



FINECO. SIMPLIFYING BANKING

# Fineco UK Presentation

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Milan, May 11th 2020

# WHY FINECO CAN BE SUCCESSFUL IN THE UK

The UK market is fragmented among many highly specialized operators. Fineco will intercept traditional banks users, combining high quality and convenience into a “one-stop shop”

3 NEEDS

## ONE STOP SOLUTION

BROKERAGE

INVESTING

PAYMENTS

PREMIUM SERVICE **WITHOUT** PREMIUM PRICE



HIGH  
QUALITY

1  
PLATFORM

COMPETITIVE  
FEES

# WHAT WE HAVE LEARNT FROM OUR CLIENTS

Customers use all account services: trading, payment and multicurrency

## MULTICURRENCY

NATURAL ACQUISITION

**50%**

of our **customers** did at least one multicurrency operation

## TRADING & PAYMENTS

SIGNIFICANT OVERLAP

**50%**

of our **traders** uses the debit card

**46%**

## FINECO MULTICURRENCY USERS INVEST OR TRADE WITH COMPETITORS

we plan to intercept these users with investing products, a new trading pricing and a targeted communication

Source:

Fineco survey, march 2020

# MULTIPLE TARGETS, MULTIPLE SOURCES, INFLOW FROM TRADITIONAL BANKS

Thanks to an integrated business model, Fineco can acquire customers from various sources, including traditional banks, not only from specialized operators.

TARGET	SOURCE	NEW COMERS AVG Y/Y	MARKET SIZE
OTC users	Traditional banks, new comers OTC competitors	<b>+17K</b>	<b>102 K retail traders</b> <sup>(1)</sup>
Stock broking	Traditional banks, stockbroking, DTC platform	<b>+70K</b>	<b>790K investors</b> <sup>(1)</sup> ≥1 share deal/year
Funds self investors	Traditional banks, stockbroking, DTC platform	<b>+23bn</b> <b>(11% yoy)</b>	<b>1 trillion</b> <sup>(1)</sup> <b>addressable wealth uk</b>
Multi currency	Traditional banks		<b>4.2M UK freq. travelers</b> personal income £60k+ <sup>(2)</sup>

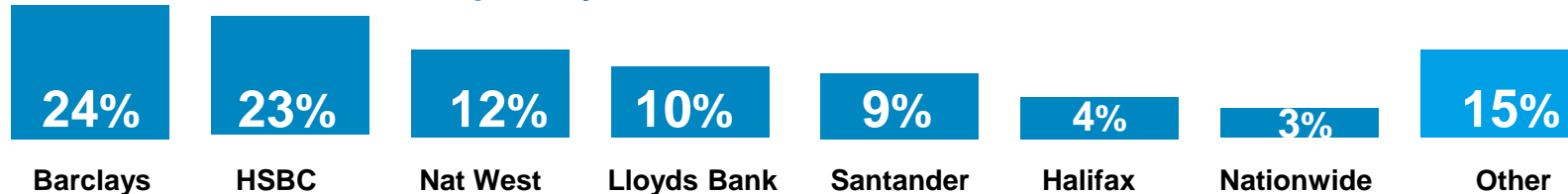
**+310k**

OVERLAP  
AMONG STOCK  
BROKING &  
SELF  
INVESTORS  
USERS

**22%**

OF LAST  
YEAR NEW  
PLATFORM  
USERS UNDER  
35

## Fineco inflows from 2017 up today




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(1) Source: Investment trends 2019

(2) source: Internal research

# FINECO VS COMPETITORS - PRODUCT/SERVICES

						
BANKING	Bank Account	✓	X	X	✓	✓
	Multi Currency	✓	X	X	✓	✓
	Debit Cards	✓	X	X	✓	✓
TRADING	Shares	✓	✓	✓	✓	✓
	Bonds	✓	X	✓	X	✓
	Futures & Options	✓	X	X	X	X
	CFDs	✓	✓	X	X	X
	FX	✓	✓	X	X	X
	Analytic tools	✓	X	X	X	X
INVESTING	Funds	✓	X	✓	X	✓
	ISA	✓ ●	✓	✓	X	✓
	SIPP	✓ ●	X	✓	X	X

● Next Coming - see page 16

# FINECO VS COMPETITORS - FEATURES

Fineco platform: usability, reliability and advanced tools

					
Free Basic Market Data	✓	✓	✓	✓	✓
Real time DMA	✓	paid	X	X	X
Advanced Charting tool	✓	X	X	X	X
Recurring investments	✓	X	✓	X	✓
Strategie ordini (OCO, conditionals etc.)	✓	✓	X	X	X
Stock screener	✓	X	X	X	X
Payments	✓	X	X	✓	✓
Budget track	✓	X	X	✓	X
Open banking	✓	X	X	✓	✓



# Unique Selling Proposition FOR OTC AND STOCK BROKING

## BEST IN CLASS PRICING 100% SUSTAINABLE

**SHARE CFDs**

**ZERO COMMISSION**

**NO ADDED SPREADS**

66.68% of retail investors lose money when trading CFDs with Fineco.

**FINECO**  
B A N K

Share CFD\Broker Buy 100 units	<b>FINECO</b> B A N K	<b>IG</b>	<b>CMC</b> cmc markets	<b>SAXO</b> BANK	<b>Plus500</b>
HSBC * 498.20 GBp	<b>0</b>	£10	£9	£8	£0.67
APPLE * 225.64 USD	<b>0</b>	£15	\$10	\$10	\$9.5
BMW * 42.61 EUR	<b>0</b>	€10	€9	€10	€10.75

CFD on UK INDEX	<b>FINECO</b> B A N K	<b>IG</b>	<b>CMC</b> cmc markets	<b>SAXO</b> BANK
Ptse100	<b>0.6</b>	1	1	0.8

**UK SHARES**

**£2.95**

**FLAT FEE**

**FINECO**  
B A N K

	<b>FINECO</b> B A N K	<b>HARGREAVES</b> LANSDOWN	<b>ii</b> interactive investor	<b>AJ</b> Bell Yourinvest	<b>IG</b>	<b>SAXO</b> BANK	<b>Interactive</b> Brokers
London Stock Exchange							
Stock for £5,000	<b>£2.95</b>	£11.95	£7.99 <sup>(*)</sup>	£9.95 <sup>(*)</sup>	£8	£8	£6
Stock for £20,000	<b>£2.95</b>	£11.95	£7.99 <sup>(*)</sup>	£9.95 <sup>(*)</sup>	£8	£20	£6








(\*) Plus Custody fees  
Benchmark data: March 2020

# A COMPETITIVE MULTICURRENCY OFFER

Multi-currency accounts are typically expensive services for premium customers. FinecoBank multicurrency account is free.

- › **Best spreads – no commission**
- › **Free payments towards EEA**
- › **Visa debit in £ and in €**
- › **20+ currencies**

## CHANGE RATE COSTS

							
£10,000	€25 = £22,3	€28,04 = £25	€42 = £37,44	€45 = £40,7	€84 = £74,88	€95 = £84,7	€168 = £150
£100,000	€250 = £222,88	€532 = £474,28	€420 = £374,43	€450 = £401,2	€840 = £748,8	€950 = £847	€560 = £499,24
£1,000,000	€2500 = £2228,8	€ 5.572 = £4.967,46	€3200 = £2852,8	€4500 = £4.011,77	€8400 = £7.488,6	€9500 = £8.470	€2800 = £2.496

10k-100k-1mln simulation for payment and investment









COMPETITORS  
DON'T HAVE







- › Multicurrency
- › Bank Account
- › Debit Cards
- › Wide Trading offer

# THE MOST COMPETITIVE PLATFORM FEES

## PLATFORM FEES

Portfolio size						
£10,000.00	0.25%	0.45%	0.25%	0.20%	0.35%	0.25%
£50,000.00	0.25%	0.45%	0.25%	0.20%	0.35%	0.25%
£100,000.00	0.25%	0.45%	0.25%	0.20%	0.35%	0.25%
£250,000.00	0.25%	0.45%	0.25%	0.20%	0.35%	0.25%

## TRANSACTION FEES

					
£0.00	£0.00	£1.50	£3.00	£10.00 <sup>(*)</sup>	No online Phone dealing only

(\*) Buy cost only

Benchmark 2020

# TWO-STEP MARKETING STRATEGY

Acquisition first step will focus on the segment with the highest and fastest margins - brokerage - then the campaign will be also extended to investing

## PREMIUM SERVICE WITHOUT PREMIUM PRICE

### 2Q 2020 TRADING

£0 CFD equity  
Index  
£2.95 stock brokerage

### 4Q 2020 D2C INVESTING

Max 0.25% annual platform fee  
Competitive pricing  
Enhancement multi manager open  
platform

# MARKETING LAUNCH

## BRAND NEW WEBSITE

Designed for trading and tailored for the UK market

The screenshot shows the Fineco Bank website homepage. At the top, there's a navigation bar with the Fineco logo and links for Trading, Investing, Banking, Pricing, Login, and Open Account. The main headline reads "PREMIUM TRADING WITHOUT PREMIUM PRICES" in large, bold letters. Below this, a sub-headline states "INTRODUCING FINECO. THE PREMIUM TRADING PLATFORM WITH ZERO COMMISSION AND NO ADDED SPREADS ON SHARE CFDs." A prominent blue button says "OPEN THE ACCOUNT". The background features a blurred image of a trading desk with multiple monitors displaying financial charts and data. At the bottom, there's a section titled "Take your trading to the next level." which includes three columns of testimonials, each with a 5-star rating and a brief quote from a user.

**PREMIUM TRADING  
WITHOUT  
PREMIUM PRICES**

INTRODUCING FINECO. THE PREMIUM TRADING PLATFORM WITH ZERO COMMISSION AND NO ADDED SPREADS ON SHARE CFDs.

**OPEN THE ACCOUNT**

**Take your trading to the next level.**

**4,6**  
★ ★ ★ ★ ★  
~ 210,000 reviews  
Apple Store | Google Play

**★ ★ ★ ★ ★**  
**AWESOME PLATFORM**  
By RB  
Fineco is a very good platform. It is pretty much a one stop shop for all your trading needs.

**★ ★ ★ ★ ★**  
**COMPREHENSIVE APP**  
By RB  
I use it everyday to check balance, buy/sell stocks, market trends, news, money transfer.

**★ ★ ★ ★ ★**  
**INTUITIVE INTERFACE**  
By DL  
Simplistic Banking finally! With all features including forex trading, all under one hood.

## ADVERTISING CAMPAIGN

The advertising campaign features a dark, moody background with a blurred image of a trading desk. The headline "PREMIUM TRADING WITHOUT PREMIUM PRICES" is prominently displayed in large, bold letters. Below the headline, the text "Introducing Fineco. The premium trading platform with zero commission and no added spreads on share CFDs." is shown. A blue button says "Open your account today at finecobank.com". A small badge in the bottom left corner reads "20th Anniversary". At the bottom, there's a section titled "TRADE WITHOUT COMPROMISE" with the Fineco Bank logo and the website "FINECOBANK.COM". A disclaimer at the bottom right states: "Advertising message. CFDs are complex instruments and present a significant risk of losing money quickly due to financial leverage. 66.69% of retail investor accounts lose money due to CFD trading with FinecoBank. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money."

**PREMIUM TRADING  
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**20th Anniversary**

**TRADE WITHOUT  
COMPROMISE**  
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**FINECO  
BANK**

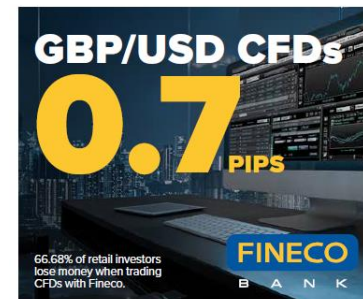
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# MULTI-SUBJECT CAMPAIGN

Brand  
message



Product  
messages  
(some  
examples)





# CURRENT BROKERAGE POSITIONING

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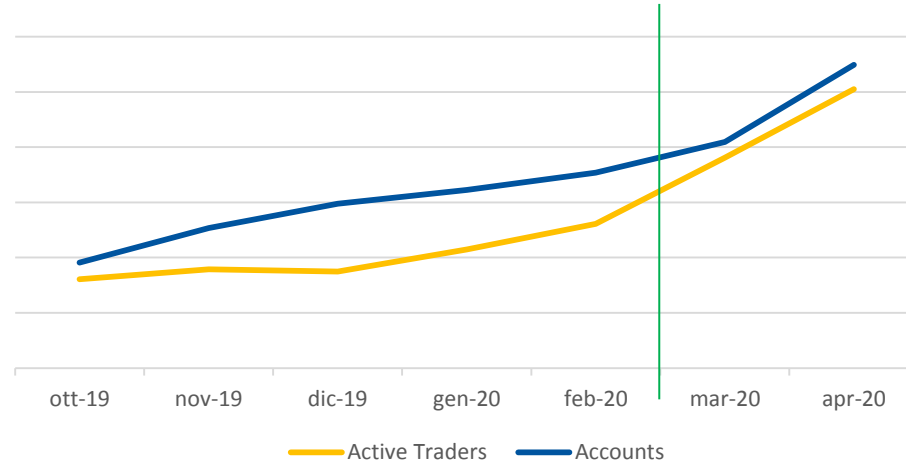
## New Clients path drivers

- › Repricing
- › Positioning on brokerage
- › One Stop Solution
- › New Website
- › Volatility



# FINECO UK CLIENTS – NEW CLIENT ACQUISITION

## Accounts vs Active Traders



## March/April Picture

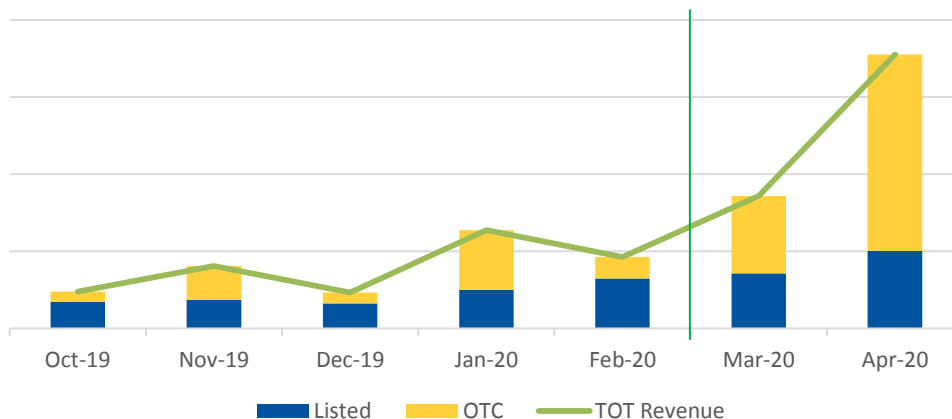
**CPA**  
overall  
**€608**

**ARPU**  
Active Traders  
**€1115**

**+111%**  
Clients  
acquisition

**+98%**  
Traders  
Activation

## Revenue split OTC vs Listed



**+133%**  
OTC users

**+114%**  
Listed users

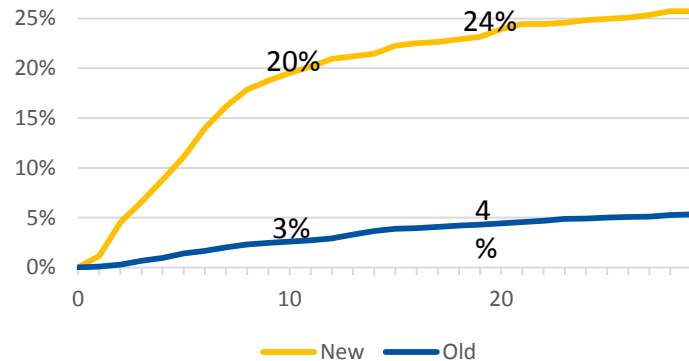
**+270%**  
OTC trades

**+230%**  
Listed trades



# Fineco UK Clients - New Clients

## % Clients activation first month Stock vs New

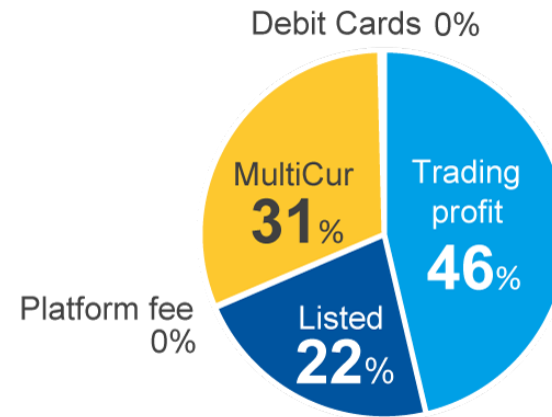
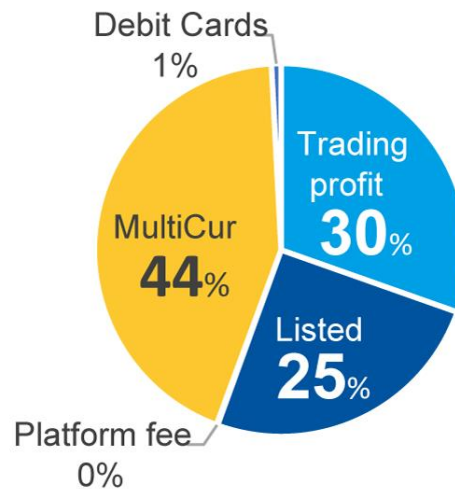


## Highlight new Active Traders

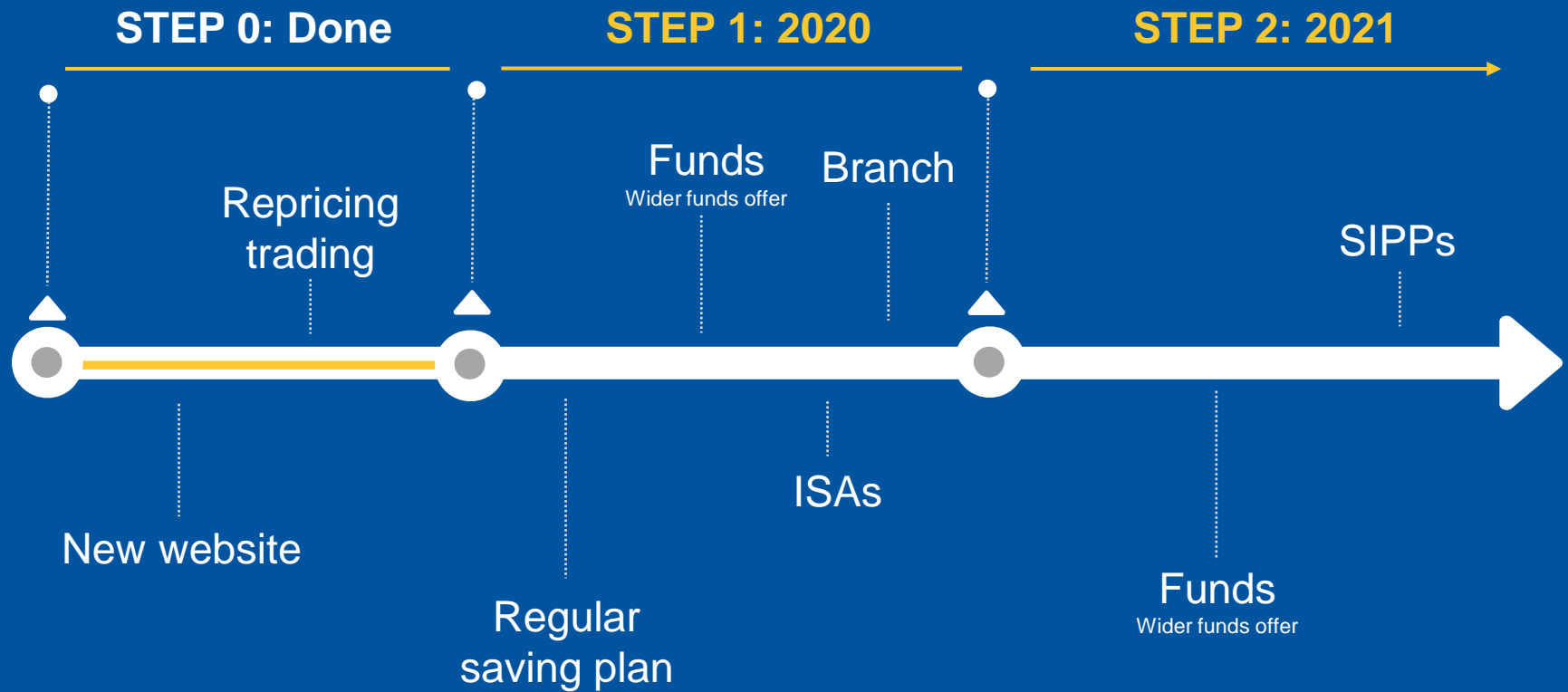
**59%**  
of them  
>5 trades  
per month

**57%**  
of their  
trades  
on CFDs

## Revenue Split – Stock vs New



# Next steps



**A GROWTH PATH WITH A CLEAR GOAL:  
CLIENTS' WORLD CLASS EXPERIENCE**

# Funds development



**FINECO** | ASSET MANAGEMENT

**COLUMBIA  
THREADNEEDLE**  
INVESTMENTS

**M&G**  
INVESTMENTS

**Aberdeen Standard**  
Investments

**Fidelity**  
INTERNATIONAL

**Algebris**  
INVESTMENTS

**BlackRock**  
**J.P.Morgan**  
Asset Management

**JUPITER**  
**Legal & General**  
**Invesco**

**Janus Henderson**  
INVESTORS  
**Schroders**

**[A  
B]**

**CAPITAL  
GROUP™**

**AND MORE COMING**

**FINECO**

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