



Fineco: 1Q15 Results

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Milan – May 11th 2015



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Executive Summary

- **High-quality results delivered: 1Q15 Net profit at 47.8mIn (+29.4% y/y, +17.6% q/q)**
- **Revenues strongly up (+20.9% y/y, +16.0% q/q)**, well distributed across all the product areas and supported by an increasing acquisition of a loyal clients base. Relentless and sustainable generation of Fees and Commissions (+29.3% y/y, 16.6% q/q) took the lion share of the growth. March new best month of the last 4 years for Brokerage
- **Cost /Income down to 44%**. Costs include seasonality related to PFAs social security contribution in comparison with the 4Q14 and a discontinuity related to the stock granting plans, not in place in the 1Q14: **comparable costs grew 4.3mIn vs 1Q14 (+8.3%) and 2.6mIn vs 4Q14 (+5.0%)**
- Sound capital position: **CET1 ratio transitional at 19.38%**
- **Commercial performance confirmed at record level:**
 - ✓ 1Q15 net sales at all time high for a total amount of 1.6bn (+53.1% y/y, +31.0% q/q). April at 494mIn (up 42% compared to the same month in 2014)
 - ✓ TFA at 53.7bn as of March 2015 (+8.9% versus December 2014, +17.8% versus March 2014)
 - ✓ Over 994k customers as of April 2015: more than 40k new customers acquired in four months (+9%)
 - ✓ Organic growth confirmed as a key pillar of our wealthy and sustainable expansion through a network of 2,571 Personal Financial Advisors

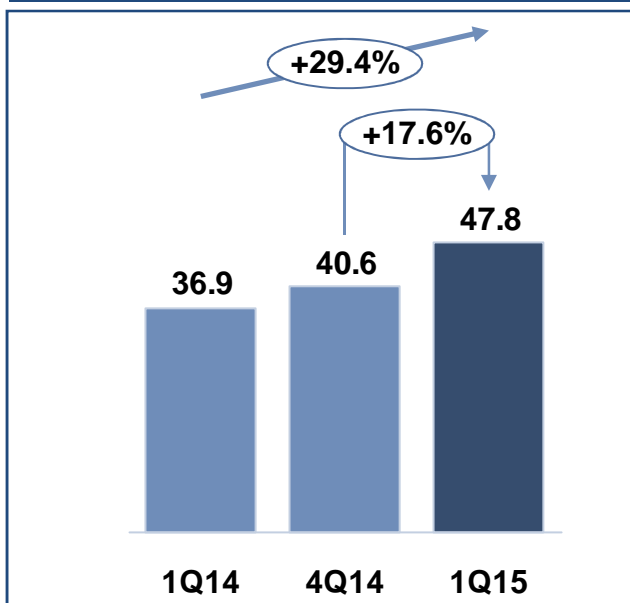
- **Fineco Results**

- Focus on products

Results

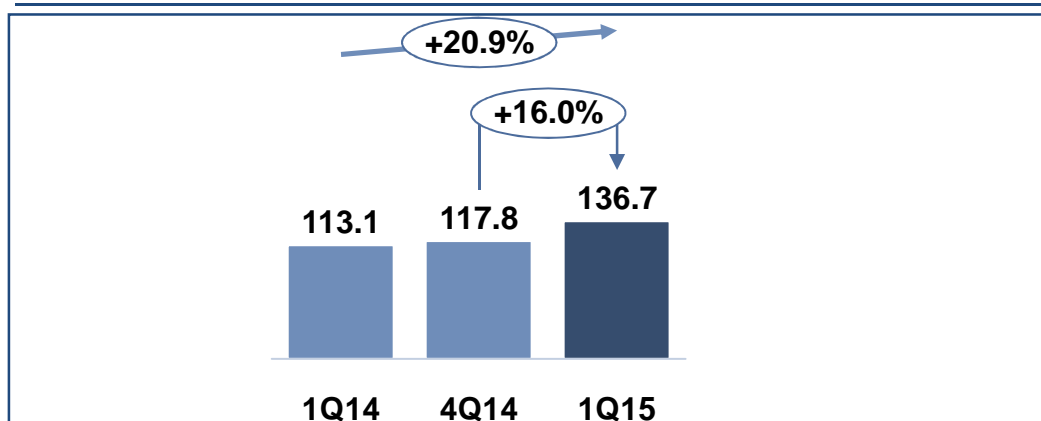
Accelerating commercial performance boosted 1Q15 sustainable results with a double digit growth both y/y and q/q

Net Profit, mln

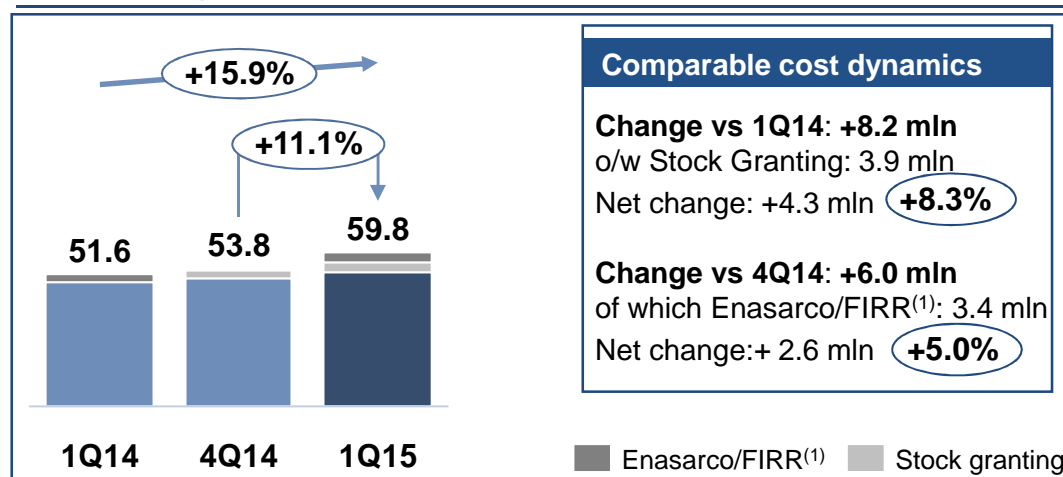


RoE	37%	38%	44%
Cost/Income	46%	46%	44%
Tax Rate	36%	33%	34%

Revenues, mln



Operating Costs, mln



Comparable cost dynamics

Change vs 1Q14: +8.2 mln
o/w Stock Granting: 3.9 mln
Net change: +4.3 mln **+8.3%**

Change vs 4Q14: +6.0 mln
of which Enasarco/FIRR⁽¹⁾: 3.4 mln
Net change: +2.6 mln **+5.0%**

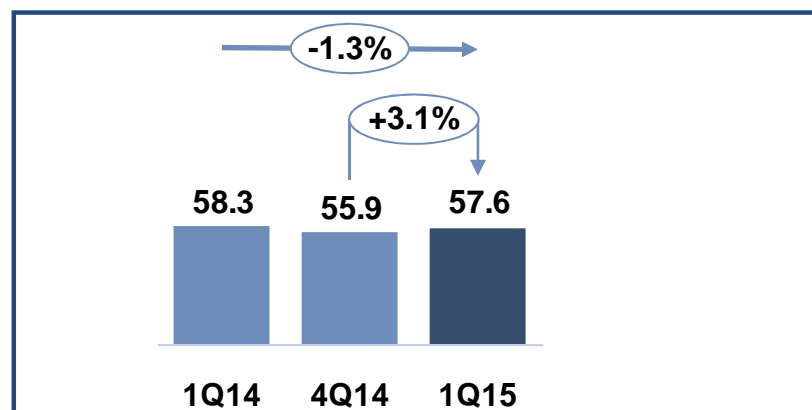
■ Enasarco/FIRR⁽¹⁾ ■ Stock granting

⁽¹⁾ PFAs social security contribution: Enasarco association and FIRR termination compensation fund. These charges affected the first months of each year for the most, as the payments are subject to an yearly cap

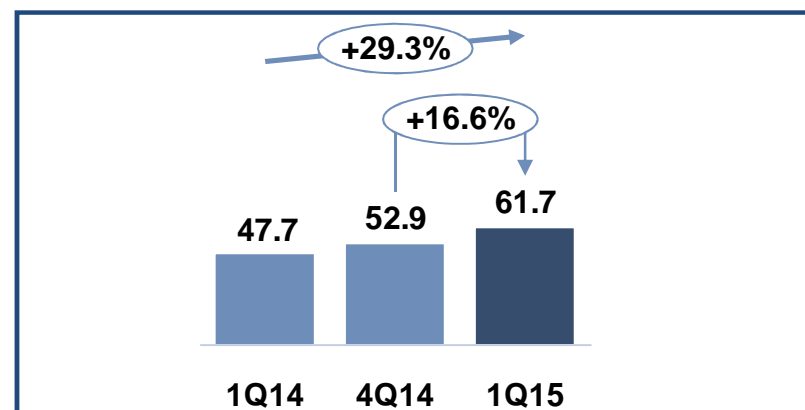
Revenues by P&L Items

Robust revenues sustained by favorable trading environment and relentless growth in management fees

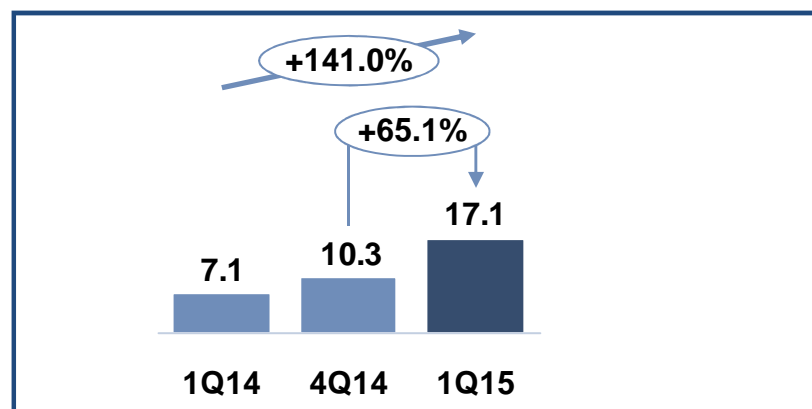
Net interest, mln



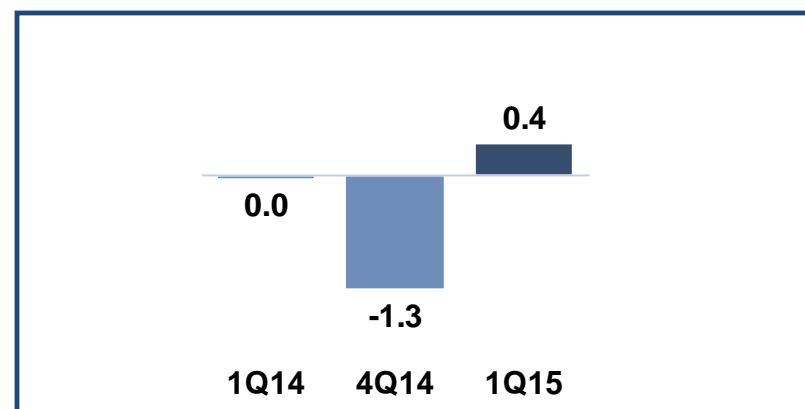
Fees and Commissions, mln



Trading income, mln



Other Revenues⁽¹⁾, mln

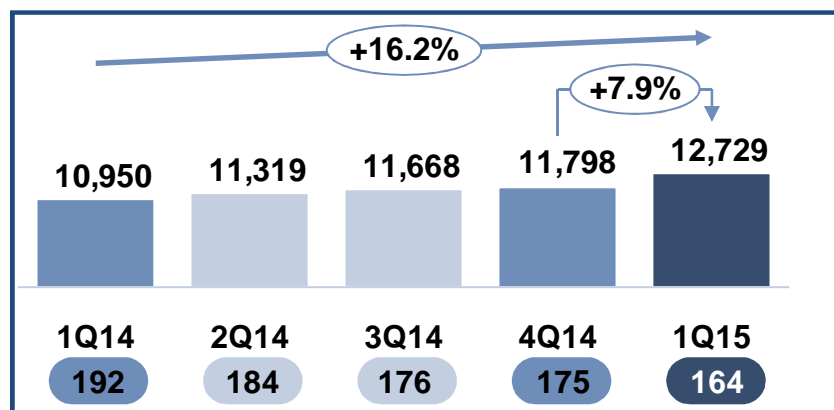


⁽¹⁾ 4Q14 mainly unfavorable rulings closed in the current year (partially matched with releases on Provision for risk and charges); 1Q15 mainly insurance reimbursement

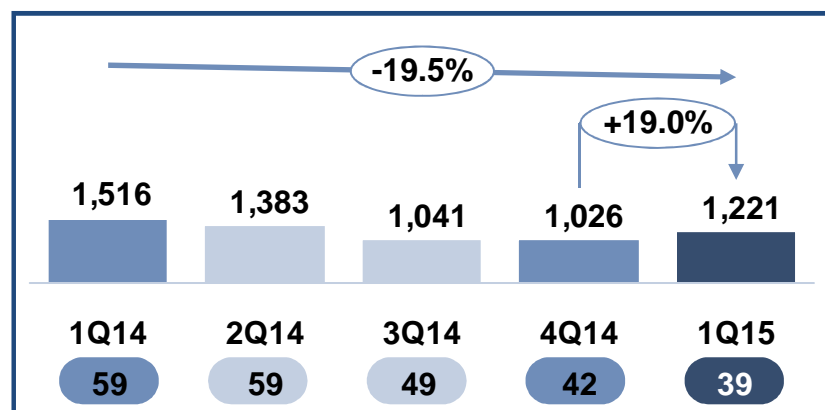
Net interest

Volumes growth together with a constant reduction in cost of deposits more than offset the lower margins in the current macro environment

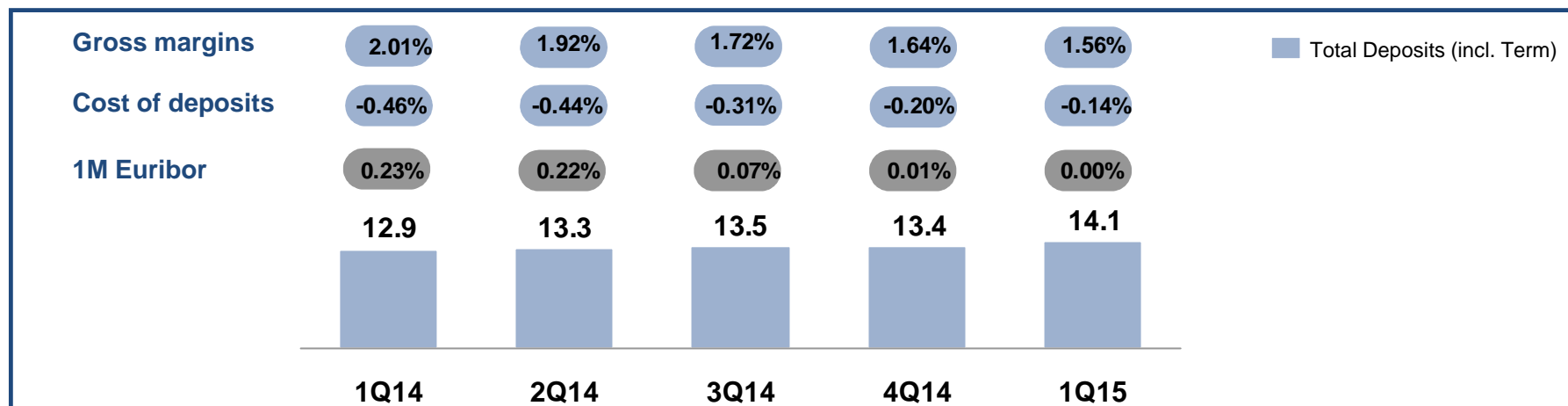
Sight Deposits (mln) and net margins (bps)



Securities lending (mln) and net margins (bps)



Investment policy⁽¹⁾



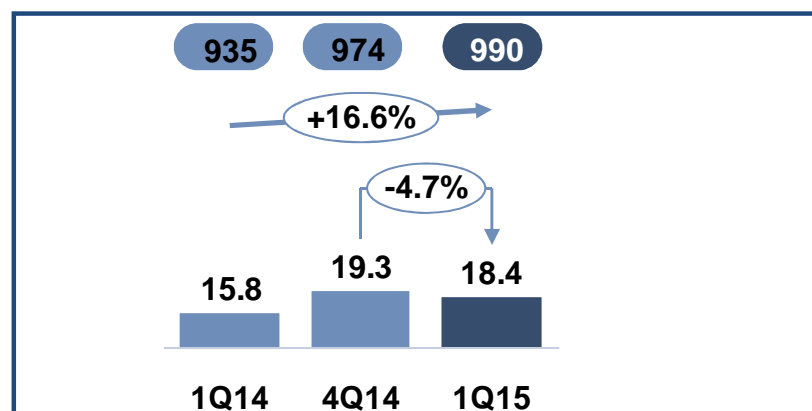
⁽¹⁾ Since Apr14 core liquidity invested in UC bonds / non core mainly in Italian Government Bonds
Volumes, margins and 1M Euribor: average of the period

Costs

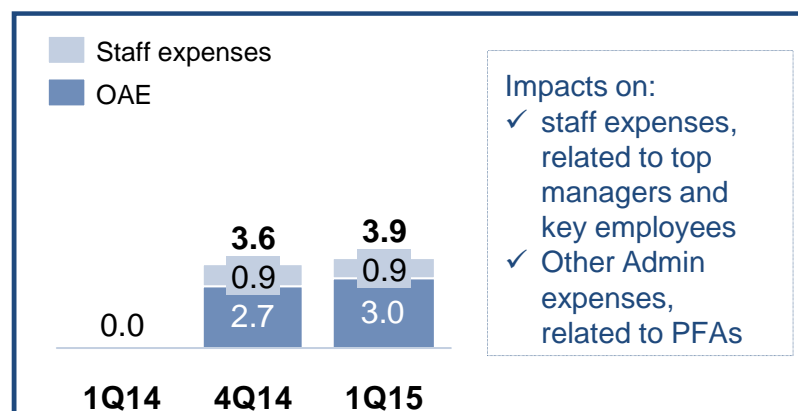
Development costs up to sustain the business growth.

Running costs set to a physiological level

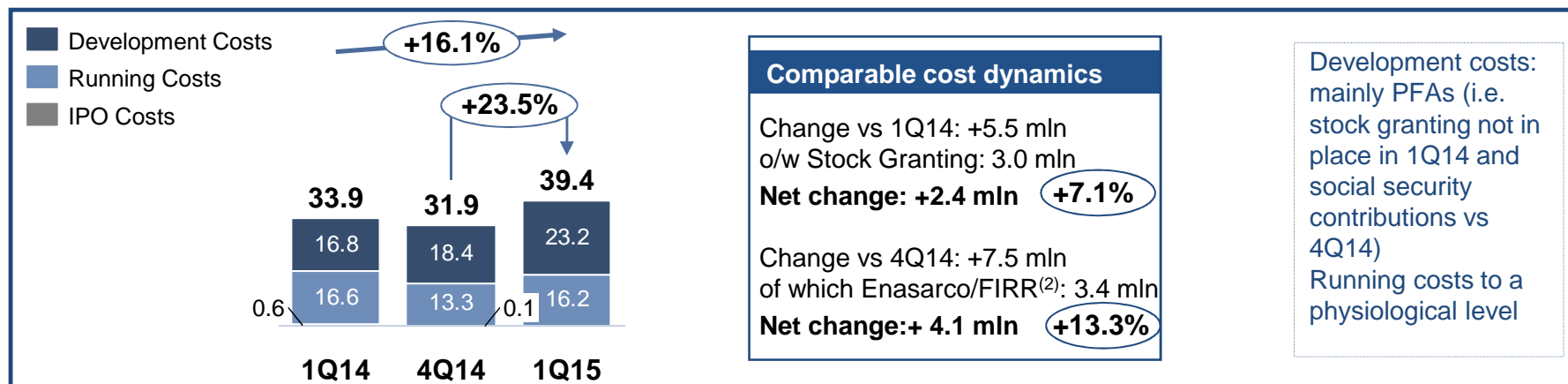
Staff Expenses, mln and FTE,



Stock granting post IPO



Other Administrative Expenses⁽¹⁾, mln



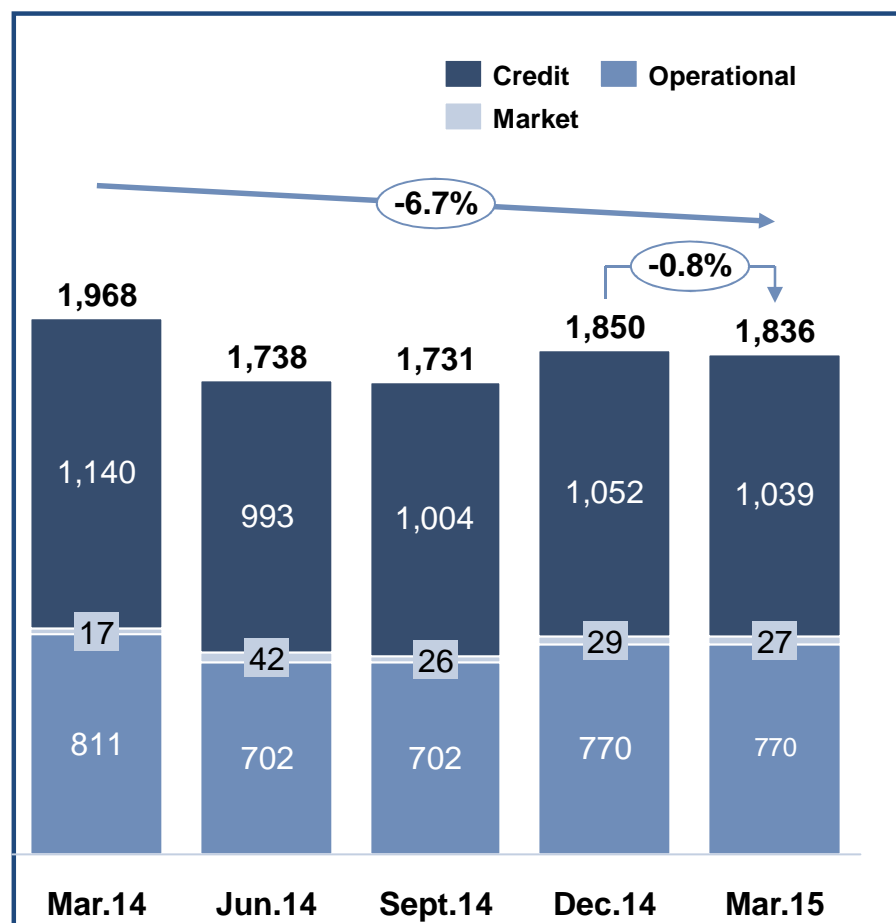
⁽¹⁾ Breakdown between development and running costs: managerial data

⁽²⁾ PFAs social security contribution: Enasarco association and FIRR termination compensation fund. These charges affected the first months of each year for the most, as the payments are subject to an yearly cap

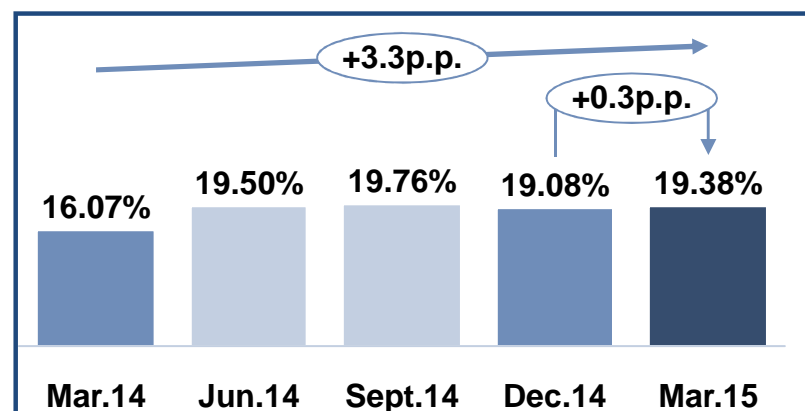
Capital Ratios

Sound capital base coupled with a low risk balance sheet

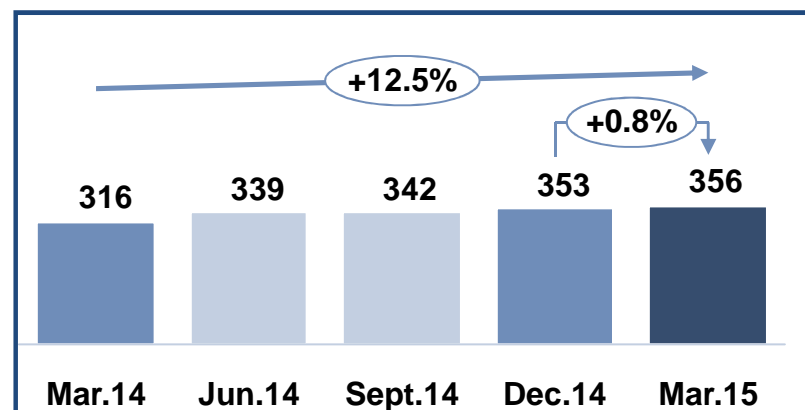
RWA, mln



CET1 Ratio transitional, %



CET1 Capital, mln



TFA

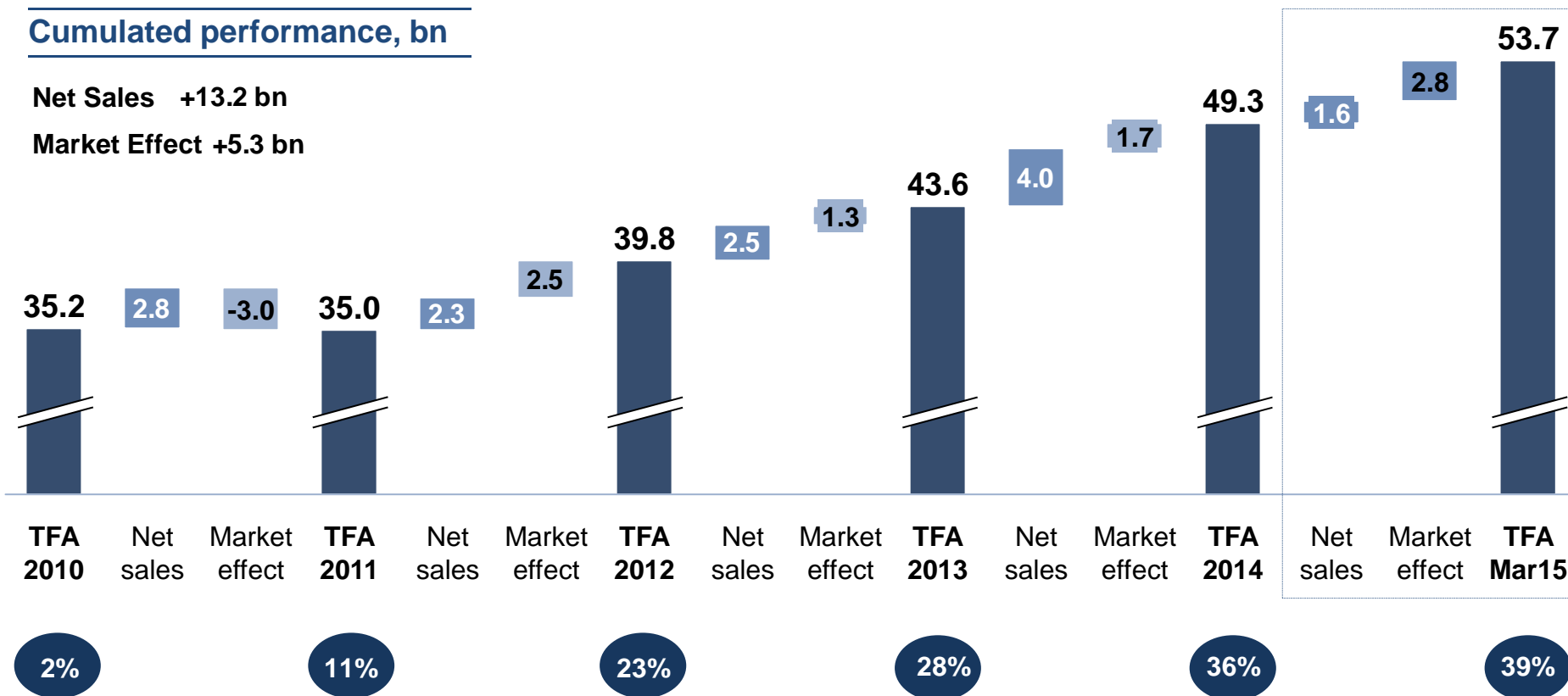
TFA at all time high sustained by accelerating and healthy net sales

TFA evolution (Dec.10-Mar.15), bn

Cumulated performance, bn

Net Sales +13.2 bn

Market Effect +5.3 bn



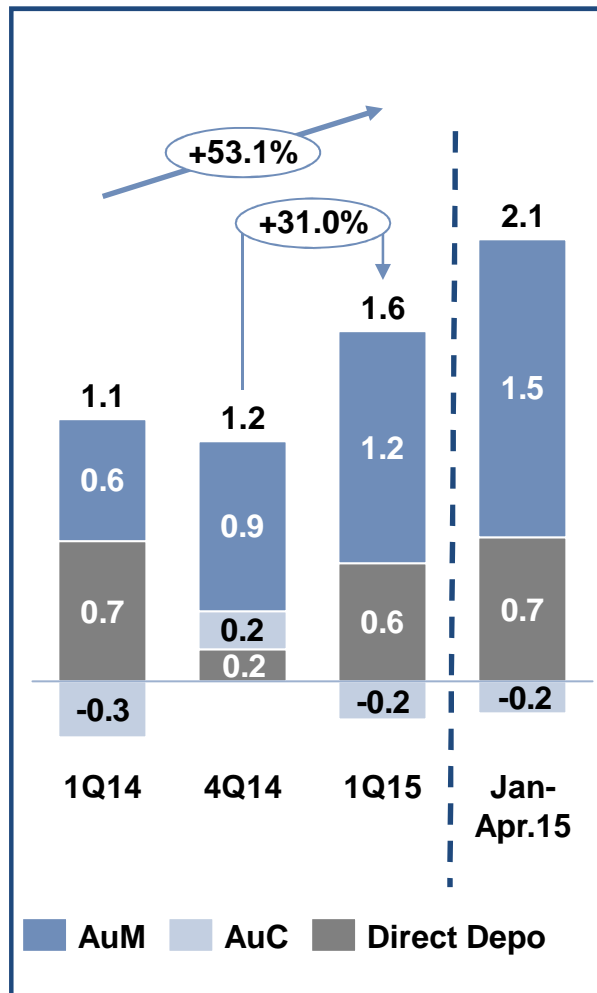
Guided products as % of total AuM

TFA and Net sales - breakdown

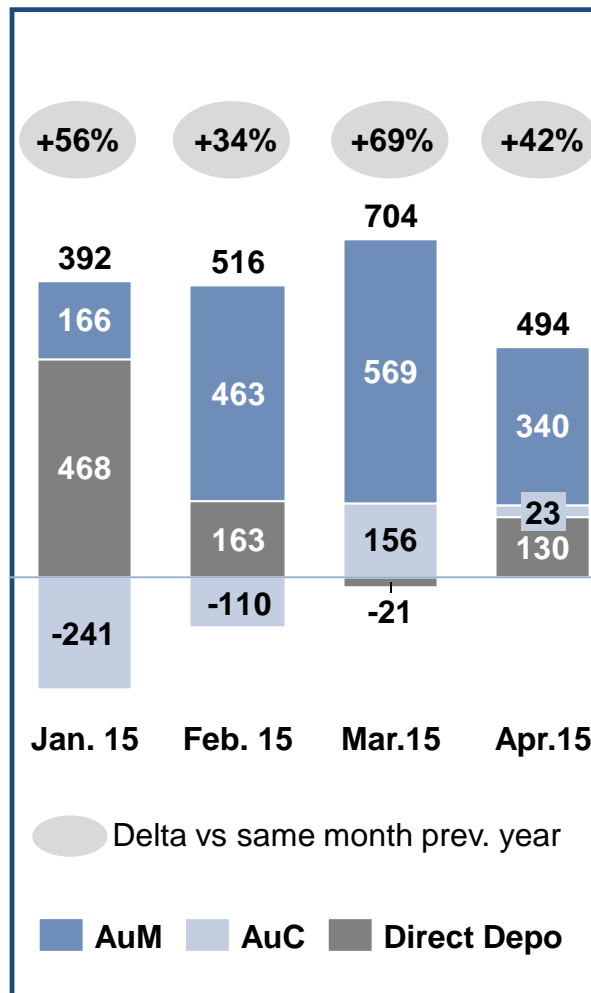
Double digit growth in net sales boosted by strong AuM expansion.

Guided products took the lion share

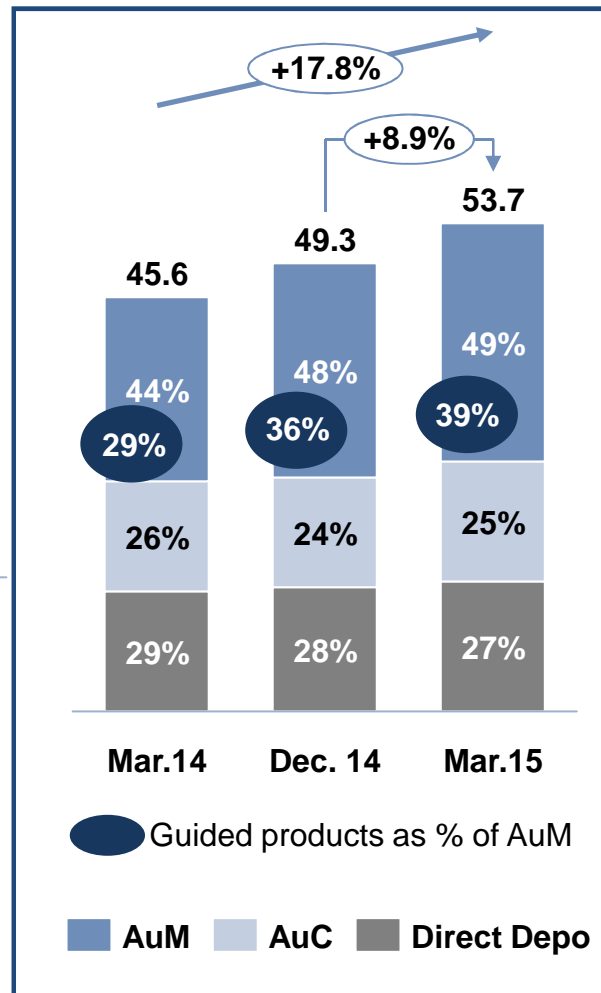
Breakdown of total net sales, bn



Net sales, monthly evolution, mn



Breakdown of total TFA, bn



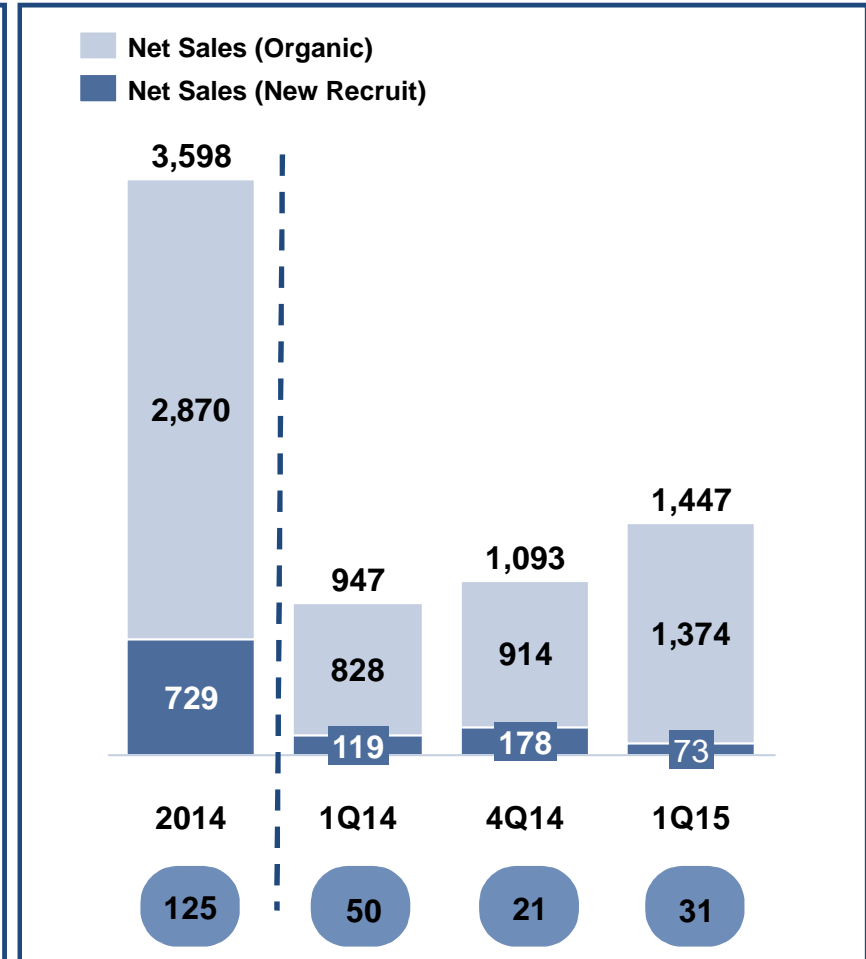
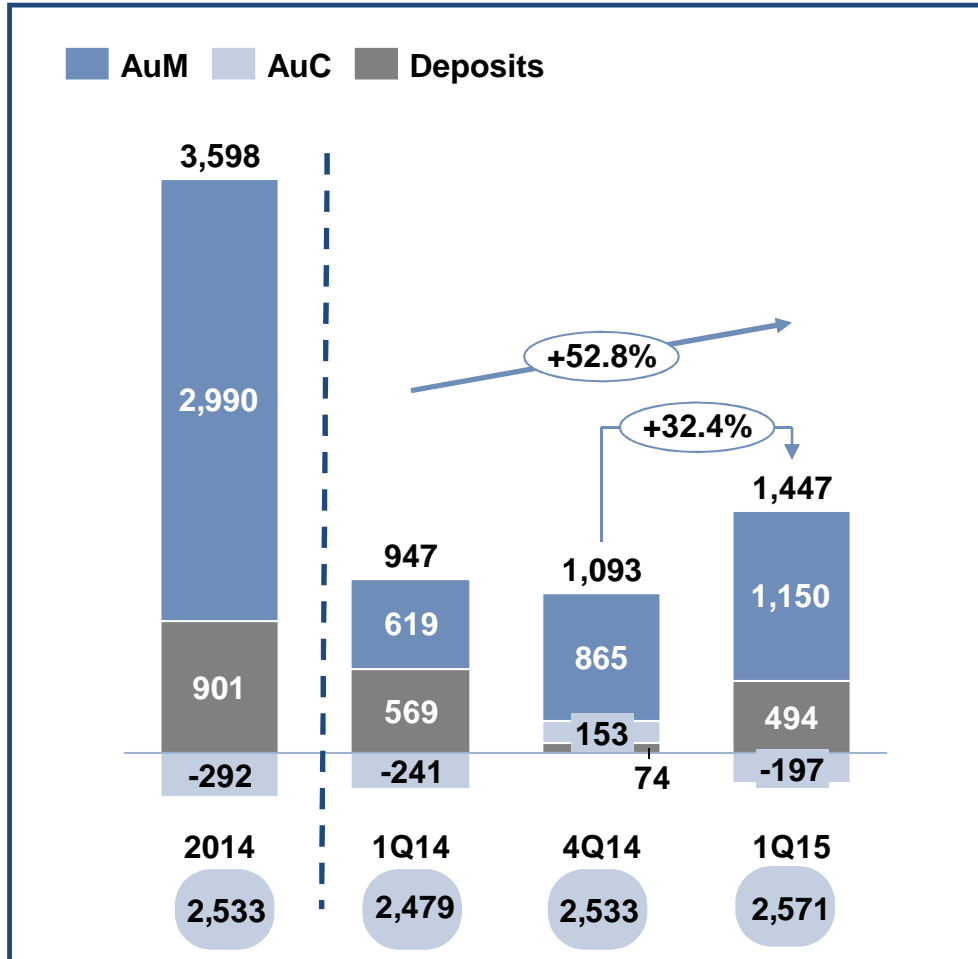
Personal Financial Advisers (PFA) network – Total Net sales

PFAs strongly committed, leveraging on a unique business model.

PFA net sales from organic growth confirming a wealthy and sustainable expansion

PFA Network – total net sales, mln

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



PFA Network - headcount



PFA Network – new recruit of the year

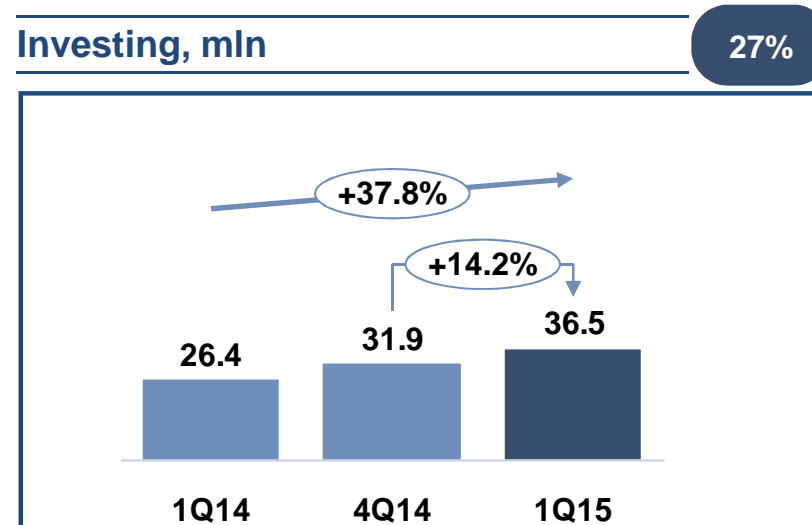
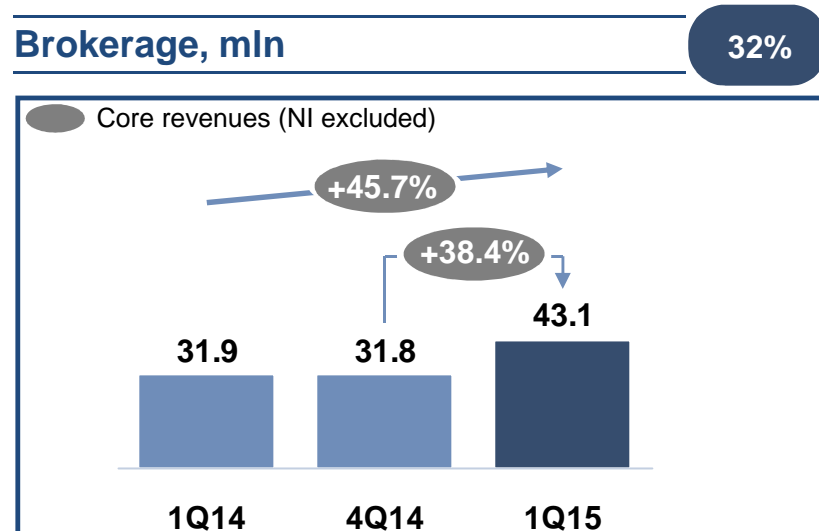
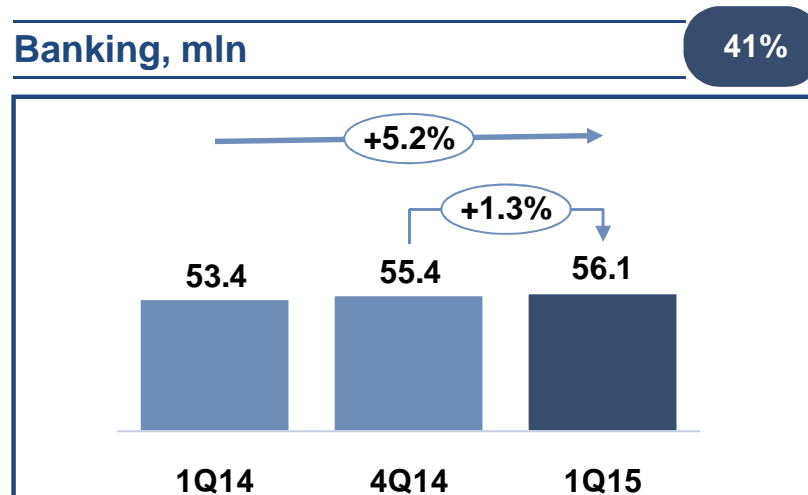
Agenda

■ Fineco Results

■ **Focus on products**

Revenues by Product Area

Revenues generation well distributed across all product areas

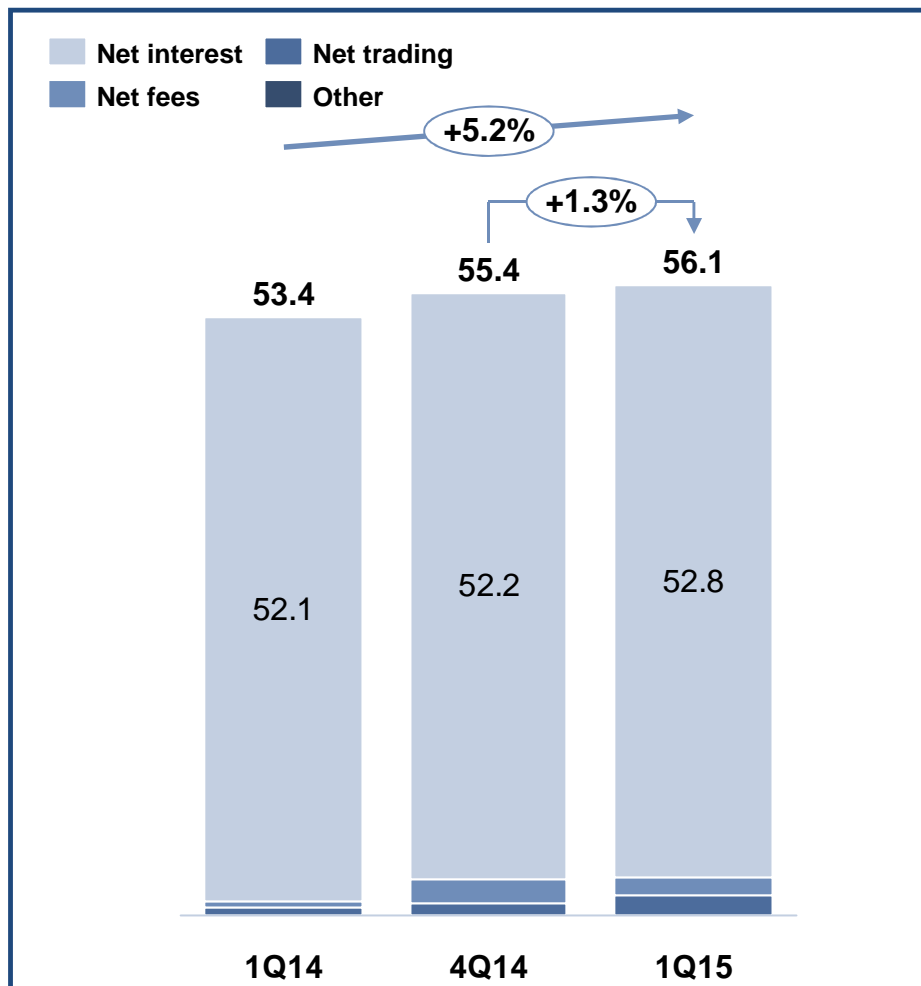


1Q15 weight on total revenues for each product area

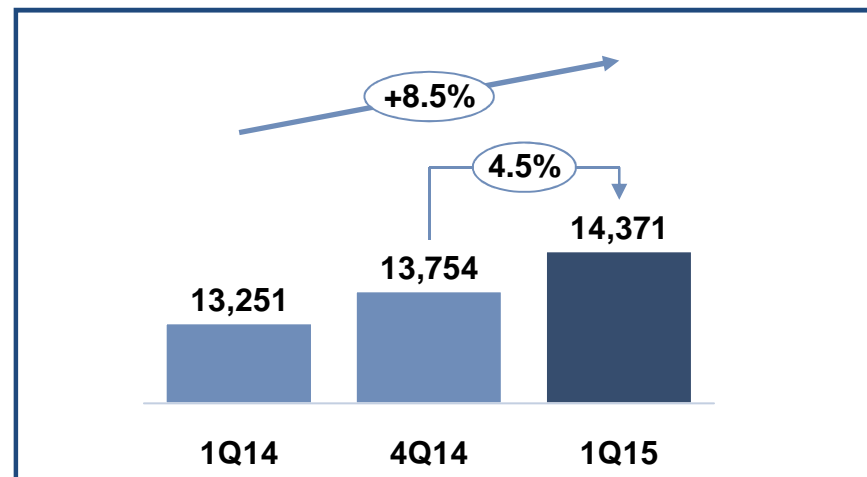
Banking

High quality banking platform continuing to attract very sticky sight deposits

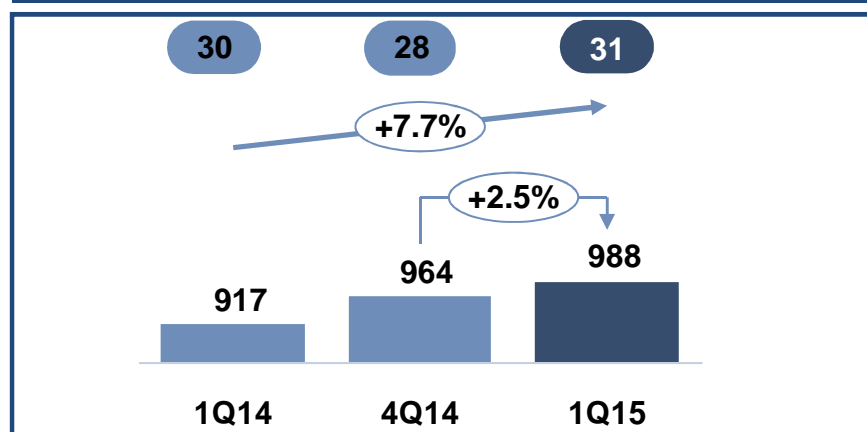
Revenues, mln



Direct deposits eop (mln)



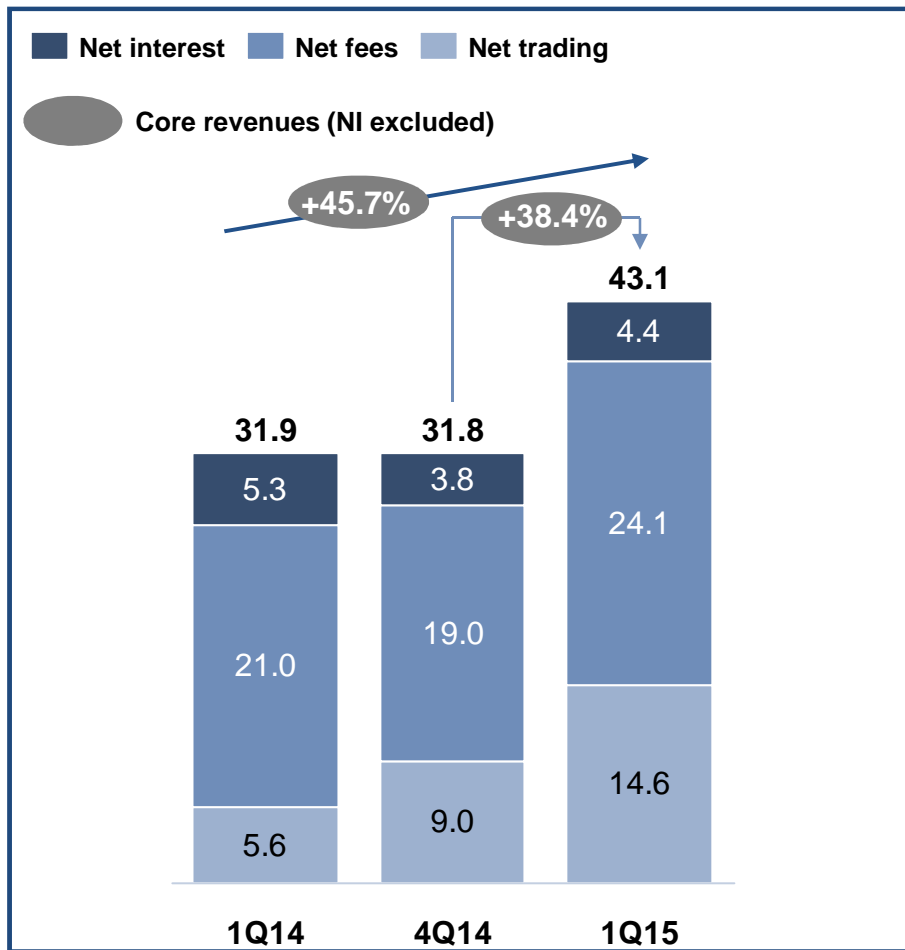
Clients and new clients, thousands #



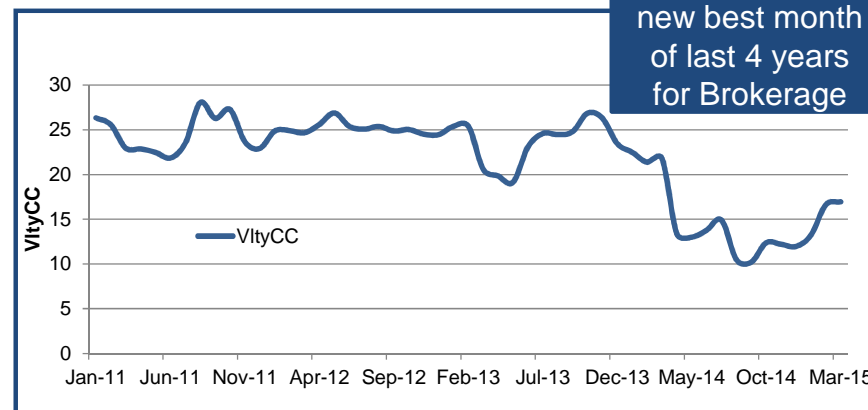
Brokerage

Revenues at a record level sustained by 7.7mln of executed orders

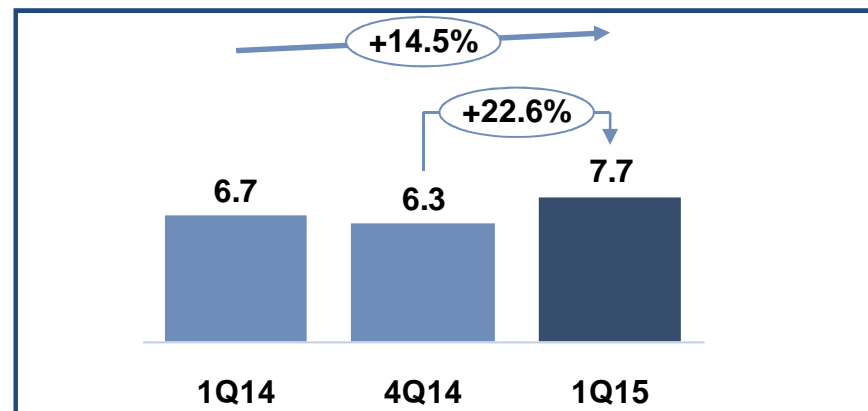
Revenues, mln



Volatility Index - Ftse Mib



Executed orders⁽¹⁾, mln

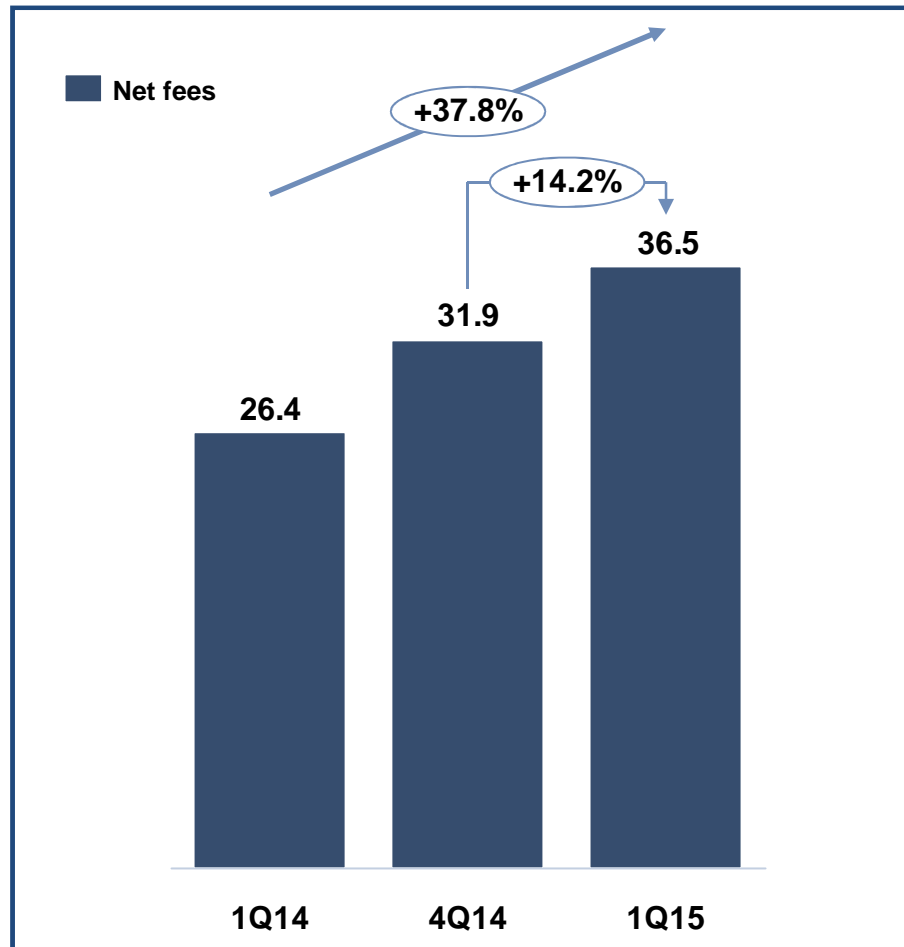


⁽¹⁾ Executed orders includes all products
Managerial Data

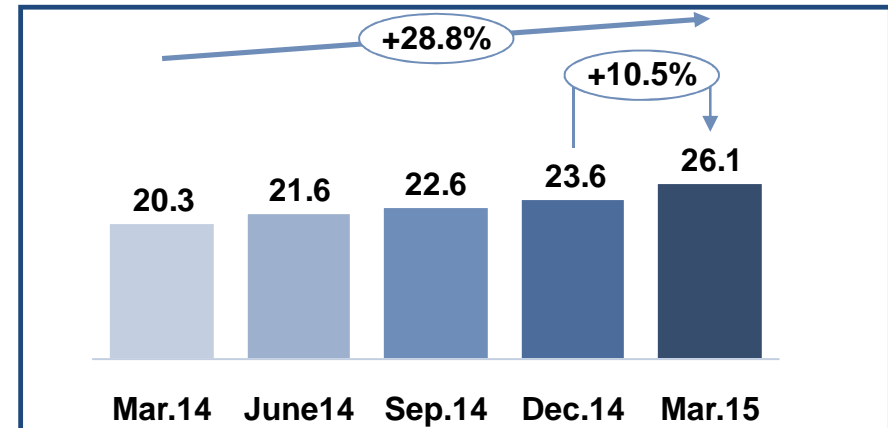
Investing

Strong positioning to catch Italian savers' needs offering high-quality advisory services through a fair and respectful client approach

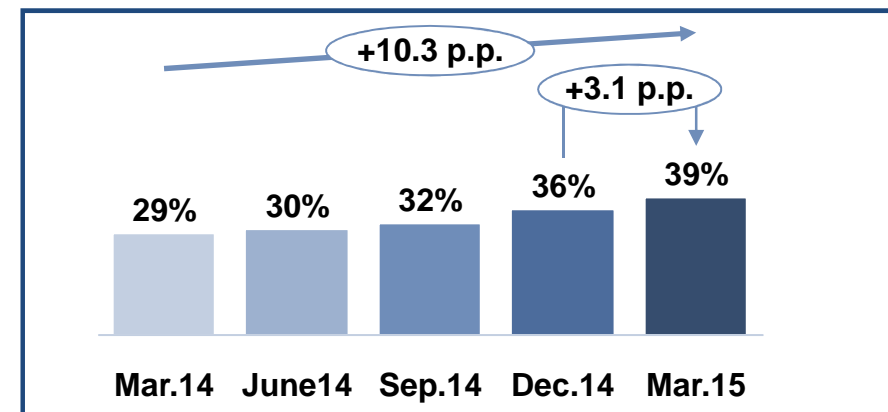
Revenues, mln



AuM eop (bn)



Guided products on total AuM, %



Annex

P&L

<i>mln</i>	1Q14	2Q14	3Q14	4Q14	FY14	1Q15
Net interest income	58.3	57.6	56.4	55.9	228.2	57.6
Net commissions	47.7	49.3	45.8	52.9	195.7	61.7
Trading profit	7.1	5.8	6.5	10.3	29.7	17.1
Other expenses/income	0.0	0.0	-1.3	-1.3	-2.6	0.4
Total revenues	113.1	112.8	107.5	117.8	451.1	136.7
Staff expenses	-15.8	-16.1	-18.0	-19.3	-69.2	-18.4
Other admin.exp. net of recoveries	-33.9	-37.1	-31.2	-31.9	-134.1	-39.4
D&A	-1.9	-2.0	-2.2	-2.6	-8.8	-2.0
Operating expenses	-51.6	-55.2	-51.5	-53.8	-212.1	-59.8
Gross operating profit	61.5	57.6	56.0	64.0	239.0	76.9
Provisions	-3.4	0.4	-0.7	-2.5	-6.1	-3.1
LLP	-0.5	-0.8	-0.7	-1.2	-3.2	-1.6
Profits from investments	0.0	0.0	0.0	0.0	0.0	0.0
Profit before taxes	57.6	57.2	54.6	60.3	229.7	72.2
Income taxes	-20.7	-20.2	-19.2	-19.7	-79.8	-24.4
Net profit for the period	36.9	36.9	35.4	40.6	149.9	47.8
Normalised Net Income⁽¹⁾	37.3	40.1	36.4	40.8	154.6	47.8
Non recurring items (mln, gross)	1Q14	2Q14	3Q14	4Q14	FY14	1Q15
<i>IPO-related costs (Other Adm.Exp)</i>	-0.6	-4.6	-0.1	-0.1	-5.4	
<i>Deposit Guarantee Fund (Provisions)</i>			-1.3	-0.1	-1.4	
Total	-0.6	-4.6	-1.4	-0.2	-6.8	0.0

⁽¹⁾ Net of non recurring items

Starting from 2015 amortizations related to building work on leasehold properties have been moved from 'Other expenses/Income' to 'Other administrative expenses' and the Deposit Guarantee Fund contribution has been moved from LLPs to Provisions for risk and charges.

19 Previous quarters have been restated accordingly



Details on Net Interest Income

<i>mln</i>	1Q14	Volumes & Margins	2Q14	Volumes & Margins	3Q14	Volumes & Margins	4Q14	Volumes & Margins	1Q15	Volumes & Margins
Sight Deposits	51.8	10,950	52.1	11,319	51.7	11,668	52.1	11,798	51.6	12,729
<i>Net Margin</i>		1.92%		1.84%		1.76%		1.75%		1.64%
Term Deposits	-2.8	1,916	-3.2	1,942	-3.6	1,801	-3.3	1,628	-2.3	1,358
<i>Net Margin</i>		-0.59%		-0.67%		-0.80%		-0.80%		-0.69%
Security Lending	2.2	1,516	2.1	1,383	1.3	1,041	1.1	1,026	1.2	1,221
<i>Net Margin</i>		0.59%		0.59%		0.49%		0.42%		0.39%
Leverage - Long	1.8	122	2.2	151	2.3	152	2.0	134	2.0	137
<i>Net Margin</i>		5.99%		5.95%		6.07%		6.02%		5.98%
Leverage - Short	0.8	90	0.7	78	0.5	55	0.5	49	0.8	83
<i>Net Margin</i>		3.55%		3.57%		3.80%		3.81%		3.80%
Lendings	3.6	322	3.7	332	3.7	342	3.8	359	3.9	380
<i>Net Margin</i>		4.41%		4.44%		4.31%		4.23%		4.18%
Other	0.9		0.1		0.5		-0.3		0.4	
Total	58.3		57.6		56.4		55.9		57.6	

Volumes and margins: average of the period

UniCredit bonds underwritten

Before 2014						
ISIN	Currency	Amount (€ m)	Maturity	Indexation	Spread	
1 IT0004307861	Euro	600.0	29.12.2017	Euribor 1m	0.51%	
April 2014						
2 IT0005010233	Euro	382.5	30.01.2017	Euribor 1m	1.78%	
3 IT0005010241	Euro	382.5	28.04.2017	Euribor 1m	1.87%	
4 IT0005010258	Euro	382.5	27.07.2017	Euribor 1m	1.94%	
5 IT0005010738	Euro	382.5	25.10.2017	Euribor 1m	2.01%	
6 IT0005010266	Euro	382.5	24.01.2018	Euribor 1m	2.08%	
7 IT0005010274	Euro	382.5	22.04.2018	Euribor 1m	2.14%	
8 IT0005010290	Euro	382.5	21.07.2018	Euribor 1m	2.19%	
9 IT0005010357	Euro	382.5	19.10.2018	Euribor 1m	2.24%	
10 IT0005010373	Euro	382.5	18.01.2019	Euribor 1m	2.29%	
11 IT0005010613	Euro	382.5	01.04.2019	Euribor 1m	2.33%	
12 IT0005010282	Euro	382.5	15.07.2019	Euribor 1m	2.37%	
13 IT0005010399	Euro	382.5	13.10.2019	Euribor 1m	2.40%	
14 IT0005010324	Euro	382.5	12.01.2020	Euribor 1m	2.44%	
15 IT0005010365	Euro	382.5	10.04.2020	Euribor 1m	2.47%	
16 IT0005010308	Euro	382.5	09.07.2020	Euribor 1m	2.49%	
17 IT0005010381	Euro	382.5	07.10.2020	Euribor 1m	2.52%	
18 IT0005010332	Euro	382.5	06.01.2021	Euribor 1m	2.54%	
19 IT0005010316	Euro	382.5	04.04.2021	Euribor 1m	2.56%	
20 IT0005010340	Euro	382.5	03.07.2021	Euribor 1m	2.58%	
21 IT0005010225	Euro	382.5	16.10.2021	Euribor 1m	2.60%	
22 IT0005009490	USD ¹	36.3	25.04.2017	USD Libor 1m	2.06%	
23 IT0005010142	USD ¹	36.3	19.04.2018	USD Libor 1m	2.34%	
24 IT0005010134	USD ¹	36.3	01.04.2019	USD Libor 1m	2.53%	
25 IT0005010860	USD ¹	36.3	07.04.2020	USD Libor 1m	2.66%	
26 IT0005010217	USD ¹	36.3	01.04.2021	USD Libor 1m	2.75%	
Total	Euro	7,650.0		Euribor 1m	2.29%	
	USD⁽¹⁾	181.3		USD Libor 1m	2.47%	
May 2014 - March 2015						
27 IT0005040123	Euro	100.0	22.03.2016	Euribor 1m	0.79%	
28 IT0005040099	Euro	100.0	22.01.2022	Euribor 1m	1.46%	
29 IT0005057986	Euro	200.0	09.10.2016	Euribor 1m	0.55%	
30 IT0005057994	Euro	200.0	09.04.2022	Euribor 1m	1.43%	
31 IT0005083743	Euro	300.0	28.01.2022	Euribor 1m	1.25%	
Total	Euro	900.0		Euribor 1m	1.107%	
Total	Euro	9,150.0		Euribor 1m	2.059%	
	USD⁽¹⁾	181.3		USD Libor 1m	2.468%	

21 ⁽¹⁾ Amounts expressed at EUR/USD 1.0759 exchange rate (as of Mar 31st)



Details on Net Commissions

<i>mln</i>	1Q14	2Q14	3Q14	4Q14	1Q15
Brokerage	21,0	18,7	15,2	19,0	24,1
<i>o/w</i>					
Equity	18,1	15,0	11,8	15,5	19,9
Bond	2,2	2,8	1,6	1,7	2,5
Derivatives	2,3	1,9	2,4	2,7	2,5
Other commissions ⁽¹⁾	-1,7	-1,0	-0,7	-0,9	-0,8
Investing	26,4	29,5	29,7	31,9	36,5
<i>o/w</i>					
Placement fees	2,1	2,2	2,1	2,4	3,0
Management fees	29,0	31,2	33,6	35,1	38,5
to PFA's	-4,6	-3,8	-6,0	-5,5	-5,0
Banking	0,6	1,3	1,1	2,2	1,5
Other	-0,2	-0,2	-0,2	-0,2	-0,3
Total	47,7	49,3	45,8	52,9	61,7

⁽¹⁾ Other commissions include security lending and other PFA commissions related to AuC

Revenue breakdown by Product Area

<i>mln</i>	1Q14	2Q14	3Q14	4Q14	1Q15
Net interest income	52.1	52.1	51.3	52.2	52.8
Net commissions	0.6	1.3	1.1	2.2	1.5
Trading profit	0.8	0.7	0.8	1.1	1.9
Other	-0.1	0.0	-0.1	-0.1	-0.1
Total Banking	53.4	54.1	53.2	55.4	56.1
Net interest income	0.0	0.0	0.0	0.0	0.0
Net commissions	26.4	29.5	29.7	31.9	36.5
Trading profit	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0
Total Investing	26.4	29.5	29.7	31.9	36.5
Net interest income	5.3	5.5	4.4	3.8	4.4
Net commissions	21.0	18.7	15.2	19.0	24.1
Trading profit	5.6	4.3	5.1	9.0	14.6
Other	0.0	0.0	0.0	0.0	0.0
Total Brokerage	31.9	28.5	24.7	31.8	43.1

Breakdown TFA

<i>mln</i>	March 14	June 14	Sept. 14	Dec. 14	March 15
AUM	20,281	21,563	22,563	23,636	26,121
o/w Funds and Sicav	18,413	19,579	20,414	21,177	23,313
o/w Insurance	1,854	1,968	2,134	2,444	2,793
o/w GPM	15	15	15	15	15
AUC	12,074	11,903	12,034	11,952	13,219
o/w Equity	5,442	5,396	5,705	5,745	6,826
o/w Bond	6,558	6,429	6,256	6,124	6,309
o/w Other	75	77	73	83	84
Direct Deposits	13,251	13,731	13,584	13,754	14,371
o/w Sight	11,281	11,835	11,815	12,247	13,195
o/w Term	1,970	1,896	1,769	1,507	1,177
Total	45,607	47,196	48,181	49,341	53,711
<i>o/w Guided Products & Services</i>	5,875	6,534	7,237	8,532	10,250

Balance Sheet

<i>mln</i>	March 14	June 14	Sept. 14	Dec. 14	March 15
Due from Banks	17,085	13,476	13,613	13,892	14,070
Customer Loans	669	696	700	696	797
Financial Assets	102	1,726	1,722	1,699	2,270
Tangible and Intangible Assets	108	109	109	109	109
Derivatives	131	36	23	24	25
Other Assets	197	248	244	345	229
Total Assets	18,292	16,290	16,411	16,765	17,499
Customer Deposits	13,474	13,911	13,741	13,915	14,603
Due to Banks	1,590	1,027	1,282	1,429	1,466
Securities in Issue	2,323	422	424	425	428
Derivatives	130	49	45	46	47
Funds and other Liabilities	320	410	404	398	344
Equity	456	472	514	552	610
Total Liabilities and Equity	18,292	16,290	16,411	16,765	17,499

Main Financial Ratios

	March 14	June 14	Sept. 14	Dec. 14	March 15
PFA TFA/ PFA (mln)	15.3	15.7	16.0	16.4	17.6
AuM / TFA	44%	46%	47%	48%	49%
Revenues per TFA (bps)	101.4	99.5	96.8	97.1	106.1
Adjusted Cost / income Ratio	45.1%	45.0%	45.9%	45.8%	43.8%
CET 1 Ratio	16.1%	19.5%	19.8%	19.1%	19.4%
Adjusted RoE	37.3%	38.3%	36.9%	37.6%	43.9%
Leverage Ratio⁽¹⁾	1.6%	1.98%	1.98%	2.00%	1.93%
Leverage Ratio⁽²⁾				> 6%	> 6%

⁽¹⁾ Leverage Ratio based on CRR n.575/2013 definition

⁽²⁾ Leverage ratio based on CRR definition, according to the new rules set by the EC Delegated Act 2015/62 regarding the exclusion of intra-group exposure. According to EBA proposal, the implementation for the amended Leverage Ratio reporting is not expected before December 2015