



SPAFID CONNECT

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Testo del comunicato

Vedi allegato.

FinecoBank, results at June 30th, 2017 approved

Best semester ever

Net profit: **€104.3 million, +3.2% y/y¹ (+6.8% y/y excluding the sale of government securities² in Q1 2016)**

Operating income: **€282.7 million, +3.3% y/y¹ (+5.2% y/y excluding the sale of government securities² in Q1 2016)**

Operating costs: **€121.2 million, +2.9% y/y**

CET1 ratio: **22.14%** (transitional)

Total net sales: **€2.9 billion (+9% y/y)** of which
Guided Products & Services **€2.0 billion (+17% y/y)**

FINECOBANK	
1H17 HIGHLIGHTS	<ul style="list-style-type: none"> ■ Revenues €282.7 million, +3.3% y/y¹ (+5.2% y/y excluding the sale of government securities² in Q1 2016) driven by the Investing area (+13.7% y/y), with management fees up 15.3% y/y sustained by the the continuous improvement in the asset mix and by the network's productivity, and by the Banking area (+6.9% y/y), thanks to the increase in transactional liquidity and lending. Solid performance for the Brokerage area despite volatility at the bottom since 2013 ■ Operating costs well under control at €121.2 million, +2.9% y/y. Cost/Income ratio stable at 43% ■ Net profit €104.3 million, +3.2% y/y¹ (+6.8% y/y excluding the sale of government securities²), the best half year ever ■ Total financial assets: €63.6 billion (+15% y/y) ■ Total net sales: €2.9 billion (+9% y/y) of which guided products & services €2.0 billion (+17% y/y)
UPDATE ON	<ul style="list-style-type: none"> ■ The boost in lending offer continues, with a strong focus on credit quality.

¹ Change adjusted for non-recurring items recorded in the first half of 2016: sale of the stake in Visa Europe Limited for a profit net of tax of €10.3 million and tax release of €6.5 million following a positive settlement a tax disputes.

² €3.4 million net (€5 million gross) from the sale of government securities recorded in the "Available-for-sale financial assets" portfolio. This sale (€704 million nominal value, at floating rate, with average remaining maturity of less than 3 years) was made to mitigate the exposure to interest rate risk and lengthen the duration of the investment. A corresponding amount of government securities was purchased in the same quarter (€706 million nominal value with maturity between three and six years).

INITIATIVES

Mortgages up +248% q/q, personal loans +69.6% y/y, +9.8% q/q. The new Credit Lombard started with granted loans at € 129 million (as at July, 27th, 2017), up 131% in just one month

- **Strong focus on the cyborg-advisory approach reflected in the increasing personal financial advisors' productivity and in the continuous improvement of the asset mix:** 61% of 1H17 net sales represented by assets under management
- **Strong positioning in the Private segment continues,** with TFA growing to €24.0 billion (+22% y/y)
- The project aimed at the constitution of an **Irish Asset Management Company** fully owned by FinecoBank was launched. The goal of the project is to **further increase the Bank's competitiveness through a vertically integrated business model and to diversify and improve the offer**

The Board of Directors of FinecoBank S.p.A. has approved the results at June 30th, 2017.

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

"We are particularly satisfied about the 2017 first half results, the best ever. These figures testify once again the efficiency of a diversified and sustainable business model, able to both obtain solid results in every market conditions and to answer to our customers' financial needs. These results confirm the first positive signals coming from the implementation of the new initiatives put in place in order to accelerate the organic growth of Fineco, among which the strengthening of the lending business and the strong effort toward a better quality in the inflows' asset mix. At this regard, it is worth mentioning the project for the constitution of an Asset Management Company, aiming at further strengthen the competitiveness of the Bank".

TOTAL FINANCIAL ASSETS AND NET SALES

Total Financial Assets at June 30th, 2017 amounted to €63.6 billion, up 15% on June 2016 with a continuous improvement in the quality of total net sales. The penetration of "Guided Products & Services" on total AuM is constantly increasing, reaching 60% compared to 51% in June 2016 and 56% in December 2016. The stock of Assets under Management was €30.6 billion at June 30th, 2017, up 18.2% compared to the end of June 2016. Assets under Custody totalled €13.9 billion (+9.3% y/y) and direct deposits came to €19.1 billion (+12.8% thanks to the continuous growth in new customers and "transactional" deposits).

Total Financial Assets related to Private Banking segment, i.e. with assets above € 500,000, totaled €24.0 billion, up 22% y/y.

Total net sales amounted to €2.9 billion, of which €1.8 billion Assets under Management (+€1.5 billion y/y) and €0.5 billion of Assets under Custody, while direct deposits came to €0.7 billion. "Guided Products & Services" net sales amounted to €2.0 billion (+17% y/y).

At June 30th, 2017, the network is composed by 2,642 Personal Financial Advisors (2,628 at the end of 2016) with 370 Fineco Centers. Total net sales through the PFA network in the first six months of the year totalled €2.6 billion, up 16.4% on the same period of 2016.

In terms of customers' acquisition, since the beginning of the year 61,756 new clients have been acquired (+4% y/y), of which 9,378 in June. Total number of customers was close to 1,162,000 as of June 30th 2017, up 7% compared to June 2016.

INCOME STATEMENT RESULTS AT JUNE 30TH, 2017

<i>mIn</i>	1Q16	2Q16 Adj	1H16 Adj	1Q17	2Q17	1H17	1H17/ 1H16	2Q17/ 2Q16	2Q17/ 1Q17
Net interest income	62.2	61.2	123.4	62.9	64.3	127.2	3.0%	5.0%	2.2%
Net commissions	58.2	59.7	117.8	64.7	65.0	129.7	10.1%	9.0%	0.5%
Trading profit	19.6	11.9	31.6	13.7	12.3	26.0	-17.7%	2.9%	-10.4%
Other expenses/income	0.1	0.7	0.8	0.5	-0.8	-0.2	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
Total revenues	140.1	133.5	273.6	141.8	140.8	282.7	3.3%	5.5%	-0.7%
Staff expenses	-18.7	-19.0	-37.7	-19.2	-19.7	-38.9	3.2%	3.7%	2.6%
Other admin.expenses	-39.3	-36.1	-75.4	-39.2	-38.2	-77.4	2.7%	6.0%	-2.4%
D&A	-2.2	-2.4	-4.6	-2.3	-2.5	-4.8	4.8%	2.7%	7.4%
Operating expenses	-60.2	-57.5	-117.7	-60.7	-60.4	-121.2	2.9%	5.1%	-0.4%
Gross operating profit	79.9	76.0	155.9	81.1	80.4	161.5	3.6%	5.8%	-0.9%
Provisions	-1.4	-1.1	-2.6	-2.4	-0.8	-3.1	23.4%	-30.6%	-67.5%
LLP	-1.4	-1.4	-2.8	-0.5	-1.0	-1.5	-45.0%	-26.5%	85.5%
Integration costs	0.0	0.0	0.0	0.0	0.0	0.0			
Profit from investments	0.0	0.0	0.0	0.0	-0.4	-0.4	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
Profit before taxes	77.1	73.5	150.5	78.2	78.3	156.5	3.9%	6.5%	0.1%
Income taxes	-25.8	-23.7	-49.5	-26.5	-25.7	-52.2	5.3%	8.3%	-3.1%
Net profit adjusted ¹	51.2	49.8	101.0	51.7	52.6	104.3	3.2%	5.6%	1.7%

Revenues in the first six months of 2017 amounted to €282.7 million, up 3.3% y/y compared to the first half of 2016, net of the gain on the sale Visa Europe Limited stake. Excluding the profit from the sale of government securities equal to €5 million in Q1 2016, revenues were up 5.2% y/y.

Net interest came to €127.2 million, up 3.0% y/y compared to €123.4 million for the first half of 2016. Lower interest income linked to the decline in market interest rates was more offset by the increase of transactional liquidity, the reduction of the cost of term deposits and higher lending volumes. The average gross margin related to financial investment amounted to 1.22% in the half 2017 compared to 1.38% in the same period of 2016.

Net fees and commissions in first half 2017 totaled €129.7 million, up €11.9 million compared to the first six months of 2016 (+10.1% y/y). The increase was mainly driven by the growth in net fees coming from asset management products (+€6.9 million y/y) and investment advisory services (+€6.6 million y/y) thanks to the continuous growth of assets under management and of "Guided Products & Services" as a percentage of total AuM.

Trading profit amounted to €26 million (-17.7% y/y net of non-recurring items related to the above-mentioned Visa sale). With regard to this reduction, we must note that in the first quarter of 2016, €5 million of revenues coming from the sale of government securities were recorded under the "Available-for-sale financial assets" portfolio. This transaction was carried out in order to mitigate exposure to interest

¹ Net profit adjusted for non-recurring items recorded in the second quarter of 2016: sale of the stake in Visa Europe Limited for a profit net of tax of €10.3 million and tax release of €6.5 million following a positive settlement of tax disputes.

rate risk and to lengthen the duration of the investment. Excluding those revenues, there were no significant changes in trading profit line compared to the first half of 2016.

Operating costs well under control at €121.2 million (+2.9% y/y) despite the continuous expansion of the business, assets and customers thanks to the strong operational efficiency of the Bank.

Staff expenses amounted to €38.9 million (+3.2% y/y), mainly for the increase in the number of employees up to 1,114 at June 30th, 2017 from 1,071 at June 30th, 2016.

Other administrative expenses amounted to €77.4 million (+€2 million y/y).

Gross Operating profit totalled €161.5 million, up 3.6% y/y, net of the profit realized from the sale of the stake in Visa Europe Limited. Excluding the gain from the sale of government securities of €5 million in Q1 2016, operating profit was up 7.1% y/y.

Loan loss provisions were at €1.5 million, down €1.3 million on the same period of the previous year. The cost of risk was 24 bps (62 bps for the first half of 2016 and 43 bps for the FY 2016). The decrease was due to several factors: the increase in outstandings also with secured and low-risk products, as well as write-backs recorded in the first quarter of 2017 to reflect the constant improvement in the quality of the portfolio.

Provisions for risks and charges for the first half of 2017 amounted to €3.1 million, up 23.4% on the €2.6 million recorded at June 30th, 2016.

Profit before taxes amounted at €156.5 million, up 3.9% y/y, net of the profit realized on the sale of the stake in Visa Europe Limited. Excluding the revenue from the sale of government securities of €5 million in Q1 2016, net profit before tax from continuing operations was up 7.5% y/y.

Net profit totalled €104.3 million, up 3.2% net of non-recurring items¹ compared to the first half of 2016. Net of the profits from the sale of government securities of €5 million in Q1 2016, the profit for the period was up 6.8% y/y.

Fineco maintained its solid capital position with a CET1 ratio (transitional) at 22.14% on June 30th, 2017.

MAIN INCOME STATEMENT RESULTS FOR THE SECOND QUARTER 2017

Net interest income for the second quarter came to €64.3 million, up 2.2% on the previous quarter and 5.0% on the second quarter of 2016, mainly driven by increasing deposits and lending volumes.

Net fees and commissions amounted to €65.0 million, up 0.5% q/q mainly due to the increase in recurring fee and commission income from assets under management, partly offset by lower brokerage commissions due to lower volatility in the period. Compared to the second quarter of 2016 this item increased by 9.0% y/y mainly driven by management fees.

Trading profit at €12.3 million, up 2.9% on the previous year, net of the profit realized on the sale of the equity investment in Visa Europe Limited, and down by €1.4 million on the first quarter of 2017.

Revenues amounted to €140.8 million, up 5.5% y/y, net of the non-recurring item relating to Visa, driven by the Investing and the Banking area. The q/q decrease (-0.7%) was mainly due to Other expenses/income.

Total operating costs in the second quarter at €60.4 million, essentially stable q/q (-0.4%) and up by €2.9 million y/y mainly due to expenses to support the business.

Profit before taxes amounted to €78.3 million, up 6.5% on the second quarter of 2016, net of the profit realized on the sale of the stake in Visa referred to above, mainly due to the increase in revenues. The figure was substantially in line with the first quarter of 2017.

Net profit for the second quarter was €52.6 million, up 1.7% on the €51.7 million recorded in the first quarter of 2017 and 5.6% y/y net of non-recurring items recorded in the second quarter of 2016¹.

NEW INITIATIVES MONITORING

Also in the first half, the Bank continues its focus on new initiatives.

In the Banking area, the Bank added a lot of fuel to Lending, with a strong focus on credit quality sustained by the strategy to offer lending exclusively to existing clients leveraging on Big Data analytics.

Mortgages, launched at the end of 2016, totalled € 257 million at June 30th, 2017, +248% on March. Personal loans amounted to €310 million, +69.6% y/y and +9.8% q/q. New Credit Lombard was launched: granted volumes totalled € 129 million as of July 27th, 2017 (+131% in just one month) and drawn volumes up to €42.6 million, while on-going requests are up to €153 million.

As regards the Investing Area, Private Banking was relaunched, to further strengthen the Bank's positioning in this segment, with growing TFA up to €24.0 billion (+22% y/y), equal to 38% of the Bank's total financial assets (up 2 p.p. y/y).

The productivity of the network constantly growing. The average portfolio per financial advisor amounted to €20.7 million, up 15.2% y/y and 2.5% q/q. The asset mix also continued to improve: 61% of the net sales for the first half of 2017 referred to Assets under Management.

The project aimed at the constitution of an Irish Asset Management Company fully owned by FinecoBank started. The goal is to further increase the Bank's competitiveness through a vertically integrated business model, diversify and improve the offer. The offer will be composed by UCITS, with a strategy focused on strategic asset allocation and on the selection of the best international players.

CONDENSED BALANCE SHEET

	DECEMBER 31 2016	JUNE 30 2017	Absolute changes	%
ASSETS				
Cash and cash balances	5	2,902	2,897	57940.0%
Financial assets held for trading	6,044	9,791	3,747	62.0%
Loans and receivables with banks	15,735,540	14,827,089	(908,451)	-5.8%
Loans and receivables with customers	1,016,798	1,503,867	487,069	47.9%
Financial investments	3,757,529	4,760,269	1,002,740	26.7%
Hedging instruments	9,211	15,417	6,206	67.4%
Property, plant and equipment	14,451	15,396	945	6.5%
Goodwill	89,602	89,602	-	-
Other intangible assets	7,731	8,025	294	3.8%
Tax assets	13,165	9,276	(3,889)	-29.5%
Other assets	336,300	271,613	(64,687)	-19.2%
TOTAL ASSETS	20,986,376	21,513,247	526,871	2.5%

(Amounts in € thousand)

	DECEMBER 31 2016	JUNE 30 2017	Variazione assoluta	Variazione %
LIABILITIES AND SHAREHOLDERS' EQUITY				
Deposits from banks	1,111,106	929,859	(181,247)	-16.3%
Deposits from customers	18,801,073	19,440,617	639,544	3.4%
Financial liabilities held for trading	2,626	4,113	1,487	56.6%
Hedging instruments	11,371	16,084	4,713	41.4%
Provisions for risks and charges	111,756	102,123	(9,633)	-8.6%
Tax liabilities	10,048	19,525	9,477	94.3%
Other liabilities	257,097	380,059	122,962	47.8%
Shareholders' Equity	681,299	620,867	(60,432)	-8.9%
- capital and reserves	476,249	522,475	46,226	9.7%
- revaluation reserves (available-for-sale financial assets and actuarial gains (losses) for defined benefits plans)	(6,794)	(5,875)	919	-13.5%
- net profit (loss)	211,844	104,267	(107,577)	-50.8%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	20,986,376	21,513,247	526,871	2.5%

(Amounts in € thousand)

CONDENSED BALANCE SHEET - QUARTERLY FIGURES

ASSETS	JUNE 30 2016	SEPTEMBER 30 2016	DECEMBER 31 2016	MARCH 31 2017	JUNE 30 2017
Cash and cash balances	11	8	5	615	2,902
Financial assets held for trading	6,879	5,547	6,044	5,714	9,791
Loans and receivables with banks	15,299,291	14,441,864	15,735,540	15,461,841	14,827,089
Loans and receivables with customers	880,232	971,888	1,016,798	1,166,180	1,503,867
Financial investments	2,926,175	3,586,682	3,757,529	3,906,456	4,760,269
Hedging instruments	9,018	7,559	9,211	12,410	15,417
Property, plant and equipment	13,896	14,366	14,451	14,379	15,396
Goodwill	89,602	89,602	89,602	89,602	89,602
Other intangible assets	7,608	7,557	7,731	7,702	8,025
Tax assets	5,880	5,578	13,165	14,486	9,276
Other assets	322,264	321,867	336,300	247,202	271,613
TOTAL ASSETS	19,560,856	19,452,518	20,986,376	20,926,587	21,513,247

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	JUNE 30 2016	SEPTEMBER 30 2016	DECEMBER 31 2016	MARCH 31 2017	JUNE 30 2017
Deposits from banks	1,361,666	1,139,241	1,111,106	980,245	929,859
Deposits from customers	17,133,049	17,249,625	18,801,073	18,883,826	19,440,617
Financial liabilities held for trading	6,300	4,822	2,626	2,228	4,113
Hedging instruments	17,657	15,304	11,371	16,738	16,084
Provisions for risks and charges	119,258	117,360	111,756	113,060	102,123
Tax liabilities	23,046	47,409	10,048	36,073	19,525
Other liabilities	296,926	222,813	257,097	162,730	380,059
Shareholders' Equity	602,954	655,944	681,299	731,687	620,867
- capital and reserves	471,789	474,255	476,249	690,077	522,475
- revaluation reserves (available-for-sale financial assets and actuarial gains (losses) for defined benefits plans)	13,383	19,316	(6,794)	(10,084)	(5,875)
- net profit (loss)	117,782	162,373	211,844	51,694	104,267
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	19,560,856	19,452,518	20,986,376	20,926,587	21,513,247

(Amounts in € thousand)

CONDENSED INCOME STATEMENT

	1 SEMESTER 2016	1 SEMESTER 2017	Absolute changes	%
Net interest	123,449	127,188	3,739	3.0%
Dividends and other income from equity investments	-	12	12	n.c.
Net fee and commission income	117,821	129,707	11,886	10.1%
Net trading, hedging and fair value income	46,926	25,992	(20,934)	-44.6%
Net other expenses/income	758	(233)	(991)	-130.7%
OPERATING INCOME	288,954	282,666	(6,288)	-2.2%
Payroll costs	(37,716)	(38,924)	(1,208)	3.2%
Other administrative expenses	(117,724)	(123,893)	(6,169)	5.2%
Recovery of expenses	42,337	46,492	4,155	9.8%
Impairment/write-backs on intangible and tangible assets	(4,609)	(4,833)	(224)	4.9%
Operating costs	(117,712)	(121,158)	(3,446)	2.9%
OPERATING PROFIT (LOSS)	171,242	161,508	(9,734)	-5.7%
Net write-downs of loans and provisions for guarantees and commitments	(2,801)	(1,541)	1,260	-45.0%
NET OPERATING PROFIT (LOSS)	168,441	159,967	(8,474)	-5.0%
Provisions for risks and charges	(2,553)	(3,150)	(597)	23.4%
Integration costs	(7)	(13)	(6)	85.7%
Net income from investments	-	(353)	(353)	n.c.
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	165,881	156,451	(9,430)	-5.7%
Income tax for the period	(48,099)	(52,184)	(4,085)	8.5%
PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	117,782	104,267	(13,515)	-11.5%
NET PROFIT (LOSS) FOR THE PERIOD	117,782	104,267	(13,515)	-11.5%

(Amounts in € thousand)

CONDENSED INCOME STATEMENT – QUARTERLY FIGURES

	1 SEMESTER 2016	1 QUARTER 2017	2 QUARTER 2017	1 SEMESTER 2017
Net interest	123,449	62,906	64,282	127,188
Dividends and other income from equity invest	-	6	6	12
Net fee and commission income	117,821	64,681	65,026	129,707
Net trading, hedging and fair value income	46,926	13,710	12,282	25,992
Net other expenses/income	758	531	(764)	(233)
OPERATING INCOME	288,954	141,834	140,832	282,666
Payroll costs	(37,716)	(19,216)	(19,708)	(38,924)
Other administrative expenses	(117,724)	(62,442)	(61,451)	(123,893)
Recovery of expenses	42,337	23,277	23,215	46,492
Impairment/write-backs on intangible and tangible assets	(4,609)	(2,330)	(2,503)	(4,833)
Operating costs	(117,712)	(60,711)	(60,447)	(121,158)
OPERATING PROFIT (LOSS)	171,242	81,123	80,385	161,508
Net write-downs of loans and provisions for guarantees and commi	(2,801)	(540)	(1,001)	(1,541)
NET OPERATING PROFIT (LOSS)	168,441	80,583	79,384	159,967
Provisions for risks and charges	(2,553)	(2,377)	(773)	(3,150)
Integration costs	(7)	(14)	1	(13)
Net income from investments	-	8	(361)	(353)
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	165,881	78,200	78,251	156,451
Income tax for the period	(48,099)	(26,506)	(25,678)	(52,184)
PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	117,782	51,694	52,573	104,267
NET PROFIT (LOSS) FOR THE PERIOD	117,782	51,694	52,573	104,267

(Amounts in € thousand)

Declaration of the nominated official in charge of drawing up company accounts

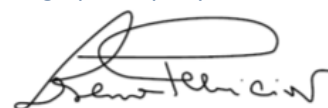
The undersigned Lorena Pellicciari, as Nominated Official in charge of drawing up Company Accounts of FinecoBank S.p.A.,

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 press release corresponds to results in the Company's accounts, books and records.

Milan, July 31st, 2017

Nominated official in charge of
drawing up company accounts



FinecoBank

FinecoBank is the direct, multi-channel bank of the UniCredit Group. It has one of the largest advisory networks in Italy* and is the leading bank in Italy for equity trades**. FinecoBank offers an integrated business model combining direct banking and financial advice. With a single free-of-charge account including a full range of banking, credit, trading and investment services, which are also available through applications for smartphone and tablet. With its fully integrated platform, FinecoBank is the benchmark for modern investors.

* Source: Assoreti

** Source: Assosim

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Fine Comunicato n.1615-63

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