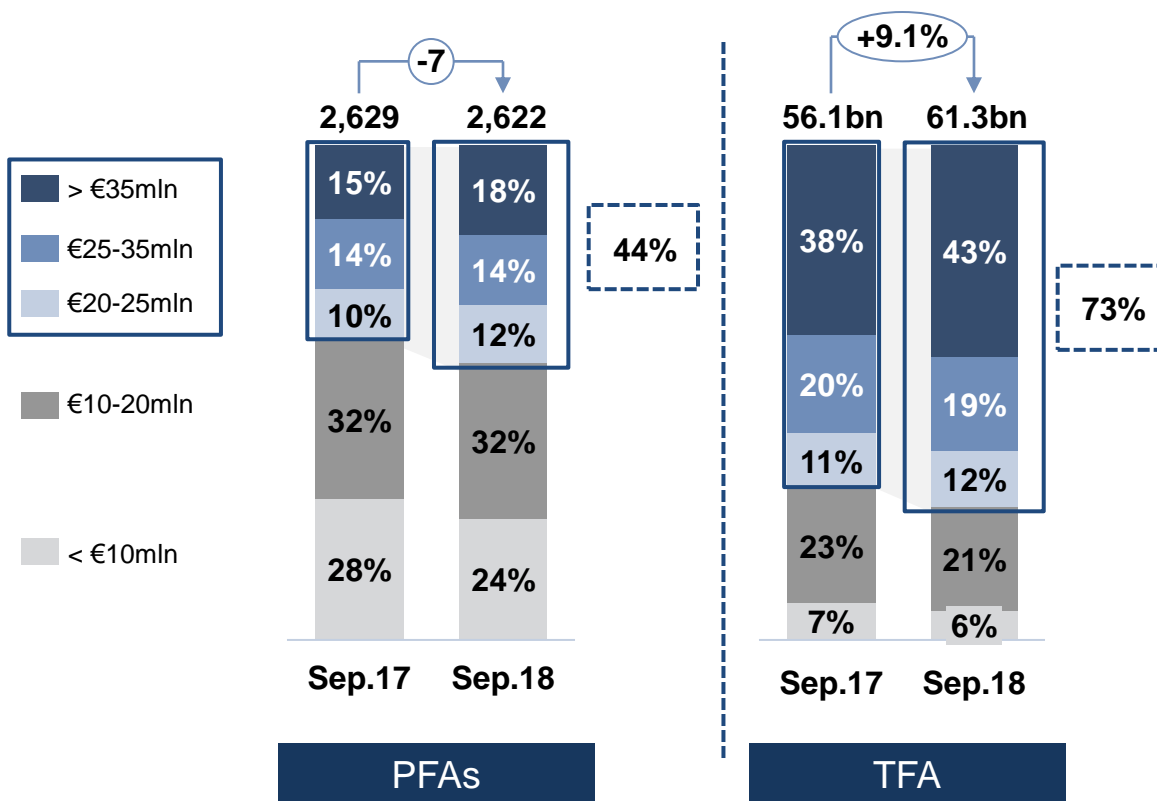
Eop, mln



■ AUM ■ Deposits  
■ AUC ■ Guided Products

### TFA concentration per PFA

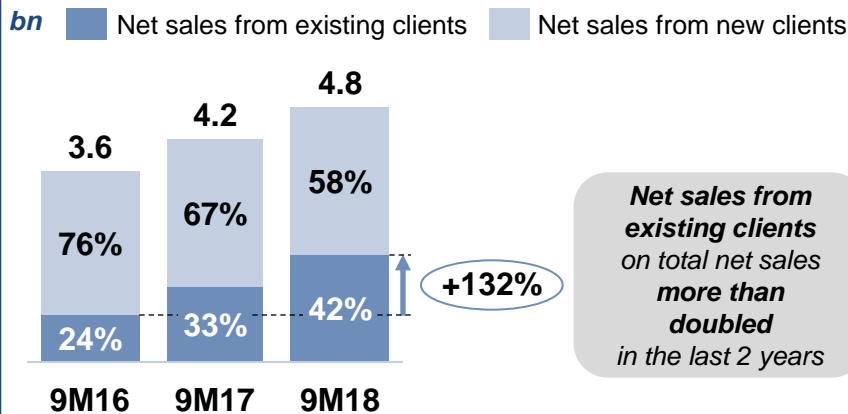
PFAs with TFA >20mln are 44% (+12%y/y) and hold 73% of TFA (+5% y/y)



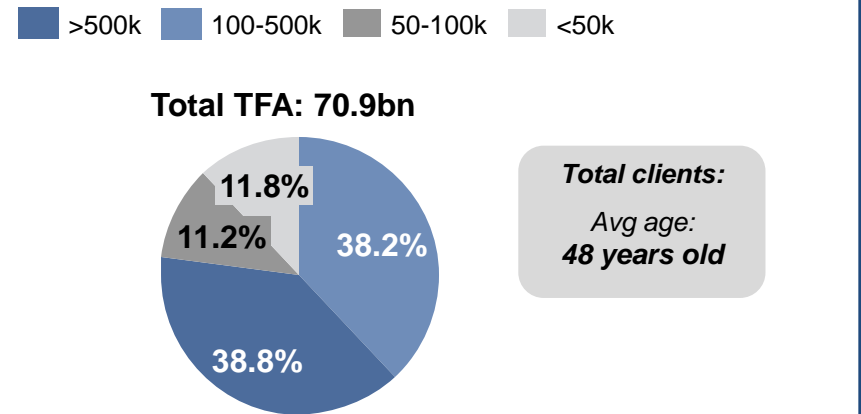
PFAs

TFA

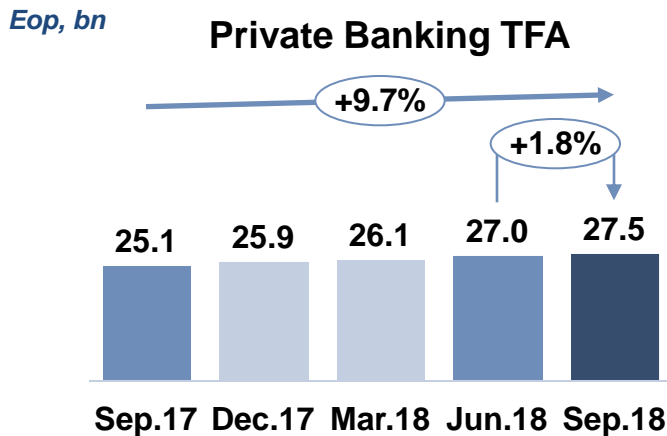
## Net sales: new vs existing clients



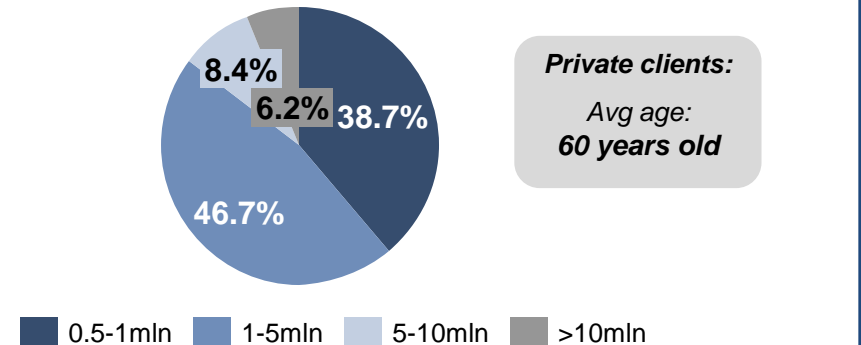
## Total Financial Assets per client



## Private Banking



### TFA per private clients (clients with more than € 0.5mln TFA with the Bank)



## CORE SERIES

Innovative and modern approach to build portfolios, thus improving the relationship with clients. Maximum level of diversification and efficiency - global oriented - daily monitoring of strategies and constant dialogue with portfolio manager

## SUB-ADVISED FUNDS

First **31 strategies by year-end: 17 strategies already released (44 share classes)**. Second wave expected before year-end: additional 14 strategies (35 share classes)  
Best global investments managers with their flagship strategies at the better conditions for customers - full visibility of underlying assets - improved risk monitoring

## FAM EVOLUTION

New building blocks based on customer risk/returns profile for the evolution of FinecoBank advisory platforms. **The first funds of funds will be released by year-end**  
**Brand new passive strategies** fully developed in-house by FAM with attractive margins and lower price for clients

### BENEFITS

**Quality improvement and time to market for customers and distribution needs**

**Several efficiencies** leveraging on a vertically integrated business model combined with the strong operating efficiency which is in Fineco's DNA

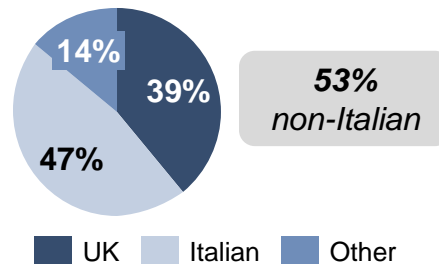
**Win-win solution:** lower price for clients, higher margins

## Further opportunities

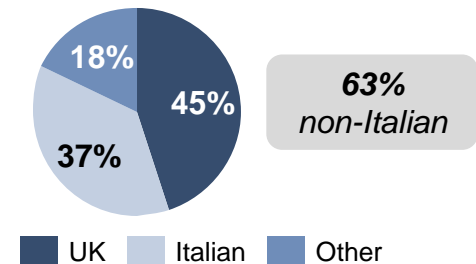
### Fineco UK

#### Clients: geographical split

##### Over 2,700 clients <sup>(1)</sup>



##### New clients acquired <sup>(2)</sup>



- ✓ **Unique positioning** in a highly fragmented market, leveraging on our **one-stop solution**. Among the **most competitive players on Multicurrency account, securities and CFDs**
- ✓ **ISA and multi-brand funds** under implementation: expected launch in 1H19
- ✓ **Dedicated marketing activities** on the territory (value proposition / selling points and education on brokerage)
- ✓ Ready for the second phase of the initiative, with **more focus on marketing and commercial activities**

### Patent Box

- ✓ We applied in 2015 for **intellectual properties** (our platforms internally created and developed) and trademark
- ✓ We are currently **in talks with Italian Fiscal Authority**, which is quantifying the relevant income
- ✓ **Fiscal benefits are for 5 years**: 2015, 2016, 2017, 2018 and 2019 as the regime is characterized by a five year lock-in period. **Intellectual properties are renewable** according to international guidelines

<sup>(1)</sup> Number of clients as of October 23<sup>rd</sup>, 2018

<sup>(2)</sup> New clients acquired starting from May 1<sup>st</sup>, 2018





# P&L

<i>mln</i>	1Q17	2Q17	3Q17	4Q17	FY17	1Q18	2Q18	3Q18	9M17	9M18
Net interest income	63.0	64.3	67.4	70.1	264.8	68.9	68.7	69.9	194.7	207.6
Net commissions	64.7	65.0	69.7	70.7	270.1	71.5	74.5	72.7	199.4	218.7
Trading profit	13.7	12.3	11.1	11.1	48.2	14.5	13.1	10.7	37.1	38.3
Other expenses/income	0.5	-0.8	0.1	3.9	3.8	0.5	0.1	-0.4	-0.2	0.2
<b>Total revenues</b>	<b>141.9</b>	<b>140.9</b>	<b>148.3</b>	<b>155.8</b>	<b>586.9</b>	<b>155.4</b>	<b>156.4</b>	<b>153.0</b>	<b>431.1</b>	<b>464.8</b>
Staff expenses	-19.2	-19.7	-19.8	-20.6	-79.3	-20.5	-21.0	-23.2	-58.7	-64.7
Other admin.exp. net of recoveries	-39.2	-38.2	-31.1	-35.0	-143.6	-40.8	-37.5	-34.1	-108.5	-112.4
D&A	-2.3	-2.5	-2.6	-2.9	-10.4	-2.3	-2.5	-2.5	-7.5	-7.3
<b>Operating expenses</b>	<b>-60.7</b>	<b>-60.4</b>	<b>-53.5</b>	<b>-58.6</b>	<b>-233.2</b>	<b>-63.6</b>	<b>-61.0</b>	<b>-59.7</b>	<b>-174.7</b>	<b>-184.4</b>
<b>Gross operating profit</b>	<b>81.2</b>	<b>80.4</b>	<b>94.8</b>	<b>97.3</b>	<b>353.6</b>	<b>91.8</b>	<b>95.4</b>	<b>93.3</b>	<b>256.4</b>	<b>280.5</b>
Provisions	-2.4	-0.8	-21.0	5.2	-19.0	-1.8	-1.9	-15.9	-24.2	-19.6
LLP	-0.6	-1.1	-1.6	-2.1	-5.4	-1.3	0.2	-0.9	-3.2	-2.1
Integration costs	0.0	0.0	0.0	0.4	0.4	0.0	0.0	0.0	0.0	0.0
Profit from investments	0.0	-0.4	-1.4	-11.6	-13.4	0.0	5.2	-0.9	-1.8	4.3
<b>Profit before taxes</b>	<b>78.2</b>	<b>78.3</b>	<b>70.7</b>	<b>89.1</b>	<b>316.3</b>	<b>88.7</b>	<b>98.8</b>	<b>75.6</b>	<b>227.2</b>	<b>263.1</b>
Income taxes	-26.5	-25.7	-23.9	-26.0	-102.1	-29.7	-32.6	-23.0	-76.1	-85.3
<b>Net profit for the period</b>	<b>51.7</b>	<b>52.6</b>	<b>46.8</b>	<b>63.1</b>	<b>214.1</b>	<b>59.0</b>	<b>66.2</b>	<b>52.6</b>	<b>151.0</b>	<b>177.7</b>
<b>Normalised Net Income<sup>(1)</sup></b>	<b>51.7</b>	<b>52.6</b>	<b>52.7</b>	<b>61.6</b>	<b>218.5</b>	<b>59.0</b>	<b>66.2</b>	<b>53.6</b>	<b>156.9</b>	<b>178.8</b>

<b>Non recurring items (mln, gross)</b>	1Q17	2Q17	3Q17	4Q17	FY17	1Q18	2Q18	3Q18	9M17	9M18
<i>Extraord systemic charges (Provisions)<sup>(2)</sup></i>			-7.4	7.4	0.0				-7.4	
<i>Extraord systemic charges (Profit from investm)<sup>(3)</sup></i>			-1.4	-11.5	-12.9				-1.4	
<i>Integration costs</i>				0.4	0.4					
<i>Severance</i>								-1.6		-1.6
<i>Release of taxes</i>				3.9	3.9					
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>-8.8</b>	<b>0.3</b>	<b>-8.5</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.6</b>	<b>-8.8</b>	<b>-1.6</b>

<sup>(1)</sup> Net of non recurring items

<sup>(2)</sup> 3Q17 write-down related to the residual commitment to the Voluntary Scheme moved to Profit from Investment in 4Q17 following the payment.

<sup>(3)</sup> 2017: Voluntary Scheme contribution.

## P&L net of non recurring items

<i>mln</i>	3Q17 Adj. <sup>(1)</sup>	9M17 Adj. <sup>(1)</sup>	2Q18	3Q18 Adj. <sup>(1)</sup>	9M18 Adj. <sup>(1)</sup>	9M18/ 9M17	3Q18/ 3Q17	3Q18/ 2Q18
Net interest income	67.4	194.7	68.7	69.9	207.6	6.6%	3.7%	1.7%
Net commissions	69.7	199.4	74.5	72.7	218.7	9.7%	4.3%	-2.5%
Trading profit	11.1	37.1	13.1	10.7	38.3	3.3%	-3.6%	-18.0%
Other expenses/income	0.1	-0.2	0.1	-0.4	0.2	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
<b>Total revenues</b>	<b>148.3</b>	<b>431.1</b>	<b>156.4</b>	<b>153.0</b>	<b>464.8</b>	<b>7.8%</b>	<b>3.2%</b>	<b>-2.2%</b>
Staff expenses	-19.8	-58.7	-21.0	-21.6	-63.1	7.5%	9.2%	2.9%
Other admin.expenses	-31.1	-108.5	-37.5	-34.1	-112.4	3.6%	9.5%	-9.2%
D&A	-2.6	-7.5	-2.5	-2.5	-7.3	-2.3%	-6.6%	-1.6%
<b>Operating expenses</b>	<b>-53.5</b>	<b>-174.7</b>	<b>-61.0</b>	<b>-58.1</b>	<b>-182.8</b>	<b>4.6%</b>	<b>8.6%</b>	<b>-4.7%</b>
<b>Gross operating profit</b>	<b>94.8</b>	<b>256.4</b>	<b>95.4</b>	<b>94.9</b>	<b>282.1</b>	<b>10.0%</b>	<b>0.1%</b>	<b>-0.6%</b>
Provisions	-13.6	-16.8	-1.9	-15.9	-19.6	16.7%	16.5%	<i>n.m.</i>
LLP	-1.6	-3.2	0.2	-0.9	-2.1	-36.4%	-43.2%	<i>n.m.</i>
Profit from investments	0.0	-0.4	5.2	-0.9	4.3	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
<b>Profit before taxes</b>	<b>79.5</b>	<b>236.0</b>	<b>98.8</b>	<b>77.2</b>	<b>264.7</b>	<b>12.2%</b>	<b>-2.9%</b>	<b>-21.9%</b>
Income taxes	-26.8	-79.0	-32.6	-23.5	-85.9	8.7%	-12.3%	-27.8%
<b>Net profit adjusted <sup>1</sup></b>	<b>52.7</b>	<b>156.9</b>	<b>66.2</b>	<b>53.6</b>	<b>178.8</b>	<b>13.9%</b>	<b>1.8%</b>	<b>-19.0%</b>

<sup>(1)</sup> Net of non recurring items (see page 33 for details)

## 9M18 P&L FinecoBank and Fineco Asset Management

<i>mln</i>	Fineco Asset Management	FinecoBank Individual	FinecoBank Consolidated
Net interest income		207.6	207.6
Dividends		0.0	0.0
Net commissions	11.9	206.8	218.7
Trading profit		38.3	38.3
Other expenses/income		0.3	0.2
<b>Total revenues</b>	<b>11.9</b>	<b>453.1</b>	<b>464.8</b>
Staff expenses	-1.5	-63.2	-64.7
Other admin.exp. net of recoveries	-0.9	-111.6	-112.4
D&A		-7.3	-7.3
<b>Operating expenses</b>	<b>-2.4</b>	<b>-182.1</b>	<b>-184.4</b>
<b>Gross operating profit</b>	<b>9.5</b>	<b>271.0</b>	<b>280.5</b>
Provisions		-19.6	-19.6
LLP		-2.1	-2.1
Profit on Investments		4.3	4.3
<b>Profit before taxes</b>	<b>9.5</b>	<b>253.5</b>	<b>263.1</b>
Income taxes	-1.2	-84.1	-85.3
<b>Net profit for the period</b>	<b>8.3</b>	<b>169.4</b>	<b>177.7</b>

# Details on Net Interest Income

<i>mln</i>	1Q17	Volumes & Margins	2Q17	Volumes & Margins	3Q17	Volumes & Margins	1Q18	Volumes & Margins	2Q18	Volumes & Margins	3Q18	Volumes & Margins	9M17	Volumes & Margins	9M18	Volumes & Margins
Financial Investments	55.4	17,530	55.6	17,864	57.2	18,086	56.9	18,449	57.5	18,887	57.0	18,817	168.3	17,827	171.5	18,718
<i>Net Margin</i>		1.28%		1.25%		1.26%		1.25%		1.22%		1.20%		1.26%		1.22%
<i>Gross margin</i>	56.3	1.30%	56.7	1.27%	58.5	1.28%	58.6	1.29%	59.8	1.27%	59.3	1.25%	171.5	1.29%	177.7	1.27%
Security Lending	0.7	938	0.6	831	0.5	764	0.2	804	0.2	726	0.2	753	1.8	844.3	0.6	760.5
<i>Net Margin</i>		0.30%		0.30%		0.24%		0.11%		0.10%		0.12%		0.28%		0.11%
Leverage - Long	1.9	130	2.2	152	2.6	173	2.7	182	2.7	181	3.0	196	6.6	151.6	8.5	186.6
<i>Net Margin</i>		5.79%		5.76%		5.91%		6.06%		6.03%		6.11%		5.83%		6.07%
Lendings	6.6	794	7.5	1,010	8.1	1,261	9.2	1,854	9.5	2,080	9.9	2,316	22.2	1,021.7	28.6	2,083.4
<i>Net Margin</i>		3.36%		2.99%		2.54%		2.01%		1.84%		1.69%		2.90%		1.83%
o/w Current accounts	1.7	312	1.8	340	1.9	410	2.4	684	2.6	788	2.8	891	5.5	354.0	7.8	787.8
<i>Net Margin</i>		2.20%		2.13%		1.89%		1.43%		1.33%		1.23%		2.06%		1.32%
o/w Cards	1.1	207	1.1	216	1.2	232	1.2	240	1.2	232	1.2	252	3.5	218.6	3.6	241.3
<i>Net Margin</i>		2.22%		2.12%		2.04%		2.00%		2.05%		1.93%		2.12%		1.99%
o/w Personal loans	3.7	257	3.9	297	4.0	317	4.3	370	4.4	394	4.4	411	11.7	290.3	13.1	391.3
<i>Net Margin</i>		5.81%		5.34%		5.05%		4.67%		4.45%		4.29%		5.37%		4.46%
o/w Mortgages	0.1	18	0.6	158	0.9	301	1.3	560	1.4	666	1.4	763	1.6	158.9	4.1	663.0
<i>Net Margin</i>		1.61%		1.59%		1.15%		0.96%		0.81%		0.75%		1.32%		0.83%
Other <sup>(1)</sup>	-1.5		-1.6		-0.9		-0.1		-1.2		-0.2		-4.1		-1.6	
<b>Total</b>	<b>63.0</b>		<b>64.3</b>		<b>67.4</b>		<b>68.9</b>		<b>68.7</b>		<b>69.9</b>		<b>194.7</b>		<b>207.6</b>	
<b>Gross Margin</b>		<b>1.35%</b>		<b>1.34%</b>		<b>1.35%</b>		<b>1.33%</b>		<b>1.31%</b>		<b>1.29%</b>		<b>1.35%</b>		<b>1.31%</b>
<b>Cost of Deposits</b>		<b>-0.02%</b>		<b>-0.02%</b>		<b>-0.03%</b>		<b>-0.03%</b>		<b>-0.04%</b>		<b>-0.04%</b>		<b>-0.02%</b>		<b>-0.04%</b>

Volumes and margins: average of the period  
 Net margin calculated on real interest income and expenses

(1) Other includes mainly marketing costs

## UniCredit bonds underwritten

	ISIN	Currency	Amount (€ m)	Maturity	Indexation	Spread
1	IT0005010357	Euro	382.5	19-Oct-18	Euribor 1m	2.24%
2	IT0005010373	Euro	382.5	18-Jan-19	Euribor 1m	2.29%
3	IT0005010613	Euro	382.5	1-Apr-19	Euribor 1m	0.38%
4	IT0005010282	Euro	382.5	15-Jul-19	Euribor 1m	2.37%
5	IT0005010399	Euro	382.5	14-Oct-19	Euribor 1m	2.40%
6	IT0005010324	Euro	382.5	13-Jan-20	Euribor 1m	2.44%
7	IT0005010365	Euro	382.5	10-Apr-20	Euribor 1m	2.47%
8	IT0005010308	Euro	382.5	9-Jul-20	Euribor 1m	2.49%
9	IT0005010381	Euro	382.5	7-Oct-20	Euribor 1m	2.52%
10	IT0005010332	Euro	382.5	6-Jan-21	Euribor 1m	2.54%
11	IT0005010316	Euro	382.5	6-Apr-21	Euribor 1m	2.56%
12	IT0005010340	Euro	382.5	5-Jul-21	Euribor 1m	2.58%
13	IT0005010225	Euro	382.5	18-Oct-21	Euribor 1m	2.60%
14	IT0005010860	USD <sup>1</sup>	43.2	7-Apr-20	USD Libor 1m	2.66%
15	IT0005158503	USD <sup>1</sup>	43.2	23-Dec-22	USD Libor 1m	1.93%
16	IT0005040099	Euro	100.0	24-Jan-22	Euribor 1m	1.46%
17	IT0005057994	Euro	200.0	11-Apr-22	Euribor 1m	1.43%
18	IT0005083743	Euro	300.0	28-Jan-22	Euribor 1m	1.25%
19	IT0005106189	Euro	230.0	20-Apr-20	Euribor 1m	0.90%
20	IT0005114688	Euro	180.0	19-May-22	Euribor 1m	1.19%
21	IT0005120347	Euro	700.0	27-Jun-22	Euribor 1m	1.58%
22	IT0005144065	Euro	450.0	14-Nov-22	Euribor 3m <sup>2</sup>	1.40%
23	IT0005144073	Euro	350.0	15-Nov-21	Euribor 3m <sup>2</sup>	1.29%
24	IT0005158412	Euro	250.0	23-Dec-22	Euribor 3m <sup>2</sup>	1.47%
25	IT0005163180	Euro	600.0	11-Feb-23	Euribor 3m <sup>2</sup>	1.97%
26	IT0005175135	Euro	100.0	24-Mar-23	Euribor 3m <sup>2</sup>	1.58%
27	IT0005217606	Euro	350.0	11-Oct-23	Euribor 3m <sup>2</sup>	1.65%
28	IT0005241317	Euro	622.5	2-Feb-24	Euribor 3m <sup>2</sup>	1.52%
	<b>Total</b>	<b>Euro</b>	<b>9,405.0</b>		<b>Euribor 1m</b>	<b>1.94%</b>
		<b>USD<sup>1</sup></b>	<b>86.4</b>		<b>USD Libor 1m</b>	<b>2.30%</b>
	<b>Totale Eur e USD</b>		<b>9,491.4</b>			<b>1.94%</b>

<sup>1</sup> Amounts expressed at EUR/USD 1.1576 exchange rate (as of September 30<sup>th</sup>, 2018)

<sup>2</sup> In order to calculate an average spread on Eur1m, a basis swap of 0.07% is considered

## Details on Net Commissions

<i>mln</i>	1Q17	2Q17	3Q17	1Q18	2Q18	3Q18	9M17	9M18
<b>Brokerage</b>	<b>20.3</b>	<b>18.3</b>	<b>16.8</b>	<b>20.6</b>	<b>20.1</b>	<b>15.8</b>	<b>55.3</b>	<b>56.5</b>
o/w								
Equity	16.7	15.2	13.5	17.5	16.4	13.1	45.4	47.0
Bond	1.0	0.9	0.7	0.8	1.2	0.6	2.7	2.7
Derivatives	2.4	2.0	1.9	2.5	2.7	2.2	6.3	7.3
Other commissions <sup>(1)</sup>	0.1	0.2	0.6	-0.1	-0.2	-0.1	0.9	-0.5
<b>Investing</b>	<b>43.7</b>	<b>44.6</b>	<b>47.1</b>	<b>47.1</b>	<b>49.5</b>	<b>52.2</b>	<b>135.4</b>	<b>148.8</b>
o/w								
Placement fees	3.1	2.9	2.3	2.5	2.4	1.4	8.3	6.4
Management fees	45.3	47.4	48.5	50.2	53.9	54.9	141.3	159.1
to PFA's: incentives	-4.7	-5.7	-3.7	-4.8	-5.8	-3.1	-14.2	-13.7
to PFA's: LTI	0.0	0.0	0.0	-0.9	-1.1	-1.0	0.0	-2.9
<b>Banking</b>	<b>0.6</b>	<b>1.9</b>	<b>5.7</b>	<b>3.4</b>	<b>4.7</b>	<b>4.5</b>	<b>8.2</b>	<b>12.6</b>
<b>Other</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>	<b>0.5</b>	<b>0.7</b>
<b>Total</b>	<b>64.7</b>	<b>65.0</b>	<b>69.7</b>	<b>71.5</b>	<b>74.5</b>	<b>72.7</b>	<b>199.4</b>	<b>218.7</b>

Starting from 2018, incentives to PFAs and 2018-2020 LTI to PFAs have been restated among product areas with an even higher incidence to Investing to better reflect the focus of incentives in the asset mix improvement. 1Q18 has been restated accordingly.

<sup>(1)</sup> Other commissions include security lending and other PFA commissions related to AuC

## Revenue breakdown by Product Area

<i>mln</i>	1Q17	2Q17	3Q17	1Q18	2Q18	3Q18	9M17	9M18
Net interest income	62.0	63.1	65.5	67.3	68.4	68.5	190.7	204.2
Net commissions	0.6	1.9	5.7	3.4	4.7	4.5	8.2	12.6
Trading profit	1.9	1.7	1.2	1.4	1.5	2.1	4.9	4.9
Other	0.1	0.1	0.1	0.1	0.2	0.1	0.3	0.4
<b>Total Banking</b>	<b>64.7</b>	<b>66.9</b>	<b>72.5</b>	<b>72.1</b>	<b>74.8</b>	<b>75.1</b>	<b>204.1</b>	<b>222.0</b>
Net interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net commissions	43.7	44.6	47.1	47.1	49.5	52.2	135.4	148.8
Trading profit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Investing</b>	<b>43.7</b>	<b>44.6</b>	<b>47.1</b>	<b>47.1</b>	<b>49.5</b>	<b>52.2</b>	<b>135.4</b>	<b>148.8</b>
Net interest income	2.8	3.2	3.4	3.2	3.2	3.4	9.4	9.8
Net commissions	20.3	18.3	16.8	20.6	20.1	15.8	55.3	56.5
Trading profit	11.5	10.4	9.7	12.4	10.7	6.1	31.6	29.3
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Brokerage</b>	<b>34.6</b>	<b>31.9</b>	<b>29.9</b>	<b>36.3</b>	<b>34.0</b>	<b>25.3</b>	<b>96.3</b>	<b>95.6</b>

## Breakdown Total Financial Assets

<i>mln</i>	Mar.17	Jun.17	Sep.17	Dec.17	Mar.18	Jun.18	Sep.18
<b>AUM</b>	<b>30,182</b>	<b>31,059</b>	<b>31,797</b>	<b>33,563</b>	<b>33,536</b>	<b>34,496</b>	<b>34,930</b>
o/w Funds and Sicav	24,984	25,461	25,901	26,999	26,666	26,809	26,795
o/w Insurance	4,749	5,145	5,431	6,075	6,395	7,043	7,355
o/w GPM	9	9	7	7	1	1	1
o/w AuC + deposits under advisory	440	444	458	483	475	643	779
<i>o/win Advice</i>	<i>440</i>	<i>444</i>	<i>458</i>	<i>483</i>	<i>475</i>	<i>477</i>	<i>494</i>
<i>o/win Plus</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>166</i>	<i>285</i>
<b>AUC</b>	<b>13,461</b>	<b>13,429</b>	<b>13,884</b>	<b>13,681</b>	<b>13,890</b>	<b>14,366</b>	<b>14,395</b>
o/w Equity	7,698	7,817	8,221	8,378	8,573	8,736	8,846
o/w Bond	5,695	5,552	5,616	5,284	5,298	5,613	5,534
o/w Other	68	60	47	20	20	18	15
<b>Direct Deposits</b>	<b>18,559</b>	<b>19,139</b>	<b>19,674</b>	<b>19,941</b>	<b>20,624</b>	<b>20,968</b>	<b>21,536</b>
o/w Sight	18,504	19,105	19,659	19,931	20,616	20,962	21,532
o/w Term	55	34	14	10	7	6	4
<b>Total</b>	<b>62,202</b>	<b>63,627</b>	<b>65,355</b>	<b>67,185</b>	<b>68,050</b>	<b>69,830</b>	<b>70,861</b>
<i>o/w Guided Products &amp; Services</i>	<i>17,470</i>	<i>18,399</i>	<i>19,190</i>	<i>21,227</i>	<i>21,425</i>	<i>22,199</i>	<i>22,879</i>
<i>o/w TFA Private Banking</i>	<i>23,255</i>	<i>23,978</i>	<i>25,053</i>	<i>25,886</i>	<i>26,109</i>	<i>26,992</i>	<i>27,474</i>

AuC and Deposits under advisory have been reclassified within AuM in order to have a better representation of the advisory nature of Advice and Plus services



# Balance Sheet

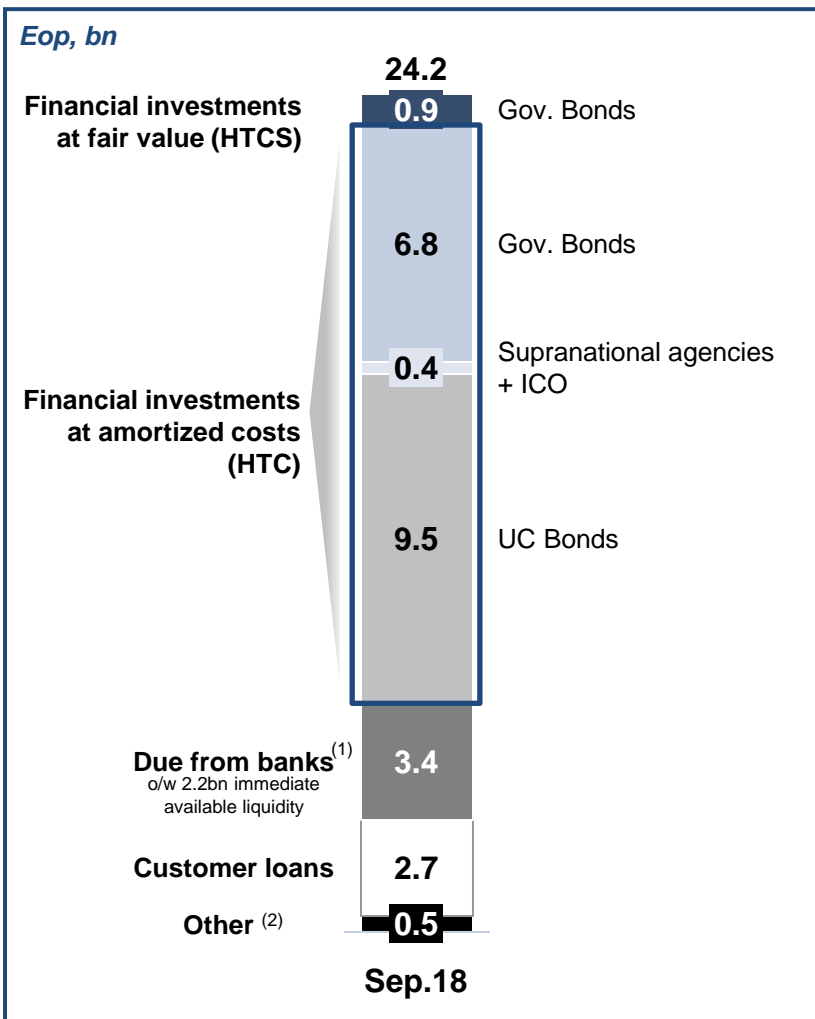
<i>mln</i>	Mar.17	Jun.17	Sep.17	Dec.17	1st Jan.18	Mar.18	Jun.18	Sep.18
Due from Banks	15,462	14,827	14,293	13,878	3,036	3,488	3,224	3,398
Customer Loans	1,166	1,504	1,716	2,129	2,129	2,318	2,633	2,736
Financial Assets	3,912	4,770	5,429	5,885	16,733	17,106	17,199	17,678
Tangible and Intangible Assets	112	113	113	113	113	112	112	112
Derivatives	12	15	16	10	0	0	3	0
Other Assets	262	284	249	326	325	211	254	259
<b>Total Assets</b>	<b>20,927</b>	<b>21,513</b>	<b>21,815</b>	<b>22,340</b>	<b>22,335</b>	<b>23,235</b>	<b>23,425</b>	<b>24,183</b>
Customer Deposits	18,884	19,441	20,008	20,205	20,205	20,916	21,197	21,827
Due to Banks	980	930	697	926	926	960	908	1,000
Derivatives	17	16	19	9	0	0	2	0
Funds and other Liabilities	314	506	421	468	476	367	445	452
Equity	732	621	672	732	729	992	874	904
<b>Total Liabilities and Equity</b>	<b>20,927</b>	<b>21,513</b>	<b>21,815</b>	<b>22,340</b>	<b>22,335</b>	<b>23,235</b>	<b>23,425</b>	<b>24,183</b>

IFRS9: the Bank decided to not disclose comparative data from previous periods, as allowed by new accounting standards.

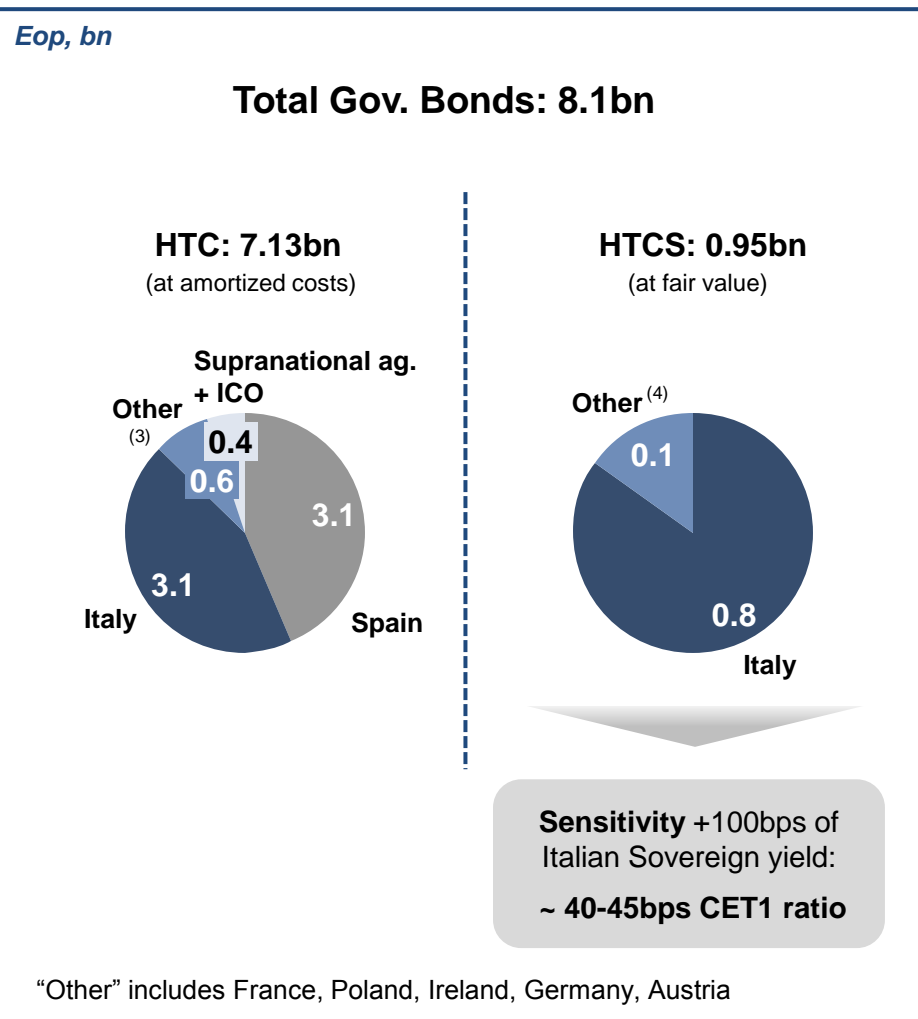
# Total assets: 96% not exposed to volatility

Out of 24.2bn, only 0.9bn of Assets valued at fair value with limited impacts on Equity reserve

## Total Assets



## o/w Government bonds by geography



<sup>(1)</sup> Due from banks include 2.2bn current accounts (immediate available liquidity), 1.1bn term deposits

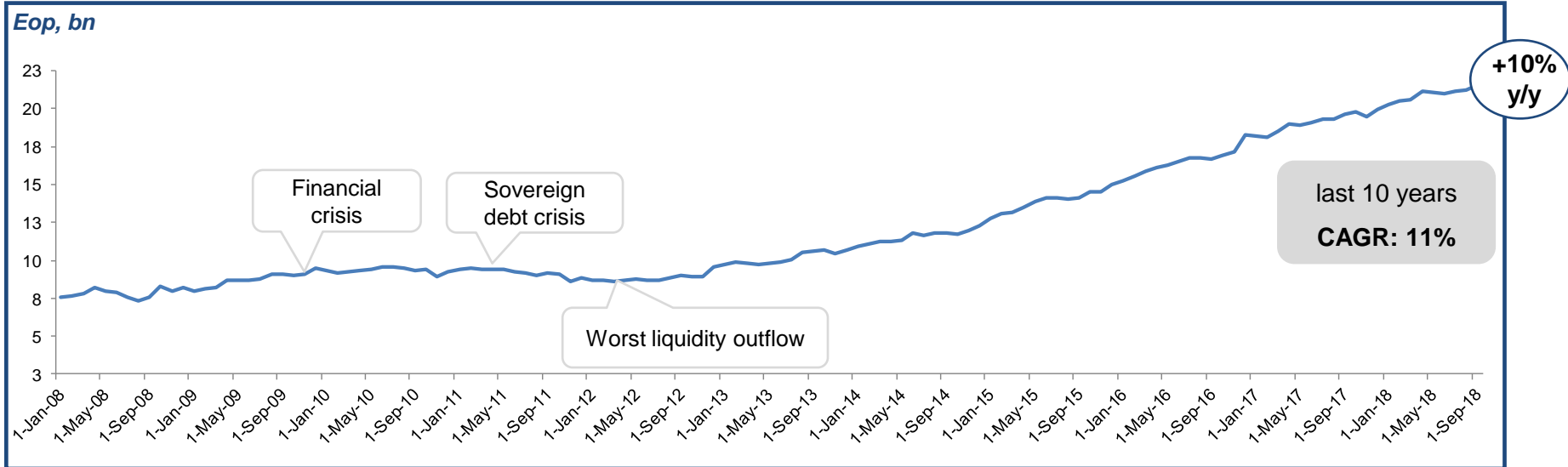
<sup>(2)</sup> Other refers to tangible and intangible assets, derivatives and other assets

<sup>(3)</sup> Other HTC: 197.6mln France, 78.6mln Poland, 116.5mln Ireland, 71.3mln Germany, 86.5mln Austria

<sup>(4)</sup> Other HTCS: 35.1mln France, 65.7mln US, 40.9mln Ireland

# High-value deposit base confirms strong resilience over time

## Sight deposits growth



- ✓ **Double-digit deposit growth** throughout the last 10 years (+11% CAGR), with no impacts from 2008 financial crisis and 2011 sovereign debt crisis
- ✓ **Strong resilience during periods of stress/crisis:** 912mln worst liquidity outflow on April 10<sup>th</sup>, 2012
- ✓ **High-value deposit base:** most of our deposits is transactional liquidity. Customer rate: zero; cost of funding: 3bps
- ✓ **79% of total sight deposits: core liquidity<sup>(1)</sup> in a stressed scenario** according to clients' behavioral model
- ✓ **Structural trends** in place in Italy combined with **best in class banking platform and high-quality services** will continue to support our deposit growth

# Additional Tier 1

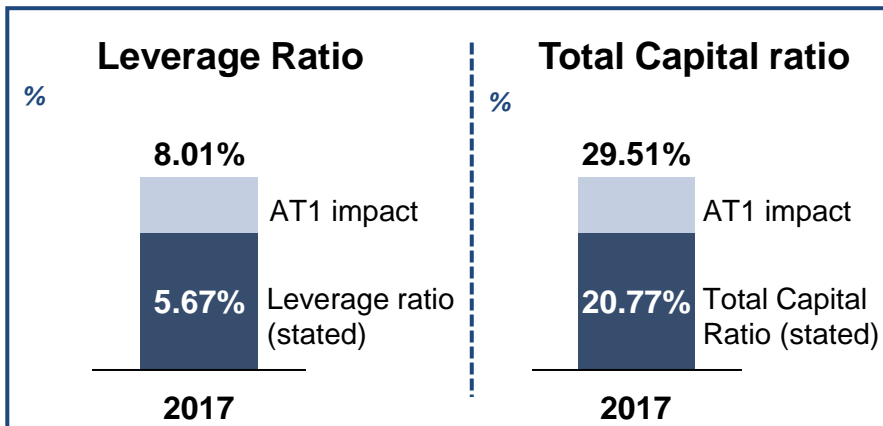
## Details

- Given current favorable market conditions and spread levels, on 23rd January, 2018 the Bank issued a **€200mIn** perpetual AT1
- Coupon fixed at **4.82%** for the initial **5.5 years**
- **Intra-group private placement**, fully subscribed by UniCredit SpA
- **Semi-annual coupon**. First Interest Payment Date on June 3<sup>rd</sup>, 2018 (short first coupon): 2.1mIn net of taxes
- Net coupon will impact directly Equity reserves (~6.5mIn net of taxes per year)

## Benefits

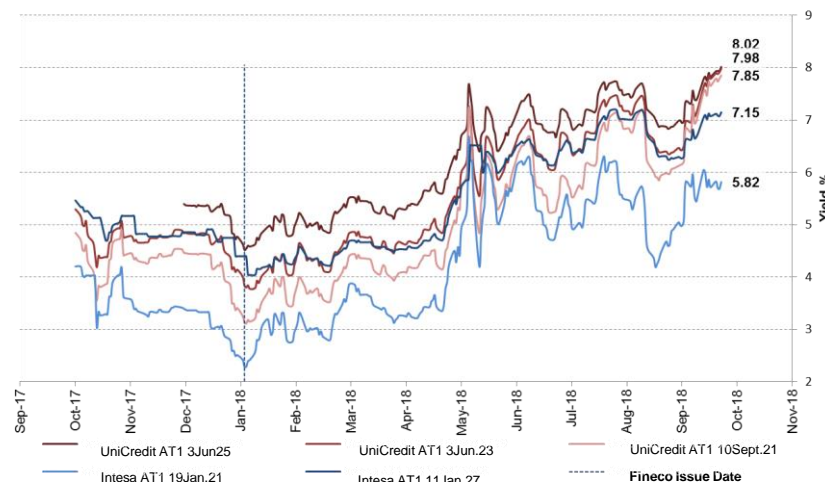
- **Sustain a more diversified investment strategy** through the non-renewal of UC Bonds run-offs and the progressive increase of European Govies
- **Leverage Ratio evolution in a comfortable zone**, even by further diversifying the investment portfolio
- **Several benefits** came from intra-group private placement, both in terms of effective costs savings and faster issuance process, allowing the Bank to maximize the benefits of the deal

## Key ratios pro-forma<sup>(1)</sup> with AT1 issue



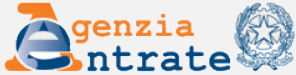
<sup>(1)</sup> Ratios transitional. Total Capital ratio assuming 2017 dividend of 28.5 € cents per share.

## UniCredit and Intesa AT1 yield at first call date



# Cooperative Compliance Scheme:

FinecoBank admitted in the Cooperative Compliance Scheme with the Revenue Agency



In July 2017, **FinecoBank** has been admitted to the **Cooperative Compliance Scheme<sup>(1)</sup>**, which allows the Bank to take part to a register of taxpayers (published on the Revenue Agency's official website) **operating in full transparency with the Italian tax Authorities**. This is a fundamental milestone for our Bank

Until now, **only few companies** have been admitted in Italy, of which among Banks: Fineco, UniCredit, and BPER

## Key requirements to be admitted:

- ✓ **subjective and objective requirements** (resident legal entities with specific sizing thresholds)
- ✓ **effective system in place for identifying, measuring, managing and controlling tax risk** in line with the "essential" requirements of the *Tax Control Framework* envisaged by law, Revenue Agency ordinances and by the OECD documents published on the subject

## Several advantages:

- ✓ closer relationship of **trust and cooperation** with the Revenue Agency
- ✓ **Increase of the level of certainty on significant tax issues** under conditions of full transparency
- ✓ **agreed and preventive risk assessment** of situations likely to generate tax risks
- ✓ **fast track ruling**

# Main Financial Ratios

	Mar.17	Jun.17	Sep.17	Dec.17	Mar.18	Jun.18	Sep.18
<b>PFA TFA/ PFA (mln) <sup>(1)</sup></b>	<b>20.2</b>	<b>20.7</b>	<b>21.4</b>	<b>22.2</b>	<b>22.5</b>	<b>23.0</b>	<b>23.4</b>
<b>Guided Products / TFA <sup>(2)</sup></b>	<b>28%</b>	<b>29%</b>	<b>29%</b>	<b>32%</b>	<b>31%</b>	<b>32%</b>	<b>32%</b>
<b>Cost / income Ratio <sup>(3)</sup></b>	<b>42.8%</b>	<b>42.8%</b>	<b>40.5%</b>	<b>39.7%</b>	<b>41.0%</b>	<b>40.0%</b>	<b>39.3%</b>
<b>CET 1 Ratio</b>	<b>22.2%</b>	<b>22.1%</b>	<b>20.7%</b>	<b>20.8%</b>	<b>20.2%</b>	<b>20.7%</b>	<b>20.5%</b>
<b>Adjusted RoE <sup>(4)</sup></b>	<b>39.5%</b>	<b>39.3%</b>	<b>39.0%</b>	<b>40.3%</b>	<b>35.1%</b>	<b>36.9%</b>	<b>35.4%</b>
<b>Leverage Ratio <sup>(5)</sup></b>	<b>7.89%</b>	<b>6.79%</b>	<b>5.95%</b>	<b>5.67%</b>	<b>7.15%</b>	<b>6.51%</b>	<b>6.00%</b>

<sup>(1)</sup> PFA TFA/PFA: calculated as end of period Total Financial Assets related to the network divided by number of PFAs eop

<sup>(2)</sup> Calculated as Guided Products eop divided by Total Financial Assets eop

<sup>(3)</sup> C/I ratio net of non recurring items (see page 33) calculated as Operating Costs divided by Revenues net of non recurring items

<sup>(4)</sup> Adjusted RoE: annualized Net Profit, net of non recurring items (see page 33) divided by the average book shareholders' equity for the period (excluding dividends expected to be distributed and the revaluation reserves)

<sup>(5)</sup> Leverage ratio based on CRR definition, according to the EC Delegated Act 2015/62 regarding the exclusion of intra-group exposure