



FINECO. SIMPLIFYING BANKING.

# 3Q21 Results

## UniCredit Italian Financials Debt Conference

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CFO

Milan, November 23<sup>rd</sup> 2021

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# Agenda

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## ✓ **Fineco overview**

- ☐ Fineco 3Q21 Results

- ☐ Capital, risks and liquidity

- ☐ Next steps

- ☐ Fineco UK

- ☐ Focus on product areas

# Introducing Fineco, a leading FinTech Bank in Europe

Integrated offer of Banking, Brokerage and Investing via multi-channel approach, for sustainable growth

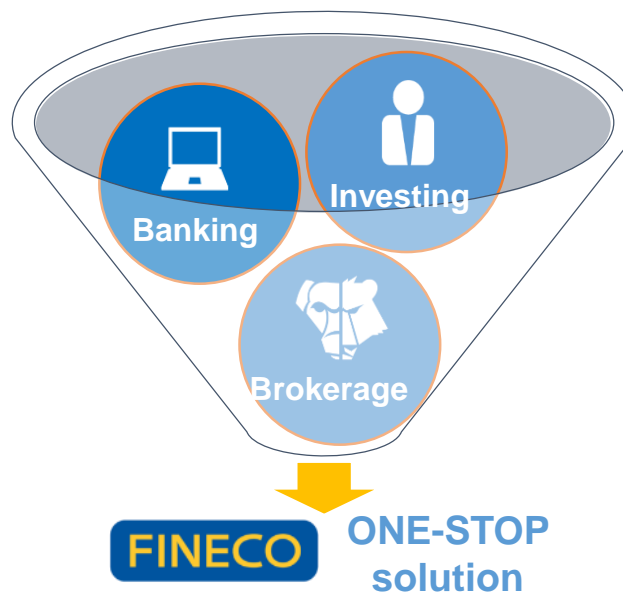
**Corporate purpose:** offer customers excellent services and products through a multi-channel system at a fair price

9M21 weight on total revenues for each product area

## Banking

41%

- **100%** of operations can be performed online or from apps
- Lending offered only to existing base of retail clients (no corporates)
- Strong focus in building a low-risk and high-quality portfolio thanks to internal IT culture and Big Data analytics



## Investing

32%

- **FAM** (Fineco Asset Management, with 20bn+<sup>(1)</sup> TFA) key in delivering quality investment solutions for our clients
- More than **6,350** mutual funds by more than **70** Asset Managers worldwide
- Physical distribution network: **2,752<sup>(1)</sup>** PFAs and **417<sup>(1)</sup>** Fineco Center

## Brokerage

27%

Direct access to **26<sup>(2)</sup>** global markets, bonds, ETFs, futures and **21<sup>(2)</sup>** currencies both online and mobile

## Our Key figures

TFA 3Q21

**€103.6 bn** **+21.8%**  
y/y  
with **1.4 mln** clients

adj. revenues FY20

**€749.2 mln** **+18.3%**  
y/y  
9M21: **€596.9mln**

adj. net income FY20

**€324.5 mln** **+19.2%**  
y/y  
9M21: **€257.2mln**

adj. Cost/Income 3Q21

**31%**

CET1 Ratio 3Q21<sup>(3)</sup>

**18.37%**

<sup>(1)</sup> Figures as of September 30th, 2021

<sup>(2)</sup> Figures as of December 31st, 2020

<sup>(3)</sup> With 2019-2020 dividend payment of €0.53 proposed by the Board of Directors at the Shareholders' meeting convened on 21st October 2021  
For details on adj. figures please refer to slide 41 and 42

# Long term sustainability at the heart of Fineco business model

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

## Our 3 pillars



### TRANSPARENCY

**Fairness** and respect for all our stakeholders



### EFFICIENCY

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



### INNOVATION

Quality offer for highly **SATISFIED CLIENTS**

## Sustainable since inception



#### ✓ MARKET FRIENDLY CORPORATE GOVERNANCE:

- Up to 3 lists for Board renewal
- 10 independent Board members out of 11, o/w 6 women



- ✓ In 2020 AGM, 86% voted for the outgoing Board list proposal
- ✓ In 2021 AGM, 97% voted for 2021 remuneration policy



#### ✓ Ramping up the GOVERNANCE OF SUSTAINABILITY:

- Sustainability Committee at Board and Managerial level
- Sustainability Team within CFO Department



- ✓ FinecoBank is signatory of **UN Global Compact** and **UN PRB** (UN Principles for Responsible Banking)
- ✓ Fineco AM is signatory of **UN PRI** (UN Principles for Responsible Investing)



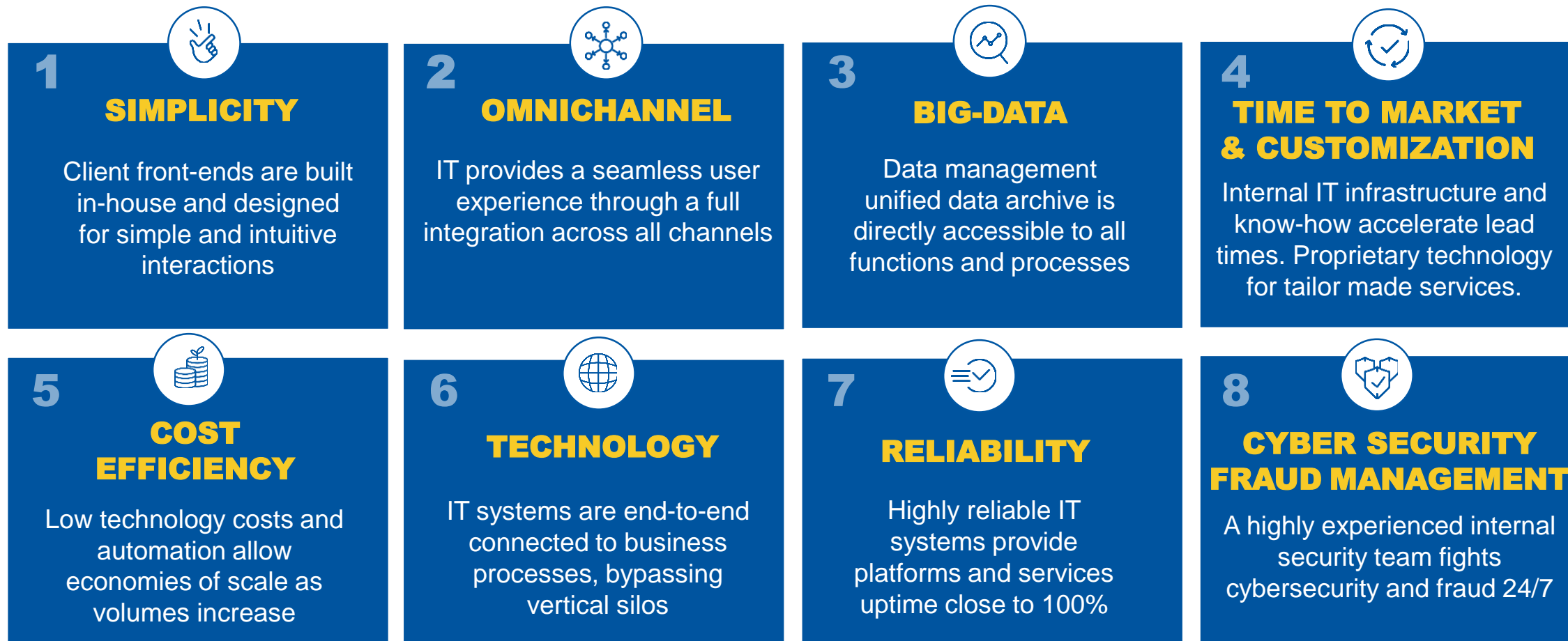
#### ✓ FOCUS on Cyber-Security and ESG risks leveraging on FINTECH DNA



- ✓ Broad **ESG product offer:** both on **Investing** (i.e. ~60% of funds have ESG rating Morningstar) and **Lending** ("Green mortgages", Ecobonus and Sismabonus). **FAM** has classified 40 funds under art. 8 of SFDR regulation

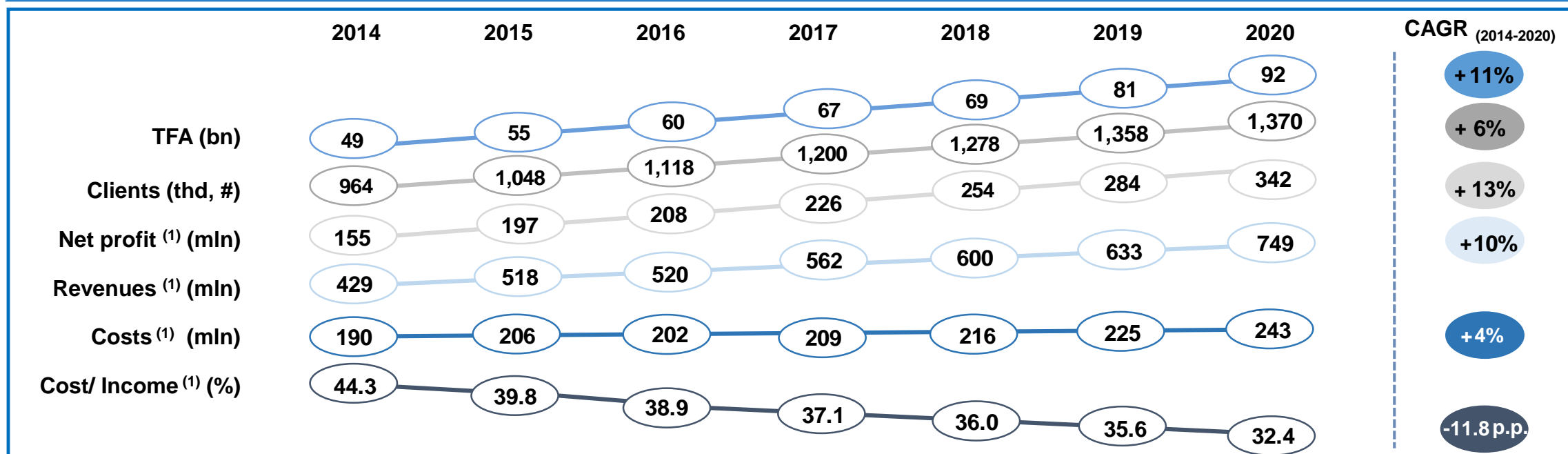
# Fineco as a profitable FinTech Bank: ICT a key business driver

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

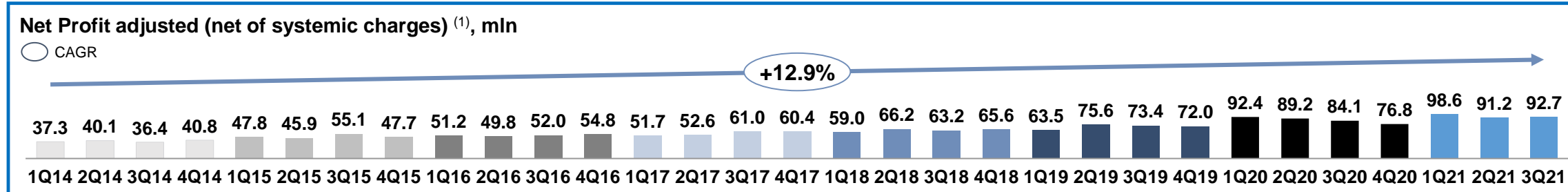


# Healthy and sustainable growth with a long term horizon

## Highly scalable operating platform...



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



<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).

# Safe Balance Sheet: simple, highly liquid

## Deposit modelling reflected in Investment portfolio

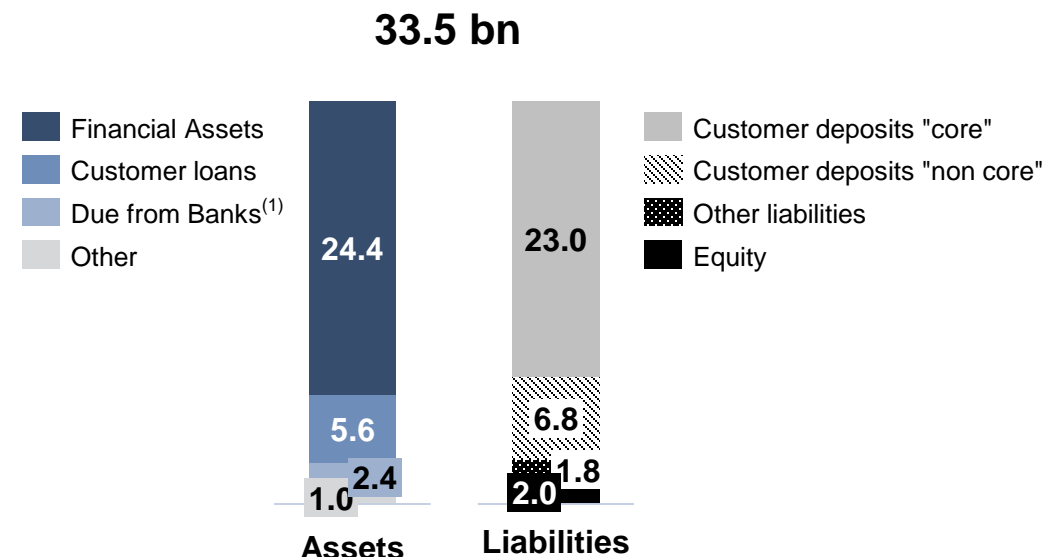
- **Deposit base made of transactional liquidity based on quality of services.** Cost of funding close to zero.
- **Core deposits invested in a significant percentage in HQLA (45%)**
- **TLTRO: we borrowed ~1bn starting from December 2020**

## Diversified investment portfolio

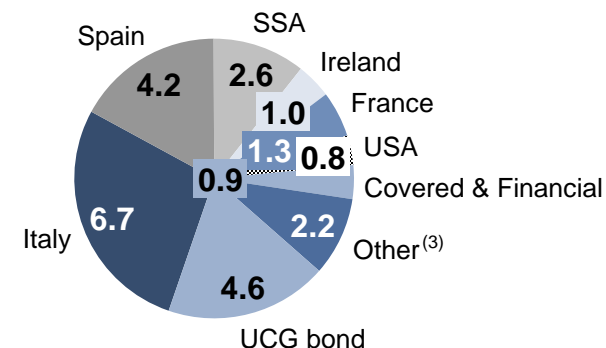
- **Investment strategy unchanged:** UC bonds run-offs, blend of government bonds diversified across countries, covered bonds, supranational and agencies.
- **99.9% not exposed to volatility** with no impact in our P&L and BS by the widening of spreads. HTC classification since November 2016
- **Avg maturity unchanged at ~ 5 years**

## High-quality lending growth

- Lending offered exclusively to our **well-known base of clients**
- **Low-risk:** CoR at 7bps, cautious approach on mortgages (LTV ~50%, avg maturity 18 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**



## Total Bonds portfolio: 24.4 bn <sup>(2)</sup>



**Massive de-risking of the Balance Sheet thanks to the full collateralization of UC bonds (May 10<sup>th</sup>, 2019)**

<sup>(1)</sup> Due from banks includes 1.8bn cash deposited at Bank of Italy as of Sept.21

<sup>(2)</sup> 24.4bn equal to 23.4bn nominal value, o/w Italy 6.3bn nominal value

<sup>(3)</sup> Other: Austria, Belgium, Germany, Portugal, United Kingdom, Switzerland, Chile, Israel, Saudi Arabia, China, Iceland, Latvia

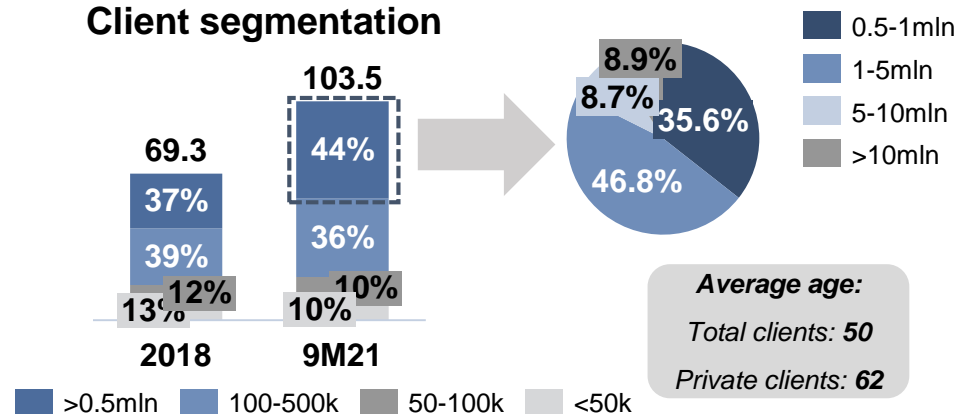


# Consistently growing in our target market

## Improving the quality of our client base

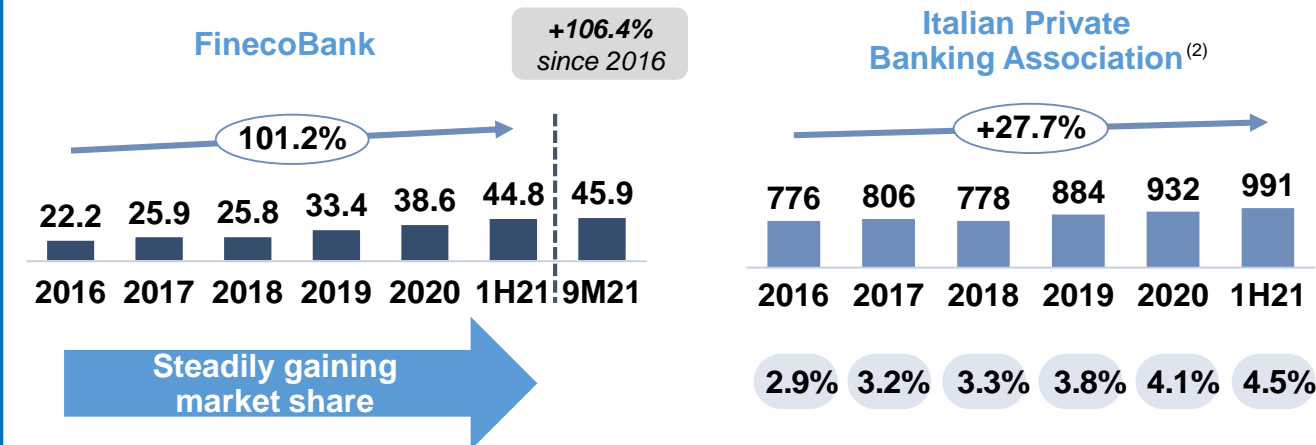
€ bn, TFA

### Client segmentation



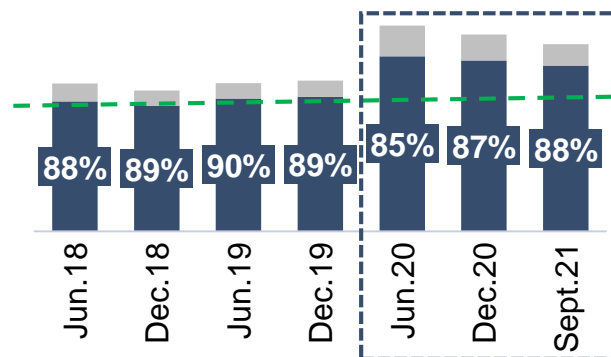
## Outperforming the system in Private Banking<sup>(1)</sup> growth

€ bn, TFA



## Brokerage: enlargement of the client base of sticky active investors

trader active investors<sup>(3)</sup> avg '18-19 active investors



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

### ACTIVE INVESTORS PROFILE:

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

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

<sup>(2)</sup> AIPB (Associazione Italiana Private Banking) as of 1Q21

<sup>(3)</sup> Active investors: less than 20 trades per month; Traders: more than 20 trades per month

# Strategy: fast growing and capital efficient business model

Our two discontinuities: Deleveraging the Balance Sheet and improving Investing business

## Deleverage to improve our quality revenues mix

### 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

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

- **FAM Target and Pension funds** for risk-adverse clients
- **Distribution of third-parties savings accounts** to lower the amount of liquidity held by clients with no intention to invest and generate revenues without increasing the Balance Sheet.

### 2 ROBUST ACCELERATION IN PFAs PRODUCTIVITY through:

- **New software developments** to improve PFAs productivity in **transforming deposits in AUM** leveraging on Big Data Analytics capabilities.
- Coming soon: sophisticated **marketing campaigning** tool

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

- More selective client acquisition through a **new pricing on new current accounts** that are priced € 6.95 per month<sup>(1)</sup> with the possibility of a full bonus on the fee according to their activity with the Bank
- We will **increase our efforts to reduce liquidity** also leveraging on our Big Data Analytics

## Discontinuity in FAM to take more control of the Investing value chain

### 1 STRONG VOLUME EFFECT:

- **INCREASING PFAS PRODUCTIVITY** thanks to our cyborg advisory approach
- **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**

### 2 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
- FAM is core for **extracting additional value** (on fund administration costs, custodian, etc)
- **FAM margins contribution** expected to grow with the increase of volumes as institutioal products can be used as underlying of Investing solutions
- **Widening equity strategies** offer due to the increasing Risk Appetite by clients

# Agenda

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- ☐ Fineco overview
- ☒ **Fineco 3Q21 Results**
- ☐ Capital, risks and liquidity
- ☐ Next steps
- ☐ Fineco UK
- ☐ Focus on product areas

# Executive Summary

Successful growth story: becoming more a Platform than a Bank

The Bank has entered a **new dimension of growth driven by structural trends**. Among the main consequences:

- ✓ **continuing with the deleveraging of the Balance Sheet**: boosting Fees and Commissions to increase revenues with a better mix
- ✓ **new discontinuity in FAM, entering the second wave to take more control of the value chain** to further boost Investing revenues and margins

**Outcome**: structurally higher profitability and capital light business model, allowing us to distribute increasing DPS and to invest more in our growth abroad

## Record-high net profit in “a new normal world”

- **9M21 Net profit at 257mln, +4% y/y<sup>(1)</sup>** beating the previous record high of **9M20**, confirming the sustainability of a business model able to deliver consistent results in every market condition
- **9M21 Revenues at 597mln, +4% y/y<sup>(1)</sup>** mainly supported by **Investing (+25% y/y)** thanks to volume effect and to the strong acceleration of AUM flows. Brokerage confirmed a structurally higher floor also in an environment characterized by much lower volatility compared to 2020
- **Operating Costs well under control at -188mln, +5.2% y/y**, excluding costs related to the acceleration of the growth of the business<sup>(2)</sup>. Yearly comparison also affected by 9M20 strict lockdown
- **C/I ratio at 31.4%**, confirming **strong operating leverage as a key strength of the Bank**

## Strong capital position, already compliant with MREL

- **9M21 CET1 ratio at 18.4%, TCR at 29.3%, Leverage ratio at 4.04%**
- **Compliant with 2024 fully-loaded MREL requirement** after the **successful issuance of 500mln Senior Preferred**, with a **demand more than 4x**

## Accelerating commercial activity towards AUM

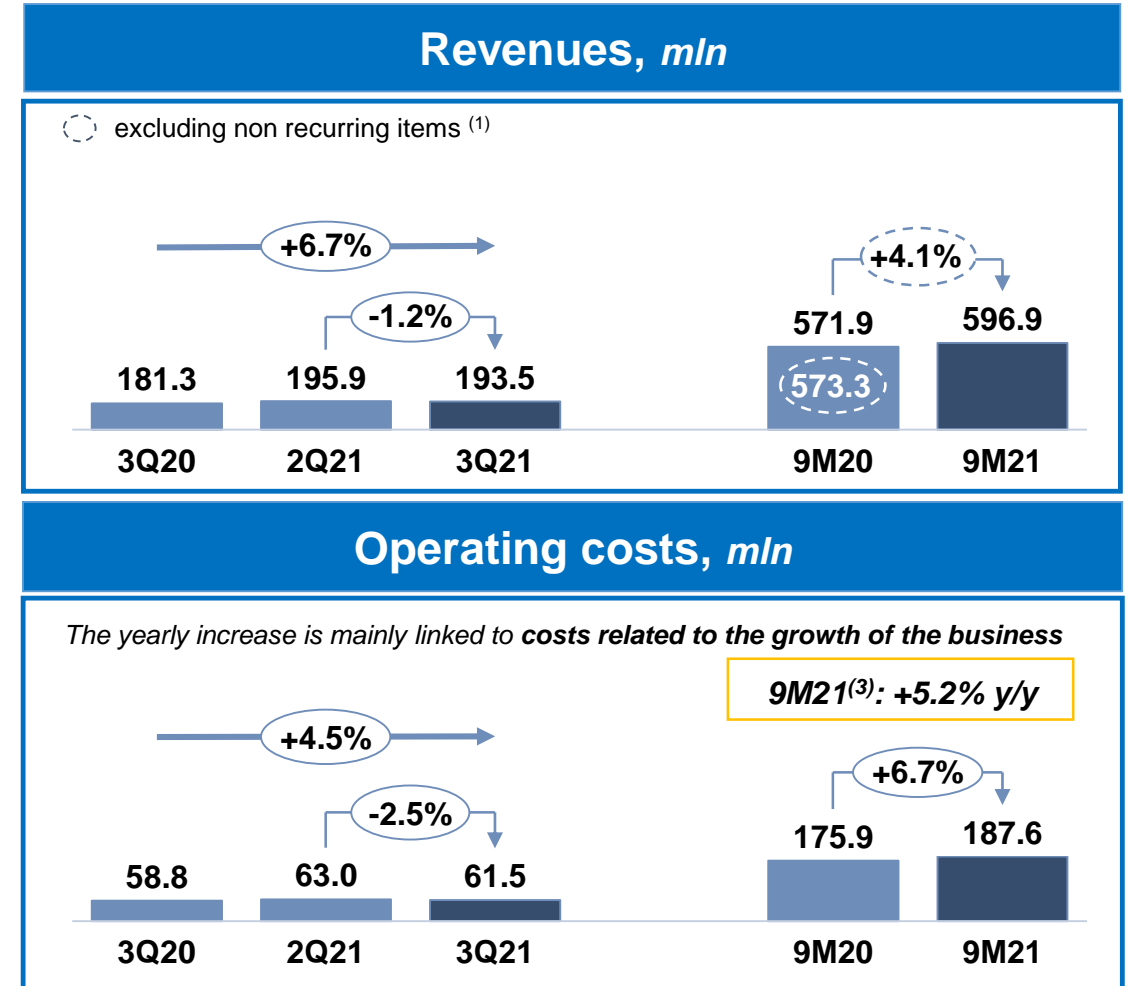
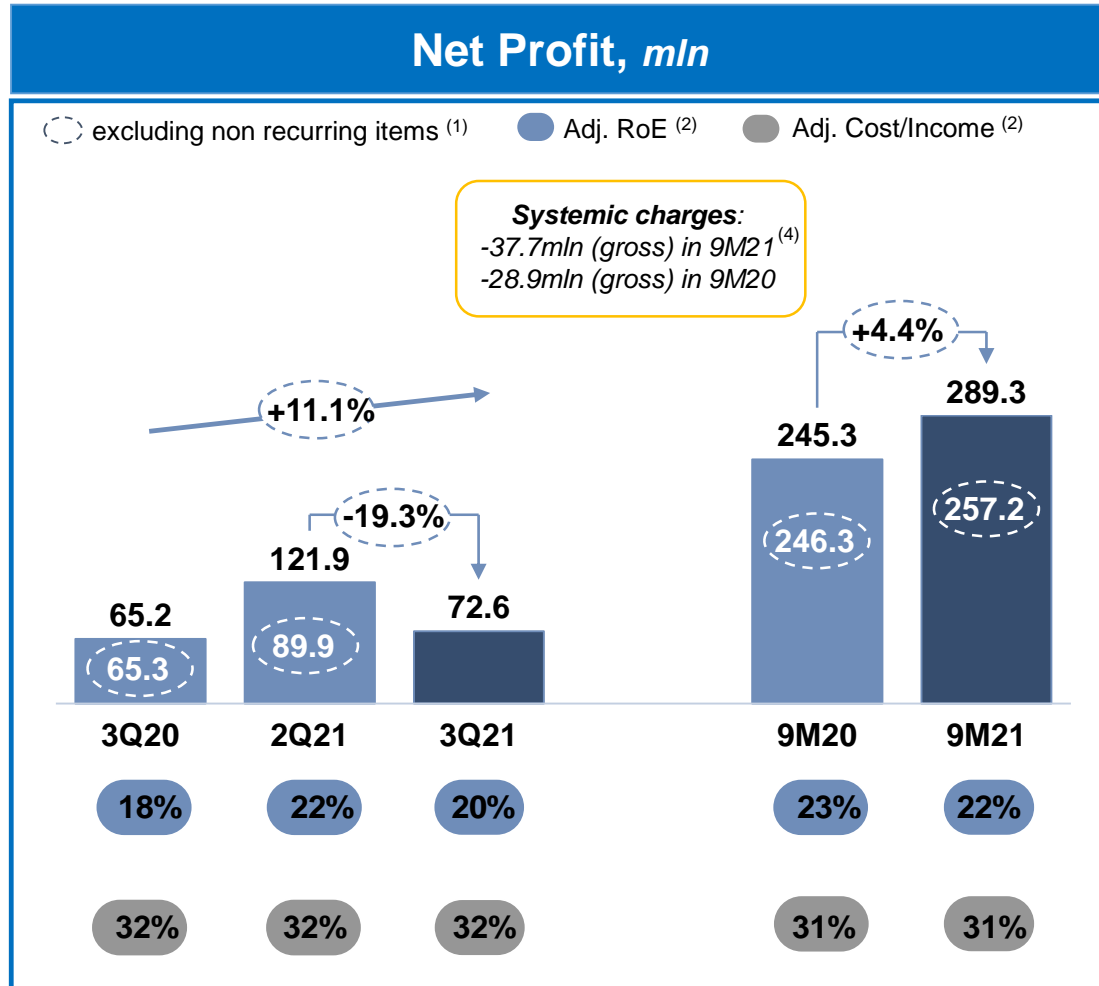
- **Net sales in 9M21 at 7.9bn (+24% y/y), o/w AUM at 5.4bn (+107% y/y)**. **TFA at 103.6bn** with **Asset under Management at 52.6 bn (+26% y/y)** and the penetration of **Guided products on Asset under Management at 75%**
- **Fineco Asset Management** retail net sales at **3.0bn** in 9M21 **(+96% y/y)** and TFA at **21.6bn**.
- **October: Strong net sales at 0.9bn (+22% y/y), o/w AUM 0.5bn (>3x y/y)**. **Brokerage revenues** estimated at **~16mln** despite very low volatility (revenues ~42% higher vs average monthly revenues in 2017-2019 y/y and volatility lower than avg volatility in the same period)

<sup>(1)</sup> 2Q21 non recurring items: realignment of the intangible assets: 32 mln net; 9M20 non recurring items: Voluntary Scheme: 3Q20: -0.2 mln gross, -0.2 mln net; 1Q20 -1.2mln gross, -0.8mln net

<sup>(2)</sup> Excluding costs strictly related to the growth of the business, mainly FAM (-2.7 mln y/y) and marketing related to UK (-0.6 mln y/y)

# Facing a “new normal world”: record high 9M Net Profit

Adj. Net Profit at 257.2mln, +4.4% y/y boosted by strong acceleration of Investing. The Bank has entered a new dimension of growth. C/I ratio at 31%, confirming our operating leverage.



<sup>(1)</sup> 2Q21 non recurring items: realignment of the intangible assets: 32 mln net; 9M20 non recurring items: Voluntary Scheme: 3Q20: -0.2 mln gross, -0.2 mln net; 1Q20 -1.2mln gross, -0.8mln net

<sup>(2)</sup> Adj. Cost/Income and Adj. RoE calculated net of non recurring items. ROE calculated as: annualized adj.net profit divided by average book equity for the period (excl. dividends for which distribution is expected and valuation reserves)

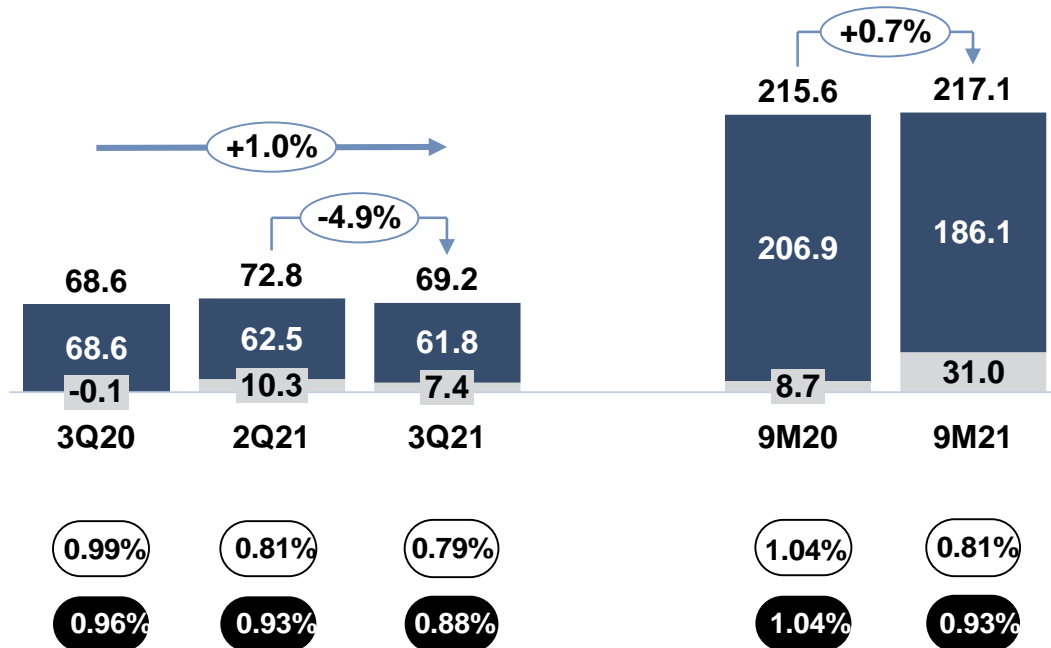
<sup>(3)</sup> Excluding costs strictly related to the growth of the business, mainly FAM (-2.7 mln y/y) and marketing related to UK (-0.6 mln y/y)

<sup>(4)</sup> Estimate (3Q21 includes -30.0 mln contribution to DGS)

# Net Financial Income flat y/y also thanks to a more dynamic Treasury management

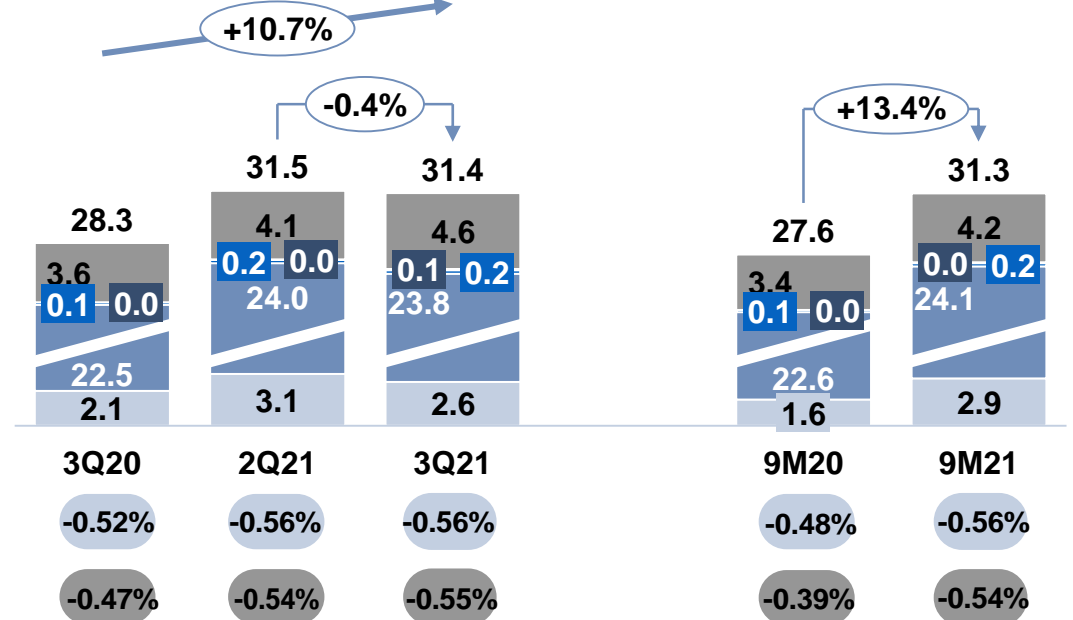
## Net Financial Income, mln

■ NII ■ Profit from Treasury management  
○ NII Gross margins<sup>(4)</sup> ● Total yield<sup>(5)</sup>



## Interest-earning assets, avg bn

■ Other Treasury activities<sup>(1)</sup> ■ Other<sup>(2)</sup> ■ Lending<sup>(3)</sup> 1M Euribor  
■ Financial Investments ■ Tax Credit 3M Euribor



**Sensitivity analysis +100bps / -100bps parallel shift:  
+123mln NII / -108mln NII**

<sup>(1)</sup> Other treasury activities include Security Lending (to take advantage of tiering) TLTRO and yield enhancement strategies (unsecured lending and collateral switch)

<sup>(2)</sup> Financial investments include Government bonds, UC bonds, Covered bonds, Supranational and Agencies and other financial investments

<sup>(3)</sup> Other interest-earning assets include Leverage

<sup>(4)</sup> NII gross margins: interest income related to financial investments, lending, leverage, security lending, other trading activities on interest-earning assets

<sup>(5)</sup> Total yield: net financial income related to interest-earning assets

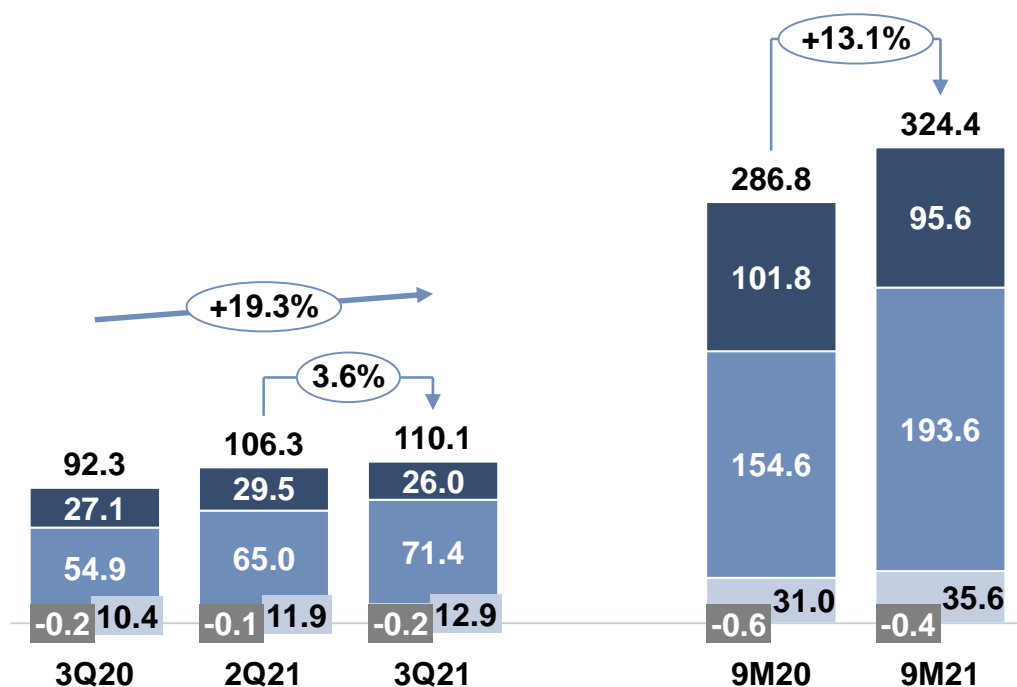
# Boosting Fees & Commissions and Brokerage Trading Profit

9M21 Fees and commissions +13% y/y thanks to the positive contribution by all business areas.

Brokerage confirming the structurally higher floor despite lower market volatility and volumes vs 9M20 and 2Q21

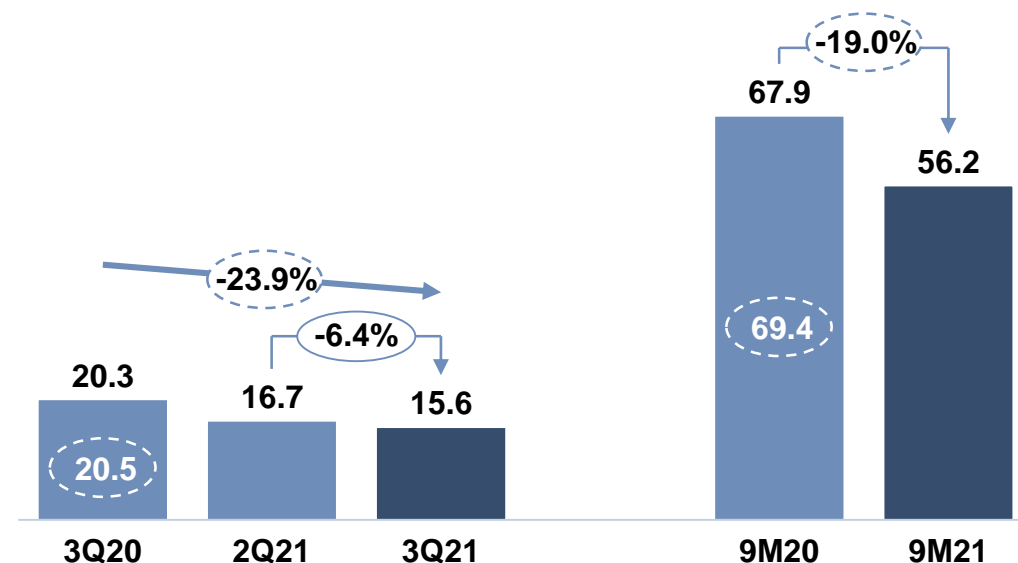
## Fees and commissions, mln

■ Brokerage ■ Investing ■ Banking ■ Other



## Brokerage Trading Income <sup>(1)</sup>, mln

○ excluding non recurring items <sup>(2)</sup>



<sup>(1)</sup> Trading income does not include Profit from Treasury Management

<sup>(2)</sup> Adj. Trading Income excluding non recurring items: Voluntary Scheme (3Q20: -0.2 mln gross, -0.2 mln net; 1Q20: -1.2 mln gross, -0.8 mln net)

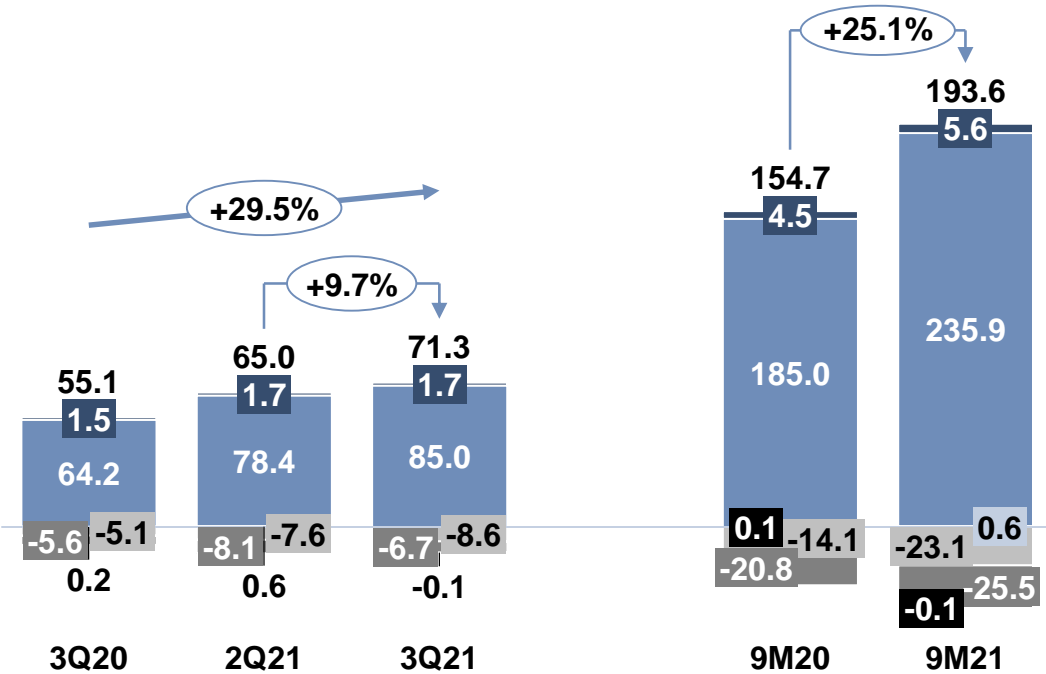
# Our priority: accelerating on Investing

9M21 revenues increasing thanks to volume effect and strong acceleration in AUM net sales. Margins higher thanks to the operational efficiency given by Fineco Asset Management and a first sign of higher risk appetite by clients

## Investing Revenues, mln

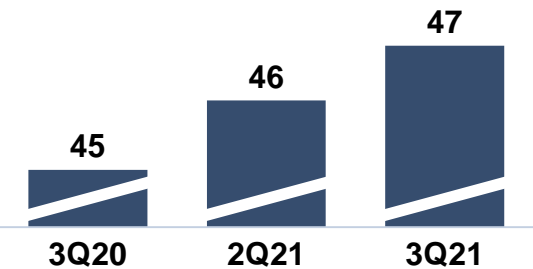
- Upfront fees
- Management fees
- PFA incentives
- Other PFA costs
- Other commissions
- Other income

**Management fees:**  
9M21: +27.6% y/y  
3Q21: +32.4% y/y, +8.4% q/q



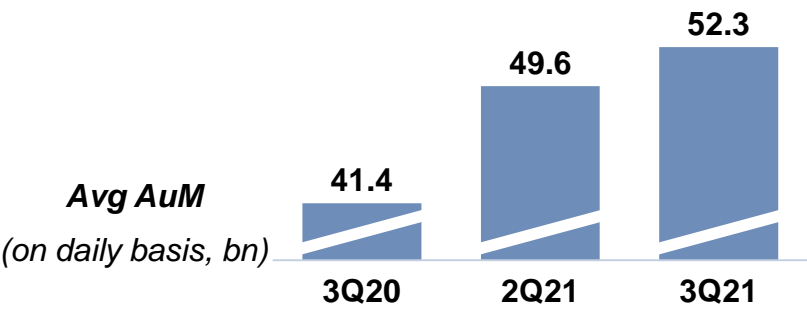
## Management fees Margins, bps

### Margins after-tax



Margins pre-tax

Period	Margins pre-tax (bps)
3Q20	62
2Q21	63
3Q21	64





# Cost efficiency and operating leverage confirmed in our DNA

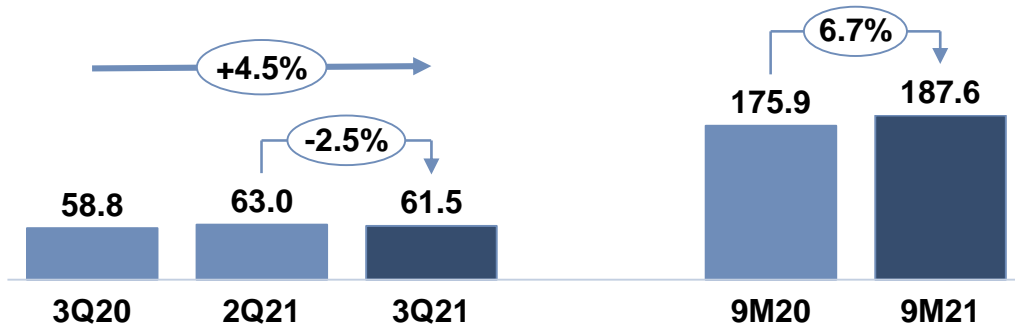
9M21 characterized by costs directly related to the strong acceleration of growth of the business experienced in the “new normal world”. The yearly comparison affected by 9M20 strict lock-down (9M20 OAE lower vs 9M avg in the period 2010-2019)

## Operating Costs, mln

The yearly increase is mainly linked to the strict lockdown in place in Italy in 9M20 and to costs related to the growth of the business, mainly related to:

- **FAM** as it is preparing to further increase the efficiency of the value chain
- **Marketing expenses** (mainly related to UK, not fully in place in 9M20)

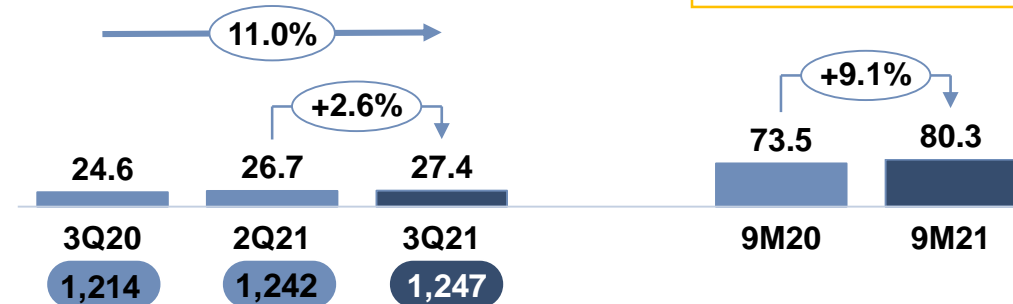
**Net of this items, 9M21<sup>(1)</sup>: +5.2% y/y**



## Staff expenses and FTE, mln

FTE #

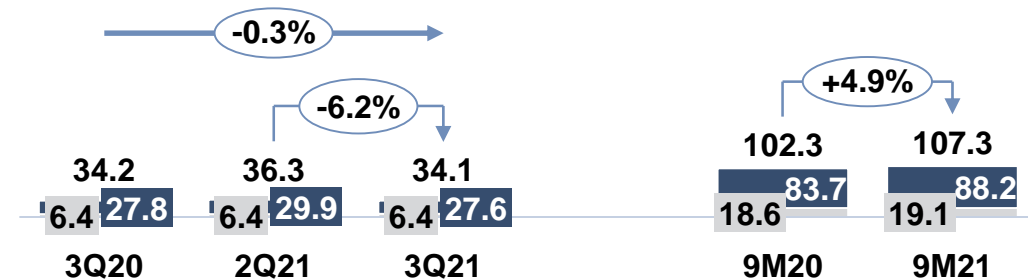
**9M21<sup>(1)</sup>: +5.9% y/y**



**9M21 FAM costs up by 2.4mln y/y** as it is preparing to further increase the efficiency of the Investing value chain

## Non HR Costs, mln

OAE Write-downs/back & depreciation



**Note: 9M20 OAE costs lower than the 9M avg in the period 2010-2019** due to the strict lock-down in place in Italy

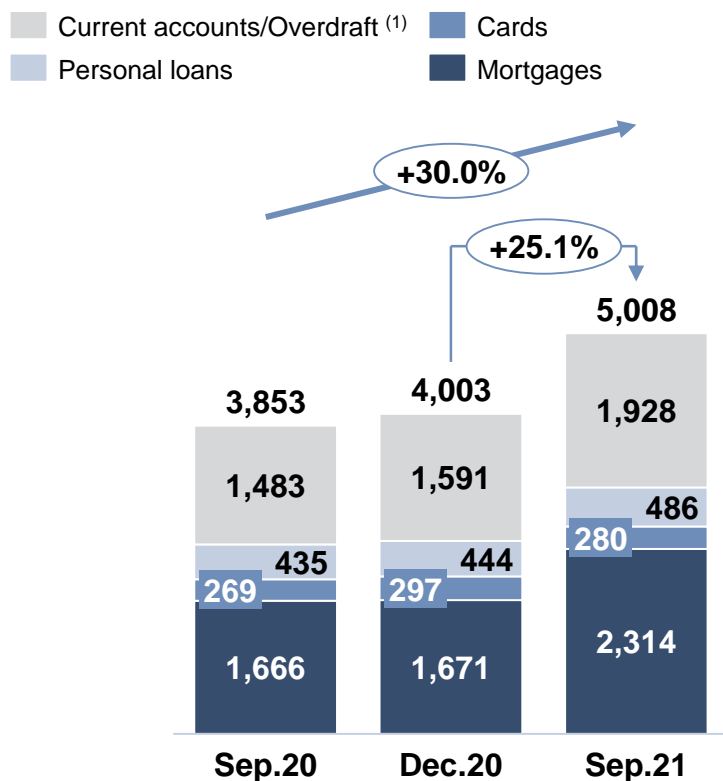
<sup>(1)</sup> Excluding costs strictly related to the growth of the business in 9M21, mainly:

- **Operating costs**, FAM (-2.7mln y/y, o/w -2.4mln y/y related to Staff Expenses and -0.3mln y/y related to Non HR Cost) and marketing related to UK (-0.6 mln y/y).

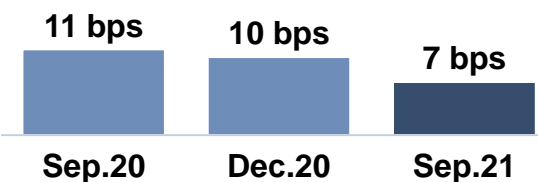
# High quality lending

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

## Commercial Loans Portfolio, eop mln



## Cost of Risk on commercial loans (2)



- **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
- **For FY21 we expect a CoR below 10 bps** thanks to the high quality of our portfolio, even in a difficult context following Covid-19 outbreak and to the improvement of expected future macroeconomic scenario
- Less than 300 mortgages moratories have been granted until now, o/w only less than 100 are active. **More details on the quality of our portfolio in the following slide**, with a deep dive on the main products offered

(1) Current accounts/overdraft Include Lombard loans

(2) Cost of Risk: commercial LLP of the last 12 months on average last 12 months commercial Loans; CoR as of Sep.21 and Dec.20 are pro-forma figures excluding a non recurring write-back

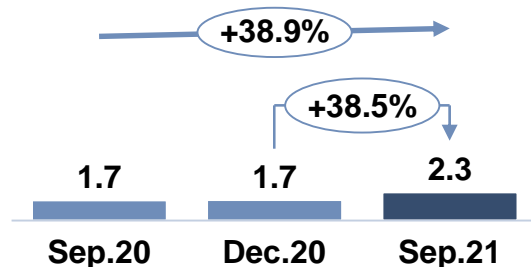
# Lending: solid growth for all our products

High quality portfolio and cautious approach

## 2021 Guidance

### Mortgages

Eop, bn

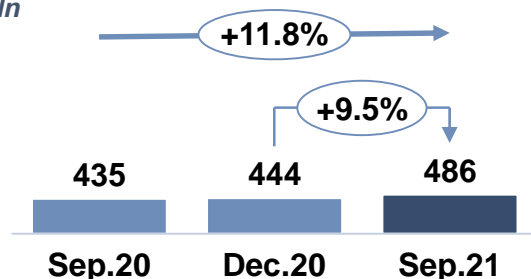


- **24,001 mortgages** granted since December 2016
- Average customer rate: **143 bps. 9M21 Yield<sup>(1)</sup> at 48 bps**
- Average Loan to Value on actual portfolio **~50%**, average maturity **18 yrs**
- **Low expected credit loss** (~17 bps). Only **10** clients accounted in NPL after 57 months from the launch

- yearly new production: **~ 900-1000 mln**
- Expected yield<sup>(3)</sup>: **~ 45-55 bps**

### Personal Loans

Eop, mln

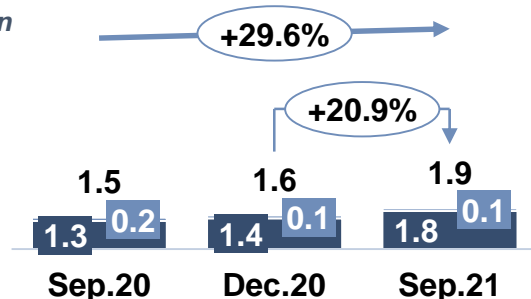


- Average ticket € 9,500 and average maturity 4.7 years
- **9M21 Yield at 373 bps**
- **Efficient and real time process**, instant approval platform for eligible clients' requests thanks to a deep knowledge of clients.
- **Low expected credit loss** (~55 bps)

- yearly new production: **~ 250-300 mln**  
~ (45-65 mln net)
- Expected yield<sup>(3)</sup>: **~ 370-390 bps**

### Lombard Loans

■ Other lombard ■ Credit lombard  
Eop, bn



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

- **Attractive pricing:** retail clients 100bps and private clients 50/65/75bps (on 3M Eur)
- **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: **~ 350-400 mln** per year
- Expected yield<sup>(3)</sup>: **~ 70-80 bps**

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

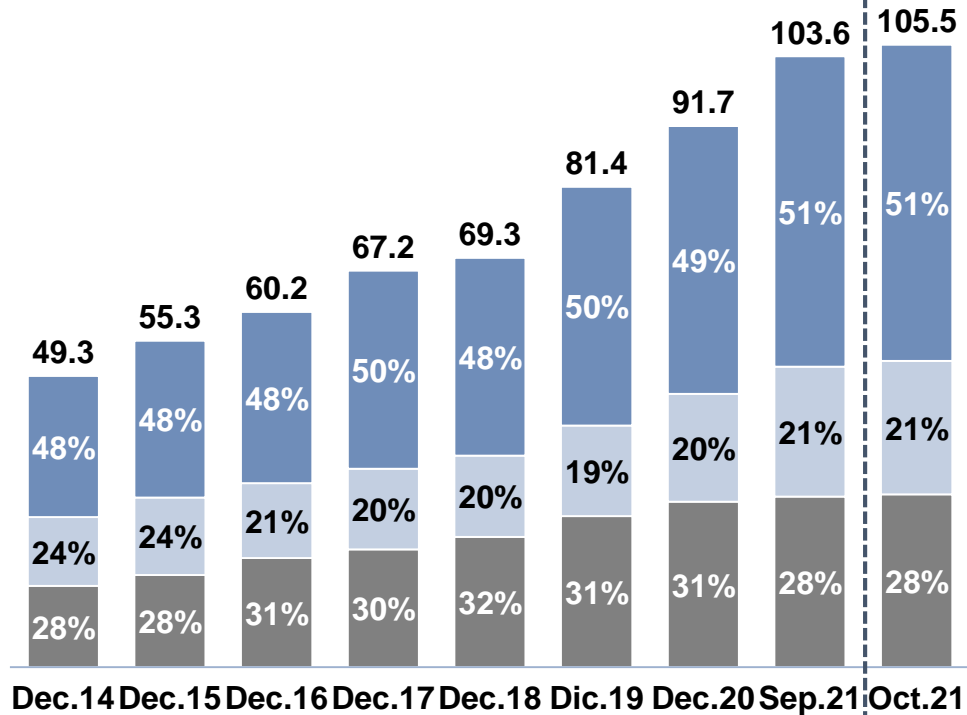
<sup>(2)</sup> Credit Lombard allows to change pledged assets without closing and re-opening the credit line, allowing more flexibility and efficiency with floor at zero

<sup>(3)</sup> Expected yield are referred to the stock

# TFA breakdown

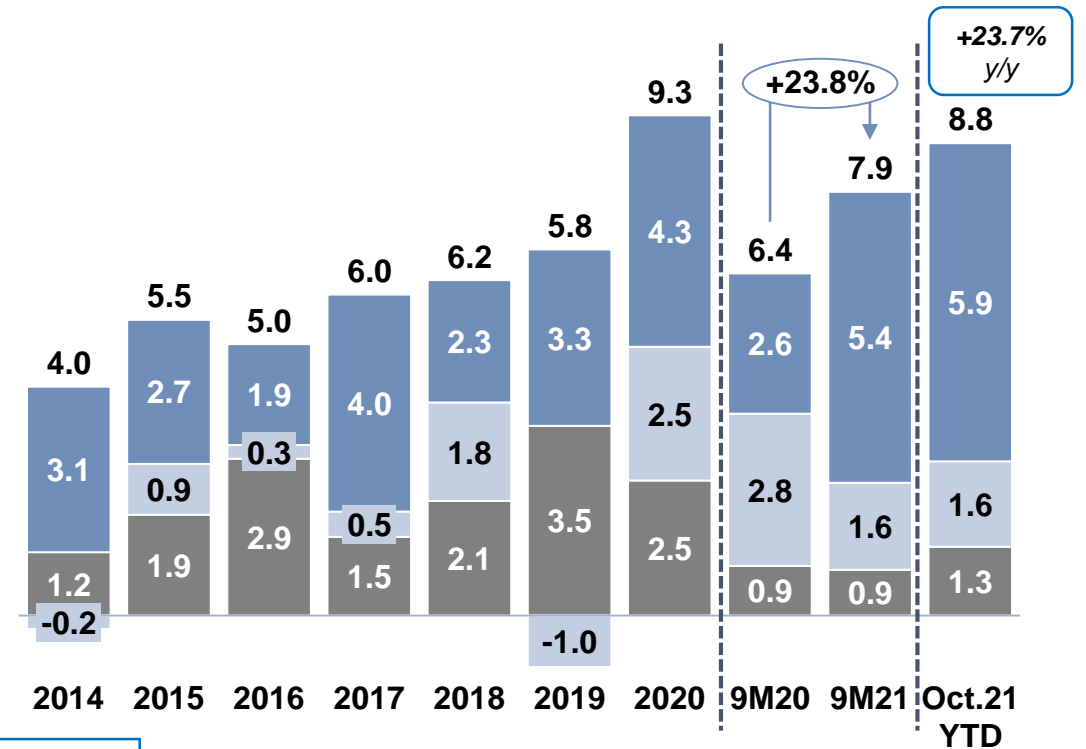
Successful shift towards high added value products thanks to strong productivity of the network

## Breakdown of total TFA, bn



AuM AuC Deposits

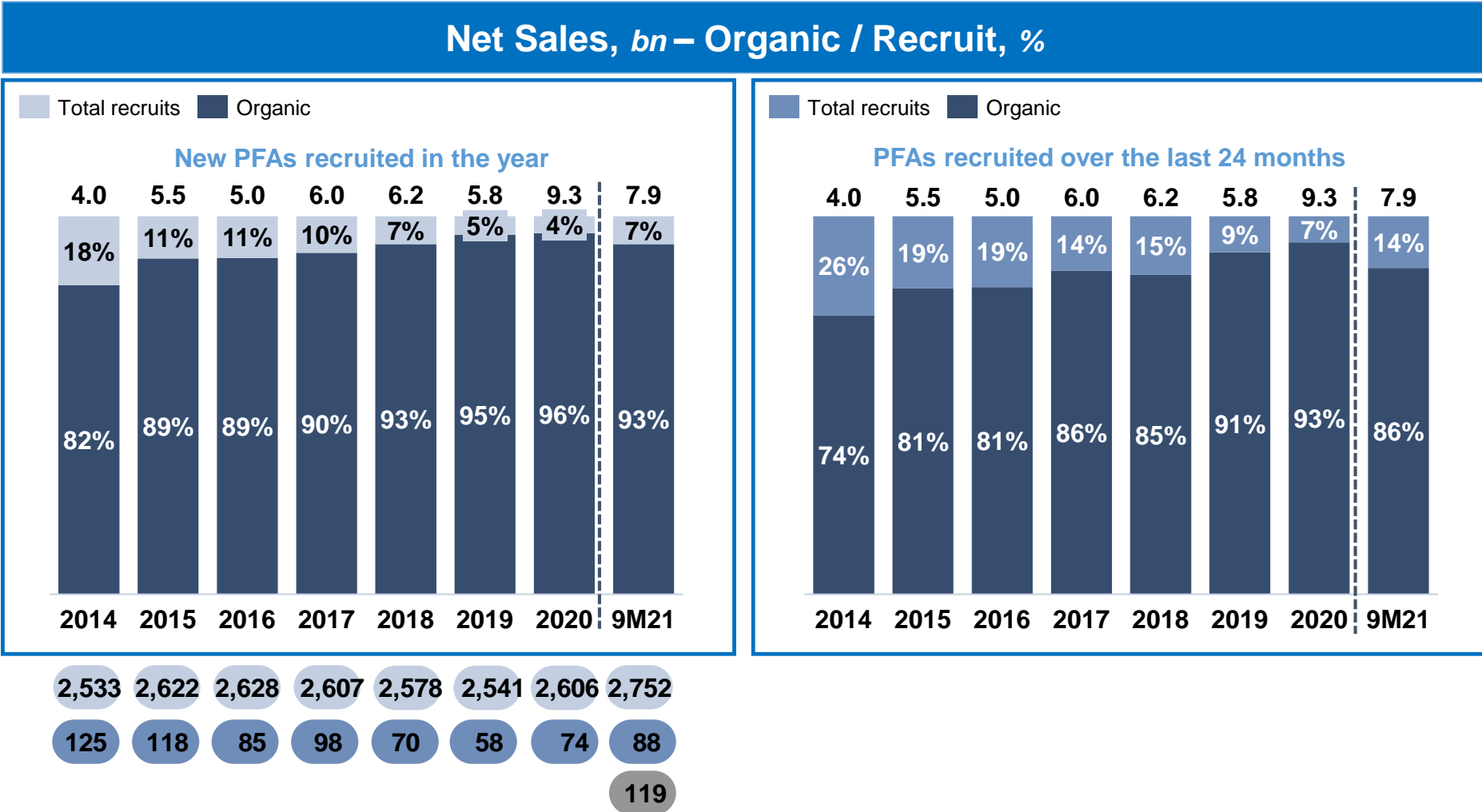
## Breakdown of total Net Sales, bn



AuC and Deposits under advisory have been reclassified within AuM in order to have a better representation of the advisory nature of Advice and Plus services

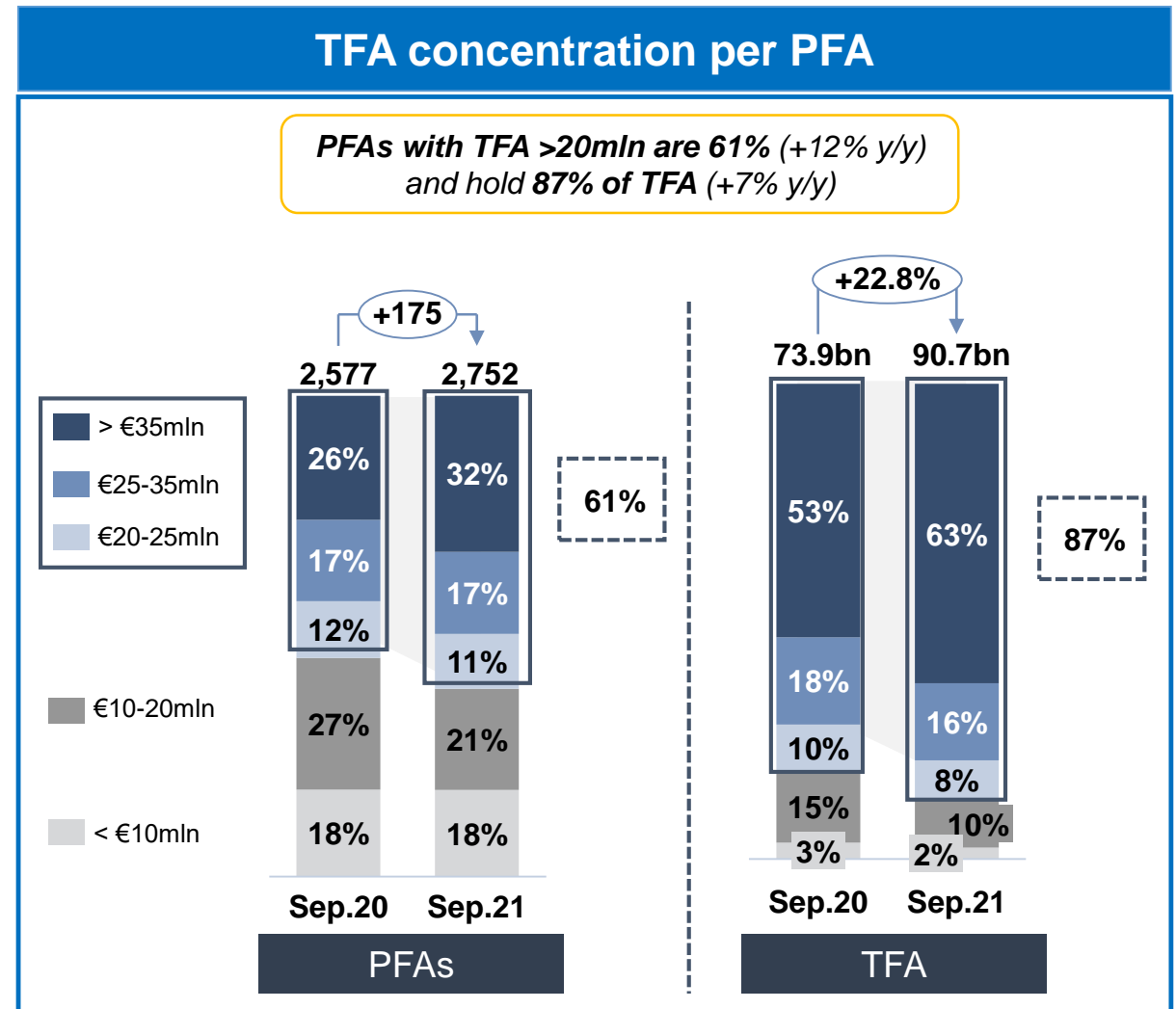
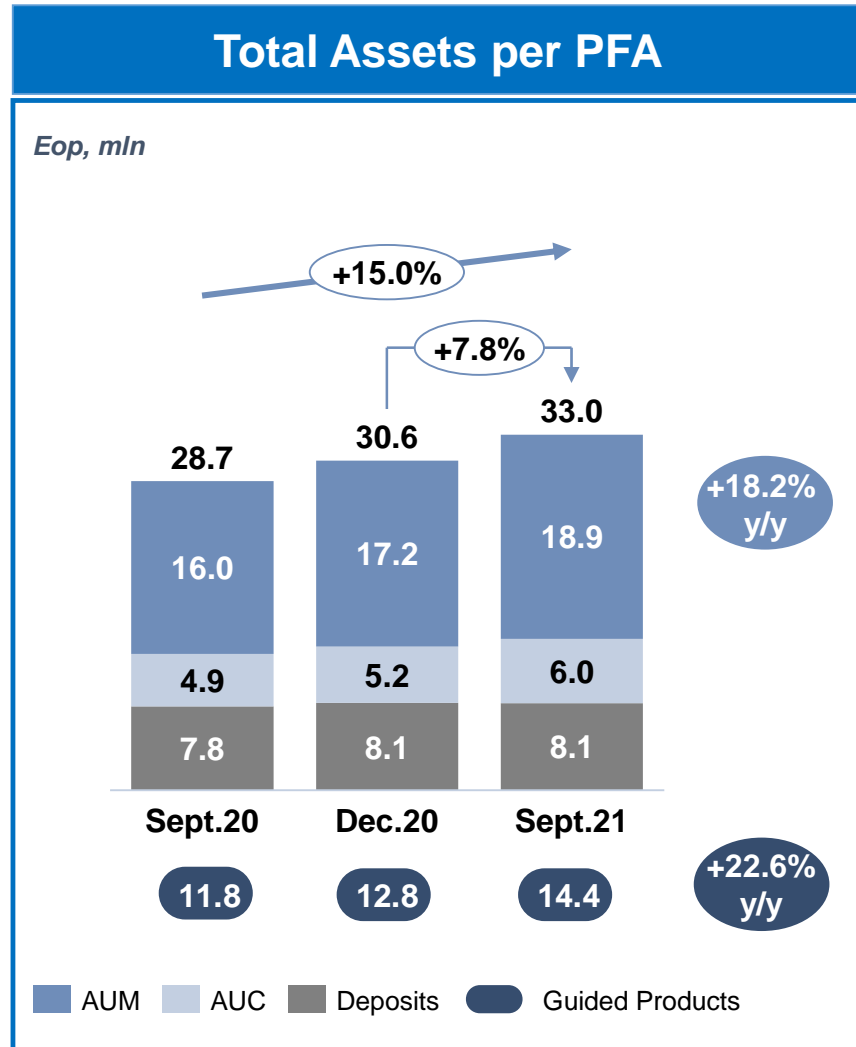
# Net sales organically driven key in our strategy of growth

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



**Recruitment costs**  
(to be amortized)  
**stock 35.4mln**  
as of Sept.21

# Increasing quality and productivity of the Network



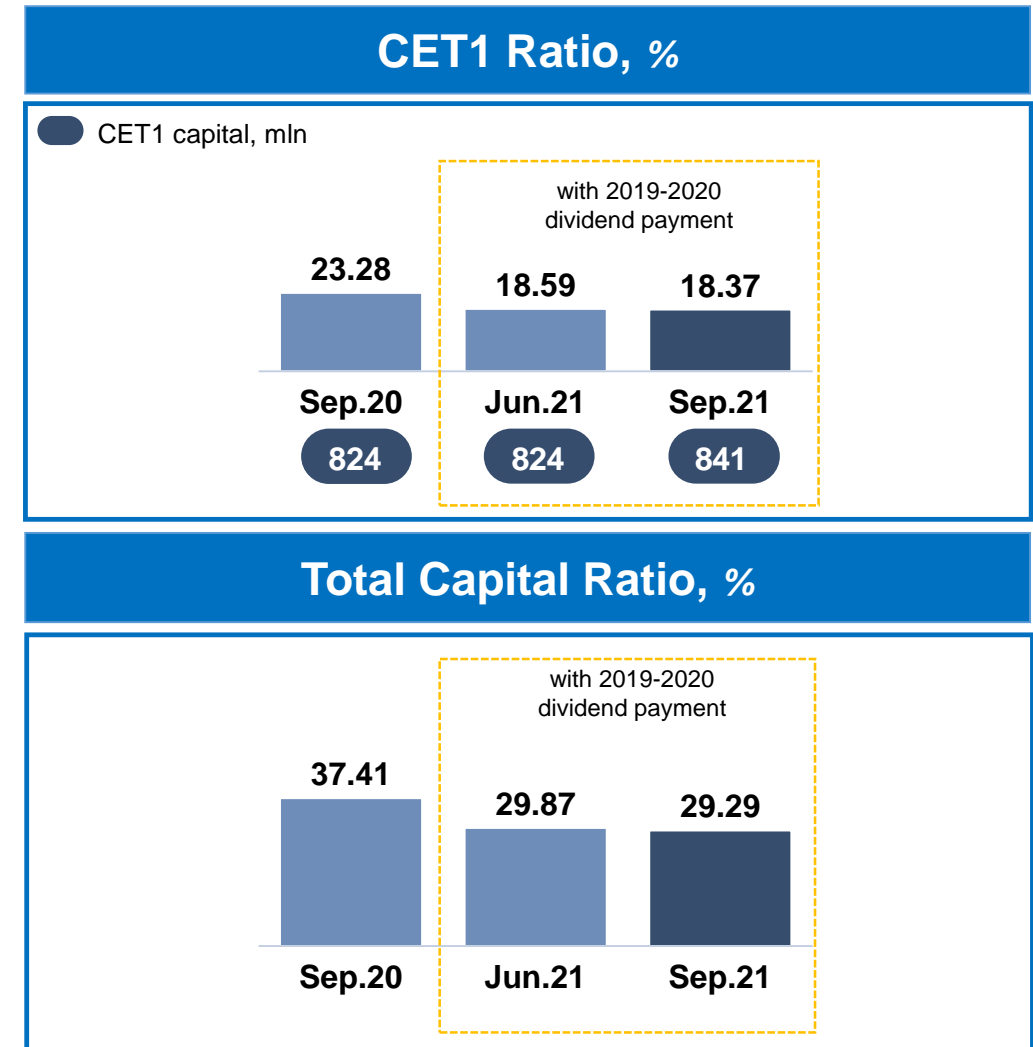
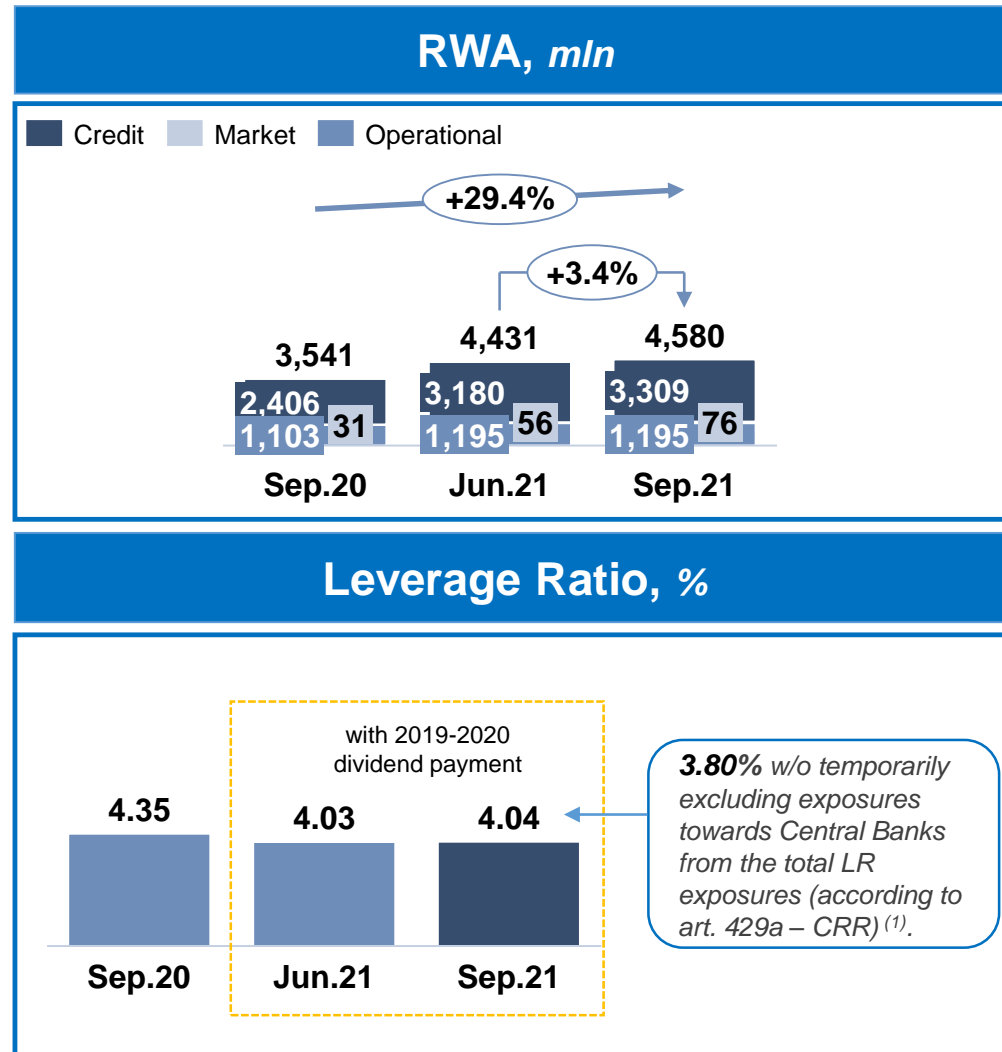
# Agenda

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- ☐ Fineco overview
- ☐ Fineco 3Q21 Results
- ☒ **Capital, risks and liquidity**
- ☐ Next steps
- ☐ Fineco UK
- ☐ Focus on product areas

# Capital Ratios

Best in class capital position and low risk balance sheet



<sup>(1)</sup> Following declarations by ECB (18th June 2021) and Bank of Italy (30th June 2021) to temporarily allow banks until March 2022 to exclude central bank exposures from their leverage ratio in exceptional macroeconomic circumstances



# Solid risk management framework, embedded in Fineco's DNA

**Sustainability and a prudent risk approach remains at the heart of Fineco's model.** Fineco confirms its strategic approach towards the adoption of a robust business model characterized by a low risk appetite aimed at creating sustainable profit and returns on the cost of capital, guaranteeing resilience in revenue generation.

RISK	APPROACH	TRACK RECORD																
Credit Risk	<ul style="list-style-type: none"><li>■ Maintain a low risk appetite and a prudent credit origination process by involving risk mitigants such as collateral and guarantees when available.</li><li>■ Maintain a high quality investment profile focused on investment grade assets.</li><li>■ Focus on maintaining a low Cost of Risk via higher volumes of collateralized exposure and low non-performing exposures inflows.</li></ul>	<table><tr><th></th><th>2020</th><th>3Q2021</th></tr><tr><td>■ NPE ratio</td><td>0.65%</td><td>0.47%</td></tr><tr><td>■ Coverage ratio</td><td>86%</td><td>82%</td></tr><tr><td>■ CoR</td><td>14</td><td>7</td></tr></table>		2020	3Q2021	■ NPE ratio	0.65%	0.47%	■ Coverage ratio	86%	82%	■ CoR	14	7				
	2020	3Q2021																
■ NPE ratio	0.65%	0.47%																
■ Coverage ratio	86%	82%																
■ CoR	14	7																
Market Risk	<ul style="list-style-type: none"><li>■ Maintain a low risk appetite for market risk compatibly with business needs and limits set by the RAF</li><li>■ The Group does not assume speculative positions in its books.</li><li>■ Maintain a fully hedged position against interest rate fluctuations.</li></ul>	<table><tr><th></th><th>2020</th><th>3Q2021</th></tr><tr><td>■ VaR TB: Daily limit</td><td>700k</td><td>700k</td></tr><tr><td>■ Average VaR TB:</td><td>204k</td><td>220k</td></tr></table>		2020	3Q2021	■ VaR TB: Daily limit	700k	700k	■ Average VaR TB:	204k	220k							
	2020	3Q2021																
■ VaR TB: Daily limit	700k	700k																
■ Average VaR TB:	204k	220k																
Operational Risk	<ul style="list-style-type: none"><li>■ Maintain a contained operational risk through proactive monitoring processes and enhanced mitigating measures by periodically monitoring around 100 Key Risk Indicators related to several areas.</li><li>■ Maintain a solid insurance framework to cover risks stemming from frauds</li><li>■ Enhancement of the stress testing framework with the development of specific reputational risk scenarios</li><li>■ Ensure a zero risk appetite for Operational risk in order to support the business effectively.</li></ul>	<table><tr><th></th><th>2019</th><th>2020</th><th>3Q2021</th></tr><tr><td>■ # events booked<sup>(1)</sup></td><td>629</td><td>344</td><td>253</td></tr><tr><td>■ Total annual losses</td><td>3.4m</td><td>0.4m</td><td>4.23m</td></tr><tr><td>■ Max loss in the last 10years <sup>(2)</sup></td><td colspan="3">4.6m</td></tr></table> <p><sup>(1)</sup> Events with loss&gt;€500 <sup>(2)</sup> Net loss occurred in 2010</p>		2019	2020	3Q2021	■ # events booked <sup>(1)</sup>	629	344	253	■ Total annual losses	3.4m	0.4m	4.23m	■ Max loss in the last 10years <sup>(2)</sup>	4.6m		
	2019	2020	3Q2021															
■ # events booked <sup>(1)</sup>	629	344	253															
■ Total annual losses	3.4m	0.4m	4.23m															
■ Max loss in the last 10years <sup>(2)</sup>	4.6m																	

# Already compliant with MREL requirements after Senior Preferred issuance

Strong and high quality order book for the Senior Preferred bond, with a demand more than 4x the offer. Fineco MREL requirements, which were the lowest among the disclosed ones in the market, are met with 2 years in advance

## Rationale of the Senior Preferred issuance

➤ On August 31<sup>st</sup>, 2021 Fineco announced MREL requirements received by Bank of Italy, which will be binding starting from January 1<sup>st</sup>, 2024:

1) Total Risk Exposure Amount at 20.83%

2) Leverage Ratio Exposure at 5.18%, with an intermediate target at 4.11% (binding from January 1<sup>st</sup>, 2022)

➤ Fineco MREL requirements are the lowest disclosed in the EU market thanks to its diversified and low risk business model and its high level of liquid Assets. For the same reason, regulators have not asked to issue a subordinated instrument

➤ In order to be immediately compliant with the Fully Loaded requirement on Leverage Ratio Exposure, on October 21<sup>st</sup>, 2021 Fineco issued 500mln Senior Preferred.

The TREA requirement is already consistently met with own funds

➤ The impact on P&L is negligible

Already compliant with  
Fully-Loaded  
MREL requirement

Leverage Ratio  
Exposure<sup>(1)</sup>

5.53%

0.35%

5.18%

Total Risk  
Exposure Amount

40.13%

19.29%

20.83%

■ MREL Surplus ■ MREL Requirement Fully Loaded

### Transaction details

- Fineco successfully placed 500mln Senior Preferred with a coupon equal to 0.50% (5 years Mid Swap Rate +70 bps) and a demand more than 4 times the offer
- The strong and high quality order book allowed Fineco to tighten the initial guidance (from 5 years Mid Swap Rate +100 bps), one of the most significant contraction recorded in 2021 both in the Italian and European market for this instrument
- Main allocation: 70% to funds and 22% to banks; 32% Italy, 27% France, 11% UK, 9% Germany/Austria

# Leverage Ratio Sensitivity

## OUR PRIORITY

Focus on **deleveraging 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=T1 capital (mln)

	70	80	90	100	110	120	130	140	150	200	250	300	350	400
Total Exposures (mln)														
-500	4.05%	4.08%	4.11%	4.13%	4.16%	4.19%	4.22%	4.24%	4.27%	4.41%	4.54%	4.68%	4.81%	4.95%
0	3.99%	4.02%	4.05%	4.07%	4.10%	4.13%	4.16%	4.18%	4.21%	4.34%	4.48%	4.61%	4.75%	4.88%
500	3.94%	3.96%	3.99%	4.02%	4.04%	4.07%	4.10%	4.12%	4.15%	4.28%	4.42%	4.55%	4.68%	4.81%
1,000	3.88%	3.91%	3.94%	3.96%	3.99%	4.01%	4.04%	4.07%	4.09%	4.23%	4.36%	4.49%	4.62%	4.75%
1,500	3.83%	3.86%	3.88%	3.91%	3.93%	3.96%	3.99%	4.01%	4.04%	4.17%	4.30%	4.43%	4.56%	4.68%
2,000	3.78%	3.80%	3.83%	3.86%	3.88%	3.91%	3.93%	3.96%	3.98%	4.11%	4.24%	4.37%	4.49%	4.62%
2,500	3.73%	3.75%	3.78%	3.81%	3.83%	3.86%	3.88%	3.91%	3.93%	4.06%	4.18%	4.31%	4.44%	4.56%
3,000	3.68%	3.71%	3.73%	3.76%	3.78%	3.81%	3.83%	3.86%	3.88%	4.01%	4.13%	4.25%	4.38%	4.50%
4,000	3.59%	3.61%	3.64%	3.66%	3.68%	3.71%	3.73%	3.76%	3.78%	3.90%	4.03%	4.15%	4.27%	4.39%
5,000	3.50%	3.52%	3.55%	3.57%	3.59%	3.62%	3.64%	3.67%	3.69%	3.81%	3.93%	4.04%	4.16%	4.28%
6,000	3.41%	3.44%	3.46%	3.48%	3.51%	3.53%	3.55%	3.58%	3.60%	3.72%	3.83%	3.95%	4.06%	4.18%
7,000	3.33%	3.36%	3.38%	3.40%	3.42%	3.45%	3.47%	3.49%	3.52%	3.63%	3.74%	3.85%	3.97%	4.08%
8,000	3.26%	3.28%	3.30%	3.32%	3.35%	3.37%	3.39%	3.41%	3.43%	3.55%	3.66%	3.77%	3.88%	3.99%
9,000	3.18%	3.20%	3.23%	3.25%	3.27%	3.29%	3.31%	3.34%	3.36%	3.47%	3.57%	3.68%	3.79%	3.90%
10,000	3.11%	3.13%	3.15%	3.18%	3.20%	3.22%	3.24%	3.26%	3.28%	3.39%	3.50%	3.60%	3.71%	3.81%

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

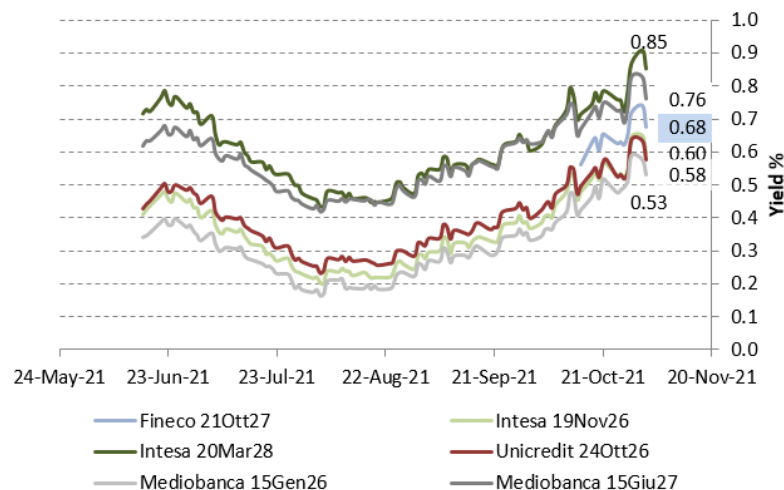
Considering our organic capital generation after dividend distribution and payment of AT1 coupon, also in case of extremely adverse market scenario, our **Leverage ratio would comfortably remain in a range 3.5%-4.0%**

# Fixed Income

## Senior Preferred instrument

- On October 14<sup>th</sup>, 2021, Fineco successfully issued 500mln 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**

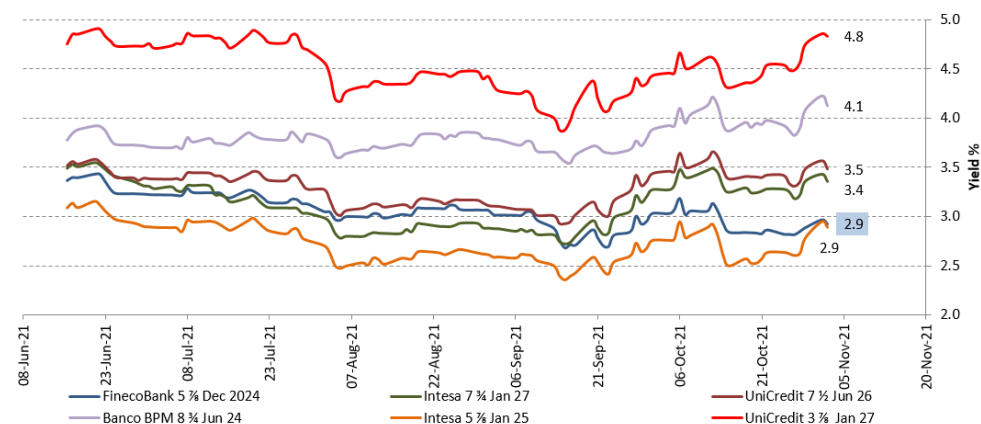
### Italian Senior Preferred



## 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



# AT1 Coupon payments underpin by solid profitability

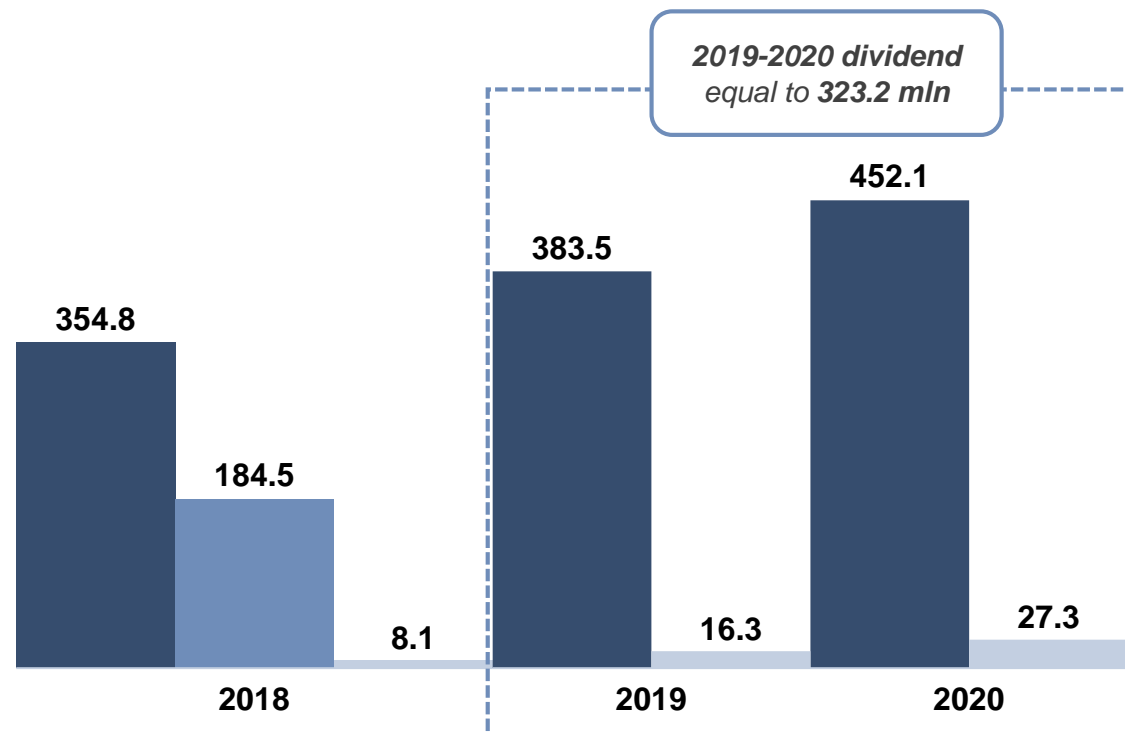
## New dimension of growth reinforcing our solid profitability

€ mln

■ PBT

■ Dividends

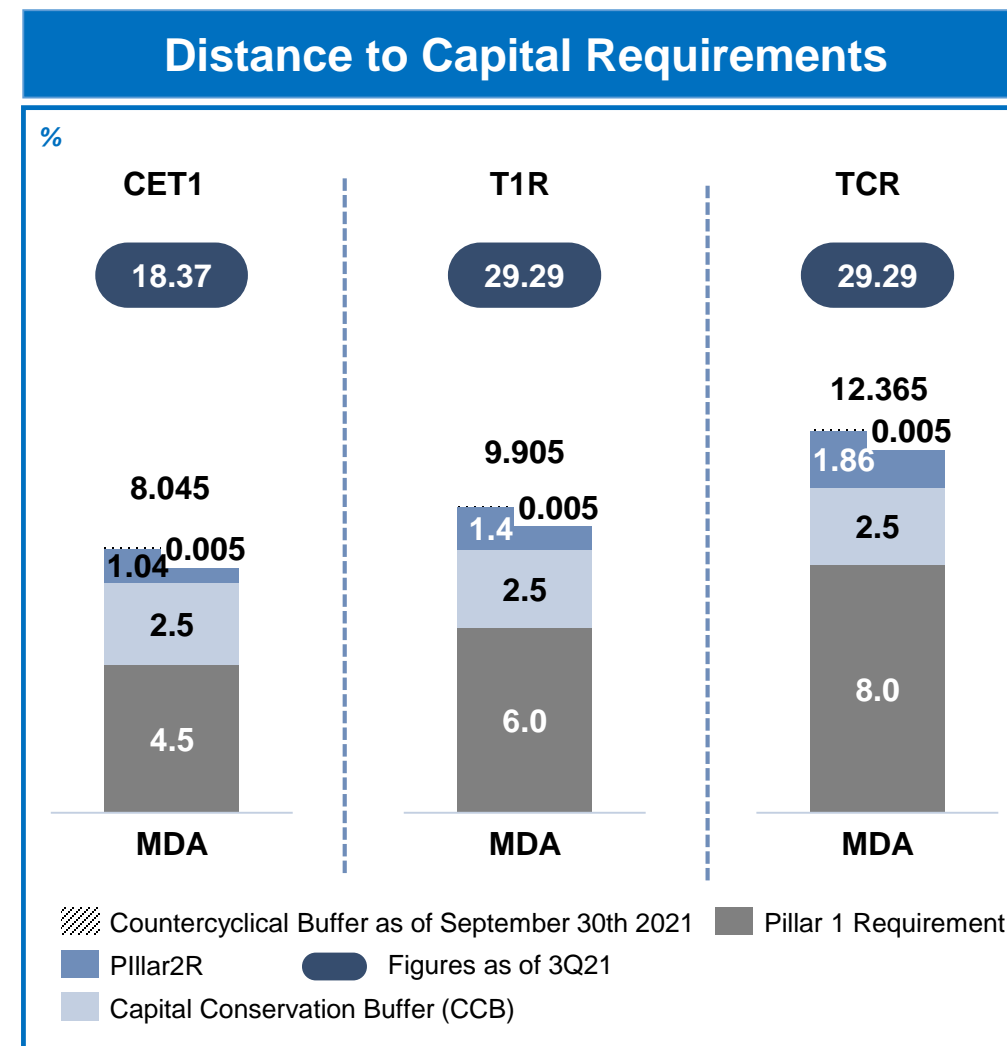
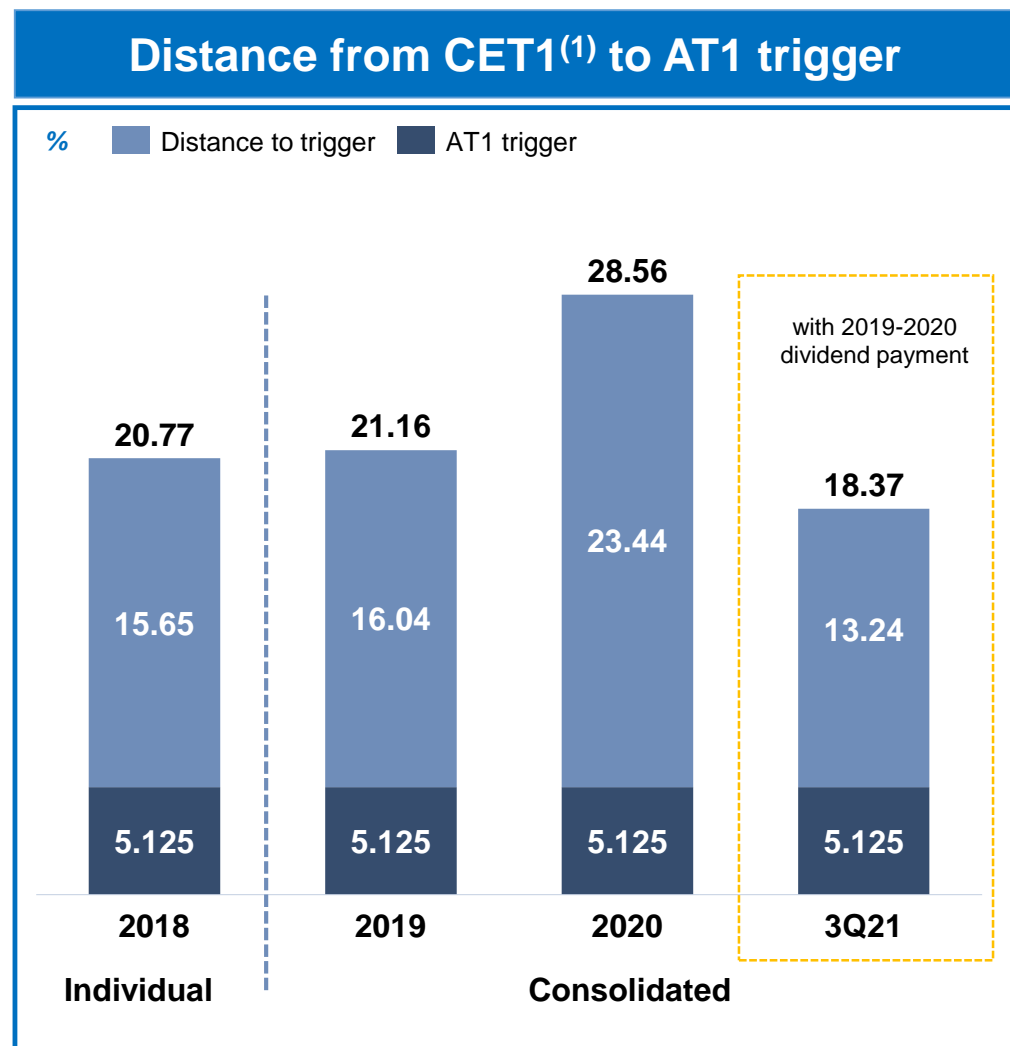
■ AT1 Coupon before Tax



- Discretionary coupon payments on AT1 capital are subject to sufficient distributable items
- As of 31st December 2020, Fineco distributable reserves amounted to €573.2 mln<sup>(1)</sup>
- **2021 AT1 Coupon before tax will be equal to €27.3mln, o/w:**
  - € 9.6 mln due to € 200mln AT1 issued in January 2018
  - € 17.6 mln due to € 300 mln AT1 issued in July 2019

# Excellent capitalization

Strong capital ratios, leading to a high distance to the loss absorption trigger and to CET1 Capital Requirements



# Rating

BBB rating by S&P with Stable outlook

S&P	
Outlook	Stable
Long-term Issuer Rating	BBB
Long-term Bank Local Issuer Rating	BBB
Short-term Foreign Issuer Rating	A-2
Short-term Local Issuer Credit	A-2

## Key Considerations

- In July 2021 **S&P confirmed all FinecoBank S.p.A ratings** (first time published in July 2019) with Stable outlook for the Long-term Issuer Rating ("BBB") and Stable outlook for the Short Term Issuer Rating ("A-2")
- S&P sees benefits to Fineco's negligible exposure to credit risk and its sound capital base, together with a well-diversified and innovative business model

## Credit Highlights

- *"Fineco's digitalized business model will remain a differentiating factor that supports its strong performance, compared with peers."*
- *"The bank's diversified business activities makes it more resilient through the credit cycle compared to other traditional Italian commercial banks."*
- *"We anticipate Fineco's sound revenue prospects, very low cost of credit risk, and outstanding cost efficiency will remain supportive to its capitalization."*
- *"Fineco will likely maintain a strong control of nonfinancial and reputational risks intrinsic to its innovative business model, in our view."*

# Agenda

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- ☐ Fineco overview
- ☐ Fineco 3Q21 Results
- ☐ Capital, risks and liquidity
- ☒ **Next steps**
- ☐ Fineco UK
- ☐ Focus on product areas



# Current environment is further enlarging our growth opportunities

Current situation is accelerating the structural trends reshaping our society...

## DEMAND FOR ADVICE

Increasing participation in financial markets by Italians is building up a **bridge among investing and brokerage**

## DIGITALIZATION

Society **structurally moving** towards a **more digitalized world**: a way of non-return

## DISRUPTION IN TRADITIONAL BANKS

Traditional banks not ready for the new paradigm: **flight-to-quality** is gaining momentum

...and strengthening our long term growth opportunities

**Fintech DNA:**  
we were born already digital

**Strengths of our business model:**  
quality, efficiency, innovation

**Cyborg advisory:**  
our PFAs already used to assist clients in a digital world

- ✓ **Robust Net sales** with **good asset mix**
- ✓ **Boost in Investing** supported by FAM growth
- ✓ **Structurally higher Brokerage**
- ✓ Acceleration in **high-end clients' acquisition**
- ✓ **Decreasing Cost/Income**

# 2021 Guidance and outlook going forward

## ■ Banking:

- **Net financial income (net interest income and Profit from Treasury management):** we expect for FY21 and FY22 a net financial income to stabilize at the levels of 2020 thanks to the combination of the deleveraging of the Balance Sheet and the new initiatives in place
- **Banking fees:** for 2021 above 45mln thanks to the smart repricing launched in 2020 and to the additional fees from the new pricing on new current accounts. **Going forward they are expected to keep on growing** thanks to the increase of the client base and to repricing actions

## ■ Investing:

- For 2021 revenues are expected to increase around 25% y/y with higher margins
- **Going forward we expect a strong acceleration in revenues and margins** thanks to:
  - 1) A further increase in our network productivity leading to higher volumes (**AUM net sales** expected at around ~6bn per year)
  - 2) The implementation of the strategic discontinuity in **Fineco Asset Management**, which is going to increase its penetration in Fineco AUM, with **retail net sales** expected at around ~6bn per year

This is expected to generate a progressive increase of Fineco **management fees margins after-tax up to ~55bps in 2024 (margins pre-tax ~75bps)**

- **Brokerage:** countercyclical business, it is **expected to remain strong with a floor** - in relative terms with respect to volatility - **definitely higher** than in the past

## ■ Operating costs:

- For 2021 expected to grow around 5% y/y. We expect about 5 million of additional costs y/y (o/w +2/2.5 mln in 4Q) related to FAM as we are introducing the strategic discontinuity to improve the efficiency of the Investing value chain
- **Going forward** we expect the growth of running costs to stabilize around 5%, not including the additional costs related to the expansion abroad and to FAM. On FAM, in 2022 we expect around 6 mln additional costs related to the strategic discontinuity

- **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 expansion abroad)

- **Systemic charges:** confirmed at around ~38mln of DGS+SRF in provisions for risk and charges, already booked in 9M21. The more we will be effective in our deleveraging activity, the more we can decrease our systemic charges

- **Tax rate:** stable y/y in 2021. **Going forward** we expect a reduction of around 1p.p. per year <sup>(1)</sup>

- **Capital Ratios:** CET1 floor at 17%, Leverage Ratio very well under control and in a range 3.5%-4.0% (for details see slide 27)

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

- **Cost of Risk:** below 10 basis points in 2021 thanks to the quality of our portfolio, in a range between 10 and 15 basis points in 2022

- **Net sales:** robust, high quality and with a **mix mainly skewed towards Asset under Management** thanks to the new initiatives we are undertaking (see next slides)

# Focus on deleveraging

Initiatives to keep under control our Balance Sheet and improve our quality revenues mix, by taking advantage from the acceleration of structural trends and thanks to 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 ROBUST ACCELERATION IN PFAs PRODUCTIVITY through:

- **New software developments** to improve PFAs productivity in **transforming deposits in AUM** leveraging on Big Data Analytics capabilities.
- Coming soon: sophisticated **marketing campaigning** tool

### 3 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 ranging from thematic funds, sustainability, emerging markets...) **fits virtually all investment needs**
- **Pension funds** for risk-adverse clients
- **Distribution of third-parties savings accounts already live** to lower the amount of liquidity held by clients with no intention to invest and generate revenues without increasing the Balance Sheet. We are **progressively giving access to our client base**, and this platform can be considered a perfect example of open banking

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

- More selective client acquisition through a **new pricing on new current accounts** that are priced € 6.95 per month with the possibility of a full bonus on the fee according to their activity with the Bank
- We will **increase our efforts to reduce liquidity** leveraging on Big Data Analytics

# Banking: Further combining Treasury and Business to boost growth

## INDUSTRIAL ACTIONS TO MANAGE LIQUIDITY



### MORE DYNAMIC TREASURY MANAGEMENT:

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



**PROFIT FROM TREASURY MANAGEMENT:** related to the rebalance of the Asset Liability Management within the deleveraging of the Balance Sheets. The more the Bank will move in that direction, and the more we will slow down the growth of financial investments.



**INCREASING LENDING** without changing our cautious and conservative approach, as low interest rate environment increases the appetite for lending products



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



**SMART REPRICING ON CURRENT ACCOUNTS AND NEW PRICING 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.): **we have a volume potential in a range between 1.5-2bn**

# Discontinuity on our Investing business

Expected acceleration of 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)
- 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 products can be used as underlying of Investing solutions
- **Widening equity strategies offer** due to the increasing demand by customers

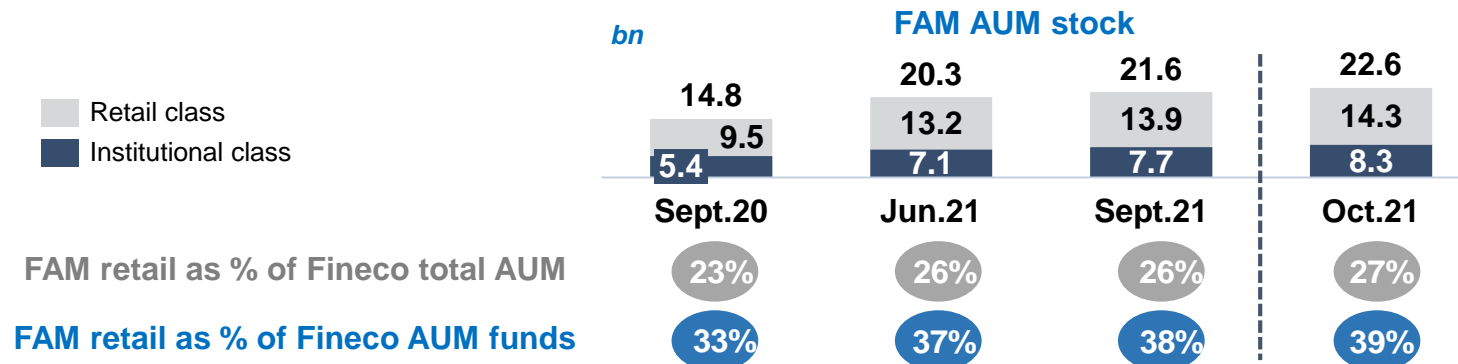
# FAM: delivering on the strategic discontinuity

Key to sustain investing business thanks to its strong operating leverage and to a more efficient value chain

## FAM growth potential and new opportunities

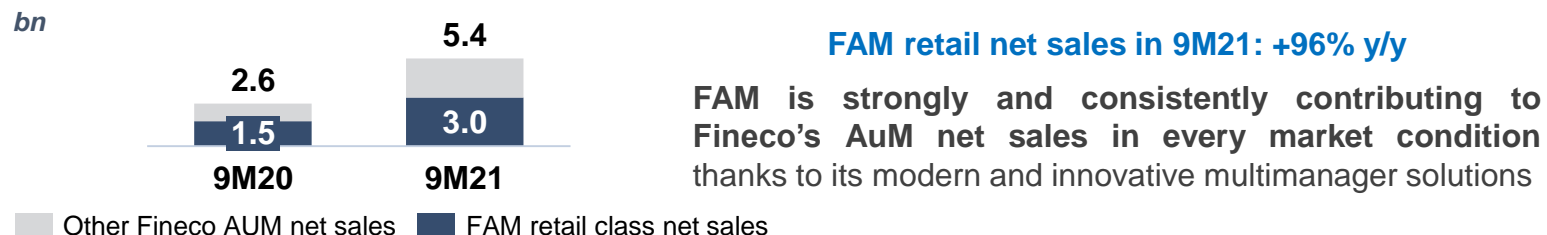
## FAM 2021 priorities

- 1 Strong room to increase FAM's penetration on Fineco's funds stock
- 2 Increase in institutional classes thanks to the acceleration in the internalization of the value chain



- ✓ In 2021 FAM will focus on further widening its product offer by adding new solutions focused on equity and sustainability
- ✓ After the strong commercial results of its Target China and ESG Target Global Coupon strategies, FAM is launching the Global Inflation Responsive: a new product combining a coupon offer and a gradual exposure to strategies focused on inflation
- ✓ Widening sustainable offer through the launch of new investment solutions under SFDR art.8 and art.9

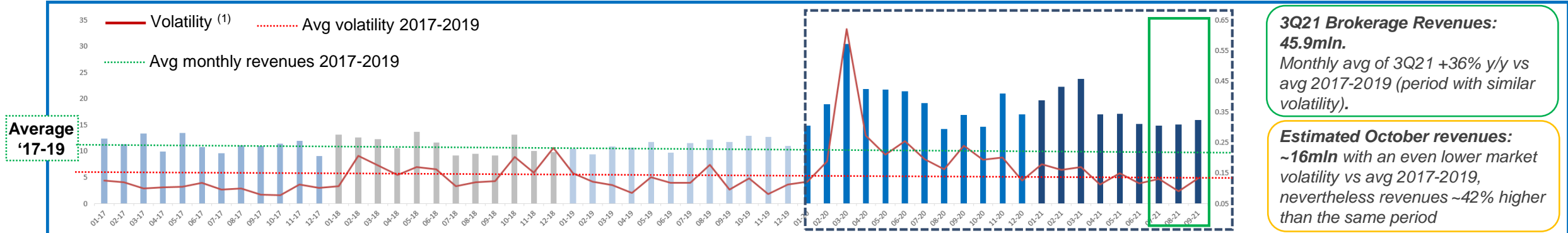
## FAM contribution to Fineco AUM net sales



# 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



### Continuous reshape of brokerage offer Live with our certificates

- ✓ **Live with the Leveraged certificates platform**, we are now starting the marketing campaign (slide 59 for more details). Our offer will be listed on Hi-MTF, thus allowing us to **extract value from the vertical integration of the business**. Next steps: **completing leveraged certificates offer** and study-phase of **Investment certificates**
  - ✓ Other recent releases: Nasdaq after market, US options platform, repricing of futures and derivatives offer, optimization of our systematic internalizer, Multicurrency available 24/7, wider currencies' basket and OTC offer
- COMING SOON:**
- ✓ Based on our Big Data analytics, we are **developing a new proprietary model** that will signal the right moment to increase **brokerage marketing based on volatility and clients behaviours**
  - ✓ New "markets and trading" page to simplify the brokerage platform. Continuous revamp of our option offer, Asian markets, release of a brand new trading platform

### Enlargement of client base and increasing market share

- **>85% of new active clients investing on plain vanilla instruments** (i.e. listed equity, ETFs) and not leveraged products
- **Avg client profile**: avg age 50 year old, avg TFA > € 200k, mostly linked to a PFA who manages his wealth
- **Leadership confirmed in Italy** on equity traded volumes: market share at 25.5% in 1H 2021 (Assosim)
- See next slide for more details



# Brokerage: enlargement of client base and increased market share

Client base growth mainly driven by “Active investors” starting to use brokerage platform and “sleeping” clients back on the market. New clients are coming from traditional banks

## BROKERAGE CLIENTS EVOLUTION

### Active investors

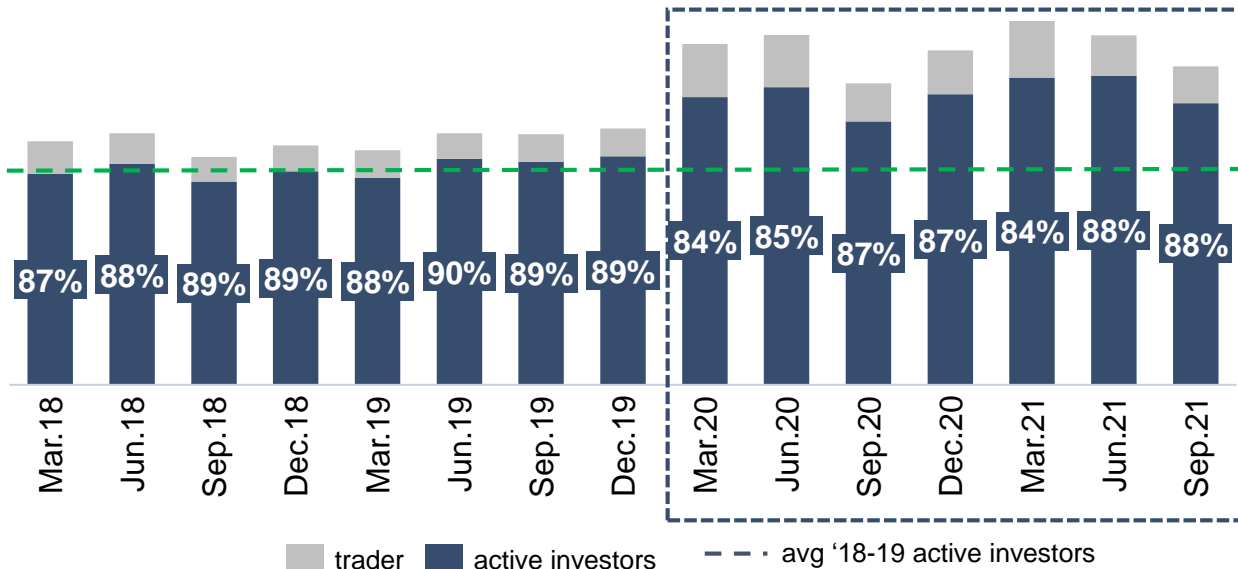
#### PROFILE:

- 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



### Developing our Next Generation of active investors

In order to further position Fineco for its long term growth and build up on its sticky and high quality client base, starting from January 2022 the Bank will propose the most competitive offer in Italy to catch the next generation of active investors

Clients with up to 30 years old will have:

- a very aggressive pricing for our investing and brokerage platform to gain full access to global markets through shares, bonds, ETFs, mutual funds also through accumulation plans
- current account for free



# Agenda

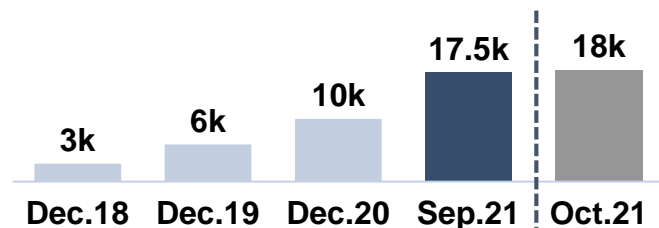
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- ☐ Fineco overview
- ☐ Fineco 3Q21 Results
- ☐ Capital, risks and liquidity
- ☐ Next steps
- ☒ **Fineco UK**
- ☐ Focus on product areas

# Fineco UK: our quality one-stop-solution proves to work

Strong acceleration in our customer acquisition and further improving revenues mix

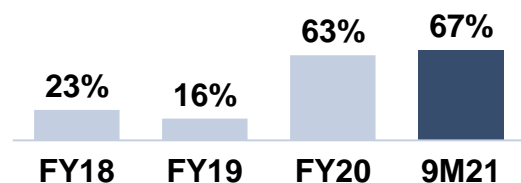
## # Current accounts keep accelerating strong pace of growth



STICKINESS RATE  
on active clients in 9M21

~90%

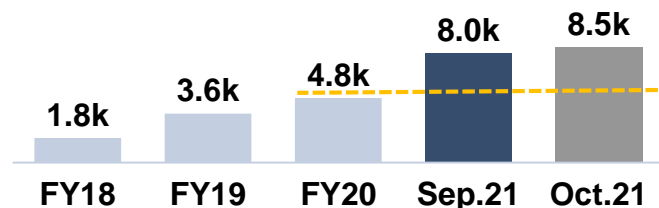
## Targeting quality clients with the right offer...



active on brokerage / active current accounts

Boost in active current  
accounts<sup>(1)</sup> on Brokerage

## ...and accelerating our attractiveness

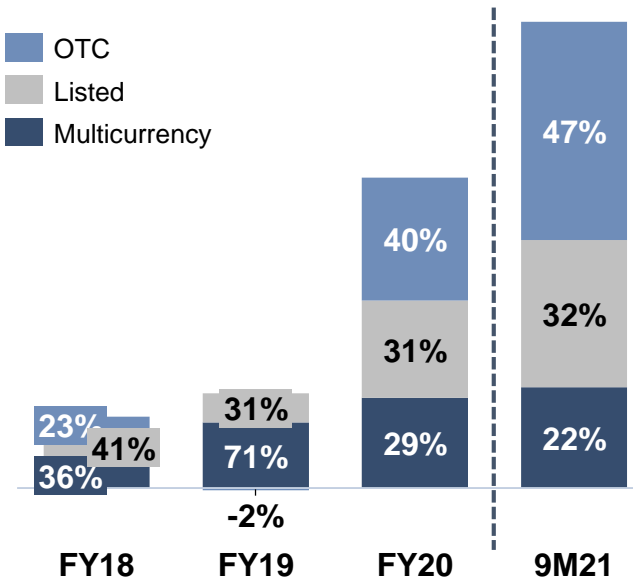


New current accounts in 9M21:  
+68% compared to the whole FY20

Already working to **further increase the efficiency of our marketing campaign**: we are developing a brand new proprietary model to maximize our marketing efficiency based on volatility and clients behaviours

## Further improving revenues mix

OTC  
Listed  
Multicurrency



Strong improvement in the underlying dynamics  
of our customer acquisition thanks to:

- **Smarter onboarding process** integrated in the APP and desktop with a dedicated CRM chat
- **Improved brand perception** after first marketing campaign at the end of 1Q20

★ Trustpilot ★★★★★ 4.2 (max 5)

# Fineco UK: Investing in the spotlight

ISA accounts offer, already 1,300+ 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 **1,000+ 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

Further **development** of our **ISA** by **including multicurrency**

**Grow your ambitions  
investing in our ISA**

Maximise your tax-efficient ISA allowance.

**ZERO%** ISA PLATFORM FEE

Until the end of the 2021/22 tax year if you open your ISA by 31st December 2021. 0.25% max when promo ends.



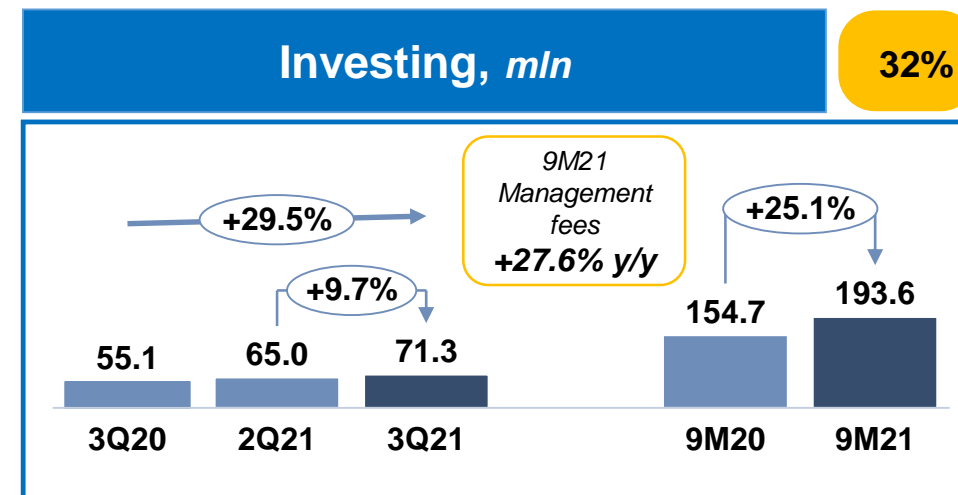
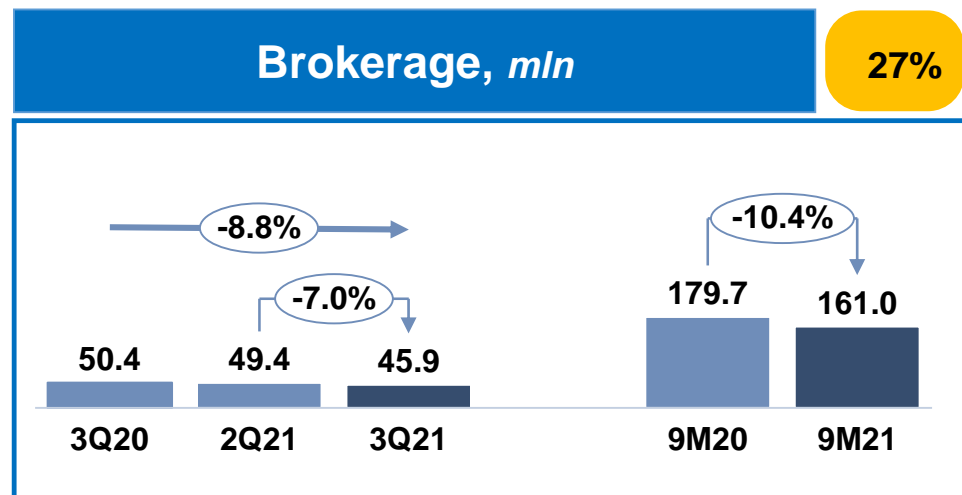
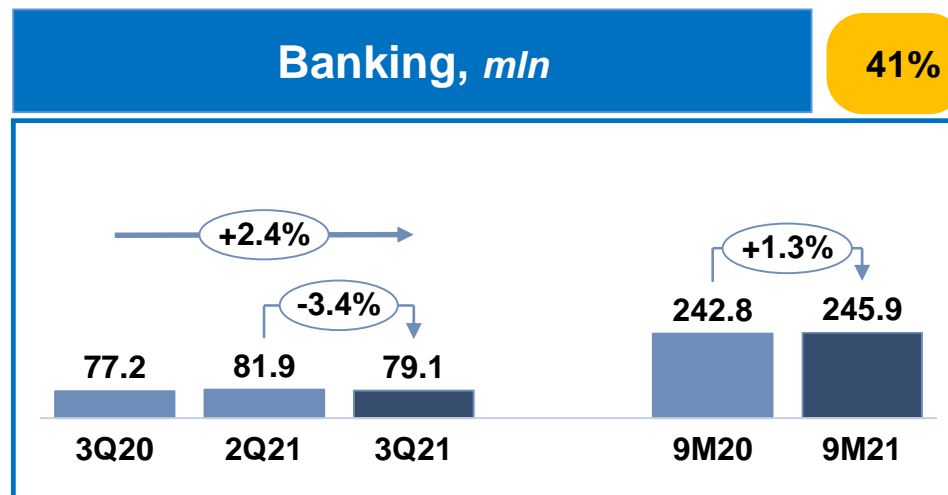
# Agenda

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- ☐ Fineco overview
- ☐ Fineco 3Q21 Results
- ☐ Capital, risks and liquidity
- ☐ Next steps
- ☐ Fineco UK
- ☒ **Focus on product areas**

# Revenues by Product Area

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

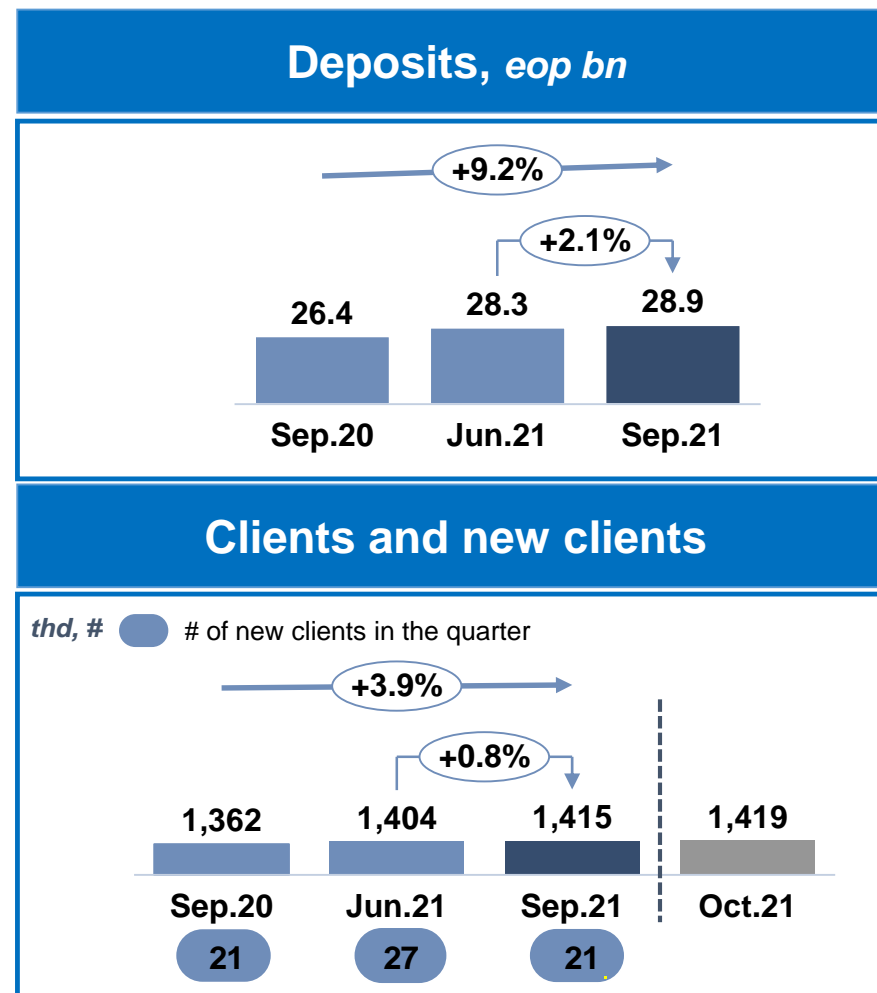
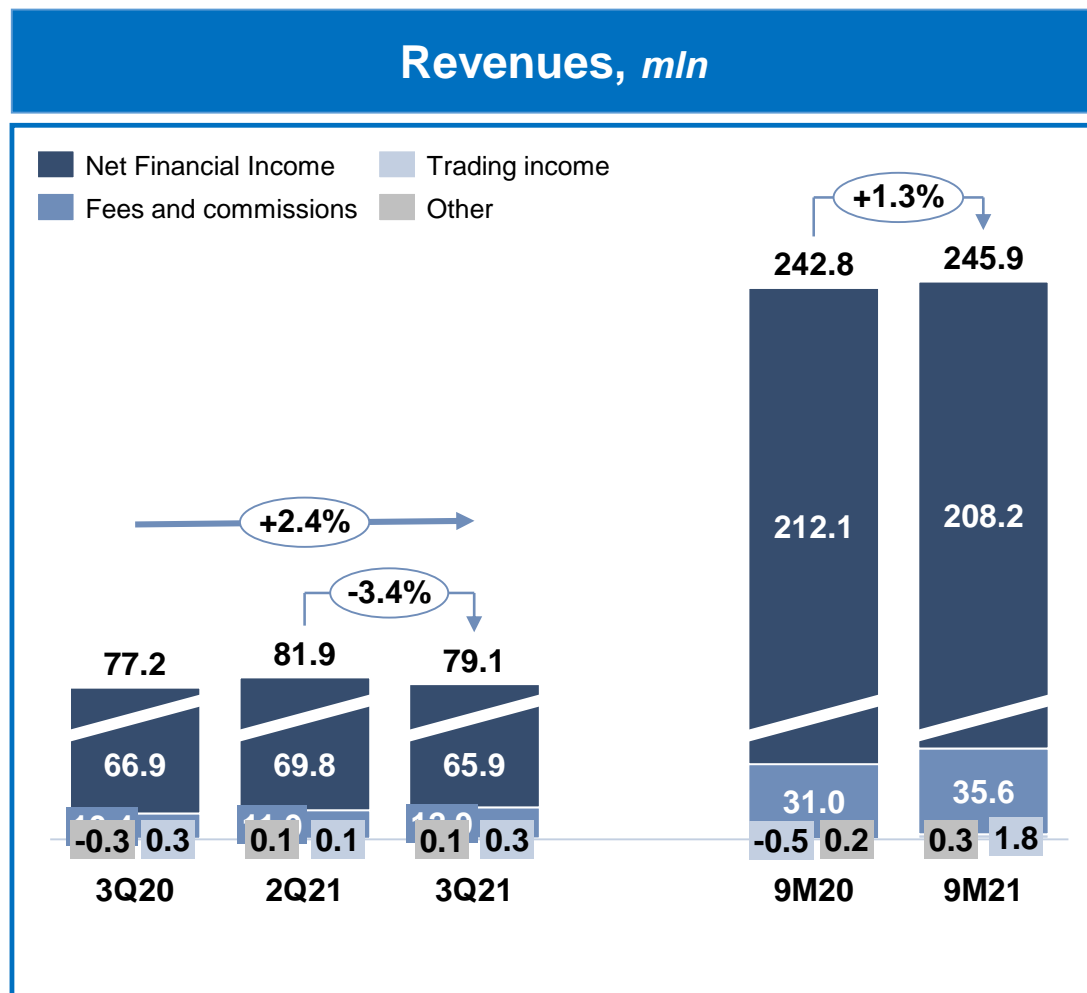


9M21 weight on total revenues for each product area

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

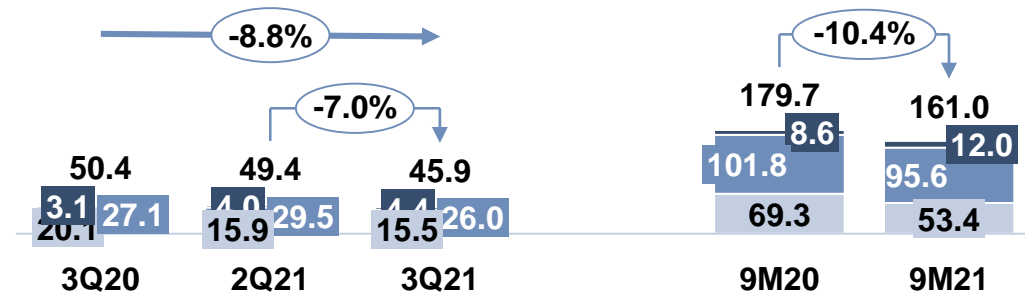


# Brokerage

Structurally higher revenues floor despite lower market volatility and volumes vs 9M20 and 2Q21

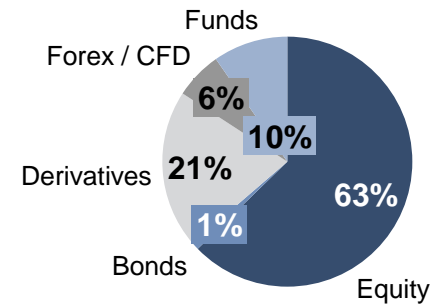
## Revenues, mln

Net Interest Fees and commissions Trading profit

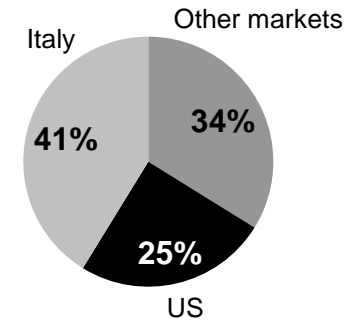


## Well-diversified brokerage offer

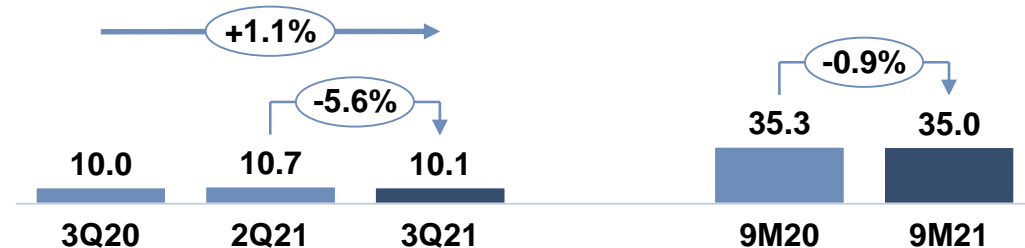
### among products...



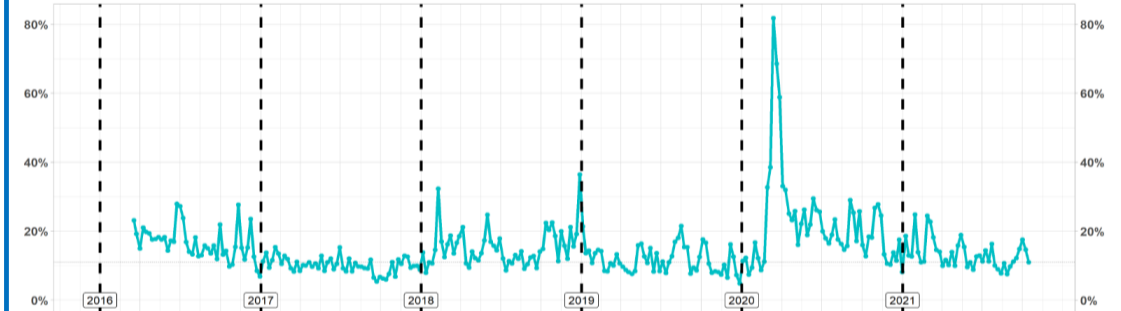
### ...and geographies



## Executed orders, mln

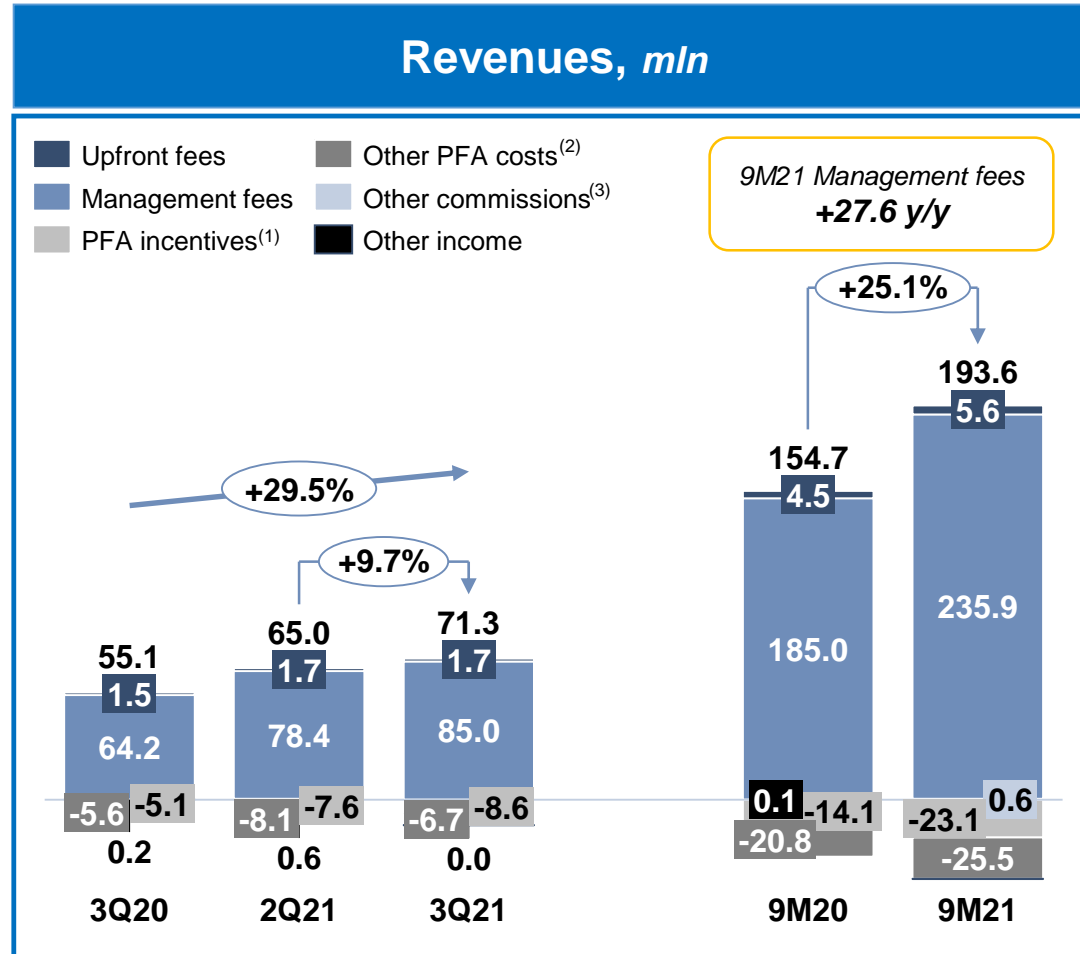


## Volatility <sup>(1)</sup>

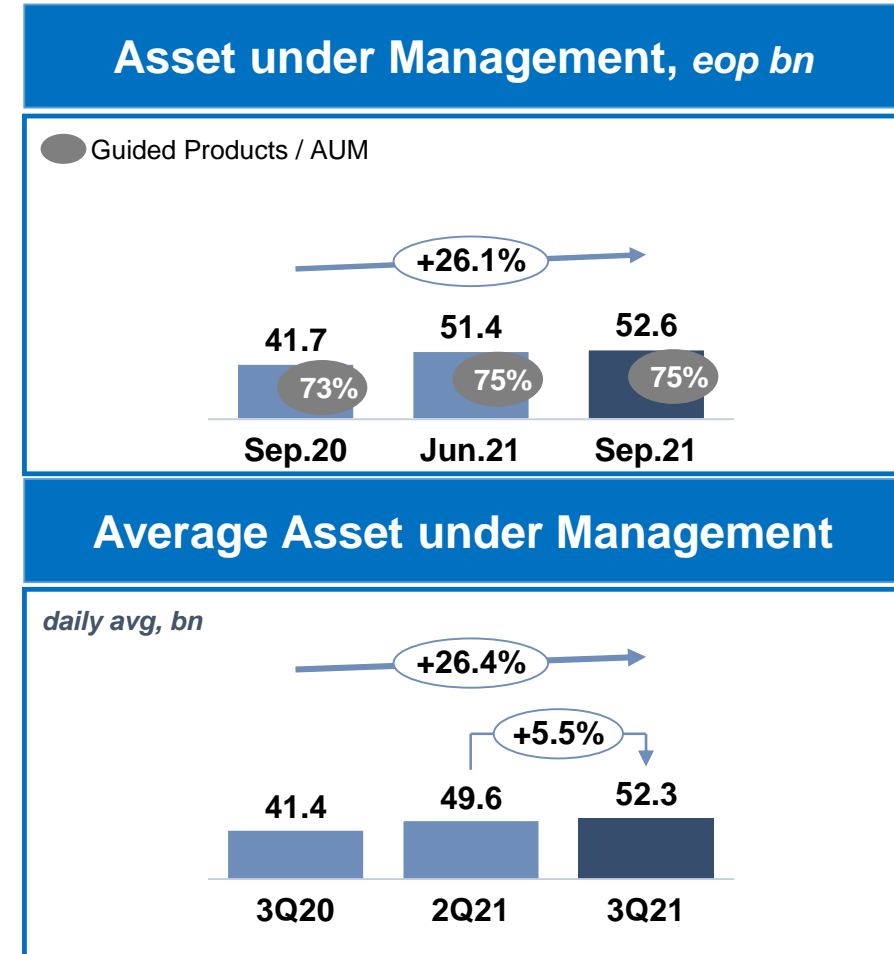


# Investing

Increasing revenues y/y thanks to a successful strategy based on our cyborg advisory approach. Very limited upfront fees, representing only ~3% of Investing fees



Managerial Data





# Annex

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# P&L pro-forma<sup>(1)</sup>

P&L pro-forma <sup>(1)</sup>										
<i>mln</i>	1Q20	2Q20	3Q20	4Q20	FY20	1Q21	2Q21	3Q21	9M20	9M21
Net financial income	72.0	75.1	68.6	64.1	279.7	75.1	72.8	69.2	215.6	217.1
<i>o/w Net Interest Income</i>	68.2	70.1	68.6	63.9	270.7	61.8	62.5	61.8	206.9	186.1
<i>o/w Profit from treasury management</i>	3.8	5.0	-0.1	0.3	9.0	13.2	10.3	7.4	8.7	31.0
Net commissions	95.9	98.6	92.3	92.6	379.4	108.1	106.3	110.1	286.8	324.4
Trading profit	22.6	25.1	20.3	18.8	86.8	23.9	16.7	15.6	67.9	56.2
Other expenses/income	0.6	0.8	0.2	0.4	1.9	0.5	0.1	-1.5	1.6	-0.8
<b>Total revenues</b>	<b>191.0</b>	<b>199.6</b>	<b>181.3</b>	<b>175.9</b>	<b>747.8</b>	<b>207.6</b>	<b>195.9</b>	<b>193.5</b>	<b>571.9</b>	<b>596.9</b>
Staff expenses	-24.0	-24.9	-24.6	-26.0	-99.5	-26.2	-26.7	-27.4	-73.5	-80.3
Other admin.exp. net of recoveries	-27.4	-28.5	-27.8	-34.4	-118.0	-30.6	-29.9	-27.6	-83.7	-88.2
D&A	-6.1	-6.2	-6.4	-6.8	-25.4	-6.3	-6.4	-6.4	-18.6	-19.1
<b>Operating expenses</b>	<b>-57.5</b>	<b>-59.6</b>	<b>-58.8</b>	<b>-67.2</b>	<b>-243.0</b>	<b>-63.1</b>	<b>-63.0</b>	<b>-61.5</b>	<b>-175.9</b>	<b>-187.6</b>
<b>Gross operating profit</b>	<b>133.6</b>	<b>140.0</b>	<b>122.4</b>	<b>108.7</b>	<b>504.8</b>	<b>144.4</b>	<b>132.9</b>	<b>132.0</b>	<b>396.0</b>	<b>409.4</b>
Provisions	-1.1	-6.5	-32.0	5.5	-34.1	-8.2	-5.8	-31.1	-39.6	-45.1
<i>o/w Systemic charges</i>	-0.3	-0.7	-28.0	2.1	-26.8	-5.8	-1.9	-30.0	-28.9	-37.7
LLP	-1.0	-2.7	0.1	0.2	-3.3	-0.5	-1.2	-0.4	-3.5	-2.0
Profit from investments	-0.1	-3.7	-0.2	-2.3	-6.3	-0.6	1.8	0.3	-4.0	1.5
<b>Profit before taxes</b>	<b>131.4</b>	<b>127.1</b>	<b>90.4</b>	<b>112.2</b>	<b>461.1</b>	<b>135.2</b>	<b>127.7</b>	<b>100.9</b>	<b>348.9</b>	<b>363.8</b>
Income taxes	-40.0	-38.3	-25.3	-34.0	-137.5	-40.4	-5.8	-28.3	-103.6	-74.5
<b>Net profit for the period</b>	<b>91.4</b>	<b>88.7</b>	<b>65.2</b>	<b>78.2</b>	<b>323.6</b>	<b>94.7</b>	<b>121.9</b>	<b>72.6</b>	<b>245.3</b>	<b>289.3</b>
<b>Net profit adjusted <sup>(2)</sup></b>	<b>92.2</b>	<b>88.7</b>	<b>65.3</b>	<b>78.2</b>	<b>324.5</b>	<b>94.7</b>	<b>89.9</b>	<b>72.6</b>	<b>246.3</b>	<b>257.2</b>
<b>Non recurring items (mln, gross)</b>	<b>1Q20</b>	<b>2Q20</b>	<b>3Q20</b>	<b>4Q20</b>	<b>FY20</b>	<b>1Q21</b>	<b>2Q21</b>	<b>3Q21</b>	<b>9M20</b>	<b>9M21</b>
<i>Extraord systemic charges (Trading Profit) <sup>(3)</sup></i>	-1.2	0.0	-0.2	0.0	-1.4	0.0	0.0	0.0	-1.4	0.0
<i>Realignment of Intangible Assets</i>	0.0	0.0	0.0	0.0	0.0	0.0	32.0	0.0	0.0	32.0
<b>Total</b>	<b>-1.2</b>	<b>0.0</b>	<b>-0.2</b>	<b>0.0</b>	<b>-1.4</b>	<b>0.0</b>	<b>32.0</b>	<b>0.0</b>	<b>-1.4</b>	<b>32.0</b>

# P&L net of non recurring items

P&L pro-forma <sup>(1)</sup> net of non recurring items										
<i>mln</i>	1Q20 Adj. <sup>(1)</sup>	2Q20 Adj. <sup>(1)</sup>	3Q20 Adj. <sup>(1)</sup>	4Q20 Adj. <sup>(1)</sup>	FY20 Adj. <sup>(1)</sup>	1Q21 Adj. <sup>(1)</sup>	2Q21 Adj. <sup>(1)</sup>	3Q21 Adj. <sup>(1)</sup>	9M20 Adj. <sup>(1)</sup>	9M21 Adj. <sup>(1)</sup>
Net financial income	72.0	75.1	68.6	64.1	279.7	75.1	72.8	69.2	215.6	217.1
<i>o/w Net interest income</i>	68.2	70.1	68.6	63.9	270.7	61.8	62.5	61.8	206.9	186.1
<i>o/w Profit from treasury</i>	3.8	5.0	-0.1	0.3	9.0	13.2	10.3	7.4	8.7	31.0
Net commissions	95.9	98.6	92.3	92.6	379.4	108.1	106.3	110.1	286.8	324.4
Trading profit	23.8	25.1	20.5	18.8	88.2	23.9	16.7	15.6	69.4	56.2
Other expenses/income	0.6	0.8	0.2	0.4	1.9	0.5	0.1	-1.5	1.6	-0.8
<b>Total revenues</b>	<b>192.2</b>	<b>199.6</b>	<b>181.5</b>	<b>175.9</b>	<b>749.2</b>	<b>207.6</b>	<b>195.9</b>	<b>193.5</b>	<b>573.3</b>	<b>596.9</b>
Staff expenses	-24.0	-24.9	-24.6	-26.0	-99.5	-26.2	-26.7	-27.4	-73.5	-80.3
Other admin.expenses	-27.4	-28.5	-27.8	-34.3	-118.0	-30.6	-29.9	-27.6	-83.7	-88.2
D&A	-6.1	-6.2	-6.4	-6.8	-25.4	-6.3	-6.4	-6.4	-18.6	-19.1
<b>Operating expenses</b>	<b>-57.5</b>	<b>-59.6</b>	<b>-58.8</b>	<b>-67.2</b>	<b>-243.0</b>	<b>-63.1</b>	<b>-63.0</b>	<b>-61.5</b>	<b>-175.9</b>	<b>-187.6</b>
<b>Gross operating profit</b>	<b>134.8</b>	<b>140.0</b>	<b>122.7</b>	<b>108.7</b>	<b>506.2</b>	<b>144.5</b>	<b>132.9</b>	<b>132.0</b>	<b>397.5</b>	<b>409.4</b>
Provisions	-1.1	-6.5	-32.0	5.5	-34.1	-8.2	-5.8	-31.1	-39.6	-45.1
<i>o/w Systemic charges</i>	-0.3	-0.7	-28.0	2.1	-26.8	-5.8	-1.9	-30.0	-28.9	-37.7
LLP	-1.0	-2.7	0.1	0.2	-3.3	-0.5	-1.2	-0.4	-3.5	-2.0
Profit from investments	-0.1	-3.7	-0.2	-2.3	-6.3	-0.6	1.8	0.3	-4.0	1.5
<b>Profit before taxes</b>	<b>132.6</b>	<b>127.1</b>	<b>90.7</b>	<b>112.2</b>	<b>462.5</b>	<b>135.2</b>	<b>127.7</b>	<b>100.9</b>	<b>350.3</b>	<b>363.8</b>
Income taxes	-40.4	-38.3	-25.3	-34.0	-138.0	-40.4	-37.8	-28.3	-104.0	-106.5
<b>Net profit adjusted <sup>(1)</sup></b>	<b>92.2</b>	<b>88.7</b>	<b>65.3</b>	<b>78.2</b>	<b>324.5</b>	<b>94.7</b>	<b>89.9</b>	<b>72.6</b>	<b>246.3</b>	<b>257.2</b>

# 9M21 P&L FinecoBank and Fineco Asset Management

<i>mln</i>	Fineco Asset Management	FinecoBank Individual	FinecoBank Consolidated
Net financial income	-0.2	217.3	217.1
Dividends		13.7	
Net commissions	65.3	259.1	324.4
Trading profit	0.0	56.2	56.2
Other expenses/income	-0.1	-0.7	-0.8
<b>Total revenues</b>	<b>65.1</b>	<b>545.7</b>	<b>596.9</b>
Staff expenses	-5.6	-74.7	-80.3
Other admin.exp. net of recoveries	-3.3	-85.0	-88.2
D&A	-0.2	-18.9	-19.1
<b>Operating expenses</b>	<b>-9.0</b>	<b>-178.6</b>	<b>-187.6</b>
<b>Gross operating profit</b>	<b>56.1</b>	<b>367.0</b>	<b>409.4</b>
Provisions		-45.1	-45.1
LLP	0.0	-2.0	-2.0
Profit on Investments		1.5	1.5
<b>Profit before taxes</b>	<b>56.1</b>	<b>321.4</b>	<b>363.8</b>
Income taxes	-7.0	-67.5	-74.5
<b>Net profit for the period</b>	<b>49.0</b>	<b>253.9</b>	<b>289.3</b>

# Details on Net Interest Income

mln	1Q20	Volumes & Margins	2Q20	Volumes & Margins	3Q20	Volumes & Margins	4Q20	Volumes & Margins	FY20	Volumes & Margins	1Q21	Volumes & Margins	2Q21	Volumes & Margins	3Q21	Volumes & Margins	9M20	Volumes & Margins	9M21	Volumes & Margins
Financial Investments	54.8	22,543	56.3	22,676	53.0	22,491	49.0	23,334	213.1	22,761	44.6	24,416	43.2	23,977	41.3	23,824	164.1	22,570	129.1	24,073
Net Margin		0.98%		1.00%		0.94%		0.84%		0.94%		0.74%		0.72%		0.69%		0.97%		0.72%
Gross margin	56.8	1.01%	57.1	1.01%	53.1	0.94%	49.1	0.84%	216.1	0.95%	44.8	0.74%	43.2	0.72%	41.4	0.69%	167.0	0.99%	129.3	0.72%
Treasury activities <sup>(1)</sup>	0.9	703	2.1	1,916	2.4	2,114	2.5	2,103	7.9	1,709	3.9	2,791	4.7	3,140	4.3	2,646	5.4	1,578	12.9	2,859
Net Margin		<sup>(1)</sup> 0.50%		0.44%		0.45%		0.47%		0.46%		0.57%		0.59%		0.64%		0.46%		0.60%
Leverage - Long	2.9	137	2.4	117	3.1	150	2.8	138	11.1	136	3.4	171	3.9	199	4.3	214	8.3	135	11.7	194
Net Margin		8.42%		8.13%		8.13%		8.10%		8.20%		8.12%		7.92%		8.00%		8.23%		8.01%
Tax Credit	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	0.3	42	0.5	95	0.0	0	0.8	46
Net Margin		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		2.50%		2.15%		0.00%		2.26%
Lending	11.0	3,094	11.4	3,393	11.6	3,582	11.1	3,670	45.0	3,435	10.8	3,805	11.4	4,141	12.3	4,583	33.9	3,356	34.5	4,176
Net Margin		1.42%		1.35%		1.28%		1.20%		1.31%		1.15%		1.10%		1.07%		1.35%		1.10%
o/w Current accounts	3.4	1,316	3.6	1,375	3.6	1,453	3.7	1,527	14.3	1,418	3.6	1,632	3.9	1,748	4.1	1,866	10.6	1,381	11.6	1,748
Net Margin		1.05%		1.04%		0.99%		0.97%		1.01%		0.90%		0.90%		0.87%		1.03%		0.89%
o/w Cards	1.2	43	1.1	40	1.1	39	1.1	38	4.5	40	1.0	36	1.0	34	1.0	35	3.4	40	3.0	35
Net Margin		11.41%		11.40%		11.43%		11.45%		11.42%		11.40%		11.36%		11.43%		11.41%		11.40%
o/w Personal loans	4.5	462	4.4	448	4.2	437	4.2	439	17.4	447	4.2	447	4.3	466	4.4	481	13.1	449	13.0	465
Net Margin		3.93%		3.93%		3.86%		3.82%		3.88%		3.83%		3.72%		3.64%		3.90%		3.73%
o/w Mortgages	1.8	1,273	2.3	1,530	2.6	1,653	2.1	1,666	8.8	1,530	2.0	1,690	2.1	1,893	2.8	2,202	6.7	1,485	6.9	1,928
Net Margin		0.57%		0.61%		0.63%		0.49%		0.57%		0.47%		0.45%		0.51%		0.60%		0.48%
Other	-1.3		-2.1		-1.4		-1.5		-6.3		-0.9		-0.9		-0.9		-4.8		-2.7	
<b>Total <sup>(2)</sup></b>	<b>68.2</b>		<b>70.1</b>		<b>68.6</b>		<b>63.9</b>		<b>270.7</b>		<b>61.8</b>		<b>62.5</b>		<b>61.8</b>		<b>206.9</b>		<b>186.1</b>	
<b>Gross Margin</b>		<b>1.09%</b>		<b>1.04%</b>		<b>0.99%</b>		<b>0.89%</b>		<b>1.00%</b>		<b>0.82%</b>		<b>0.81%</b>		<b>0.79%</b>		<b>1.04%</b>		<b>0.81%</b>
<b>Cost of Deposits</b>		<b>-0.03%</b>		<b>-0.01%</b>		<b>0.00%</b>		<b>0.00%</b>		<b>-0.01%</b>		<b>0.00%</b>		<b>0.00%</b>		<b>0.00%</b>		<b>-0.01%</b>		<b>0.00%</b>

Volumes and margins: average of the period

Net margin calculated on real interest income and expenses

Some 2Q21 data slightly changed due to minor adjustments

<sup>(1)</sup> Treasury activities: Unsecured lending, collateral switch, tiering, TLTRO, other repos (moved from «Other» to «Treasury activities»).

<sup>(2)</sup> Other includes mainly marketing costs. 2020 figures recasted (NII from other repos moved from «Other» to «Treasury Activities»): 1Q20 0.0mln, 2Q20 0.0mln, 3Q20 -0.1mln, 4Q20 -0.2mln, FY20 -0.4mln

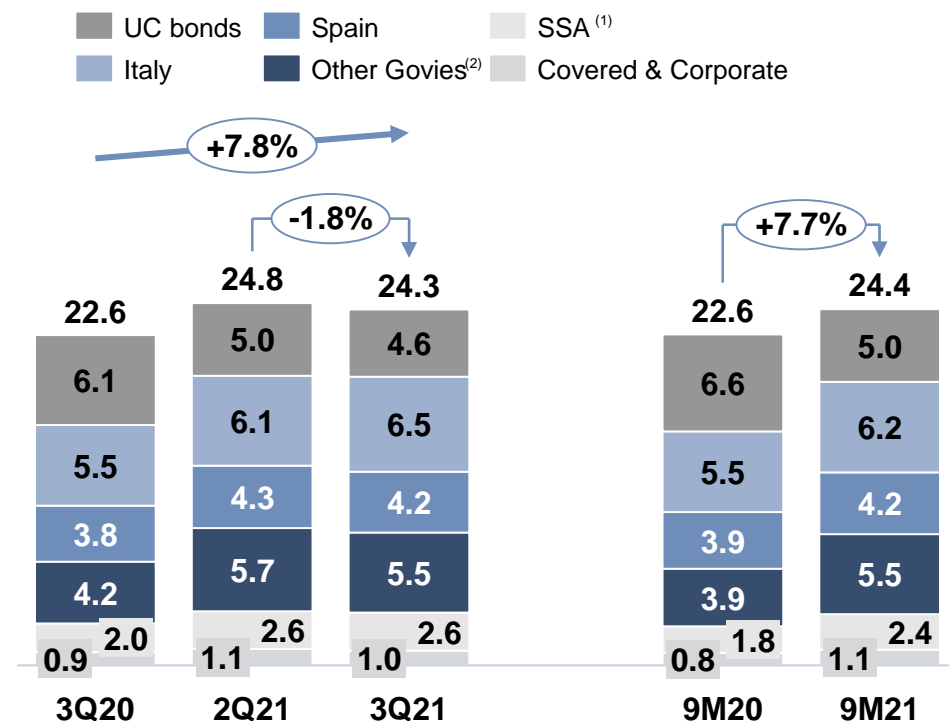
# UniCredit bonds underwritten

	ISIN	Currency	Amount (€ m)	Maturity	Indexation	Spread
1	IT0005010225	Euro	382.5	18-Oct-21	Euribor 1m	2.60%
2	IT0005040099	Euro	100.0	24-Jan-22	Euribor 1m	1.46%
3	IT0005057994	Euro	200.0	11-Apr-22	Euribor 1m	1.43%
4	IT0005083743	Euro	300.0	28-Jan-22	Euribor 1m	1.25%
5	IT0005114688	Euro	180.0	19-May-22	Euribor 1m	1.19%
6	IT0005120347	Euro	700.0	27-Jun-22	Euribor 1m	1.58%
7	IT0005144065	Euro	450.0	14-Nov-22	Euribor 3m	1.40%
8	IT0005144073	Euro	350.0	15-Nov-21	Euribor 3m	1.29%
9	IT0005158412	Euro	250.0	23-Dec-22	Euribor 3m	1.47%
10	IT0005163180	Euro	600.0	11-Feb-23	Euribor 3m	1.97%
11	IT0005175135	Euro	100.0	24-Mar-23	Euribor 3m	1.58%
12	IT0005217606	Euro	350.0	11-Oct-23	Euribor 3m	1.65%
13	IT0005241317	Euro	622.5	2-Feb-24	Euribor 3m	1.52%
<b>Total</b>		<b>Euro</b>	<b>4,585.0</b>		<b>Euribor 1m</b>	<b>1.63%</b>

# Financial Investments

Further improvements for a diversified asset side

## Bond Portfolio, avg bn

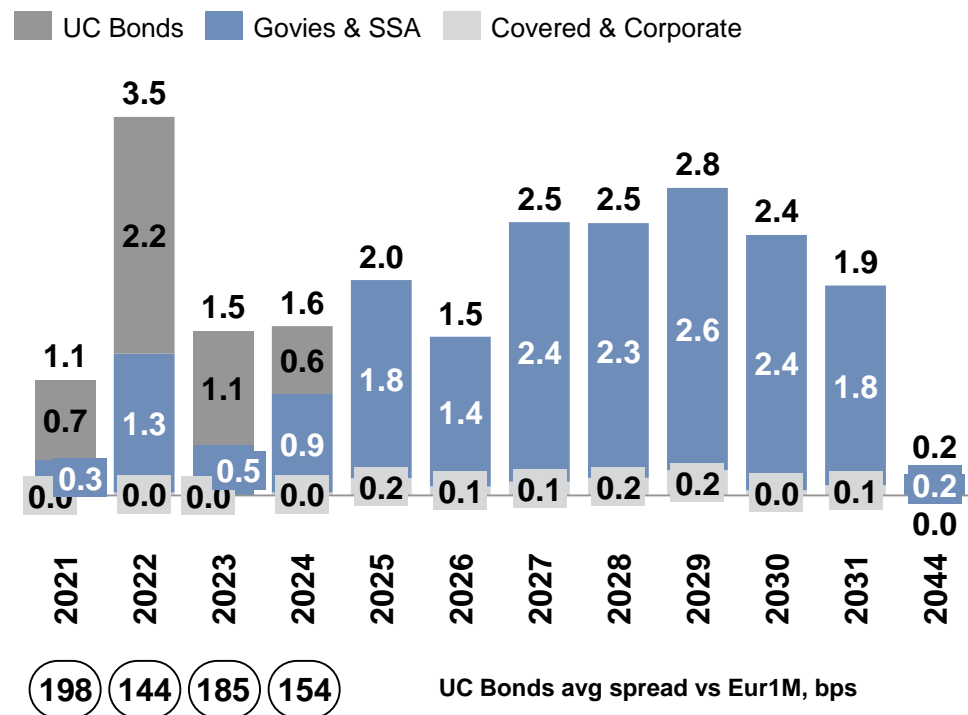


**Avg Bond portfolio 9M21 (excl. UC Bonds):**

**19.4bn, +21.2% y/y**

**67% at fixed rate, avg yield: 53bps<sup>(3)</sup>**

## Bond portfolio run-offs, eop bn



198

144

185

154

UC Bonds avg spread vs Eur1M, bps

**Residual maturity total portfolio: 5.2 yrs**

*o/w UC Bonds: 1.1 yrs*

*o/w bonds (excl. UC bonds): 6.2 yrs*

<sup>(1)</sup> Sovereign Supranational and Agencies

<sup>(2)</sup> Avg 9M21 "Other" includes: 1.3bn France, 1.0bn Ireland, 0.8bn USA, 0.6bn Belgium, 0.5bn Austria, 0.4bn Portugal, 0.2bn Israel, 0.2bn Chile, 0.2bn Saudi Arabia, 0.1bn Germany, 0.1bn China, 0.1bn other (UK, Switzerland, Iceland, Latvia)

<sup>(3)</sup> Calculated on nominal value as of September 30<sup>th</sup> 2021

# Details on Net Commissions

Net commissions by product area										
<i>mln</i>	1Q20	2Q20	3Q20	4Q20	FY20	1Q21	2Q21	3Q21	9M20	9M21
<b>Banking</b>	<b>9.5</b>	<b>11.1</b>	<b>10.4</b>	<b>3.2</b>	<b>34.2</b>	<b>10.8</b>	<b>11.9</b>	<b>12.9</b>	<b>31.0</b>	<b>35.6</b>
<b>Brokerage</b>	<b>36.3</b>	<b>38.3</b>	<b>27.1</b>	<b>31.7</b>	<b>133.5</b>	<b>40.2</b>	<b>29.5</b>	<b>26.0</b>	<b>101.8</b>	<b>95.6</b>
o/w										
Equity	30.0	31.0	21.7	26.5	109.2	36.1	24.6	22.5	82.7	83.3
Bond	1.0	3.8	2.2	1.9	9.0	0.8	2.3	0.4	7.0	3.5
Derivatives	4.5	3.7	2.6	2.7	13.5	2.9	2.2	2.3	10.8	7.4
Other commissions	0.7	-0.1	0.7	0.6	1.8	0.4	0.4	0.8	1.3	1.6
<b>Investing</b>	<b>50.3</b>	<b>49.4</b>	<b>54.9</b>	<b>57.8</b>	<b>212.4</b>	<b>57.2</b>	<b>65.0</b>	<b>71.4</b>	<b>154.6</b>	<b>193.6</b>
o/w										
Placement fees	1.7	1.4	1.5	1.8	6.3	2.2	1.7	1.7	4.5	5.6
Management fees	61.9	58.9	64.2	67.5	252.5	72.5	78.4	85.0	185.0	235.9
to PFA's: incentives	-4.0	-4.0	-4.4	-6.8	-19.2	-6.2	-6.7	-7.8	-12.4	-20.7
to PFA's: LTI	-0.2	-0.7	-0.7	-0.6	-2.3	-0.6	-0.9	-0.8	-1.6	-2.4
Other PFA costs	-9.1	-6.1	-5.6	-5.8	-26.6	-10.7	-8.1	-6.7	-20.8	-25.5
Other commissions	0.0	0.0	0.0	1.6	1.6	0.0	0.6	0.0	0.0	0.6
<b>Other</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.8</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.2</b>	<b>-0.6</b>	<b>-0.4</b>
<b>Total</b>	<b>95.9</b>	<b>98.6</b>	<b>92.3</b>	<b>92.6</b>	<b>379.4</b>	<b>108.1</b>	<b>106.3</b>	<b>110.1</b>	<b>286.8</b>	<b>324.4</b>



# Revenues breakdown by Product Area

P&L by product area										
<i>mln</i>	1Q20	2Q20	3Q20	4Q20	FY20	1Q21	2Q21	3Q21	9M20	9M21
Net financial income	70.5	74.8	66.9	62.8	275.0	72.6	69.8	65.9	212.1	208.2
<i>o/w Net interest income</i>	66.6	69.8	67.0	62.6	266.0	59.3	59.5	58.4	203.4	177.2
<i>o/w Profit from Treasury Management</i>	3.8	5.0	-0.1	0.3	9.0	13.2	10.3	7.4	8.7	31.0
Net commissions	9.5	11.1	10.4	3.2	34.2	10.8	11.9	12.9	31.0	35.6
Trading profit	-0.3	-0.6	0.3	0.3	-0.3	1.4	0.1	0.3	-0.5	1.8
Other	0.2	0.3	-0.3	0.4	0.6	0.1	0.1	0.1	0.2	0.3
<b>Total Banking</b>	<b>79.9</b>	<b>85.7</b>	<b>77.2</b>	<b>66.7</b>	<b>309.5</b>	<b>84.9</b>	<b>81.9</b>	<b>79.1</b>	<b>242.8</b>	<b>245.9</b>
Net interest income	3.0	2.5	3.1	2.9	11.5	3.5	4.0	4.4	8.6	12.0
Net commissions	36.3	38.3	27.1	31.7	133.5	40.2	29.5	26.0	101.8	95.6
Trading profit	25.1	24.2	20.1	18.0	87.4	22.0	15.9	15.5	69.3	53.4
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Brokerage</b>	<b>64.4</b>	<b>65.0</b>	<b>50.4</b>	<b>52.6</b>	<b>232.4</b>	<b>65.7</b>	<b>49.4</b>	<b>45.9</b>	<b>179.7</b>	<b>161.0</b>
Net interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net commissions	50.3	49.4	54.9	57.8	212.4	57.2	65.0	71.4	154.6	193.6
Trading profit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.1	-0.2	0.2	-0.2	-0.1	0.0	0.0	-0.1	0.1	-0.1
<b>Total Investing</b>	<b>50.4</b>	<b>49.2</b>	<b>55.1</b>	<b>57.6</b>	<b>212.3</b>	<b>57.2</b>	<b>65.0</b>	<b>71.3</b>	<b>154.7</b>	<b>193.6</b>

# Breakdown Total Financial Assets

<i>mln</i>	Mar.20	Jun.20	Sep.20	Dec.20	Mar.21	Jun.21	Sep.21
<b>AUM</b>	<b>35,516</b>	<b>40,083</b>	<b>41,744</b>	<b>45,381</b>	<b>48,018</b>	<b>51,399</b>	<b>52,648</b>
o/w Funds and Sicav	24,122	27,657	28,929	31,578	33,271	35,699	36,233
o/w Insurance	9,961	10,676	11,020	11,819	12,659	13,448	14,122
o/w GPM	127	169	185	209	238	282	294
o/w AuC + deposits under advisory	1,307	1,580	1,610	1,776	1,850	1,970	1,998
<i>o/w in Advice</i>	<i>516</i>	<i>550</i>	<i>554</i>	<i>561</i>	<i>572</i>	<i>596</i>	<i>603</i>
<i>o/w in Plus</i>	<i>792</i>	<i>1,030</i>	<i>1,056</i>	<i>1,215</i>	<i>1,278</i>	<i>1,374</i>	<i>1,395</i>
<b>AUC</b>	<b>13,485</b>	<b>16,486</b>	<b>16,821</b>	<b>18,314</b>	<b>20,347</b>	<b>21,760</b>	<b>22,038</b>
o/w Equity	8,308	10,565	11,006	12,614	14,503	15,695	16,054
o/w Bond	5,147	5,878	5,766	5,637	5,772	5,993	5,893
o/w Other	30	43	49	63	72	72	90
<b>Direct Deposits</b>	<b>26,925</b>	<b>26,077</b>	<b>26,432</b>	<b>28,014</b>	<b>28,687</b>	<b>28,273</b>	<b>28,867</b>
o/w Sight	26,924	26,077	26,432	28,014	28,687	28,273	28,867
o/w Term	1	1	0	0	0	0	0
<b>Total</b>	<b>75,927</b>	<b>82,646</b>	<b>84,997</b>	<b>91,709</b>	<b>97,052</b>	<b>101,431</b>	<b>103,552</b>
<i>o/w Guided Products &amp; Services</i>	<b>25,486</b>	<b>28,984</b>	<b>30,331</b>	<b>33,420</b>	<b>35,381</b>	<b>38,531</b>	<b>39,721</b>
<i>o/w TFA FAM retail</i>	<b>7,626</b>	<b>8,920</b>	<b>9,465</b>	<b>10,542</b>	<b>11,465</b>	<b>13,215</b>	<b>13,929</b>
<i>o/w TFA Private Banking</i>	<b>28,844</b>	<b>33,024</b>	<b>34,438</b>	<b>38,614</b>	<b>41,844</b>	<b>44,763</b>	<b>45,924</b>

AuC and Deposits under advisory have been reclassified within AuM in order to have a better representation of the advisory nature of Advice and Plus services

# Balance Sheet

<i>mln</i>	Mar.20	Jun.20	Sep.20	Dec.20	Mar.21	Jun.21	Sep.21
Due from Banks <sup>(1)</sup>	1,801	1,633	1,761	2,541	1,902	2,253	2,429
Customer Loans	3,741	4,204	4,320	4,528	4,639	5,269	5,624
Financial Assets	23,414	22,961	22,988	23,957	25,398	24,648	24,446
Tangible and Intangible Assets	280	280	278	281	277	281	279
Derivatives	76	76	76	74	84	85	92
Tax credit acquired	0	0	0	0	9	75	394
Other Assets	207	259	298	374	279	293	271
<b>Total Assets</b>	<b>29,519</b>	<b>29,412</b>	<b>29,721</b>	<b>31,755</b>	<b>32,588</b>	<b>32,905</b>	<b>33,534</b>
Customer Deposits	27,202	27,021	27,297	28,360	29,102	29,141	29,805
Due to Banks	331	113	105	1,065	1,149	1,173	1,169
Derivatives	144	207	212	232	140	119	91
Funds and other Liabilities	365	515	487	411	413	575	501
Equity	1,477	1,556	1,620	1,687	1,783	1,897	1,969
<b>Total Liabilities and Equity</b>	<b>29,519</b>	<b>29,412</b>	<b>29,721</b>	<b>31,755</b>	<b>32,588</b>	<b>32,905</b>	<b>33,534</b>

<sup>(1)</sup> Due from banks includes cash deposited at Bank of Italy: 1.8bn as of Sep.2021, 1.6bn as of June 2021, 1.3bn as of Mar.2021, 1.8bn as of Dec.2020, 1.0bn as of Sep.2020, 0.9bn as of June 2020, 1.2bn as of Mar.2020

# Main Financial Ratios

	Mar.20	Jun.20	Sep.20	Dec.20	Mar.21	Jun.21	Sep.21
PFA TFA/ PFA (mln) <sup>(1)</sup>	25.7	27.9	28.7	30.6	31.6	32.5	33.0
Guided Products / TFA <sup>(2)</sup>	34%	35%	36%	36%	36%	38%	38%
Cost / income Ratio <sup>(3)</sup>	29.9%	29.9%	30.7%	32.4%	30.4%	31.3%	31.4%
CET 1 Ratio	25.4%	24.1%	23.3%	28.6%	26.5%	18.6%	18.4%
Adjusted RoE <sup>(4)</sup>	26.5%	26.0%	23.4%	21.2%	22.2%	23.3%	21.5%
Leverage Ratio	4.39%	4.41%	4.35%	4.85%	4.77%	4.03%	4.04%
Leverage Ratio excl. temporary exemption <sup>(5)</sup>	4.39%	4.41%	4.35%	4.85%	4.77%	3.81%	3.80%

<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 Guided Products eop divided by Total Financial Assets eop

<sup>(3)</sup> C/I ratio net of non recurring items (see page 50 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 50 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 temporary exemption (it includes exposures towards Central Banks within total leverage ratio exposures).

# Our ESG Ratings and Indices

## ESG RATINGS



One of the 2 banks in the world with rating “EE+” (very strong) (range from “F” to “EEE”)



“A” (range from “CCC” to “AAA”)

**Climate** trajectory **+1.53°C** aligned with the Paris Agreement



Among the best banks internationally  
**16.0 (Low risk)**



Significant improvement of the S&P Global ESG Score: **65/100** (+11p vs 2020)



Better than direct peers:  
**80/100**

## ESG INDICES

Fineco **included** in:



FTSE4Good



Nasdaq CRD Global Sustainability Index

## RECENT ESG AWARDS



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



**MF Banking Awards and MF ESG Awards 2021** assigned for the Standard Ethics rating



**Sustainability Leader 2021**

# Fineco - a fully independent public company starting from May 2019

## Strategy and Business model

**Fineco exit from the UniCredit Group has no implications on its strategy and business model:** Fineco enjoyed limited synergies with UniCredit and, as a fully independent company, continues to **focus on maximizing shareholders' value via healthy, sustainable and organic growth**

## Transitional Arrangements with UniCredit Group

**Fineco and UniCredit have agreed to enter into certain transitional arrangements to ensure full continuity** and an orderly and smooth transition from a regulatory, liquidity and operational standpoint

### INVESTMENT STRATEGY

- **No change in the investment policy** envisaging an increasing diversification of financial investments as the existing stock of UniCredit bonds progressively runs off by 2024
- **UniCredit has granted a financial collateral** in favor of Fineco to secure the credit risk exposures towards UniCredit and **neutralize the capital impacts and risk concentration limits**

### INFRAGROUP SERVICES

- **UniCredit will continue to provide, on an interim basis, certain services** in order to allow Fineco to act in full operational continuity. **The contract for customers' access to banking services through smart ATMs and physical branches has been extended for 20 years**

### TRADEMARK

- **Fineco has exercised at the end of 2019** the option for the purchase of its brand at the **price of €22.5mln plus VAT**

# Fineco Asset Management in a nutshell

AUM at €22.6bn, of which €14.3bn retail classes<sup>(1)</sup>

## FUNDS OF FUNDS

## FAM SERIES (sub-advised funds)

## INSTITUTIONAL BUSINESS

## BENEFITS

### FAM EVOLUTION (53 strategies)

- ✓ **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 phases

### CORE SERIES (30 strategies)

- ✓ Release of **Premium Share Classes**
- ✓ **Additional sub-advisory mandates in pipeline** to further enlarge the offer through **quality and exclusivity agreements** for Fineco clients only
- ✓ **FAM Global Defence**: new capital preservation solution
- ✓ **New flagship FAM Target China Coupon and ESG Target Global Coupon**: new investment solutions to build up exposure towards equity
- ✓ 43 strategies
- ✓ 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**
- ✓ 53 strategies, including also Passive and new Smart Beta funds

### 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 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%

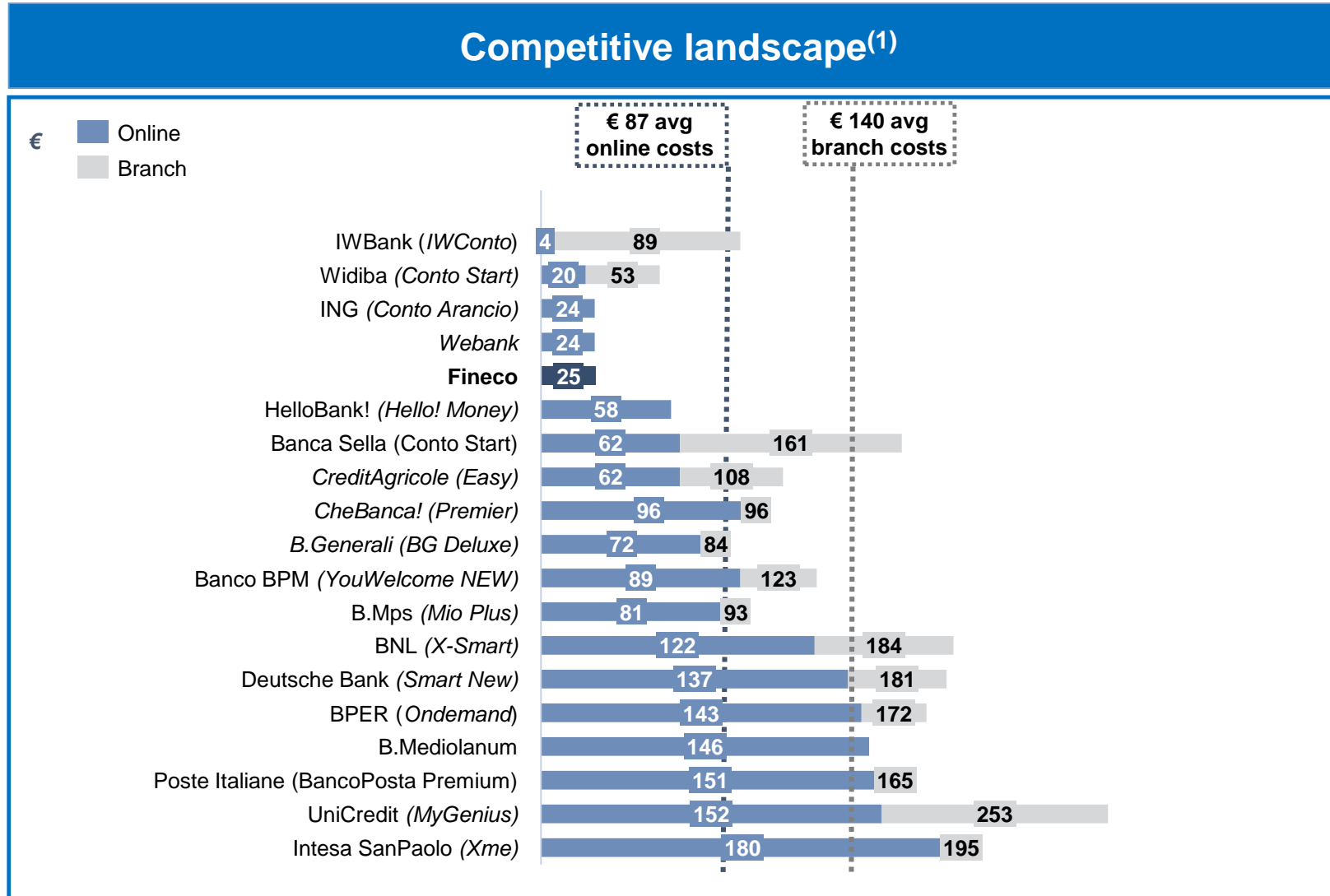
## Stock broking: flat fees

	<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

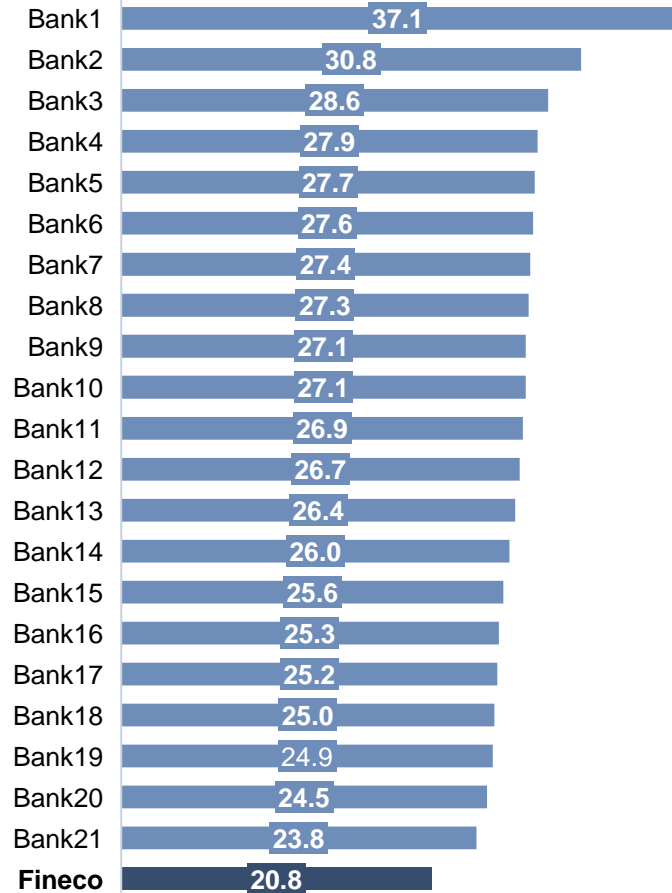
	<b>FINECO</b> BANK	HARGREAVES LANSDOWN	AJBell	BARCLAYS	Fidelity INTERNATIONAL	HSBC
	£0.00	£0.00	£1.50	£3.00	£10.00	No online Phone dealing only

# Preserving our best price/quality ratio



# Fineco MREL requirement: the lowest among the disclosed ones

Final MREL requirement - % RWA



Final MREL requirement - % LRE

