



B A N K

9M18 Results

Firenze, November 20th 2018
Kepler Italian Financials Conference

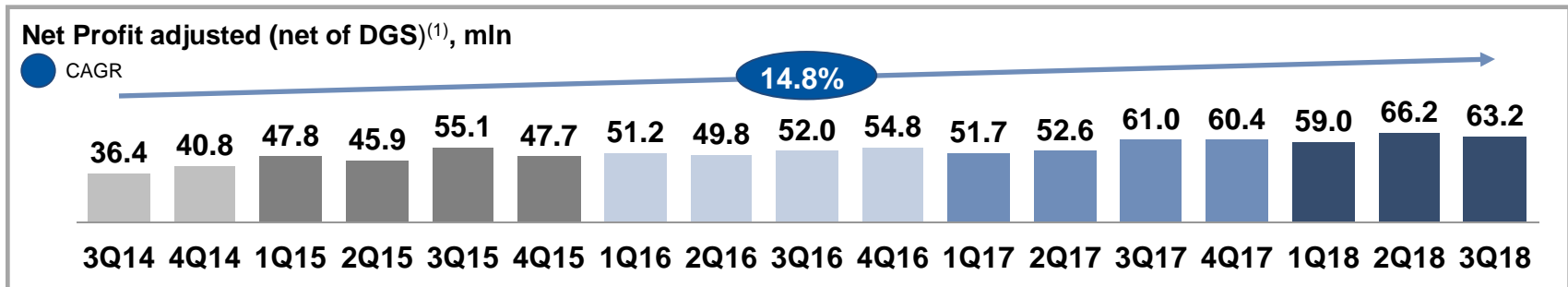
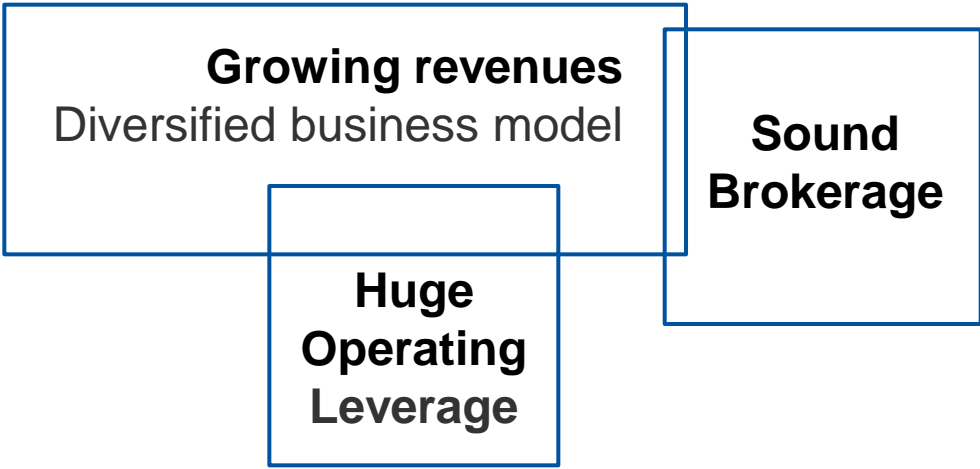
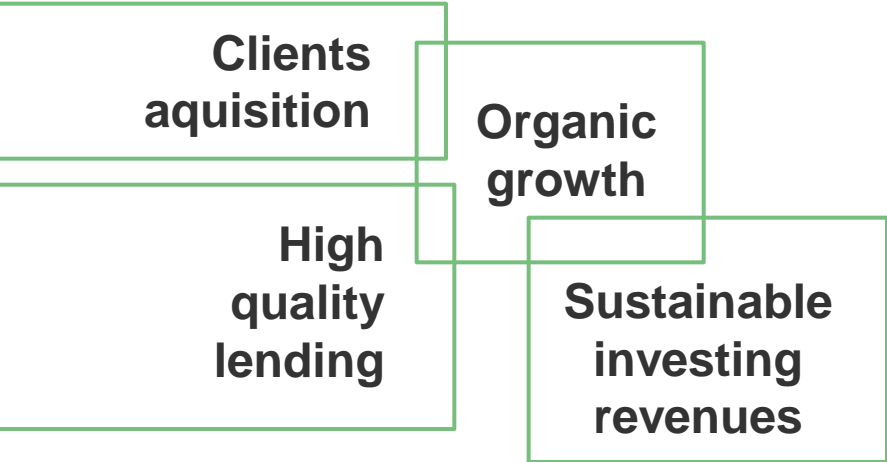
FinecoBank

Key messages

9M18 key messages

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

Delivery of consistent results
in every market condition



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

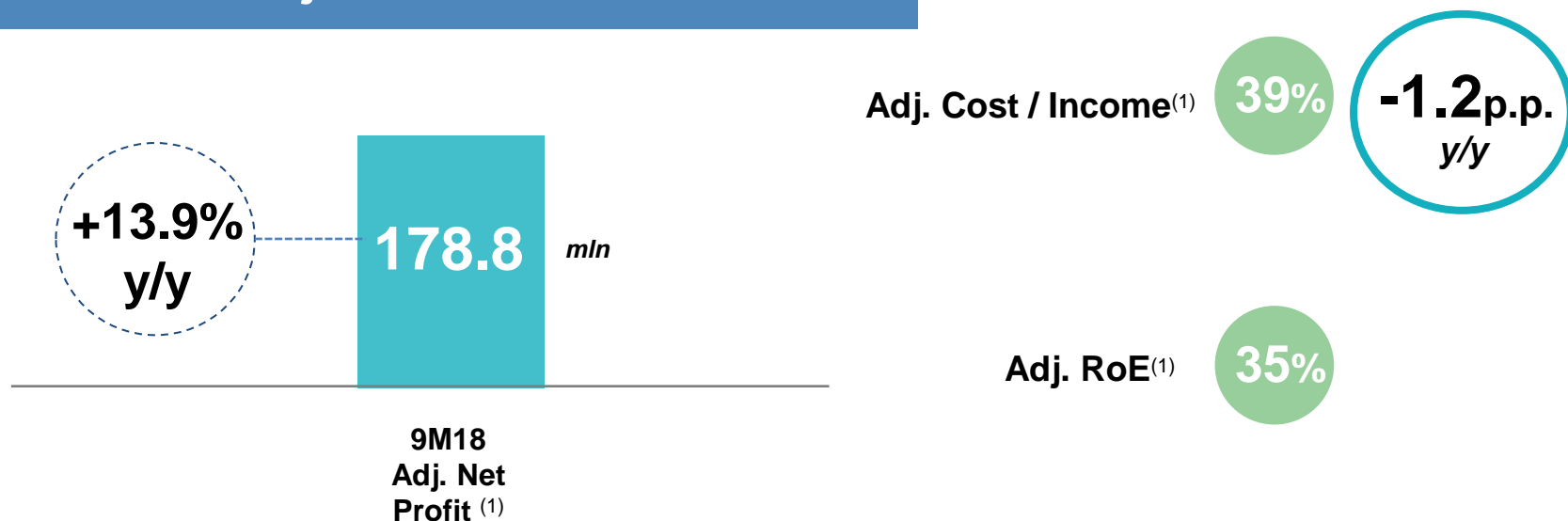
FinecoBank

9M18 Results

Results

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

Adj. Net Profit



excluding non recurring items⁽¹⁾

⁽¹⁾ **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)

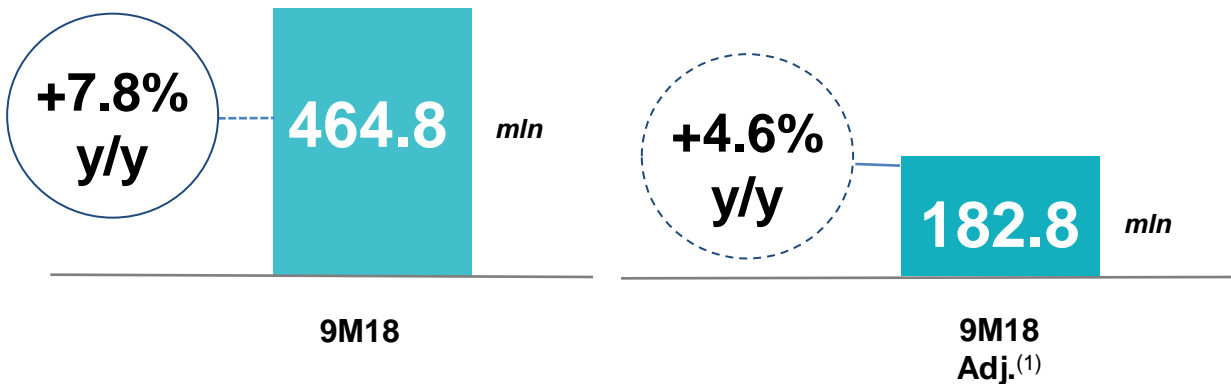
Revenues and operating Costs

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

Revenues

Operating Costs

Operating Leverage



y/y growth



○ excluding non recurring items⁽¹⁾

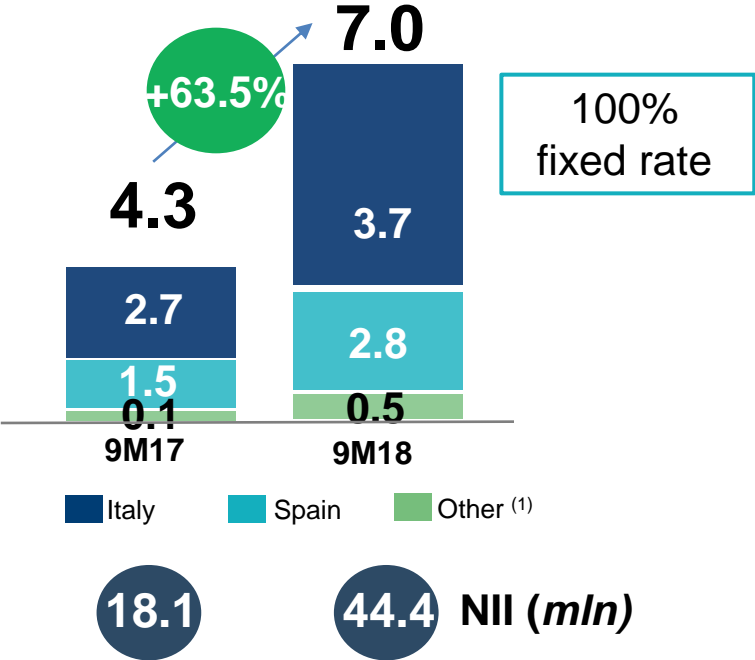
⁽¹⁾ Non recurring items: severance (staff expenses): -1.6mln gross in 3Q18

Net interest Income

A progressive increase in a more diversified asset side continues

Focus on Govies

Avg, bn



Residual maturity
3.9 yrs

o/w UC Bonds 2.7 yrs
o/w Govies 5.4 yrs

Interest Rate Sensitivity

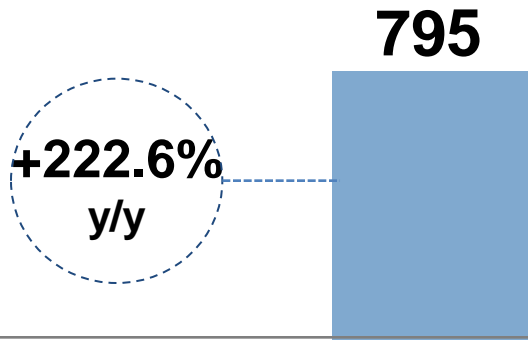
+100bps parallel shift (1M Eur): +113mln additional NII

(1) Other includes 85.5mln France, 73.9mln Ireland, 63.9mln USA, 74.6mln Poland, 18.7mln Austria, 11.8mln Germany, 99.9mln ICO, 40.5mln Supranational Agencies

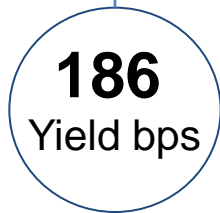
Boost in high quality lending volume

Mortgages

Eop, mln

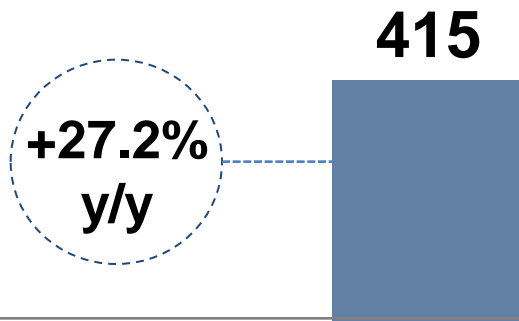


Sep.18

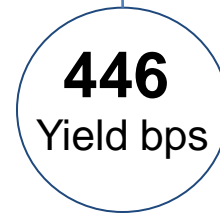


Personal loans

Eop, mln

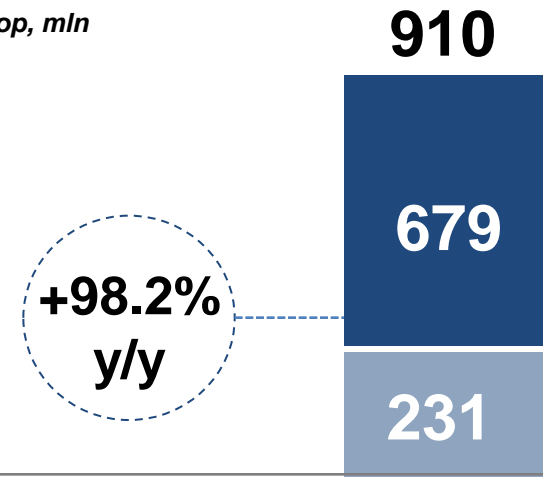


Sep.18



Lombard loans

Eop, mln



Sep.18



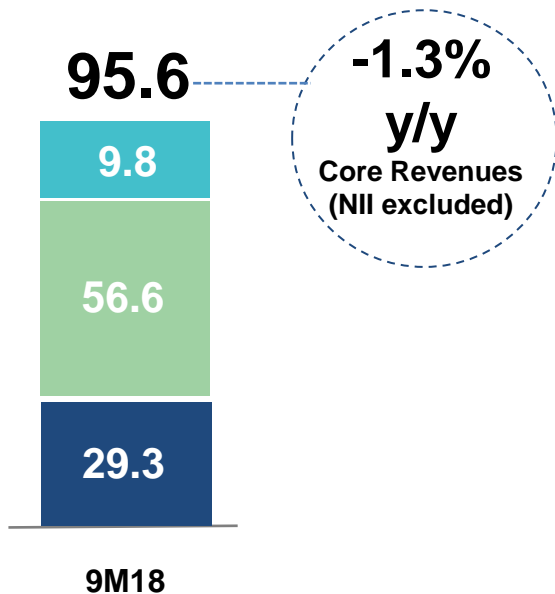
Other Lombard Credit Lombard

Brokerage

Brokerage performance coherent with low markets' volatility in the period

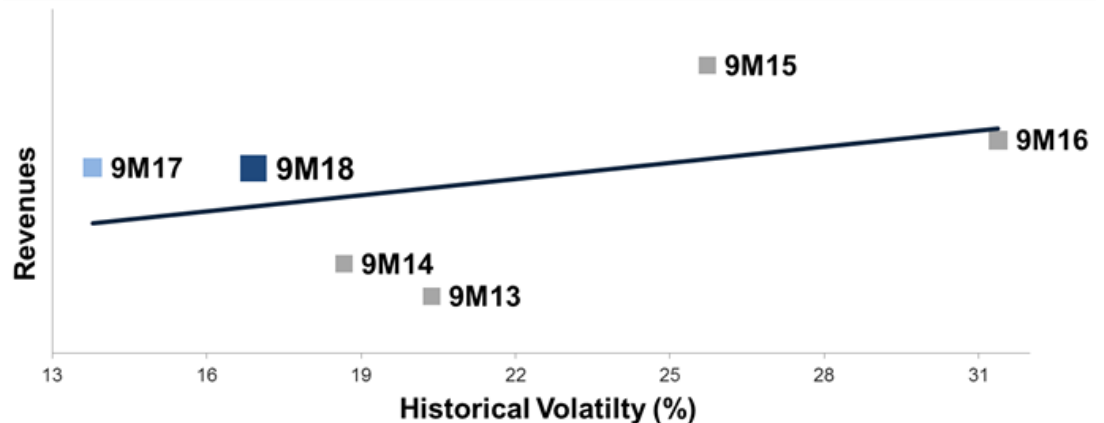
Revenues

mln



Net Interest Fees and commissions
Trading profit

Revenues vs Volatility

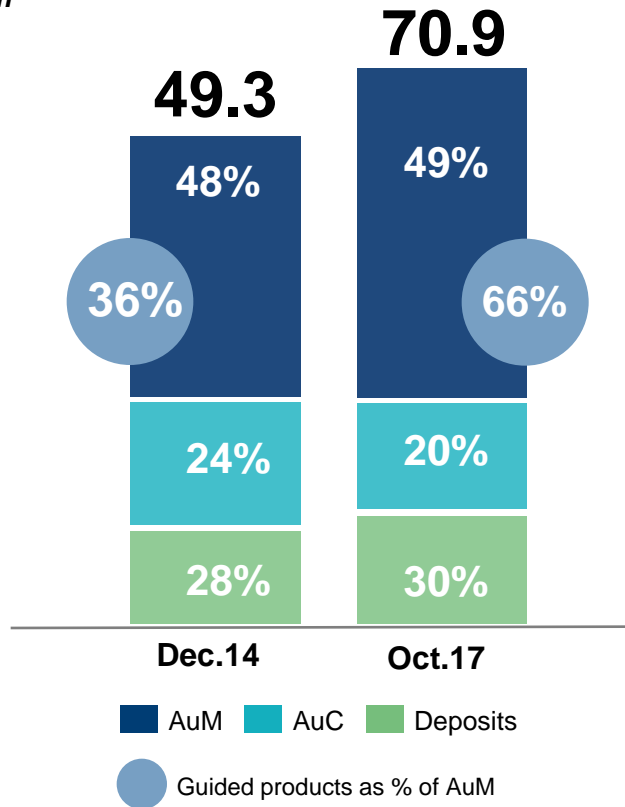


TFA breakdown

Successful shift towards high added value products

Breakdown of total TFA

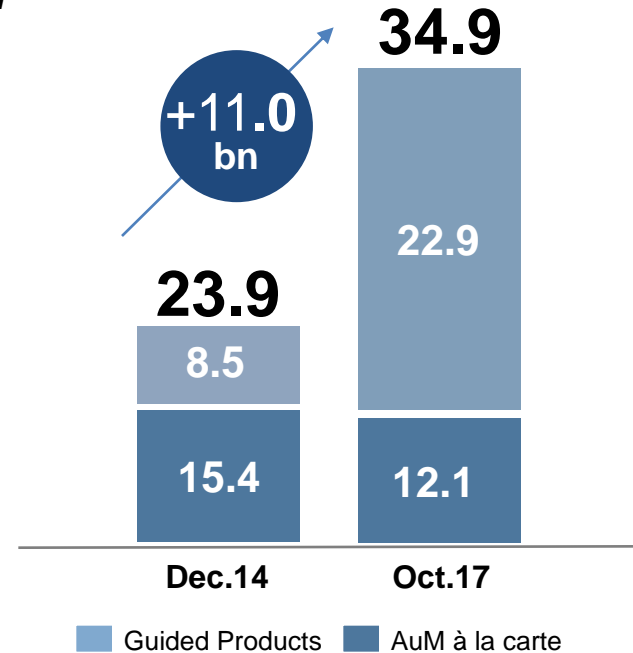
Eop, bn



Focus on AUM

+11.0 bn AUM since the end of 2014, o/w:
Guided Products & Services +14.3bn
 AuM à la carte -3.3 bn

Eop, bn



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 service

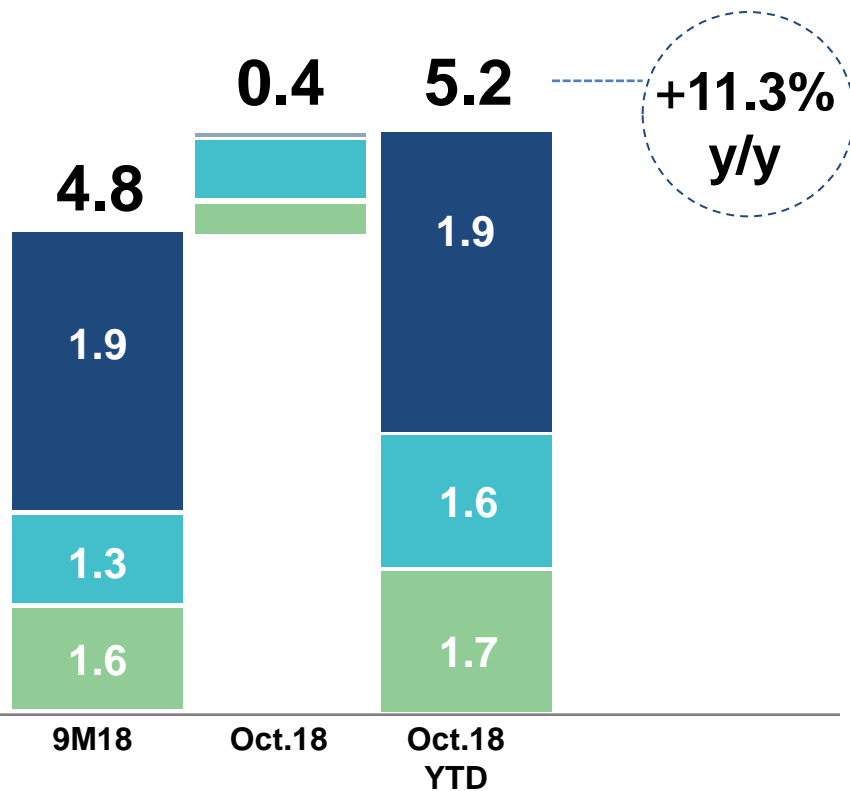
Net sales breakdown

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

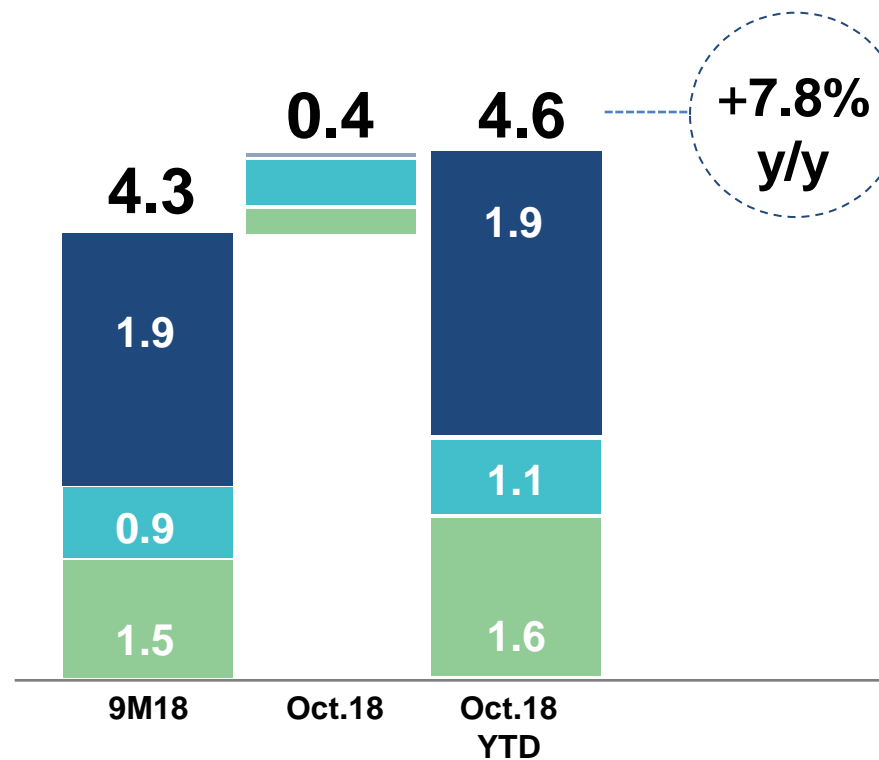
Breakdown of total Net Sales

PFA Network – total Net Sales

bn



bn



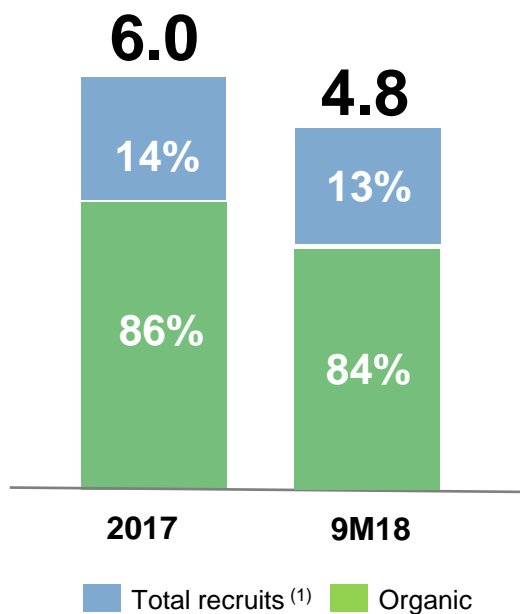
■ AuM ■ AuC ■ Deposits

Organic growth

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

Net Sales – Organic / Recruit (%)

bn



Recruitment costs (to be amortized)

stock 25.9mln

as of Sept.'18

⁽¹⁾ Total recruits include net inflows related to PFAs recruited over the last 24 months (avg)

FinecoBank

**Dealing with
pressure on margins
in a proactive way**

Dealing proactively with pressure on margins

Our strategy has always focused on 3 main concepts

1

Improve
**QUALITY OF
SERVICES**

Continuous innovation leveraging on best-in-class internal IT culture and Big Data analytics **to be recognized by clients as a premium brand**

2

Increase
**PFAs
PRODUCTIVITY**

Strong opportunities in enlarging the actively managed clients thanks to Cyborg Advisory approach and advisory platforms

3

Increase
**OPERATIONAL
EFFICIENCY**

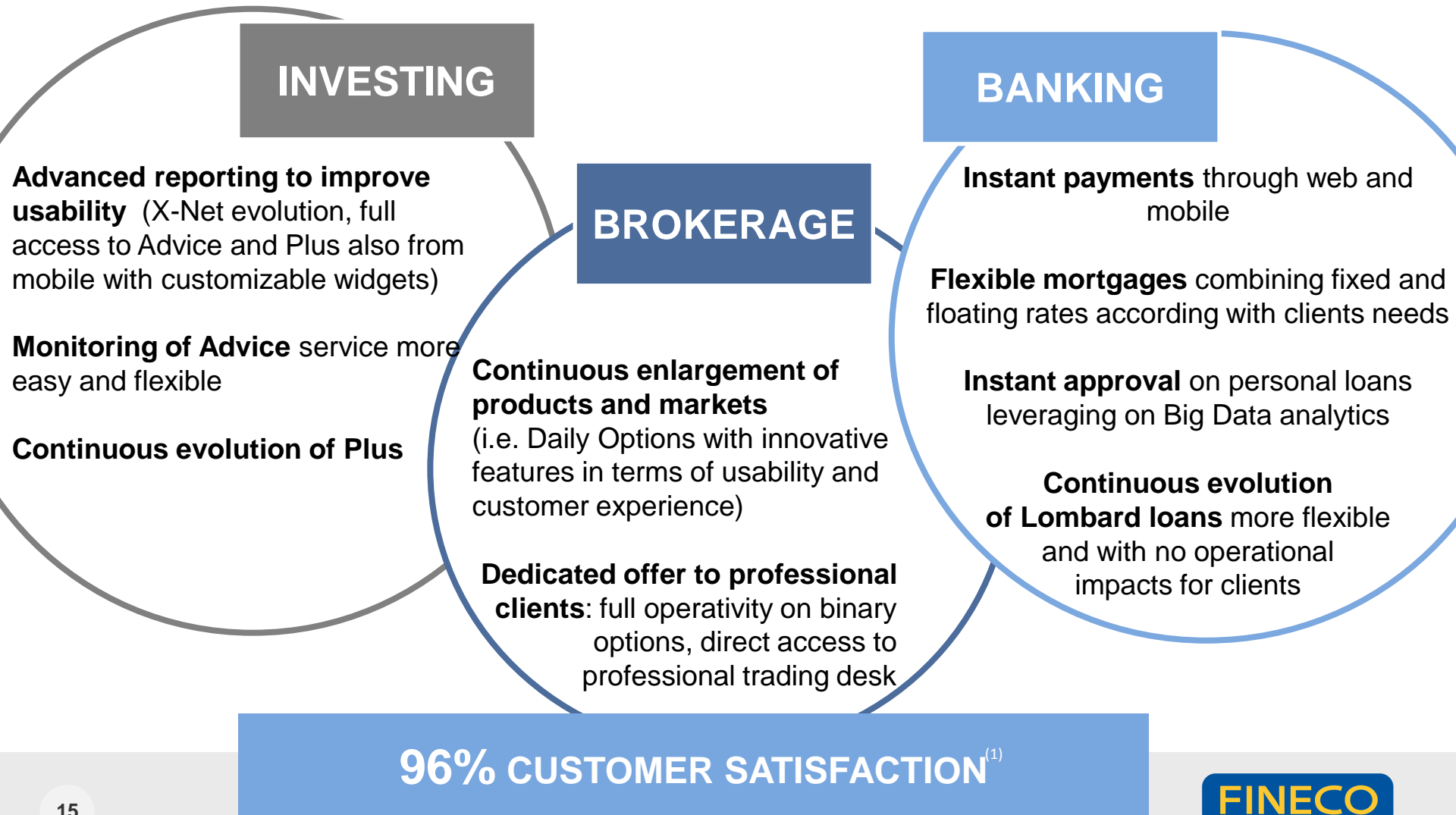
Further increase of our operational efficiency through Fineco Asset Management, being in control of the full AuM value chain for excellent quality and efficiency

Brand new portfolio solutions and new generation of passive strategies with attractive margins completely developed in-house by FAM

Continuous innovation

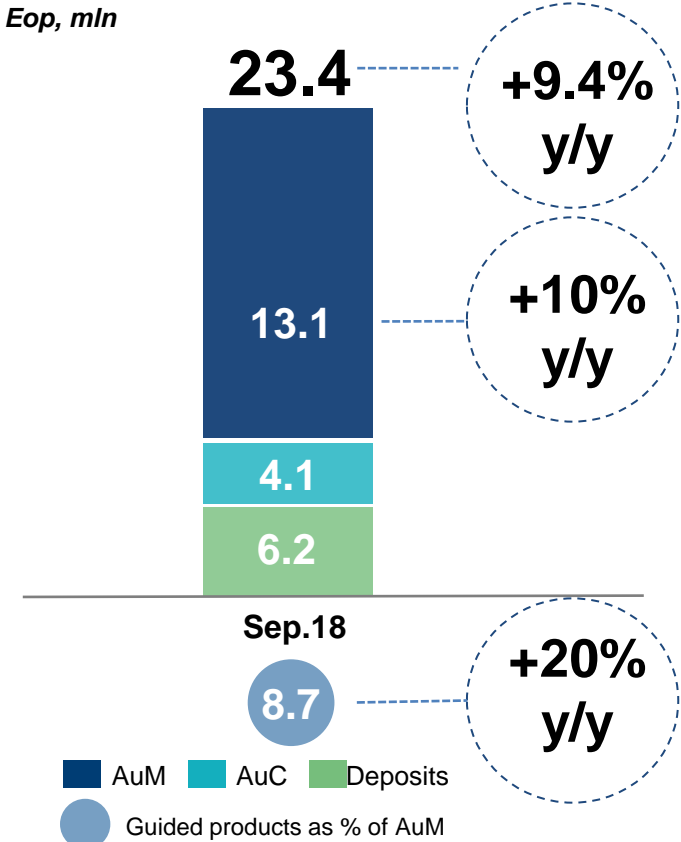
on usability and front-end efficiency to deliver distinctive products and services

1

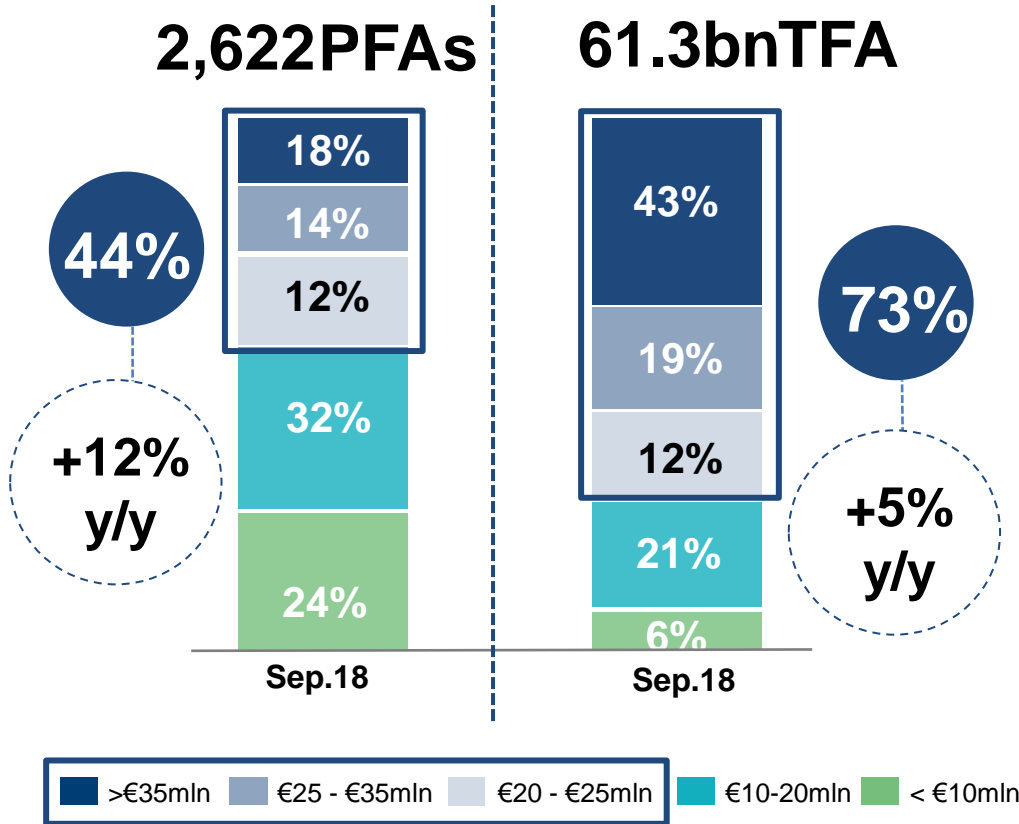


Continuous PFAs quality and productivity improvement

Average PFAs' portfolio



TFA concentration per PFA

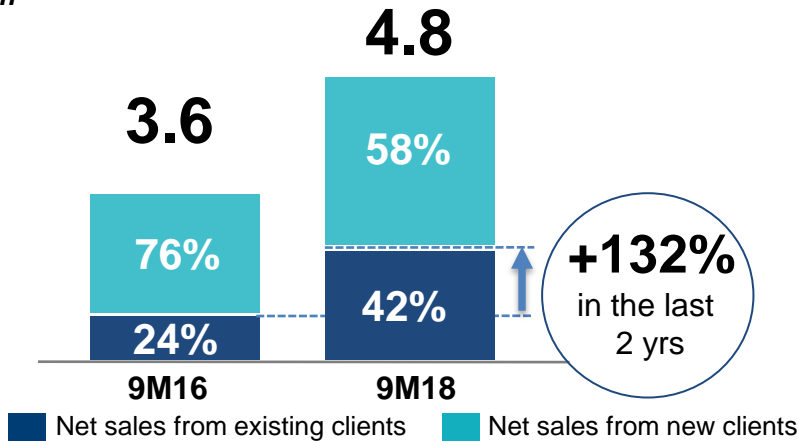


Cross selling and clients' profile

2

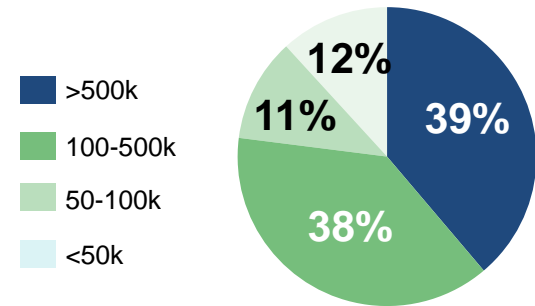
Net sales: new vs existing clients

mln



TFA per client

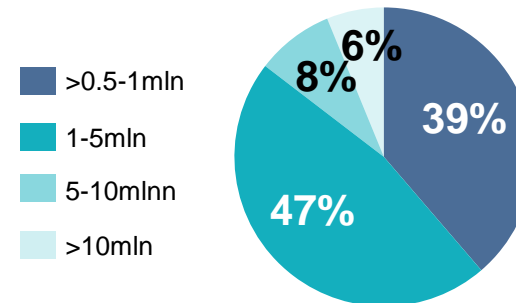
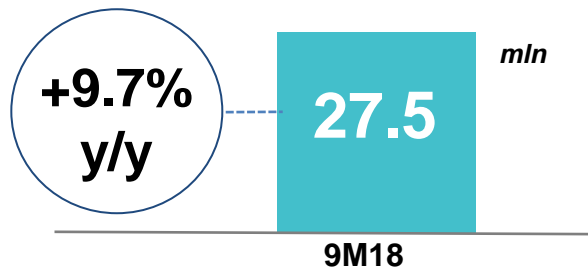
Total TFA: 70.9bn



Total clients:

Avg age:
48 years old

Private Banking and TFA per Private clients



Private clients:

Avg age:
60 years old

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

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

SUB-ADVISED FUNDS

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

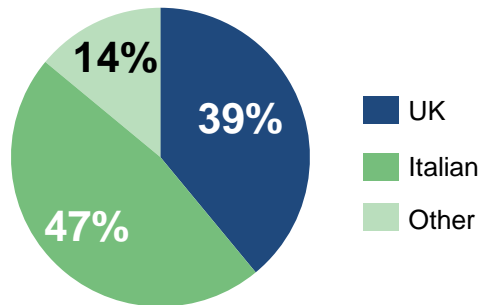
Win-win solution: lower price for clients, higher margins

Further opportunities

Fineco UK

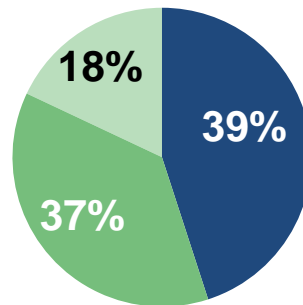
Clients: geographical split

Over 2,700 clients



53% non-Italian

New clients acquired



63% non-Italian

- ✓ **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 proprieties are renewable** according to international guidelines

Thank you