



# SPAFID CONNECT

Informazione Regolamentata n. 1615-12-2020	Data/Ora Ricezione 11 Febbraio 2020 12:47:04	MTA
--	--	-----

Societa' : FINECOBANK  
Identificativo : 127554  
Informazione  
Regolamentata  
Nome utilizzatore : FINECOBANKN02 - Spolini  
Tipologia : 1.1  
Data/Ora Ricezione : 11 Febbraio 2020 12:47:04  
Data/Ora Inizio : 11 Febbraio 2020 12:47:05  
Diffusione presunta  
Oggetto : PR - 2019 Results

*Testo del comunicato*

Vedi allegato.

## Results at 31 December 2019 approved

- Net profit: **€288.4 million (+19.5% y/y)**, including the fiscal benefit coming from the **Patent Box** estimated in about **€22 mln**
- Strong growth in net profit adjusted for non-recurring items<sup>1</sup>:  
**€268.8 million (+10.0% y/y)**
  - Total revenues<sup>1</sup>: **€657.8 million (+4.7% y/y)**
  - Operating costs<sup>1</sup>: **€249.6 million (+2.2% y/y)**
  - Gross operating profit<sup>1</sup>: **€408.2 million (+6.2% y/y)**
    - Cost/income ratio<sup>1</sup> down: **37.9% (-0.9 p.p.)**
  - Proposed dividend: **32 €/cents per share (+5.6% y/y)**

**Milan, 11 February 2020**

The Board of Directors of FinecoBank S.p.A. has approved the results at 31 December 2019. Alessandro Foti, CEO and General Manager of FinecoBank, stated:

*“Fineco results for 2019 mark an important point in our history, confirming the highest quality and sustainability of our business model. Transparency and efficiency, characterizing Fineco's path since the beginning, together with our PFAs' ability to satisfy clients' financial needs and an increasingly advanced investment offer were crucial to make Fineco record the best net profit ever. The results show a positive contribution from all business areas. January net sales figures show an excellent outlook for the new year, confirming the ongoing conversion of liquidity towards a more efficient management of clients' savings. We'll keep on developing technology and new platforms, further improving our clients' user experience and our PFA network's productivity, with a focus on the key role of specialized advisory”.*

---

<sup>1</sup> Adjusted for non-recurring items in 2019: -€3.0 million gross (-€-2.0 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, +€0.4 million gross (+€0.3 million net) in the third quarter and €1.4 million gross (€0.9 million net) in the fourth quarter; Patent Box: +€21.6 million in the fourth quarter (more details in pag.7).

Non-recurring items recorded in 2018: -€3.0 million gross (-€2.0 million net) write-down of voluntary fund, -€1.6 million gross (-€1.1 million net) relating to severance, -€0.1 million gross (-€0.1 million net) integration costs.

## FINECOBANK

### FY19 HIGHLIGHTS

- **Revenues<sup>1</sup> at €657.8 million, +4.7% y/y led by the Investing area (+9.8% y/y)** with management fees rising by 11.7% 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 (+1.8% y/y)**, supported by an increase in transactional liquidity and lending activity. The **Brokerage** business recorded its **best quarter** since the second quarter of 2018, thanks to changes in the offer to customers.
- **Operating costs well under control at €249.6 million, +2.2% y/y<sup>1</sup>. Cost/Income ratio<sup>1</sup> at 37.9%, down by 0.9 percentage points y/y** confirming the Bank's operational efficiency.
- **Net profit<sup>1</sup> at €268.8 million, +10.0% y/y.**
- **Patent Box:** Fineco has finalized the agreement with the Italian Fiscal Authority with a fiscal benefit for the years 2015-2019 estimated in about €22 million.

### UPDATE ON INITIATIVES

- Development continued of the **new platform that will further consolidate the Bank's productivity**, combining the cyborg-advisory model with Big Data Analytics. The new platform will facilitate the process to **transform customer liquidity into managed assets**, thanks also to the **launch of new conservative investment products and insurance products**.
- **Fineco is also 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.
- 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.
- Lastly, Fineco is also continuously developing its **UK offer**. The Bank has notified the UK regulators its intention to open a commercial branch in UK, allowing to offer ISA, SIPP and faster payments. In the coming weeks Fineco will start its UK marketing campaign, focusing in the very beginning on its brokerage offer.

## TOTAL FINANCIAL ASSETS AND NET SALES

Total Financial Assets (TFA) at 31 December 2019 amounted to €81.4 billion, up 17.4% compared to December 2018. Stock of Assets under Management was €40.5 billion, up by 21.0% y/y, assets under

custody amounted to €15.3 billion (+11.2% y/y), the balance of direct deposits amounted to €25.6 billion (+16.0% 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 €33.4 billion, up 29.5% y/y.

In 2019, assets amounted to €5.8 billion (-6.1% 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 asset under management, standing at €3.3 billion, still highlighting a more cautious approach by clients who are favouring more conservative products. Assets under custody amounted to -€1.0 billion, with customers using the Fineco brokerage platform to take profits on their previously created on BTPs holdings, while direct deposits were equalled to €3.5 billion.

Since the start of the year, inflows into "*Guided products & services*" reached €3.7 billion (+35.5% y/y), confirming customer appreciation.

The ratio of *Guided Products* on total AuM rose to 71% compared to 67% in December 2018.

At 31 December 2019, the network was composed of 2,541 personal financial advisors operating through 396 Fineco Centers. Inflows through the PFA network came to €5.1 billion.

At 31 December 2019, Fineco Asset Management managed €13.8 billion of assets, of which €8.4 billion were retail class (+41.6% y/y) and around €5.4 billion institutional class (+36.7% y/y).

A total of 117,742 new customers were acquired in 2019. The total number of customers at 31 December 2019 was 1,357,833, up 6.3% compared to the same period of the previous year.

## MAIN INCOME STATEMENT RESULTS AT 31.12.19

Figures and variations in this paragraph and in the paragraph "MAIN INCOME STATEMENT RESULTS FOR THE FOURTH QUARTER 2019" are shown net of the non-recurring items listed below.

<i>mIn</i>	4Q18 Adj. <sup>(1)</sup>	3Q19 Adj. <sup>(1)</sup>	4Q19 Adj. <sup>(1)</sup>	FY18 Adj. <sup>(1)</sup>	FY19 Adj. <sup>(1)</sup>	FY19/ FY18	4Q19/ 4Q18	4Q19/ 3Q19
Net interest income	71.1	69.8	69.7	278.7	281.3	0.9%	-1.9%	-0.1%
Net commissions	81.8	84.3	82.3	300.4	325.2	8.2%	0.6%	-2.3%
Trading profit	8.9	11.2	13.9	47.3	47.7	0.9%	55.6%	24.1%
Other expenses/income	1.7	0.1	2.9	1.9	3.6	88.7%	74.1%	1870.3%
<b>Total revenues</b>	<b>163.5</b>	<b>165.4</b>	<b>168.8</b>	<b>628.3</b>	<b>657.8</b>	<b>4.7%</b>	<b>3.3%</b>	<b>2.1%</b>
Staff expenses	-21.9	-22.5	-23.6	-85.0	-90.2	6.1%	7.5%	4.7%
Other admin.expenses	-36.3	-29.4	-34.3	-148.7	-136.6	-8.2%	-5.6%	16.8%
Impairment/write-backs on intangible and tangible assets	-3.1	-5.8	-6.6	-10.4	-22.9	119.3%	109.8%	13.6%
<b>Operating expenses</b>	<b>-61.4</b>	<b>-57.6</b>	<b>-64.4</b>	<b>-244.1</b>	<b>-249.6</b>	<b>2.2%</b>	<b>5.0%</b>	<b>11.8%</b>
<b>Gross operating profit</b>	<b>102.1</b>	<b>107.8</b>	<b>104.4</b>	<b>384.2</b>	<b>408.2</b>	<b>6.2%</b>	<b>2.2%</b>	<b>-3.2%</b>
Other charges and provisions	-1.8	-19.8	-3.5	-21.4	-27.2	27.0%	98.2%	-82.1%
LLP	-2.3	-1.2	-0.6	-4.4	-2.0	-55.0%	-74.2%	-50.9%
Profit from investments	-3.2	0.4	1.1	1.1	7.4	n.s.	-135.6%	149.9%
<b>Profit before taxes</b>	<b>94.8</b>	<b>87.2</b>	<b>101.4</b>	<b>359.5</b>	<b>386.4</b>	<b>7.5%</b>	<b>6.9%</b>	<b>16.2%</b>
Income taxes	-29.2	-26.4	-30.7	-115.1	-117.7	2.2%	5.0%	16.1%
<b>Net profit adjusted <sup>1</sup></b>	<b>65.6</b>	<b>60.8</b>	<b>70.7</b>	<b>244.4</b>	<b>268.8</b>	<b>10.0%</b>	<b>7.8%</b>	<b>16.3%</b>

**Revenues** for 2019 totalled €657.8 million, up 4.7% compared to €628.3 million of the previous year, mainly thanks to the positive contribution of net commission.

**Net interest income** at 31 December 2019, stood at €281.3 million, recording growth of 0.9% compared to €278.7 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 in 2019 was 1.20% in 2019 compared to 1.30% in 2018.

**Net fee and commission income** came to €325.2 million, up 8.2% compared to €300.4 million in 2018. This increase is mainly due to the rise in net commissions in the Investing area (+9.8% y/y), with management fees going up by 11.7% y/y thanks to the higher impact of "Guided Products and Services" and the contribution of Fineco Asset Management.

**Trading profit** stood at €47.7 million, up 0.9% compared to €47.3 million in 2018. 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 €2.6 million in 2019 (€1.6 million in 2018). It also includes profits coming from the sale of government bonds held in "Financial assets valued at fair value impacting other income components", for a value of €0.7 million (+1.7 million in 2018) and from the sale of government bonds and debt securities issued in USD by UniCredit held in "Financial assets valued at amortized cost" for a value of €2.9 million (€0 million in 2018).

**Other expenses/income** was positive at €3.6 million, an increase of 88.7% compared to the previous year, thanks to higher income received from Fineco Asset Management.

**Operating costs** were well under control at €249.6 million, up by 2.2%. The cost/income ratio net of non-recurring items was equal to 37.9%, down by 0.9 percentage points y/y.

**Staff expenses** for the year totalled €90.2 million (+6.1% y/y) mainly due to the increase in the number of employees, which rose from 1,170 as at 31 December 2018 to 1,225 as at 31 December 2019. Staff expenses for the subsidiary Fineco AM, which has been fully operational since the third quarter of 2018, were €4.1 million in 2019.

In 2019, **Operating costs** amounted to €249.6 million (+2.2% y/y)<sup>2</sup>.

**Gross operating profit** amounted to €408.2 million at 31 December 2019, up by 6.2% y/y.

**Other charges and provisions** came to €27.2 million, up by 27% y/y mainly due to the higher costs for the ordinary annual contribution to the Deposit Guarantee Schemes (DGS), equal to €18.1 million (compared to €14.3 million in 2018).

**Loan loss provisions** amounted to €-2.0 million, down compared to €-4.4 million in 2018. The decrease is due to an improvement in the risk profile of commercial loans (the cost of risk was equal to 12 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 €7.4 million, increasing by €6.3 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 €386.4 million, up by 7.5% y/y.

**Net profit for the period** was equal to €268.8 million, increasing by 10.0% y/y.

## MAIN INCOME STATEMENT RESULTS FOR THE FOURTH QUARTER 2019

**Revenues** in the fourth quarter totalled €168.8 million, up by 2.0% q/q and by 3.3% y/y.

**Net interest income** was €69.7 million, flat compared to the previous quarter and slightly down on the same quarter of 2018, mainly due to the fall in base rates.

The average lending rate for the investment of all deposits amounted to 1.11%, down compared to 1.17% in the previous quarter and 1.29% in the fourth quarter of 2018.

**Net fee and commission income** amounted to €82.3 million, down 2.3% compared to the previous quarter, mainly due to the seasonal effect of the payment of incentives to the network of financial advisors for the achievement of net sales targets. Net commissions were up 0.6% compared to the same quarter of the previous year, mainly thanks to the contribution from the Brokerage area.

---

<sup>2</sup> Due to IFRS 16 coming into force and being adopted from 1 January 2019, and the purchase in January of property in Piazza Durante 11, Milan, at 31<sup>st</sup> December 2019, premises rentals decreased by €12.3 million, amortisation on rights of use arising from lease agreements amounted to €9.5 million and depreciation on own property amounted to €1.3 million.

**Trading profit** was equal to €13.9 million, up by €2.7 million compared to the previous quarter and up by €5.0 million compared to the fourth quarter of 2018.

Total **operating costs** came to €64.4 million, up by 11.8% compared to the previous quarter. The figure was up 5.0% on the same quarter of the previous year.

**Gross operating profit** was equal to €104.4 million, down by 3.2% compared to the previous quarter and up by 2.2% compared to the fourth quarter of 2018.

**Other charges and provisions** amounted to €-3.5 million, compared to €-19.8 million in the previous quarter due to the annual contribution to the Deposit Guarantee Schemes (DGS), and €-1.8 million in the fourth quarter 2018.

**Loan loss provisions** amounted to €-0.6 million, compared to €-1.2 million in the previous quarter and €-2.3 million in the fourth quarter of 2018.

**Profits from investments** stood at €1.1 million.

**Profit before taxes** in the quarter was equal to €101.4 million, up by 16.2% q/q and by 6.9% y/y.

**Net profit** in the quarter was equal to €70.7 million, up by 16.3% q/q and by 7.8% y/y.

## SHAREHOLDERS' EQUITY AND CAPITAL RATIOS

Consolidated shareholders' equity amounted to €1,382 million, up by €407 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 net profit in 2019, amounting to €288.4 million (figure not adjusted for non-recurring items).

The Bank has confirmed its capital solidity with a consolidated CET1 ratio of 18.12% (17.37% at 30 September 2019). The total capital ratio was 33.67% (32.58% at 30 September 2019).

The consolidated leverage ratio was equal to 3.85% (in line with the figure as at 30 September 2019) and was calculated in accordance with Commission Delegated Regulation (EU) 2015/62 of 10 October 2014.

## LOANS TO CUSTOMERS

Loans to customers are mainly represented by mortgages, personal loans and Lombard loans totalled €3,680 million at 31 December 2019, up by 24.5% compared to 31 December 2018, and by 3.1% compared to 30 September 2019.

The amount of non-performing loans (loans with insolvent borrowers, unlikely to pay and non-performing loans/past due) net of impairment totalled €3.6 million (€2.8 million at 31 December 2018), with an 85.92% coverage ratio. The ratio between the amount of non-performing loans and total loans to ordinary customers came to 0.11% (0.11% at 31 December 2018).

## NEW INITIATIVES MONITORING

Development continued of the **new platform that will further consolidate the Bank's productivity**, combining the cyborg-advisory model with Big Data Analytics. 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 €27.8 million, up by 19.7% y/y, of which €15.7 million of managed assets (+22.9% y/y) and €11.3 million referring to Guided products and services (+30.6% y/y).

**Fineco is also 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 fourth quarter of 2019 demonstrate, the best performance since the second quarter of 2018.

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. At 31 December 2019, Fineco Asset Management managed €13.8 billion of assets of which €8.4 billion retail class and around €5.4 billion institutional class.

Fineco is also continuously developing its **UK offer**, with the aim to position itself leveraging on its one-stop-solution. The Bank is already offering an outstanding Multicurrency service, also used for trading, and is constantly updating its investing platform. Fineco has notified the UK regulators its intention to open a commercial branch in UK, allowing to offer ISA, SIPP and faster payments. Please note that in the coming weeks Fineco will start its UK marketing campaign, focusing in the very beginning on its best-in-class brokerage offer.

## SIGNIFICANT EVENTS IN THE FOURTH QUARTER OF 2019 AND SUBSEQUENT EVENTS

Fineco has finalized the agreement with the Italian Fiscal Authority on the Patent Box for years 2015/2019. The agreement, which relates to the economic contribution from both our trademark and our software key in our trading and advisory offer, has an estimated fiscal benefit (recorded in our 2019 Financial Statement) for the 5 years of about €22million. Fineco will apply in order to renew the fiscal benefit on intellectual properties for the next 5 years. The renewal of the trademark is excluded due to regulation. The Patent Box is a tax relief regime for companies generating income through the use of intangible assets. The fiscal benefit for 2015 is determined by excluding from the taxable income the 30% of the income attributable to the use of intangible assets; for 2016 the percentage is equal to 40% and for the remaining years it is equal to 50%.

No other significant events occurred after 31 December 2019 that would make it necessary to change any of the information given in this report.



## CONDENSED BALANCE SHEET

ASSETS	DECEMBER 31 2018	DECEMBER 31 2019	Absolute changes	%	JANUARY 1 2019
Cash and cash balances	6	754,386	754,380	n.c.	6
Financial assets held for trading	6,876	7,933	1,057	15.4%	6,876
Loans and receivables with banks	3,058,882	566,033	(2,492,849)	-81.5%	3,058,882
Loans and receivables with customers	2,955,074	3,679,829	724,755	24.5%	2,955,074
Financial investments	18,231,182	22,304,892	4,073,710	22.3%	18,231,182
Hedging instruments	8,187	64,939	56,752	693.2%	8,187
Property, plant and equipment	16,632	152,048	135,416	814.2%	81,208
Goodwill	89,602	89,602	-	-	89,602
Other intangible assets	8,705	37,492	28,787	330.7%	8,705
Tax assets	6,714	23,444	16,730	249.2%	6,714
Other assets	350,770	342,309	(8,461)	-2.4%	350,346
<b>TOTAL ASSETS</b>	<b>24,732,630</b>	<b>28,022,907</b>	<b>3,290,277</b>	<b>13.3%</b>	<b>24,796,782</b>

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	DECEMBER 31 2018	DECEMBER 31 2019	Absolute changes	%	JANUARY 1 2019
Deposits from banks	1,009,774	154,653	(855,121)	-84.7%	1,013,791
Deposits from customers	22,273,188	25,919,858	3,646,670	16.4%	22,333,323
Financial liabilities held for trading	2,221	3,777	1,556	70.1%	2,221
Hedging instruments	7,941	94,950	87,009	n.c.	7,941
Tax liabilities	12,390	11,437	(953)	-7.7%	12,390
Other liabilities	451,435	455,748	4,313	1.0%	451,435
Shareholders' Equity	975,681	1,382,484	406,803	41.7%	975,681
- capital and reserves	744,256	1,093,117	348,861	46.9%	744,256
- revaluation reserves	(9,794)	1,002	10,796	n.c.	(9,794)
- net profit (loss)	241,219	288,365	47,146	19.5%	241,219
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>24,732,630</b>	<b>28,022,907</b>	<b>3,290,277</b>	<b>13.3%</b>	<b>24,796,782</b>

(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 1 January 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 31 December 2018).

## CONDENSED BALANCE SHEET – QUARTERLY FIGURES

ASSETS	DECEMBER 31 2018	JANUARY 1 2019	MARCH 31 2019	JUNE 30 2019	SEPTEMBER 30 2019	DECEMBER 31 2019
Cash and cash balances	6	6	755	1,230,599	1,208,686	754,386
Financial assets held for trading	6,876	6,876	9,286	7,475	10,592	7,933
Loans and receivables with banks	3,058,882	3,058,882	3,807,150	710,347	824,635	566,033
Loans and receivables with customers	2,955,074	2,955,074	3,029,073	3,408,661	3,567,804	3,679,829
Financial investments	18,231,182	18,231,182	19,003,089	19,912,177	21,521,272	22,304,892
Hedging instruments	8,187	8,187	29,166	49,365	71,941	64,939
Property, plant and equipment	16,632	81,208	144,851	143,801	148,644	152,048
Goodwill	89,602	89,602	89,602	89,602	89,602	89,602
Other intangible assets	8,705	8,705	8,799	8,760	8,760	37,492
Tax assets	6,714	6,714	5,209	3,498	7,688	23,444
Other assets	350,770	350,346	253,270	270,368	300,341	342,309
<b>TOTAL ASSETS</b>	<b>24,732,630</b>	<b>24,796,782</b>	<b>26,380,250</b>	<b>25,834,653</b>	<b>27,759,965</b>	<b>28,022,907</b>

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	DECEMBER 31 2018	JANUARY 1 2019	MARCH 31 2019	JUNE 30 2019	SEPTEMBER 30 2019	DECEMBER 31 2019
Deposits from banks	1,009,774	1,013,791	1,605,018	206,643	188,171	154,653
Deposits from customers	22,273,188	22,333,323	23,310,871	24,139,699	25,428,742	25,919,858
Financial liabilities held for trading	2,221	2,221	2,831	2,413	4,734	3,777
Hedging instruments	7,941	7,941	31,741	84,086	156,435	94,950
Tax liabilities	12,390	12,390	38,308	64,779	50,929	11,437
Other liabilities	451,435	451,435	351,542	409,355	642,227	455,748
Shareholders' Equity	975,681	975,681	1,039,939	927,678	1,288,727	1,382,484
- capital and reserves	744,256	744,256	986,928	800,766	1,100,134	1,093,117
- revaluation reserves	(9,794)	(9,794)	(9,261)	(7,202)	(6,566)	1,002
- net profit (loss)	241,219	241,219	62,272	134,114	195,159	288,365
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>24,732,630</b>	<b>24,796,782</b>	<b>26,380,250</b>	<b>25,834,653</b>	<b>27,759,965</b>	<b>28,022,907</b>

(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 1 January 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 31 December 2018).

## CONDENSED INCOME STATEMENT

	YEAR 2018	YEAR 2019	Absolute changes	%
Net interest	278,659	281,277	2,618	0.9%
Net fee and commission income	300,443	325,171	24,728	8.2%
Net trading, hedging and fair value income	44,281	44,761	480	1.1%
Net other expenses/income	1,913	3,608	1,695	88.6%
<b>OPERATING INCOME</b>	<b>625,296</b>	<b>654,817</b>	<b>29,521</b>	<b>4.7%</b>
Payroll costs	(86,606)	(90,152)	(3,546)	4.1%
Other administrative expenses	(245,501)	(240,638)	4,863	-2.0%
Recovery of expenses	96,767	104,068	7,301	7.5%
Impairment/write-backs on intangible and tangible assets	(10,424)	(22,864)	(12,440)	119.3%
<b>Operating costs</b>	<b>(245,764)</b>	<b>(249,586)</b>	<b>(3,822)</b>	<b>1.6%</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>379,532</b>	<b>405,231</b>	<b>25,699</b>	<b>6.8%</b>
Net write-downs of loans and provisions for guarantees and commitments	(4,384)	(1,970)	2,414	-55.1%
<b>NET OPERATING PROFIT (LOSS)</b>	<b>375,148</b>	<b>403,261</b>	<b>28,113</b>	<b>7.5%</b>
Other charges and provisions	(21,380)	(27,152)	(5,772)	27.0%
Integration costs	(121)	-	121	-100.0%
Net income from investments	1,105	7,377	6,272	567.6%
<b>PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>354,752</b>	<b>383,486</b>	<b>28,734</b>	<b>8.1%</b>
Income tax for the year	(113,533)	(95,121)	18,412	-16.2%
<b>PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS</b>	<b>241,219</b>	<b>288,365</b>	<b>47,146</b>	<b>19.5%</b>
<b>NET PROFIT (LOSS) FOR THE YEAR</b>	<b>241,219</b>	<b>288,365</b>	<b>47,146</b>	<b>19.5%</b>
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP</b>	<b>241,219</b>	<b>288,365</b>	<b>47,146</b>	<b>19.5%</b>

(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.

Please note that, starting from December 31st, 2019, “Net trading, hedging and fair value income” also includes dividends and similar revenues on equity investments held at fair value in the item “Dividend income and similar revenue”, previously included in the item “Dividends and other income from equity investments” in the reclassified income statement. 2018 figures were also reclassified.

## CONDENSED INCOME STATEMENT – QUARTERLY FIGURES

	1 QUARTER 2018	2 QUARTER 2018	3 QUARTER 2018	4 QUARTER 2018	1 QUARTER 2019	2 QUARTER 2019	3 QUARTER 2019	4 QUARTER 2019
Net interest	68,904	68,742	69,940	71,073	70,366	71,401	69,806	69,704
Net fee and commission income	71,462	74,516	72,680	81,785	77,361	81,282	84,253	82,275
Net trading, hedging and fair value income	14,545	13,093	10,731	5,912	9,811	8,026	11,601	15,323
Net other expenses/income	487	96	(350)	1,680	196	341	147	2,924
<b>OPERATING INCOME</b>	<b>155,398</b>	<b>156,447</b>	<b>153,001</b>	<b>160,450</b>	<b>157,734</b>	<b>161,050</b>	<b>165,807</b>	<b>170,226</b>
Payroll costs	(20,533)	(20,966)	(23,202)	(21,905)	(21,653)	(22,444)	(22,497)	(23,558)
Other administrative expenses	(65,467)	(61,464)	(59,247)	(59,323)	(65,073)	(58,669)	(56,019)	(60,877)
Recovery of expenses	24,701	23,922	25,162	22,982	26,590	24,227	26,669	26,582
Impairment/write-backs on intangible and tangible assets	(2,339)	(2,497)	(2,456)	(3,132)	(5,144)	(5,366)	(5,783)	(6,571)
<b>Operating costs</b>	<b>(63,638)</b>	<b>(61,005)</b>	<b>(59,743)</b>	<b>(61,378)</b>	<b>(65,280)</b>	<b>(62,252)</b>	<b>(57,630)</b>	<b>(64,424)</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>91,760</b>	<b>95,442</b>	<b>93,258</b>	<b>99,072</b>	<b>92,454</b>	<b>98,798</b>	<b>108,177</b>	<b>105,802</b>
Net write-downs of loans and provisions for guarantees and commitments	(1,311)	155	(895)	(2,333)	(1,270)	1,124	(1,227)	(597)
<b>NET OPERATING PROFIT (LOSS)</b>	<b>90,449</b>	<b>95,597</b>	<b>92,363</b>	<b>96,739</b>	<b>91,184</b>	<b>99,922</b>	<b>106,950</b>	<b>105,205</b>
Other charges and provisions	(1,774)	(1,925)	(15,899)	(1,782)	(980)	(2,856)	(19,780)	(3,536)
Integration costs	(2)	(2)	(2)	(115)	(2)	2	-	-
Net income from investments	1	5,157	(903)	(3,150)	(658)	6,463	450	1,122
<b>PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>88,674</b>	<b>98,827</b>	<b>75,559</b>	<b>91,692</b>	<b>89,544</b>	<b>103,531</b>	<b>87,620</b>	<b>102,791</b>
Income tax for the period	(29,709)	(32,613)	(23,005)	(28,206)	(27,272)	(31,689)	(26,575)	(9,585)
<b>PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS</b>	<b>58,965</b>	<b>66,214</b>	<b>52,554</b>	<b>63,486</b>	<b>62,272</b>	<b>71,842</b>	<b>61,045</b>	<b>93,206</b>
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>58,965</b>	<b>66,214</b>	<b>52,554</b>	<b>63,486</b>	<b>62,272</b>	<b>71,842</b>	<b>61,045</b>	<b>93,206</b>
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP</b>	<b>58,965</b>	<b>66,214</b>	<b>52,554</b>	<b>63,486</b>	<b>62,272</b>	<b>71,842</b>	<b>61,045</b>	<b>93,206</b>

(Amounts in € thousand)

Please note that, starting from December 31st, 2019, “Net trading, hedging and fair value income” also includes dividends and similar revenues on equity investments held at fair value in the item “Dividend income and similar revenue”, previously included in the item “Dividends and other income from equity investments” in the reclassified income statement. 2018 figures were also reclassified.

### FINECOBANK RATING

	Long term debt	Short term debt	Outlook
<b>S&amp;P GLOBAL RATING</b>	<b>BBB</b>	<b>A-2</b>	<b>Negative</b>

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

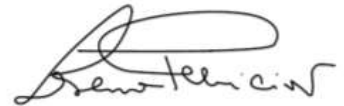
The undersigned Lorena Pelliciarì, as Nominated Official in charge of drawing up Company Accounts of FinecoBank S.p.A.,

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 accounts, books and records.

Milan, 11 February 2020

The Nominated Official in charge of  
drawing up company accounts



**FinecoBank**

FinecoBank is one of the most important FinTech banks in Europe. Listed on the FTSE MIB, Fineco offers a business model that is unique in Europe, combining the best platforms with a large network of financial advisors. It offers a single account with banking, trading and investment services, on transactional and advisory platforms developed with proprietary technologies. Fineco is a leading bank in brokerage in Europe, and one of the most important players in Private Banking in Italy, offering advanced and tailor-made advisory services. Since 2017, FinecoBank has also been in the UK with an offer focused on brokerage, banking and investment services. Fineco Asset Management was founded in Dublin in 2018, with a mission to develop investment solutions in partnership with top international asset managers.

**Contact info:**

Fineco - Media Relations  
Tel.: +39 02 2887 2256  
[mediarelations@finecobank.com](mailto:mediarelations@finecobank.com)

Fineco - Investor Relations  
Tel. +39 02 2887 3736/2358  
[investors@finecobank.com](mailto:investors@finecobank.com)

Barabino & Partners  
Tel. +39 02 72023535  
Emma Ascani  
[e.ascani@barabino.it](mailto:e.ascani@barabino.it)  
+39 335 390 334

Fine Comunicato n.1615-12

Numero di Pagine: 14