Results at June 30th, 2019 approved

- Strong growth in net profit adjusted for non-recurring items[1]: **€137.3 million** (+9.7% y/y), best semester ever
- Operating income adjusted for non-recurring items[1]: **€323.5 million** (+3.8% y/y)
- Cost/income ratio[1] down: **39.4%** (-0.6 p.p. y/y)
- Operating costs adjusted for non-recurrent items[1]: **€196 million** (+4.7% y/y)

FIGURES AT JULY 31st, 2019

Solid net sales. Growing assets and customers

- Net sales since the beginning of year: **€3,754 million**, o/w € **420 million in July**
- July net Sales in Guided Products: **€191 million**
- Guided Products on AuM stock rising to **69%** (+4 p.p. y/y)
- Total financial assets: **€77.6 billion** (+9% y/y)
- **Around 1,326,000** total customers (+6% y/y)

Milan, August 5th, 2019

On August 5th, 2019, the Board of Directors of FinecoBank S.p.A. approved the results as at June 30th, 2019.

[1] Non-recurring items recorded in the first half of 2019: -€4.8 million gross (-€3.2 million net) valuation related to Voluntary Scheme fair value, of which -€0.4 million gross (-€0.3 million net) in the first quarter and -€4.3 million gross (-€2.9 million net) in the second quarter.

Alessandro Foti, CEO and General Manager of FinecoBank, stated:

"We are particularly satisfied about the 2019 first half results, testifying Fineco's ability to record a growth in every market phase. These figures confirm once again the efficiency of a diversified and sustainable business model, and the ability to meet to our customers' financial needs - even the most sophisticated ones - with a constant improvement in the productivity of our network of financial advisors. Since the beginning of the year we've pursued innovation in our products related to all Fineco's areas, from asset management to banking and trading, being strongly rooted to transparency and efficiency which have always characterized Fineco.
July net sales in deposits, excluding temporary effects, are in line with expectations. Figures confirm once again the attractiveness of Fineco's one-stop-solution, with customers who can access to banking, credit, trading and investing services through one single account and best-in-class transactional and advisory platforms."

	FINECOBANK
1H 19 HIGHLIGHTS	▪ **Revenues [1] at €323.5 million,** +3.8% y/y **led by the Investing area (+15.8% y/y)** with management fees rising by 12.2% y/y thanks to Fineco Asset Management's contribution (fully operative since July 2018), the higher impact of Guided Products and Services, and the continued improvement in network productivity. **The Banking area again performed positively (+3.4% y/y)**, supported by an increase in transactional liquidity and the higher impact of lending activity. The Brokerage contribution was down (-15.1% y/y) due to lower market volatility and the new regulations in force. ▪ **Operating costs well under control at €127.5 million, +2.3% y/y. Cost/Income ratio[1] at 39.4%, down by 0.6 percentage points y/y** confirming the Bank's operational efficiency. ▪ **Net profit [1] at €137.3 million**, +9.7% y/y.
UPDATE ON INITIATIVES	▪ **The growth of the lending business continues**, with a continuing focus on credit quality. Lombard loans +35.6% y/y, driven by Credit Lombard, mortgages +35.4% y/y, personal loans +12.0% y/y. ▪ **Continuous improvement in PFAs productivity:** Total Financial Assets per PFA as at June 30th, 2019 were €25.6 million (+11.3% y/y) and Guided Products and Services grew by +16.7% y/y. ▪ **There was steady growth in** Guided Products and Services **compared to total AuM: 69% at June 2019 compared to 64% in June 2018.** ▪ Activities to develop and expand **Fineco's Asset Management** offering continued. After the launch of the ESG multi-thematic fund, subscriptions to FAM Target funds began, enabling customers to gradually invest in the markets. ▪ Fineco is getting ready to launch **new platforms to further consolidate the Bank's productivity**, by combining the cyborg-advisory model with Big Data Analytics.

TOTAL FINANCIAL ASSETS AND NET SALES

Total Financial Assets as at June 30th, 2019 amounted to €75.9 billion, up 8.7% compared to June 2018. Stock of Assets under Management was €36.8 billion, up by 6.7% y/y, assets under custody amounted to €15.2 billion (+6.0% y/y), the balance of direct deposits amounted to €23.8 billion (+13.7% y/y) thanks to the continuous growth in new customers and “transactional” deposits.

In particular, the TFA related to Private Banking customers, i.e. with assets above €500,000, totalled €29.97 billion, up 11.0% y/y.

In the first half of 2019, net sales amounted to €3,334 million (-7% y/y), again proving to be solid, of high quality and gathered without short-term commercial incentives. The asset mix shifted positively towards asset under management, standing at €1,419 million in the period, highlighting a more cautious approach by clients who are favouring more conservative products. Assets under custody came to €140 million, while direct deposits totalled €1,775 million.

Assets in “Guided Products and Services” amounted to €1,602 million, and the inflows to the new advanced advisory services Plus and Core Multi-Line Target amounted to €2,227 million, confirming the favourable reception by clients.
The ratio of Guided Products compared to total AuM rose to 69% compared to 64% in June 2018.

As at June 30th, 2019, the PFA network included 2,566 advisors across the country, with 394 Fineco Centers. Net sales in the first six months of the year through the PFA network were €2,910 million.

As at June 30th, 2019, FAM managed €11.9 billion of assets, of which €6.8 billion were retail class and around €5.1 billion institutional class.

In the first six months of 2019, 59,405 new customers were acquired. The total number of customers as at June 30th, 2019 was approximately 1,318,000, up 6% compared to the same period in the previous year.

FINECO BANK

MAIN INCOME STATEMENT RESULTS AT 30.06.2019

mln	2Q18	1H18	1Q19 Adj. (1)	2Q19 Adj. (2)	1H19 Adj.	*1H19/ 1H18*	*2Q19/ 2Q18*	*2Q19/ 1Q19*
Net interest income	68.7	137.6	70.4	71.4	141.8	*3.0%*	*3.9%*	*1.5%*
Net commissions	74.5	146.0	77.4	81.3	158.6	*8.7%*	*9.1%*	*5.1%*
Trading profit	13.1	27.6	10.2	12.3	22.6	*-18.3%*	*-5.7%*	*20.3%*
Other expenses/income	0.1	0.6	0.2	0.3	0.5	*-7.9%*	*255.7%*	*75.5%*
Total revenues	**156.4**	**311.8**	**158.2**	**165.4**	**323.5**	***3.8%***	***5.7%***	***4.5%***
Staff expenses	-21.0	-41.5	-21.7	-22.4	-44.1	*6.3%*	*7.1%*	*3.7%*
Other admin.expenses	-37.5	-78.3	-38.5	-34.4	-72.9	*-6.9%*	*-8.3%*	*-10.5%*
Impairment/write-backs on intangible and tangible assets	-2.5	-4.8	-5.1	-5.4	-10.5	*117.3%*	*114.9%*	*4.3%*
Operating expenses	***-61.0***	***-124.6***	***-65.3***	***-62.3***	***-127.5***	***2.3%***	***2.0%***	***-4.6%***
Gross operating profit	**95.4**	**187.2**	**92.9**	**103.1**	**196.0**	***4.7%***	***8.0%***	***11.0%***
Other charges and provisions	-1.9	-3.7	-1.0	-2.9	-3.8	*3.7%*	*48.4%*	*191.1%*
LLP	0.2	-1.2	-1.3	1.1	-0.1	*-87.5%*	*627.0%*	*-188.6%*
Profit from investments	5.2	5.2	-0.7	6.5	5.8	*12.5%*	*25.3%*	*n.s.*
Profit before taxes	**98.8**	**187.5**	**90.0**	**107.8**	**197.8**	***5.5%***	***9.1%***	***19.8%***
Income taxes	-32.6	-62.3	-27.4	-33.1	-60.5	*-2.9%*	*1.5%*	*20.8%*
Net profit adjusted [1]	**66.2**	**125.2**	**62.6**	**74.7**	**137.3**	***9.7%***	***12.9%***	***19.4%***

1) Non-recurring items recorded in the first quarter of 2019:
   - Net trading, hedging and fair value income:-€0.4 million gross (-€0.3 million net) valuation related to Voluntary Scheme fair value
2) Non-recurring items recorded in the second quarter of 2019:
   - Net trading, hedging and fair value income:-€4.3 million gross (-€2.9 million net) valuation related to Voluntary Scheme fair value

Revenues in the first half of 2019 amounted to €323.5 million, up by 3.8% compared to €311.8 million in the same period of the previous year, thanks above all to the contribution from the net interest income and net commissions.

Net interest income stood at €141.8 million, recording growth of 3% compared to the €137.6 million as at June 30th, 2018, thanks to the increase in transactional liquidity and higher lending activity. The average gross margin on interest-earning assets amounted to 1.26% in the first half of 2019 compared to 1.32% in the first half of 2018.

Net commission as at June 30th, 2019 amounted to €158.6 million, with an increase of 8.7% compared to €146.0 million as at June 30th, 2018.
This increase is mainly due to the rise in net commission in the Investing area (+15.8% y/y), with management commission rising by 12.2% y/y thanks to the higher impact of Guided Products and Services and the contribution of Fineco Asset Management.

Net trading, hedging and fair value income stood at €22.6 million in the first half of 2019 (-18.3% y/y). Profits from the internalisation of securities, futures, Logos, Daily Options, CFDs and financial instruments used to hedge CFDs, and from exchange differences on foreign currency assets and liabilities, fell by €7.8 million y/y, due to the lower volatility in the markets seen in the first half of 2019, and the regulatory changes introduced in the third quarter of 2018. This result also includes the income components from financial instruments recognised under “Other financial instruments measured at fair value” which include the Visa INC class “C” preferred shares, whose fair-value measurements led to a positive result of €1.9 million in the first half of 2019 (€1.5 million in the first half of 2018). Profit was also generated from the sale of government securities recognised under "Financial assets designated at fair value with an impact on other comprehensive income" for €0.7 million and government securities and UniCredit bonds in dollars recognised under "Financial assets at amortised cost" for €2.1 million.

Operating costs in the first half of 2019 were under control at €127.5 million, up by 2.3% y/y mainly as a result of higher staff expenses. The cost/income ratio net of non-recurring items[2] was equal to 39.4%, down by 0.6 percentage points y/y.

Staff expenses totalled €44.1 million (+6.3% y/y) mainly due to the increase in the number of employees, which rose from 1,136 as at June 30th, 2018 to 1,176 as at June 30, 2019. Staff expenses for the subsidiary Fineco AM, which was not yet fully operational in the first half of 2018, were €2.2 million in the first half of 2019.

Other administration costs, net of **Recovery of expenses**, amounted to €72.9 million (-6.9% y/y). Various factors impacted this item, including the introduction of IFRS 16 and the purchase of the headquarters building in Piazza Durante, Milan, making the figure not entirely comparable with the same period of the previous year[2].

Operating profit came to €196.0 million, up by 4.7% y/y.

Other costs and provisions in the first half of 2019 amounted to €-3.8 million, in line y/y.

Loan loss provisions amounted to €-0.1 million, down compared to €-1.2 million in the first half of 2018. The decrease is due to an improvement in the risk profile of commercial loans (the cost of risk was equal to 14 bps), and to the increase in write-backs due partly to the reduction in exposures with UniCredit and partly to their collateralization as per the Pledge Agreement agreed between FinecoBank and the UniCredit Group, effective from May 10th, 2019 (see "Significant Events in the second quarter of 2019 and subsequent events").

Profit from investments amounted to €5.8 million, increasing by €0.6 million y/y. In particular, the item benefited from a write-back of approximately €6.5 million thanks to the collateralization of the exposure towards the UniCredit bonds due to the Pledge Agreement agreed between FinecoBank and the UniCredit Group (see Significant Events in the second quarter of 2019 and subsequent events).

Profit before taxes amounted to €197.8 million, up by 5.5% compared to €187.5 million in the first half of 2019.

Net profit for the period was equal to €137.3 million, increasing by 9.7% y/y.

MAIN INCOME STATEMENT RESULTS FOR THE SECOND QUARTER 2019

Revenues totalled €165.4 million, up by 4.5% compared to the previous quarter thanks to the positive contribution from all business areas and up by 5.7% compared to the second quarter of 2018.

Net interest income in the second quarter came to €71.4 million, up by 1.5% compared to the previous quarter and by 3.9% compared to the second quarter of 2018, mainly driven by increasing transactional liquidity and higher lending activity.

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[2] Due to IFRS 16 coming into force and being adopted from January 1st, 2019, and the purchase in January of property in Piazza Durante 11, Milan, the items "Other administrative expenses net of recovery of expenses" and "Impairment losses on property, plant and equipment and intangible assets" are not fully comparable with the first half of 2018.In particular, as at June 30th, 2019, premises rentals decreased by €5.8 million, amortisation on rights of use arising from lease agreements amounted to €4.5 million and depreciation on own property amounted to €0.6 million.

The average gross margin on interest-earning assets amounted to 1.25%, down compared to 1.26% in the previous quarter and 1.31% in the second quarter of 2018.

Net commissions amounted to €81.3 million, increasing by 5.1% compared to the previous quarter and by 9.1% compared to the previous year mainly thanks to the contribution from Investing.

Net trading, hedging and fair value income was equal to €12.3 million up by €2.1 million compared to the previous quarter, and down by €0.8 million compared to the second quarter of 2018.

Total **operating costs** in the second quarter of 2019 came to €62.3 million, down by 4.6% compared to the previous quarter, affected by the seasonal nature of this item, mainly due to contributions paid for activities carried out by PFAs (Firr and Enasarco). This figure was up by 2.0% compared to the same quarter of the previous year, mainly due to higher staff expenses. At this regard, the subsidiary Fineco AM was not yet fully operative in the second quarter of 2018.

Operating profit was equal to €103.1 million, up by 11.0% compared to the previous quarter and 8.0% compared to the second quarter of 2018.

Provisions for risks and charges in the second quarter of 2019 amounted to €-2.9 million.

Loan loss provisions amounted to €+1.1 million, compared to €-1.3 million in the first quarter of 2019. The decrease is due to an improvement in the risk profile of commercial loans (the cost of risk was equal to 14 bps), and to the increase in write-backs due partly to the reduction in exposures with UniCredit and partly to their collateralization due to the arrangements agreed between FinecoBank and UniCredit Group.

Profit from investments stood at €6.5 million, increasing by €7.1 million q/q. In particular, the item benefited from a write-back for a value equal to approximately €7.3 million thanks to the collateralization of the exposure towards the bonds issued by UniCredit. The figure increased by €1.3 million compared to the second quarter of 2018, when write-backs for €5.5 million on exposures in bonds issued by UniCredit were registered.

Profit before taxes in the quarter was equal to €107.8 million, up by 19.8% q/q and by 9.1% y/y.

Net profit in the quarter was equal to €74.7 million, up by 19.4% q/q and by 12.9% y/y.

LOANS TO CUSTOMERS

Loans to customers as at June 30th, 2019 totalled €3,409 million, up by 12.5% compared to March 31st, 2019 and by 29.5% compared to June 30th, 2018, thanks to a revamp in lending activities, especially mortgages, personal loans and Lombard loans. The amount of non-performing loans (loans with insolvent borrowers, unlikely to pay and non-performing loans/past due) net of impairment totalled €3.3 million (€2.7 million as at June 30, 2018) with an 85.76% coverage ratio. The ratio between the amount of non-performing loans and total loans to ordinary customers came to 0.11% (0.11% as at December 31st, 2018).

SHAREHOLDERS' EQUITY AND CAPITAL RATIOS

Consolidated shareholders' equity amounted to €928 million, down by €48 million mainly due to the payment of dividends relative to the 2018 full-year results, equal to a total of 184.5 million, offset by profit for the first half of 2019, equal to €134.1 million (non-adjusted figure).

The Bank has confirmed its capital solidity with a CET1 ratio of 17.84% (20.98% as at March 31st, 2019, determined on an individual basis[3]). The Total capital ratio is equal to 24.32% (29.14% as at March 31st, 2019, determined on an individual basis[3]). The decrease in capital ratios is mainly due to the increase in capital requirement related to operational risks as, following the deconsolidation from the UniCredit Group, FinecoBank began a process to request to the Supervisory Authorities the use a less sophisticated method to determine the capital requirement and as at June 30th, 2019, on a prudential basis, the capital requirement was calculated adopting a Margin of Conservatism (MoC).

The consolidated leverage ratio is equal to 2.89% (5.11% as at March 31st, 2019 determined on an individual basis[3]) and was calculated in accordance with Commission Delegated Regulation (EU) 2015/62 of 10 October 2014. Overall exposure as at March 31st, 2019, was calculated excluding exposures to UniCredit Group companies established in Italy, and weighted at 0% pursuant to article 113, paragraph 6 of the CRR, based on FinecoBank belonging to the UniCredit Group at that date.
In this regard, on July 11th, 2019, Fineco issued an Additional Tier 1 ("AT1") for €300 million, with the aim to allow the Bank to be immediately compliant with the requirement that will be mandatory as from June 28th, 2021, with Regulation (EU) 876/2019 ("CRR II") coming into force, and to maintain a buffer in relation to this minimum requirement. The pro-forma leverage ratio as at June 30th, 2019, recalculated considering the above issuance and relative transaction costs, was equal to approximately 4%. The pro-forma Total Capital Ratio as at June 30th, 2019 is equal to 34%.

Please note that the Consolidated First Half Financial Report is currently under review on a limited basis by the Independent Auditors, who have not yet issued their report.

SIGNIFICANT EVENTS IN THE SECOND QUARTER OF 2019 AND SUBSEQUENT EVENTS

On May 10th, 2019, UniCredit SpA completed the sale of approximately 17% of the share capital of FinecoBank, waiving the exercise to administrative rights contemplated in article 2364 of the Italian Civil Code; consequently, FinecoBank and its subsidiary Fineco Asset Management DAC are no longer part of the UniCredit Group since this date.
On July 9th, 2019 Unicredit Spa sold, through an accelerated bookbuilding procedure, the remaining shareholding in FinecoBank equal to approximately 18%.
The complete independence from the UniCredit Group allows the Bank to fully focus on its own strategic development and prospects for autonomous growth. This does not have implications for its own business model or its customers, nor any material impacts on its capital and liquidity strength or on its profitability. With reference to capital profile, please refer to the above.

Moreover, at the same time as the deconsolidation of FinecoBank from the UniCredit Group, FinecoBank and UniCredit S.p.A. signed a Pledge Agreement, in which UniCredit S.p.A. will grant financial guarantees in favour of FinecoBank to collateralize the exposures to credit risk with UniCredit, up to the maturity of UniCredit bonds in 2024. The financial guarantees to neutralise any impact for Fineco in terms of risk-weighted assets and risk concentration limits.

Moreover, UniCredit will continue to provide some services to Fineco for a certain period of time, maintaining the same terms and conditions. In particular, the contract for Fineco customers to access banking services through smart ATMs and branches has been extended for 20 years.

Lastly, UniCredit and Fineco have maintained the licence agreement for the trademark "Fineco" owned by UniCredit. The agreement enables Fineco to continue to use the trademark and includes the option to purchase it in the future at fixed prices over certain exercise periods, up to 2032.

[3] Figures as at March 31st, 2019 were determined on an individual basis, because FinecoBank was not required at this date to prepare reporting on regulatory capital and supervisory coefficients on a consolidated basis, as it belonged to the UniCredit Group.

On July 4th, 2019, S&P Global Ratings gave the Bank a long-term rating of ‘BBB’ and a short-term rating of ‘A-2’, both with a negative outlook. The negative outlook reflects that of the Republic of Italy.
On July 11th, 2019, FinecoBank successfully completed the placement of its first public issuance of Additional Tier 1 instruments targeted at qualified investors, for a total amount of €300 million, with a fixed coupon of 5.875% for the first 5 years compared to initial price guidance of 6.5%. This tightening compared to the initial price guidance is one of the most significant seen for this type of instrument, as a result of an overall demand equal to 9 times the offer. The issuance recorded orders equal to €2.7 billion, confirming FinecoBank's standing in the fixed-income segment.
S&P Global Ratings gave the AT1 instrument a ‘BB-’ rating.

NEW INITIATIVES MONITORING

In the Banking area, the Bank added a lot of fuel to lending, with a strong focus on credit quality. Mortgages totalled €979 million as at June 30th, 2019, +35.4% y/y. Personal loans amounted to €455 million, +12.0% y/y. Lombard loans also increased, with drawn amounts as at June 30th equal to €1,146 million (+35.6% y/y), of which €951 million relating to the Credit Lombard.

The productivity of the network is constantly growing. The average portfolio per financial advisor was €25.6 million, up by 11.3% y/y, of which €9.9 million consisted of Guided Products and Services (+16.7% y/y).

The development of the newly established Irish Asset Management Company continues. The company is continuing to build up funds of funds and expand the offer of single funds, in order to offer more efficient, flexible and guided solutions to match investment objectives and risk/return profiles. After the launch of the ESG multi-theme fund, subscriptions to FAM Target funds began, enabling customers to gradually enter financial markets. As at June 30th, 2019, FAM managed €11.9 billion of assets of which €6.8 billion retail class and around €5.1 billion institutional class.

Fineco is getting ready to launch new platforms to further reinforce the Bank's productivity, by combining the cyborg-advisory model with Big Data Analytics. Via the assisted selling platform, the Bank can bring up customers’ financial requirements on X-Net, the platform used by the PFA’s, and provide the advisers with solutions to meet these requirements. The project will start in the second half of 2019 and the new platform is expected early in 2020. The co-working platform, expected by the end of 2019, will allow for a further increase in productivity, as it enables advisers to share clients with other colleagues, with the result that more customers can be managed more actively.

CONDENSED BALANCE SHEET

ASSETS	DECEMBER 31 2018	JUNE 30 2019	Absolute changes	%	JANUARY 1 2019
Cash and cash balances	6	1,230,599	1,230,593	n.c.	6
Financial assets held for trading	6,876	7,475	599	8.7%	6,876
Loans and receivables with banks	3,058,882	710,347	(2,348,535)	-76.8%	3,058,882
Loans and receivables with customers	2,955,074	3,408,661	453,587	15.3%	2,955,074
Financial investments	18,231,182	19,912,177	1,680,995	9.2%	18,231,182
Hedging instruments	8,187	49,365	41,178	503.0%	8,187
Property, plant and equipment	16,632	143,801	127,169	764.6%	81,208
Goodwill	89,602	89,602	-	-	89,602
Other intangible assets	8,705	8,760	55	0.6%	8,705
Tax assets	6,714	3,498	(3,216)	-47.9%	6,714
Other assets	350,770	270,368	(80,402)	-22.9%	350,346
TOTAL ASSETS	**24,732,630**	**25,834,653**	**1,102,023**	**4.5%**	**24,796,782**

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	DECEMBER 31 2018	JUNE 30 2019	Absolute changes	%	JANUARY 1 2019
Deposits from banks	1,009,774	206,643	(803,131)	-79.5%	1,013,791
Deposits from customers	22,273,188	24,139,699	1,866,511	8.4%	22,333,323
Financial liabilities held for trading	2,221	2,413	192	8.6%	2,221
Hedging instruments	7,941	84,086	76,145	958.9%	7,941
Tax liabilities	12,390	64,779	52,389	422.8%	12,390
Other liabilities	451,435	409,355	(42,080)	-9.3%	451,435
Shareholders' Equity	975,681	927,678	(48,003)	-4.9%	975,681
- capital and reserves	*744,256*	*800,766*	*56,510*	*7.6%*	*744,256*
- revaluation reserves	*(9,794)*	*(7,202)*	*2,592*	*-26.5%*	*(9,794)*
- net profit (loss)	*241,219*	*134,114*	*(107,105)*	*-44.4%*	*241,219*
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**24,732,630**	**25,834,653**	**1,102,023**	**4.5%**	**24,796,782**

(Amounts in € thousand)

The Bank has adopted the provision in C5 b) of IFRS 16 and E1 and E2 of IFRS 1 “First-Time Adoption of International Financial Reporting Standards”, according to which - save for the retrospective adoption of new measurement and representation rules required by the standard - there is no obligation to restate comparative values in the financial statements of first-time adoption of the new standard. No effect was recorded in net equity as at January 1st, 2019. This is because for the purposes of first-time adoption, the financial liabilities for leasing contracts underway at the date were valued and recorded at the current value of the residual future payments on the transition date, discounted using the incremental borrowing rate applicable at the transition date, and the corresponding assets consisting of the right of use were valued at the amount of the financial liability plus the advanced leasing payments relative to the same contracts, recorded in the financial situation immediately prior to the date of initial application (financial statements to December 31st, 2018).

CONDENSED BALANCE SHEET – QUARTERLY FIGURES

ASSETS	JUNE 30 2018	SEPTEMBER 30 2018	DECEMBER 31 2018	JANUARY 1 2019	MARCH 31 2019	JUNE 30 2019
Cash and cash balances	1,733	532	6	6	755	1,230,599
Financial assets held for trading	10,871	12,253	6,876	6,876	9,286	7,475
Loans and receivables with banks	3,224,477	3,397,576	3,058,882	3,058,882	3,807,150	710,347
Loans and receivables with customers	2,632,749	2,735,885	2,955,074	2,955,074	3,029,073	3,408,661
Financial investments	17,188,339	17,665,380	18,231,182	18,231,182	19,003,089	19,912,177
Hedging instruments	2,667	313	8,187	8,187	29,166	49,365
Property, plant and equipment	15,036	14,545	16,632	81,208	144,851	143,801
Goodwill	89,602	89,602	89,602	89,602	89,602	89,602
Other intangible assets	7,827	7,898	8,705	8,705	8,799	8,760
Tax assets	10,914	17,758	6,714	6,714	5,209	3,498
Non-current assets and disposal groups classified as held for sale	91	-	-	-	-	-
Other assets	241,054	240,922	350,770	350,346	253,270	270,368
TOTAL ASSETS	**23,425,360**	**24,182,664**	**24,732,630**	**24,796,782**	**26,380,250**	**25,834,653**

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	JUNE 30 2018	SEPTEMBER 30 2018	DECEMBER 31 2018	JANUARY 1 2019	MARCH 31 2019	JUNE 30 2019
Deposits from banks	907,794	999,543	1,009,774	1,013,791	1,605,018	206,643
Deposits from customers	21,196,653	21,827,286	22,273,188	22,333,323	23,310,871	24,139,699
Financial liabilities held for trading	4,568	5,512	2,221	2,221	2,831	2,413
Hedging instruments	2,374	(285)	7,941	7,941	31,741	84,086
Tax liabilities	22,038	48,674	12,390	12,390	38,308	64,779
Other liabilities	417,933	397,621	451,435	451,435	351,542	409,355
Shareholders' Equity	874,000	904,313	975,681	975,681	1,039,939	927,678
- capital and reserves	*763,818*	*746,340*	*744,256*	*744,256*	*986,928*	*800,766*
- revaluation reserves	*(14,997)*	*(19,760)*	*(9,794)*	*(9,794)*	*(9,261)*	*(7,202)*
- net profit (loss)	*125,179*	*177,733*	*241,219*	*241,219*	*62,272*	*134,114*
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**23,425,360**	**24,182,664**	**24,732,630**	**24,796,782**	**26,380,250**	**25,834,653**

(Amounts in € thousand)

The Bank has adopted the provision in C5 b) of IFRS 16 and E1 and E2 of IFRS 1 “First-Time Adoption of International Financial Reporting Standards”, according to which - save for the retrospective adoption of new measurement and representation rules required by the standard - there is no obligation to restate comparative values in the financial statements of first-time adoption of the new standard. No effect was recorded in net equity as at January 1st, 2019. This is because for the purposes of first-time adoption, the financial liabilities for leasing contracts underway at the date were valued and recorded at the current value of the residual future payments on the transition date, discounted using the incremental borrowing rate applicable at the transition date, and the corresponding assets consisting of the right of use were valued at the amount of the financial liability plus the advanced leasing payments relative to the same contracts, recorded in the financial situation immediately prior to the date of initial application (financial statements to December 31st, 2018).

CONDENSED INCOME STATEMENT

	1 HALF 2018	1 HALF 2019	Absolute changes	%
Net interest	137,646	141,767	4,121	3.0%
Dividends and other income from equity investments	20	25	5	25.0%
Net fee and commission income	145,978	158,643	12,665	8.7%
Net trading, hedging and fair value income	27,618	17,812	(9,806)	-35.5%
Net other expenses/income	583	537	(46)	-7.9%
OPERATING INCOME	**311,845**	**318,784**	**6,939**	**2.2%**
Payroll costs	(41,499)	(44,097)	(2,598)	6.3%
Other administrative expenses	(126,931)	(123,742)	3,189	-2.5%
Recovery of expenses	48,623	50,817	2,194	4.5%
Impairment/write-backs on intangible and tangible assets	(4,836)	(10,510)	(5,674)	117.3%
Operating costs	**(124,643)**	**(127,532)**	**(2,889)**	**2.3%**
OPERATING PROFIT (LOSS)	**187,202**	**191,252**	**4,050**	**2.2%**
Net write-downs of loans and provisions for guarantees and commitments	(1,156)	(146)	1,010	-87.4%
NET OPERATING PROFIT (LOSS)	**186,046**	**191,106**	**5,060**	**2.7%**
Other charges and provisions	(3,699)	(3,836)	(137)	3.7%
Integration costs	(4)	-	4	-100.0%
Net income from investments	5,158	5,805	647	12.5%
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**187,501**	**193,075**	**5,574**	**3.0%**
Income tax for the period	(62,322)	(58,961)	3,361	-5.4%
PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**125,179**	**134,114**	**8,935**	**7.1%**
NET PROFIT (LOSS) FOR THE PERIOD	**125,179**	**134,114**	**8,935**	**7.1%**
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**125,179**	**134,114**	**8,935**	**7.1%**

(Amounts in € thousand)

The Bank has adopted the provision in C5 b) of IFRS 16 and E1 and E2 of IFRS 1 “First-Time Adoption of International Financial Reporting Standards”, according to which - save for the retrospective adoption of new measurement and representation rules required by the standard- there is no obligation to restate comparative values in the financial statements of first-time adoption of the new standard.

CONDENSED INCOME STATEMENT – QUARTERLY FIGURES

	EXERCISE 2018	1 QUARTER 2018	2 QUARTER 2018	3 QUARTER 2018	4 QUARTER 2018	1 QUARTER 2019	2 QUARTER 2019
Net interest	278,659	68,904	68,742	69,940	71,073	70,366	71,401
Dividends and other income from equity invest	42	7	13	10	12	12	13
Net fee and commission income	300,443	71,462	74,516	72,680	81,785	77,361	81,282
Net trading, hedging and fair value income	44,239	14,538	13,080	10,721	5,900	9,799	8,013
Net other expenses/income	1,913	487	96	(350)	1,680	196	341
OPERATING INCOME	**625,296**	**155,398**	**156,447**	**153,001**	**160,450**	**157,734**	**161,050**
Payroll costs	(86,606)	(20,533)	(20,966)	(23,202)	(21,905)	(21,653)	(22,444)
Other administrative expenses	(245,501)	(65,467)	(61,464)	(59,247)	(59,323)	(65,073)	(58,669)
Recovery of expenses	96,767	24,701	23,922	25,162	22,982	26,590	24,227
Impairment/write-backs on intangible and tangible assets	(10,424)	(2,339)	(2,497)	(2,456)	(3,132)	(5,144)	(5,366)
Operating costs	**(245,764)**	**(63,638)**	**(61,005)**	**(59,743)**	**(61,378)**	**(65,280)**	**(62,252)**
OPERATING PROFIT (LOSS)	**379,532**	**91,760**	**95,442**	**93,258**	**99,072**	**92,454**	**98,798**
Net write-downs of loans and provisions for guarantees and commitments	(4,384)	(1,311)	155	(895)	(2,333)	(1,270)	1,124
NET OPERATING PROFIT (LOSS)	**375,148**	**90,449**	**95,597**	**92,363**	**96,739**	**91,184**	**99,922**
Other charges and provisions	(21,380)	(1,774)	(1,925)	(15,899)	(1,782)	(980)	(2,856)
Integration costs	(121)	(2)	(2)	(2)	(115)	(2)	2
Net income from investments	1,105	1	5,157	(903)	(3,150)	(658)	6,463
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**354,752**	**88,674**	**98,827**	**75,559**	**91,692**	**89,544**	**103,531**
Income tax for the period	(113,533)	(29,709)	(32,613)	(23,005)	(28,206)	(27,272)	(31,689)
PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**241,219**	**58,965**	**66,214**	**52,554**	**63,486**	**62,272**	**71,842**
NET PROFIT (LOSS) FOR THE PERIOD	**241,219**	**58,965**	**66,214**	**52,554**	**63,486**	**62,272**	**71,842**
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROU	**241,219**	**58,965**	**66,214**	**52,554**	**63,486**	**62,272**	**71,842**

(Amounts in € thousand)

The Bank has applied the provisions of paragraph C5 b) of IFRS 16, by retrospectively adopting the provisions of the new standard, recognising the cumulative effect of first-time adoption as at January 1st, 2019 without redetermining the comparative information (transition with the modified retrospective method).

Declaration of the Nominated Official in charge of drawing up company accounts

The undersigned Lorena Pelliciari, as Nominated Official in charge of drawing up Company Accounts of FinecoBank S.p.A.,

DECLARES

That, pursuant to Article 154 bis, paragraph 2, of the "Consolidated Law on Financial Intermediation" the information disclosed in this document corresponds to the accounting documents, books and records.

Milan, August 5th, 2019

The Nominated Official in charge of
drawing up the Company's Accounts

FIGURES AS AT JULY 31st, 2019

In July Fineco recorded total net sales equal to € 420 million, solid and high-quality and gathered without short-term commercial incentives.

Monthly net sales in deposits, equal to € 721 million, were influenced by two temporary effects: on the one hand, customers selling their asset under custody component (€ -360 million) due to profit taking mainly on BTPs after the reduction in interest rates, confirming Fineco best-in-class brokerage platform as massively used by customers; on the other hand, H2O funds have been sold by clients using Fineco open architecture platform, one of the most important in Europe, also to buy funds on their own initiative.

July net sales in Asset under management were equal to € 58 million, while inflows in Guided Products and Services has been equal to € 191 million.

FinecoBank recorded total net sales of € 3,754 million since the beginning of 2019 (-8% y/y): Asset under Management totaled € 1,477 million, Asset under Custody amounted at € -219 million and direct deposits totaled € 2,496 million.

Since the beginning of the year "Guided products & services" net sales amounted at €1,793 million (+5% y/y) and net sales from the new advanced advisory services Plus and Core Multiramo Target equaled to € 2,500 million. The penetration rate of Guided Products increased at 69% on total AuM compared to 65% in July 2018 and 67% in December 2018.

Net sales through the network of personal financial advisors reached € 3,273 million.

Total Financial Assets were at € 77,565 million (+9% compared to July 2018 and December 2018).

Fineco Asset Management managed € 12.2 billion of assets, of which € 7.0 billion retail class and around € 5.2 billion institutional class.

Since the beginning of the year 69,578 new clients have been acquired, of which 10,173 in July. Total number of customers was about 1,326,000 as of July 31st, 2019 (+6% y/y).

Tables showing the figures for July 2019 are provided below.

figures in € million

TOTAL NET SALES	**LUG 2019**	**JAN - LUG 2019**	**JAN - LUG 2018**
Assets under management	58.3	1,476.9	1,756.9
Assets under custody	-359.8	-219.3	1,100.9
Direct deposits	721.1	2,496.5	1,237.3
TOTAL NET SALES	**419.6**	**3,754.1**	**4,095.2**

figures in € million

PFA NETWORK NET SALES	**LUG 2019**	**JAN - LUG 2019**	**JAN - LUG 2018**
Assets under management	64.5	1,488.4	1,757.0
Assets under custody	-301.2	-189.5	790.9
Direct deposits	599.8	1,973.9	1,121.0
TOTAL NET SALES PFA NETWORK	**363.1**	**3,272.8**	**3,668.9**

figures in € million

TOTAL FINANCIAL ASSETS	**LUG 2019**	**DEC 2018**	**LUG 2018**
Assets under management	37,830.6	33,484.7	35,035.6
Assets under custody	15,169.2	13,779.0	14,647.3
Direct deposits	24,565.4	22,068.9	21,178.1
TOTAL FINANCIAL ASSETS	**77,565.1**	**69,332.6**	**70,861.0**

figures in € million

PFA NETWORK TFA	**LUG 2019**	**DEC 2018**	**LUG 2018**
Assets under management	37,352.9	33,034.6	34,532.9
Assets under custody	11,389.0	10,307.4	10,927.2
Direct deposits	18,541.5	16,567.6	15,803.5
PFA NETWORK TFA	**67,283.4**	**59,909.6**	**61,263.6**

FinecoBank

FinecoBank is one of the most important FinTech banks in Europe. It offers from a single account banking, credit, trading and investment services through a transactional and advisory platform developed with proprietary technologies, and combined with one of the largest financial advisory networks in Italy. Fineco is a bank leader in brokerage in Europe, and one of the most important players in Private Banking in Italy, offering tailor-made advisory services. Since 2017, FinecoBank has also been in the UK with an offer focused on brokerage and banking services.

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