



B A N K

# Fineco: 1Q17 Results

Madrid, 8<sup>th</sup>-9<sup>th</sup> June 2017

FINECO. THE BANK THAT SIMPLIFIES BANKING.

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- Pursuant the consolidated law on financial intermediation of 24 February 1998 (article 154-bis, paragraph 2) Lorena Pelliciari, 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 FinecoBank’s documented results, financial accounts and accounting records.
- In order to provide further guidance concerning the performance achieved by the Bank, some alternative performance indicators – IAP (such as Adj. Cost/Income ratio, Cost of Risk, PFA TFA/TFA, Guided Products/AUM, Guided Products/TFA, Adj. RoE) and their descriptions are included in 2016 Reports and Accounts and in this Presentation, in accordance with guidelines published on October 5<sup>th</sup>, 2015 by European Securities and Markets Authority (ESMA/2015/1415).
- This Presentation has been prepared on a voluntary basis since the financial disclosure additional to the half-year and annual ones is no longer compulsory pursuant to law 25/2016 in application of Directive 2013/50/EU, in order to grant continuity with the previous quarterly presentations.
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# Executive Summary

- **1Q17 net profit at 51.7mIn (+8.0% y/y net of profits from Govies sale in 1Q16, -6.1% q/q<sup>(1)</sup>)**
- **Growing revenues (+5% y/y net of profits from Govies sale in 1Q16, +2.5% q/q)** boosted by **Investing area (+16.5% y/y with management fees up +13.4% y/y)** and **Banking area (+5.0% y/y** thanks to high quality volume growth in deposits and lending). Despite volatility at the lowest level since 2013, **Brokerage performed very well, the third best quarter in the period** in terms of revenue generation
- **Operating Costs at 60.7mIn, substantially flat y/y** confirming operating leverage as a key strength of the bank. Quarterly comparison (+9.8%) affected by seasonality, mainly PFAs related costs
- **Strong capital position: CET1 ratio transitional at 22.24%**
- **Solid and sustainable commercial performance in the first four months with a continuous improvement of the mix:**
  - ✓ Net sales at 2bn (+9% y/y) boosted by 1.2 bn in AuM; 592mIn net sales in April (+59% y/y)
  - ✓ Net sales in Guided Products & services reached 1.4bn (+72% y/y) bringing the penetration rate on total AuM at 59% as of April (+11p.p. y/y)
  - ✓ TFA at 63bn (+13% y/y)
  - ✓ Over 1.149 mln clients (+7% y/y)

<sup>(1)</sup> 4Q16 non-recurring items: releases of provisions: Solidarity Fund +1.5mIn net and Tercas +1.0mIn net; Integration costs: -3,7mIn net; write-down of Cassa di Risparmio di Cesena stake: -4.5mIn net

## **Fineco Results**

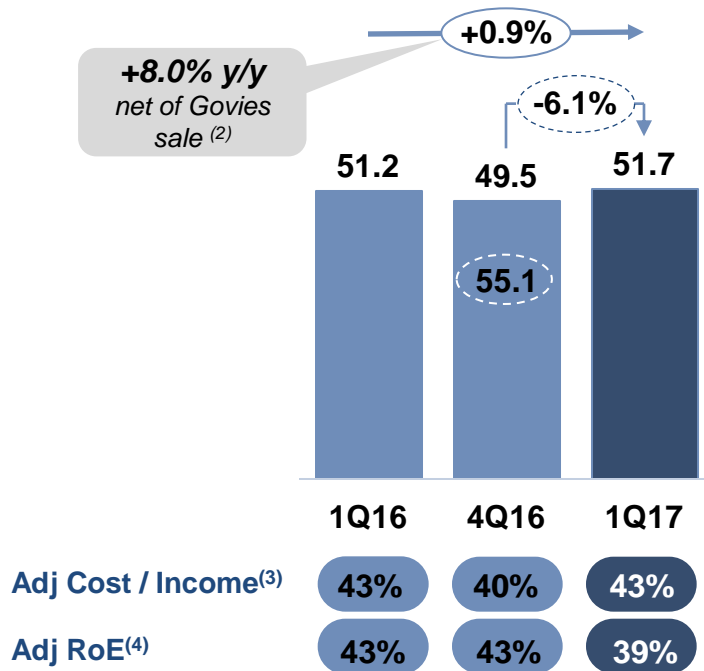
-  Focus on product areas
-  Key messages and Initiatives monitoring

# Results

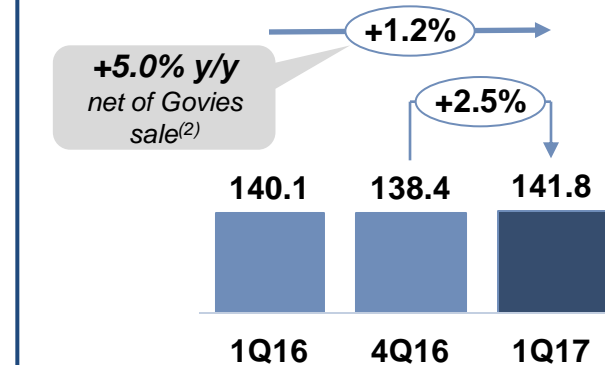
Increasing Net Profit (+8.0% y/y net of profits from Govies sale in 1Q16) boosted by strong revenue growth and operating costs substantially flat

## Net Profit, mln

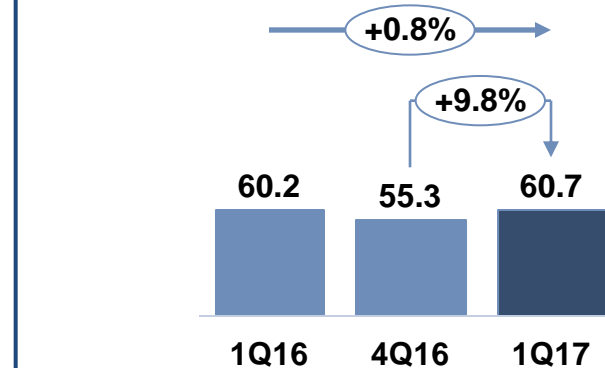
○ excluding non recurring items<sup>(1)</sup>



## Revenues, mln



## Operating Costs, mln



<sup>(1)</sup> 4Q16 non recurring items: releases of provisions: Solidarity Fund +1.5mln net and Tercas +1.0mln net; Integration costs: -3,7mln net; write-down of Cassa di Risparmio di Cesena stake: -4.5mln net.

<sup>(2)</sup> In 1Q16, 704mln (nominal value) of Spanish and Italian government bonds at variable rate and residual maturity <3yrs sold. Govies at fixed rate with maturity between 3 and 6 years were bought afterwards

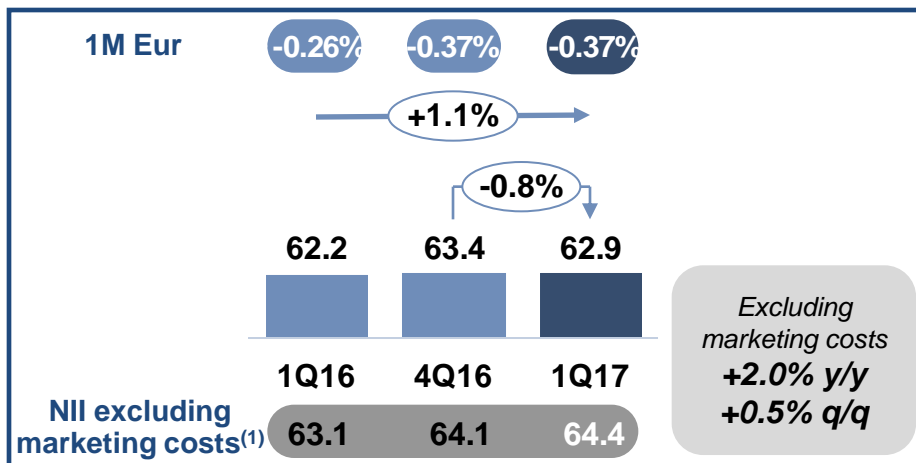
<sup>(3)</sup> Adj. C/I ratio calculated as Operating Cost divided by Revenues net of non recurring items (see page 27)

<sup>(4)</sup> Adj. RoE: Net Profit net of non recurring items (see page 27) divided by the average book shareholders' equity for the period (excluding dividends expected to be distributed and the revaluation reserves)

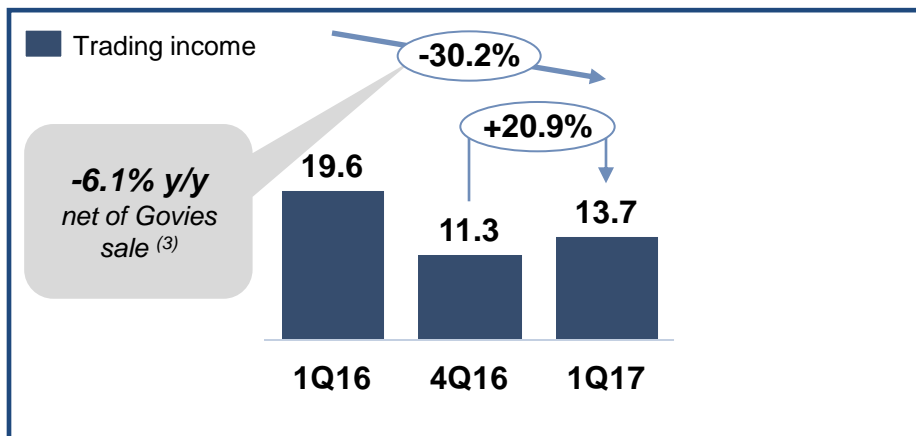
# Revenues by P&L Items

Well diversified stream of revenues able to deliver sustainable growth in any market condition. Management fees up +13.4% y/y, strong brokerage despite lowest volatility

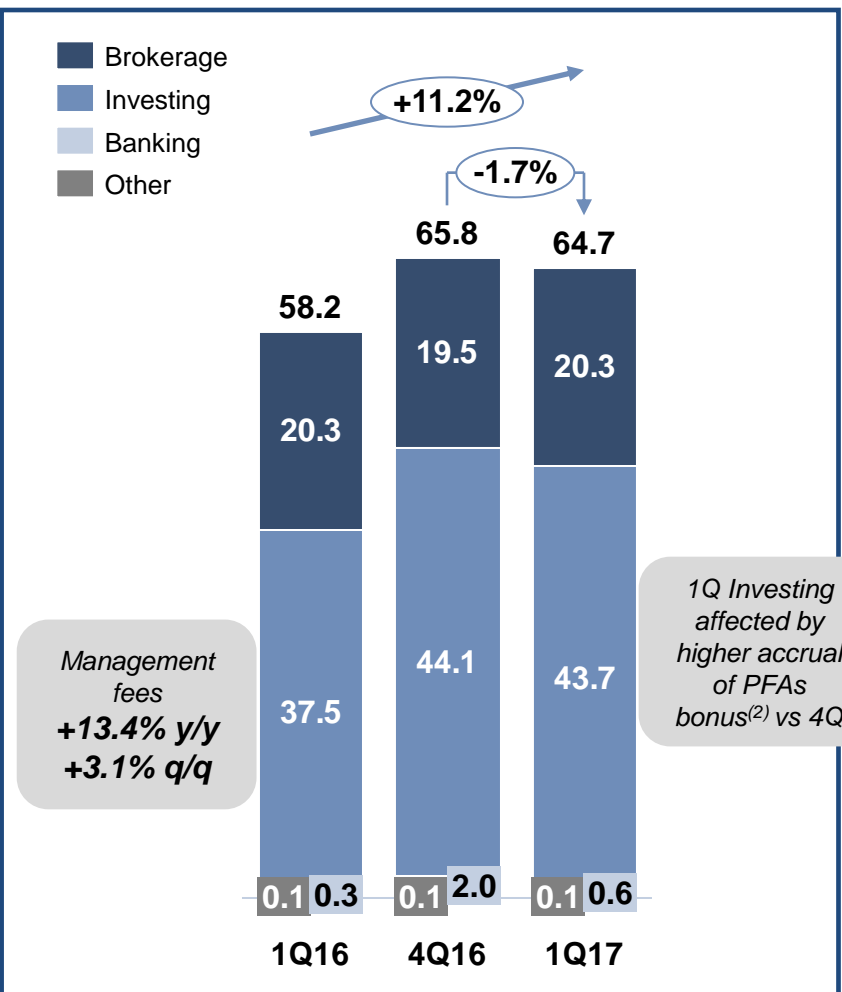
## Net interest, mln



## Trading income, mln



## Fees and Commissions, mln



<sup>(1)</sup> Costs related to commercial initiatives booked in Net interest income as linked to current accounts

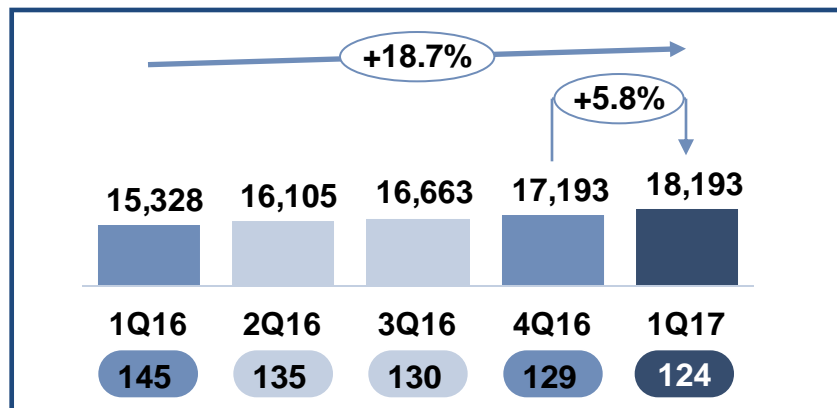
<sup>(2)</sup> Prudentially, in the first part of the year these costs were booked considering full targets achievement

<sup>(3)</sup> In 1Q16 FinecoBank sold some Spanish and Italian government bonds in order to mitigate exposure to interest rate risk: nominal value 704 mln, variable rate, residual maturity < 3 years. As a consequence, Govies at fixed rate with maturity between 3 and 6 years were bought afterwards

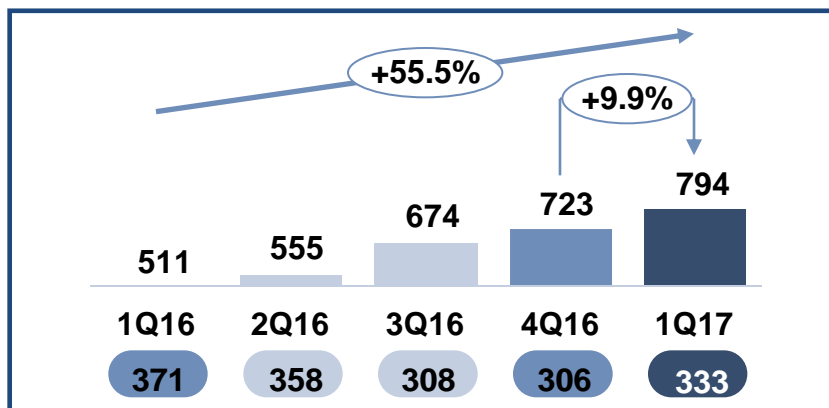
# Net interest

Sustainable net interest income dynamics despite lower y/y rates supported by double digit growth in volumes, both sticky sight deposits and high quality lending

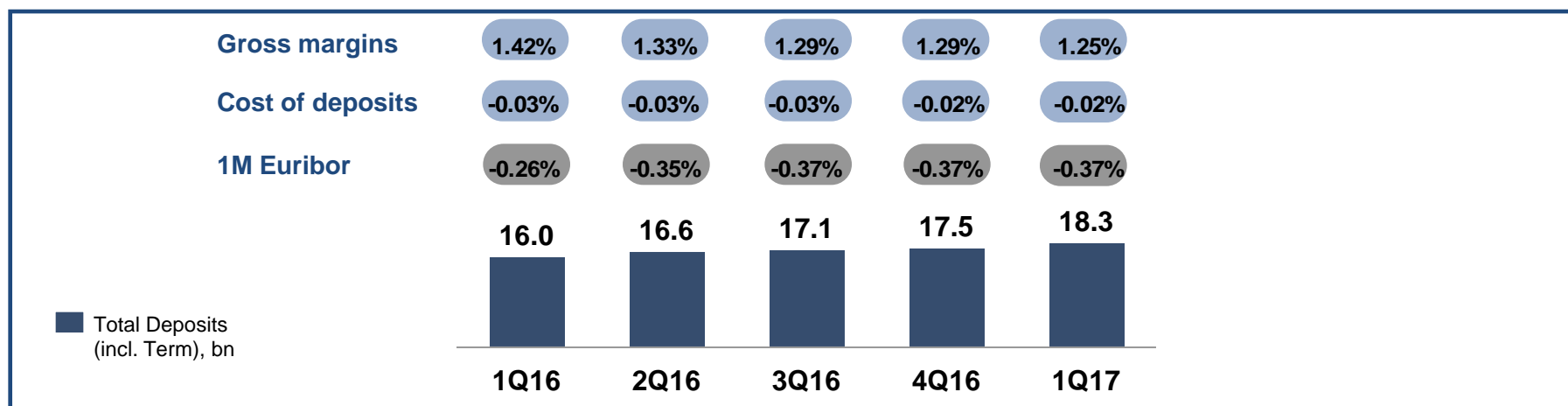
## Sight Deposits (mln) and net margins (bps)



## Lending<sup>(1)</sup> (mln) and net margins (bps)



## Investment policy



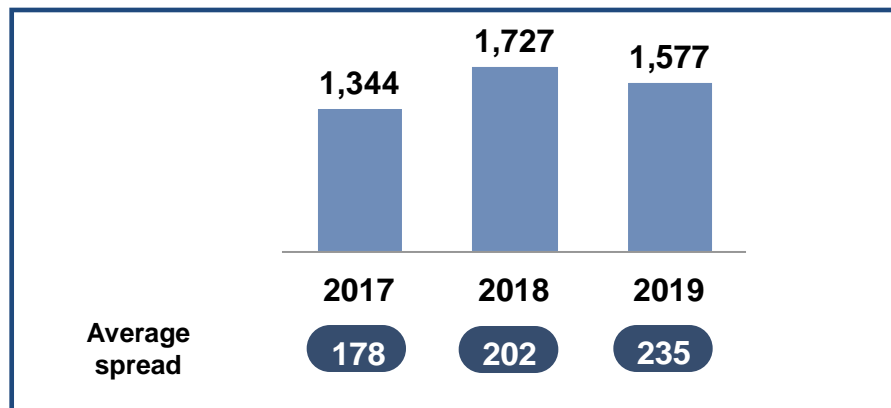
Volumes, margins and 1M Euribor: average of the period

<sup>(1)</sup>Lending includes personal loans, credit cards, overdrafts, mortgages

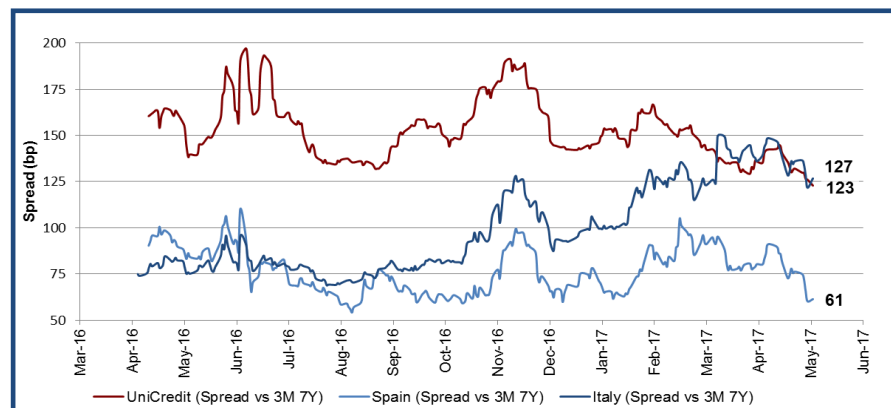
# Net interest: focus on UniCredit bonds portfolio

Sustainability analysis: sight deposits growth to offset lower rates and bond portfolio run off

## UC Bonds run-offs (mln) and spread (bps)



## 7Y Spread UniCredit vs Govies, bps



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

### Stress test assumptions:

Forward 1MEuribor curve: -0.36% in 2017, -0.20% in 2018, +0.02% in 2019  
 New core liquidity and run-offs invested in Government Bonds

- Case 1: **4 yrs Italian Govies** (avg spread 54 bps<sup>(1)</sup>) **5.0%**
- Case 2: **5 yrs Italian Govies** (avg spread 95 bps<sup>(1)</sup>) **-0.4%**

CAGR 1Q2017-2019

### Historical Sight deposits growth

CAGR 2011-2015 **14.2%**

2016 Growth **19.0%**

<sup>(1)</sup> as of May 8<sup>th</sup>, spread on 1M Euribor

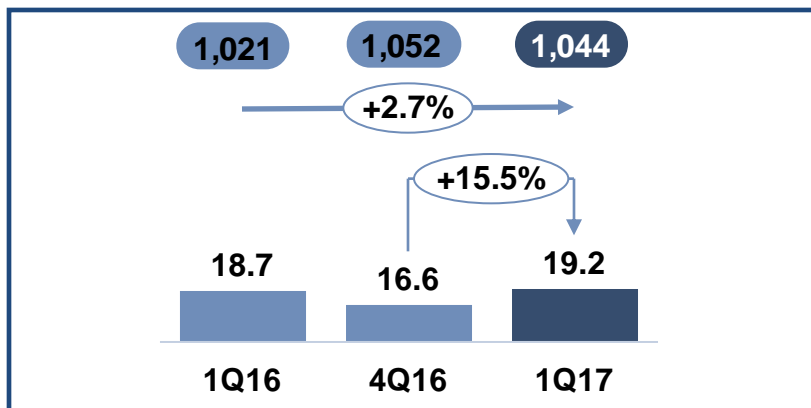


# Costs

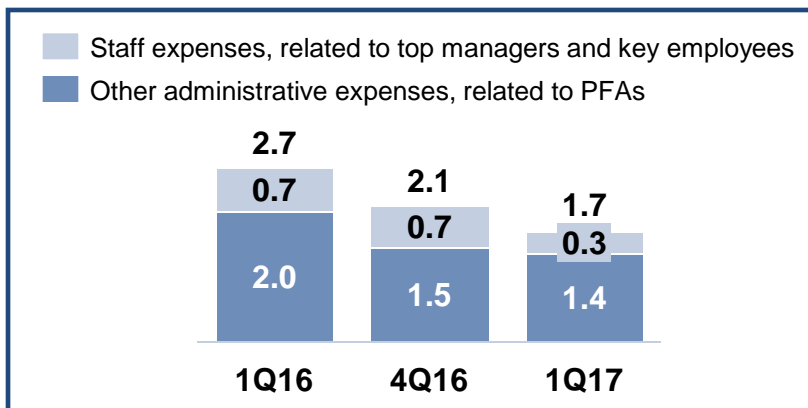
Cost efficiency and operating leverage confirmed in our DNA.

Quarterly comparison affected by seasonality (mainly PFAs related costs)

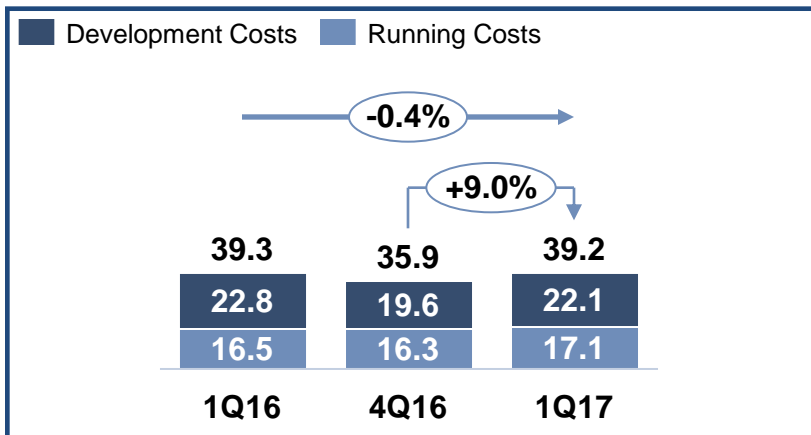
## Staff expenses, mln and FTE, #



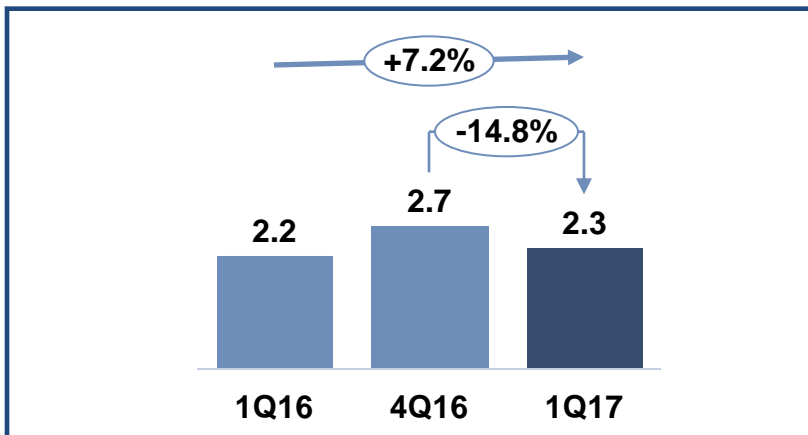
## Stock granting post IPO



## Other administrative expenses, mln <sup>(1)</sup>



## Write-down/backups and depreciation, mln

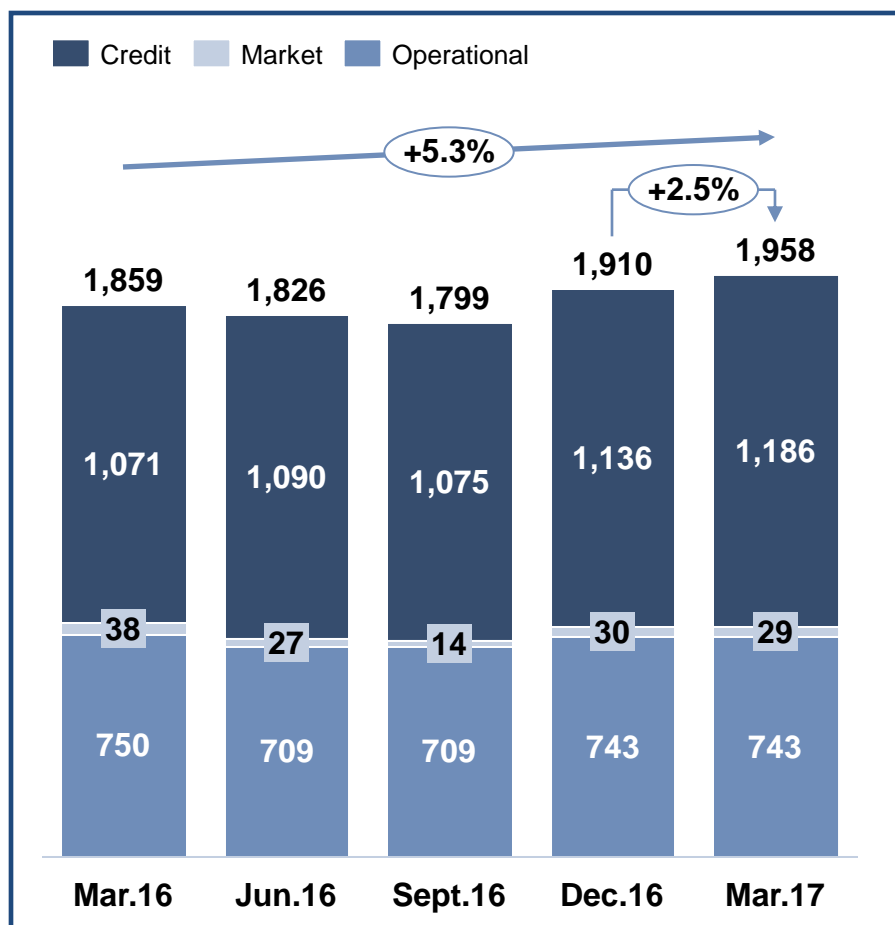


(1) Breakdown between development and running costs: managerial data

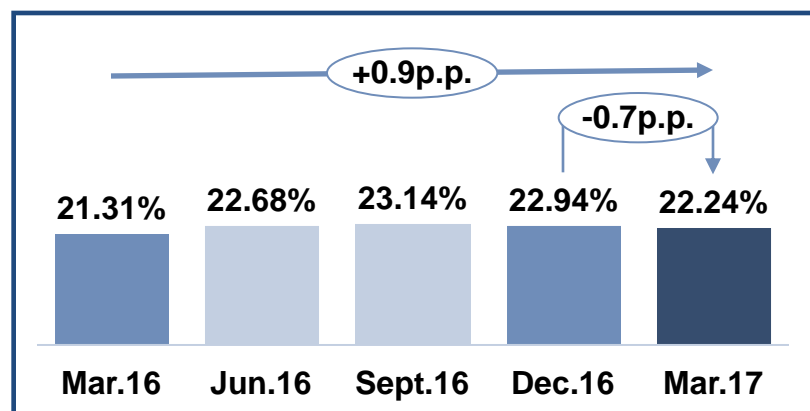
# Capital Ratios

Best in class capital position and low risk balance sheet

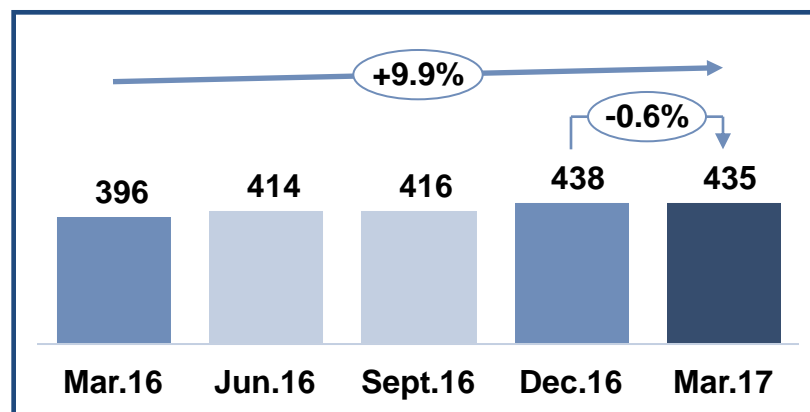
## RWA, mln



## CET1 Ratio transitional, %



## CET1 Capital, mln



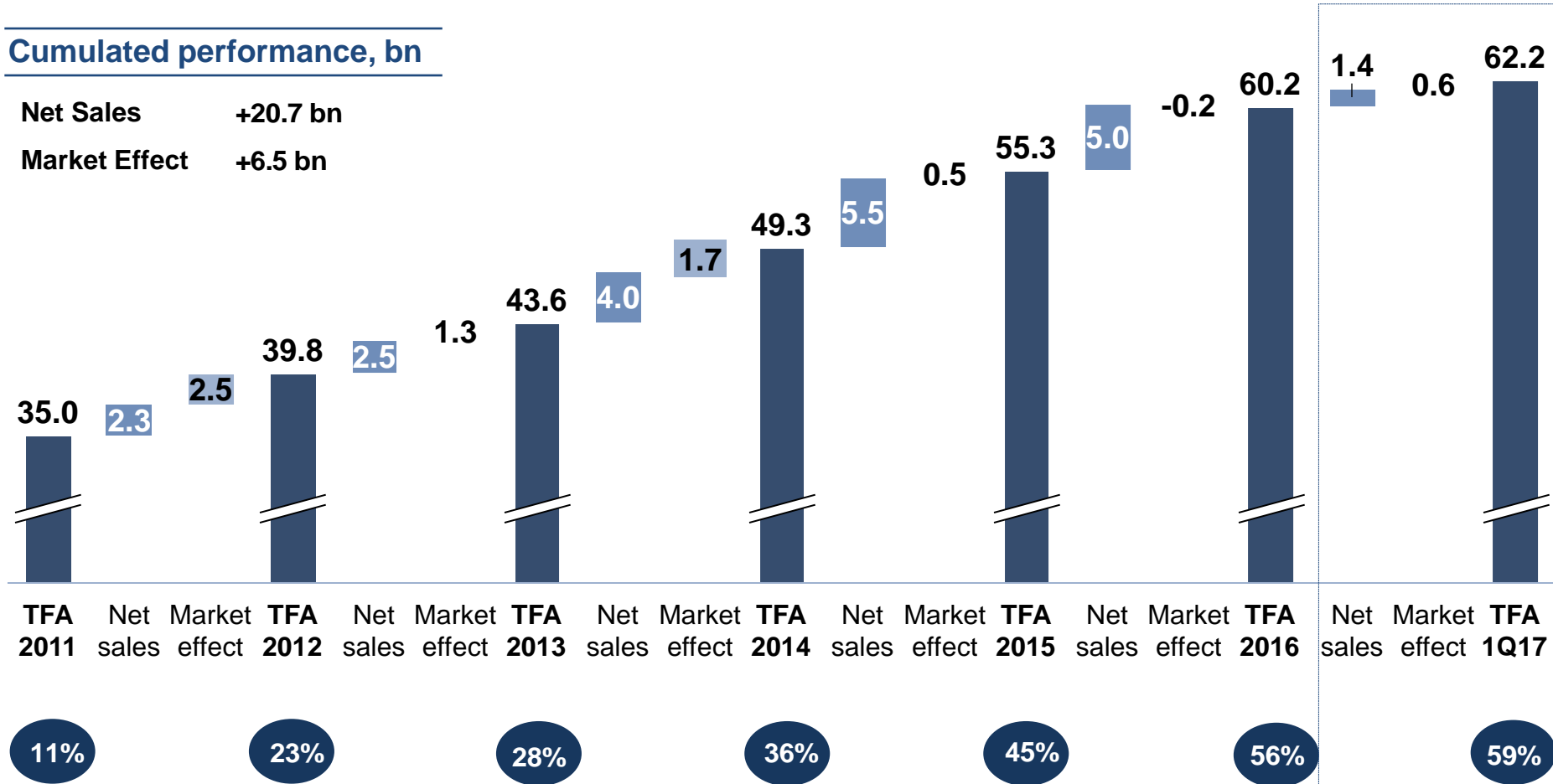
# TFA

Relentless TFA growth thanks to a healthy expansion in net sales  
 Guided products and services increased at 59% of total AuM

## TFA evolution (Dec.11-Mar.17), bn

### Cumulated performance, bn

Net Sales +20.7 bn  
 Market Effect +6.5 bn



**Guided products as % of total AuM (1)**

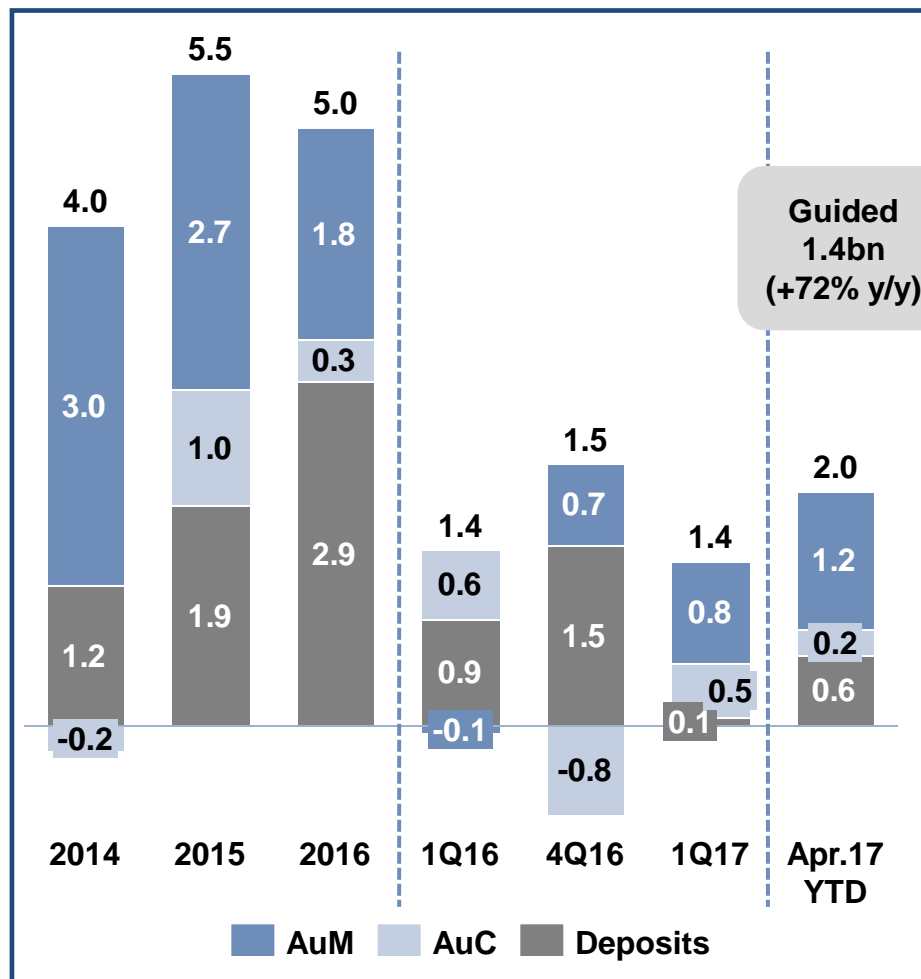


(1) Calculated as Guided Products end of period divided by Asset under Management end of period

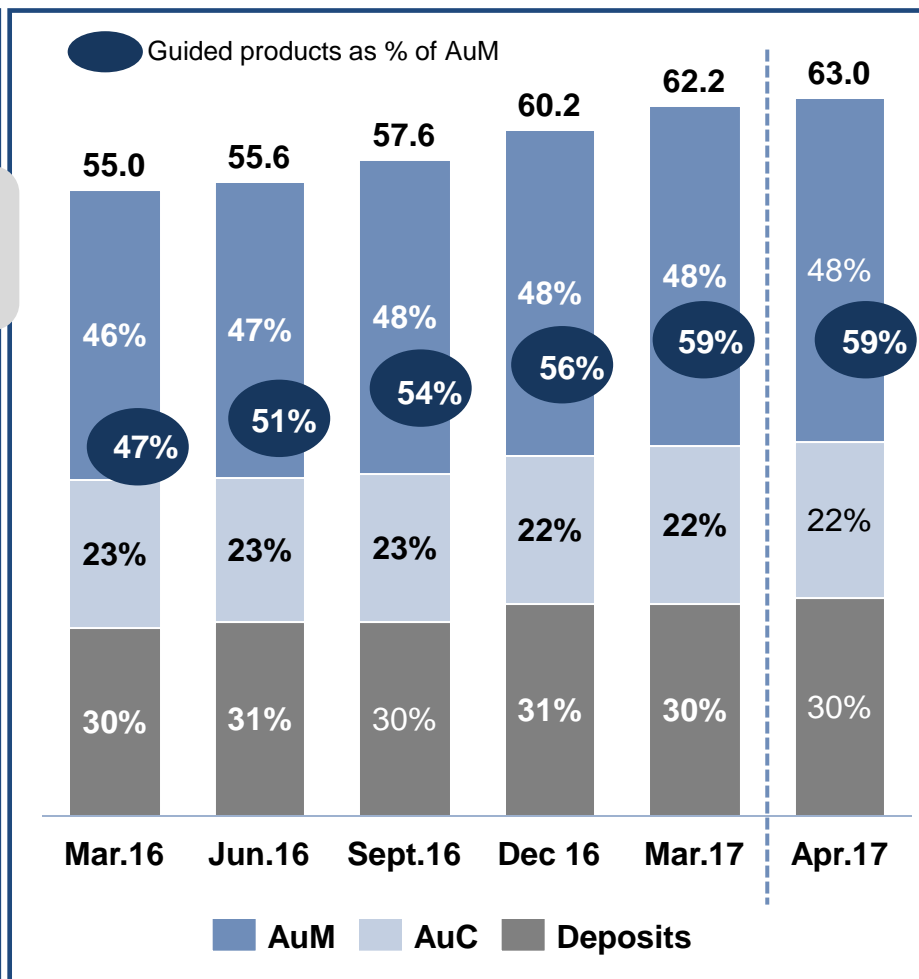
# TFA and Net sales - breakdown

Strong improvement in asset mix with 1.2bn AuM net sales reached in four months.  
 Successful shift towards high added value products resulting in 1.4bn, +72% y/y

Breakdown of total net sales, bn



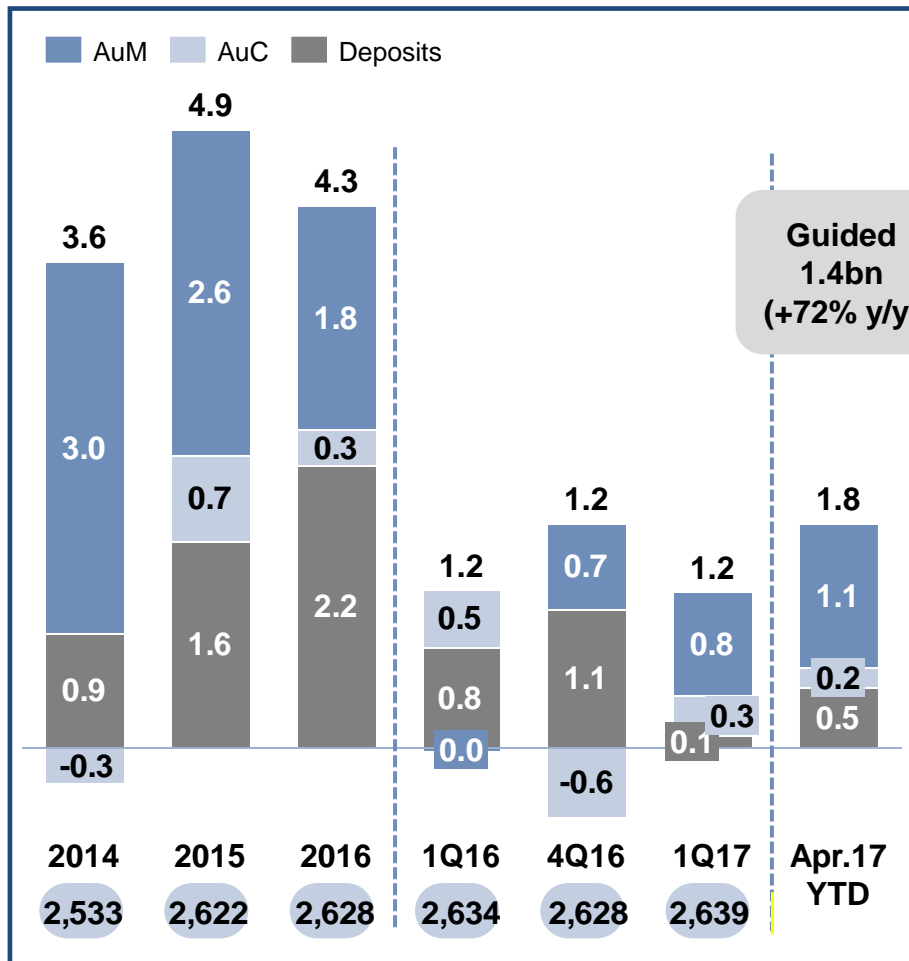
Breakdown of total TFA, bn



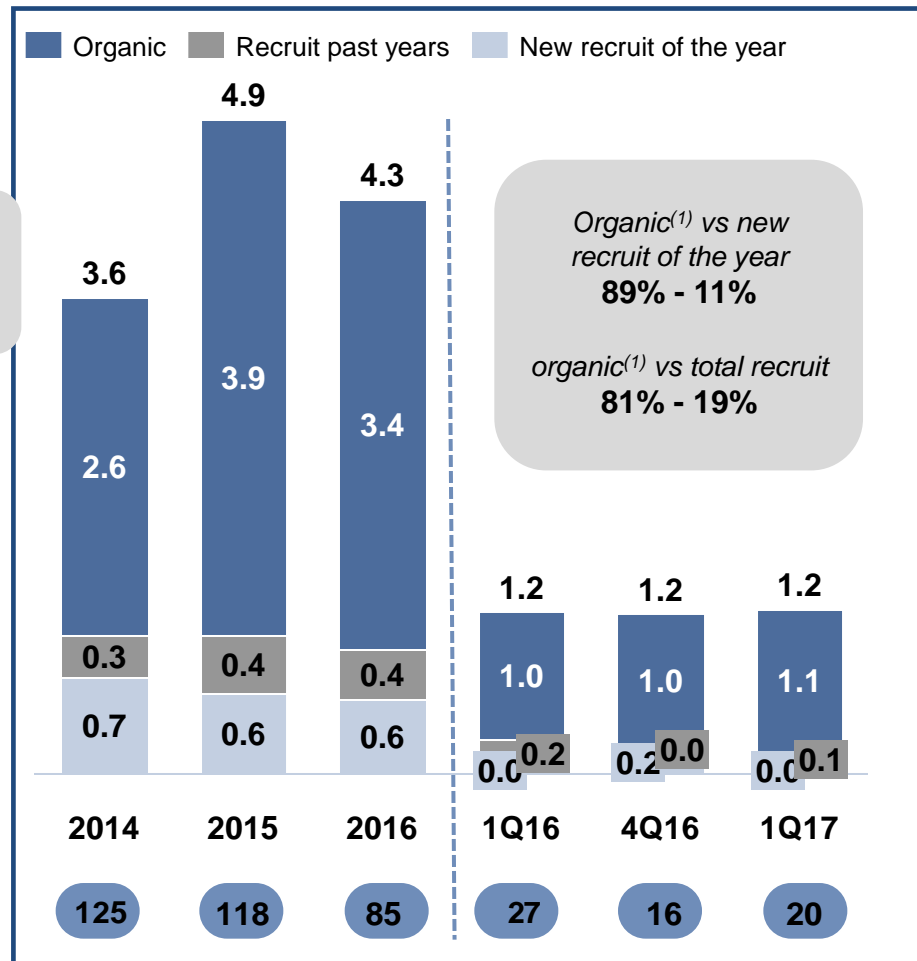
# Personal Financial Advisors (PFA) network Net sales / Organic growth

Net sales organically generated confirmed as a key pillar in our growing strategy

## PFA Network – total net sales, bn



## Net sales, bn - Organic/New Recruit of the year



PFA Network - headcount

PFA Network – new recruits of the year

<sup>(1)</sup> Organic net sales calculated on total Bank net sales and referred to FY2016



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# Agenda

- Fineco Results

- **Focus on product areas**

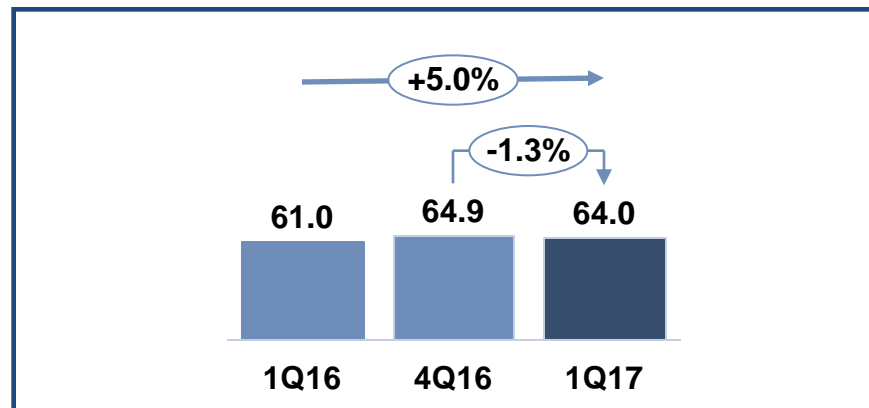
- Key messages and Initiatives monitoring

# Revenues by Product Area

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

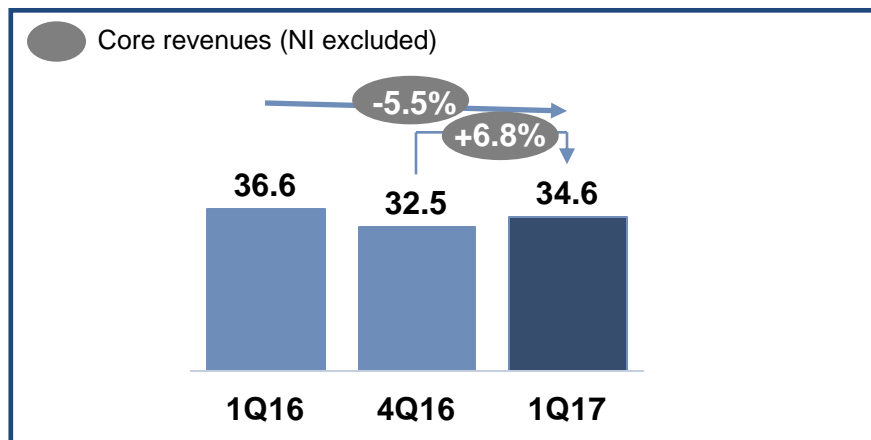
## Banking, mln

45%



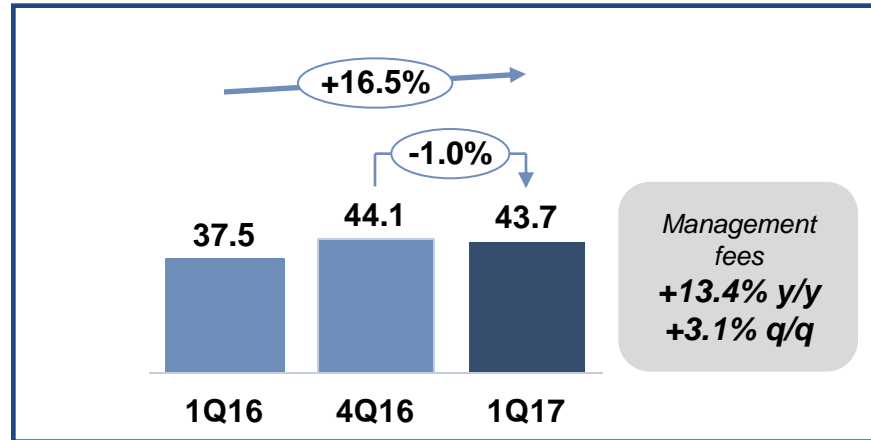
## Brokerage, mln

24%



## Investing, mln

31%



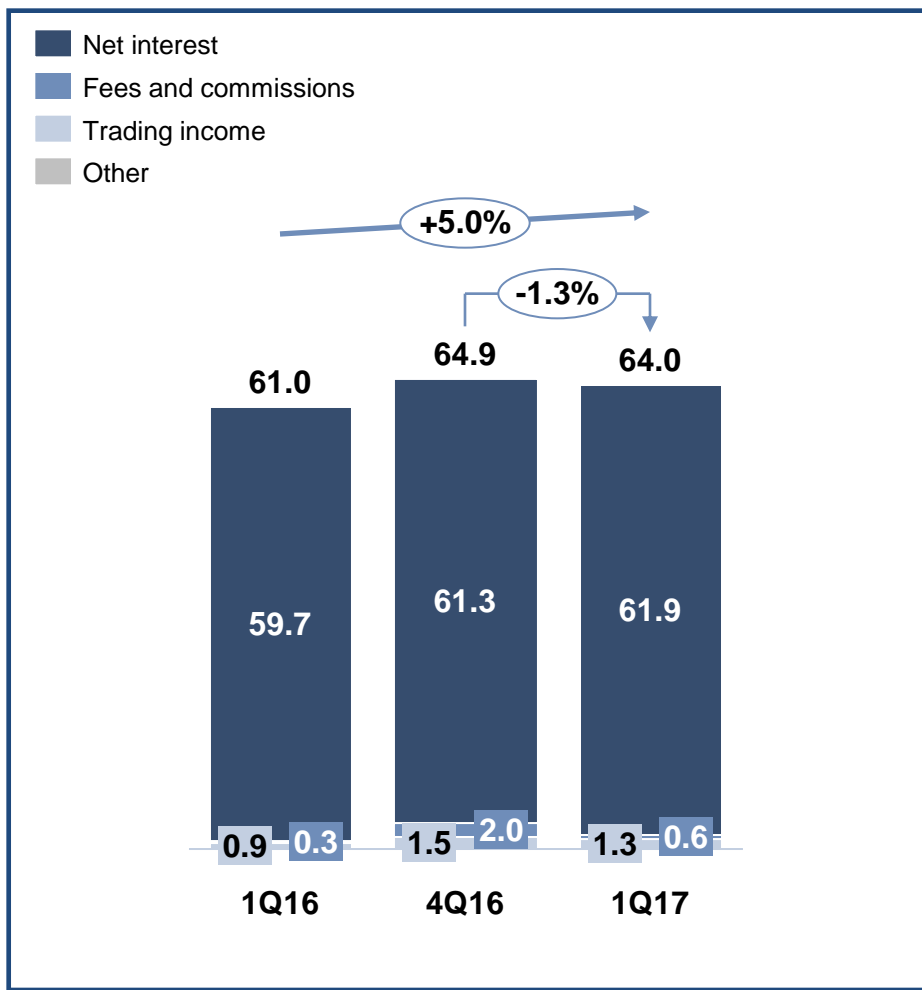
1Q17 weight on total revenues for each product area

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

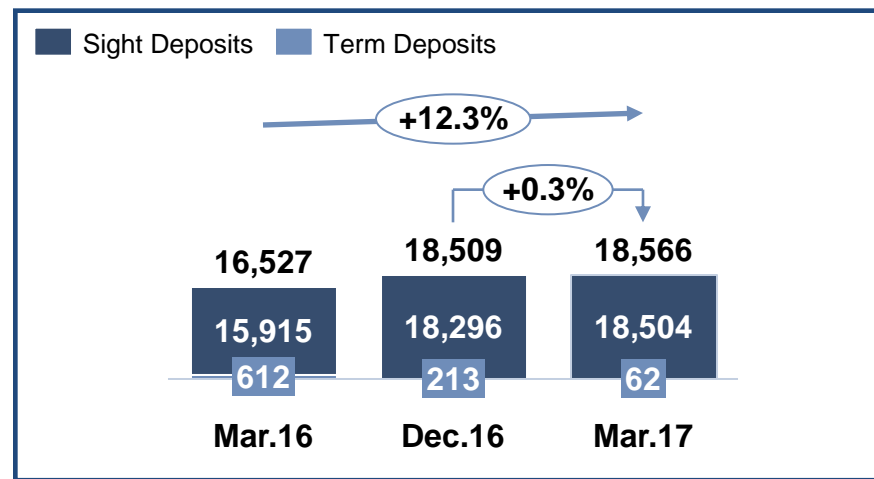
# Banking

Sound performance driven by strong volume growth and customer acquisition thanks to high quality services and customer satisfaction

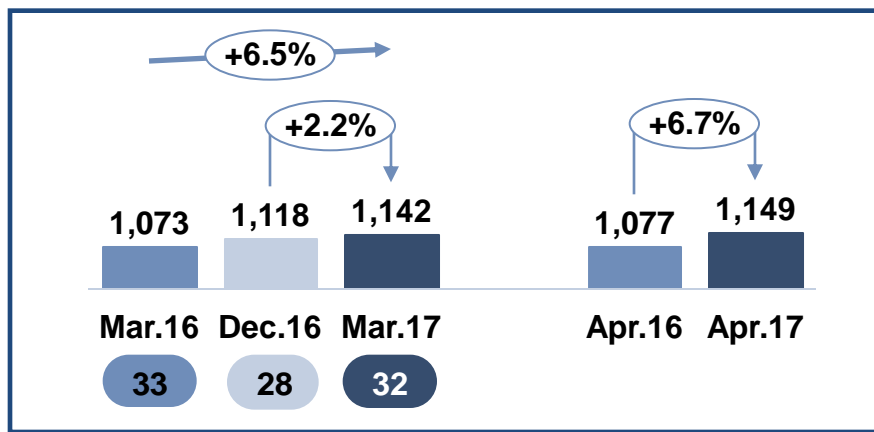
## Revenues, mln



## Direct deposits eop, mln



## Clients and new clients, thousands #



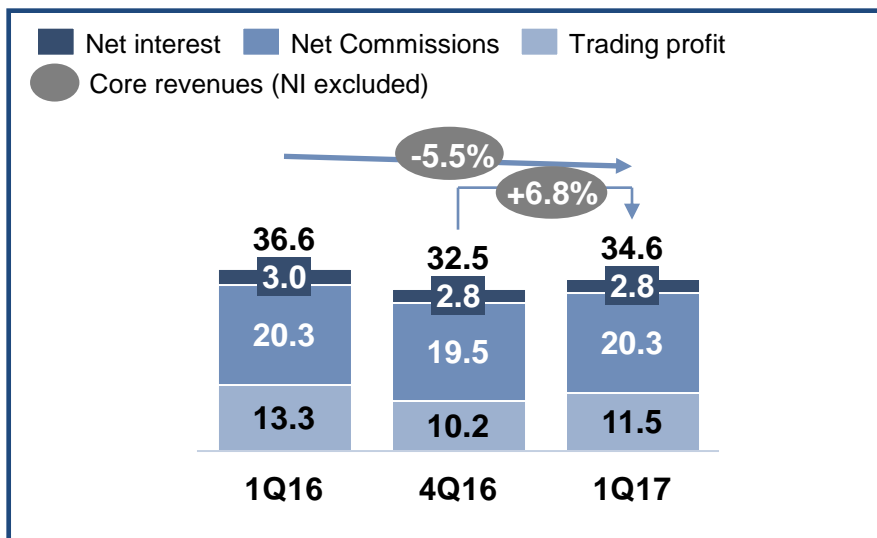
Managerial Data



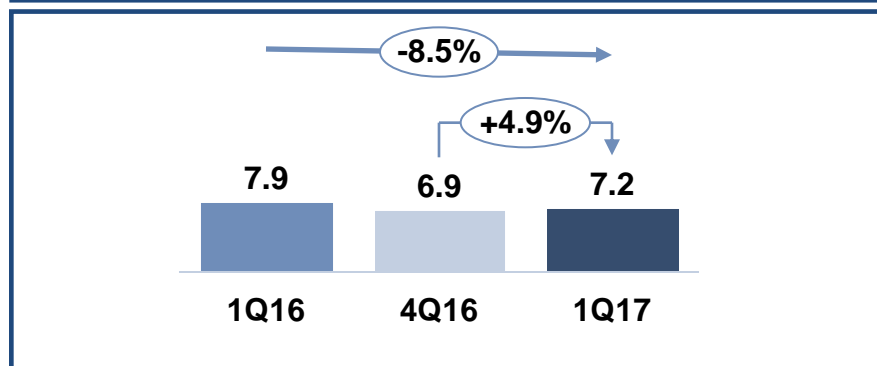
# Brokerage

Outstanding brokerage results despite the lowest volatility since 2013 confirming the strong potential of this business

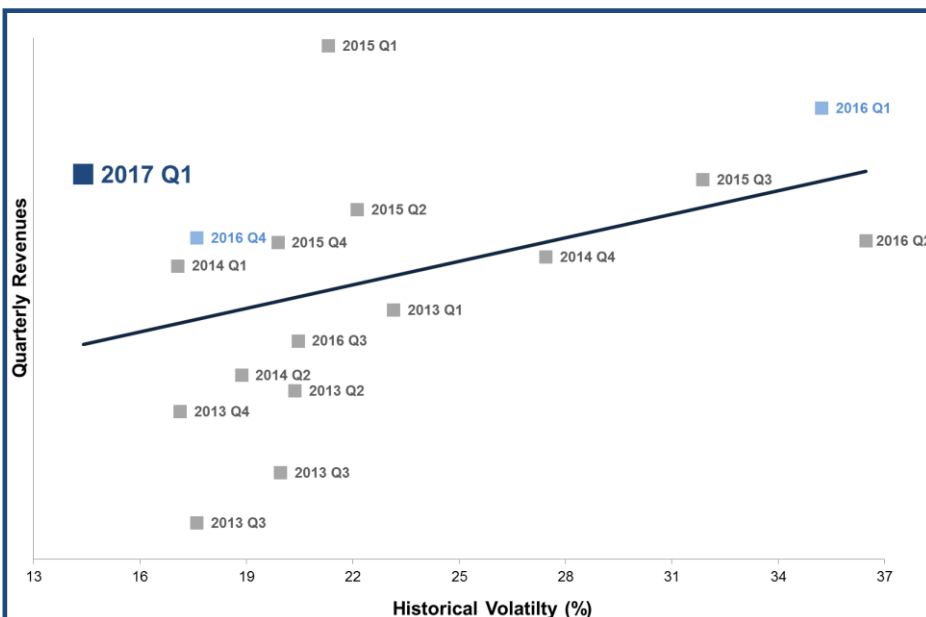
## Revenues, mln



## Executed orders, mln



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



- Brokerage performed very well in 1Q17 despite **volatility at the bottom** since 2013.
- 1Q17 revenues ranked as **the third best quarter** in the period **thanks to larger base of clients/higher market share and the enlargement of the products offer**

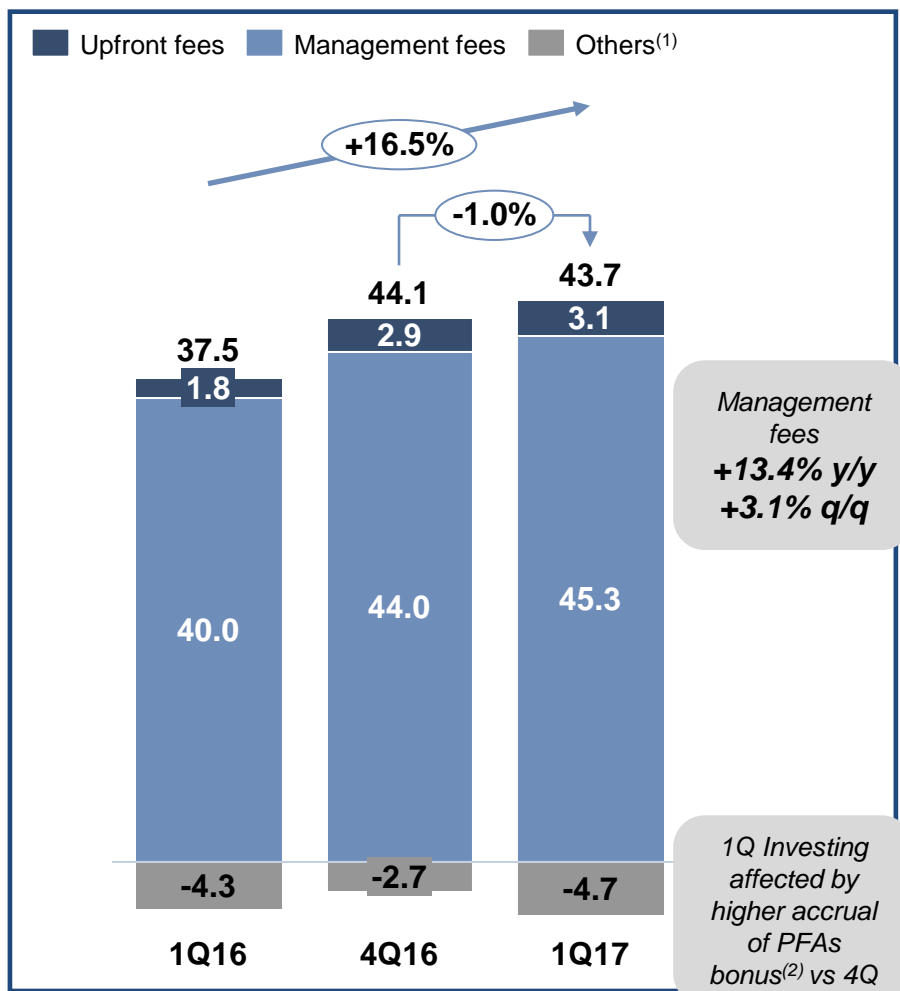
Managerial Data

<sup>(1)</sup> Volatility calculated as average volatility of FTSEMIB, DAX, SP500, weighted on related executed orders by our clients. Revenues calculated as brokerage gross core revenues (NII excluded).

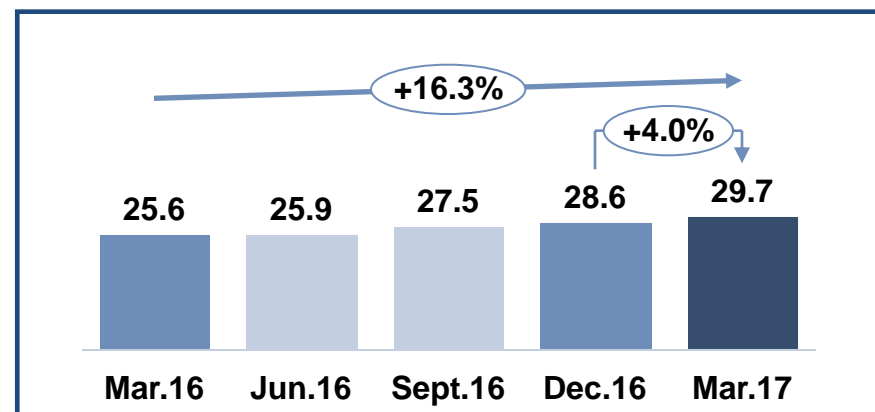
# Investing

Successful strategy on cyborg advisory approach drove a better asset mix and increasing fees

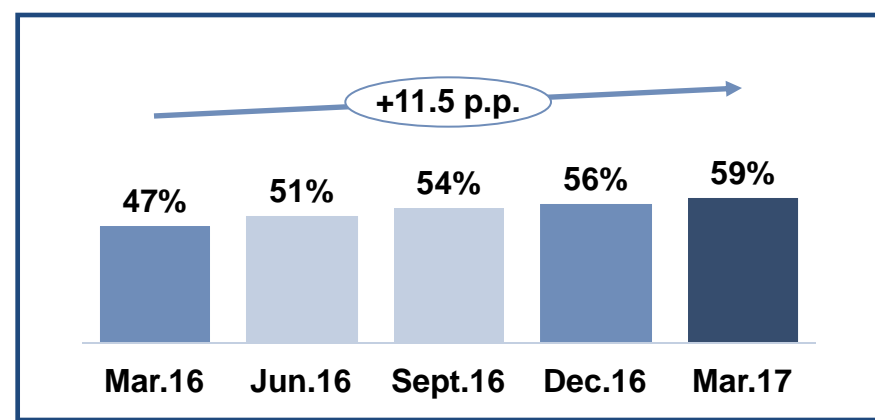
## Revenues (Net Fees), mln



## AuM eop, bn



## Guided products on total AuM, %



Managerial Data

(1) Mainly PFAs annual bonus

(2) Prudentially, in the first part of the year these costs were booked considering full targets achievement

# Agenda

- Fineco Results

- Focus on product areas

- **Key messages and Initiatives monitoring**

# 1Q17 key messages

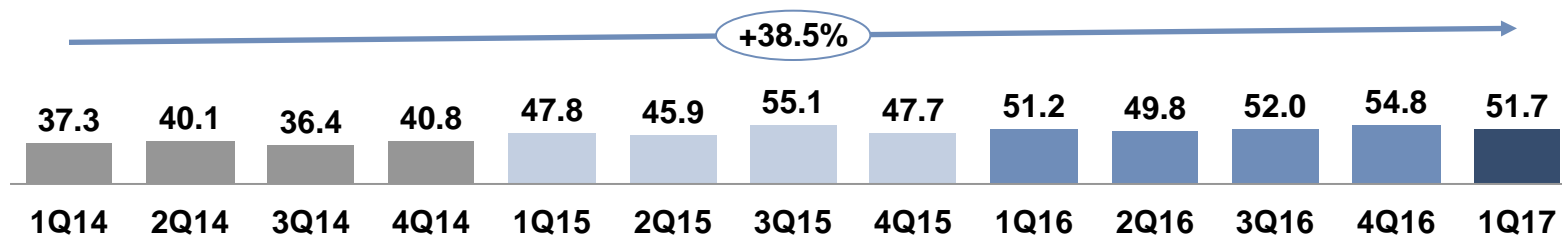
## Healthy growth and sustainability at the heart of Fineco's business model

- ✓ Cost of funding close to zero
- ✓ Clients' acquisition leveraging on high quality services
- ✓ Organic growth as main engine of growth
- ✓ Selected recruits to improve the quality and related costs well under control

## Delivery of consistent results in every market condition

- ✓ Growing revenues thanks to a very well diversified business model with smooth quarterly path
- ✓ Sound Brokerage performance despite the lowest volatility since 2013
- ✓ Flat y/y costs on the wave of a strong operating leverage and best-in-class IT platform

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

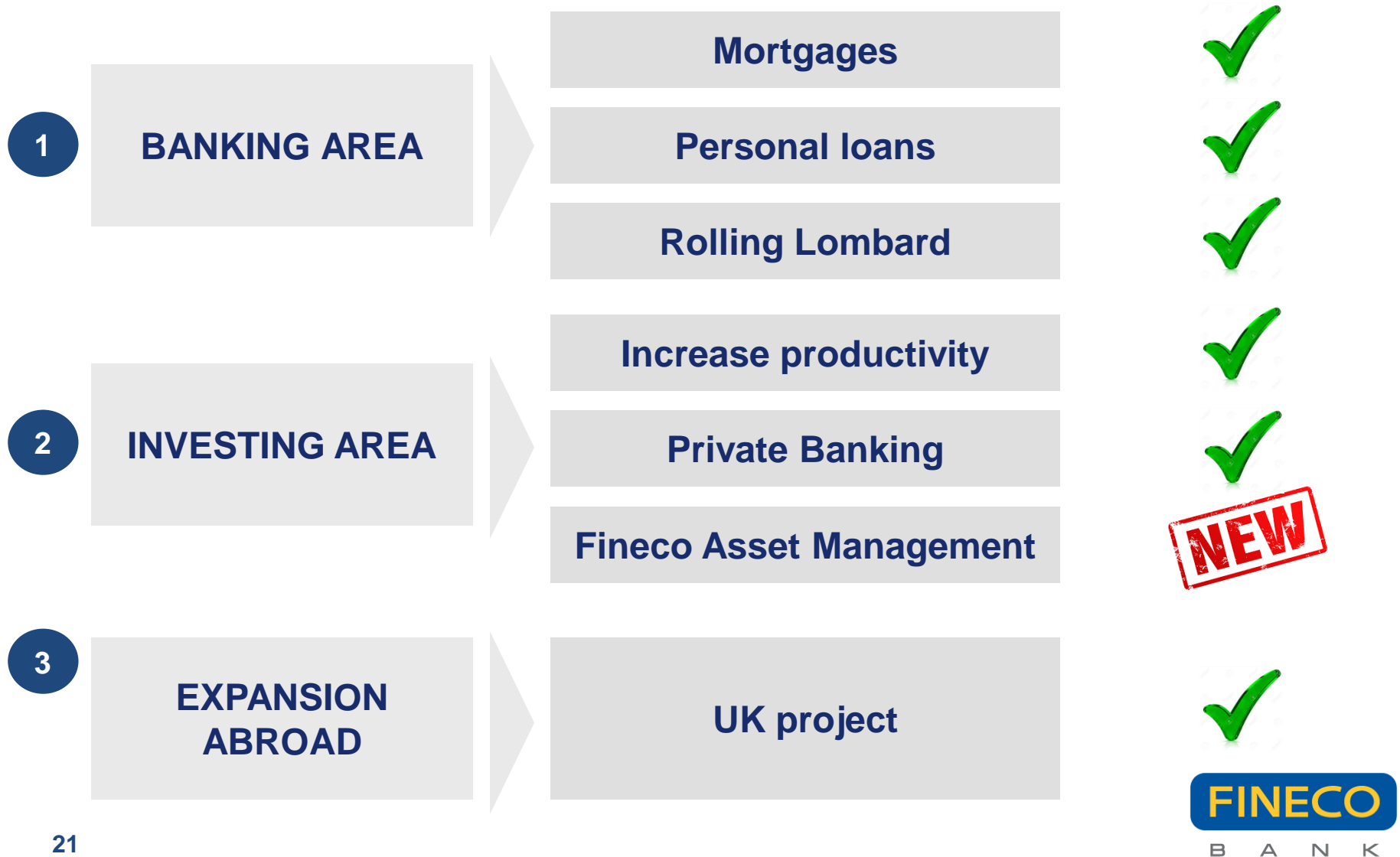


<sup>(1)</sup> Net Profit adjusted net of Deposit Guarantee Scheme (2015 DGS: -3.1mln net, 2016 DGS : -7.1mln net)

# Initiatives monitoring

Strong commitment in preparing the Bank for a big step forward in our sustainable process of growth

## Implementation

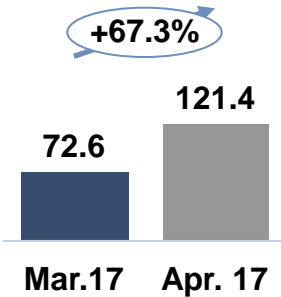


# Banking Area

## Revamp lending offer

### Mortgages

Eop, mln

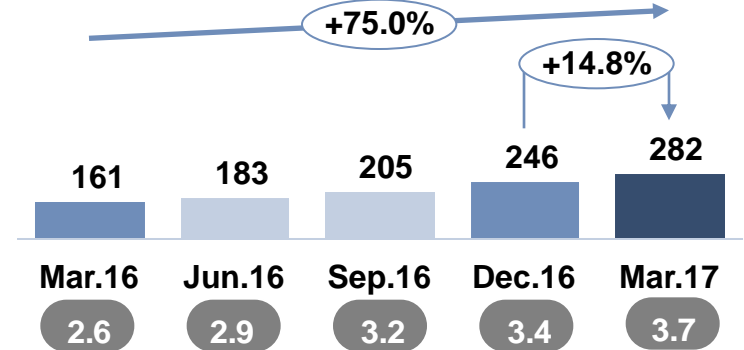


- Start date: end of Nov 2016
- Very much appreciated by clients, strong demand for mortgages raises guidance on yearly new production: ~700mln
- Enlargement of the offer: new Home Equity Loan (“mutuo liquidità”), putting a lien on existing house to get liquidity

### Personal loans

Eop, mln

● Interest income (mln)



### Rolling Lombard

- Start date: beginning of May 2017
- **New credit lombard which allows to change pledged assets** without closing and re-opening the credit line
- Several benefits to clients, financial planners and the bank:
  - **flexibility and efficiency:** possibility to rebalance clients' portfolios without closing the credit line
  - new **attractive pricing:** retail clients 125bps and private clients up to 75bps (on Eur3m<sup>(1)</sup>)
  - **differentiated margins** according to the riskiness of the pledged assets
  - **low cost of risk**
- Expected **huge opportunities** in terms of increasing penetration and volumes
- This innovative product with distinctive features aims at **acquiring and retaining private and upper-end clients**

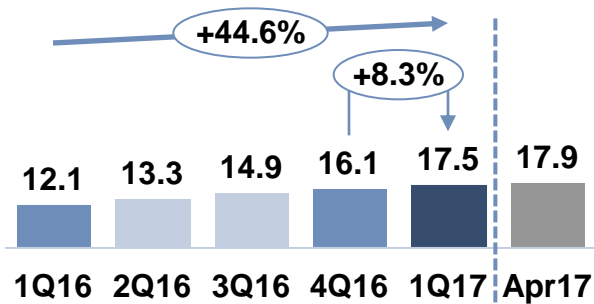
<sup>(1)</sup> with floor at zero

## Investing Area (1/2)

Increase network's productivity and Fineco Asset Management

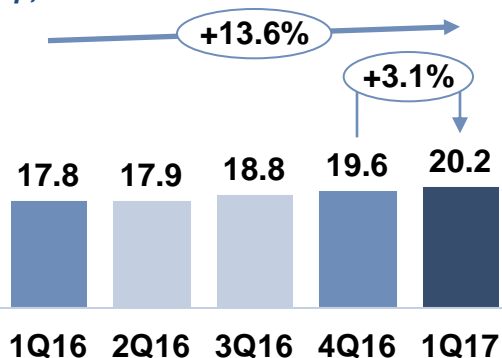
### Guided Products

*Eop, bn*



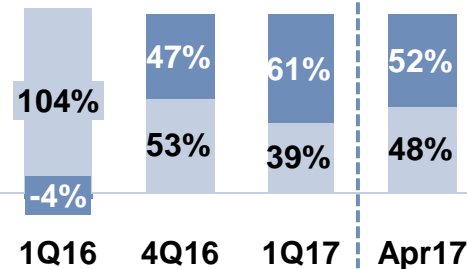
### Average PFAs' portfolio

*Eop, mln*



### Net Sales Mix

■ AUM ■ AuC+ Deposits



## Fineco Asset Management

**NEW**

- Currently the Italian competitive landscape of the **Asset Management industry** is mostly characterized by a **vertically integrated business model**, covering not only distribution of third party funds but also design and management of own funds
- Recently, FinecoBank has been weighing the **opportunity and feasibility to integrate the existing business model with the constitution of a management house** within its own holding perimeter, aiming at the management of its own funds **with significant value creation and consequently profit increasing**
- Along with the creation of new products, **the management house could also handle the existing Core Series products (~ € 7 bn of assets) with tangible effects in the future financial statements**

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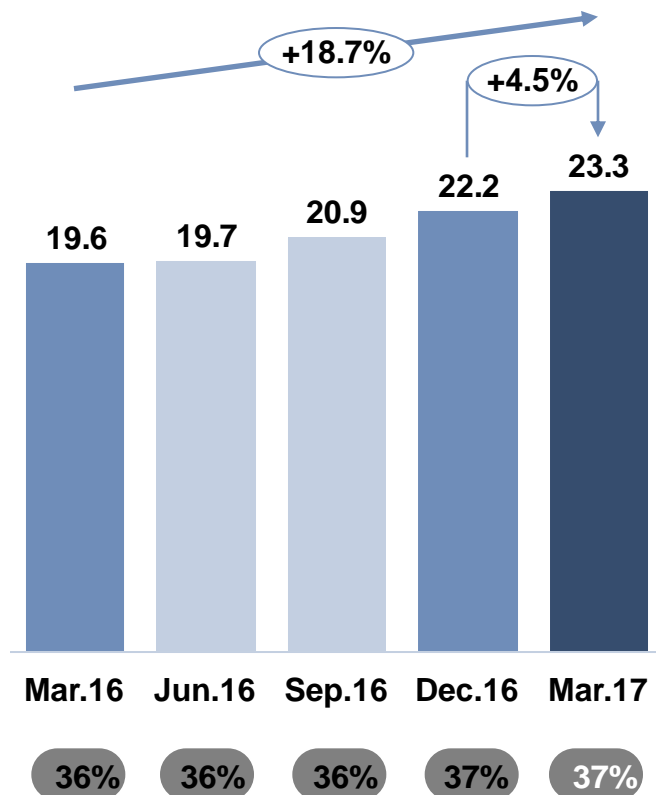
## Investing Area (2/2)

### Private Banking

#### Total Financial Assets

Eop, bn

TFA Private Banking / TFA



- **Private Banking area is experiencing a huge growth** both in terms of assets and clients. Through Private Banking we want to create a **deeper relationship with the client, combining advanced technology with the unique professional skills of our advisors** to achieve client's life goals
- **We recently set up a dedicated segment aiming to strengthen even more our positioning in the Private Banking.** Our private bankers can access to dedicated services and training in order to guarantee maximum service levels
- Our offer comprises **tailor-made solutions, portfolio analysis and monitoring, investment advisory, fund research and selection**



Private banking refers to clients with more than €500k assets



# Expansion abroad

## UK project

- Start date: May 2017
- **Attractive and innovative value proposition** based on one-stop solution approach
- **Light cost approach**, very low Capex leveraging on existing platform
- **post "Brexit"**: Brexit will not affect the current operational framework at least for 2 years (EU pass-porting laws)
- **UK is now a perfect "blueprint"** that allows us to experience new boundaries and to export in a faster and more effective way our platforms abroad, leveraging on our leadership in Brokerage in terms of number of executed orders and customer experience

<https://finecobank.co.uk/uk/joinus/>

## Value proposition

The aim is to  
**SIMPLIFY**  
customers' life  
using...

...competitive  
Pricing and  
absolutely  
fair  
conditions

Customer  
experience,  
innovation and  
solid track record  
of FinecoBank

**FINECO**

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9.95 - 6.95 - 3.95



## Main Selling Points

### One stop shop

Multi-currency account  
(GBP, EUR, USD, CHF)

High quality of services

High quality of customer experience

Brand-new paperless account opening  
process ready to be used in 1 day

### Banking services

Free and unlimited UK domestic  
payments

International Money transfer up to 250  
destinations in 20 different currencies

### Trading platforms

(for each target custody)

Innovative trading application

Comprehensive securities offer

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B A N K



<i>mln</i>	1Q16	2Q16	3Q16	4Q16	FY16	1Q17
Net interest income	62.2	61.2	62.5	63.4	249.4	62.9
Net commissions	58.2	59.7	59.3	65.8	242.9	64.7
Trading profit	19.6	27.3	10.8	11.3	69.1	13.7
Other expenses/income	0.1	0.7	-0.8	-2.2	-2.2	0.5
<b>Total revenues</b>	<b>140.1</b>	<b>148.8</b>	<b>131.8</b>	<b>138.4</b>	<b>559.1</b>	<b>141.8</b>
Staff expenses	-18.7	-19.0	-19.3	-16.6	-73.7	-19.2
Other admin.exp. net of recoveries	-39.3	-36.1	-31.4	-35.9	-142.7	-39.2
D&A	-2.2	-2.4	-2.6	-2.7	-10.0	-2.3
<b>Operating expenses</b>	<b>-60.2</b>	<b>-57.5</b>	<b>-53.4</b>	<b>-55.3</b>	<b>-226.4</b>	<b>-60.7</b>
<b>Gross operating profit</b>	<b>79.9</b>	<b>91.3</b>	<b>78.4</b>	<b>83.1</b>	<b>332.7</b>	<b>81.1</b>
Provisions	-1.4	-1.1	-11.3	3.9	-10.0	-2.4
LLP	-1.4	-1.4	-0.7	-0.7	-4.2	-0.5
Integration costs	0.0	0.0	0.0	-5.5	-5.5	0.0
Profit from investments	0.0	0.0	0.0	-6.7	-6.7	0.0
<b>Profit before taxes</b>	<b>77.1</b>	<b>88.8</b>	<b>66.4</b>	<b>74.1</b>	<b>306.3</b>	<b>78.2</b>
Income taxes	-25.8	-22.3	-21.8	-24.6	-94.5	-26.5
<b>Net profit for the period</b>	<b>51.2</b>	<b>66.6</b>	<b>44.6</b>	<b>49.5</b>	<b>211.8</b>	<b>51.7</b>
<b>Normalised Net Income<sup>(1)</sup></b>	<b>51.2</b>	<b>49.8</b>	<b>44.6</b>	<b>55.1</b>	<b>200.7</b>	<b>51.7</b>

<b>Non recurring items (mln, gross)</b>	1Q16	2Q16	3Q16	4Q16	FY16	1Q17
<i>VISA sale (Trading Profit)</i>		15.3			15.3	
<i>Extraord systemic charges (Provisions)<sup>(2)</sup></i>				3.7	3.7	
<i>Integration costs</i>				-5.5	-5.5	
<i>Cassa di Risparmio di Cesena (Profit from investm)</i>				-6.7	-6.7	
<i>Release of taxes</i>		6.5			6.5	
<b>Total</b>	<b>0.0</b>	<b>21.9</b>	<b>0.0</b>	<b>-8.5</b>	<b>13.3</b>	<b>0.0</b>

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

<sup>(2)</sup> Solidarity fund for retail clients invested in subordinated bonds issued by 4 Italian banks rescued

## Details on Net Interest Income

<i>mln</i>	1Q16	Volumes & Margins	2Q16	Volumes & Margins	3Q16	Volumes & Margins	4Q16	Volumes & Margins	FY16	Volumes & Margins	1Q17	Volumes & Margins
Sight Deposits	55.4	15,328	54.2	16,105	54.6	16,663	55.7	17,193	219.9	16,322	55.4	18,193
<i>Net Margin</i>		1.45%		1.35%		1.30%		1.29%		1.35%		1.24%
Term Deposits	-0.3	628	-0.3	540	-0.2	413	-0.1	284	-0.9	466	-0.1	131
<i>Net Margin</i>		-0.19%		-0.22%		-0.20%		-0.16%		-0.20%		-0.18%
Security Lending	1.0	1,094	1.0	1,217	0.8	1,037	0.7	995	3.6	1,086	0.7	938
<i>Net Margin</i>		0.37%		0.33%		0.31%		0.30%		0.33%		0.30%
Leverage - Long	1.8	118	1.6	106	1.6	103	1.7	112	6.8	110	1.9	130
<i>Net Margin</i>		6.20%		6.19%		6.11%		6.24%		6.19%		6.18%
Lendings	4.7	511	4.9	555	5.2	674	5.6	723	20.4	616	6.5	794
<i>Net Margin</i>		3.71%		3.58%		3.08%		3.06%		3.32%		3.33%
Other	-0.4		-0.3		0.5		-0.2		-0.4		-1.5	
<b>Total</b>	<b>62.2</b>		<b>61.2</b>		<b>62.5</b>		<b>63.4</b>		<b>249.4</b>		<b>62.9</b>	

### INTEREST RATE INCREASE

**Sensitivity:** +100bps parallel shift equals to almost +87mln Net interest income

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

# UniCredit bonds underwritten

	ISIN	Currency	Amount (€ m)	Maturity	Indexation	Spread
1	IT0004307861 Amortizing	Euro	150.0	2-Oct-17	Euribor 1m	0.51%
	IT0004307861 Amortizing	Euro	150.0	2-Jan-18	Euribor 1m	0.51%
2	IT0005010241	Euro	382.5	28-Apr-17	Euribor 1m	1.87%
3	IT0005010258	Euro	382.5	27-Jul-17	Euribor 1m	1.94%
4	IT0005010738	Euro	382.5	25-Oct-17	Euribor 1m	2.01%
5	IT0005010266	Euro	382.5	24-Jan-18	Euribor 1m	2.08%
6	IT0005010274	Euro	382.5	23-Apr-18	Euribor 1m	2.14%
7	IT0005010290	Euro	382.5	23-Jul-18	Euribor 1m	2.19%
8	IT0005010357	Euro	382.5	19-Oct-18	Euribor 1m	2.24%
9	IT0005010373	Euro	382.5	18-Jan-19	Euribor 1m	2.29%
10	IT0005010613	Euro	382.5	1-Apr-19	Euribor 1m	2.33%
11	IT0005010282	Euro	382.5	15-Jul-19	Euribor 1m	2.37%
12	IT0005010399	Euro	382.5	14-Oct-19	Euribor 1m	2.40%
13	IT0005010324	Euro	382.5	13-Jan-20	Euribor 1m	2.44%
14	IT0005010365	Euro	382.5	10-Apr-20	Euribor 1m	2.47%
15	IT0005010308	Euro	382.5	9-Jul-20	Euribor 1m	2.49%
16	IT0005010381	Euro	382.5	7-Oct-20	Euribor 1m	2.52%
17	IT0005010332	Euro	382.5	6-Jan-21	Euribor 1m	2.54%
18	IT0005010316	Euro	382.5	6-Apr-21	Euribor 1m	2.56%
19	IT0005010340	Euro	382.5	5-Jul-21	Euribor 1m	2.58%
20	IT0005010225	Euro	382.5	18-Oct-21	Euribor 1m	2.60%
21	IT0005009490	USD <sup>1</sup>	46.8	25-Apr-17	USD Libor 1m	2.06%
22	IT0005010142	USD <sup>1</sup>	46.8	19-Apr-18	USD Libor 1m	2.34%
23	IT0005010134	USD <sup>1</sup>	46.8	1-Apr-19	USD Libor 1m	2.53%
24	IT0005010860	USD <sup>1</sup>	46.8	7-Apr-20	USD Libor 1m	2.66%
25	IT0005010217	USD <sup>1</sup>	46.8	1-Apr-21	USD Libor 1m	2.75%
26	IT0005040099	Euro	100.0	24-Jan-22	Euribor 1m	1.46%
27	IT0005057994	Euro	200.0	11-Apr-22	Euribor 1m	1.43%
28	IT0005083743	Euro	300.0	28-Jan-22	Euribor 1m	1.25%
29	IT0005106189	Euro	230.0	20-Apr-20	Euribor 1m	0.90%
30	IT0005114688	Euro	180.0	19-May-22	Euribor 1m	1.19%
31	IT0005120347	Euro	700.0	27-Jun-22	Euribor 1m	1.58%
32	IT0005144065	Euro	450.0	14-Nov-22	Euribor 3m <sup>2</sup>	1.40%
33	IT0005144073	Euro	350.0	15-Nov-21	Euribor 3m <sup>2</sup>	1.29%
34	IT0005158412	Euro	250.0	23-Dec-22	Euribor 3m <sup>2</sup>	1.47%
35	IT0005163180	Euro	600.0	11-Feb-23	Euribor 3m <sup>2</sup>	1.97%
36	IT0005175135	Euro	100.0	24-Mar-23	Euribor 3m <sup>2</sup>	1.58%
37	IT0005217606	Euro	350.0	11-Oct-23	Euribor 3m <sup>2</sup>	1.65%
38	IT0005241317	Euro	622.5	2-Feb-24	Euribor 3m <sup>2</sup>	1.52%
39	IT0005158503	USD <sup>1</sup>	46.8	23-Dec-22	USD Libor 1m	1.93%
<b>Total</b>		<b>Euro</b>	<b>12,000.0</b>		<b>Euribor 1m</b>	<b>1.998%</b>
		<b>USD <sup>1</sup></b>	<b>280.6</b>		<b>USD Libor 1m</b>	<b>2.378%</b>

1Q17

(1) Amounts expressed at EUR/USD 1.0691 exchange rate (as of Mar31<sup>st</sup>)

(2) In order to calculate an average spread on Eur1m, a basis swap of 0.12% is considered

## Details on Net Commissions

<i>mIn</i>	1Q16	2Q16	3Q16	4Q16	FY16	1Q17
<b>Brokerage</b>	<b>20.3</b>	<b>18.5</b>	<b>16.6</b>	<b>19.5</b>	<b>74.9</b>	<b>20.3</b>
o/w						
Equity	16.5	15.2	12.9	16.0	60.6	16.7
Bond	1.1	1.1	0.9	1.2	4.4	1.0
Derivatives	3.2	2.6	2.4	2.4	10.6	2.4
Other commissions <sup>(1)</sup>	-0.5	-0.5	0.4	-0.1	-0.7	0.1
<b>Investing</b>	<b>37.5</b>	<b>40.2</b>	<b>41.0</b>	<b>44.1</b>	<b>162.7</b>	<b>43.7</b>
o/w						
Placement fees	1.8	2.8	2.4	2.9	9.9	3.1
Management fees	40.0	40.5	43.0	44.0	167.4	45.3
to PFA's	-4.3	-3.2	-4.4	-2.7	-14.6	-4.7
<b>Banking</b>	<b>0.3</b>	<b>0.8</b>	<b>1.6</b>	<b>2.0</b>	<b>4.7</b>	<b>0.6</b>
<b>Other</b>	<b>0.1</b>	<b>0.3</b>	<b>0.1</b>	<b>0.1</b>	<b>0.6</b>	<b>0.1</b>
<b>Total</b>	<b>58.2</b>	<b>59.7</b>	<b>59.3</b>	<b>65.8</b>	<b>242.9</b>	<b>64.7</b>

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

## Revenue breakdown by Product Area

<i>mln</i>	1Q16	2Q16	3Q16	4Q16	FY16	1Q17
Net interest income	59.7	58.9	59.9	61.3	239.8	61.9
Net commissions	0.3	0.8	1.6	2.0	4.7	0.6
Trading profit	0.9	1.1	0.9	1.5	4.4	1.3
Other	0.0	0.1	0.1	0.1	0.2	0.1
<b>Total Banking</b>	<b>61.0</b>	<b>60.8</b>	<b>62.5</b>	<b>64.9</b>	<b>249.1</b>	<b>64.0</b>
Net interest income	0.0	0.0	0.0	0.0	0.0	0.0
Net commissions	37.5	40.2	41.0	44.1	162.7	43.7
Trading profit	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
<b>Total Investing</b>	<b>37.5</b>	<b>40.2</b>	<b>41.0</b>	<b>44.1</b>	<b>162.7</b>	<b>43.7</b>
Net interest income	3.0	2.8	2.6	2.8	11.2	2.8
Net commissions	20.3	18.5	16.6	19.5	74.9	20.3
Trading profit	13.3	11.1	9.6	10.2	44.1	11.5
Other	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Brokerage</b>	<b>36.6</b>	<b>32.3</b>	<b>28.7</b>	<b>32.5</b>	<b>130.1</b>	<b>34.6</b>

## Breakdown TFA

<i>mln</i>	March 16	June 16	Sept 16	Dec. 16	March 17
<b>AUM</b>	<b>25,565</b>	<b>25,911</b>	<b>27,522</b>	<b>28,608</b>	<b>29,742</b>
o/w Funds and Sicav	22,332	22,395	23,645	24,258	24,984
o/w Insurance	3,219	3,505	3,865	4,339	4,749
o/w GPM	14	12	12	11	9
<b>AUC</b>	<b>12,889</b>	<b>12,688</b>	<b>13,051</b>	<b>13,078</b>	<b>13,895</b>
o/w Equity	6,718	6,526	6,877	7,135	7,969
o/w Bond	6,086	6,081	6,091	5,859	5,858
o/w Other	85	82	83	84	68
<b>Direct Deposits</b>	<b>16,527</b>	<b>16,965</b>	<b>16,989</b>	<b>18,509</b>	<b>18,566</b>
o/w Sight	15,915	16,491	16,638	18,296	18,504
o/w Term	612	475	351	213	62
<b>Total</b>	<b>54,980</b>	<b>55,564</b>	<b>57,562</b>	<b>60,195</b>	<b>62,202</b>
<i>o/w Guided Products &amp; Services</i>	<b>12,082</b>	<b>13,298</b>	<b>14,949</b>	<b>16,135</b>	<b>17,470</b>



## Balance Sheet

<i>mln</i>	March 16	June 16	Sept 16	Dec. 16	March 17
Due from Banks	15,404	15,299	14,442	15,736	15,462
Customer Loans	827	880	972	1,017	1,166
Financial Assets	2,629	2,933	3,592	3,764	3,912
Tangible and Intangible Assets	111	111	112	112	112
Derivatives	7	9	8	9	12
Other Assets	286	328	327	349	262
<b>Total Assets</b>	<b>19,265</b>	<b>19,561</b>	<b>19,453</b>	<b>20,986</b>	<b>20,927</b>
Customer Deposits	16,693	17,133	17,250	18,801	18,884
Due to Banks	1,504	1,362	1,139	1,111	980
Securities in Issue	0	0	0	0	0
Derivatives	20	18	15	11	17
Funds and other Liabilities	355	446	392	382	314
Equity	692	603	656	681	732
<b>Total Liabilities and Equity</b>	<b>19,265</b>	<b>19,561</b>	<b>19,453</b>	<b>20,986</b>	<b>20,927</b>

## Main Financial Ratios

	March 16	June 16	Sept 16	Dec. 16	March 17
<b>PFA TFA/ PFA (mln) <sup>(1)</sup></b>	<b>17.8</b>	<b>17.9</b>	<b>18.8</b>	<b>19.6</b>	<b>20.2</b>
<b>Guided Products / TFA <sup>(2)</sup></b>	<b>22%</b>	<b>24%</b>	<b>26%</b>	<b>27%</b>	<b>28%</b>
<b>Cost / income Ratio <sup>(3)</sup></b>	<b>43.0%</b>	<b>43.0%</b>	<b>42.2%</b>	<b>41.6%</b>	<b>42.8%</b>
<b>CET 1 Ratio</b>	<b>21.3%</b>	<b>22.7%</b>	<b>23.1%</b>	<b>22.9%</b>	<b>22.2%</b>
<b>Adjusted RoE <sup>(4)</sup></b>	<b>43.4%</b>	<b>42.1%</b>	<b>40.0%</b>	<b>40.8%</b>	<b>39.5%</b>
<b>Leverage Ratio <sup>(5)</sup></b>	<b>10.14%</b>	<b>9.46%</b>	<b>8.23%</b>	<b>8.26%</b>	<b>7.89%</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 27)

<sup>(4)</sup> Adjusted RoE: Net Profit, net of non recurring items (see page 27) divided by the average book shareholders' equity for the period (excluding dividends and donations expected to be distributed and the evaluation 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