Consolidated Interim Financial Report
at September 30th, 2019 – Press Release

Results at September 30th, 2019 approved

- Strong growth in net profit adjusted for non-recurring items[1]: **€198.1 million (+10.8% y/y)** - the best 9-month performance ever
- Revenues[1]: **€489.0 million (+5.2% y/y)**
- Operating costs[1]: **€185.2 million (+1.3% y/y)**
- Gross operating profit[1]: **€303.8 million (+7.7% y/y)**
- Cost/income ratio[1] down: **37.9% (-1.4 p.p.)**

Milan, November 5th, 2019

The Board of Directors of FinecoBank S.p.A. has approved the results at September 30th, 2019.
Alessandro Foti, CEO and General Manager of FinecoBank, stated:

"In the first 9 months of the year Fineco delivered excellent results, achieved without leveraging on the bank's risk profile, with an important growth in all business areas which confirms once again our ability to generate well-diversified and balanced revenues. In a phase of strong attention to liquidity issue, asset under management is one of our growth focus. In this regard, we're strongly committed to maintaining high levels of transparency towards our clients as confirmed by our Mifid reporting, widely appreciated. It's worth underling the importance of Fineco Asset Management's results, whose offer of a new generation of investment solutions, such as decumulation products and multi-thematic funds, perfectly fits with our PFA's ability to develop their customers' needs quickly and efficiently".

[1] Non-recurring items in the first nine months 2019: -€4.4 million gross (-€2.9 million net) Voluntary Scheme fair value measurement, of which -€0.4 million gross (-€0.3 million net) in the first quarter, -€4.3 million gross (-€2.9 million net) in the second quarter and +€0.4 million gross (+€0.3 million net) in the third quarter.
Non-recurring items in the first nine months 2018: €-1.6 million gross (€-1.1 million net) severance

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HIGHLIGHTS</td><td>

- **Revenues**[1] **at €489.0 million,** +5.2% y/y **led by the Investing area (+14.3% y/y)** with management fees rising by 12.1% y/y thanks to Fineco Asset Management's contribution (fully operative since July 2018), the greater impact of Guided Products and Services, plus the continued improvement in network productivity. **The Banking area again performed positively (+2.8% y/y)**, supported by an increase in transactional liquidity and lending activity. **Brokerage** posted its **best quarter** since the third quarter of 2018, with growth of 10.5% q/q thanks to the Bank's review of the offering in this area.
- **Operating costs well under control at €185.2 million, +1.3% y/y. Cost/Income ratio**[1] **at 37.9%, down by 1.4 percentage points y/y** confirming the Bank's operational efficiency.
- **Net profit** [1] **at €198.1 million**, +10.8% y/y.

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<tr><td>UPDATE ON
INITIATIVES</td><td>

The development of the **new platform that will further consolidate the Bank's productivity**, combining the cyborg-advisory model with Big Data Analytics, continued. The new platform will facilitate the process to **transform customer liquidity into managed assets**, thanks also to the **launch of new conservative investment and insurance products**.
Fineco will also be reviewing its banking and payment services in depth, for an even better customer experience (a new, fully digital dashboard for credit and debit cards; a new look for account and card home pages; a simpler on-boarding process).
The Bank has also **reviewed its brokerage offering** with the launch of new products (options) and an expansion of its multicurrency offering.
Lastly, activities continued to develop Fineco Asset Management which, also thanks to the recent launch of FAM Target decumulation funds and the FAM MegaTrends multithematic fund, has confirmed its increasing capacity to promptly and effectively respond to customer needs.

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TOTAL FINANCIAL ASSETS AND NET SALES

Total Financial Assets (TFA) at September 30th, 2019 amounted to €78.6 billion, up 10.9% compared to September 2018. Stock of Assets under Management was €38.3 billion, up by 9.7% y/y, assets under custody amounted to €15.2 billion (+5.3% y/y), the balance of direct deposits amounted to €25.1 billion (+16.5% 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 €31.9 billion, up 16.1% y/y.

In the first nine months of 2019, assets amounted to €4.3 billion (-9.0% y/y), again proving to be solid, of high quality, and not requiring recourse to short-term commercial policies. The asset mix shifted positively towards managed assets, standing at €1.9 billion in the nine months, highlighting a more cautious approach by clients who are favouring more conservative products. Assets under custody amounted to -€0.6 billion, with customers levering positions created previously on BTPs, using the Fineco brokerage platform, while direct deposits were equal to €3.0 billion.

Since the beginning of the year, "*Guided products & services*" has reached €2.3 billion (+9.2% y/y), with flows towards new decumulation products equal to €0.7 billion, confirming customers' appreciation of this offering.
The ratio of Guided Products compared to total AuM rose to 70% compared to 66% in September 2018.

At September 30th, 2019 the network of personal financial advisors included 2,564 units distributed throughout the country with 395 Fineco Centers. Assets in the first nine months of the year through the PFA network were €3.8 billion.

At September 30th, 2019, Fineco Asset Management managed €12.6 billion of assets, of which €7.4 billion were retail class (+14.7% y/y) and around €5.2 billion institutional class.

In the first nine months of 2019, 87,467 new customers were acquired. The total number of customers at September 30th, 2019 was approximately 1,338,000, up 6.4% compared to the same period in the previous year.

MAIN INCOME STATEMENT RESULTS AT 30.09.2019

Figures and variations in this Consolidated Interim Financial Report at September 30th, 2019 – Press Release are entered net of the below indicated non-recurring items[1].

mln	3Q18 Adj. (1)	2Q19 Adj. (1)	3Q19 Adj. (1)	9M18 Adj. (1)	9M19 Adj. (1)	*9M19/ 9M18*	*3Q19/ 3Q18*	*3Q19/ 2Q19*
Net interest income	69.9	71.4	69.8	207.6	211.6	*1.9%*	*-0.2%*	*-2.2%*
Net commissions	72.7	81.3	84.3	218.7	242.9	*11.1%*	*15.9%*	*3.7%*
Trading profit	10.7	12.3	11.2	38.3	33.8	*-11.9%*	*4.4%*	*-9.2%*
Other expenses/income	-0.4	0.3	0.1	0.2	0.7	*n.s.*	*n.s.*	*-56.7%*
Total revenues	**153.0**	**165.4**	**165.4**	**464.8**	**489.0**	***5.2%***	***8.1%***	***0.0%***
Staff expenses	-21.6	-22.4	-22.5	-63.1	-66.6	*5.6%*	*4.3%*	*0.2%*
Other admin.expenses	-34.1	-34.4	-29.4	-112.4	-102.3	*-9.0%*	*-13.9%*	*-14.8%*
Impairment/write-backs on intangible and tangible assets	-2.5	-5.4	-5.8	-7.3	-16.3	*123.4%*	*135.4%*	*7.8%*
Operating expenses	***-58.1***	***-62.3***	***-57.6***	***-182.8***	***-185.2***	***1.3%***	***-0.8%***	***-7.4%***
Gross operating profit	**94.9**	**103.1**	**107.8**	**282.1**	**303.8**	***7.7%***	***13.6%***	***4.5%***
Other charges and provisions	-15.9	-2.9	-19.8	-19.6	-23.6	*20.5%*	*24.4%*	*n.s.*
LLP	-0.9	1.1	-1.2	-2.1	-1.4	*-33.2%*	*36.9%*	*n.s.*
Profit from investments	-0.9	6.5	0.4	4.3	6.3	*47.0%*	*n.s.*	*-93.0%*
Profit before taxes	**77.2**	**107.8**	**87.2**	**264.7**	**285.1**	***7.7%***	***13.0%***	***-19.1%***
Income taxes	-23.5	-33.1	-26.4	-85.9	-87.0	*1.3%*	*12.3%*	*-20.1%*
Net profit adjusted [1]	**53.6**	**74.7**	**60.8**	**178.8**	**198.1**	***10.8%***	***13.3%***	***-18.7%***

Revenues in the first nine months of 2019 amounted to €489.0 million, up by 5.2% compared to €464.8 million in the same period of the previous year, thanks above all to the positive contribution from net commissions.

Net interest income at September 30th, 2019, stood at €211.6 million, recording growth of 1.9% compared to €207.6 million in the same period of the previous year, thanks to the increase in transactional liquidity and the greater impact of lending activity.
The average gross margin on interest-earning assets was 1.23% in the first nine months of 2019 compared to 1.31% in the same period of 2018.

Net fee and commission income for the first nine months of 2019 came to €242.9 million and showed an increase by 11.1% compared to €218.7 million for the same period of the previous year. This increase is mainly related the rise in net commission in the Investing area (+14.3% y/y), with management commission going up by 12.1% y/y thanks to the higher impact of "Guided Products and Services" and to the contribution of Fineco Asset Management.

Trading profit stood at €33.8 million down compared to €38.3 million for the same period of the previous year. The result relating to customer brokerage activity fell by €4.6 million y/y due to a lower market volatility in the first nine months of 2019, and new regulatory aspects introduced during the third quarter of 2018. In this regard, the third quarter of 2019 still recorded a good performance (+16.3% q/q and +40.6% y/y), boosted by the Bank's review of its brokerage offering. Trading profit 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 €2.2 million in the first nine months of 2019 (€2.3 million in the first nine months of 2018).

Operating costs at September 30th, 2019 were well under control at €185.2 million, up by 1.3% mainly due to higher staff expenses. The cost/income ratio net of non-recurring items was equal to 37.9%, down by 1.4 percentage points y/y.

Staff expenses at September 30th, 2019, totalled €66.6 million (+5.6% y/y) mainly due to the increase in the number of employees, which rose from 1,138 at September 30th, 2018 to 1,191 at September 30th, 2019. Staff expenses for the subsidiary Fineco AM, which has been fully operational since the third quarter of 2018, were €3.1 million in the first nine months of 2019.

Other administrative expenses, net of **Recovery of expenses** and adding **Write-downs/backs & depreciation**, amounted to €118.6 million in the first nine months of 2019 (-0.9% y/y)[2].

Gross operating profit came to €303.8 million at September 30th, 2019, up by 7.7% y/y.

Other charges and provisions at September 30th, 2019 came to €23.6 million, up by 20.5% y/y mainly due to the higher costs for the ordinary annual contribution to the Deposit Guarantee Schemes (DGS), estimated at €17.5 million (compared to €14.3 million in the same period of the previous year).

Loan loss provisions amounted to €-1.4 million, down compared to €-2.1 million in the first nine months of 2018. The decrease is due to an improvement in the risk profile of trade receivables (the cost of risk was equal to 15 bps), and to the increase in write-backs due partly to the reduction in exposures with UniCredit and partly to their securitisation as per the Pledge Agreement stipulated between FinecoBank and the UniCredit Group, which became effective on 10 May 2019.

Profit from investments amounted to €6.3 million, increasing by €2.0 million y/y. In particular, this item benefited mainly from write-backs of €7.0 million, thanks to the securitisation of the exposure to UniCredit bonds, as per the Pledge Agreement stipulated between FinecoBank and the UniCredit Group.

Profit before taxes stood at €285.1 million, up by 7.7% y/y.

Net profit for the period was equal to €198.1 million, increasing by 10.8% y/y.

MAIN INCOME STATEMENT RESULTS OF THE THIRD QUARTER 2019

Revenues were equal to €165.4 million, stable compared to the previous quarter thanks above all to the positive contribution from net commissions, increasing by 8.1% y/y.

Net interest income in the third quarter was €69.8 million, down compared to the previous quarter, mainly due to the fall in base rates and flat compared to the third quarter of 2018.
The average lending rate for the investment of all deposits amounted to 1.17%, down compared to 1.25% in the previous quarter and 1.29% in the third quarter of 2018.

Net commissions amounted to €84.3 million, increasing by 3.7% compared to the previous quarter and by 15.9% compared to the previous year mainly thanks to the contribution from Investing and Brokerage.

Trading profit was equal to €11.2 million, down by €1.1 million compared to the previous quarter, and up by €0.5 million compared to the third quarter of 2018.

[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, at September 30th, 2019, premises rentals decreased by €8.9 million, amortisation on rights of use arising from lease agreements amounted to €6.8 million and depreciation on own property amounted to €1.0 million.

Total **operating costs** in the third quarter of 2019 came to €57.6 million, down by 7.4% compared to the previous quarter, also due to a different distribution of marketing costs during the year. This figure went down by 0.8% compared to the same quarter of the previous year, mainly due to lower administrative expenses, mostly marketing costs, partially absorbed by higher staff expenses.

Operating profit was equal to €107.8 million, up by 4.5% compared to the previous quarter and by 13.6% compared to the third quarter of 2018.

Provisions for risks and charges in the third quarter of 2019 amounted to -€19.8 million, compared to -€2.9 million in the previous quarter and -€15.9 million in the third quarter of 2018, mainly due to costs estimated in the third quarter of 2019 for the annual contribution to the Deposit Guarantee Schemes (DGS).

Loan loss provisions amounted to -€1.2 million, compared to €1.1 million in the previous quarter, benefiting from the write-backs due partly to the reduction in exposures with UniCredit and partly to their securitisation as per agreements stipulated between FinecoBank and the UniCredit Group.

Profit from investments amounted to €0.4 million, decreasing by €6.0 million q/q. In the second quarter, this item had benefited from write-backs for a value of approximately €7.3 million due to the aforementioned securitisation of the exposure in bonds issued by UniCredit. The figure was up by €1.4 million compared to the third quarter of 2018, during which time impairment losses on said exposures had been recognised.

Profit before taxes in the quarter was equal to €87.2 million, down by 19.1% q/q and up by 13.0% y/y.

Net profit in the quarter was equal to €60.8 million, down by 18.7% q/q and up by 13.3% y/y.

SHAREHOLDERS' EQUITY AND CAPITAL RATIOS

Consolidated shareholders' equity amounted to €1,289 million, up by €313 million compared to the end of 2018, due mainly to the issue of an Additional Tier 1 ("AT1") instrument in July 2019 for qualified investors, for a total of €300 million with a coupon for the first five years equal to 5.875%. Moreover, during 2019, shareholders' equity decreased due to the payment of 2018 dividends, equal to €184.5 million, and the increase in profit in the first nine months of 2019, amounting to €195.2 million (figure not adjusted for non-recurring items). Compared to June 30th, 2019, shareholders' equity increased by €361 million, mainly due to the issue of the aforementioned AT1 instrument and profit recorded in the third quarter, equal to €61 million (figure not adjusted for non-recurring items).

The Bank has confirmed its capital solidity with a consolidated CET1 ratio of 17.37% (17.84% at June 30th, 2019). The total capital ratio was 32.58% (24.32% at June 30th, 2019).
The consolidated leverage ratio was equal to 3.85% at September 30th, 2019 (2.89% at June 30th, 2019), and was calculated in accordance with Commission Delegated Regulation (EU) 2015/62 of 10 October 2014.
The total capital ratio and leverage ratio benefited from the issue of the aforementioned AT1 instrument, of which the aim was to immediately ensure the Bank was compliant with the Leverage ratio requirement, which will be mandatory starting from 28 June 2021, with Regulation (EU) 2019/876 ("CRR II") coming into effect, and to maintain a buffer in relation to this minimum requirement.

LOANS TO CUSTOMERS

Loans to customers are mainly represented by mortgages, personal loans and Lombard loans totalled €3,568 million at September 30th, 2019, up by 20.7% compared to December 31st, 2018, and by 4.7% compared to June 30th, 2019. The amount of non-performing loans (loans with insolvent borrowers, unlikely to pay and non-performing loans/past due) net of impairment totalled €3.4 million (€2.8 million at December 31st, 2018 and €3.3 million at June 30th, 2019), with an 86.05% coverage ratio. The ratio between the amount of non-performing loans and total loans to ordinary customers came to 0.11% (0.11% at December 31st, 2018 and at June 30th, 2019).

NEW INITIATIVES MONITORING

The development of the **new platform that will further consolidate the Bank's productivity**, combining the cyborg-advisory model with Big Data Analytics, continued. The new platform will facilitate the process to **transform the customer asset mix towards managed assets**, thanks also to the **launch of new conservative investment and insurance products**. The network productivity growth trend continued, with an average portfolio per financial advisor amounting to €26.6 million, up by 13.8% y/y, of which €14.8 million of managed assets (+12.4% y/y) and €10.4 million referred to Guided products and services (+19.3% y/y).

Fineco will also be reviewing its banking and payment services in depth for an even better customer experience (a new, fully-digital dashboard for credit and debit cards; a new look for account and card home pages; a simplified on-boarding process).

The Bank has also **reviewed its brokerage offering** with the launch of new options and an expansion of its multicurrency offering. Customers have appreciated this new initiative, as the brokerage results for the third quarter of 2019 demonstrate, with a best-ever performance since the new ESMA regulation was introduced in the third quarter of 2018.

Lastly, activities continued to develop Fineco Asset Management which, thanks also to the recent launch of FAM Target decumulation funds and the FAM MegaTrends multithematic fund, has confirmed its increasing capacity to promptly and effectively respond to customer needs. At September 30th, 2019 Fineco Asset Management managed €12.6 billion of assets of which €7.4 billion retail class and around €5.2 billion institutional class.

SIGNIFICANT EVENTS IN THE THIRD QUARTER OF 2019 AND SUBSEQUENT EVENTS

No significant events occurred after September 30, 2019 that would make it necessary to change any of the information given in this report.

CONDENSED BALANCE SHEET

ASSETS	DECEMBER 31 2018	SEPTEMBER 30 2019	Absolute changes	%	JANUARY 1 2019
Cash and cash balances	6	1,208,686	1,208,680	n.c.	6
Financial assets held for trading	6,876	10,592	3,716	54.0%	6,876
Loans and receivables with banks	3,058,882	824,635	(2,234,247)	-73.0%	3,058,882
Loans and receivables with customers	2,955,074	3,567,804	612,730	20.7%	2,955,074
Financial investments	18,231,182	21,521,272	3,290,090	18.0%	18,231,182
Hedging instruments	8,187	71,941	63,754	778.7%	8,187
Property, plant and equipment	16,632	148,644	132,012	793.7%	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	7,688	974	14.5%	6,714
Other assets	350,770	300,341	(50,429)	-14.4%	350,346
TOTAL ASSETS	**24,732,630**	**27,759,965**	**3,027,335**	**12.2%**	**24,796,782**

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	DECEMBER 31 2018	SEPTEMBER 30 2019	Absolute changes	%	JANUARY 1 2019
Deposits from banks	1,009,774	188,171	(821,603)	-81.4%	1,013,791
Deposits from customers	22,273,188	25,428,742	3,155,554	14.2%	22,333,323
Financial liabilities held for trading	2,221	4,734	2,513	113.1%	2,221
Hedging instruments	7,941	156,435	148,494	n.c.	7,941
Tax liabilities	12,390	50,929	38,539	311.0%	12,390
Other liabilities	451,435	642,227	190,792	42.3%	451,435
Shareholders' Equity	975,681	1,288,727	313,046	32.1%	975,681
- capital and reserves	*744,256*	*1,100,134*	*355,878*	*47.8%*	*744,256*
- revaluation reserves	*(9,794)*	*(6,566)*	*3,228*	*-33.0%*	*(9,794)*
- net profit (loss)	*241,219*	*195,159*	*(46,060)*	*-19.1%*	*241,219*
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**24,732,630**	**27,759,965**	**3,027,335**	**12.2%**	**24,796,782**

(Amounts in € thousand)

The Bank has adopted the provision in paragraphs C5 b) of IFRS 16 and paragraphs 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 shareholders' equity at January 1st, 2019. This is because for the purposes of first-time adoption, the financial liabilities for leasing were measured and recognised 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 measured at the amount of the financial liability plus the advanced leasing payments for the same lease contracts, recorded in the financial position immediately prior to the date of initial application (financial statements at December 31st, 2018).

CONDENSED BALANCE SHEET – QUARTERLY FIGURES

ASSETS	SEPTEMBER 30 2018	DECEMBER 31 2018	JANUARY 1 2019	MARCH 31 2019	JUNE 30 2019	SEPTEMBER 30 2019
Cash and cash balances	532	6	6	755	1,230,599	1,208,686
Financial assets held for trading	12,253	6,876	6,876	9,286	7,475	10,592
Loans and receivables with banks	3,397,576	3,058,882	3,058,882	3,807,150	710,347	824,635
Loans and receivables with customers	2,735,885	2,955,074	2,955,074	3,029,073	3,408,661	3,567,804
Financial investments	17,665,380	18,231,182	18,231,182	19,003,089	19,912,177	21,521,272
Hedging instruments	313	8,187	8,187	29,166	49,365	71,941
Property, plant and equipment	14,545	16,632	81,208	144,851	143,801	148,644
Goodwill	89,602	89,602	89,602	89,602	89,602	89,602
Other intangible assets	7,898	8,705	8,705	8,799	8,760	8,760
Tax assets	17,758	6,714	6,714	5,209	3,498	7,688
Other assets	240,922	350,770	350,346	253,270	270,368	300,341
TOTAL ASSETS	**24,182,664**	**24,732,630**	**24,796,782**	**26,380,250**	**25,834,653**	**27,759,965**

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	SEPTEMBER 30 2018	DECEMBER 31 2018	JANUARY 1 2019	MARCH 31 2019	JUNE 30 2019	SEPTEMBER 30 2019
Deposits from banks	999,543	1,009,774	1,013,791	1,605,018	206,643	188,171
Deposits from customers	21,827,286	22,273,188	22,333,323	23,310,871	24,139,699	25,428,742
Financial liabilities held for trading	5,512	2,221	2,221	2,831	2,413	4,734
Hedging instruments	(285)	7,941	7,941	31,741	84,086	156,435
Tax liabilities	48,674	12,390	12,390	38,308	64,779	50,929
Other liabilities	397,621	451,435	451,435	351,542	409,355	642,227
Shareholders' Equity	904,313	975,681	975,681	1,039,939	927,678	1,288,727
- capital and reserves	*746,340*	*744,256*	*744,256*	*986,928*	*800,766*	*1,100,134*
- revaluation reserves	*(19,760)*	*(9,794)*	*(9,794)*	*(9,261)*	*(7,202)*	*(6,566)*
- net profit (loss)	*177,733*	*241,219*	*241,219*	*62,272*	*134,114*	*195,159*
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**24,182,664**	**24,732,630**	**24,796,782**	**26,380,250**	**25,834,653**	**27,759,965**

(Amounts in € thousand)

The Bank has adopted the provision in paragraphs C5 b) of IFRS 16 and paragraphs 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 shareholders' equity at January 1st, 2019. This is because for the purposes of first-time adoption, the financial liabilities for leasing were measured and recognised 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 measured at the amount of the financial liability plus the advanced leasing payments for the same lease contracts, recorded in the financial position immediately prior to the date of initial application (financial statements at December 31st, 2018).

CONDENSED INCOME STATEMENT

	FIRST 9 MONTHS 2018	FIRST 9 MONTHS 2019	Absolute changes	%
Net interest	207,586	211,573	3,987	1.9%
Dividends and other income from equity investments	30	38	8	26.7%
Net fee and commission income	218,658	242,896	24,238	11.1%
Net trading, hedging and fair value income	38,339	29,400	(8,939)	-23.3%
Net other expenses/income	233	684	451	193.6%
OPERATING INCOME	**464,846**	**484,591**	**19,745**	**4.2%**
Payroll costs	(64,701)	(66,594)	(1,893)	2.9%
Other administrative expenses	(186,178)	(179,761)	6,417	-3.4%
Recovery of expenses	73,785	77,486	3,701	5.0%
Impairment/write-backs on intangible and tangible assets	(7,292)	(16,293)	(9,001)	123.4%
Operating costs	**(184,386)**	**(185,162)**	**(776)**	**0.4%**
OPERATING PROFIT (LOSS)	**280,460**	**299,429**	**18,969**	**6.8%**
Net write-downs of loans and provisions for guarantees and commitments	(2,051)	(1,373)	678	-33.1%
NET OPERATING PROFIT (LOSS)	**278,409**	**298,056**	**19,647**	**7.1%**
Other charges and provisions	(19,598)	(23,616)	(4,018)	20.5%
Integration costs	(6)	-	6	-100.0%
Net income from investments	4,255	6,255	2,000	47.0%
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**263,060**	**280,695**	**17,635**	**6.7%**
Income tax for the period	(85,327)	(85,536)	(209)	0.2%
PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**177,733**	**195,159**	**17,426**	**9.8%**
NET PROFIT (LOSS) FOR THE PERIOD	**177,733**	**195,159**	**17,426**	**9.8%**
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**177,733**	**195,159**	**17,426**	**9.8%**

(Amounts in € thousand)

The Bank has adopted the provision in paragraphs C5 b) of IFRS 16 and paragraphs 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	3 QUARTER 2019
Net interest	278,659	68,904	68,742	69,940	71,073	70,366	71,401	69,806
Dividends and other income from equity investme	42	7	13	10	12	12	13	13
Net fee and commission income	300,443	71,462	74,516	72,680	81,785	77,361	81,282	84,253
Net trading, hedging and fair value income	44,239	14,538	13,080	10,721	5,900	9,799	8,013	11,588
Net other expenses/income	1,913	487	96	(350)	1,680	196	341	147
OPERATING INCOME	**625,296**	**155,398**	**156,447**	**153,001**	**160,450**	**157,734**	**161,050**	**165,807**
Payroll costs	(86,606)	(20,533)	(20,966)	(23,202)	(21,905)	(21,653)	(22,444)	(22,497)
Other administrative expenses	(245,501)	(65,467)	(61,464)	(59,247)	(59,323)	(65,073)	(58,669)	(56,019)
Recovery of expenses	96,767	24,701	23,922	25,162	22,982	26,590	24,227	26,669
Impairment/write-backs on intangible and tangible assets	(10,424)	(2,339)	(2,497)	(2,456)	(3,132)	(5,144)	(5,366)	(5,783)
Operating costs	**(245,764)**	**(63,638)**	**(61,005)**	**(59,743)**	**(61,378)**	**(65,280)**	**(62,252)**	**(57,630)**
OPERATING PROFIT (LOSS)	**379,532**	**91,760**	**95,442**	**93,258**	**99,072**	**92,454**	**98,798**	**108,177**
Net write-downs of loans and provisions for guarantees and commitments	(4,384)	(1,311)	155	(895)	(2,333)	(1,270)	1,124	(1,227)
NET OPERATING PROFIT (LOSS)	**375,148**	**90,449**	**95,597**	**92,363**	**96,739**	**91,184**	**99,922**	**106,950**
Other charges and provisions	(21,380)	(1,774)	(1,925)	(15,899)	(1,782)	(980)	(2,856)	(19,780)
Integration costs	(121)	(2)	(2)	(2)	(115)	(2)	2	-
Net income from investments	1,105	1	5,157	(903)	(3,150)	(658)	6,463	450
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**354,752**	**88,674**	**98,827**	**75,559**	**91,692**	**89,544**	**103,531**	**87,620**
Income tax for the period	(113,533)	(29,709)	(32,613)	(23,005)	(28,206)	(27,272)	(31,689)	(26,575)
PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**241,219**	**58,965**	**66,214**	**52,554**	**63,486**	**62,272**	**71,842**	**61,045**
NET PROFIT (LOSS) FOR THE PERIOD	**241,219**	**58,965**	**66,214**	**52,554**	**63,486**	**62,272**	**71,842**	**61,045**
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**241,219**	**58,965**	**66,214**	**52,554**	**63,486**	**62,272**	**71,842**	**61,045**

(Amounts in € thousand)

SOVEREIGN, SUPRANATIONAL AND AGENCY EXPOSURES

The following table indicates the balance sheet value of Sovereign, Supranational and Agency exposures in debt securities at September 30th, 2019 classified in the portfolio "Financial assets designated at fair value with impact on comprehensive income" and "Financial assets at amortised cost"; penetration on the Bank's total assets totalled 46.88%.

	BOOK VALUE AS AT SEPTEMBER 30, 2019	% OF FINANCIAL STATEMENT ITEM
Italy	**4,696,955**	
Financial assets at fair value through other comprehensive income	176,051	53.67%
Financial assets at amortised cost	4,520,904	17.68%
France	**679,888**	
Financial assets at fair value through other comprehensive income	37,420	11.41%
Financial assets at amortised cost	642,468	195.86%
Spain	**3,833,235**	
Financial assets at amortised cost	3,833,235	14.99%
Ireland	**784,953**	
Financial assets at fair value through other comprehensive income	41,756	12.73%
Financial assets at amortised cost	743,197	2.91%
Poland	**118,931**	
Financial assets at amortised cost	118,931	0.47%
Austria	**429,273**	
Financial assets at amortised cost	429,273	1.68%
Belgium	**416,995**	
Financial assets at amortised cost	416,995	1.63%
Germany	**127,078**	
Financial assets at amortised cost	127,078	0.50%
USA	**440,608**	
Financial assets at fair value through other comprehensive income	72,785	22.19%
Financial assets at amortised cost	367,823	1.44%
Portugal	**272,567**	
Financial assets at amortised cost	272,567	1.07%
Total Sovereign exposures	**11,800,483**	**42.51%**
Financial assets at amortised cost - Supranational	**1,092,625**	
EFSF (European Financial Stability Facility)	352,997	1.38%
ESM (European Stability Mechanism)	302,762	1.18%
EIB (European Investment Bank)	392,179	1.53%
CEB (Council of Europe Development Bank)	44,687	0.17%
Financial assets at amortised cost - Agency	**121,564**	
ICO (Instituto de Credito Oficial)	121,564	0.48%
Total Supranational and Agency exposures	**1,214,189**	**4.37%**
Total exposures	**13,014,672**	**46.88%**

(Amounts in € thousand)

The percentages have been calculated on each item, while the percentage on total Sovereign exposures/ total Supranational and Agency exposures / total exposures were calculated on the Group's total assets.

OPERATING STRUCTURE

	DECEMBER 31 2018	SEPTEMBER 30 2019
No. of Employees	1,170	1,191
No. Personal financial advisors	2,578	2,564
No. Financial shops	390	395

Number of Fineco Centers operational: Fineco Centers managed by the Bank and Fineco Centers managed by personal financial advisors (Fineco Centers).

BASIS OF PREPARATION

This Consolidated Interim Financial Report at September 30th, 2019 - Press Release was prepared on a voluntary basis, to guarantee continuity with previous quarterly reports, as Legislative Decree 25/2016 implementing Directive 2013/50/EU eliminated the obligation for additional periodical financial reports other than the half year and annual ones.

This Consolidated Interim Financial Report at September 30th, 2019 – Press Release, as well as the press releases on significant events during the period, the market presentation on third quarter 2019 results and the Database are also available on FinecoBank’s website.

Items in the condensed layouts of the balance sheet and income statement were prepared based on layouts in instructions contained in the 6th Update of Circular 262 of November 30th, 2018 “The bank balance sheet: layouts and rules for compilation” issued by the Bank of Italy, to which the reconciliations illustrated in the “Reconciliation layouts for preparation of the condensed consolidated financial statement tables” annexed to the consolidated half year report at June 30th, 2019 were made.

In order to provide additional information on the Bank’s performance, several alternative performance indicators have been used - APM (such as Cost/income ratio, Cost of Risk, Guided products & services/AUM and Guided products & services/TFA), whose description is found in the "Glossary" of the Condensed Half-year Financial Report at June 30th, 2019, guidelines published by the European Securities and Markets Authority (ESMA/2015/1415) on October 5th, 2015.

The information contained in this Consolidated Interim Financial Report at September 30th, 2019 – Press Release was not prepared in accordance with the international accounting standard applicable to interim financial reports (IAS 34).

The Consolidated Interim Financial Report as September 30th, 2019 – Press Release, prepared in a condensed form, was prepared based on the international accounting standards IAS/IFRS currently in force, as established in the "accounting policies" in the Notes – Part A – Accounting policies of the Condensed Half-year Financial Report at June 30th, 2019.

Please note that for the purposes of the Consolidated Interim Financial Report at September 30th, 2019 – Press Release, there was no re-measurement of the recoverable value of tangible and intangible assets, including goodwill and assets whose value depends on these estimates. If necessary, those values will be updated in the Financial Statements for 2019.

In cases in which the accounts did not fully reflect the reporting of items on an accruals “pro rata temporis” basis, such as administrative expenses, the accounting figure was supplemented by estimates based on the budget.

With reference to contribution obligations pursuant to Directive 2014/49/EU (Deposit Guarantee Schemes - DGS) for 2019, costs were accounted in the item “Provisions for Risks and Charges” and include an estimate of the annual contribution to be paid to the Italian Interbank Deposit Protection Fund based on information available at September 30th, 2019.

No contribution was requested to the Group by the Single Resolution Board, for 2019, with regard to contribution obligations pursuant to Directive 2014/59/EU (Single Resolution Fund).

This Consolidated Interim Financial Report at September 30th, 2019 – Press Release was not audited by the External Auditors.

CERTIFICATIONS AND OTHER COMMUNICATIONS

Related-Party Transactions

With reference to paragraph 8 of Art. 5 - "Public information on transactions with related parties" of the applicable Consob Regulation (adopted by Consob with Resolution No. 17221 of 12 March, 2010, as subsequently amended by Resolution No. 17389 of 23 June, 2010), we inform that during the third quarter of 2019, intercompany transactions and transactions with other Italian and foreign related parties, were conducted within the ordinary course of the Bank's business and related financial activities, and were carried out under conditions similar to those applied to transactions with unrelated third parties.

In the same period, no other transactions were undertaken with related parties that could significantly affect the Bank's asset situation and results, or atypical and/or unusual transactions, including intercompany and related party transactions.

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

in compliance with the provisions of the second paragraph of Article 154-bis of the "Consolidated Finance Act", that the accounting information contained in this Consolidated Interim Financial Report at September 30th, 2019 corresponds to results in the Company's accounts, books and records.

Milan, November 5th, 2019

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

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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