



INVEST WITH

FINECO

THE NEW BANK

FINECO. LA BANCA CHE SEMPLIFICA LA BANCA.

J.P. Morgan Italian Conference – Milan, September 29th 2014

Disclaimer

- This Presentation may contain written and oral “forward-looking statements”, which includes all statements that do not relate solely to historical or current facts and which are therefore inherently uncertain. All forward-looking statements rely on a number of assumptions, expectations, projections and provisional data concerning future events and are subject to a number of uncertainties and other factors, many of which are outside the control of FinecoBank S.p.A. (the “Company”). There are a variety of factors that may cause actual results and performance to be materially different from the explicit or implicit contents of any forward-looking statements and thus, such forward-looking statements are not a reliable indicator of future performance. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law. The information and opinions contained in this Presentation are provided as at the date hereof and are subject to change without notice. Neither this Presentation nor any part of it nor the fact of its distribution may form the basis of, or be relied on or in connection with, any contract or investment decision
- The information, statements and opinions contained in this Presentation are for information purposes only and do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of an offer to purchase or subscribe for securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments. None of the securities referred to herein have been, or will be, registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any state or other jurisdiction of the United States or in Australia, Canada or Japan or any other jurisdiction where such an offer or solicitation would be unlawful (the “Other Countries”), and there will be no public offer of any such securities in the United States. This Presentation does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States or the Other Countries
- Pursuant the consolidated law on financial intermediation of 24 February 1998 (article 154-bis, paragraph 2) Lorena Pellicciari, in her capacity as manager responsible for the preparation of the Company’s financial reports declares that the accounting information contained in this Presentation reflects the FinecoBank’s documented results, financial accounts and accounting records
- Neither the Company nor any of its or their respective representatives, directors or employees accept any liability whatsoever in connection with this Presentation or any of its contents or in relation to any loss arising from its use or from any reliance placed upon it

- **Fineco highlights**

- Focus on Results

- Future strategy

Introducing Fineco

Leading multichannel direct bank in Italy, focusing on "smart affluent" clients

- **Leading multichannel direct bank** in Italy, pioneer in anticipating sector trends since 1999
- **One single account with multiple service access**
 - Online traditional banking services
 - Trading platform of choice in Italy
 - Investment services with multibrand product offer and guided open architecture approach
- **Fully Integrated “products – distribution”** approach mainly through Personal Financial Advisers (PFAs) (#3 in Italy) and online / mobile banking
- **Highly loyal and growing base of 931k¹ clients**
- **Simplicity, transparency and innovation** at heart of our business model

TFA
47.2
bn Euro
June 14

+15%
TFA y/y

~224
mn Euro
revenues
1Half 2014

+16%
Revenue y/y

2,500
PFA June 14

~97%
Client
satisfaction

~77
mn € adjusted
1Half 2014
net income²

~38%
Adjusted
1Half 2014
RoE²

Notes:

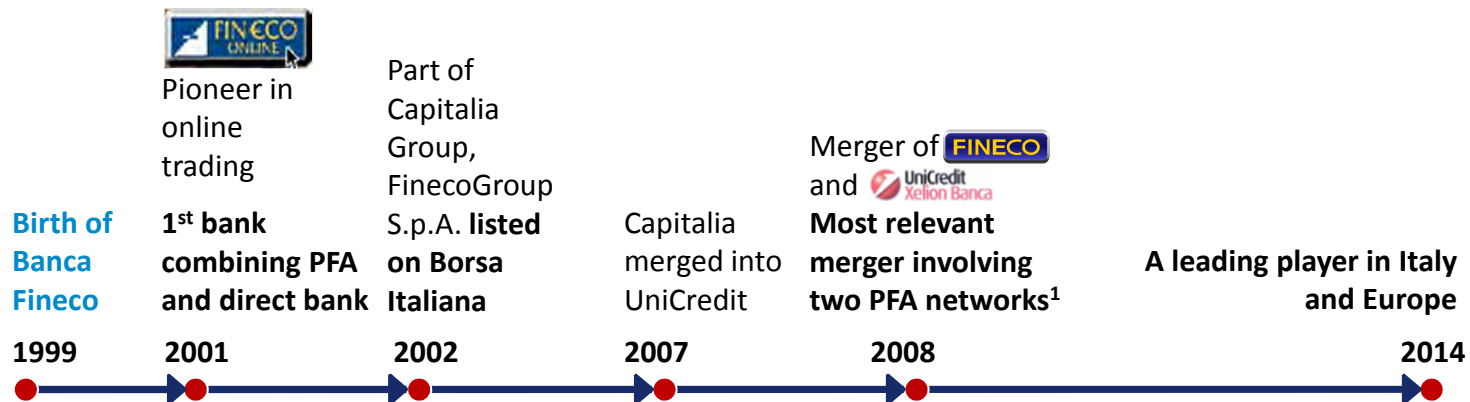
1 Figure as of June14, which corresponds to a number of current accounts of c.747K at the same date

2 See page 13 for reconciliation with reported net income of €73.9m

Growth and Innovation History

The bank for the future ... dating back to 1999

Business innovation



Product innovation



Pioneer in launching an online trading platform in Europe

Multicurrency



Launched trading on forex, the global currency exchange

Security disposable Pin



Personal balance sheet service (MoneyMap)

Digital signature



Fineco Advice

Advanced financial consulting services (Core Series)



Logos

Innovation continues ...



Note:
1 In terms of size of PFA networks involved

Fineco Highlights

Unique business model, leading position in core segments, recurring profitability and attractive growth

Attractive market	In the "sweet spot" to capture healthy long term sector dynamics
	Leading position in core markets, difficult to replicate
Successful business model	Unique, fully integrated business model (a "One Stop Solution")
	Complete, innovative and high quality product offering, providing "transactional" liquidity
	Demonstrated ability to attract and retain retail customers
	Operating platform excellence, simple to access
Solid financials	Well diversified, highly recurrent profitability over the cycle with strong operating leverage
	Solid balance sheet and liquidity

Italian Savings Structurally Attractive

High household wealth per capita, with above average net wealth/disposable income, but still mainly invested in real estate assets and assets under custody

Italian wealth aligned with richest countries ...

... but with under-penetration of “managed assets”

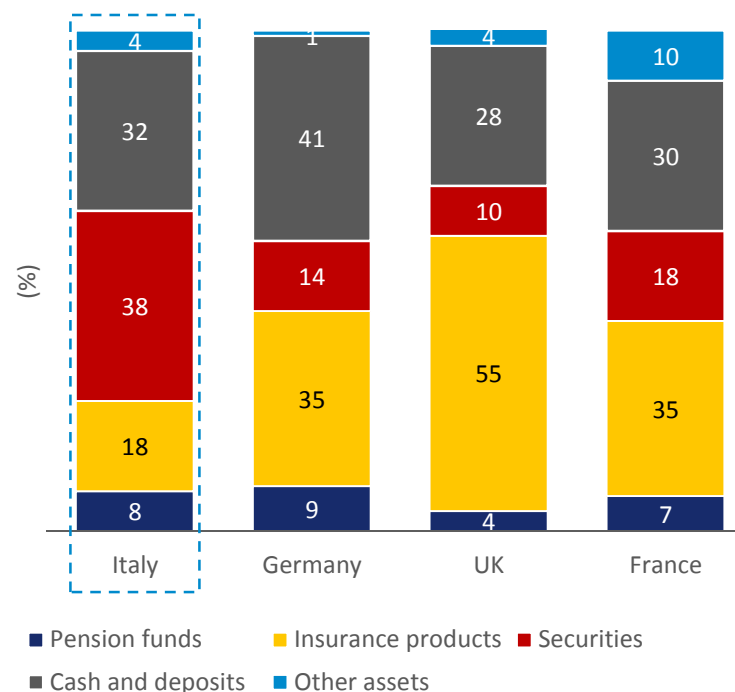
€9.4tr¹ Italian household wealth

C.40%² (€3.7tr) Of total Italian household wealth invested in financial assets vs. avg. c.60% of other major economies³

7.9x Net wealth / disposable income vs. avg. 7.0x of other major economies³

12.0% Italians’ savings rate⁴, stable across the crisis and slightly above European average (11.3%)

Composition of financial assets as of March 31, 2013



Source: Analysis based on OECD data, national statistics institutes and central banks, Inverco, FEF, Assogestioni, GfK Eurisko

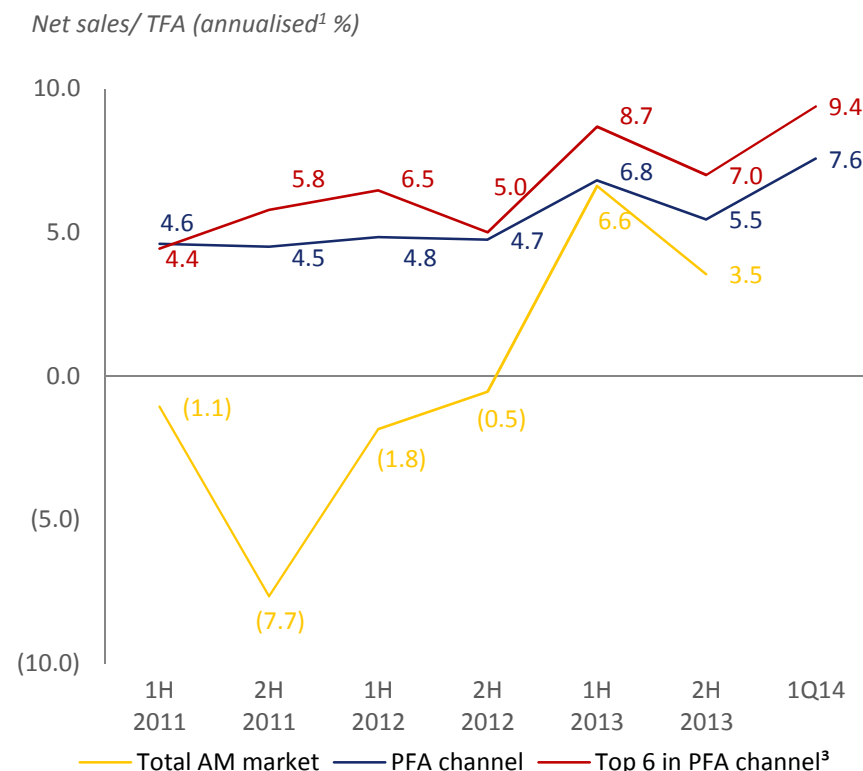
Notes:

- 1 Source: Bank of Italy; data as of 2012YE
- 2 Source: Credit Suisse Global Wealth Databook 2013; data as of 2013YE
- 3 Source: Credit Suisse Global Wealth Databook 2013; average of France, Germany, UK and USA as of 2013YE
- 4 Source: Eurostat. Savings rate is computed as gross savings divided by gross disposable income. Average during the period 2011-2013

Distribution Moving Towards Advisory

PFA representing the distribution channel with highest historical and future asset growth, driven by increasing trend to invest through professional advisors

PFA consistently delivered higher asset growth ...

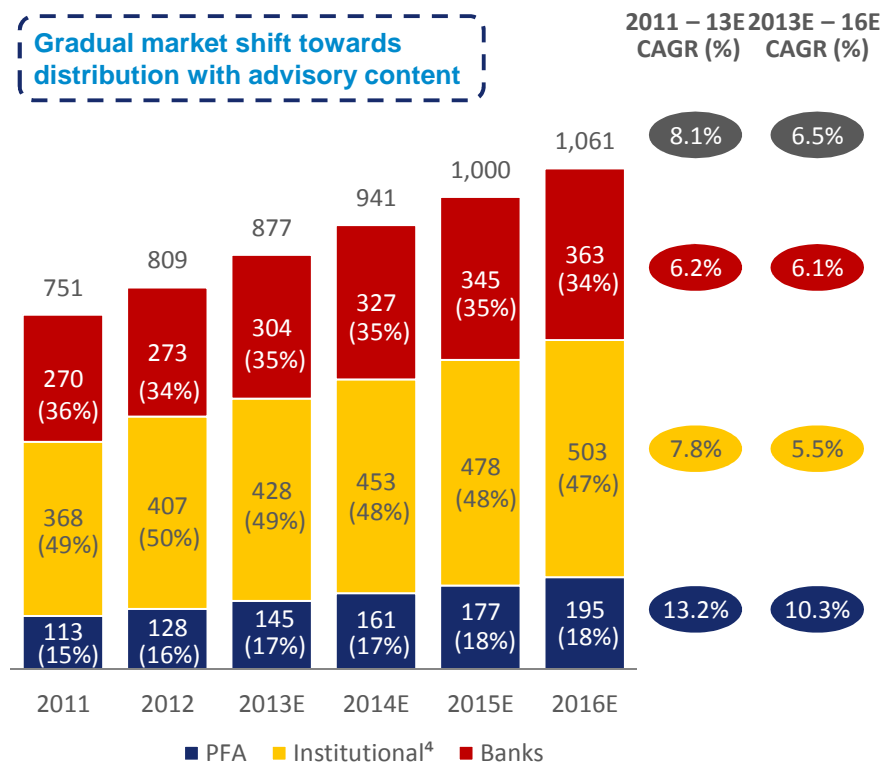


Source: Assoreti and Assogestioni

Notes:

- 1 Calculated multiplying the net sales generated during each period by two and dividing this amount by EoP TFA
- 2 Data net of duplications
- 3 Average data for top 6 players in PFA channel market including Allianz, Azimut, Fideuram, Banca Generali, Banca Mediolanum and Fineco
- 4 Institutional channel represented by wealth management services related to insurance and pension products

... with trend expected to continue (AuM, €bn)²



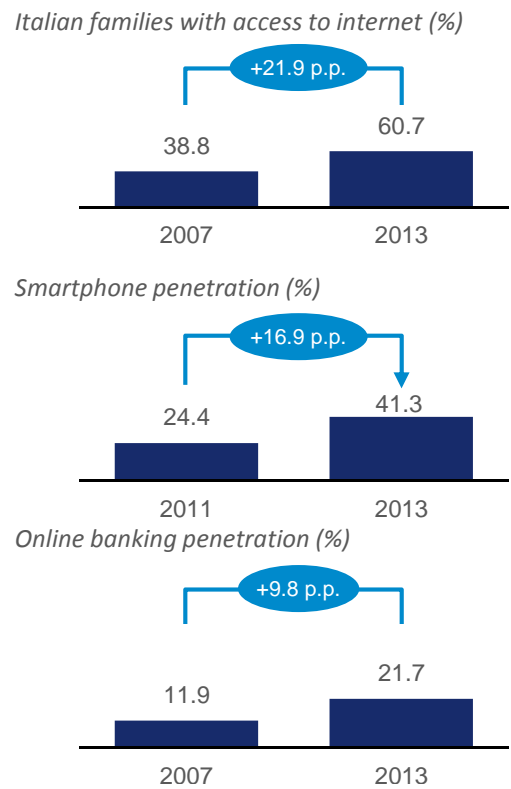
Source: Prometeia – "Osservatorio Risparmi delle Famiglie 2013"- November 2013 edition



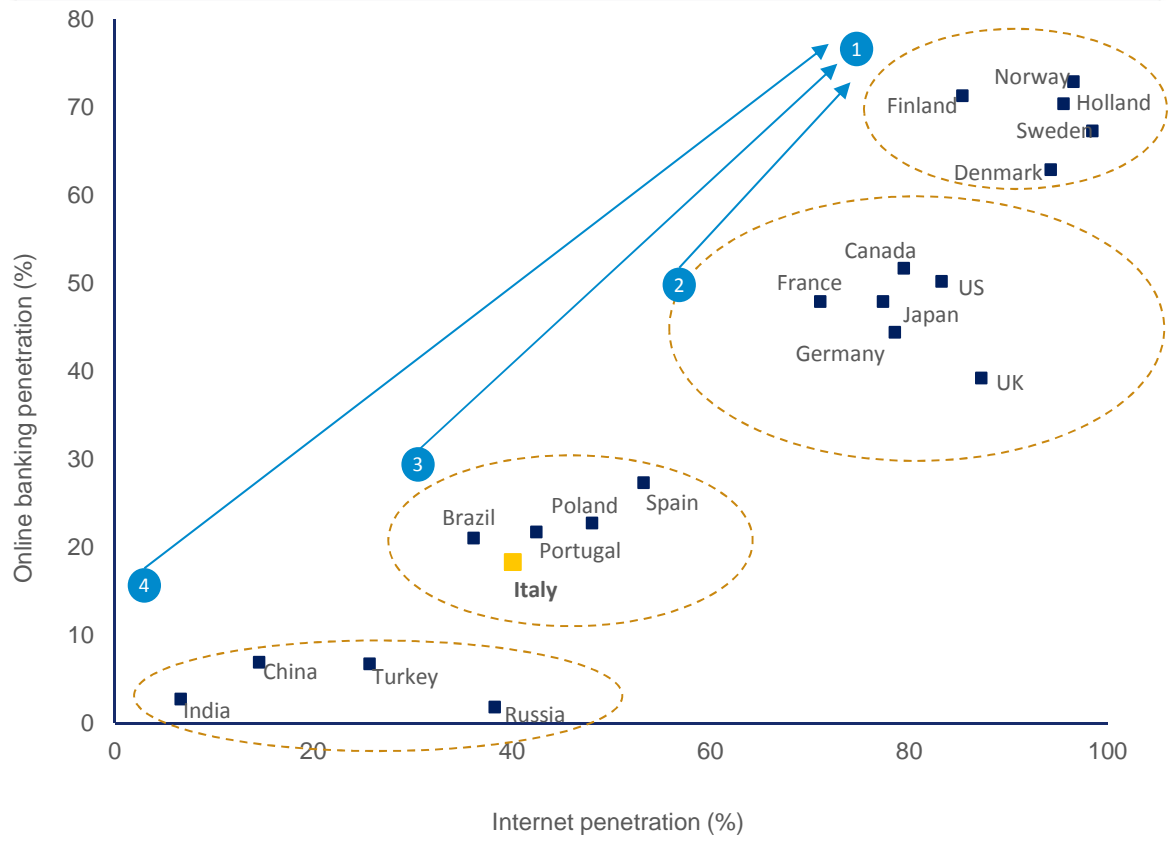
Increasing Digitalisation

Digitalisation significantly changing clients' needs and business approaches, triggering a thorough transformation of the financial industry

Increasing digitalisation in Italy ...



... expected to accelerate in the next years



Source: Istat, "Google Our Mobile Planet Italia 2013", European Commission, Digital Agenda Scoreboard, KPMG report "Sportelli Bancari e nuovi modelli distributivi" - 2013



Integrated Business Model

Fully integrated offer of banking, investing and brokerage services via a truly direct multi-channel approach, already at the forefront of banking distribution evolution



Online banking

99% of total number of executed orders initiated online¹

Mobile banking

150k monthly logins and
10% of total orders executed

Physical distribution network

2,500 PFAs and **320** offices as of 2Q14

Call center

C.16% of total Fineco headcount²

Notes:

1 Including a wide range of executed orders, among others RID, MAV, payments, checks, Telepass and utility bills

2 June 2014 data

Agenda

- Fineco highlights
- **Focus on Results**
- Future strategy

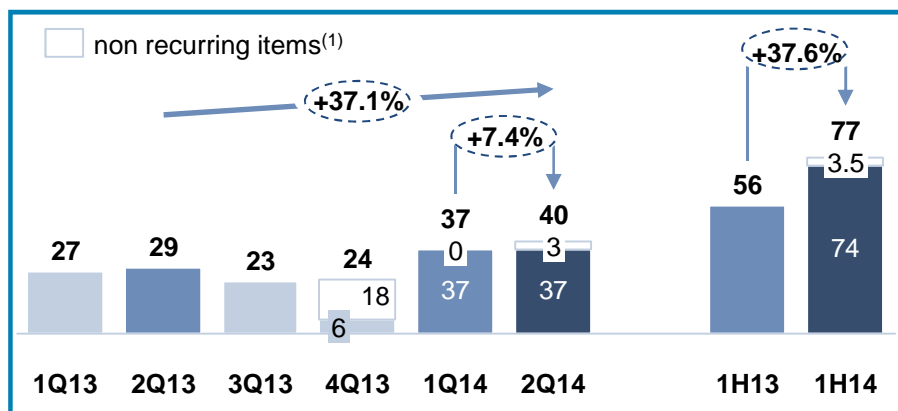
Executive Summary

- **2Q14 Net profit at 37mIn (+26% y/y); 40mIn (+37.1% y/y, +7.4% q/q) excluding IPO-related costs**
- **1H14 Net profit at 74mIn (+31% y/y); 77mIn (+37.6% y/y) excluding IPO-related costs. Adjusted RoE at 38%**
- **Strong and sustainable improvement compared to 2Q13:**
 - ✓ Revenues up 19% thanks to a growing and loyal client base, new investment policy already reflected in 1Q revenues and positive results in Fees and Commissions
 - ✓ Costs: non recurring IPO-related costs at -5.2mIn in the first half (-0.6mIn 1Q and -4.6mIn 2Q). Net of these non recurring items, C/I at 44% in 2Q14, -7p.p. y/y confirming our high operating excellence
- **Positive business trends:**
 - ✓ TFA reached 47.2bn as of June (+15.2% vs June 2013, +8.2% vs December 2013)
 - ✓ Net sales in the first six months of 2.0bn, the best result to date of Fineco
 - ✓ Around 931,000 clients as of June, 54,000 new clients in 1H14 (+17% versus 1H13)
 - ✓ A network of 2,500 Personal Financial Advisors characterized by a strong organic growth attitude, 77 new PFA recruited in 1H14
- **Simple, highly liquid and low risk balance sheet coupled with a strong capital base: CET1 ratio at 19.5% on a transitional basis**

Results

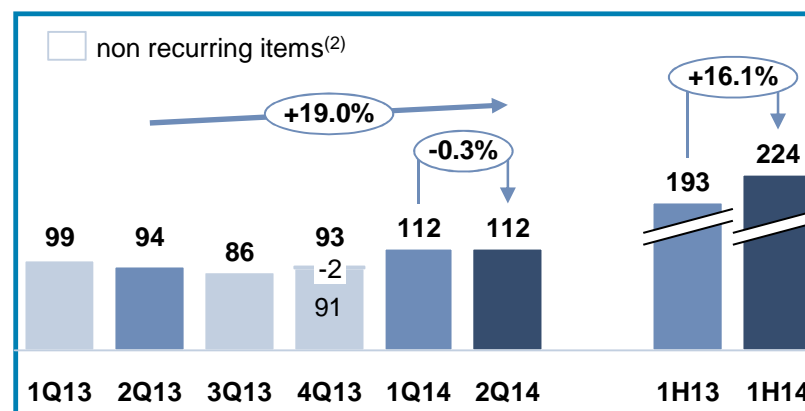
Solid Net Profit growth with high quality earnings and strong operating excellence

Net Profit, mln

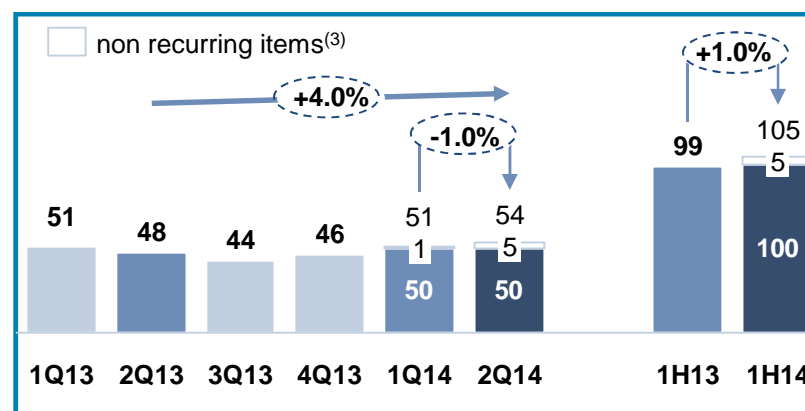


RoE	33%	35%	28%	26%	37%	39%	34%	38%
Cost/Income	52%	51%	50%	50%	45%	44%	51%	45%
Tax Rate	39%	39%	39%	36%	36%	35%	39%	36%

Revenues, mln



Operating Costs, mln



P&L and financial ratios adjusted for non-recurring items

(1) 4Q13: 18.2mln net (13.9mln additional IRES, the balance related to exceptional contribution to the Deposit Guarantee Fund); 1Q14 0.4mln net and 2Q14 3.2mln net, both IPO-related costs

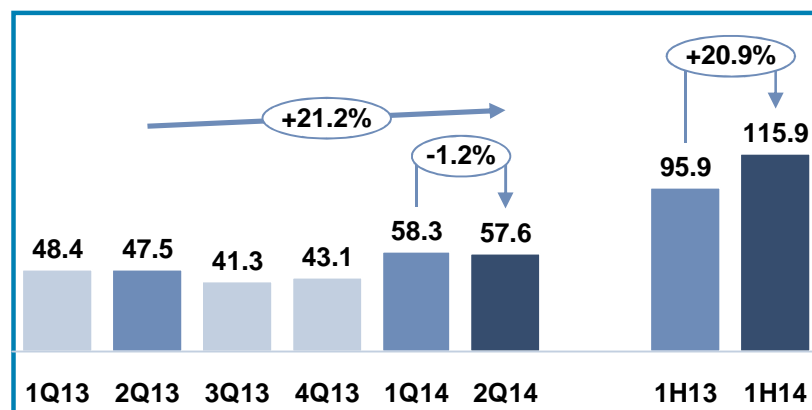
(2) 4Q13: 2.0 mln exceptional contribution to the Deposit Guarantee Fund booked in Other Income/Expenses

(3) Operating costs adjusted for the IPO-related costs in 1Q14 (0.6 mln) and 2Q14 (4.6 mln)

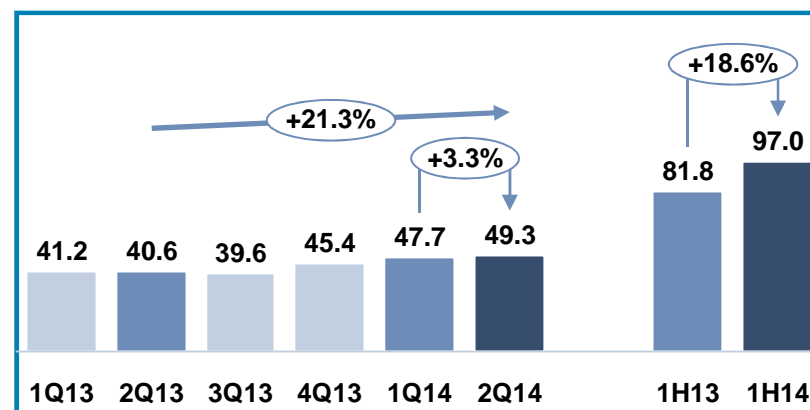
Revenues by P&L Items

Sound revenue growth mainly driven by Net Interest and Fees and Commission

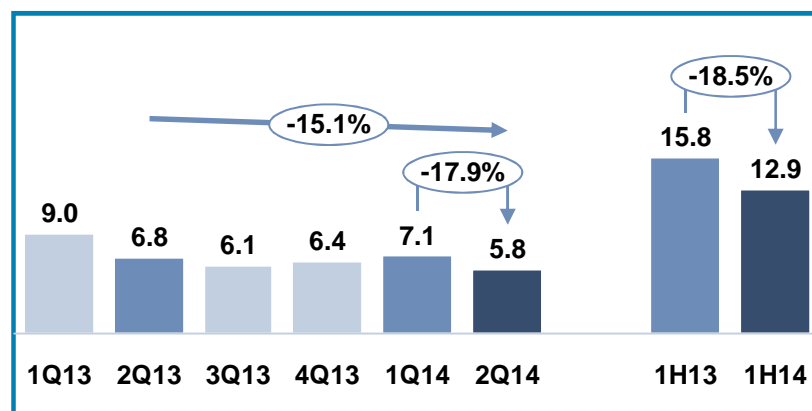
Net interest, mln



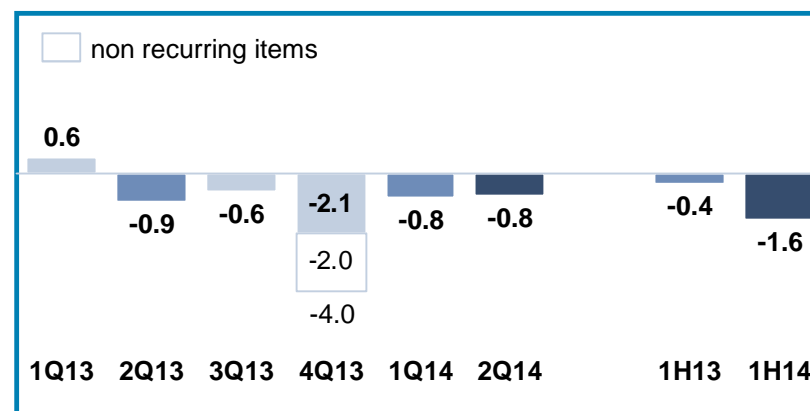
Fees and Commissions, mln



Trading income, mln



Other Revenues⁽¹⁾, mln

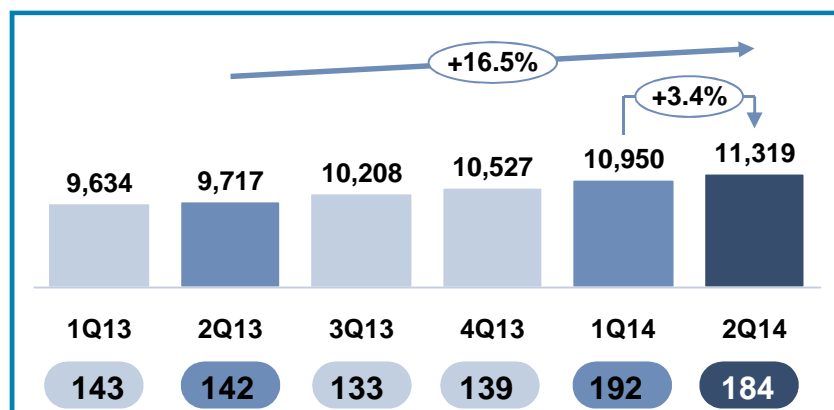


⁽¹⁾ 4Q13 Revenues adjusted for 2.0 mln exceptional contribution to the Deposit Guarantee Fund

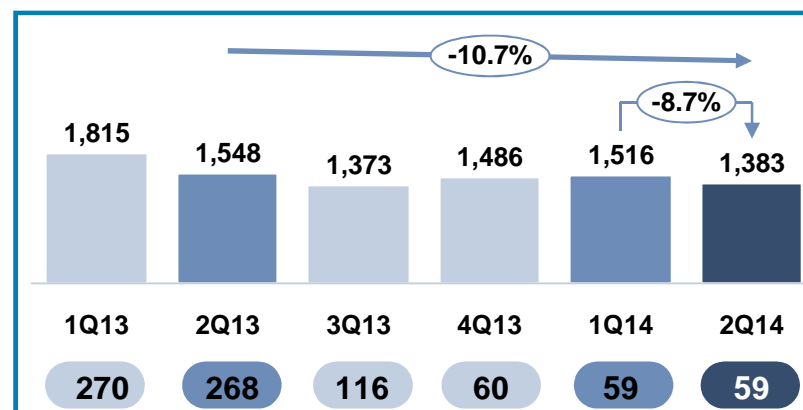
Net interest

High quality of our banking platform continues to draw transactional liquidity.
Upside coming from the investment policy already reflected in the first quarter

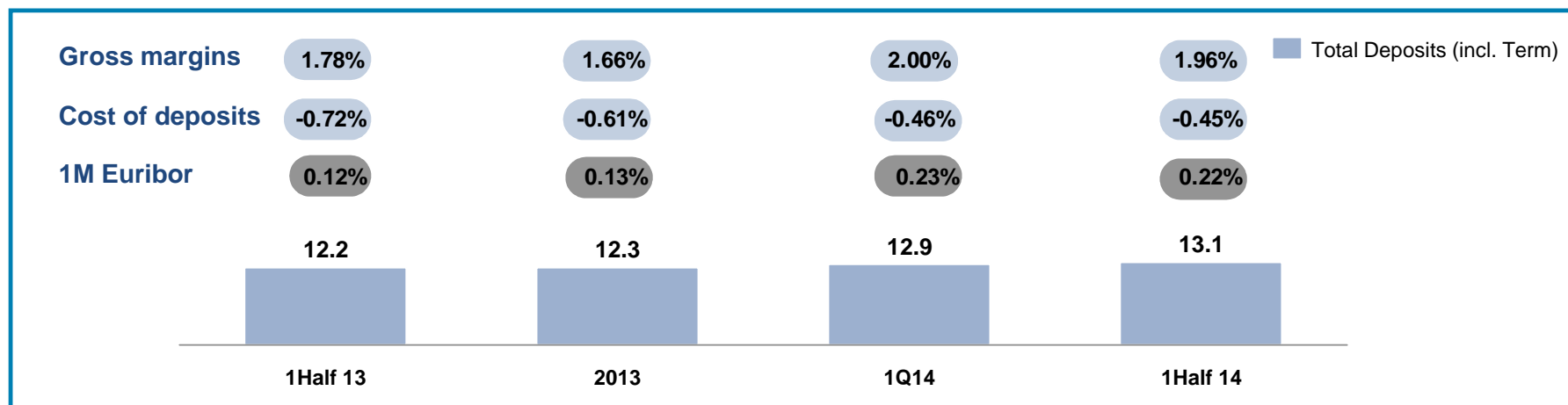
Sight Deposits (mln) and net margins (bps)



Securities lending (mln) and net margins (bps)



Investment policy⁽¹⁾



⁽¹⁾ After Dec13 new model redefined stickier deposits ("core"). Since Apr14 core liquidity invested in UC bonds / non core mainly in Italian Government Bonds

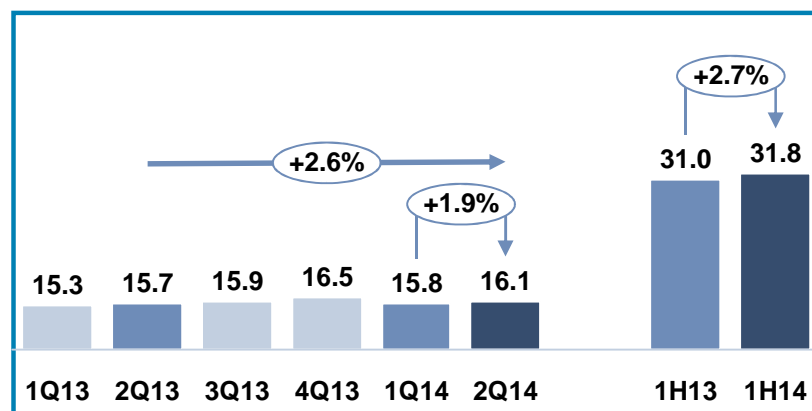
Volumes, margins and 1M Euribor: average of the period

Costs

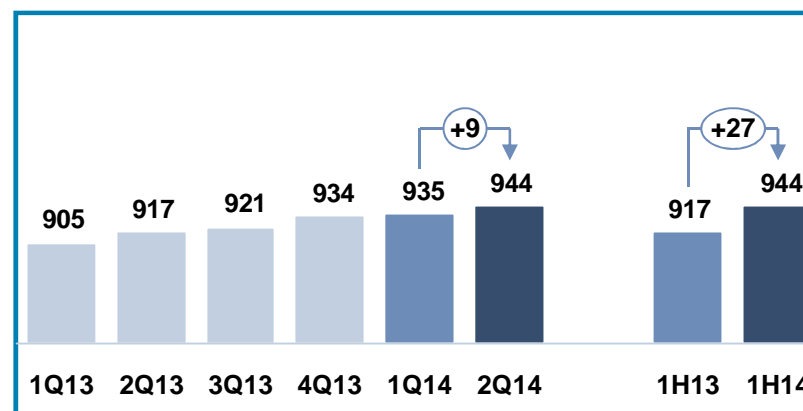
Cost discipline and operating excellence providing for increasing efficiency.

C/I down at 44% in 2Q14 net of IPO-related costs

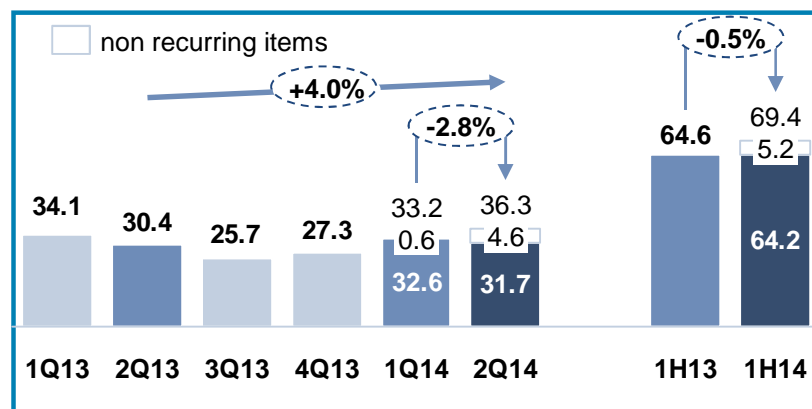
Staff Expenses, mln



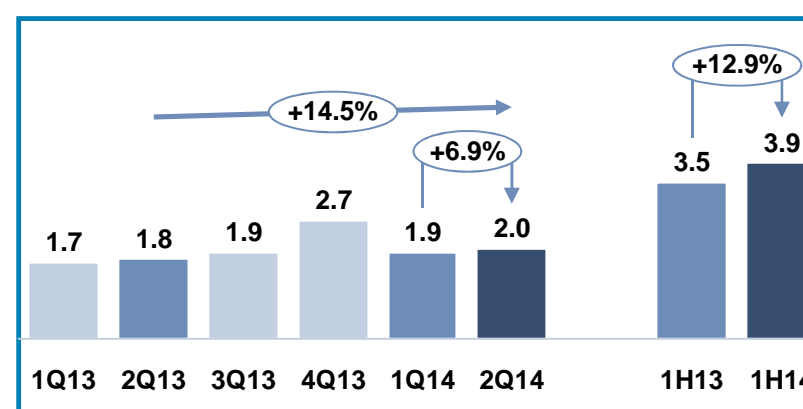
FTE,



Other Administrative Expenses⁽¹⁾, mln



Depreciation & Amortization, mln

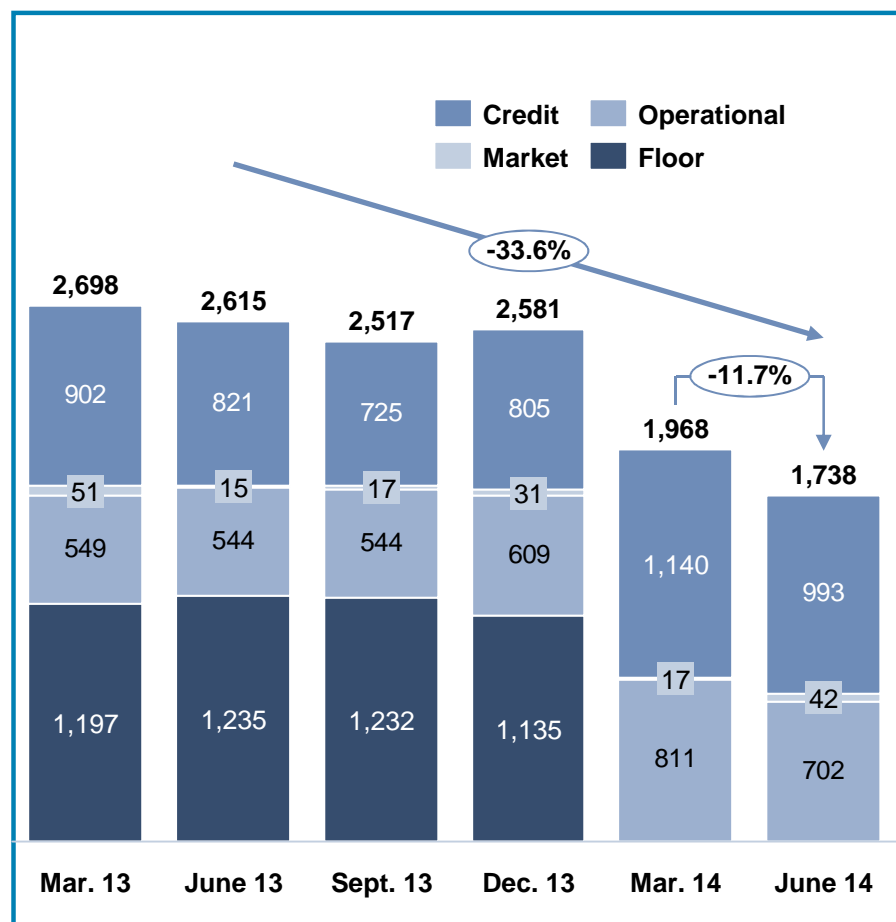


⁽¹⁾ Other administrative expenses adjusted for the IPO-related costs in 1Q14 (0.6 mln) and 2Q14 (4.6 mln)

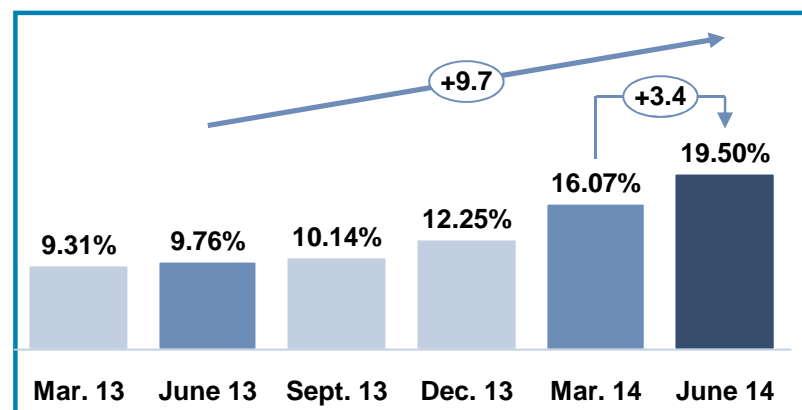
Capital Ratios

Strong capital position with CET1 transitional at 19.5%

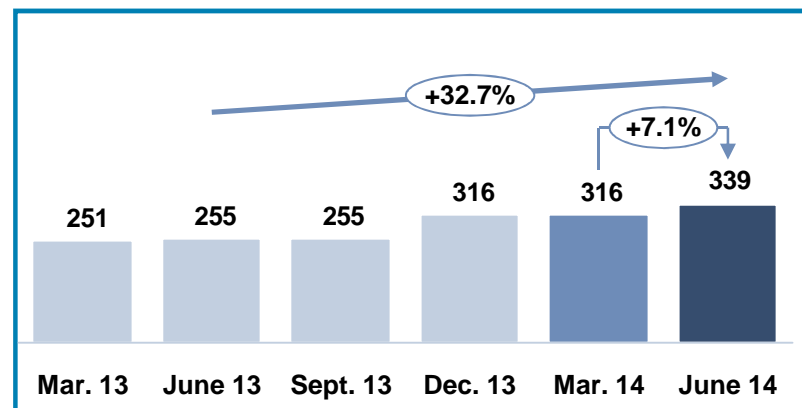
RWA, mln



CET1 Ratio, %



CET1 Capital, mln



In 2013 the Capital, RWA, and ratios are calculated according to Basel 2 rules. In 2014 ratios are reported according to Basel 3 phase in rules

TFA

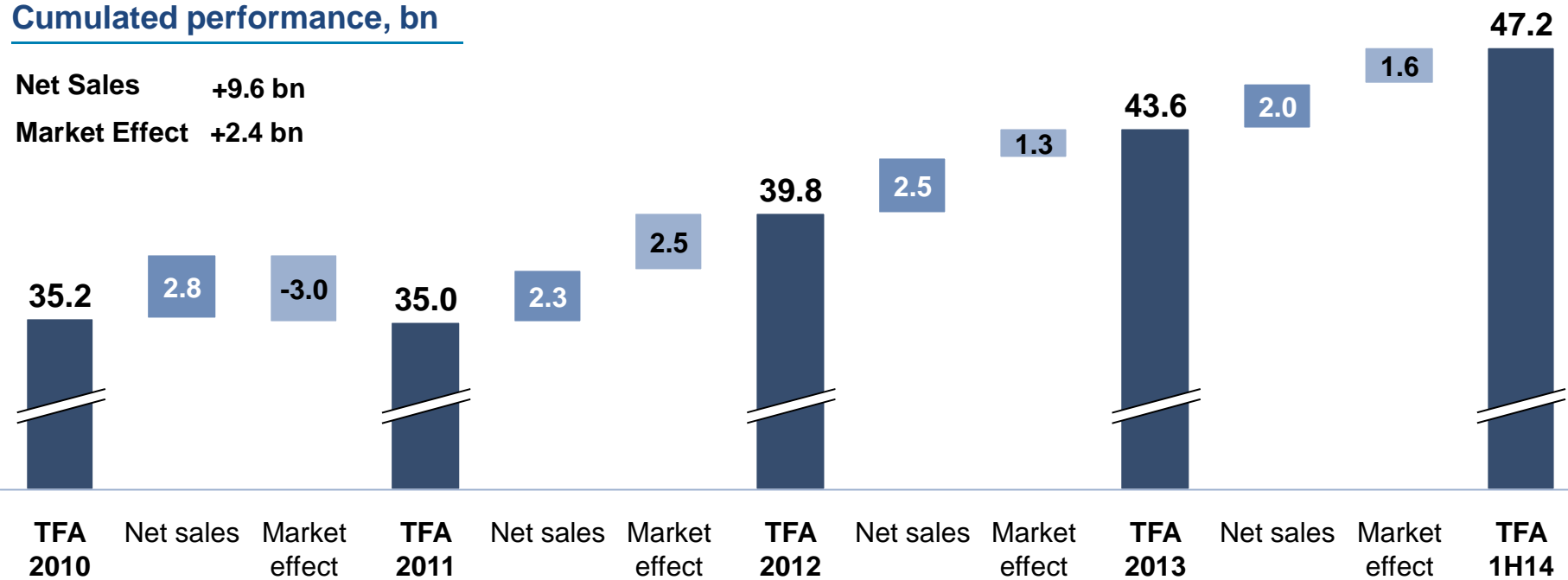
Strong TFA growth with healthy net sales expansion

TFA evolution (Dec.10-June14), bn

Cumulated performance, bn

Net Sales +9.6 bn

Market Effect +2.4 bn



2%

11%

23%

28%

30%

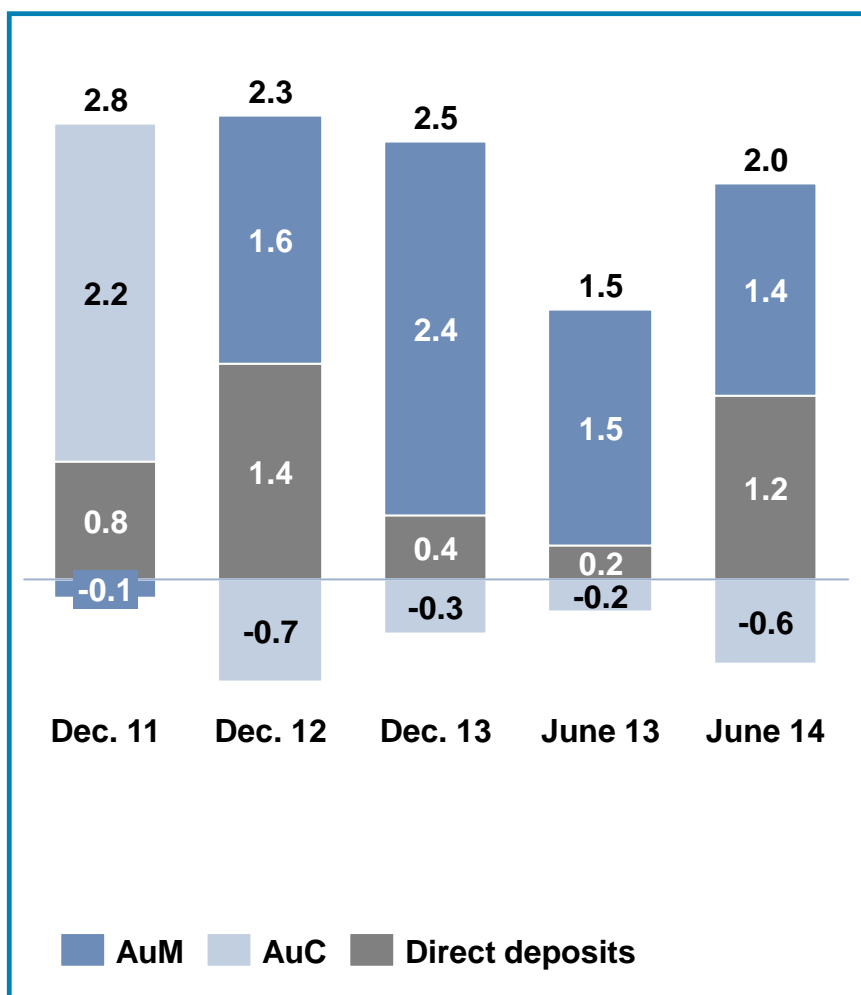


Guided products as % of total AuM

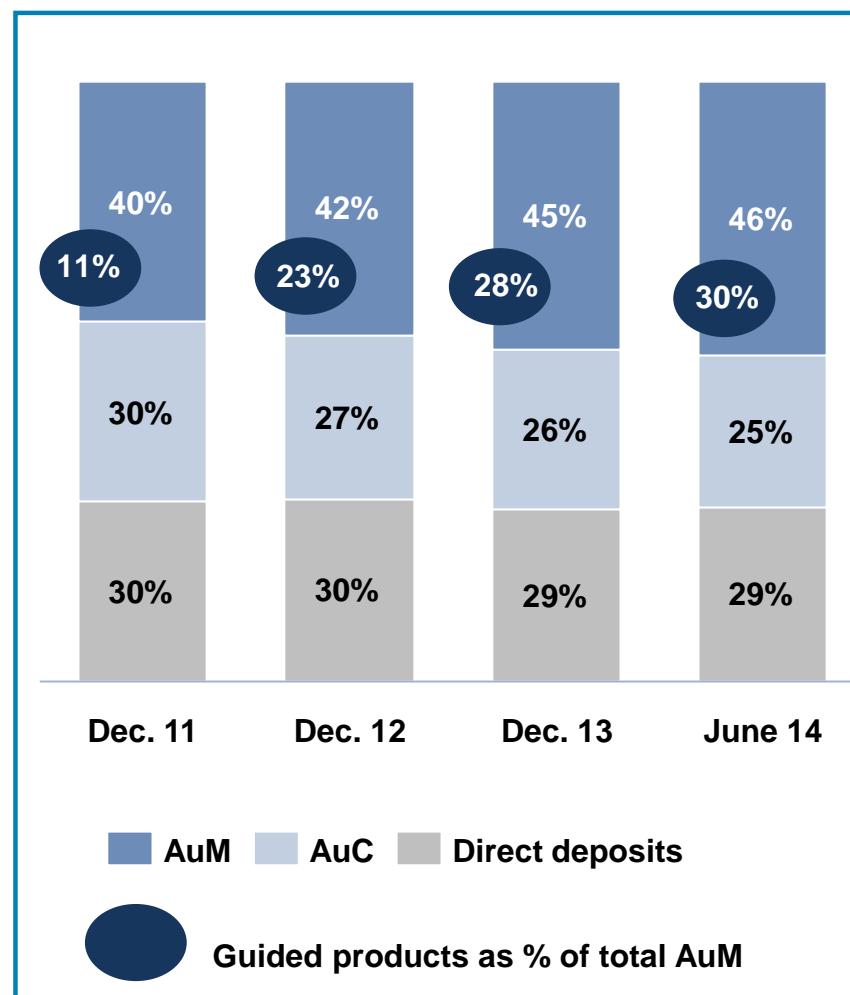
TFA

Rebalancing towards higher value products

Breakdown of TFA net sales, bn



Breakdown of total TFA, %

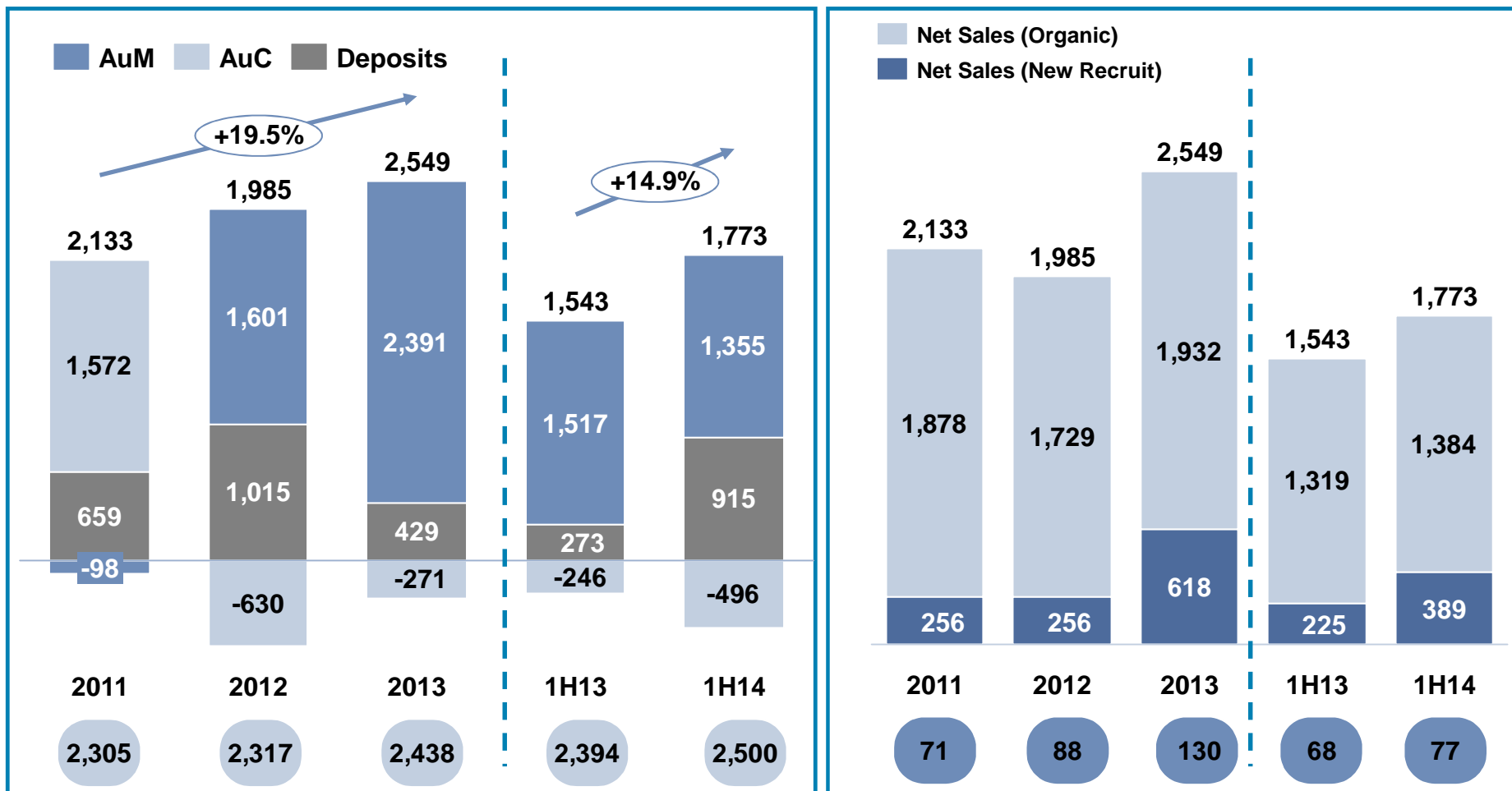


Personal Financial Advisers (PFA) network – TFA Net sales

PFA network confirmed its strength showing a sustainable growth of net sales.
Positive trend of new recruitment confirmed as well

PFA Network - TFA net sales, mln

Net sales, mln - Organic/New Recruit of the year

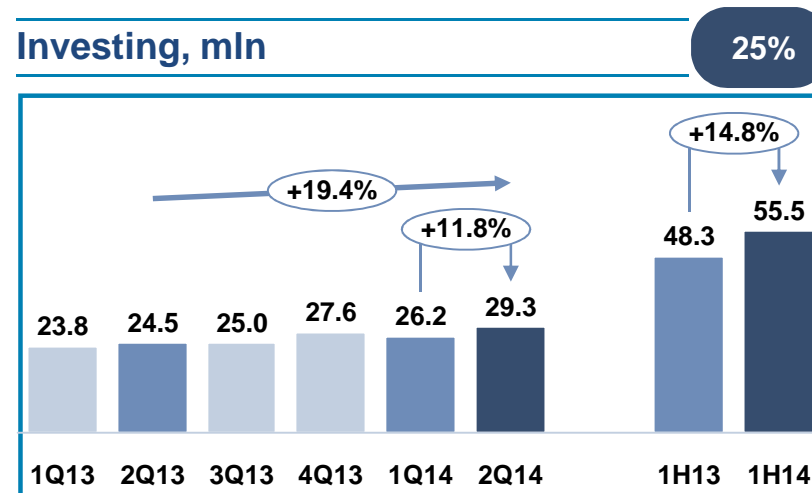
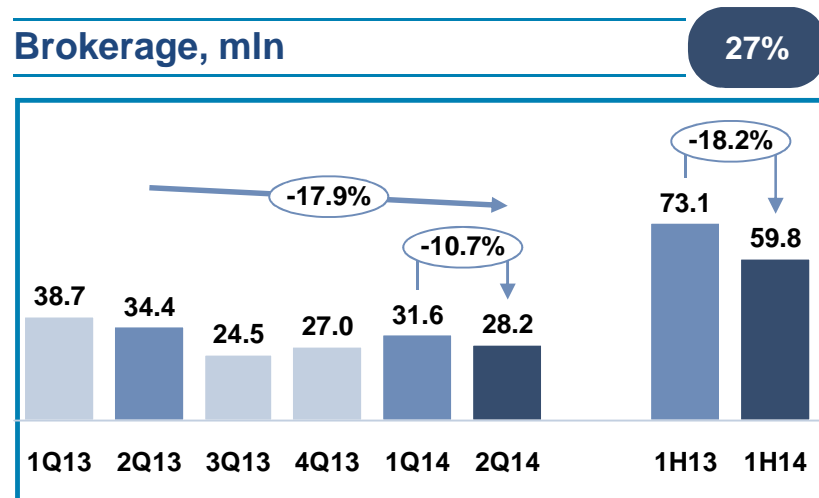
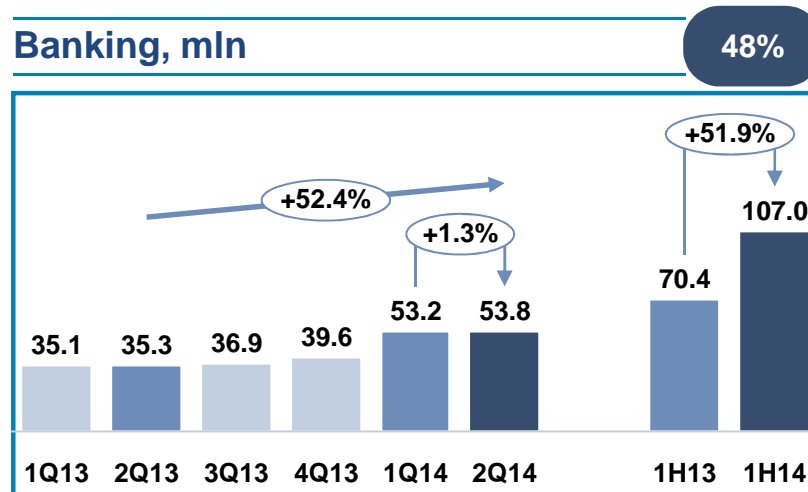


○ PFA Network - headcount

● PFA Network – new recruit

Revenues by Product Area

Well diversified profitability thanks to our integrated business model

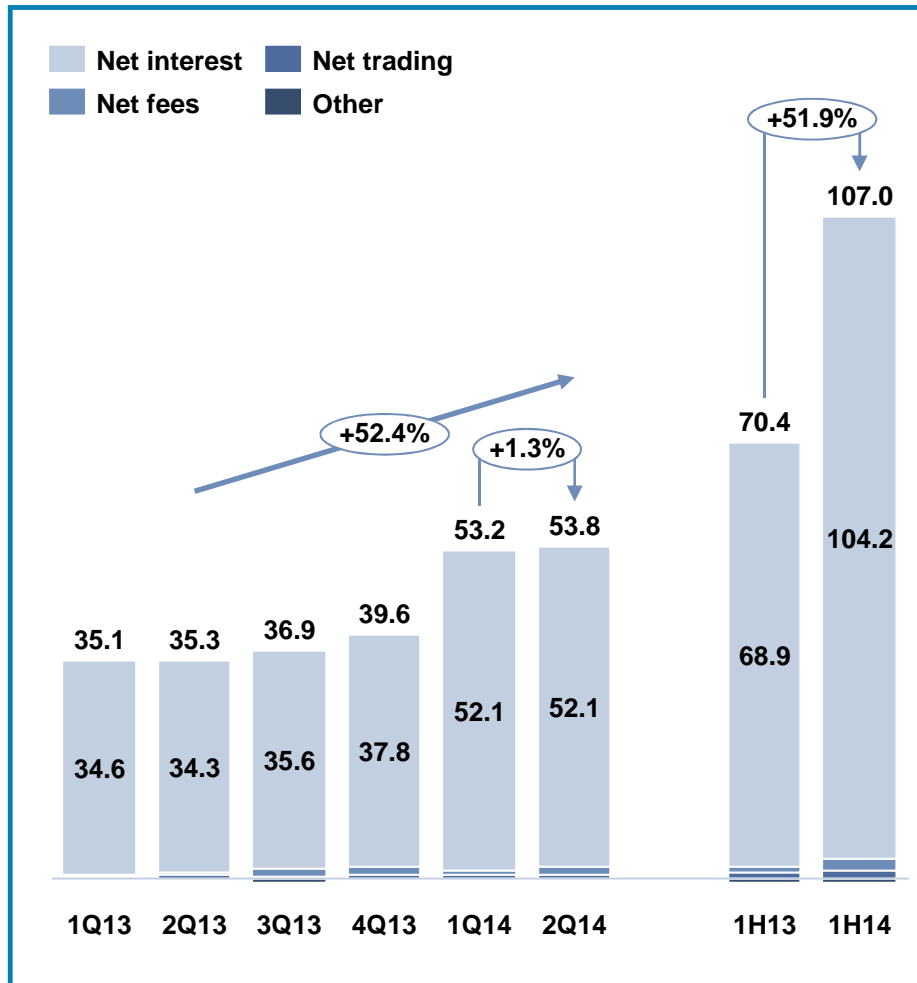


1H14 weight on total revenues for each product area

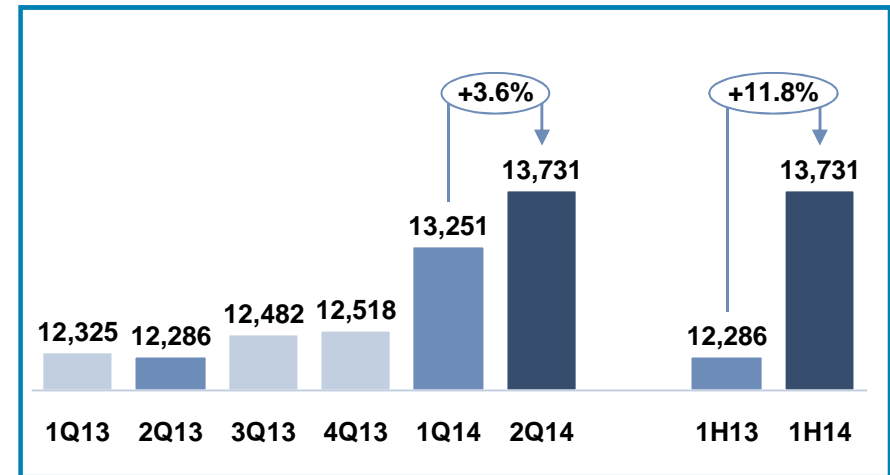
Banking

Extremely strong performance y/y driven by good deposits growth, new investment policy and solid clients acquisition

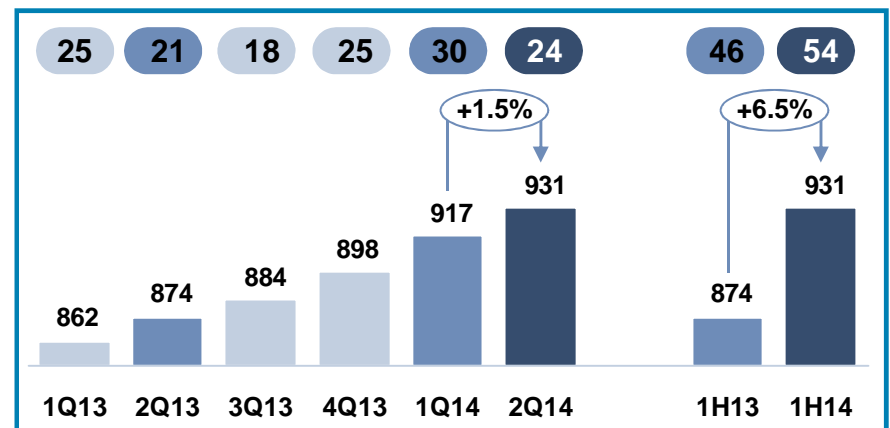
Revenues, mln



Direct deposits eop (mln)



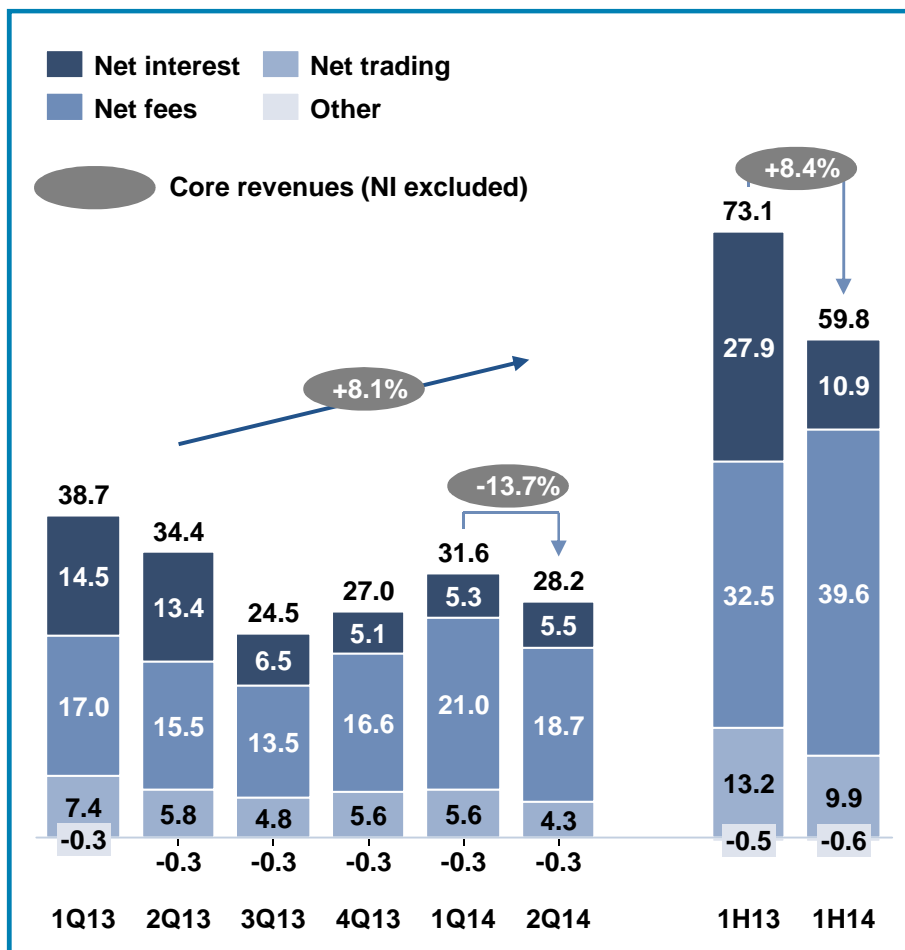
Clients and new clients, thousands #



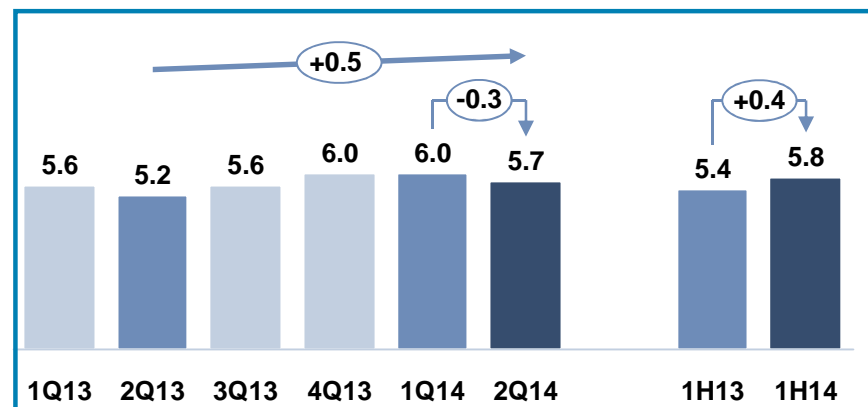
Brokerage

Core Revenues up y/y excluding NI (mainly security lending). Low volatility in the market in 2Q14. Fineco #1 online broker in Europe by executed orders

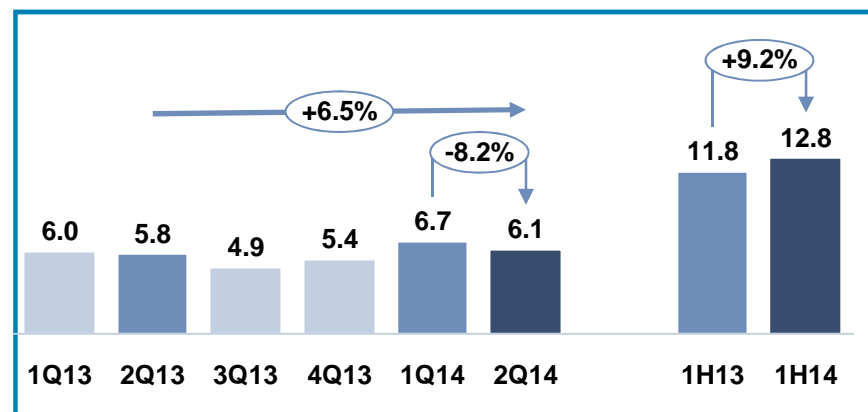
Revenues, mln



Margins (fees on customer orders⁽¹⁾), euro



Executed orders⁽²⁾, mln



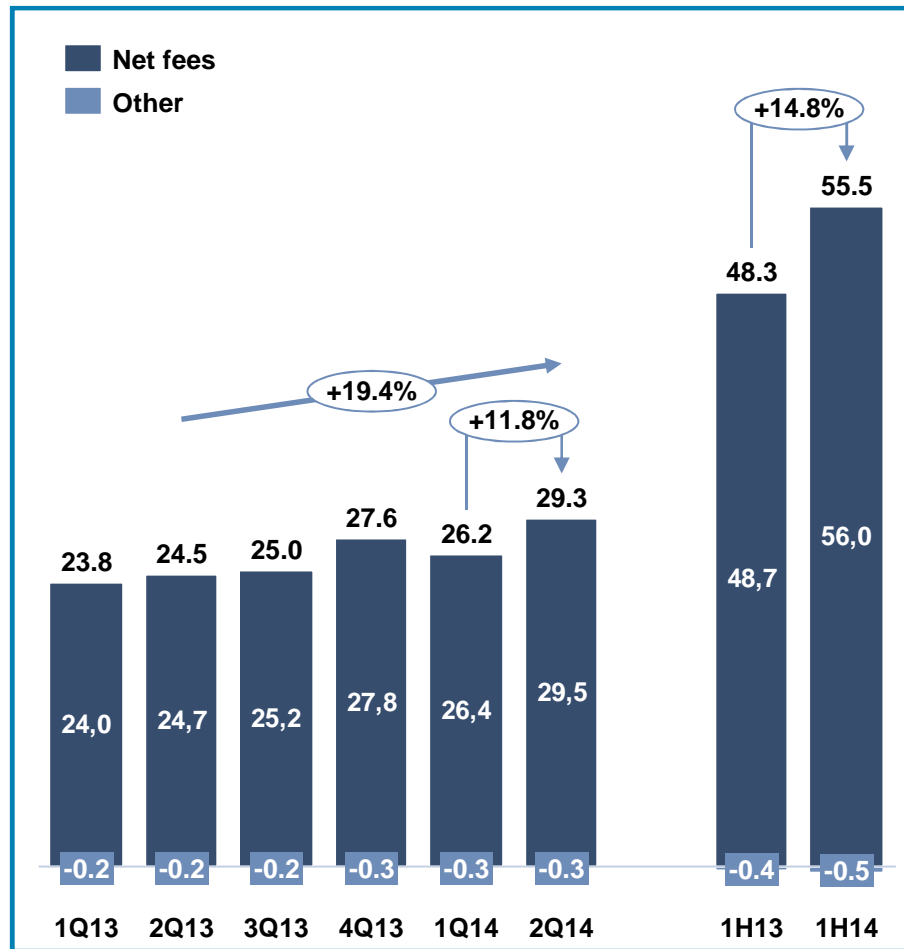
(1) Customer orders on registered securities only (equity, bond and derivatives)

(2) Executed orders includes all products

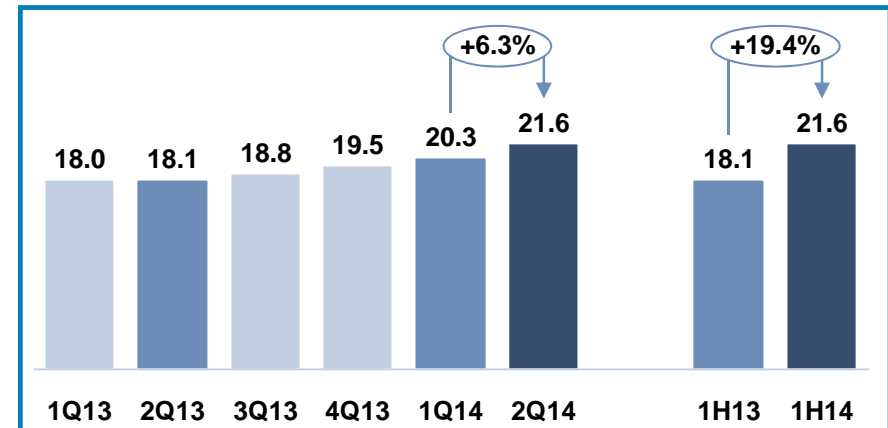
Investing

Strong revenue growth supported by further increase in AuM both q/q and y/y.
 Increased share of wallet of more profitable Guided products

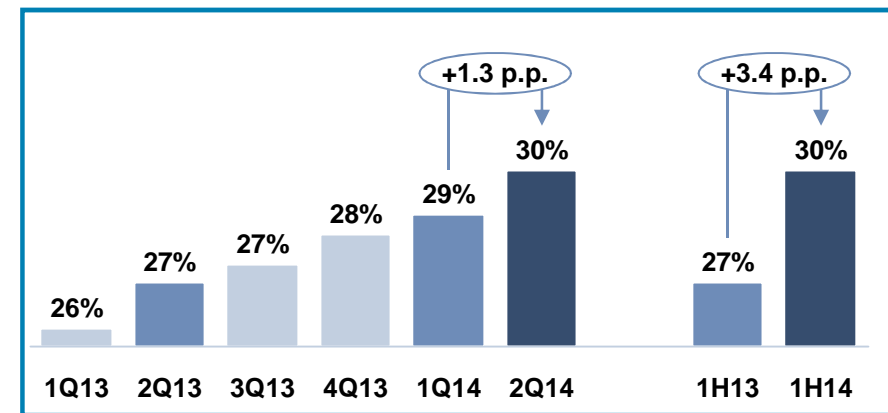
Revenues, mln



AuM eop (bn)



Guided products on total AuM, %



Agenda

- Fineco highlights
- Focus on Results
- Future strategy**

A Five Pillar Strategy

In continuity with our track record, minimising execution risk

- 1 Further develop, expand and train our **PFA NETWORK**
- 2 Continue to **REPOSITION TFA** towards higher value added products and services
- 3 Widen our brokerage **PRODUCT OFFER** and strengthen the **OPERATING PLATFORMS**
- 4 Continue to improve our integrated offer, functional to maintaining high level of **"TRANSACTIONAL" LIQUIDITY**
- 5 Further exploit our **OPERATING LEVERAGE** and **INTERNAL KNOW-HOW**

Favouring Fineco advantageous position to capture ongoing market trends

Expanding the existing client base, TFA and revenues, while maintaining a stable operating cost base