9M17 Results

Verona, November 28th 2017
Kepler Italian Financials Conference
9M17 key messages

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

Clients acquisition

Organic growth

High quality lending

Delivery of consistent results
in every market condition

Growing revenues
Diversified business model

Huge Operating Leverage

Sound Brokerage

Net Profit adjusted (net of DGS)(1), mln

CAGR

+15.1%

37.3  40.1  36.4  40.8  47.8  45.9  55.1  47.7  51.2  49.8  52.0  54.8  51.7  52.6  61.0

1Q14  2Q14  3Q14  4Q14  1Q15  2Q15  3Q15  4Q15  1Q16  2Q16  3Q16  4Q16  1Q17  2Q17  3Q17

Highly scalable operating platform
Platform excellence and cost discipline providing strong operating leverage

<table>
<thead>
<tr>
<th>Costs vs Growth</th>
<th>TFA (€ bn)</th>
<th>Clients (thd)</th>
<th>Revenues (€ mn)</th>
<th>Operating costs (€ mn)</th>
<th>Cost Income Ratio (%)</th>
<th>Dividend (€ cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-2016 CAGR</td>
<td>+11%</td>
<td>+8%</td>
<td>+14%</td>
<td>+6%</td>
<td>-8%</td>
<td>+18%</td>
</tr>
</tbody>
</table>

(1) CAGR 2014-2016
Results

Strong growth in Operating profit both q/q and y/y. Net profit affected by systemic charges, but up +7.8% y/y net of voluntary scheme one-off

Gross Operating Profit

- +9.3% y/y
- 256.2 mln

Net Profit

- +7.8% y/y
- 156.9 mln

Adj. Cost / Income\(^{(1)}\) 41%

Adj. RoE\(^{(1)}\) 39%

\(^{(1)}\) 9M16 non recurring items: Visa sale(revenues) +15.3mln gross, +10.3mln net in 2Q16; positive closing of tax dispute +6.5mln tax release.
Voluntary Scheme: -8.8mln gross (-5.9mln net) in 3Q17.
Revenues and operating Costs

Operating leverage constantly delivered thanks to a relentless revenue growth and operating costs well under control

Revenues

Operating Costs

Operating Leverage

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Operating Costs</th>
<th>Operating Leverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>+6.3% y/y</td>
<td>+2.1% y/y</td>
<td>+13.5% TFA (bn)</td>
</tr>
<tr>
<td>430.9 mln</td>
<td>174.7 mln</td>
<td>+7.2% clients</td>
</tr>
</tbody>
</table>

-1.7 p.p.

excluding non recurring items⁽¹⁾

⁽¹⁾ gain on Visa sale in 2Q16: +15.3 mln gross. Adj. Cost/Income calculated net of non recurring items.
TFA breakdown

Successful shift towards high added value products

**Breakdown of total TFA**

<table>
<thead>
<tr>
<th></th>
<th>Dec.14</th>
<th>Oct.17</th>
</tr>
</thead>
<tbody>
<tr>
<td>AuM</td>
<td>49.3</td>
<td>66.3</td>
</tr>
<tr>
<td>AuC</td>
<td>48%</td>
<td>48%</td>
</tr>
<tr>
<td>Deposits</td>
<td>36%</td>
<td>62%</td>
</tr>
<tr>
<td>Guided products as % of AuM</td>
<td>24%</td>
<td>22%</td>
</tr>
<tr>
<td>28%</td>
<td>30%</td>
<td></td>
</tr>
</tbody>
</table>

**Focus on AUM**

+8.4 bn AUM since the end of 2014, o/w:

- **Guided Products & Services +11.4bn**
- AuM à la carte -3.0 bn

Guided Products includes Advice service which comprises a small component of AuC and Deposits (0.5bn in Sep.17, 0.4bn in Jun.17, 0.4bn in Dec.16, 0.3bn in Dec.15 and 0.3bn in Dec.14)
Net sales breakdown

Net sales highlights the continuous improvement in the asset mix thanks to the increasing productivity of the network.

**Breakdown of total Net Sales**

- **9M17**
  - Total Net Sales: 4.2 bn
  - Deposits: 2.5 bn
  - Guided 3.2 bn
  - AuM: 0.5 bn
  - AuC: 1.2 bn

- **Oct.17 YTD**
  - Total Net Sales: 4.7 bn
  - Deposits: 2.9 bn
  - Guided 3.2 bn
  - AuM: 0.5 bn
  - AuC: 1.3 bn

**PFA Network – total Net Sales**

- **9M17**
  - Total Net Sales: 3.8 bn
  - Deposits: 2.5 bn
  - AuM: 0.3 bn
  - AuC: 1.0 bn

- **Oct.17**
  - Total Net Sales: 0.5 bn
  - Deposits: 0.3 bn
  - AuM: 0.3 bn
  - AuC: 0.1 bn

- **Oct.17 YTD**
  - Total Net Sales: 4.3 bn
  - Deposits: 2.9 bn
  - AuM: 0.3 bn
  - AuC: 1.1 bn

*Note:* All figures are in billion euros (bn).
Organic growth
Net sales organically generated confirmed as key in our strategy of growth

Net Sales – Organic / Recruit (%)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>9M17</th>
</tr>
</thead>
<tbody>
<tr>
<td>New recruits of the year</td>
<td>85</td>
<td>61</td>
</tr>
<tr>
<td>Organic</td>
<td>11%</td>
<td>7%</td>
</tr>
<tr>
<td>89%</td>
<td>93%</td>
<td></td>
</tr>
</tbody>
</table>
| Recruitment costs (to be amortized) stock 23mln as of Sept.’17 stable vs Dec.’16

# of PFAs recruited in the period

(1) Total recruits include net inflows related to PFAs recruited over the last 24 months (avg)
Repricing on current account rates
New opportunities are coming

Starting from Jan. 2018, current accounts under the old pricing structure (variable rate, client’s remuneration at 75% of 1month Euribor with floor at zero) will be transformed from variable to fixed rate equal to zero.

As of Sep. 30th 2017, 59% of sight deposits (~11.6 bn), is linked to the Euribor.

Benefits

Rebalancing the Balance Sheet structure (ALM) through a new balance between funding costs and investment rates structure

No impacts for clients as 1M Eur is still negative

New Sensitivity analysis:
+100bps parallel shift (1M Eur)

(1) Current accounts opened before 2012. Starting from March 19th 2012, Fineco has been offering to its banking clients only "zero costs and zero interest" accounts
Sustainability analysis

Deposits growth to offset lower rates and bond portfolio run-off

UC bonds run-offs and spread

<table>
<thead>
<tr>
<th>Year</th>
<th>mln</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>533</td>
</tr>
<tr>
<td>2018</td>
<td>1,722</td>
</tr>
<tr>
<td>2019</td>
<td>1,572</td>
</tr>
<tr>
<td>2020</td>
<td>1,802</td>
</tr>
</tbody>
</table>

Average spread (bps)

<table>
<thead>
<tr>
<th>Year</th>
<th></th>
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<tbody>
<tr>
<td>2017</td>
<td>159</td>
</tr>
<tr>
<td>2018</td>
<td>202</td>
</tr>
<tr>
<td>2019</td>
<td>235</td>
</tr>
<tr>
<td>2020</td>
<td>228</td>
</tr>
</tbody>
</table>

7Y Spread UniCredit vs Govies

Minimum sight deposits growth to maintain interest income from UC bonds ptf quite aligned to 2016

Assumptions:

Forward 1MEuribor curve: -0.37% in 2017, -0.33% in 2018, -0.13% in 2019 and +0.14% in 2020

New core liquidity and run-offs invested in:

**Case 1:** 5 yrs Italian Govies (avg spread 81 bps\(^{(1)}\))

**Case 2:** blend of 7 yrs European Govies\(^{(2)}\), **50% fixed rate** (avg yield 64.2 bps), **50% variable rate** (avg spread 41.5 bps\(^{(1)}\)), resulting in 2020 overall portfolio with residual average maturity 3.2 years (vs current 3.2 years)

<table>
<thead>
<tr>
<th>Rate</th>
<th>Year</th>
</tr>
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<tbody>
<tr>
<td>4.0%</td>
<td>Historical sight deposits growth</td>
</tr>
<tr>
<td>15.0%</td>
<td>CAGR 2011-9M17</td>
</tr>
</tbody>
</table>

CAGR Oct.17-2020

\(^{(1)}\) as of October 18th, spread on 1M Euribor
\(^{(2)}\) Geographical split: 30% Italy, 20% Spain, 10% France, 10% Ireland, 10% Germany, 10% Austria and 10% Belgium
Boost in high quality lending volume

**Mortgages**

- Eop, mln: 357
- Yield bps: 132
- +382.9% vs Mar.17

**Personal loans**

- Eop, mln: 326
- Yield bps: 535
- +58.9% y/y

**Lombard loans**

- Eop, mln: 459
- Yield bps: 191
- +69.3% y/y

Legend:
- Other Lombard
- Credit Lombard
Network’s productivity and Private Banking

Guided Products

*Eop, mln*

<table>
<thead>
<tr>
<th></th>
<th>Sep.17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eop, mln</td>
<td>19.2</td>
<td>+28.4% y/y</td>
</tr>
</tbody>
</table>

Average PFAs’ portfolio

*Eop, mln*

<table>
<thead>
<tr>
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<th>Sep.17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eop, mln</td>
<td>21.4</td>
<td>+13.9% y/y</td>
</tr>
</tbody>
</table>

Net Sales Mix

*Eop, bn*

<table>
<thead>
<tr>
<th></th>
<th>9M16</th>
<th>9M17</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUM</td>
<td>31%</td>
<td>60%</td>
</tr>
<tr>
<td>AuC+Deposits</td>
<td>69%</td>
<td>40%</td>
</tr>
</tbody>
</table>

Private Banking TFA

*TFA Private Banking / TFA*

<table>
<thead>
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<th></th>
<th>Sep.17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eop, bn</td>
<td>25.1</td>
<td>+19.8% y/y</td>
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Fineco Asset Management (1/3)

Process update

The project is on track as expected (go live by the end of 2Q 2018):

- Sept17: Internal approvals
- Oct-Dec17: Company Setup & Filing to Regulators
- Jan-Mar17: New mutual funds creation
- End of 2Q: go live for existing and new funds
- Apr-Jun18: Existing Core series migration
- Oct-Dec17: Operational model implementation
- Jan-Mar17: Controlling authorization process
- Apr-Jun18: Authorization process with Central Bank of Ireland started. Expected closing in 4-6 months
- Official tax ruling expected to start within the end of the year

The asset migration agreement related to ‘old’ Core Series is ongoing.
Fineco Asset Management (2/3)
Focus on products and services

**RETAIL CLASS**

**FAM Single Funds**
*Description:* sub-advised single funds, with best brands and best portfolio managers
*Destination:* all retail’s offer range: à la carte, Advice and Stars (portfolio solutions)

**FAM Building Blocks**
*Description:* FAM Funds of Funds. Solutions with internal rebalancing. No cost of mandate
*Composition:* FAM single funds (Institutional Class), third parties Institutional funds, ETFs
*Destination:* all retail’s offer range: à la carte, Advice and Stars (portfolio solutions)

**«Old» Core Series**
*Description:* existing multi-segment and multi-class Funds of Funds (~7bn)

**INSTITUTIONAL CLASS**

**FAM Single Funds**
*Description:* sub-advised single funds, with best brands and best portfolio managers
*Destination:* wrappers (insurance wrappers, «old» Core Series, Building Blocks)

**FAM Building Blocks**
*Description:* FAM Funds of Funds. Solutions for insurance wrappers. No cost of mandate
*Composition:* FAM single funds (Institutional Class), third parties Institutional funds, ETFs
*Destination:* Insurance offer: Core Unit, Advice Unit, etc.
Potential Upside: relevant and recurring improvement in the profitability of the Bank

<table>
<thead>
<tr>
<th>DELTA MARGINS (1)</th>
<th>CORE SERIES</th>
<th>SINGLE FUNDS &amp; BUILDING BLOCKS (Institutional Class)</th>
<th>SINGLE FUNDS (Retail class)</th>
<th>BUILDING BLOCKS (Retail class)</th>
</tr>
</thead>
<tbody>
<tr>
<td>~ +20 bps</td>
<td>~ +34/42 bps</td>
<td>~ +5/7 bps</td>
<td>~ +25 bps</td>
<td></td>
</tr>
</tbody>
</table>

(1) Consolidated margins, net of taxes

Underlying assumptions: Retail class -> hp revenue split: 60% Italy - 40% remains in FAM (Ireland);
Institutional class -> 100% revenues remains in FAM (Ireland), no PFAs involvement
Thank you