



FINECO. SIMPLIFYING BANKING.

## 2Q22 Results

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CEO and General Manager

Milan, August 2<sup>nd</sup> 2022

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# Agenda

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## ✓ **Fineco Results**

- ☐ Next steps
- ☐ Fineco international business
- ☐ Key messages
- ☐ Focus on product areas

# A new market structure enlarging our growth opportunities

A structurally higher profitability and capital light business model, leading to higher DPS and to invest in our growth

The current environment has significantly changed

## Acceleration of structural trends reshaping our society

- ✓ Increasing demand for advice
- ✓ Increasing digitalization
- ✓ Consolidation in traditional banking system

## New interest rates environment<sup>(1)</sup>



+62 bps on 2022 AVG Euribor 3M vs beginning of the year  
+108 bps on 2022 AVG EURIRS 10Y vs beginning of the year

Fineco as a fully-fledged Platform benefitting from the new market structure

### Net Financial Income:

Expected strong increase vs recent past

Thanks to the strong gearing to the interest rates of our **quality and capital light NII: driven by our clients' valuable transactional liquidity** and not by lending as for other banks

### Investing:

Strong results in a challenging environment thanks to resilient inflows and FAM

Inflows driven by structural trends, top-quality product offer and fair pricing. Growing contribution by FAM, which is taking a higher control of the value chain

### Brokerage:

Higher floor thanks to our quality target market and business model

Target market focused on wealthy and financially aware clients and our one-stop-solution business model

# Executive Summary

Successful growth story: becoming more a Platform than a Bank. Our diversified business model allows us to deliver strong results in every market condition

## Delivering strong net profit in every market condition

- **1H22 adj. Net Profit at 223 mln, +20.5% y/y<sup>(1)</sup>**, confirming the sustainability of our diversified business model
- **1H22 adj. Revenues at 464 mln, +15% y/y<sup>(1)</sup>** mainly supported by **Investing (+22% y/y** thanks to volume effect and to the strong contribution by FAM) and **by Net Financial Income (+19% y/y)**. Brokerage confirmed a structurally higher floor compared to pre-pandemic levels
- **Operating Costs well under control at -136 mln, +3.0% y/y**, excluding costs related to the acceleration of the growth of the business<sup>(2)</sup>
- **Strong operating leverage confirmed a key strength of the Bank.** Adj. C/I ratio at 29.3%

## Growth of the Balance Sheet comfortably under control

- Thanks to new initiatives: boosting Fees to increase Revenues with a better mix

## Strong capital position

- **CET1 ratio at 19.14%, TCR at 29.45%, Leverage ratio at 3.82%**

## Accelerating commercial activity towards AUM

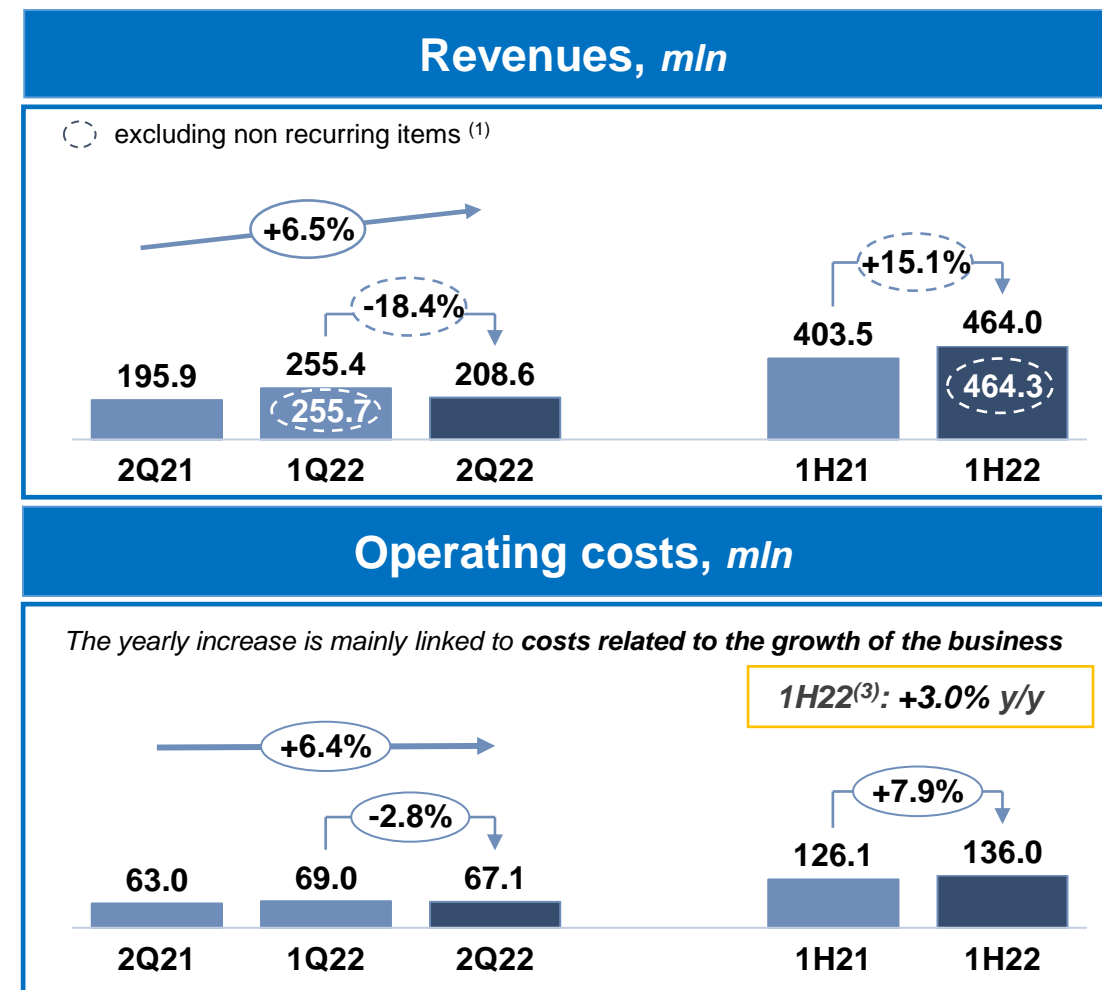
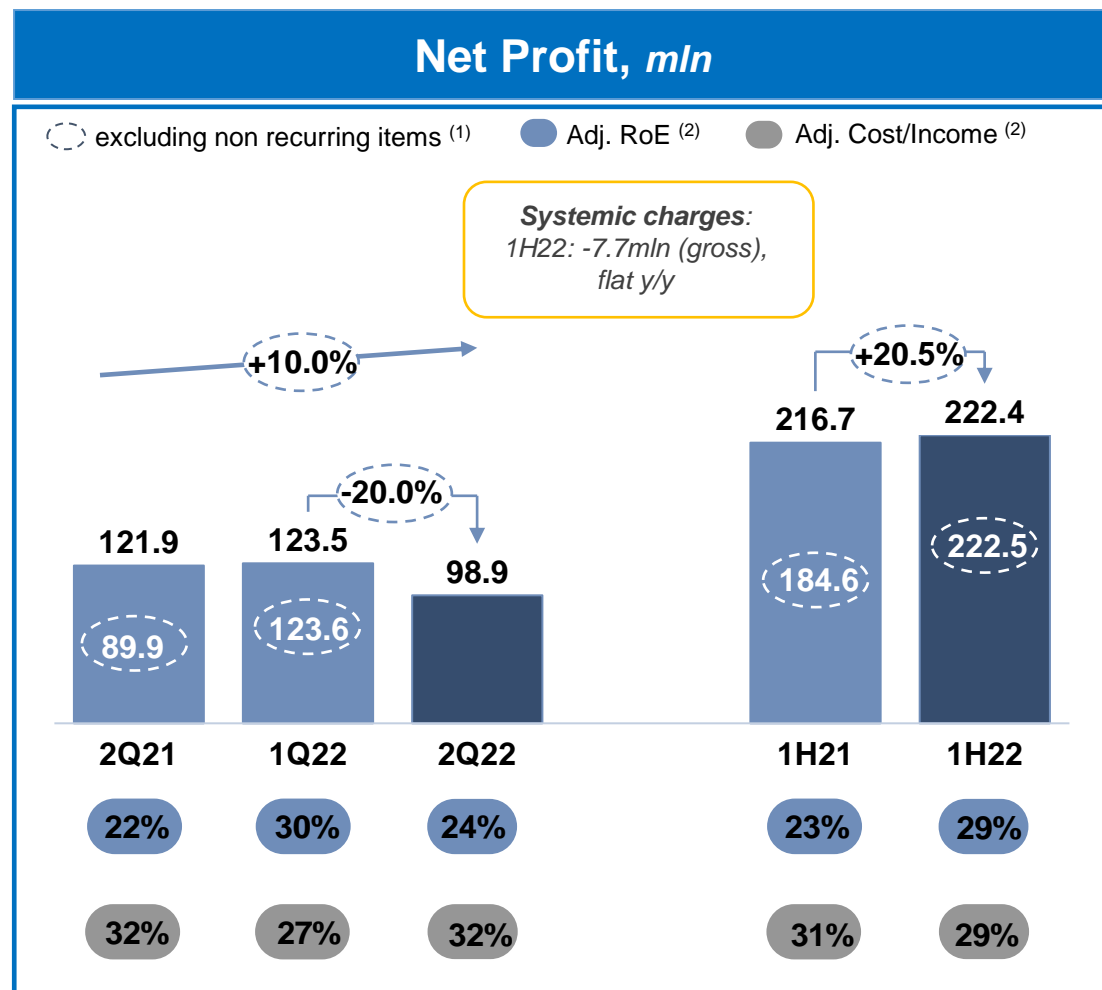
- **Net sales in 1H22 at 5.6 bn, o/w AUM at 1.7 bn. TFA at 102.8 bn with Asset under Management at 50.8 bn** and the penetration of **Guided products on Asset under Management at 76%**
- **Fineco Asset Management 1H22 TFA at 24.5 bn (+21% y/y). Net Sales:**
  - **Retail: 1.4 bn**
  - **Funds underlyings of wrappers (Institutional classes): 1.5 bn**, as our management company is taking more control of the investing value chain
- **July (estimated): Strong net sales at ~1.0 bn, o/w AUM ~330 mln and AUC ~310 mln. Brokerage revenues estimated at ~13 mln** (~25% higher vs average July revenues in 2017-2019 y/y)

<sup>(1)</sup> 2022 non recurring items: 1Q22 -0.3 mln gross (-0.2 mln net) due to Voluntary Scheme; 2021 non recurring items: 4Q21 -0.7 mln gross (-0.5 mln net) due to Voluntary Scheme; 2Q21 realignment of the intangible assets: 32 mln net

<sup>(2)</sup> Excluding costs strictly related to the growth of the business, mainly FAM (-4.2 mln y/y) and marketing (-1.9 mln y/y)

# Delivering strong Net Profit in every market condition

Adj. Net Profit at 222.5mln, +20.5% y/y boosted by strong acceleration of Investing, confirming the effectiveness of our initiatives, and by robust Net Financial Income. Strong operating leverage confirmed

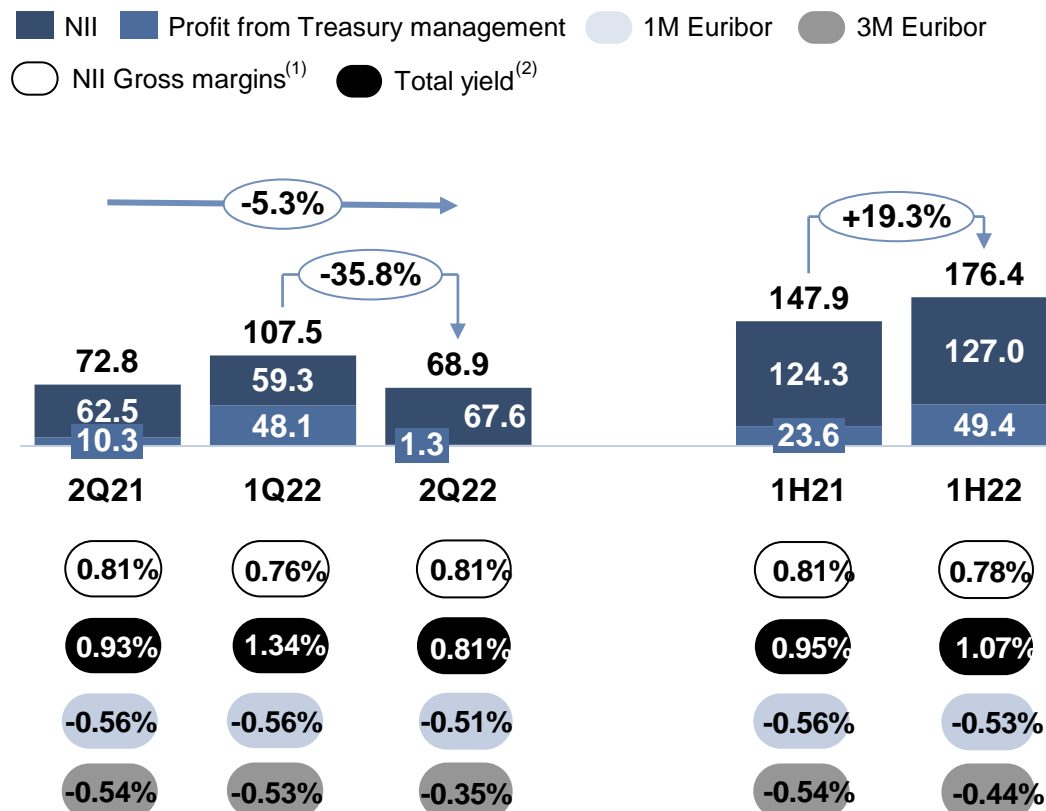


<sup>(1)</sup> 2022 non recurring items: 1Q22 -0.3 mln gross (-0.2 mln net) due to Voluntary Scheme; 2021 non recurring items: 4Q21 -0.7 mln gross (-0.5 mln net) due to Voluntary Scheme; 2Q21 realignment of the intangible assets: 32 mln net  
<sup>(2)</sup> Adj. Cost/Income and Adj. RoE calculated net of non recurring items. ROE calculated as: annualised adj.net profit divided by average book equity for the period (excl. dividends for which distribution is expected and valuation reserves)  
<sup>(3)</sup> Excluding costs strictly related to the growth of the business, mainly FAM (-4.2 mln y/y) and marketing (-1.9 mln y/y)

# Revenues growth supported by all our initiatives

Quality and capital light NII driven by our clients' valuable transactional liquidity and not driven by lending as for other Banks. Boosting Non Financial Income, thus becoming more a Platform than a Bank.

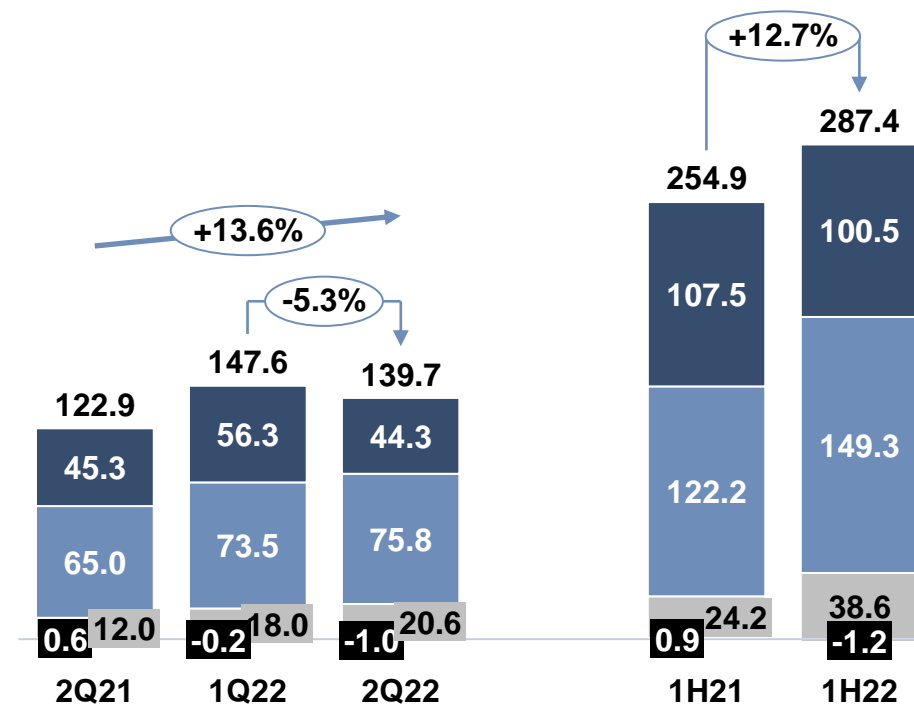
## Net Financial Income, mln



**Sensitivity analysis +/-100bps parallel shift: +144mln NII / -130mln NII**

## Non Financial Income, mln

Legend: ■ Brokerage<sup>(3)</sup> ■ Investing ■ Banking ■ Other



<sup>(1)</sup> NII gross margins: interest income related to financial investments, lending, leverage, security lending, other trading activities on interest-earning assets

<sup>(2)</sup> Total yield: net financial income related to interest-earning assets

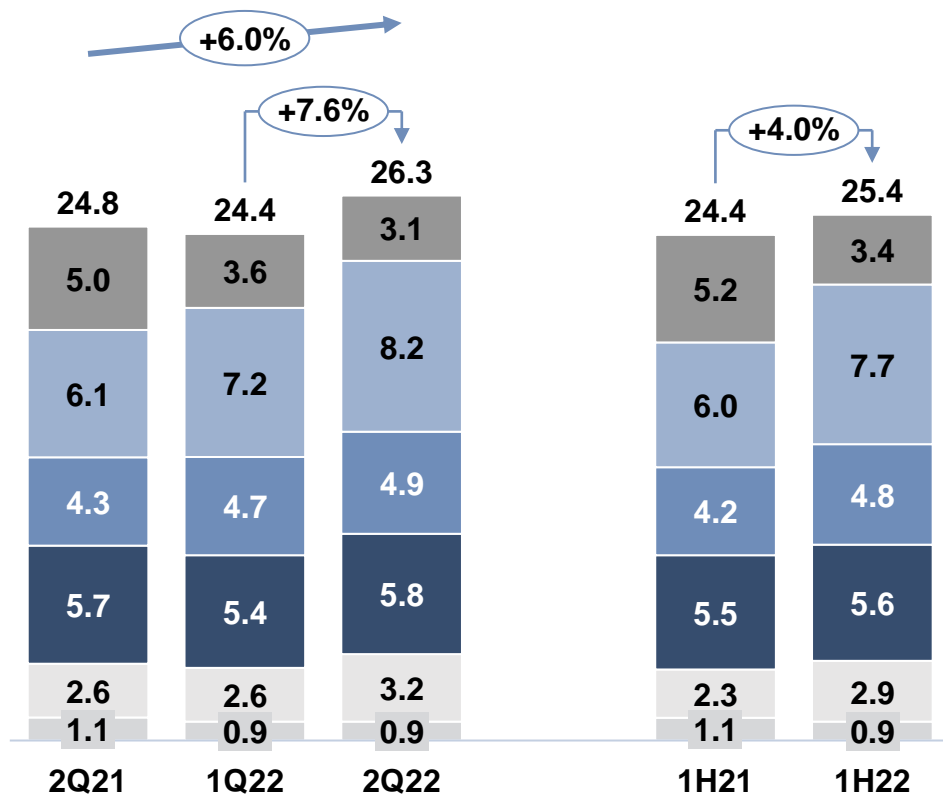
<sup>(3)</sup> Sum of brokerage commissions and Trading income (net of Profit from Treasury Management)

# Net financial income: focus on financial investments

Transactional liquidity invested in a diversified portfolio

## Bond Portfolio, avg bn

UC bonds Italy Spain Other Govies<sup>(1)</sup> SSA<sup>(2)</sup> Covered & Corporate



### Bond portfolio Nominal value 30th June 2022: 25.7bn:

- o/w 56% at fixed rate, avg yield: 69bps
- o/w 35% at floating rate (swapped), avg spread on EUR3M: 83bps on 3m Eur
- o/w 9% UCG bonds, avg spread 163bps on 3m Eur

### Residual maturity total portfolio: 5.8 years

- o/w UC Bonds: 0.9 years
- o/w bonds (excl. UC bonds): 6.3 years

### Overall portfolio duration: 3.3 years<sup>(3)</sup>

<sup>(1)</sup> Avg 1H22 "Other" includes: 1.4bn France, 1.0bn Ireland, 0.8bn USA, 0.7bn Belgium, 0.6bn Austria, 0.4bn Portugal, 0.2bn Chile, 0.1bn Saudi Arabia, 0.1bn Germany, 0.2bn China, 0.1bn other (UK, Switzerland, Iceland, Latvia)

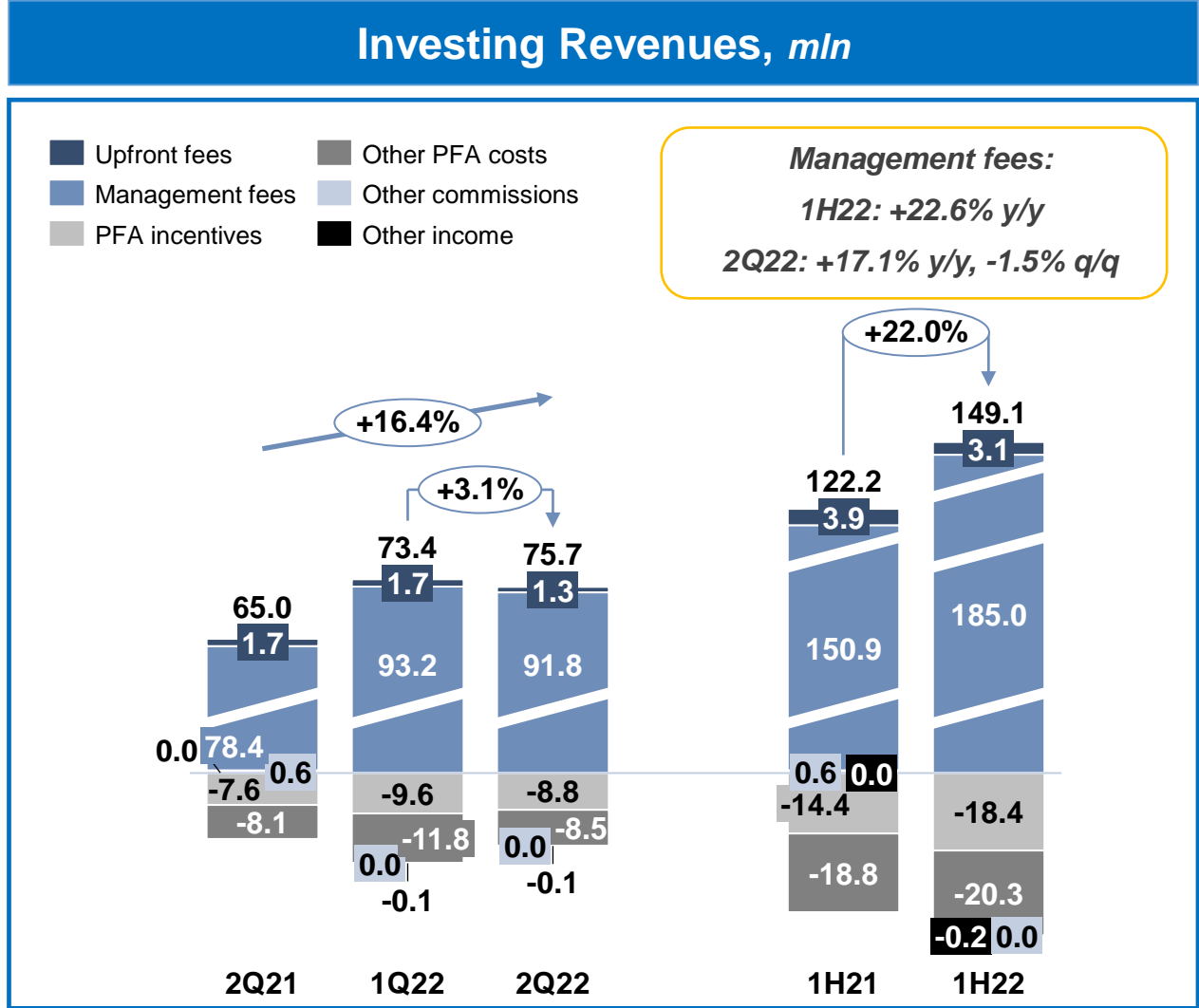
<sup>(2)</sup> Sovereign Supranational and Agencies

<sup>(3)</sup> Calculated considering hedging maturities

For more details please refer to slide 45

# Our priority: accelerating on Investing

1H22 revenues increasing y/y thanks to volume effect and to the higher contribution by FAM, which is taking more control of the Investing value chain, supporting our margins. Management fees in the quarter affected by negative market performance



Management fees:

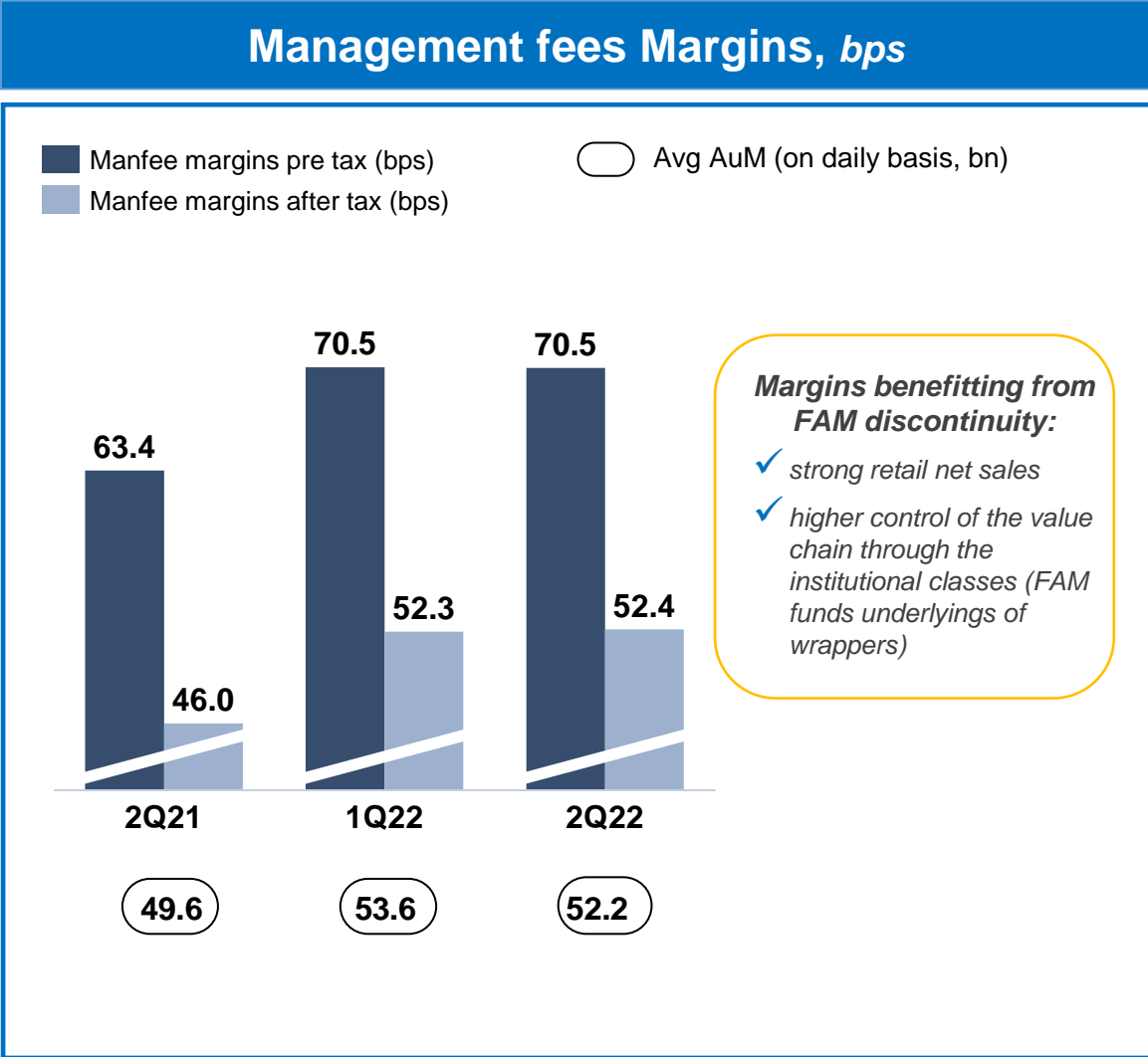
1H22: +22.6% y/y

2Q22: +17.1% y/y, -1.5% q/q

+16.4%

+3.1%

+22.0%



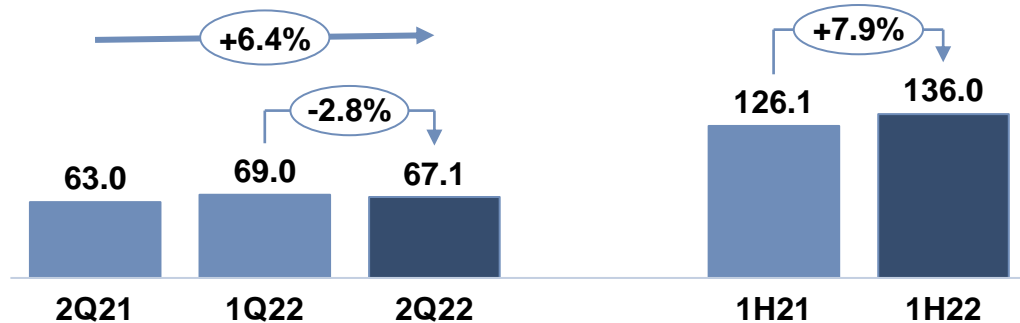
# Cost efficiency and operating leverage confirmed in our DNA

## Operating Costs, mln

The yearly increase is mainly linked to costs related to the growth of the business, mainly related to:

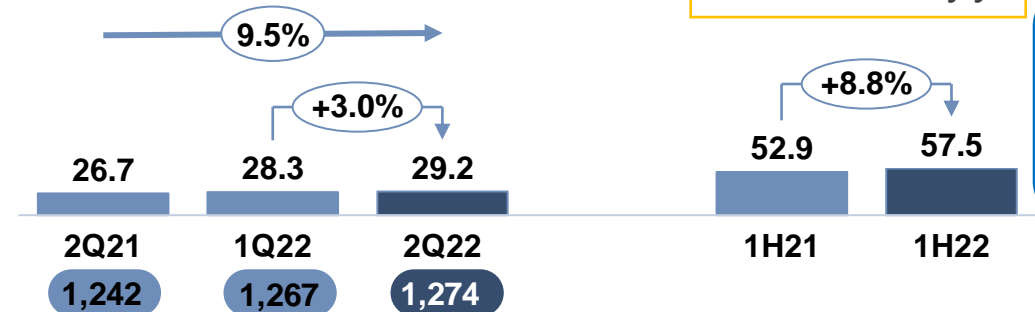
- **FAM** as it is progressively increasing the efficiency of the value chain
- **Marketing expenses**

Net of this items, 1H22<sup>(1)</sup>: +3.0% y/y



## Staff expenses and FTE, mln

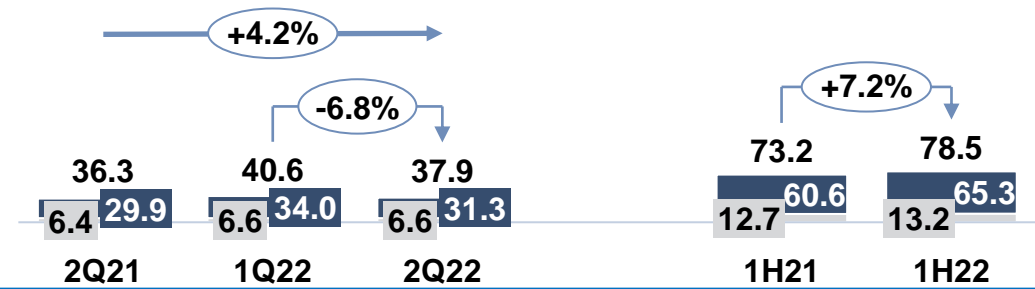
FTE #



1H22 FAM costs up by 2.1mln y/y as it is progressively increasing the efficiency of the Investing value chain

## Non HR Costs, mln

OAE Write-downs/back & depreciation



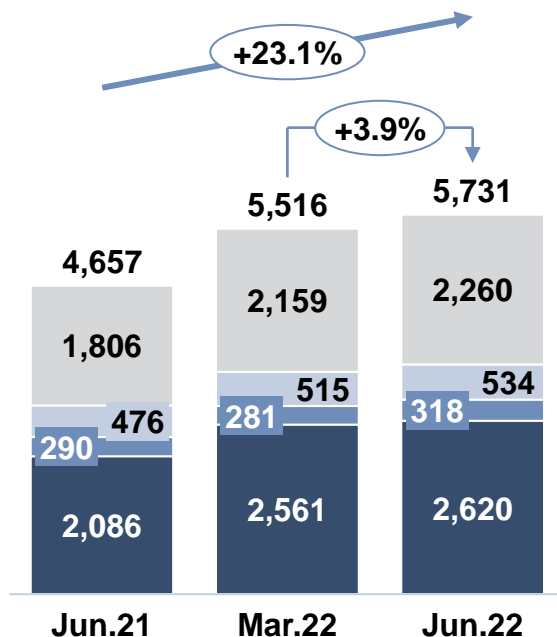
<sup>(1)</sup> Excluding costs strictly related to the growth of the business in 1H22, mainly: FAM (-4.2mln y/y, o/w -2.1mln y/y related to Staff Expenses and -2.1mln y/y related to Non HR Cost) and marketing (-1.9 mln y/y)

# High quality lending

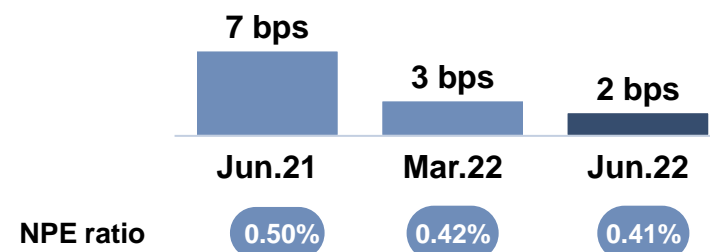
Offered exclusively to the existing base of clients, leveraging on our internal Big Data analytics

## Commercial Loans Portfolio, eop mln

Current accounts/Overdraft <sup>(1)</sup>
 Cards
  Personal loans
  Mortgages



## Cost of Risk on commercial loans <sup>(2)</sup>



- **Cost of Risk well under control thanks** to the constant improvement in the quality of the credit which is mainly secured and low risk
- **We confirm our strategy aims to build a safe lending portfolio**, offering these products exclusively to our very well known base of clients, leveraging on a deep internal IT culture, powerful data warehouse system and Big Data analytics
- **NPE at 24 mln with a coverage ratio at 82%, NPE ratio at 0.41%**
- **LLP equal to 1.2 mln in 1H22 (1.7 mln in 1H21)**
- **Less than 300 mortgages moratories** have been granted until now, o/w only less than 10 are active

<sup>(1)</sup> Current accounts/overdraft Include Lombard loans

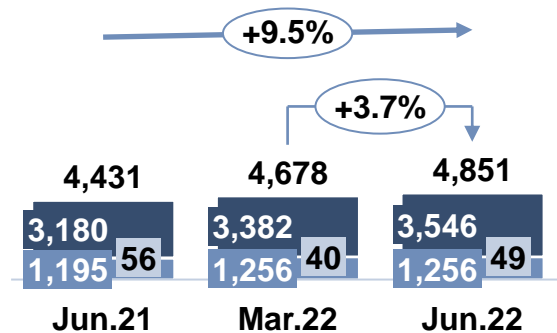
<sup>(2)</sup> Cost of Risk: commercial LLP of the last 12 months on average last 12 months commercial Loans

# Capital Ratios

Best in class capital position and low risk balance sheet

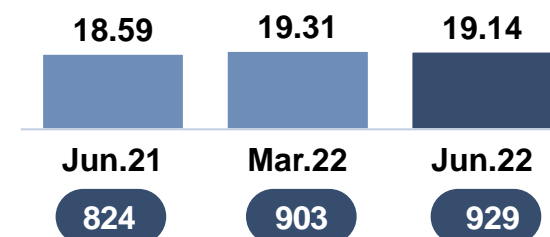
## RWA, mln

■ Credit ■ Market ■ Operational

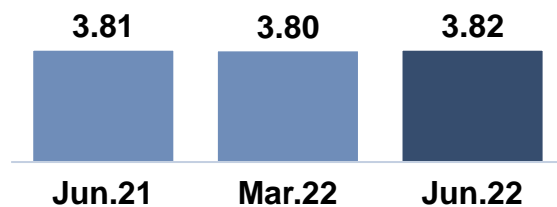


## CET1 Ratio, %

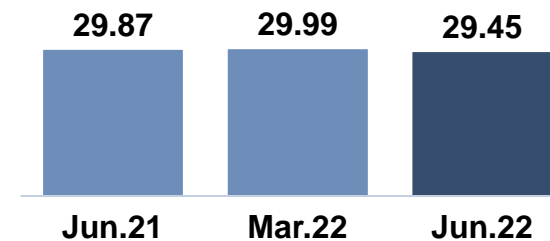
■ CET1 capital, mln



## Leverage Ratio<sup>(1)</sup>, %



## Total Capital Ratio, %

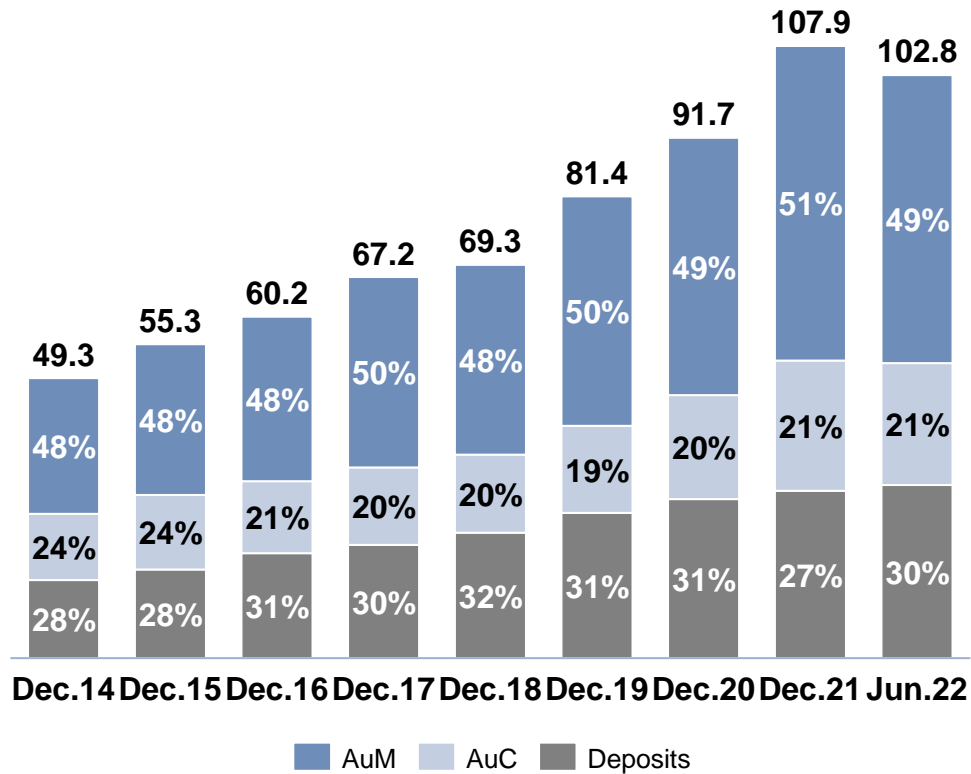


(1) Leverage Ratio excluding exposures towards Central Banks from the total LR exposures (according to art. 429a - CRR) was equal to 4.03% in June 2021 and to 3.99% in March 2022.

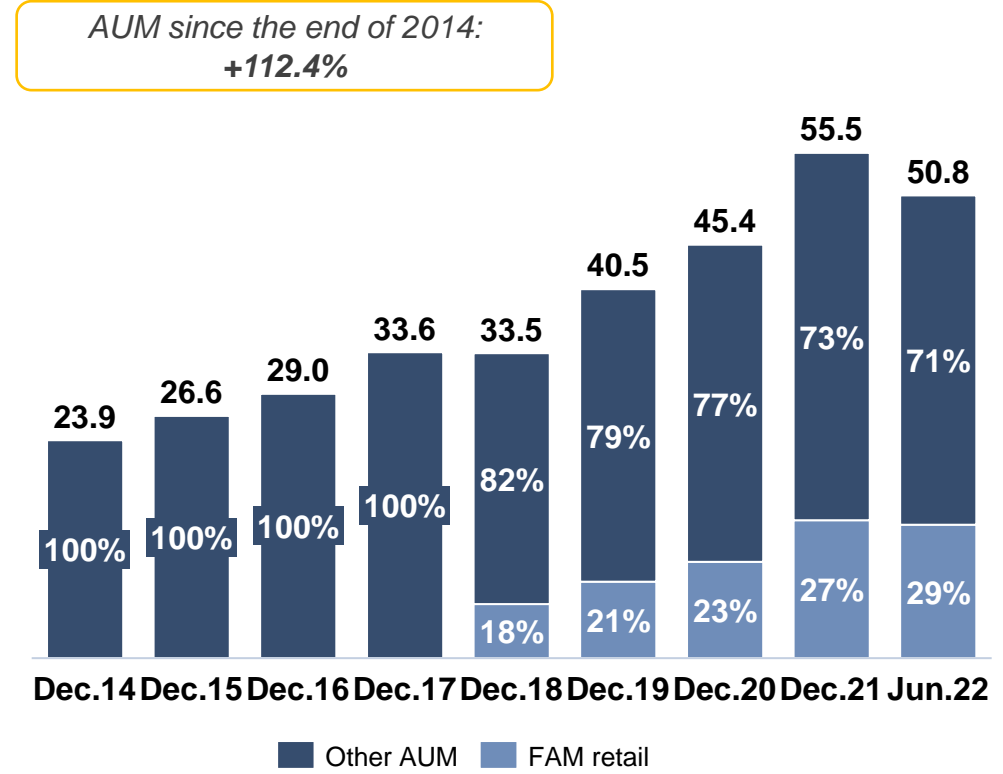
# TFA breakdown

Successful shift towards high added value products thanks to strong productivity of the network

Breakdown of total TFA, bn



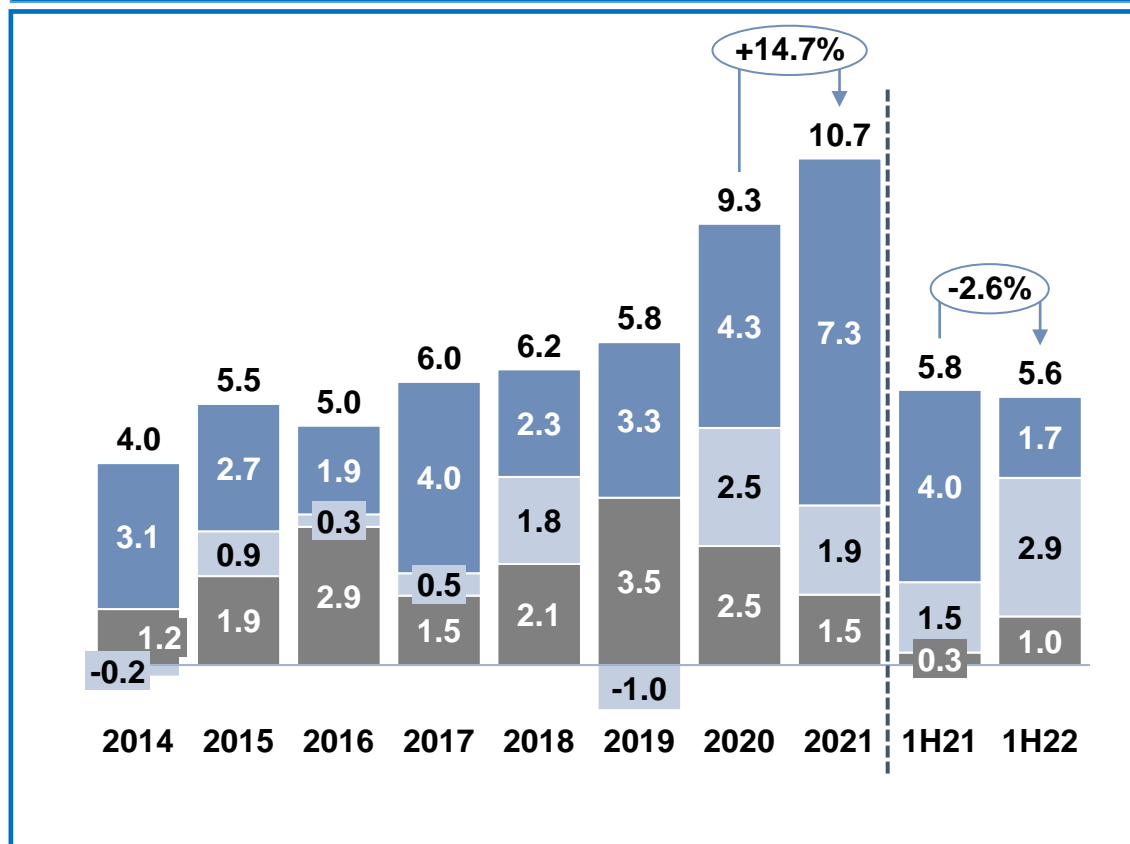
Focus on AUM and FAM, bn



# Net sales breakdown

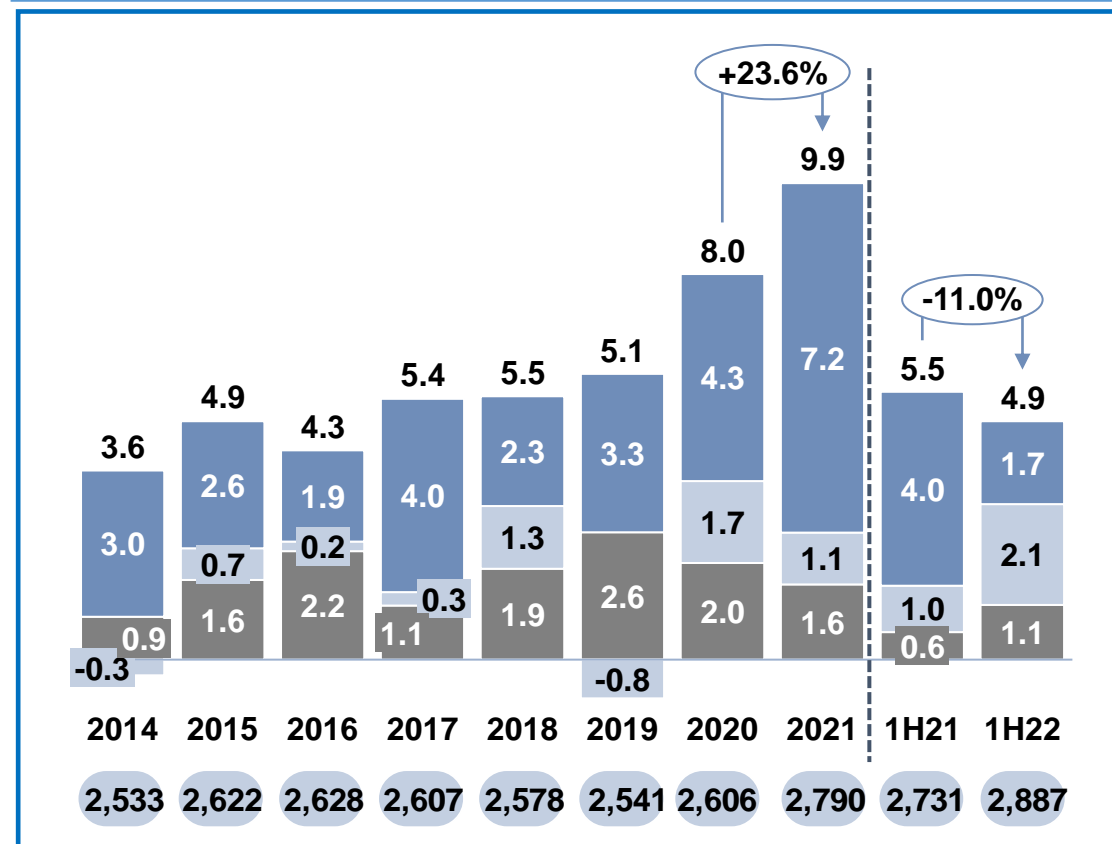
High quality net sales growth, on the wave of structural trends thanks to our diversified business model

## Breakdown of total Net Sales, bn



AuM AuC Deposits

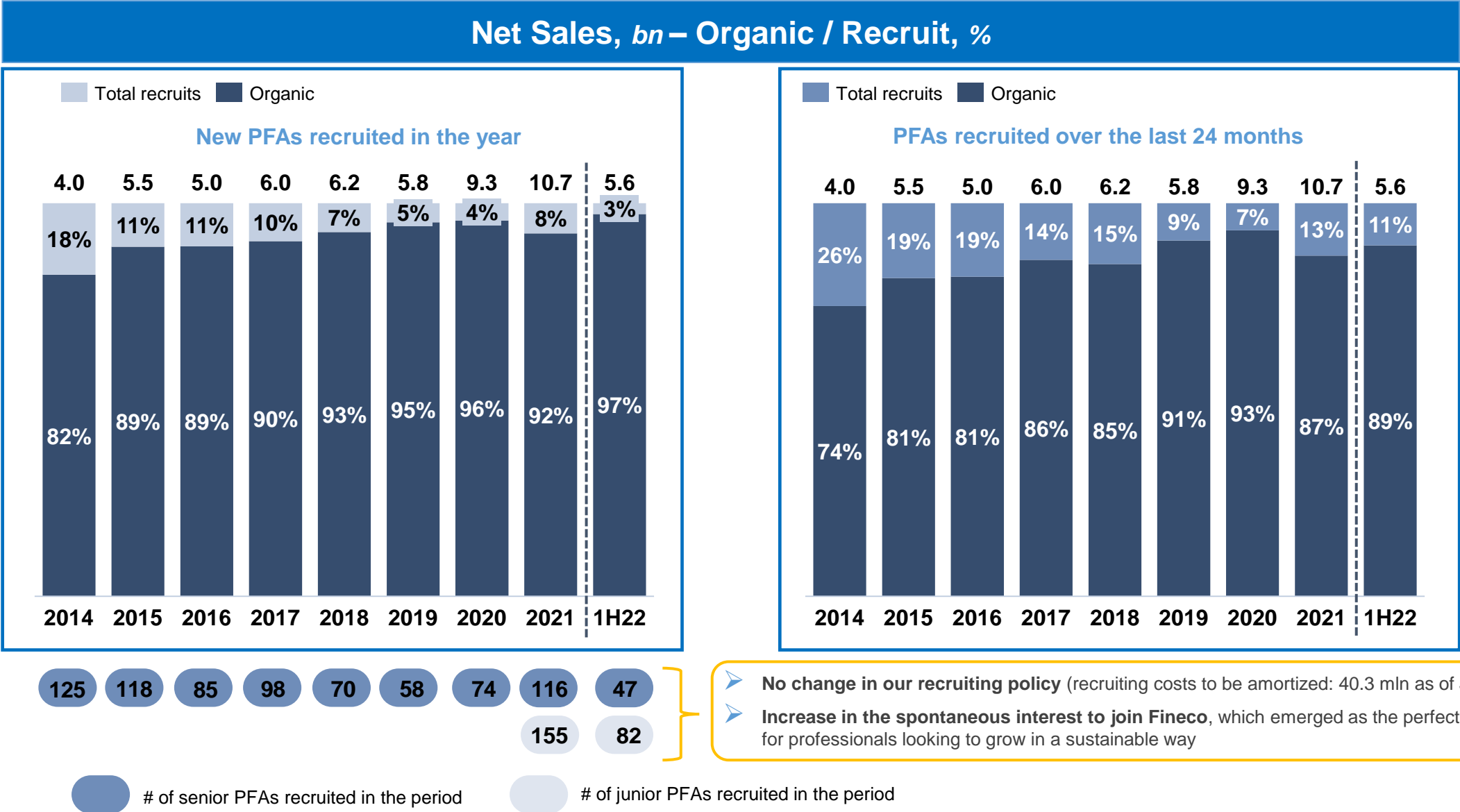
## PFA Network – total Net Sales, bn



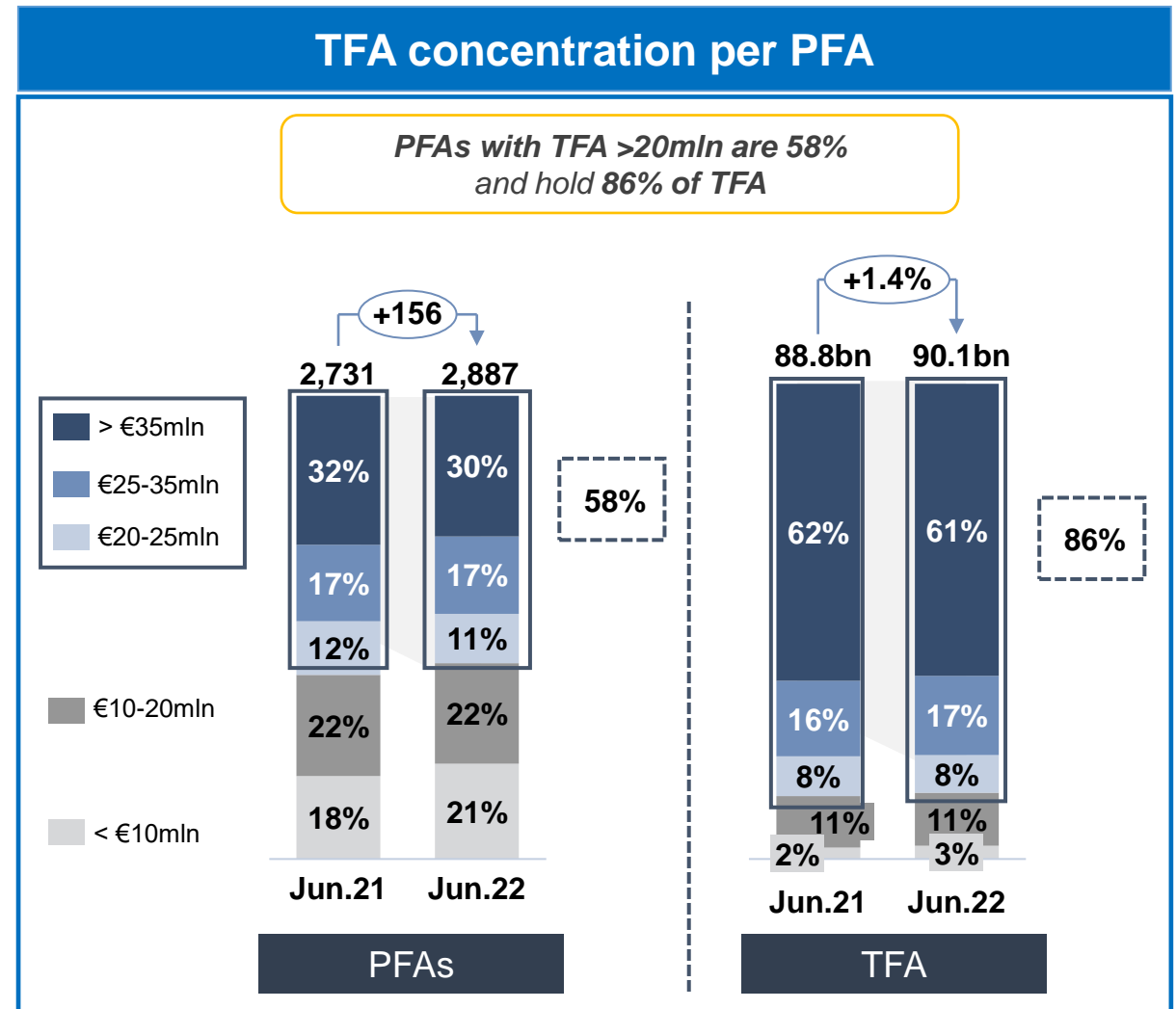
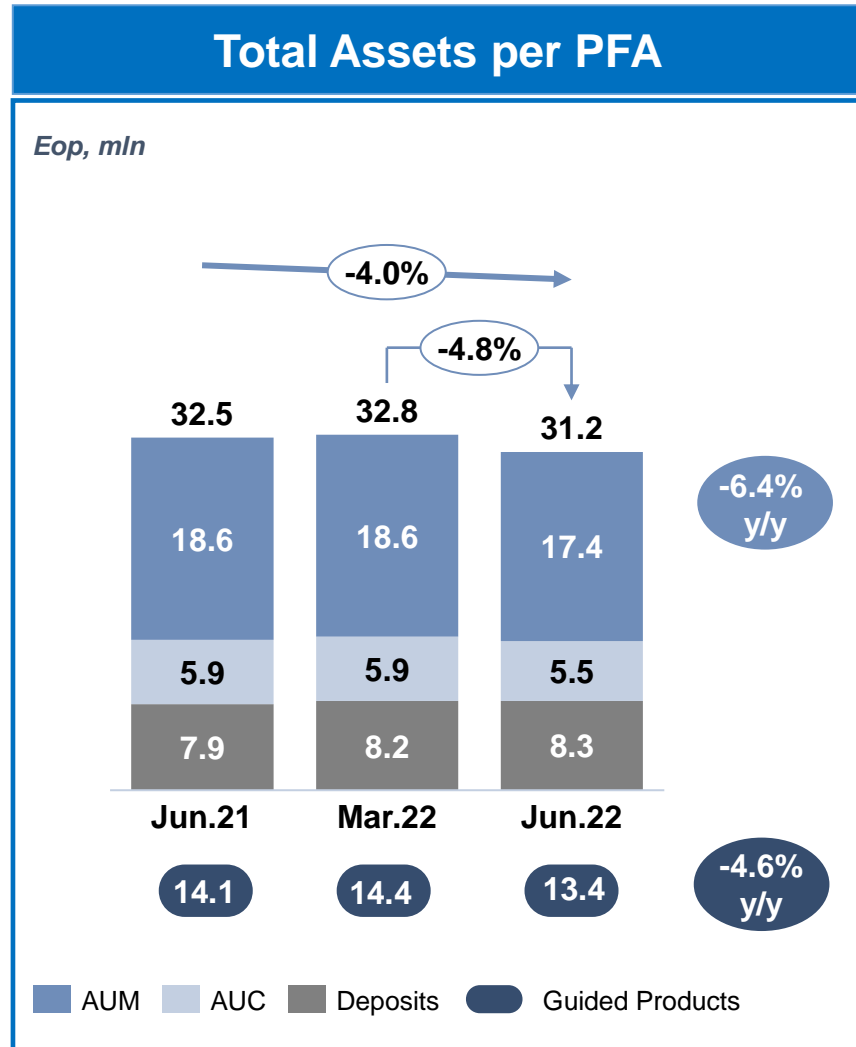
PFA Network - headcount

# Net sales organically driven key in our strategy of growth

The structure of recruiting is changing: more interest in the quality of the business model by PFAs



# Increasing quality and productivity of the Network

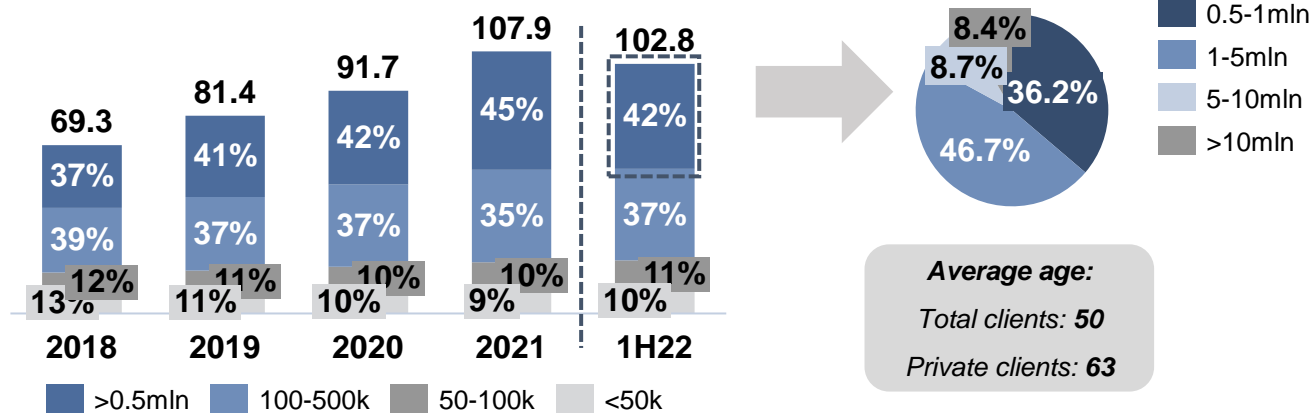


# Clients' profile and focus on Private Banking

## Improving the quality of our client base

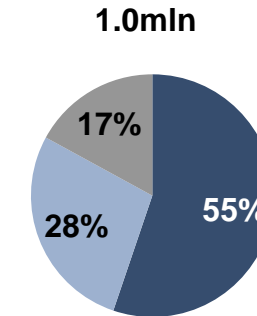
€ bn, TFA

### Client segmentation



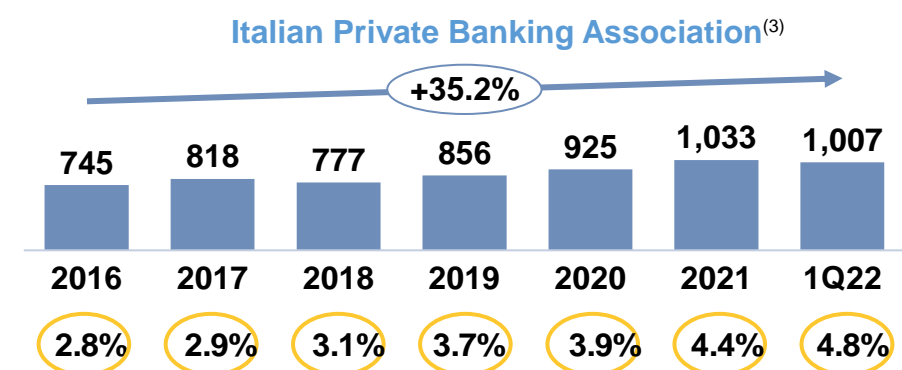
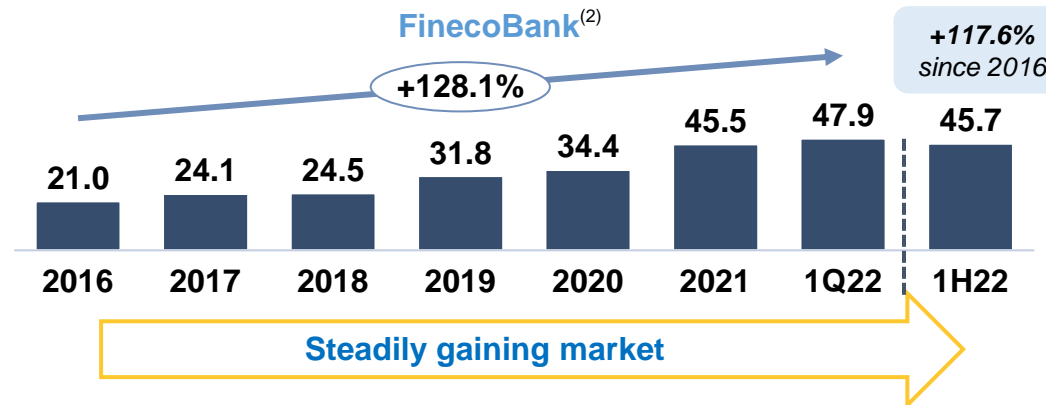
## Avg TFA per Private client<sup>(1)</sup>

AuM AuC Deposits



## Outperforming the system in Private Banking growth

€ bn, TFA Excluding change of perimeter (i.e. due to market performance, M&A)



<sup>(1)</sup> Private Banking clients are clients with more than € 0.5mln TFA with the Bank

<sup>(2)</sup> FinecoBank stated figures: € 22.2 bn in 2016, € 25.9 bn in 2017, € 25.8 bn in 2018, € 33.4 bn in 2019, € 38.6 bn in 2020, € 48.8 bn in 2021, € 47.1 bn in 1Q22, € 43.3 bn in 1H22

<sup>(3)</sup> AIPB (Associazione Italiana Private Banking) figures as of 1Q22. AIPB stated figures: € 776 bn in 2016, € 806 bn in 2017, € 778 bn in 2018, € 884 bn in 2019, € 932 bn in 2020, € 1,037 bn in 2021, € 1,023 bn in 1Q22

# Agenda

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☐ Fineco Results

☒ **Next steps**

☐ Fineco international business

☐ Key messages

☐ Focus on product areas

# 2022 Guidance and outlook going forward

FY22 Revenues y/y growth stable vs previous guidance, with a different mix thanks to the diversified business model in the current volatile environment

## ■ BANKING REVENUES:

➤ **Net financial income (net interest income and Profit from Treasury management) expectations:**

**FY22:** around 330 mln with the current forward rate curve <sup>(1)</sup>.

**FY23:** Net Financial Income growth in a range +30/35% vs FY22 upward revised expectations (already cautiously considering the early repayment of TLTRO at the end of 2022)<sup>(1)</sup>. **Going forward we expect it to keep on benefiting from the new interest rates scenario** thanks to the sensitivity and to the volume increase

➤ **Banking fees:**

**FY22** above 50mln. **FY23:** expected to keep on growing thanks to the increase of the client base and past repricing

## ■ INVESTING REVENUES expectations:

**FY22:**

- Revenues increase around 10% y/y, including the negative market effect up to June
- Higher management fees margins y/y
- AUM net sales at around 4 bn (FAM retail net sales in a range between 3.0-3.5 bn, with an increasing component of funds underlying net sales)
- PFAs: net increase in a range of 110-130 PFAs expected

**Going forward: strong acceleration in revenues and margins expected** thanks to:

- 1) A further increase in our network productivity leading to higher volumes (**AUM net sales around 6 bn per year**)
- 2) The implementation of the strategic discontinuity in **FAM, which is going to increase its penetration in Fineco AUM**, with **retail net sales ~5bn per year** and with an **increasing component of funds underlying net sales**

This generates a progressive increase of Fineco **management fees margins after-tax up to ~55bps in 2024 (margins pre-tax ~75bps). We expect to reach that level before 2024**

■ **BROKERAGE REVENUES:** countercyclical business, it is **expected to remain strong with a floor** - in relative terms with respect to volatility - **definitely higher than in the pre-Covid period**

## ■ OPERATING COSTS expectations:

**For FY22:** growth of around 5% y/y, not including ~7 million of additional costs related to FAM strategic discontinuity to improve the efficiency of the Investing value chain. We will consider in the coming months the possibility to further accelerate the marketing expenses to take advantage of the strengthening of the structural trends.

**Going forward** we expect FAM costs to stabilize

■ **COST / INCOME:** we confirm our guidance on a continuously declining cost/income in the long-run thanks to the scalability of our platform and to the strong operating gearing we have (excluding potential higher marketing expenses)

■ **SYSTEMIC CHARGES:** in a range -45/47 mln of DGS+SRF in provisions for risk and charges based on the increase of protected deposits within the banking system

■ **TAX RATE:** for 2022 around -0.5 p.p. considering the most recent interest rates scenario

■ **CAPITAL RATIOS:** CET1 floor at 17%, Leverage Ratio very well under control and in a range 3.5%-4.0% (for details see slide 51 in Annex)

■ **DPS:** going forward we expect a constantly increasing dividend per share

■ **COST OF RISK:** below 10 basis points in 2022 thanks to the quality of our portfolio

■ **NET SALES:** robust, high quality and with a focus on keeping the mix mainly skewed towards AUM thanks to the new initiatives we are undertaking

# Delivering on our discontinuities

Set of initiatives to improve our revenues mix, taking advantage from the acceleration of structural trends and our FinTech DNA

## INITIATIVES TO KEEP UNDER CONTROL OUR BALANCE SHEET

### 1 STRONG COMMERCIAL FOCUS ON AUM:

- targeting **only AUM net sales and solutions with a strong RISK MANAGEMENT**. FAM already best-positioned thanks to the high-transparency and **daily look-through** on its solutions

### 2 WIDER PRODUCT RANGE TO FULLY CATCH THE WHOLE SPECTRUM OF CLIENTS' NEEDS ALSO THANKS TO FAM

- **Decumulation products** key to move clients from liquidity towards AUM: our wide gamma of FAM Target (~40 decumulation vehicles) fits all investment needs
- **New FAM offer:** launch of **investment solutions based on passive funds** with diversified solutions based on different risk profiles. Thanks to the full control of the value chain, FAM can at the same time both offer an efficient pricing for clients and retain higher margins: this will allow Fineco to be perfectly positioned to catch the long-term trend of passive funds and to better target Private Banking clients.
- **Coming soon:** FAM ETF offer in 3Q22
- **Pension funds** for risk-averse clients
- **Distribution of third-parties savings accounts live** to lower the amount of liquidity held by clients with no intention to invest



### 3 ROBUST ACCELERATION IN PFAs PRODUCTIVITY through:

- **New software developments dedicated to our advisory services** to improve PFAs productivity **in transforming deposits in AUM** leveraging on Big Data Analytics capabilities
- **New marketing campaigning tool in deployment phase. New Investing homepage released** with dedicated contents to stimulate clients activity; coupled with our Big Data analytics, this will make it easier for our PFAs to propose tailor-made solutions for their long-term goals



### 4 IMPROVE THE QUALITY OF OUR CLIENT BASE:

- **Exploiting our pricing power:** more selective in our client acquisition thanks to the 2021 repricing on new current accounts (€6.95 euro per month with the possibility of a full bonus on the fee according to clients' activity with the Bank)

# FAM: delivering on the strategic discontinuity

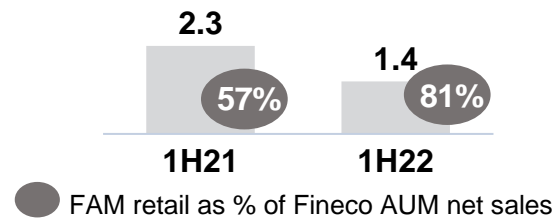
Key to sustain AUM margins thanks to its strong operating leverage and to a more efficient value chain

## FAM progressively taking control of the value chain...

bn

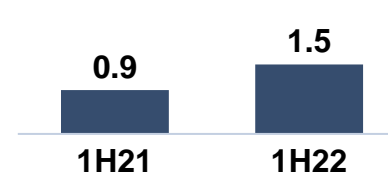
### FAM NET SALES

#### FAM RETAIL:



- ✓ Strong commercial traction in any market environment
- ✓ Increasing contribution to Fineco's AUM net sales

#### FAM FUNDS UNDERLYING <sup>(1)</sup>:

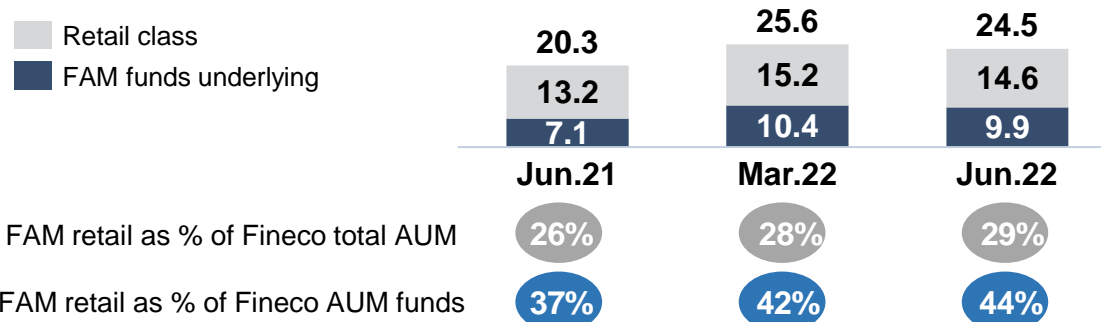


- ✓ Increase driven by the acceleration in the internalization of the value chain

## ...and becoming the cornerstone of our Investing business

bn

### FAM AUM STOCK



Higher penetration on Fineco's AUM driven by strong net sales dynamics

## FY22 FAM priorities

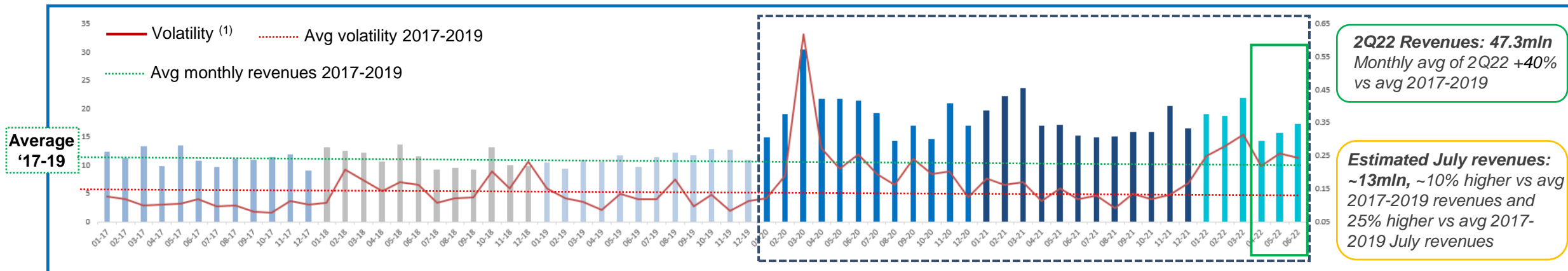
- ✓ Thanks to the **full control of the value chain**, FAM can offer at the same time both an **efficient pricing** for clients and retain higher margins
- ✓ FAM has launched its investment solutions based on passive funds with diversified solutions and different risk profiles. **In the 3Q22, FAM will launch its ETF offer**
- ✓ Following the strong success of the **ESG Target Global Coupon strategy**, FAM has launched a new release of the solution. Coming soon: **Smart Defence Equity** and **ESG Target Global Infrastructure Coupon 2026**
- ✓ Continuous widening of sustainable offer through the launch of new investment solutions under **SFDR art. 8 and 9**



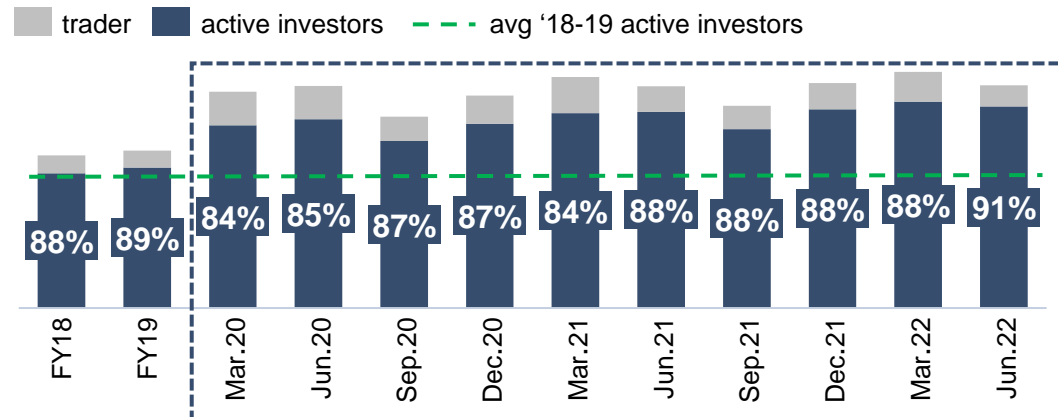
# Brokerage: higher floor as the structure of the market is changing

Increased interest in financial markets by clients and big jump into a more digitalized society

## Structural growth in brokerage revenues: the floor has gone up in a clear way regardless of volatility



## Client base growth mainly driven by “Active investors”



### Active investors

#### PROFILE:

- Avg executed orders per month: 4
- Avg age: 50 years old
- Mostly linked to a PFA to manage their savings, and with Avg TFA > €200k

**>35% higher**  
vs avg 2018/2019

after recent events created a bridge between brokerage and investing

- **85% of new active clients investing on plain vanilla instruments** (i.e. listed equity, ETFs) and not leveraged products
- **Leadership in Italy** on equity traded volumes: market share at 25.7% in 1H22 (Assosim)

# Innovation and Simplification Project

Further simplifying clients' user experience thank to easy-to-use new tools and a more efficient marketing engine. The renewed platform will be the cornerstone of our International offer

## BROKERAGE

**COMING SOON** Brokerage-only Account

**COMING SOON** New Trading Pages

**COMING SOON** New Trading Platform

- SPEED UP ACTIVATION RATES
- IMPROVING SEGMENTATION AND CROSS-SELLING

## INVESTING

✓ Updated Investing page

✓ Improved PFA web collaboration

**COMING SOON** New Advisory Platform

- UPSELLING INVESTMENT PRODUCTS
- BETTER CLIENT & PFA EXPERIENCE

## BANKING

### INNOVATIVE USER EXPERIENCE

✓ New faster onboarding

**COMING SOON** Redesigned private homepage

- FIRST WEEKS: + 30%<sup>(1)</sup> ACCOUNTS OPENED THROUGH MOBILE

## Improved MARKETING efficiency thanks to Big Data Analytics

- ✓ Improving customer segmentation
- ✓ Increasing advertising effectiveness

- -70% ACQUISITION COST<sup>(1)</sup>
  - STRONG UPTICK IN THE CONVERSION RATE
- VS BENCHMARK IN A FIRST TEST ON A SMALL SAMPLE

# Agenda

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☐ Fineco Results

☐ Next steps

☒ **Fineco international business**

☐ Key messages

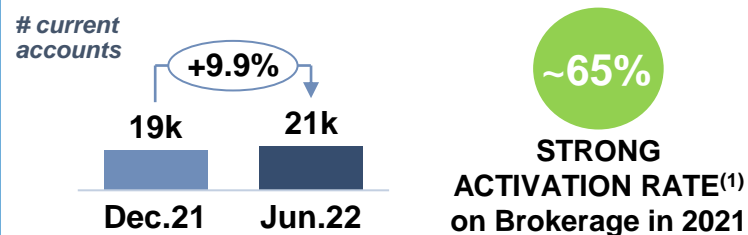
☐ Focus on product areas

# Fineco international business: getting ready for the deployment

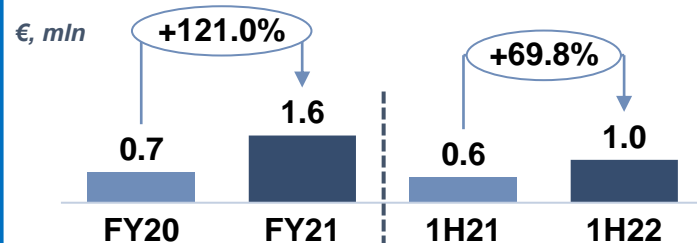
Focusing our offer on a simplified digital model through a brand new, highly scalable and multilanguage platform for investments

## UK: gaining traction thanks to word of mouth

An increasing and better quality client base...



...translating in improving brokerage revenues metrics



## Germany: coming soon

- We are planning to enter in Germany in 2023 leveraging on our new, highly scalable platform for investments with a dedicated on-boarding process
- Expected offer on investments (Step 1: brokerage and multicurrency; Step 2: investing with no Network of PFAs attached)
- Brokerage offer adapted to German customers' behaviors, leveraging on our CFD, Certificates and ETF offer
- Brand positioning: **"Premium service without premium price"** to acquire sticky and high-value clients through a wide range of fairly priced quality services

## Going forward: rest of EU

- Start-up process of new countries even more straightforward thanks to the scalability of our brand new and internally-developed multilanguage platform
- This will make it easier to fine-tune our offer to each country as it will only imply a business/marketing effort to identify the right set of products and services
- In the next few years Fineco plans to be in different countries across Europe depending on opportunities

# Agenda

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- ☐ Fineco Results
- ☐ Next steps
- ☐ Fineco international business
- ☒ **Key messages**
- ☐ Focus on product areas

# Long term sustainability at the heart of Fineco business model (1/3)

We are a looking-forward organization playing for the long-run and able to generate a positive impact for all our stakeholders and the society as a whole

**Fineco corporate purpose:** *support clients in the responsible management of their savings in order to create the conditions for a more prosperous and fairer society*



## TRANSPARENCY

**Fairness** and respect for all our stakeholders

- ✓ FAM as a champion of ESG: **PERFORMANCE FEES FREE** trademark
- ✓ **FAIR PRICING**
- ✓ **LOW UPFRONT FEES** (only ~**2%** of Investing fees)



## EFFICIENCY

**Fintech DNA:** strong focus on IT & Operations, more flexibility, less costs

- ✓ Delivering **BEST-IN-CLASS CUSTOMER EXPERIENCE**
- ✓ **SHARING FAM BENEFITS WITH CLIENTS:** better quality and timely products with lower TER



## INNOVATION

Quality offer for highly **SATISFIED CLIENTS**

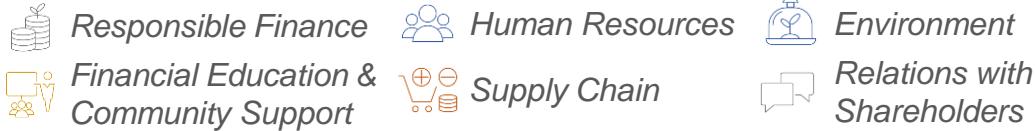
- ✓ **NO short-term AGGRESSIVE COMMERCIAL OFFERS** and **ZERO REMUNERATION** on current accounts
- ✓ Focus on **ORGANIC GROWTH**

# Long term sustainability at the heart of Fineco business model (2/3)

We are a looking-forward organization playing for the long-run and able to generate a positive impact for all our stakeholders and the society as a whole

## Strategy & Goals

- ✓ FOCUS on **Cyber-Security** and **ESG risks** leveraging on **FINTech DNA**
- ✓ Set of **ESG objectives** to be pursued by 2023 within 6 business areas:



- ✓ **Net-Zero emissions** to be achieved by 2050<sup>(1)</sup> *Approved in August 2022*

- ✓ ESG target included in the **Identified Staff Scorecard** since 2016, related to STI.
- ✓ ESG targets included in the **2021-2023 Long Term Incentive Plan** of the CEO and Identified Staff within the “Stakeholder Value” goal:

KPI	TARGET	MEASUREMENT CRITERIA
Customer satisfaction	Average 2021-2023	TRI*M Index <sup>(2)</sup>
People engagement	Average 2021-2023	People Survey
ESG rating for all new funds <sup>(3)</sup>	EOY 2023	% of new funds with ESG evaluation

<sup>(1)</sup> More details on slide 59

<sup>(2)</sup> Which captures the strength of the relationship with the customer defined as performance but also as the degree of preference towards the brand

<sup>(3)</sup> Excluding UK, which represents a new market for Fineco

<sup>(4)</sup> As of 30<sup>th</sup> June 2022

<sup>(5)</sup> Regulation EU 2019/2088 - Sustainable Finance Disclosure Regulation

## Initiatives & KPIs

- ✓ Broad offer of products with ESG features<sup>(4)</sup> both on:
  - **Investing** (i.e., **85%** of funds have **ESG rating** by Morningstar; **58%** of funds distributed and **35%** of FAM funds are classified under **Art. 8 or 9 of SFDR**<sup>(5)</sup>)
  - and **Banking & Credit** (“**Green mortgages**”, **Ecobonus** and **Sismabonus**; **zero-fee account** until age 30).

- ✓ **FinecoBank** is signatory of **UN Principles for Responsible Banking** and participant of **UN Global Compact**



- ✓ **Fineco AM** is signatory of **UN Principles for Responsible Investing** and participant of **UN Global Compact**



- ✓ Contribution for the **PFA Network** to be borne by the Bank for obtaining **EFPA ESG certification**
- ✓ **Environmental Management System** implemented in line with the EU Eco-Management and Audit Scheme (**EMAS**) [certification pending]

# Long term sustainability at the heart of Fineco business model (3/3)

We are a looking-forward organization playing for the long-run and able to generate a positive impact for all our stakeholders and the society as a whole

## ESG RATINGS

	Eval. scale	2020	Today	
<b>S&amp;P Global</b>	(0-100)	54	65	11pt improvement on previous year
<b>SUSTAINALYTICS</b> <small>a Morningstar company</small>	(100-0)	18.7	15.8	Among the <b>best international banks</b> with low ESG risk
<b>Moody's ESG Solutions</b> <sup>(1)</sup>	(0-100)	35	54	<b>Robust performance</b>
<b>REFINITIV</b>	(0-100)	85	85	In the <b>Top 3%</b> among banking services companies
<b>MSCI ESG RATINGS</b>	(CCC-AAA)	A	A	<b>In line with average</b> for the diversified financials sector
<b>MSCI IMPLIED TEMPERATURE RISE</b> <i>(From Strongly Misaligned to 1.5°C Aligned)</i>		-(2)	Aligned: 1.5°C	<b>Aligned with the Paris Agreement target</b> (≤1.5°C)
<b>standard ethics</b>	(CCC-AAA)	EE+	EE+	<b>Highest rating</b> awarded to credit institutions

## ESG INDICES

Fineco included in:



FTSE4Good



Nasdaq CRD Global Sustainability Index



S&P Global 1200 ESG index

## RECENT ESG AWARDS



**Top Job 2021-2022**  
Top Employer Italy 2022



**Best Practice Leader** in the Gender Diversity Index Report 2021



**MF Investment Manager & Advisor Awards 2022**  
assigned for the Standard Ethics rating



**Best company in ESG** (Mid Cap) for the Italian Investors Relations Awards based on Institutional Investor's 2022 Developed Europe Executive Team



**Sustainability Leader 2022**

**Sustainability Yearbook Member 2022**



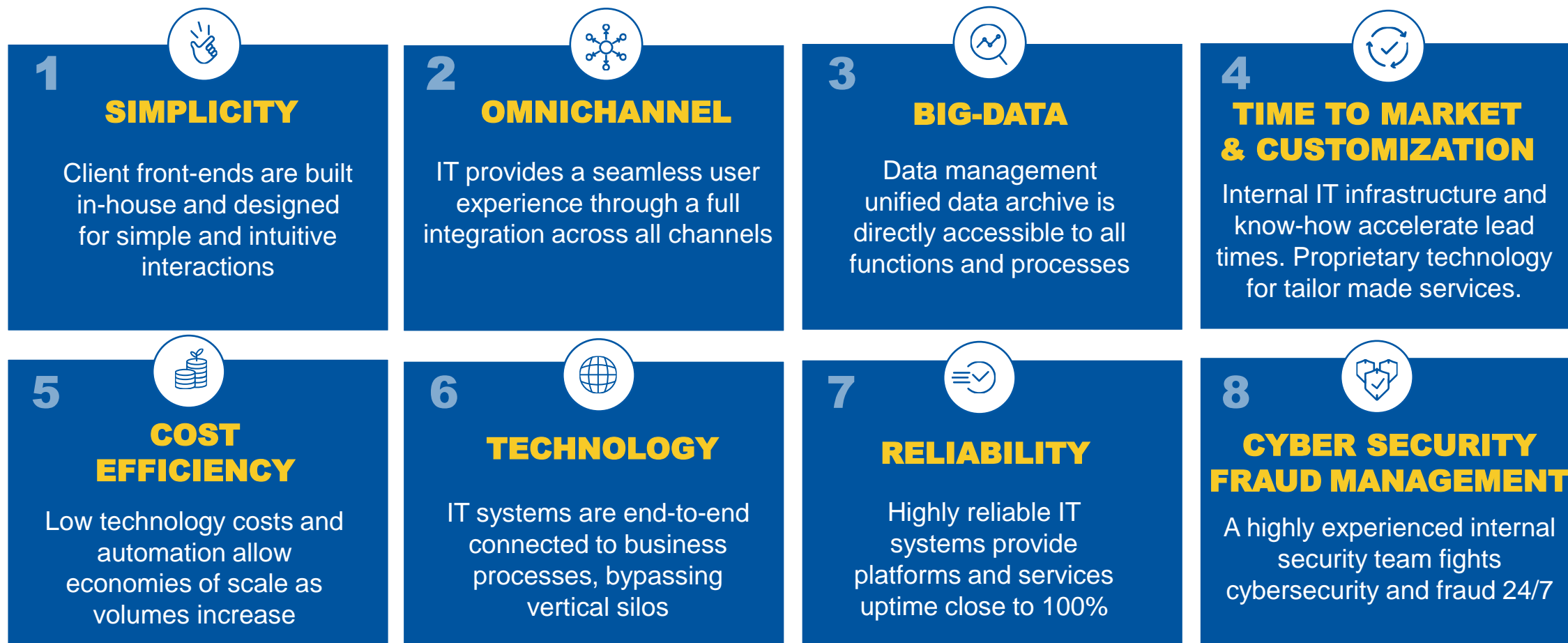
**S&P's Sustainability Yearbook Member**

<sup>(1)</sup> Moody's ESG Solutions is the source of this ESG score.

<sup>(2)</sup> The "MSCI Implied Temperature Rise" rating has been made available by the rating agency since the year 2021.

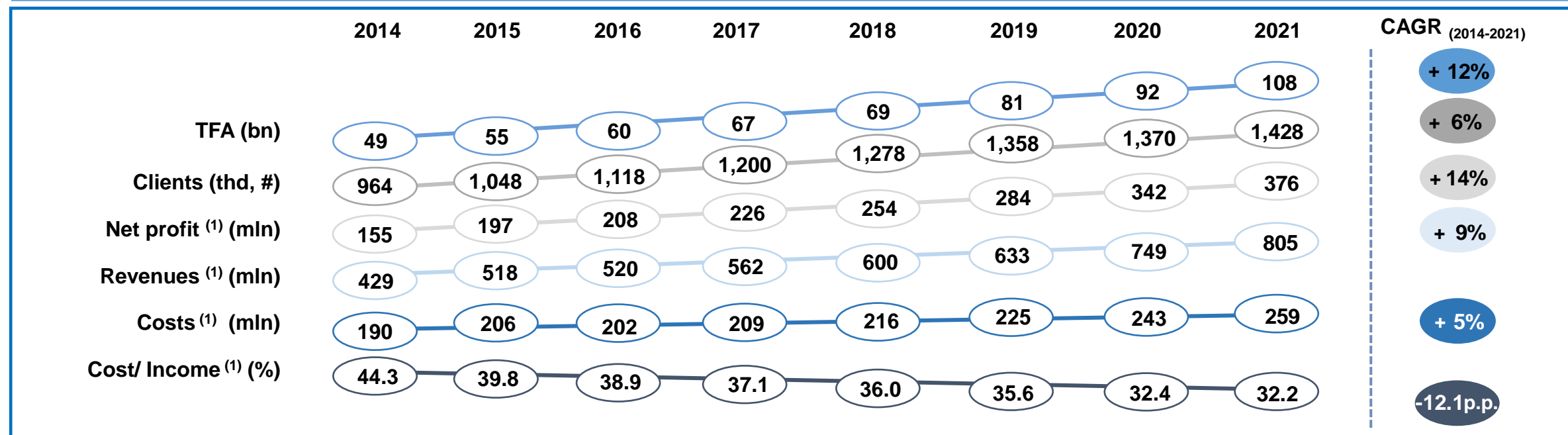
# Fineco as a profitable FinTech Bank: ICT a key business driver

Leveraging on a deep-rooted internal know-how to expand platform scalability and operating gearing



# Healthy and sustainable growth with a long term horizon

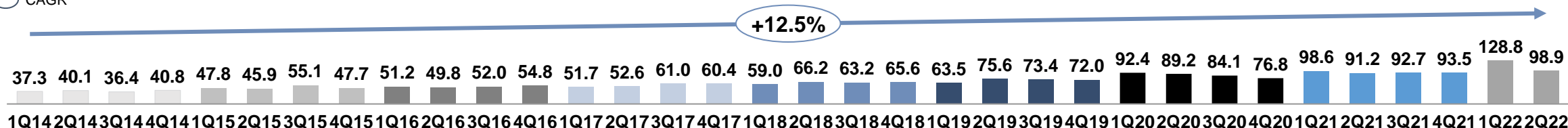
## Highly scalable operating platform...



## ...with a diversified revenues mix leading to consistent results in every market conditions

### Net Profit adjusted (net of systemic charges) <sup>(1)</sup>, mln

○ CAGR



<sup>(1)</sup> Figures adjusted by non recurring items and Net Profit adjusted net of systemic charges (FY15: -3.1mln net, FY16: -7.1mln net, FY17: -7.1mln net, FY18: -9.6mln net, FY19: -12.1 mln net, 1Q20: -0.3mln gross, -0.2mln net, 2Q20: -0.7mln gross, -0.4mln net; 3Q20: -28.0mln gross, -18.7mln net; 4Q20: +2.1mln gross, +1.4mln net; 1Q21: -5.8mln gross, -3.9mln net; 2Q21: -1.9mln gross, -1.3 mln net; 3Q21: -30.0mln gross, -20.1mln net; 4Q21: -2.3mln gross, -1.6mln net; 1Q22: -7.7mln gross, -5.2mln net).

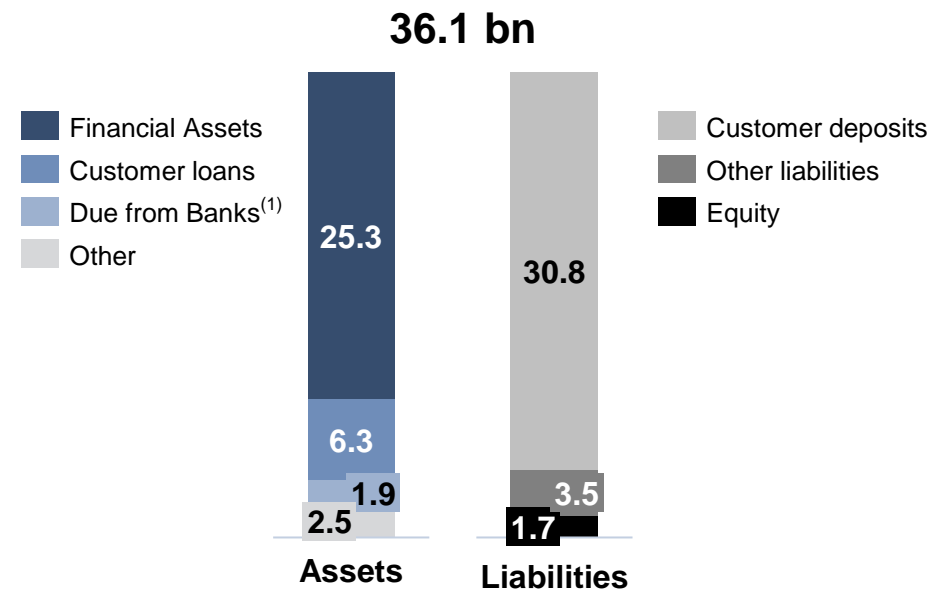
# Safe Balance Sheet: simple, highly liquid

## Diversified investment portfolio

- **Investment strategy announced during FY17 results unchanged:** UC bonds run-offs, blend of government bonds diversified across countries, covered bonds, supranational and agencies
- **99.9% not exposed to volatility** with no impact in our P&L and BS by the widening of spreads. HTC classification since November 2016
- **Avg maturity at ~ 5/6 years. Overall portfolio duration: 3.3 years**
- **Sticky deposits:** mostly 'transactional liquidity' gathered for the quality of our services and without aggressive commercial offers. **Cost of funding at zero**

## High-quality lending growth

- Lending offered exclusively to our **well-known base of clients**
- **Low-risk:** CoR at 2bps, cautious approach on mortgages (LTV ~50%, avg maturity 19 yrs)
- **Strong competitive advantage leveraging on Big Data Analytics and internal IT culture** (resulting in unmatched user experience and high customer satisfaction), **continuous in-house innovation** (i.e. look-through implementation with significant benefits on CET1 ratio), **ownership and control of critical infrastructure**



## Rock-solid capital position

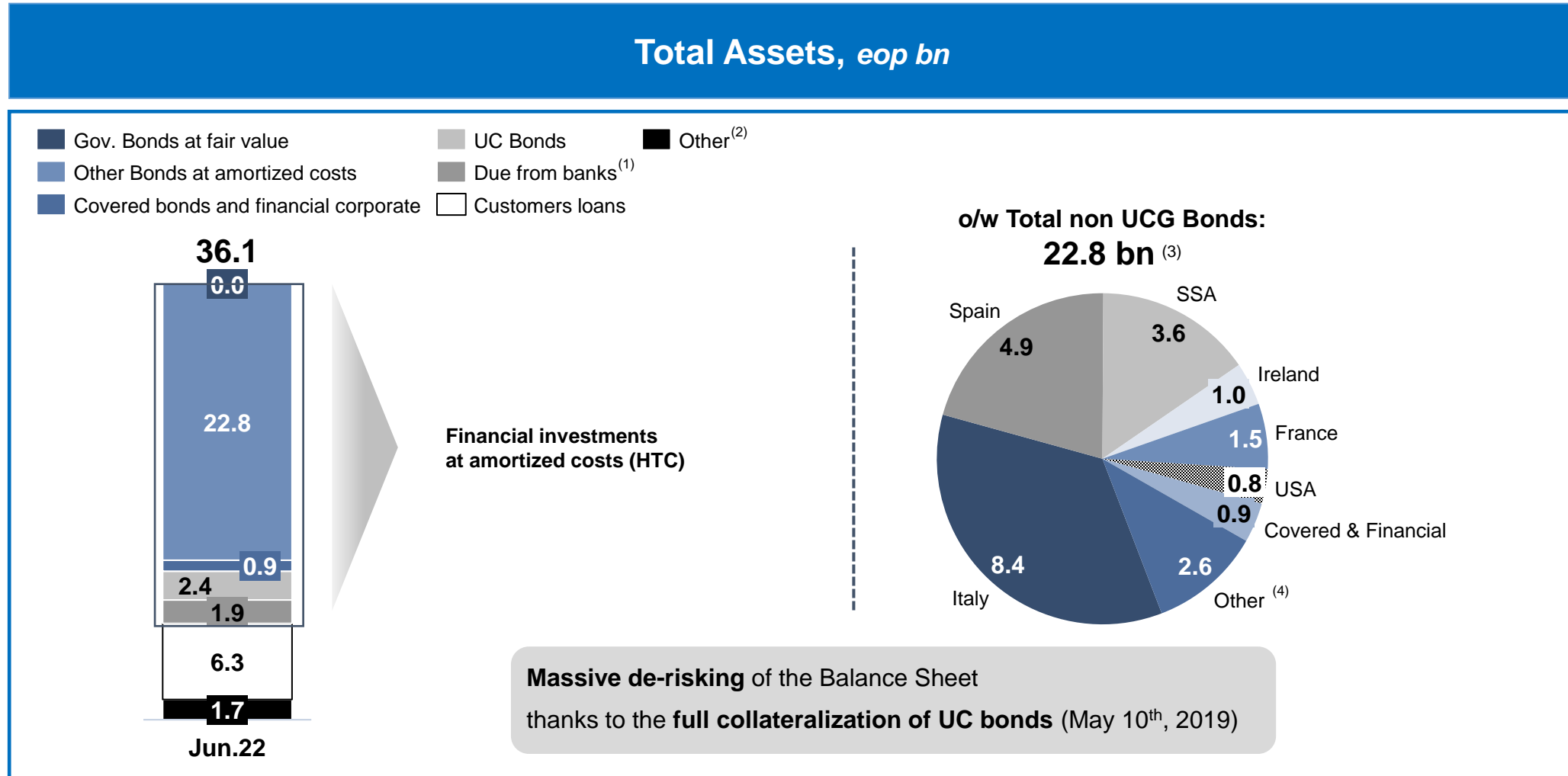
CET1	19.1%	LCR <sup>(2)</sup>	>800%
TCR	29.5%	NSFR	>300%
LEVERAGE RATIO			3.82%

(1) Due from banks includes 1.3bn cash deposited at Bank of Italy and 0.3bn bank current accounts as of Jun.2022

(2) LCR 12 month avg

# Total assets: 99.9% not exposed to volatility in the Balance Sheet

Out of 36.1bn, only 0.03bn of assets at fair value with very limited impacts on Equity reserve



<sup>(1)</sup> Due from banks includes 1.3bn cash deposited at Bank of Italy and 0.3bn bank current accounts as of Jun.2022

<sup>(2)</sup> Other refers to tangible and intangible assets, derivatives and other assets

<sup>(3)</sup> 22.8bn equal to 22.4bn nominal value, o/w Italy 8.2bn nominal value

<sup>(4)</sup> Other: Austria, Belgium, Germany, Portugal, United Kingdom, Switzerland, Chile, Saudi Arabia, China, Iceland, Latvia

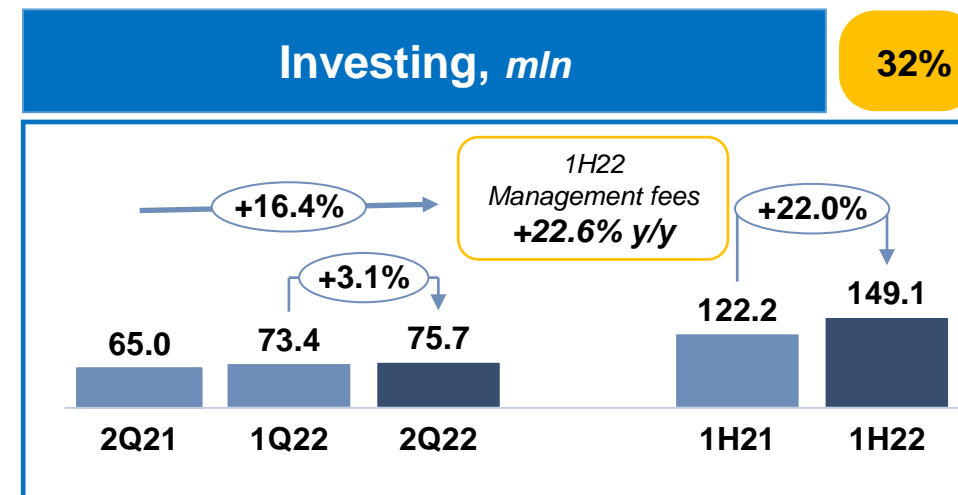
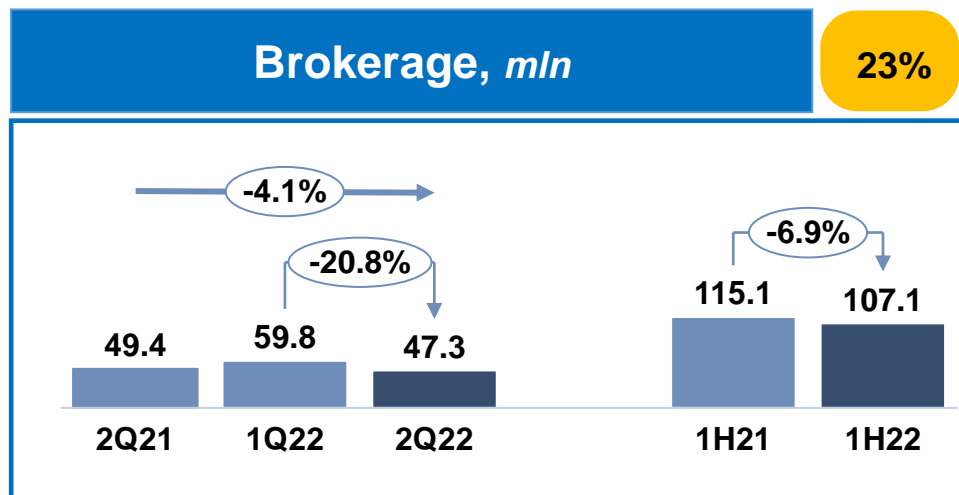
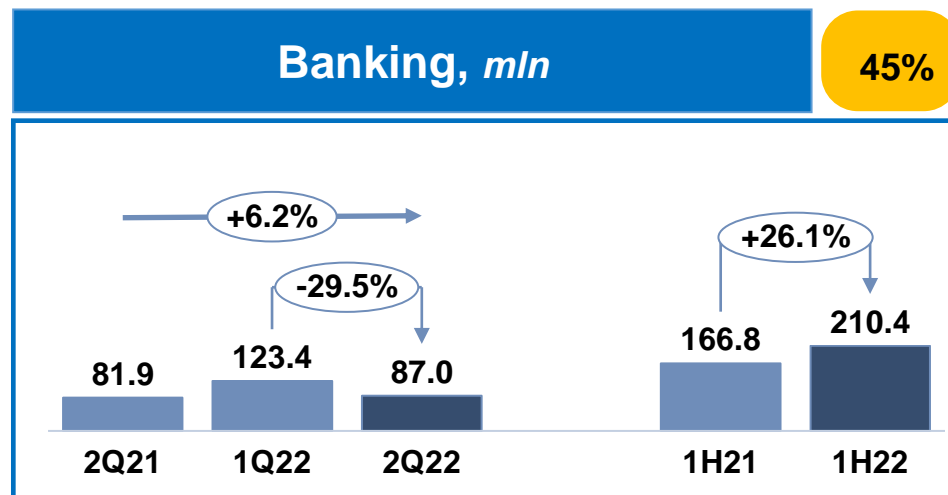
# Agenda

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- ☐ Fineco Results
- ☐ Next steps
- ☐ Fineco international business
- ☐ Key messages
- ☒ **Focus on product areas**

# Revenues by Product Area

Well diversified stream of revenues allows the bank to successfully face any market environment

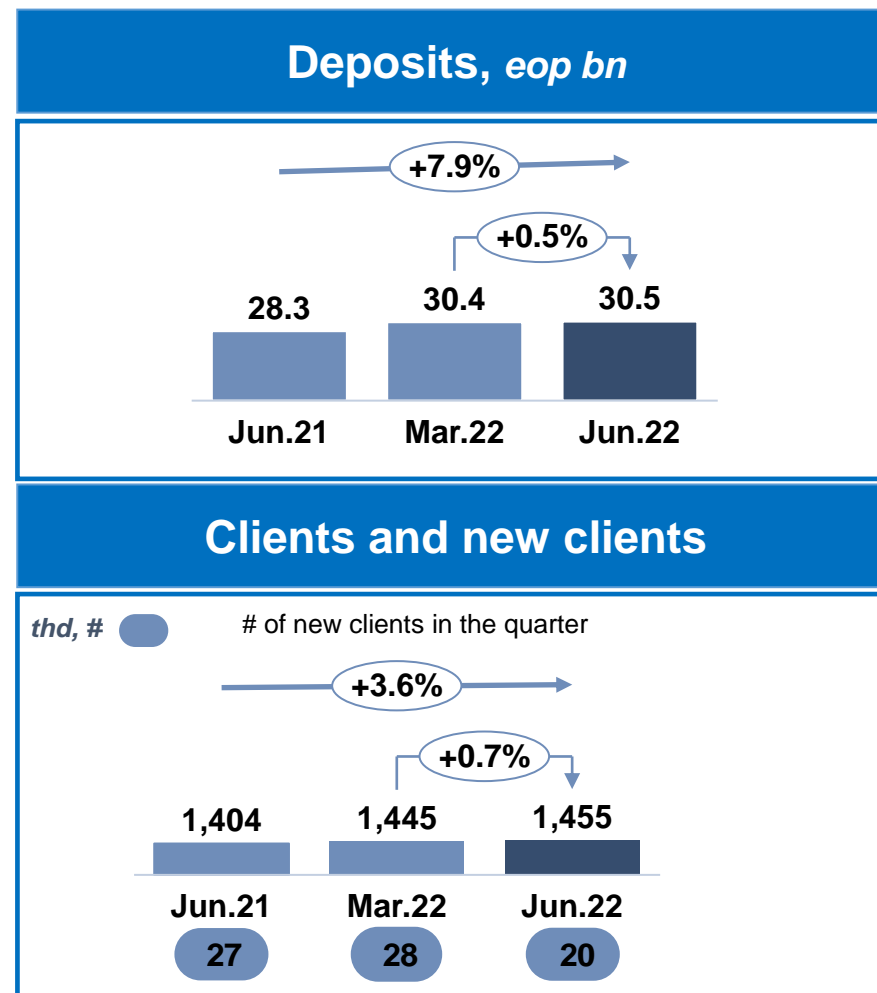
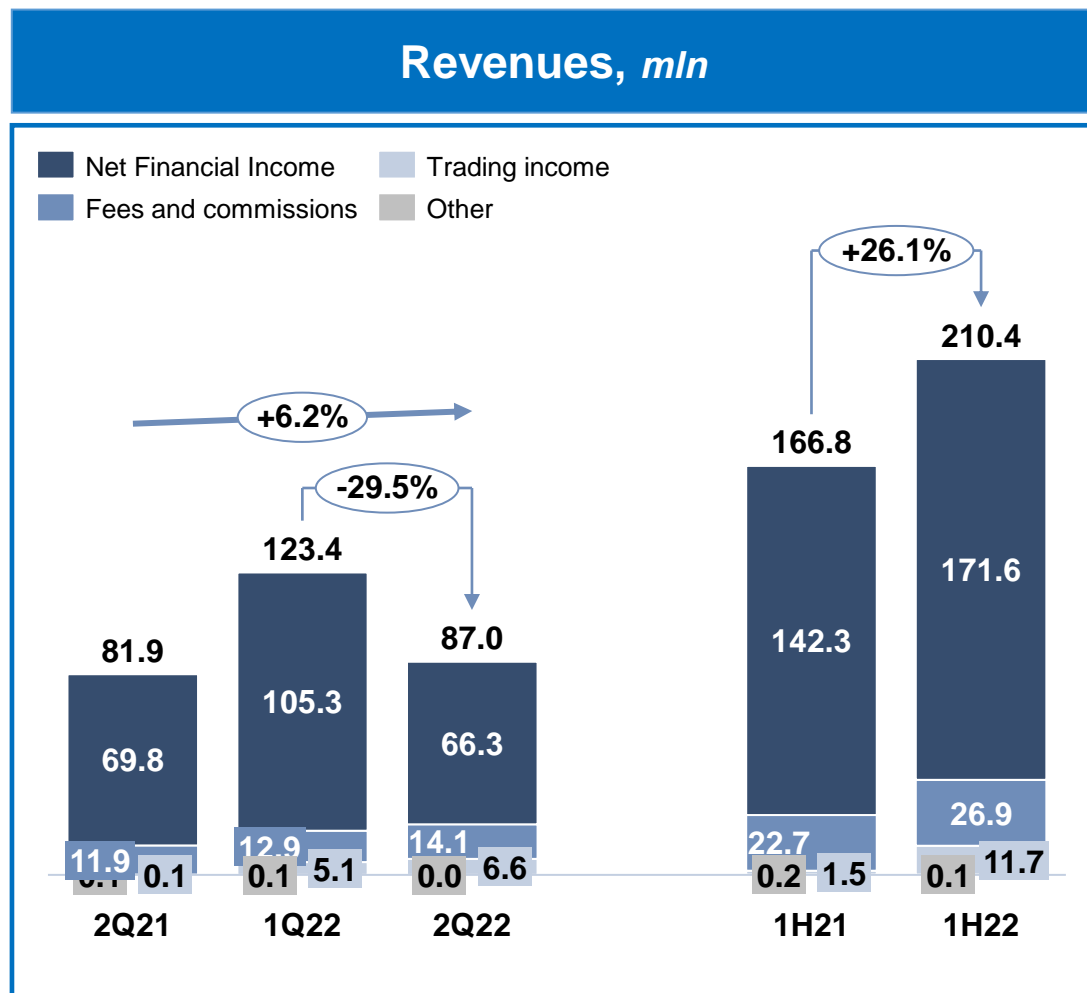


1H22 weight on total revenues for each product area

Managerial Data. Revenues attributable to single each product area, generated by products / services offered to customers according to the link between products and product area. Banking includes revenues generated by deposits, treasury and credit products. Investing includes revenues generated by asset under management products; Brokerage includes revenues from trading activity.

# Banking

Sound performance and relentless clients' acquisition, thanks to high quality services and best-in-class customer satisfaction

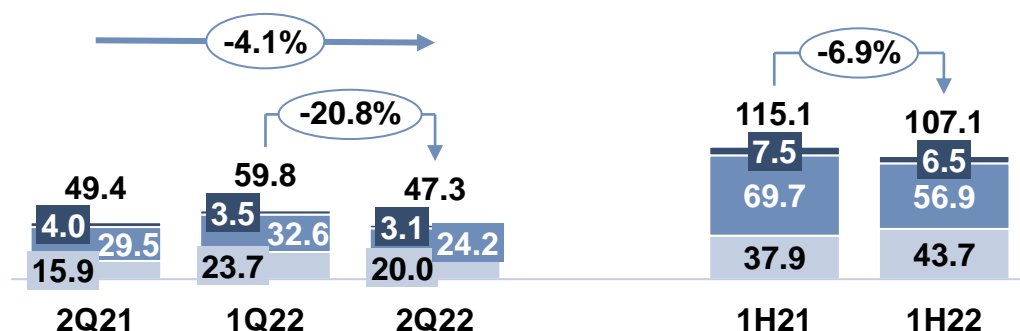


# Brokerage

Structurally higher revenues floor compared to pre-pandemic levels

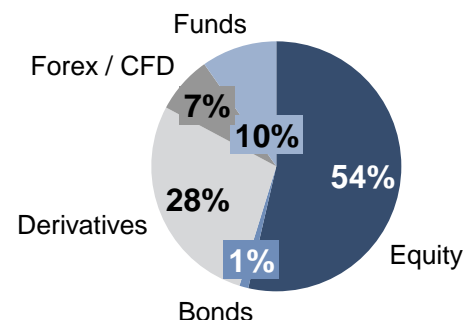
## Revenues, *mln*

Net Interest Fees and commissions Trading profit

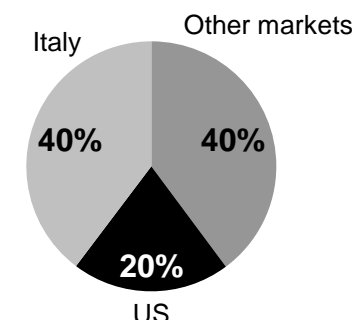


## Well-diversified brokerage offer

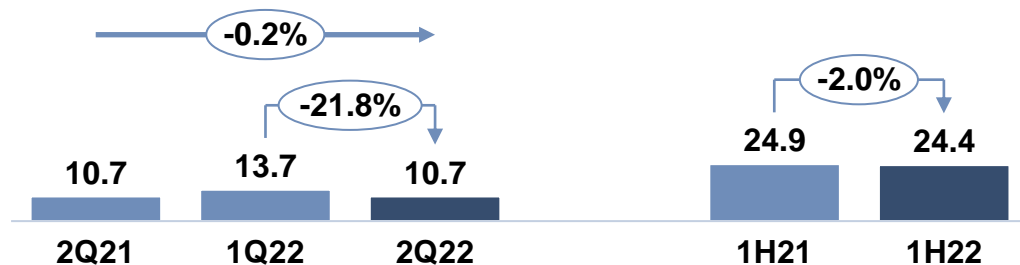
among products...



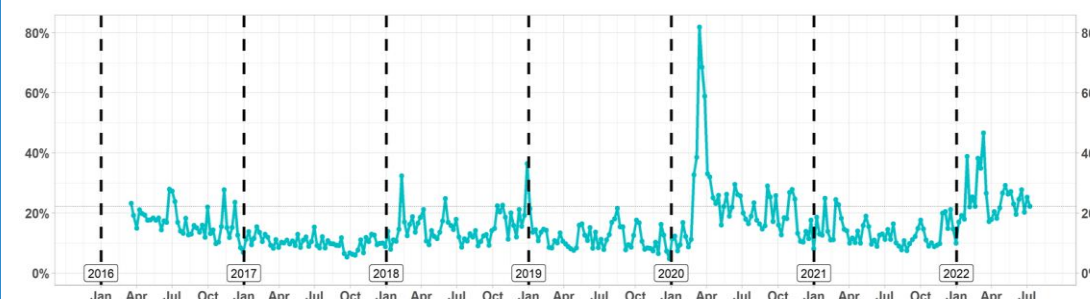
...and geographies



## Executed orders, *mln*



## Volatility <sup>(1)</sup>



# Investing

Increasing revenues y/y thanks to volume effect and to the higher contribution by FAM, which is taking more control of the Investing value chain, supporting our margins. Very limited upfront fees, representing only ~2% of Investing fees

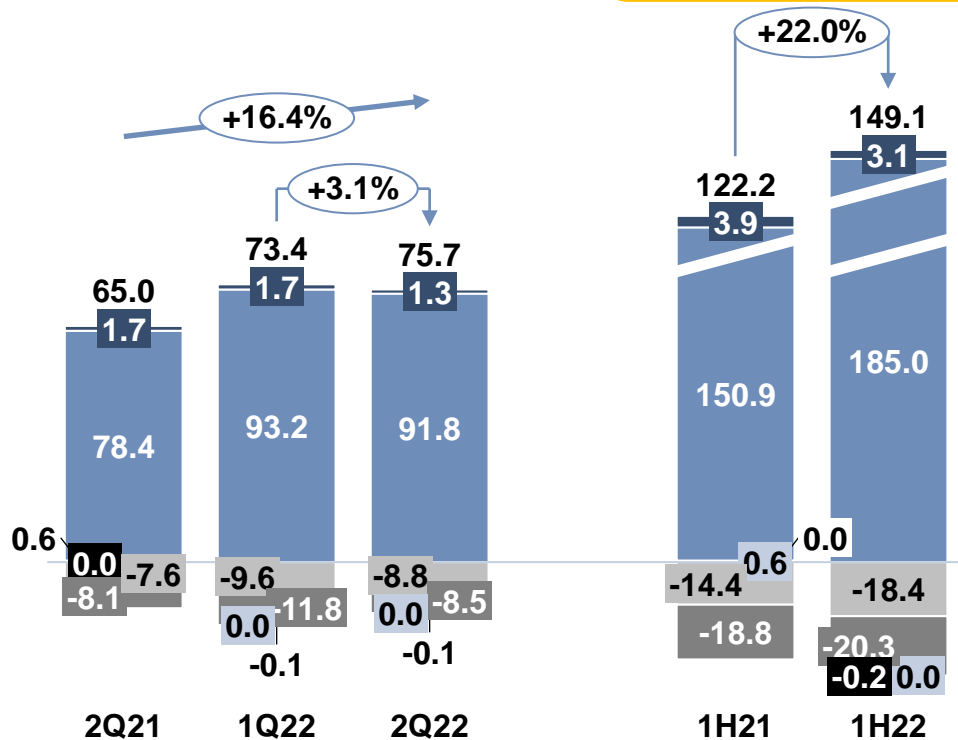
## Revenues, mln

- Upfront fees
- Management fees
- PFA incentives
- Other PFA costs
- Other commissions
- Other income

### Management fees:

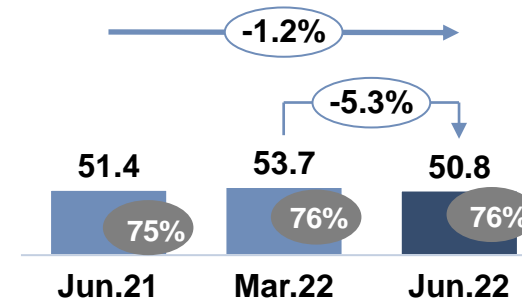
1H22: +22.6% y/y

2Q22: +17.1% y/y, -1.5% q/q



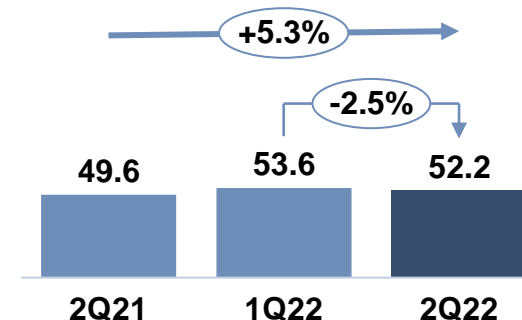
## Asset under Management, eop bn

- Guided Products / AUM



## Average Asset under Management

daily avg, bn



# Annex

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# P&L pro-forma

P&L pro-forma <sup>(1)</sup>									
mln	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	1H21	1H22
Net financial income	75.1	72.8	69.2	62.9	280.0	107.5	68.9	147.9	176.4
<i>o/w Net Interest Income</i>	61.8	62.5	61.8	61.8	247.9	59.3	67.6	124.3	127.0
<i>o/w Profit from treasury management</i>	13.2	10.3	7.4	1.1	32.1	48.1	1.3	23.6	49.4
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	-0.1
Net commissions	108.1	106.3	110.1	126.4	450.8	118.6	113.9	214.3	232.5
Trading profit	23.9	16.7	15.6	18.1	74.3	29.0	25.9	40.6	54.8
Other expenses/income	0.5	0.1	-1.5	-0.5	-1.3	0.4	0.1	0.6	0.4
<b>Total revenues</b>	<b>207.6</b>	<b>195.9</b>	<b>193.5</b>	<b>206.9</b>	<b>803.8</b>	<b>255.4</b>	<b>208.6</b>	<b>403.5</b>	<b>464.0</b>
Staff expenses	-26.2	-26.7	-27.4	-29.3	-109.6	-28.3	-29.2	-52.9	-57.5
Other admin.exp. net of recoveries	-30.6	-29.9	-27.6	-34.9	-123.1	-34.0	-31.3	-60.6	-65.3
D&A	-6.3	-6.4	-6.4	-7.1	-26.2	-6.6	-6.6	-12.7	-13.2
<b>Operating expenses</b>	<b>-63.1</b>	<b>-63.0</b>	<b>-61.5</b>	<b>-71.3</b>	<b>-258.9</b>	<b>-69.0</b>	<b>-67.1</b>	<b>-126.1</b>	<b>-136.0</b>
<b>Gross operating profit</b>	<b>144.4</b>	<b>132.9</b>	<b>132.0</b>	<b>135.5</b>	<b>544.9</b>	<b>186.4</b>	<b>141.6</b>	<b>277.4</b>	<b>328.0</b>
Provisions	-8.2	-5.8	-31.1	-4.9	-49.9	-10.2	-2.3	-14.0	-12.5
<i>o/w Systemic charges</i>	-5.8	-1.9	-30.0	-2.3	-40.0	-7.7	0.0	-7.7	-7.7
LLP	-0.5	-1.2	-0.4	0.4	-1.7	-0.8	-0.4	-1.7	-1.2
Profit from investments	-0.6	1.8	0.3	-0.4	1.1	-0.6	-0.2	1.2	-0.8
<b>Profit before taxes</b>	<b>135.2</b>	<b>127.7</b>	<b>100.9</b>	<b>130.6</b>	<b>494.4</b>	<b>174.8</b>	<b>138.7</b>	<b>262.9</b>	<b>313.5</b>
Income taxes	-40.4	-5.8	-28.3	-39.2	-113.7	-51.4	-39.8	-46.2	-91.2
<b>Net profit for the period</b>	<b>94.7</b>	<b>121.9</b>	<b>72.6</b>	<b>91.5</b>	<b>380.7</b>	<b>123.5</b>	<b>98.9</b>	<b>216.7</b>	<b>222.4</b>
<b>Net profit adjusted <sup>(2)</sup></b>	<b>94.7</b>	<b>89.9</b>	<b>72.6</b>	<b>91.9</b>	<b>349.2</b>	<b>123.6</b>	<b>98.9</b>	<b>184.6</b>	<b>222.5</b>
<b>Non recurring items (mln, gross)</b>	<b>1Q21</b>	<b>2Q21</b>	<b>3Q21</b>	<b>4Q21</b>	<b>FY21</b>	<b>1Q22</b>	<b>2Q22</b>	<b>1H21</b>	<b>1H22</b>
<i>Extraord systemic charges (Trading Profit) <sup>(3)</sup></i>	0.0	0.0	0.0	-0.7	-0.7	-0.3	0.0	0.0	-0.3
<i>Realignment of Intangible Assets</i>	0.0	32.0	0.0	0.0	32.0	0.0	0.0	32.0	0.0
<b>Total</b>	<b>0.0</b>	<b>32.0</b>	<b>0.0</b>	<b>-0.7</b>	<b>31.3</b>	<b>-0.3</b>	<b>0.0</b>	<b>32.0</b>	<b>-0.3</b>

# P&L net of non recurring items

P&L pro-forma <sup>(1)</sup> net of non recurring items									
<i>mln</i>	1Q21 Adj. <sup>(1)</sup>	2Q21 Adj. <sup>(1)</sup>	3Q21 Adj. <sup>(1)</sup>	4Q21 Adj. <sup>(1)</sup>	FY21 Adj. <sup>(1)</sup>	1Q22 Adj. <sup>(1)</sup>	2Q22 Adj. <sup>(1)</sup>	1H21 Adj. <sup>(1)</sup>	1H22 Adj. <sup>(1)</sup>
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Dividends	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	-0.1
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Other expenses/income	0.5	0.1	-1.5	-0.5	-1.3	0.4	0.1	0.6	0.4
<b>Total revenues</b>	<b>207.6</b>	<b>195.9</b>	<b>193.5</b>	<b>207.6</b>	<b>804.5</b>	<b>255.7</b>	<b>208.6</b>	<b>403.5</b>	<b>464.3</b>
Staff expenses	-26.2	-26.7	-27.4	-29.3	-109.6	-28.3	-29.2	-52.9	-57.5
Other admin.expenses	-30.6	-29.9	-27.6	-34.9	-123.1	-34.0	-31.3	-60.6	-65.3
D&A	-6.3	-6.4	-6.4	-7.1	-26.2	-6.6	-6.6	-12.7	-13.2
<b>Operating expenses</b>	<b>-63.1</b>	<b>-63.0</b>	<b>-61.5</b>	<b>-71.3</b>	<b>-258.9</b>	<b>-69.0</b>	<b>-67.1</b>	<b>-126.1</b>	<b>-136.0</b>
<b>Gross operating profit</b>	<b>144.5</b>	<b>132.9</b>	<b>132.0</b>	<b>136.3</b>	<b>545.7</b>	<b>186.7</b>	<b>141.6</b>	<b>277.4</b>	<b>328.3</b>
Provisions	-8.2	-5.8	-31.1	-4.9	-49.9	-10.2	-2.3	-14.0	-12.5
<i>o/w Systemic charges</i>	-5.8	-1.9	-30.0	-2.3	-40.0	-7.7	0.0	-7.7	-7.7
LLP	-0.5	-1.2	-0.4	0.4	-1.7	-0.8	-0.4	-1.7	-1.2
Profit from investments	-0.6	1.8	0.3	-0.4	1.1	-0.6	-0.2	1.2	-0.8
<b>Profit before taxes</b>	<b>135.2</b>	<b>127.7</b>	<b>100.9</b>	<b>131.4</b>	<b>495.1</b>	<b>175.1</b>	<b>138.7</b>	<b>262.9</b>	<b>313.8</b>
Income taxes	-40.4	-37.8	-28.3	-39.4	-146.0	-51.5	-39.8	-78.2	-91.3
<b>Net profit adjusted <sup>(1)</sup></b>	<b>94.7</b>	<b>89.9</b>	<b>72.6</b>	<b>91.9</b>	<b>349.2</b>	<b>123.6</b>	<b>98.9</b>	<b>184.6</b>	<b>222.5</b>

# 1H22 P&L FinecoBank and Fineco Asset Management

<i>mln</i>	Fineco Asset Management	FinecoBank Individual	FinecoBank Consolidated
Net financial income	-0.2	176.6	176.4
Dividends	0.0	23.0	-0.1
Net commissions	65.8	166.7	232.5
Trading profit	-0.2	55.0	54.8
Other expenses/income	-0.2	0.7	0.4
<b>Total revenues</b>	<b>65.3</b>	<b>422.0</b>	<b>464.0</b>
Staff expenses	-5.4	-52.1	-57.5
Other admin.exp. net of recoveries	-4.2	-61.2	-65.3
D&A	-0.2	-13.0	-13.2
<b>Operating expenses</b>	<b>-9.8</b>	<b>-126.3</b>	<b>-136.0</b>
<b>Gross operating profit</b>	<b>55.4</b>	<b>295.7</b>	<b>328.0</b>
Provisions	0.0	-12.5	-12.5
LLP	0.0	-1.2	-1.2
Profit on Investments	0.0	-0.8	-0.8
<b>Profit before taxes</b>	<b>55.4</b>	<b>281.3</b>	<b>313.5</b>
Income taxes	-6.9	-84.2	-91.2
<b>Net profit for the period</b>	<b>48.5</b>	<b>197.0</b>	<b>222.4</b>

# Details on Net Interest Income

<i>mln</i>	1Q21	Volumes & Margins	2Q21	Volumes & Margins	3Q21	Volumes & Margins	4Q21	Volumes & Margins	FY21	Volumes & Margins	1Q22	Volumes & Margins	2Q22	Volumes & Margins	1H21	Volumes & Margins	1H22	Volumes & Margins
Financial Investments	44.6	24,416	43.2	23,977	41.3	23,824	39.8	23,564	168.8	23,945	37.1	23,834	42.1	24,269	87.8	24,197	79.2	24,051
Net Margin		0.74%		0.72%		0.69%		0.67%		0.71%		0.63%		0.70%		0.73%		0.66%
Gross margin	44.8	0.74%	43.2	0.72%	41.4	0.69%	39.8	0.67%	169.2	0.71%	37.1	0.63%	42.6	0.70%	88.0	0.73%	79.7	0.67%
Treasury activities	(1) 3.9	2,791	4.7	3,140	4.3	2,646	4.4	2,670	17.2	2,812	4.4	2,786	5.1	3,551	8.6	2,965	9.4	3,168
Net Margin		0.57%		0.59%		0.64%		0.65%		0.61%		0.63%		0.57%		0.59%		0.60%
Leverage - Long	3.4	171	3.9	199	4.3	214	4.3	213	16.0	199	3.4	172	3.0	149	7.3	185	6.3	161
Net Margin		8.12%		7.92%		8.00%		8.01%		8.01%		7.98%		7.94%		8.02%		7.96%
Tax Credit	0.0	1	0.3	42	0.5	95	1.6	441	2.4	145	2.2	541	3.1	696	0.3	21	5.2	619
Net Margin		0.00%		2.50%		2.15%		1.43%		1.63%		1.62%		1.76%		2.45%		1.70%
Lending	10.8	3,805	11.4	4,141	12.3	4,583	13.2	4,931	47.7	4,365	13.6	5,189	14.7	5,343	22.2	3,973	28.4	5,266
Net Margin		1.15%		1.10%		1.07%		1.06%		1.09%		1.07%		1.11%		1.12%		1.09%
o/w Current accounts	3.6	1,632	3.9	1,748	4.1	1,866	4.3	2,005	16.0	1,812	4.4	2,132	4.8	2,196	7.5	1,690	9.1	2,164
Net Margin		0.90%		0.90%		0.87%		0.86%		0.88%		0.83%		0.87%		0.90%		0.85%
o/w Cards	1.0	36	1.0	34	1.0	35	1.0	35	4.0	35	1.0	35	1.0	34	2.0	35	2.0	34
Net Margin		11.40%		11.36%		11.43%		11.47%		11.41%		11.44%		11.50%		11.38%		11.47%
o/w Personal loans	4.2	447	4.3	466	4.4	481	4.5	495	17.4	472	4.5	506	4.7	523	8.5	457	9.2	515
Net Margin		3.83%		3.72%		3.64%		3.60%		3.69%		3.64%		3.58%		3.78%		3.61%
o/w Mortgages	2.0	1,690	2.1	1,893	2.8	2,202	3.4	2,397	10.3	2,045	3.7	2,517	4.3	2,590	4.1	1,792	8.1	2,553
Net Margin		0.47%		0.45%		0.51%		0.55%		0.50%		0.60%		0.67%		0.46%		0.64%
Other	-0.9		-0.9		-0.9		-1.5		-4.2		-1.2		-0.3		-1.8		-1.6	
<b>Total</b>	<b>61.8</b>		<b>62.5</b>		<b>61.8</b>		<b>61.8</b>		<b>247.9</b>		<b>59.3</b>		<b>67.6</b>		<b>124.3</b>		<b>127.0</b>	
<b>Gross Margin</b>		<b>0.82%</b>		<b>0.81%</b>		<b>0.79%</b>		<b>0.79%</b>		<b>0.80%</b>		<b>0.76%</b>		<b>0.81%</b>		<b>0.81%</b>		<b>0.78%</b>
<b>Cost of Deposits</b>		<b>0.00%</b>		<b>0.00%</b>		<b>0.00%</b>		<b>0.00%</b>		<b>0.00%</b>		<b>0.00%</b>		<b>-0.01%</b>		<b>0.00%</b>		<b>0.00%</b>

Volumes and margins: average of the period  
Net margin calculated on real interest income and expenses

(1) Treasury activities: Unsecured lending, collateral switch, tiering, TLTRO, other repos

# New interest rates environment

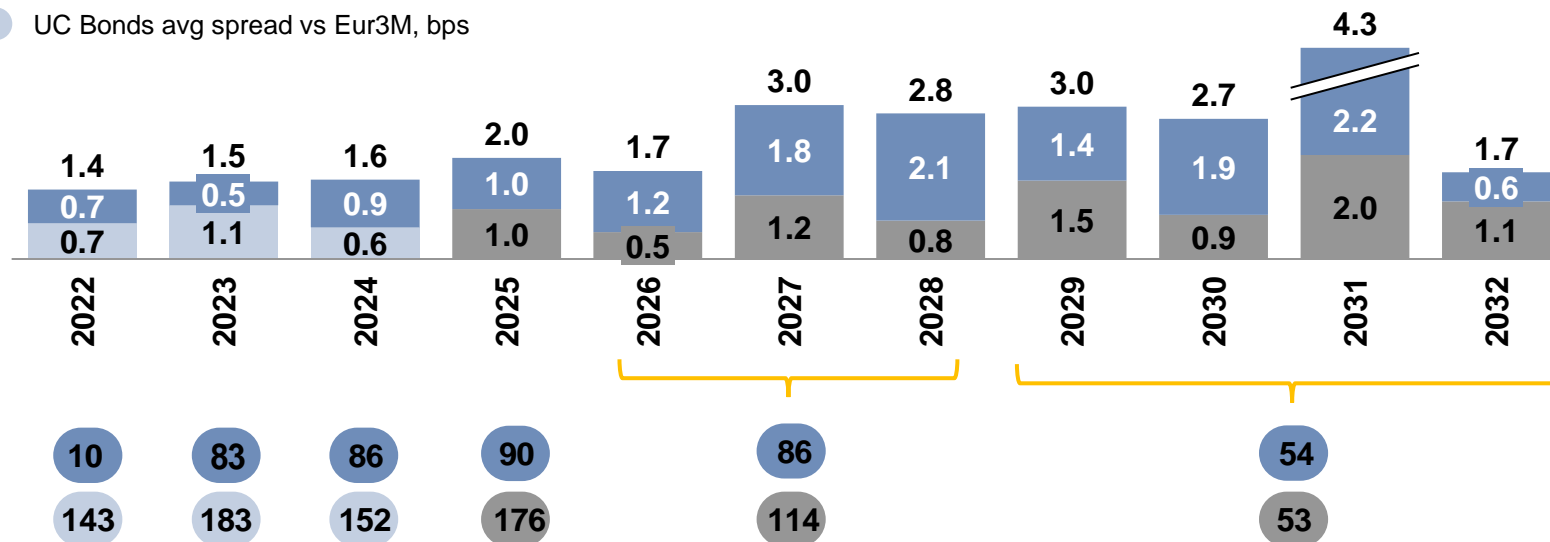
- In the recent months the market experienced a **significant structural change due to interest rates move and the inflationary environment**
- Below a comparison **of the forward rate curve** at the beginning of 2022 and the ones used for the assumptions behind the guidance to the market during the 1Q22 and 2Q22 conference calls

	2022			2023			2024		
	as of 07/01/22	as of 03/05/22	as of 01/08/22	as of 07/01/22	as of 03/05/22	as of 01/08/22	as of 07/01/22	as of 03/05/22	as of 01/08/22
Euribor 1M AVG	-0.50%	-0.19%	-0.04%	-0.12%	1.34%	1.14%	0.14%	1.67%	1.16%
Euribor 3M AVG	-0.47%	-0.02%	0.15%	-0.05%	1.54%	1.27%	0.18%	1.73%	1.25%
EURIRS 5Y AVG	0.16%	1.32%	1.22%	0.32%	1.84%	1.50%	0.42%	1.90%	1.61%
EURIRS 10Y AVG	0.43%	1.57%	1.51%	0.55%	2.02%	1.79%	0.63%	2.07%	1.88%
EU (Supranational) 10Y EOP <sup>(1)</sup>	0.35%	1.77%	1.59%	0.45%	1.86%	1.69%	0.51%	1.90%	1.78%

# Focus on Bond portfolio

## Bond portfolio run-offs, eop bn

Fixed rate bonds    Floating and swapped bonds <sup>(1)</sup>    Avg yield of fixed rate bonds, bps    Avg spread vs EUR 3M of floating and swapped bonds, bps <sup>(1)</sup>  
 UC bonds    UC Bonds avg spread vs Eur3M, bps



## UniCredit bonds run-offs

	ISIN	Currency	Amount (€ m)	Maturity	Indexation	Spread
1	IT0005144065	Euro	450.0	14-Nov-22	Euribor 3m	1.40%
2	IT0005158412	Euro	250.0	23-Dec-22	Euribor 3m	1.47%
3	IT0005163180	Euro	600.0	11-Feb-23	Euribor 3m	1.97%
4	IT0005175135	Euro	100.0	24-Mar-23	Euribor 3m	1.58%
5	IT0005217606	Euro	350.0	11-Oct-23	Euribor 3m	1.65%
6	IT0005241317	Euro	622.5	2-Feb-24	Euribor 3m	1.52%
Total		Euro	2,372.5		Euribor 3m	1.63%

**Residual maturity total portfolio: 5.8 yrs**

*o/w UC Bonds: 0.9 yrs*

*o/w bonds (excl. UC bonds): 6.3 yrs*

**Overall portfolio duration: 3.3 years**

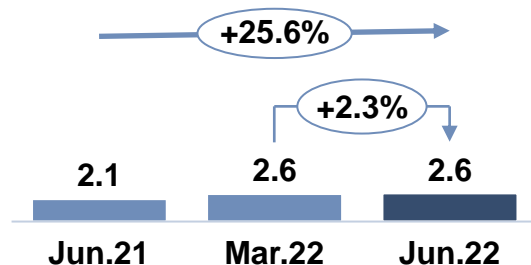
# Net Financial Income: focus on Lending

Ancillary business to fulfill clients' needs. High quality portfolio and cautious approach

## 2022 Guidance

### Mortgages

Eop, bn

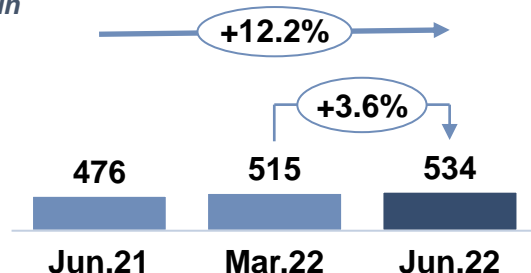


- **27,500 mortgages** granted since December 2016
- Average customer rate: **145 bps**. **1H22 Yield<sup>(1)</sup> at 64 bps**
- Average Loan to Value on actual portfolio **~50%**, average maturity **19 yrs**
- **Low expected credit loss** (~14 bps). Only **12** clients accounted in NPL after 66 months from the launch

- yearly new production: ~ 300-350 mln
- Expected yield<sup>(3)</sup>: ~ 85-95 bps

### Personal Loans

Eop, mln

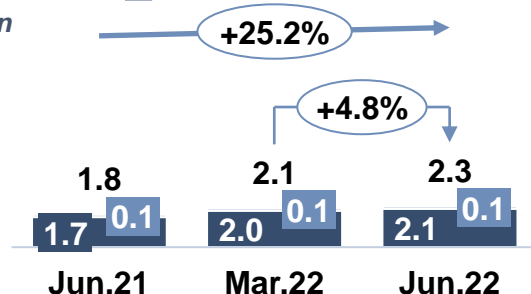


- Average ticket € 9,700 and average maturity 4.7 years
- **1H22 Yield at 361 bps**
- **Efficient and real time process**, instant approval platform for eligible clients' requests thanks to a deep knowledge of clients.
- **Low expected credit loss** (~27 bps)

- yearly new production: ~ 250-300 mln
- ~ (20-50 mln net)
- Expected yield<sup>(3)</sup>: ~ 360-380 bps

### Lombard Loans

■ Other lombard ■ Credit lombard  
Eop, bn



**o/w Credit Lombard<sup>(2)</sup>:**

- **Attractive new pricing:** retail clients 75-135bps and best clients 50-100bps (on 3M Eur with **floor zero**)
- **Differentiated margins** according to the riskiness of the pledged assets
- **Very low expected loss** (~10 bps)

**o/w Credit Lombard<sup>(2)</sup>:**

- Expected growth: ~ 300-400 mln per year
- Expected yield<sup>(3)</sup>: ~ 85-95 bps

<sup>(1)</sup> Yield on mortgages net of amortized and hedging costs

<sup>(2)</sup> Credit Lombard allows to change pledged assets without closing and re-opening the credit line, allowing more flexibility and efficiency with floor at zero

<sup>(3)</sup> Expected yield are referred to the stock. Assumptions for Mortgages and Lombard Loans are based on forward rate curve as of August 1st, 2022

# Details on Net Commissions

Net commissions by product area									
<i>mln</i>	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	1H21	1H22
<b>Banking</b>	<b>10.8</b>	<b>11.9</b>	<b>12.9</b>	<b>13.6</b>	<b>49.2</b>	<b>12.9</b>	<b>14.1</b>	<b>22.7</b>	<b>26.9</b>
<b>Brokerage</b>	<b>40.2</b>	<b>29.5</b>	<b>26.0</b>	<b>30.6</b>	<b>126.2</b>	<b>32.6</b>	<b>24.2</b>	<b>69.7</b>	<b>56.9</b>
o/w									
Equity	36.1	24.6	22.5	26.2	109.5	28.1	18.3	60.7	46.5
Bond	0.8	2.3	0.4	1.2	4.6	0.6	3.0	3.1	3.6
Derivatives	2.9	2.2	2.3	2.8	10.1	3.5	2.8	5.1	6.3
Other commissions	0.4	0.4	0.8	0.4	2.0	0.4	0.1	0.8	0.5
<b>Investing</b>	<b>57.2</b>	<b>65.0</b>	<b>71.4</b>	<b>82.3</b>	<b>275.9</b>	<b>73.5</b>	<b>75.8</b>	<b>122.2</b>	<b>149.3</b>
o/w									
Placement fees	2.2	1.7	1.7	1.9	7.5	1.8	1.3	3.9	3.1
Management fees	72.5	78.4	85.0	91.9	327.9	93.2	91.8	150.9	185.0
to PFA's: incentives	-6.2	-6.7	-7.8	-7.7	-28.4	-8.7	-8.0	-12.9	-16.6
to PFA's: LTI	-0.6	-0.9	-0.8	-1.0	-3.3	-1.0	-0.8	-1.5	-1.8
Other PFA costs	-10.7	-8.1	-6.7	-7.0	-32.5	-11.8	-8.5	-18.8	-20.3
Other commissions	0.0	0.6	0.0	4.2	4.8	0.0	0.0	0.6	0.0
<b>Other</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.6</b>	<b>-0.3</b>	<b>-0.2</b>	<b>-0.3</b>	<b>-0.6</b>
<b>Total</b>	<b>108.1</b>	<b>106.3</b>	<b>110.1</b>	<b>126.4</b>	<b>450.8</b>	<b>118.6</b>	<b>113.9</b>	<b>214.3</b>	<b>232.5</b>

# Revenues breakdown by Product Area

## P&L by product area

<i>mln</i>	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	1H21	1H22
Net financial income	72.6	69.8	65.9	60.0	268.2	105.3	66.3	142.3	171.6
<i>o/w Net interest income</i>	59.3	59.5	58.4	58.9	236.1	57.2	65.0	118.8	122.2
<i>o/w Profit from Treasury Management</i>	13.2	10.3	7.4	1.1	32.1	48.1	1.3	23.6	49.4
Net commissions	10.8	11.9	12.9	13.6	49.2	12.9	14.1	22.7	26.9
Trading profit	1.4	0.1	0.3	0.7	2.5	5.1	6.6	1.5	11.7
Other	0.1	0.1	0.1	0.2	0.5	0.1	0.0	0.2	0.1
<b>Total Banking</b>	<b>84.9</b>	<b>81.9</b>	<b>79.1</b>	<b>74.5</b>	<b>320.4</b>	<b>123.4</b>	<b>87.0</b>	<b>166.8</b>	<b>210.4</b>
Net interest income	3.5	4.0	4.4	4.4	16.4	3.5	3.1	7.5	6.5
Net commissions	40.2	29.5	26.0	30.6	126.2	32.6	24.2	69.7	56.8
Trading profit	22.0	15.9	15.5	17.9	71.3	23.7	20.0	37.9	43.7
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Brokerage</b>	<b>65.7</b>	<b>49.4</b>	<b>45.9</b>	<b>52.9</b>	<b>213.9</b>	<b>59.7</b>	<b>47.3</b>	<b>115.1</b>	<b>107.1</b>
Net interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net commissions	57.2	65.0	71.4	82.3	275.9	73.5	75.8	122.2	149.3
Trading profit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	-0.1	-0.3	-0.3	-0.1	-0.1	0.0	-0.2
<b>Total Investing</b>	<b>57.2</b>	<b>65.0</b>	<b>71.3</b>	<b>82.1</b>	<b>275.6</b>	<b>73.4</b>	<b>75.7</b>	<b>122.2</b>	<b>149.1</b>

# Breakdown Total Financial Assets

<i>mln</i>	Mar.21	Jun.21	Sep.21	Dec.21	Mar.22	Jun.22
<b>AUM</b>	<b>48,018</b>	<b>51,399</b>	<b>52,648</b>	<b>55,450</b>	<b>53,651</b>	<b>50,789</b>
o/w Funds and Sicav	33,271	35,699	36,233	38,053	35,985	33,182
o/w Insurance	12,659	13,448	14,122	14,963	15,354	15,421
o/w GPM	238	282	294	330	326	308
o/w AuC + deposits under advisory	1,850	1,970	1,998	2,105	1,986	1,878
o/w in Advice	572	596	603	637	617	600
o/w in Plus	1,278	1,374	1,395	1,468	1,369	1,277
<b>AUC</b>	<b>20,347</b>	<b>21,760</b>	<b>22,038</b>	<b>22,970</b>	<b>22,804</b>	<b>21,497</b>
o/w Equity	14,503	15,695	16,054	17,020	16,853	15,109
o/w Bond	5,772	5,993	5,893	5,796	5,777	6,167
o/w Other	72	72	90	155	174	222
<b>Direct Deposits</b>	<b>28,687</b>	<b>28,273</b>	<b>28,867</b>	<b>29,495</b>	<b>30,362</b>	<b>30,518</b>
o/w Sight	28,687	28,273	28,867	29,495	30,362	30,518
o/w Term	0	0	0	0	0	0
<b>Total</b>	<b>97,052</b>	<b>101,431</b>	<b>103,552</b>	<b>107,915</b>	<b>106,817</b>	<b>102,804</b>
<i>o/w Guided Products &amp; Services</i>	<b>35,381</b>	<b>38,531</b>	<b>39,721</b>	<b>42,304</b>	<b>41,018</b>	<b>38,842</b>
<i>o/w TFA FAM retail</i>	<b>11,465</b>	<b>13,215</b>	<b>13,929</b>	<b>15,133</b>	<b>15,249</b>	<b>14,627</b>
<i>o/w TFA Private Banking</i>	<b>41,844</b>	<b>44,763</b>	<b>45,924</b>	<b>48,761</b>	<b>47,133</b>	<b>43,304</b>

# Balance Sheet

<i>mln</i>	Mar.21	Jun.21	Sep.21	Dec.21	Mar.22	Jun.22
Due from Banks <sup>(1)</sup>	1,902	2,253	2,429	1,844	2,132	1,943
Customer Loans	4,639	5,269	5,624	6,002	6,088	6,311
Financial Assets	25,398	24,648	24,446	24,581	25,389	25,315
Tangible and Intangible Assets	277	281	279	279	276	274
Derivatives	84	85	92	126	466	949
Tax credit acquired	9	75	394	509	601	827
Other Assets	279	293	271	528	446	460
<b>Total Assets</b>	<b>32,588</b>	<b>32,905</b>	<b>33,534</b>	<b>33,867</b>	<b>35,399</b>	<b>36,078</b>
Customer Deposits	29,102	29,141	29,805	29,848	30,736	30,828
Due to Banks	1,149	1,173	1,169	1,225	1,808	2,333
Debt securities in Issue	0	0	0	497	498	499
Derivatives	140	119	91	65	-1	3
Funds and other Liabilities	413	575	501	505	503	706
Equity	1,783	1,897	1,969	1,727	1,855	1,709
<b>Total Liabilities and Equity</b>	<b>32,588</b>	<b>32,905</b>	<b>33,534</b>	<b>33,867</b>	<b>35,399</b>	<b>36,078</b>

<sup>(1)</sup> Due from banks includes cash deposited at Bank of Italy (1.3 bn as of Jun.22, 1.5bn as of Mar.22, 1.3bn as of Dec.21, 1.8bn as of Sep.2021, 1.6bn as of June 2021, 1.3bn as of Mar.2021) and bank current accounts (0.3 bn as of Jun.22, 0.3bn as of Mar.2022, 0.2bn as of Dec.21, 0.3bn as of Sep.2021, 0.3bn as of June 2021, 0.2bn as of Mar.2021)

# Leverage Ratio Sensitivity

## OUR PRIORITY

Focus on **our Balance Sheet** to keep under control the growth of deposits and improve our quality revenues mix. Thanks to our new initiatives, which are not yet at full speed, **at the same time we can:**

- 1) sustain our growth
- 2) distribute a growing dividend per share
- 3) keep our Leverage Ratio comfortably above the regulatory requirements and within our guidance (in a range 3.5%-4.0%)

## Leverage Ratio comfortably under control

Retained earnings = Tier 1 Capital (mln)

	70	80	90	100	110	120	130	140	150	200	250	300	350	400	450	500
-500	4.06%	4.08%	4.11%	4.13%	4.16%	4.19%	4.21%	4.24%	4.26%	4.39%	4.52%	4.65%	4.78%	4.90%	5.03%	5.16%
0	4.00%	4.03%	4.05%	4.08%	4.10%	4.13%	4.15%	4.18%	4.21%	4.33%	4.46%	4.59%	4.71%	4.84%	4.97%	5.09%
500	3.95%	3.97%	4.00%	4.02%	4.05%	4.07%	4.10%	4.13%	4.15%	4.28%	4.40%	4.53%	4.65%	4.78%	4.90%	5.02%
1,000	3.90%	3.92%	3.95%	3.97%	4.00%	4.02%	4.05%	4.07%	4.10%	4.22%	4.35%	4.47%	4.59%	4.71%	4.84%	4.96%
1,500	3.85%	3.87%	3.90%	3.92%	3.95%	3.97%	4.00%	4.02%	4.04%	4.17%	4.29%	4.41%	4.53%	4.65%	4.78%	4.90%
2,000	3.80%	3.82%	3.85%	3.87%	3.90%	3.92%	3.94%	3.97%	3.99%	4.11%	4.24%	4.36%	4.48%	4.60%	4.72%	4.84%
2,500	3.75%	3.78%	3.80%	3.82%	3.85%	3.87%	3.90%	3.92%	3.94%	4.06%	4.18%	4.30%	4.42%	4.54%	4.66%	4.78%
3,000	3.70%	3.73%	3.75%	3.78%	3.80%	3.82%	3.85%	3.87%	3.89%	4.01%	4.13%	4.25%	4.37%	4.48%	4.60%	4.72%
4,000	3.62%	3.64%	3.66%	3.68%	3.71%	3.73%	3.75%	3.78%	3.80%	3.92%	4.03%	4.15%	4.26%	4.38%	4.49%	4.60%
5,000	3.53%	3.55%	3.58%	3.60%	3.62%	3.64%	3.67%	3.69%	3.71%	3.82%	3.94%	4.05%	4.16%	4.27%	4.39%	4.50%
6,000	3.45%	3.47%	3.49%	3.52%	3.54%	3.56%	3.58%	3.60%	3.63%	3.74%	3.85%	3.96%	4.07%	4.18%	4.29%	4.39%
7,000	3.37%	3.39%	3.41%	3.44%	3.46%	3.48%	3.50%	3.52%	3.54%	3.65%	3.76%	3.87%	3.98%	4.08%	4.19%	4.30%
8,000	3.30%	3.32%	3.34%	3.36%	3.38%	3.40%	3.42%	3.45%	3.47%	3.57%	3.68%	3.78%	3.89%	3.99%	4.10%	4.20%
9,000	3.23%	3.25%	3.27%	3.29%	3.31%	3.33%	3.35%	3.37%	3.39%	3.50%	3.60%	3.70%	3.81%	3.91%	4.01%	4.11%
10,000	3.16%	3.18%	3.20%	3.22%	3.24%	3.26%	3.28%	3.30%	3.32%	3.42%	3.52%	3.63%	3.73%	3.83%	3.93%	4.03%

Considering our organic capital generation after dividend distribution and payment of AT1 coupon, also in case of extremely adverse market scenario, our **Leverage ratio** would comfortably remain in a range 3.5%-4.0%

LR > 4.0%
  3.5% < LR < 4.0%
  3.0% < LR < 3.5%

# Recap on our Industrial initiatives

## Banking: combining Treasury and Business to boost growth



### MORE DYNAMIC TREASURY MANAGEMENT:

- ✓ yield enhancement strategies (unsecured lending, collateral switch)
- ✓ full ADVANTAGE OF ECB's TIERING AND TLTRO



**NEW PLATFORM TO DISTRIBUTE THIRD PARTIES SAVINGS ACCOUNTS**  
leveraging on our FinTech DNA



**SMART REPRICING ON CURRENT ACCOUNTS IN 2020 AND NEW PRICING IN 2021 ON NEW CURRENT ACCOUNTS:** given the acceleration of flight to quality towards our Bank, we can afford to be more selective in our base of clients



**NEW PLATFORM FOR TAX CREDIT (Ecobonus and Superbonus):** we are very active within the framework of the Law Decree no.34/2020, allowing homeowners to have a tax credit up to 110% for a list of interventions on their houses (i.e. increasing energy efficiency of buildings, reducing seismic risk, etc.)

## Investing: accelerating revenues and margins thanks to higher AUM volumes and to the strategic discontinuity in FAM to take more control of the value chain, improving operational efficiency

### STRONG VOLUME EFFECT

- **INCREASING PFAs PRODUCTIVITY** thanks to our **cyborg-advisory approach** and to our technology
- **ROBUST AUM NET SALES** as we are in the sweet spot to capture the acceleration of structural trends already in place
- **NEW PFA INCENTIVE SCHEME** based on inflows in:
  - Asset Under Management
  - quality solutions with a strong focus on RISK MANAGEMENT
- Clients starting to increase their **RISK APPETITE**

### FAM OPERATIONAL EFFICIENCY

- The **internalization of the value chain** will allow FAM to **progressively and structurally lower the costs of third parties**, creating more value (i.e. lower costs of mandate, new advisory services, new flagship product range fully managed in-house and new passive funds)
- FAM is core for **extracting additional value** (on fund administration costs, custodian, etc)
- FAM **margins contribution** expected to grow with the increase of FAM volumes as institutional classes products (FAM funds underlyings of wrappers) can be used as underlying of Investing solutions
- **Widening equity strategies offer** due to the increasing demand by customers

# Fineco Asset Management in a nutshell

AUM at € 24.5bn, of which € 14.6bn retail classes<sup>(1)</sup>. Over 400 ISIN launched since inception

## FUNDS OF FUNDS

## FAM SERIES (sub-advised funds)

## INSTITUTIONAL CLASSES

### FAM EVOLUTION

- ✓ **FAM Megatrend**: multi-thematic fund investing in secular trends
- ✓ **New building blocks** both vertical and based on risk profile
- ✓ **FAM Target**: decumulation products for customers who want to take advantage of bear market phase
- ✓ **FAM Passive Underlyings**

### CORE SERIES

- ✓ **Release of Premium Share Classes**
- 
- ✓ **Additional sub-advisory mandates in pipeline with ~15 new strategies in the coming weeks** to further enlarge the offer through **quality and exclusivity agreements** for Fineco
  - ✓ **FAM Global Defence**: new capital preservation solution
  - ✓ **New flagship FAM Target China Coupon and ESG Target Global Coupon**: investment solutions to build up exposure towards equity
  - ✓ **FAM Passive Single Strategies**
- 
- ✓ **FAM underlying funds for advisory solutions** (both funds of funds and Insurance wrappers) allowing a better control of the value chain **to retain more margins and lower customers' TER**
  - ✓ **FAM Passive Underlyings**
  - ✓ **68 strategies**, including also Passive and new Smart Beta funds

## BENEFITS

- **Quality improvement and time to market for customers and distribution needs**
- **Several efficiencies** leveraging on a vertically integrated business model combined with the strong operating efficiency which is in Fineco's DNA
- **Better risk management** thanks to the look-through on daily basis on funds' underlying assets
- **Win-win solution**: lower price for clients, higher margins

# Brokerage: extracting value from the vertical integration

After the successful integration of our asset management business through FAM, we are now applying the same strategy with the launch of Leveraged Certificates thanks to our strong operating leverage and to the consistently increasing volumes

## Leveraged Certificates

**We have launched our offer Leveraged Certificates offer and are now issuer, market maker and distributor.**

Thanks to the **vertical integration** of the business and the **full control in the relationship with clients**, over time we are going to convert low-value flows on other issuers' certificates into our own.

**Market size** in Italy: 13 bn<sup>(1)</sup> volumes and 100 mln revenues<sup>(2)</sup>. **We are also targeting flows on leveraged ETFs and covered warrants**

**Step 1:** launch of the first certificates on FTSE MIB, DAX, EuroSTOXX50, CAC and forex (eur/usd, eur/gbp, eur/jpy, gbp/usd)

**Step 2:** widen the **leveraged certificates offer**

## Hi-MTF

**On July 22<sup>nd</sup>, 2021 FinecoBank finalized the acquisition of a 20% stake** (cost around 1.25mln) **of Hi-MTF**

**Rationale:** to increase our ability to extract value from the vertical integration of the business thanks to our clients' strong volumes

<sup>(1)</sup> ACEPI (Italian Association of Certificates and Investment Products)

<sup>(2)</sup> Internal estimates

# Fineco UK: Investing in the spotlight

ISA accounts offer, already ~2,000 subscriptions. Next step: improving our user experience

## The new phase: building up our Investing offer and improving user experience

### Step 1: Widening our offer

- ✓ Already **21 Asset managers** in our platform, which will be further increased
- ✓ **New ISA promo launched** to attract clients from traditional banks
- ✓ Already **~2,000 ISA subscriptions**
- ✓ **New section for funds** in our APP

### Step 2: Improving user experience

Focus on **easy-to-use journeys and maps** to help clients choose the best investment solution based on their goals

**Grow your ambitions  
investing in our ISA**

Maximise your tax-efficient ISA allowance.

OPEN ACCOUNT


**ZERO** % ISA PLATFORM FEE

Until the end of the 2022/23 tax year if you open your ISA by 30 April 2022. 0.25% max when promo ends.



# Fineco UK vs competitors

## Products and services

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

 Coming Soon

## Platform features

*Usability, reliability and advanced tools*

					
Free Basic Market Data	✓	✓	✓	✓	✓
Free Real time DMA	✓	✗	✗	✗	✗
Advanced Charting tool	✓	✗	✗	✗	✗
Recurring investments	✓	✗	✓	✗	✓
Trading order strategies	✓	✓	✗	✗	✗
Stock screener	✓	✗	✗	✗	✗
Payments	✓	✗	✗	✓	✓
Budget track	✓	✗	✗	✓	✗
Open banking	✓	✗	✗	✓	✓

# Fineco UK: Premium service without premium price

Disruptive pricing 100% sustainable thanks to our strong operating leverage

## OTC: zero commission, no added spreads

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

	<b>FINECO</b> BANK	IG	CMIC cmc markets	SAXO BANK
CFD on UK INDEX	PIPS	PIPS	PIPS	PIPS
Ftse100	0.6	1	1	0.8

## Multicurrency: best spreads, no commissions

£ ↔ €	<b>FINECO</b> BANK	Revolut	TransferWise	STARLING BANK	HSBC	HARGREAVES LANSDOWN	interactive investor
£2,000	£4.46	£4.99 Saving: -12%	£7.49 Saving: -68%	£8.02 Saving: -80%	£14.98 Saving: -236%	£16.94 Saving: -280%	£29.95 Saving: -572%
£10,000	£22.3	£44.93 Saving: -101%	£37.44 Saving: -68%	£40.7 Saving: -83%	£74.88 Saving: -236%	£84.7 Saving: -280%	£150 Saving: -573%
£500,000	£668.63	£2,491.22 Saving: -273%	£1,872.16 Saving: -180%	£2,005.88 Saving: -200%	£3,744.32 Saving: -460%	£4,234.64 Saving: -533%	£2,496.21 Saving: -273%
£1,000,000	£1,114.4	£4,987.43 Saving: -348%	£2,852.8 Saving: -156%	£4,011.77 Saving: -260%	£7,488.6 Saving: -572%	£8,470 Saving: -660%	£2,496.21 Saving: -124%

## Platform fees: the most competitive

Portfolio size	<b>FINECO</b> BANK	HARGREAVES LANSDOWN	AJBell	BARCLAYS	Fidelity INTERNATIONAL	HSBC
£20,000.00	0.25%	0.45%	0.28%	0.30%	0.35%	0.25%

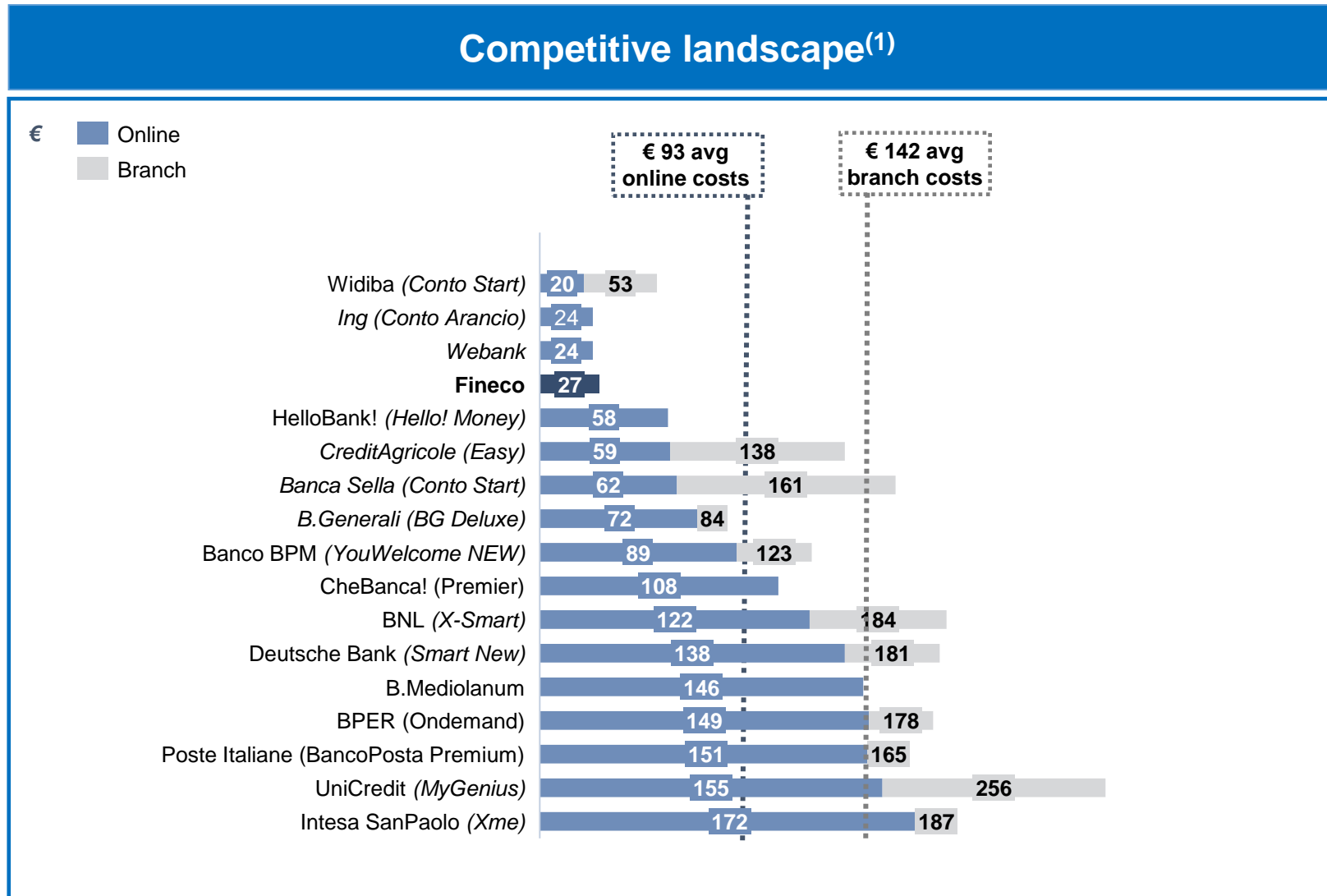
## Stock broking: flat fees

	<b>FINECO</b> BANK	HARGREAVES LANSDOWN	interactive investor	AJBell	IG	SAXO BANK	Interactive Brokers
London Stock Exchange							
Stock for £5,000	£2.95	£11.95	£7.99 <sup>(1)</sup>	£9.95 <sup>(1)</sup>	£8	£8	£3
Stock for £20,000	£2.95	£11.95	£7.99 <sup>(1)</sup>	£9.95 <sup>(1)</sup>	£8	£20	£3

## Transaction fees

	<b>FINECO</b> BANK	HARGREAVES LANSDOWN	AJBell	BARCLAYS	Fidelity INTERNATIONAL	HSBC
	£0.00	£0.00	£1.50	£3.00	£10.00	No online Phone dealing only

# Preserving our best price/quality ratio



# Commitment to Net Zero emissions by 2050

Aware of the importance of environmental and climate matters, in August this year the BoD approved the Net-Zero emissions plan to 2050 regarding both operational and financed emissions

## RESPONSIBLE FINANCE - Scope 3 emissions from internal investment portfolio

2021

2030

2050

> 70% of the 2021 Total Consolidated Assets



% exposure in **countries and institutions with a Net-Zero target** by 2050 formalised in national/international policy document<sup>(1)</sup>

56.9%

95%<sup>(2)</sup>

100%



% exposure in **Banks with a Net-Zero target** by 2050 on **financed emissions**

92.5%

95%

100%

## ENVIRONMENT - Scope 1, 2 and Scope 3 emissions from operations



**Scope 1** – CO<sub>2</sub>e from energy consumption of Milan registered office and of the Fineco Centers with utilities in the Bank's name; CO<sub>2</sub>e from fuel for company car fleet

473  
tCO<sub>2</sub>e

- 35%

- 90%

& neutralisation of residual emissions



**Scope 2 (market based)** - CO<sub>2</sub>e from energy consumption of Milan registered office and of the Fineco Centers with utilities in the Bank's name



**Scope 3** - CO<sub>2</sub>e from paper consumption of all sites; CO<sub>2</sub>e from energy consumption of Reggio-Emilia Headquarters<sup>(3)</sup>, of Fineco AM's Dublin office, of the Data Processing Centers<sup>(3)</sup> and of the Fineco Centers with utilities in the Personal Financial Advisors' name

1,351  
tCO<sub>2</sub>e

- 20%

- 90%

& neutralisation of residual emissions

<sup>(1)</sup> Source: <https://www.climatewatchdata.org/>; 'In Policy Document' and 'In law' objectives are accepted, 'In Political Pledge' objectives are not accepted.

<sup>(2)</sup> Target subject to formalisation of Net-Zero's commitment in a national policy document by Italy.

<sup>(3)</sup> For the purposes of the Net-Zero plan, the approach to accounting emissions from renewable electricity consumption at sites where the utilities are not registered to Fineco was revised, accounting them as 0 in case of the presence of Guarantee of Origin certificates. Therefore, the figure reported here differs from that reported in the 2021 consolidated Non-Financial Statement.

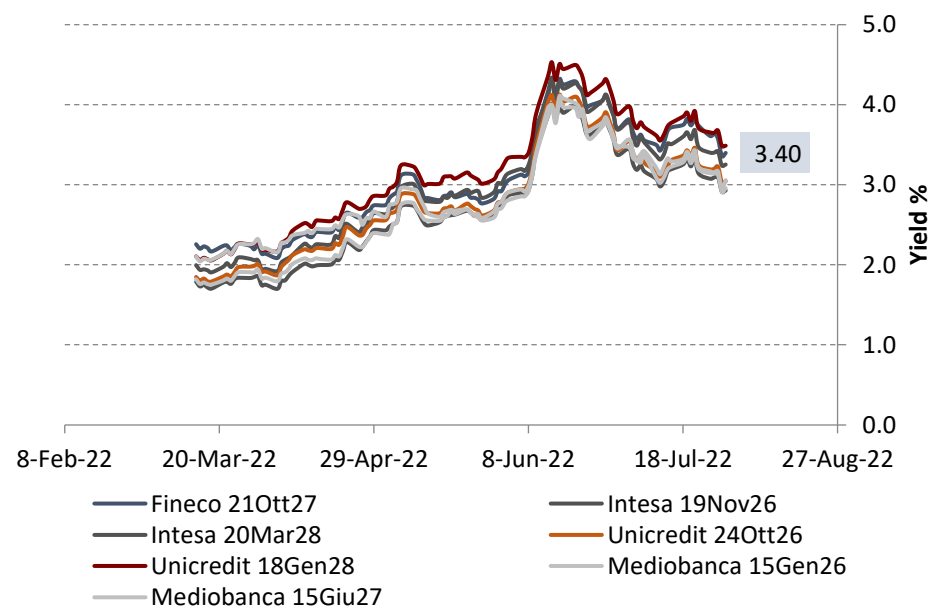
# Fixed Income

## Senior Preferred instrument

➤ On October 14<sup>th</sup>, 2021, Fineco successfully issued 500mIn Senior Preferred in order to be immediately compliant with the Fully Loaded MREL Requirement on Leverage Ratio Exposure, which will be binding starting from January 1st, 2024.

- Annual **coupon at 0.50%** (5 years Mid Swap Rate plus 70 bps vs initial guidance of plus 100 bps) for the first 5 years, floating rate between the fifth and sixth year
- Public placement with a **strong demand, more than 4 times the offer**
- The instrument has been **rated BBB by S&P**

### Italian Senior Preferred



## AT1 instruments

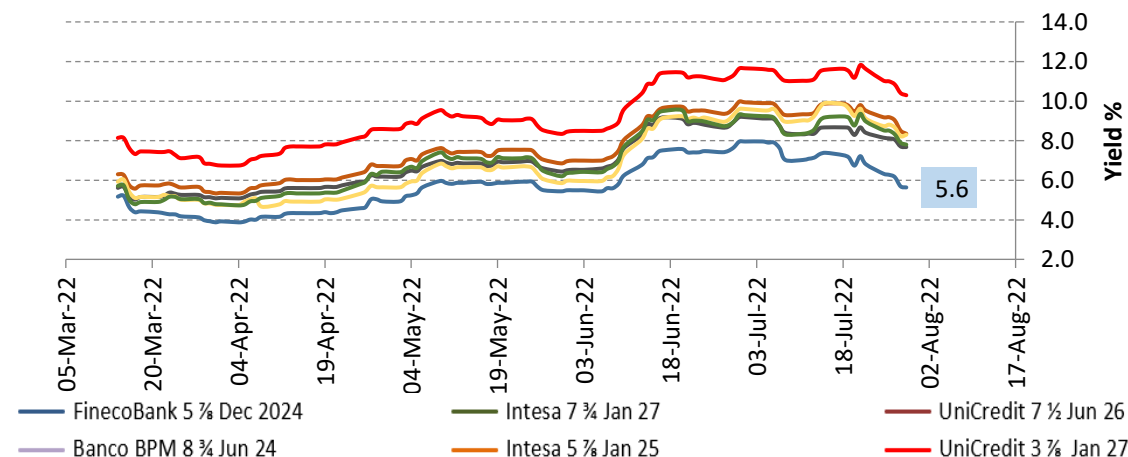
➤ €200 mln perpetual AT1 issued on January 23<sup>rd</sup>, 2018:

- Coupon fixed at **4.82%** for the initial **5.5 years**
- **Private placement**, fully subscribed by UniCredit SpA
- **Semi-annual coupon**. Coupon (net of taxes) will impact directly Equity reserves

➤ €300mln perpetual AT1 issued on July 11<sup>th</sup>, 2019 in order to maintain the Leverage Ratio above 3.5% after the exit from the UniCredit Group:

- Coupon fixed at **5.875%** (initial guidance at 6.5%) for the initial **5.5 years**
- **Public placement**, with strong demand (9x, €2.7bn), listed in Euronext Dublin
- **Semi-annual coupon**. Coupon (net of taxes) will impact directly Equity reserves
- The instrument was assigned a **BB-** rating by S&P

### Italian AT1 yield at first call date



# Main Financial Ratios

	Mar.21	Jun.21	Sep.21	Dec.21	Mar.22	Jun.22
<b>PFA TFA/ PFA (mln) <sup>(1)</sup></b>	<b>31.6</b>	<b>32.5</b>	<b>33.0</b>	<b>33.9</b>	<b>32.8</b>	<b>31.2</b>
<b>FAM retail / Fineco AUM <sup>(2)</sup></b>	<b>24%</b>	<b>26%</b>	<b>26%</b>	<b>27%</b>	<b>28%</b>	<b>29%</b>
<b>Cost / income Ratio <sup>(3)</sup></b>	<b>30.4%</b>	<b>31.3%</b>	<b>31.4%</b>	<b>32.2%</b>	<b>27.0%</b>	<b>29.3%</b>
<b>CET 1 Ratio</b>	<b>26.5%</b>	<b>18.6%</b>	<b>18.4%</b>	<b>18.8%</b>	<b>19.3%</b>	<b>19.1%</b>
<b>Adjusted RoE <sup>(4)</sup></b>	<b>22.2%</b>	<b>23.3%</b>	<b>21.5%</b>	<b>22.0%</b>	<b>30.4%</b>	<b>29.3%</b>
<b>Leverage Ratio <sup>(5)</sup></b>	<b>4.77%</b>	<b>3.81%</b>	<b>3.80%</b>	<b>3.84%</b>	<b>3.80%</b>	<b>3.82%</b>

<sup>(1)</sup> PFA TFA/PFA: calculated as end of period Total Financial Assets related to the network divided by number of PFAs eop

<sup>(2)</sup> Calculated as FAM retail stock eop divided by FinecoBank AUM stock eop

<sup>(3)</sup> C/I ratio net of non recurring items (see page 40 for details) calculated as Operating Costs divided by Revenues net of non recurring items

<sup>(4)</sup> RoE: annualized Net Profit, net of non recurring items (see page 40 for details) divided by the average book shareholders' equity for the period (excluding dividends expected to be distributed and the revaluation reserves)

<sup>(5)</sup> Leverage Ratio excluding exposures towards Central Banks from the total LR exposures (according to art. 429a - CRR) was equal to 4.03% in June 2021, to 4.04% in September 2021, to 4.02% in December 2021 and to 3.99% in March 2022