



B A N K

4Q20 Results

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Milan, March 2021

FINECO. SIMPLIFYING BANKING.

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Fineco Results

-  Next steps
-  Fineco UK
-  Key messages
-  Focus on product areas

Executive Summary

Outstanding net profit in challenging market scenario

- **2020 Net profit⁽¹⁾ at 325mln, +19% y/y**, confirming the **soundness and sustainability of a business model able to deliver consistent results in every market condition and to accelerate growth in the current situation**
- **2020 Revenues⁽¹⁾ at 776mln, +18% y/y** mainly supported by **Brokerage** (+73% y/y) showing a structural growth thanks to the in-depth review of our product offer, the enlargement of both our clients' base and market share, and finally to higher volatility compared to 2019, and by **Investing** (+7% y/y) thanks to volume effect and strong AUM flows
- **Operating Costs well under control at -270mln, +8.0% (+4.4% y/y⁽²⁾)** excluding marketing costs in UK and costs related to additional marketing expenses in Italy in 4Q20 to catch growth momentum and HR costs related to annual leaves due to the lock-down in December)
- **C/I ratio at 34.7%**, confirming **operating leverage as a key strength of the Bank**

Strong and safe capital position

- **2020 CET1 ratio at 28.56%⁽³⁾ and TCR at 41.68%⁽³⁾**

Accelerating commercial activity

- **Net sales in 2020 at 9.3bn (+59% y/y)**, **TFA at 91.7bn** with **Asset under Management at 45.4bn (+12% y/y)** and the penetration of **Guided products on Asset under Management at 74%**.
- **Fineco Asset Management retail net sales at 2.1bn in 2020 and TFA at 16.3bn**
- **Strong February YTD net sales at 2.2bn (+97% y/y)**, o/w **1.2bn in AUM (+108% y/y)**. **Solid Brokerage revenues, estimated at around 42 mln (+24% y/y)**

⁽¹⁾ FY20 non recurring items: Voluntary Scheme: FY20 -1.4mln gross, -1.0mln net (3Q20: -0.2mln gross, -0.2mln net). FY19 non recurring items: Voluntary Scheme: FY19: -3.0mln gross, -2.0mln net (4Q19: 1.4mln gross, 0.9mln net; 3Q19: 0.4mln gross, 0.3mln net); Patent Box FY19: 18.1mln (20.7mln in 4Q19; -0.9mln in 3Q19).

⁽²⁾ Excluding FY20 marketing costs in UK (-7.2mln in NHR costs), additional marketing costs in Italy in 4Q20 to catch the positive momentum for growth (-1.3mln in NHR costs) and additional 4Q20 HR costs related to annual leaves cancelled during the December lock-down (-0.5mln in Staff expenses)

⁽³⁾ Fineco decided to stick to the recommendations of ECB of December 15th, 2020 and to the press release of Bank of Italy of December 16th, 2020, proposing to the Shareholders' Meeting to resolve upon the allocation of 100% of 2020 profits to reserves

Results

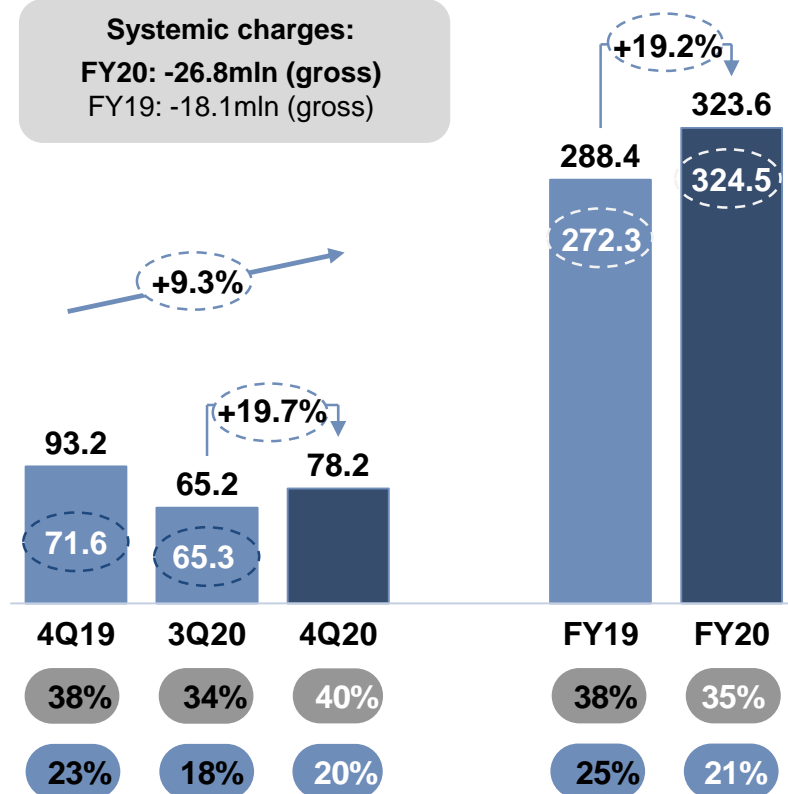
Adj. Net Profit at 325mln, +19% y/y boosted by diversified revenues growth.
C/I ratio at 35%, down -3.2 p.p. y/y confirming our strong operating leverage

Net Profit, mln

○ excluding non recurring items ⁽¹⁾

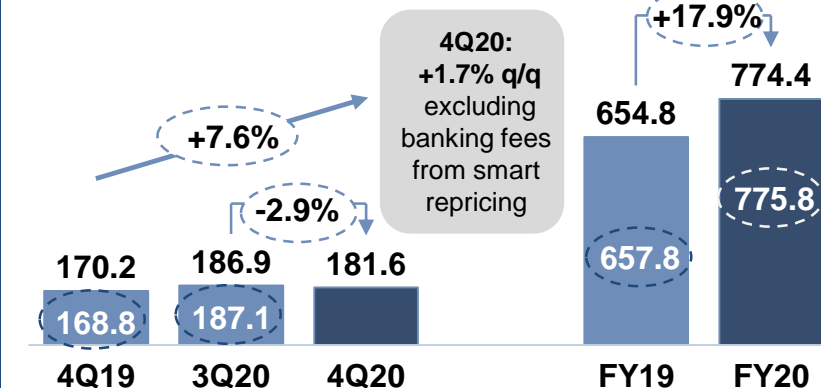
● Adj. Cost/Income ⁽²⁾ ● Adj. RoE ⁽²⁾

Systemic charges:
FY20: -26.8mln (gross)
FY19: -18.1mln (gross)



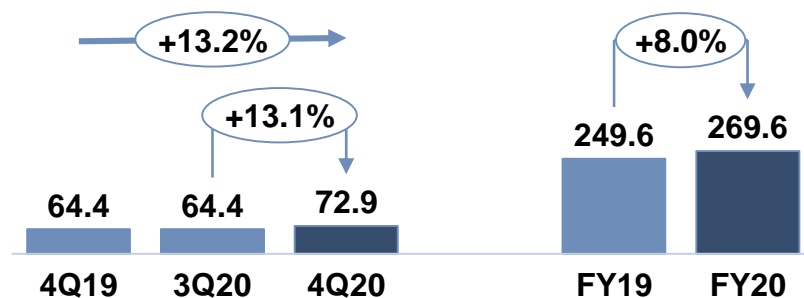
Revenues, mln

○ excluding non recurring items ⁽¹⁾



Operating Costs, mln

FY20⁽⁴⁾: -260.6mln
(+4.4% y/y)



⁽¹⁾ FY20 non recurring items: Voluntary Scheme: FY20 -1.4mln gross, -1.0mln net (3Q20: -0.2mln gross, -0.2mln net). FY19 non recurring items: Voluntary Scheme: FY19: -3.0mln gross, -2.0mln net (4Q19: 1.4mln gross, 0.9mln net; 3Q19: 0.4mln gross, 0.3mln net); Patent Box FY19: 18.1mln (20.7mln in 4Q19; -0.9mln in 3Q19).

⁽²⁾ 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)

⁽³⁾ FY20 includes: -25.9mln contribution to DGS (including the additional contribution to a member of Interbank Deposit Protection Fund), -0.9mln SRF/FNR

⁽⁴⁾ Excluding FY20 marketing costs in UK (-7.2mln in NHR costs), additional marketing costs in Italy in 4Q20 to catch the positive momentum for growth (-1.3mln in NHR costs) and additional 4Q20 HR costs related to annual leaves cancelled during the December lock-down (-0.5mln in Staff expenses)

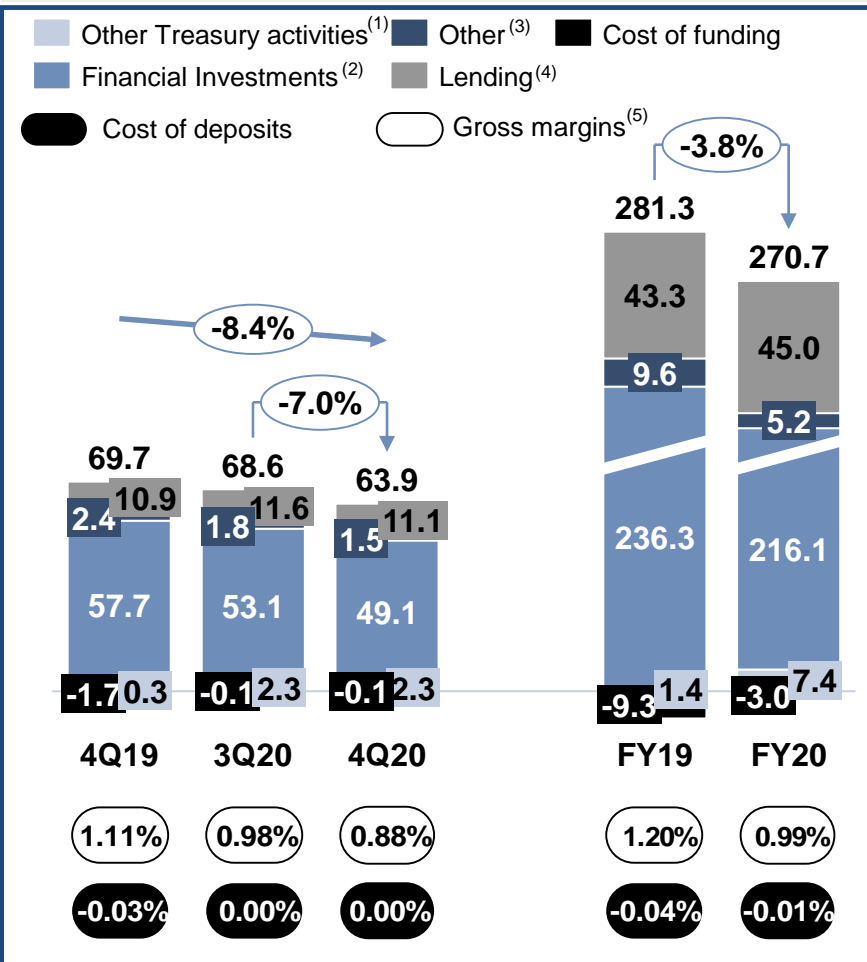
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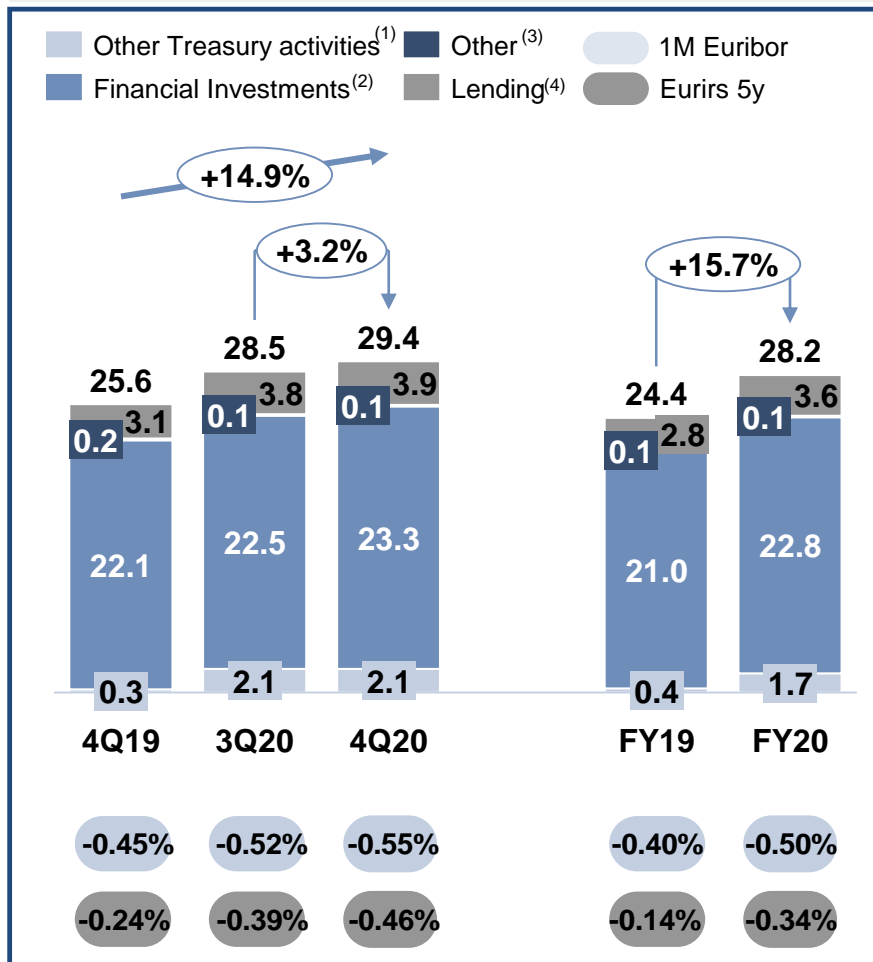
Net interest income

NII resilient thanks to a more dynamic treasury activity combined with high-quality lending. Impact from lower interest rate environment offset by the contribution from the initiative on smart repricing on current accounts. Sensitivity analysis +100bps / -100bps parallel shift: +128mN NII / -113mN NII

Net Interest Income, *mN*



Interest-earning assets, *avg bn*



⁽¹⁾ Other treasury activities include Security Lending (from Tiering) and yield enhancement strategies (unsecured lending and collateral switch)

⁽²⁾ Financial investments include interest income coming from the reinvestments of deposits in: Government bonds, UC bonds, Covered bonds, Supranational and Agencies and other financial investments (repos and immediate available liquidity)

⁽³⁾ Other net interest income includes Leverage and other (mainly marketing costs). Other interest-earning assets include Leverage. See page 49 for details

⁽⁴⁾ Lending: only interest income

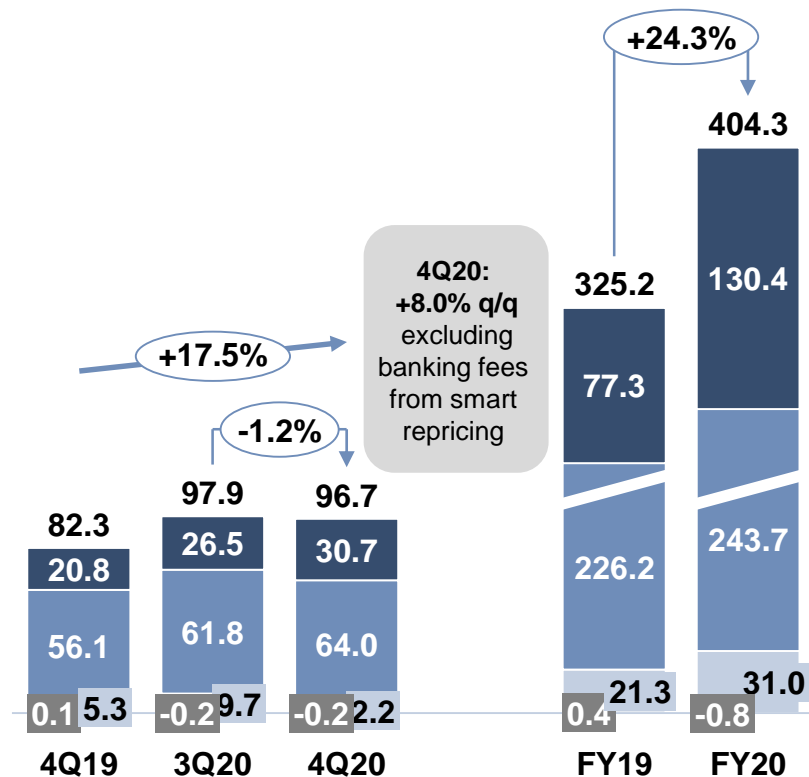
⁽⁵⁾ Gross margins: interest income related to financial investments, lending, leverage, security lending, other trading activities on interest-earning assets

Non Interest Income

Fees and commissions +24% y/y thanks to the positive contribution by all business areas and Trading Income +104% y/y thanks to structurally higher Brokerage

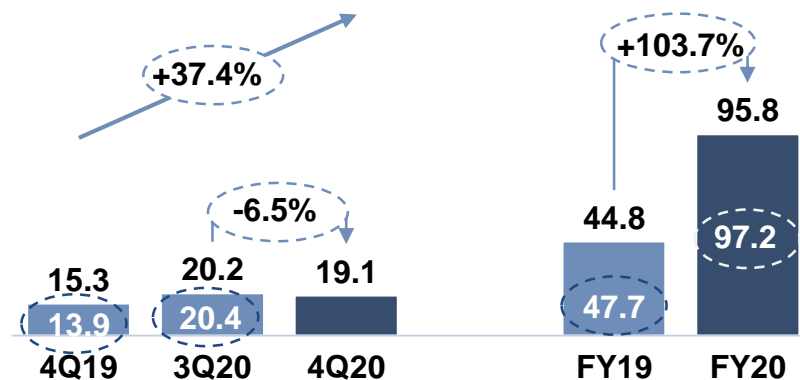
Fees and Commissions, mln

■ Brokerage ■ Investing ■ Banking ■ Other

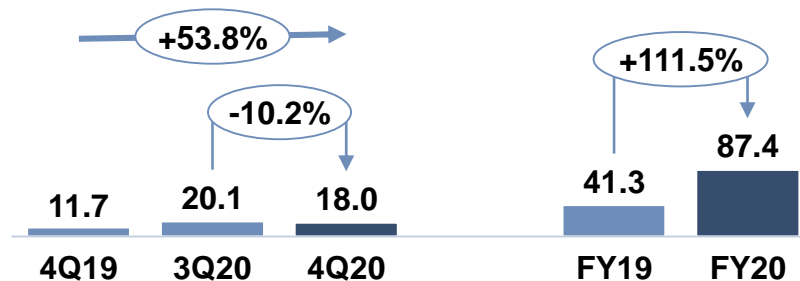


Trading Income, mln

mln ○ excluding non recurring items ⁽¹⁾



o/w Trading Income from Brokerage



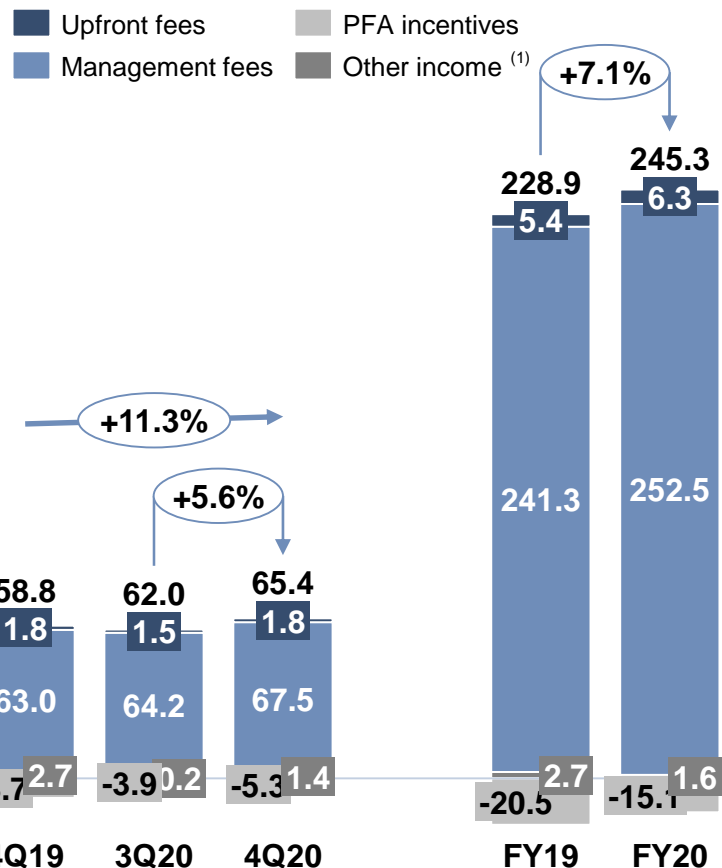
⁽¹⁾ Adj. Trading Income excluding non recurring items: Voluntary Scheme (1Q20: -1.2mln gross; 3Q20: -0.2mln gross; 1Q19: -0.4mln gross; 2Q19: -4.3mln gross; 3Q19: 0.4mln gross; 4Q19: 1.4 mln gross)

Please note that 4Q20 is impacted by the refund of banking fees (already provisioned in the previous quarters) to a cluster of clients, following the request by A.G.C.M to delay to the end of the year the application of the repricing for 2020 to a cluster of clients acquired in the past through an online commercial initiative.

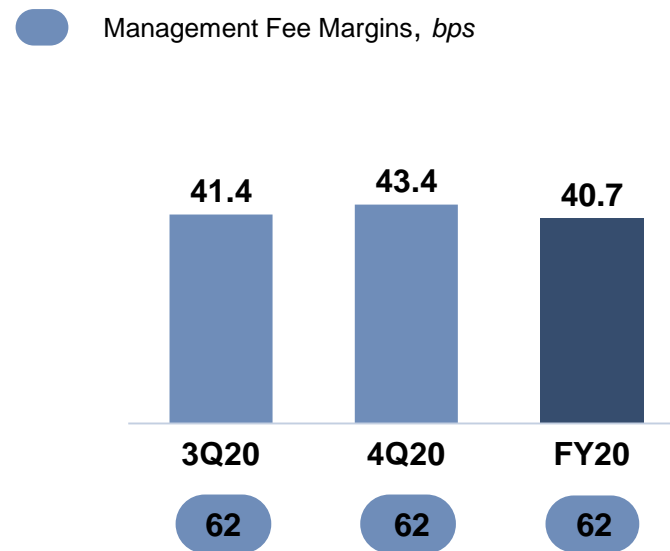
Focus on Investing

2020 increasing y/y thanks to volume effect and strong AUM net sales. Margins stable, thanks to the operational efficiency given by Fineco Asset Management

Investing Revenues, *mln*



Average AuM on daily basis, *bn*



Management fees:
 FY20: +4.6% y/y
 4Q20: +5.2% q/q, +7.3% y/y
 mainly driven by higher volumes

⁽¹⁾ Other Income includes revenues coming from FAM costs efficiencies achieved during the year related to fund restructuring

Cost efficiency and operating leverage confirmed in our DNA.

Non HR costs flattish, excluding marketing expenses to catch the positive momentum for growth. 4Q20 characterized by usual seasonality

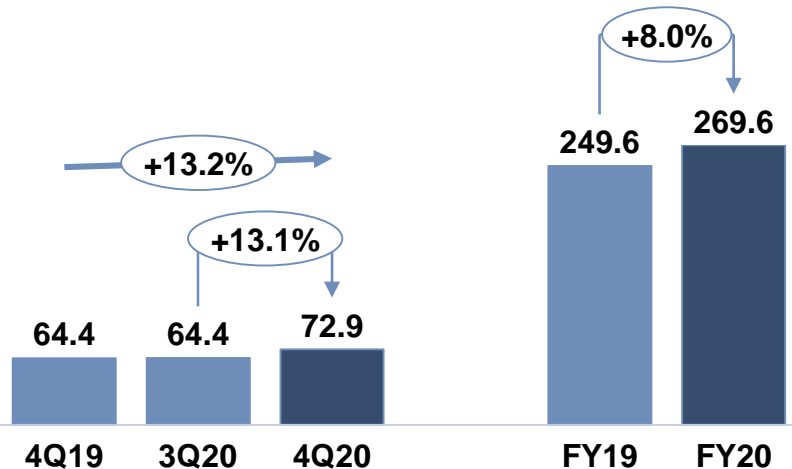
Operating Costs, *mln*

The higher concentration of costs in 4Q20 is related to the **usual seasonality**

Note:

- Considering the positive momentum for growth, we decided to spend additional marketing expenses in Italy for -1.3mln in 4Q20
- Given the December lock-down, we faced additional one-off staff expenses for -0.5mln in 4Q20 due to cancelled annual leaves
- FY20 UK marketing costs: -7.2mln

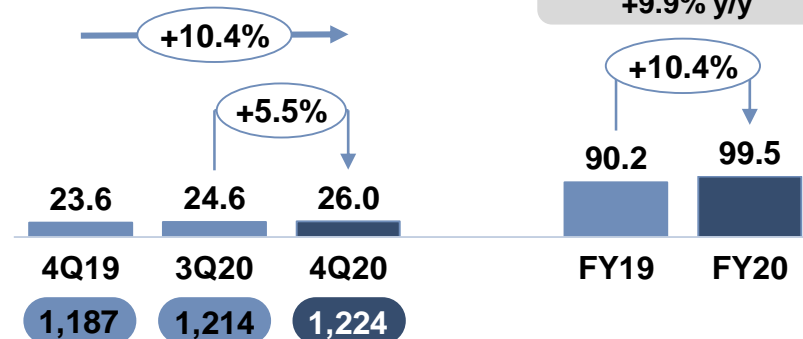
Net of this items, FY20⁽¹⁾: 260.6mln, +4.4% y/y



Staff expenses and FTE, *mln*

FTE #

**FY20⁽¹⁾: 99.0 mln
+9.9% y/y**

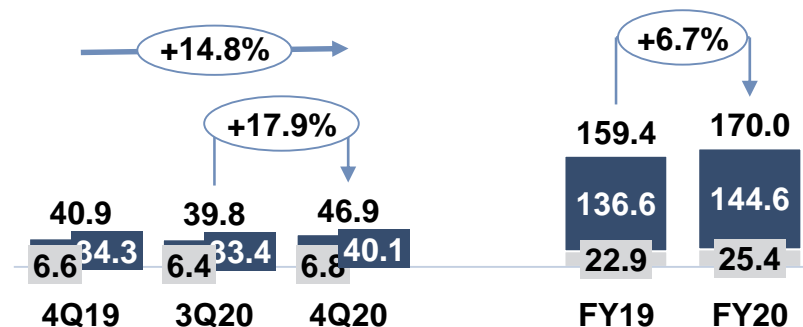


Non HR Costs, *mln*

OAE

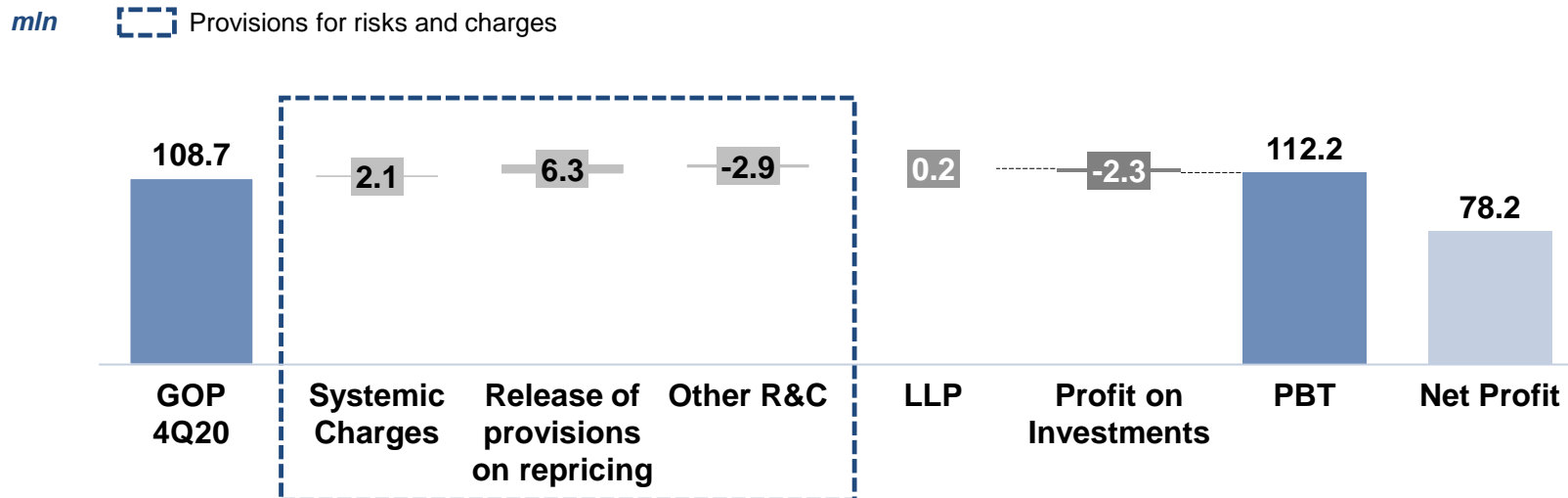
Write-downs/backlogs & depreciation

**FY20⁽¹⁾: 161.5 mln
+1.3% y/y**



⁽¹⁾ Excluding FY20 marketing costs in UK (-7.2mln in NHR costs), additional marketing costs in Italy in 4Q20 to catch the positive momentum for growth (-1.3mln in NHR costs) and additional 4Q20 HR costs related to annual leaves cancelled during the December lock-down (-0.5mln in Staff expenses)

Focus on 4Q20 bottom line



Systemic charges:

Release of +2.1mln related to the contribution to DGS: final contribution was lower than estimated one thanks to a **lower than expected growth of deposits** compared to the system, given the **effectiveness of our initiatives to absorb clients' liquidity**

Provisions on repricing:

In 2Q20 we were suggested by the A.G.C.M⁽¹⁾ to delay to the end of the year the application of the repricing for 2020 to a cluster of clients acquired in the past through an online commercial initiative. Although we are **fully convinced that our decisions were correct**, we maintained a **prudential approach** under which we do not challenge regulators, therefore in 9M20 we accounted -6.3mln provisions related to banking fees paid by that cluster of clients from February until September 2020. In December 2020 we received the final communication by the Authority and we refunded the clients for the banking fees they paid in 2020 and released +6.3 mln provisions.

The **full effect of the repricing is now in place starting from Jan. 2021** on our whole customer base.

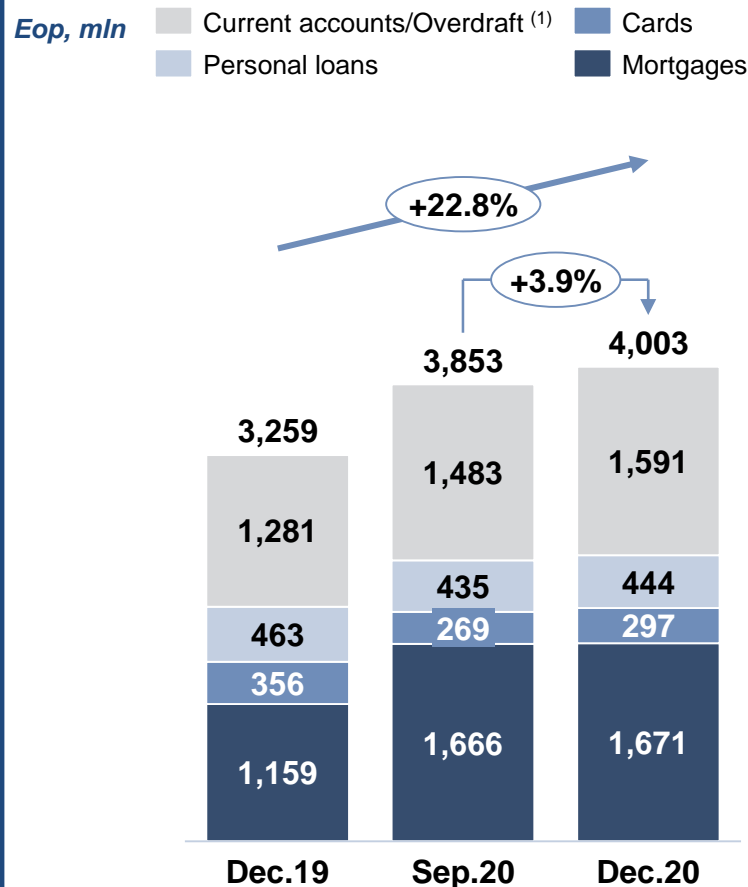
Profit on Investments:

-2.3mln due to the update of the macroeconomic scenario post-Covid19 under IFRS9 (*forward looking information*)

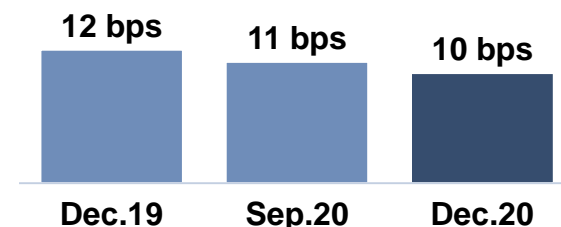
⁽¹⁾ Guarantor for Competition and Market Authority

High quality lending volume, 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
- **No change in our FY21 CoR expectations (10-15bps)** thanks to the high quality of our portfolio, even in a difficult context following Covid-19 outbreak
- Less than 300 mortgages moratories have been granted until now. **More details on the quality of our portfolio in the following slide**, with a deep dive on the main products offered

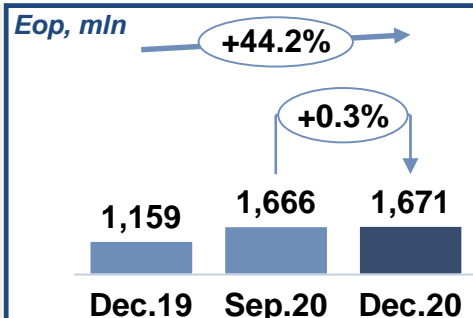
⁽¹⁾ Current accounts/overdraft Include Lombard loans

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

Lending: solid growth for all our lending products thanks to the quality of our portfolio and to our cautious approach

2021 Guidance

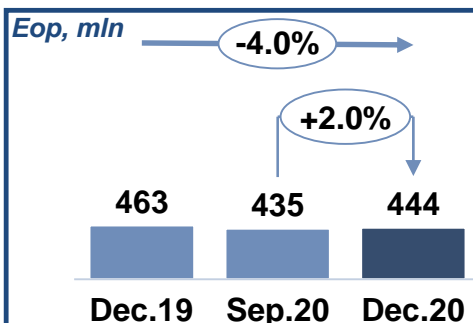
Mortgages



- **17,860 mortgages** granted since December 2016
- Average customer rate: **153bps**. **FY20 Yield⁽¹⁾ at 57 bps**
- Average Loan to Value **~49%**, average maturity **18 yrs**
- **Low expected credit loss** (~19 bps). Only 3 clients accounted in NPL after 48 months from the launch

- yearly new production: **~ 700-800 mln**
- Expected yield:⁽³⁾ **~ 45-55 bps**

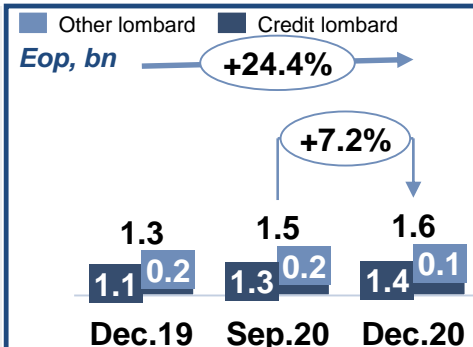
Personal Loans



- Average ticket €9,300 and average maturity 4.7 years
- **FY20 Yield at 388bps**
- **Efficient and real time process**, instant approval platform for eligible clients' requests thanks to a deep knowledge of clients.
- **Low expected credit loss** (~62 bps)

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

Lombard Loans



o/w Credit Lombard⁽²⁾:

- **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:⁽²⁾

- Expected growth: **~ 350-400 mln** per year
- Expected yield:⁽³⁾ **~ 70-80 bps**

⁽¹⁾ Yield on mortgages net of amortized and hedging costs

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

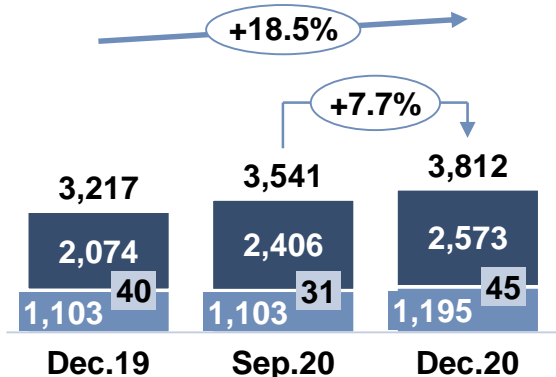
⁽³⁾ Expected yield are referred to the stock

Capital Ratios:

Best in class capital position and low risk balance sheet

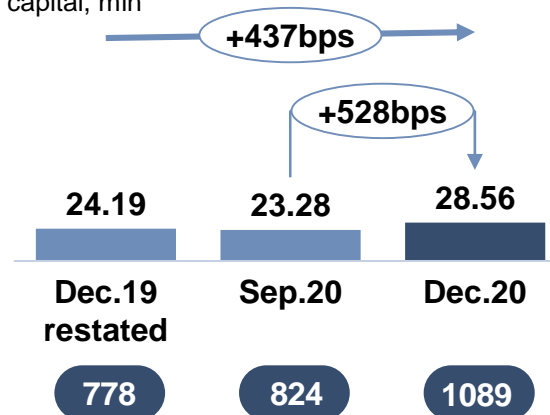
RWA¹, mln

■ Credit ■ Market ■ Operational

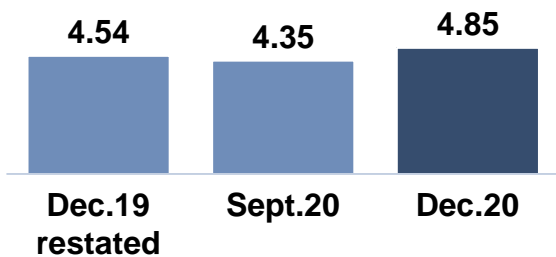


CET1 Ratio, %

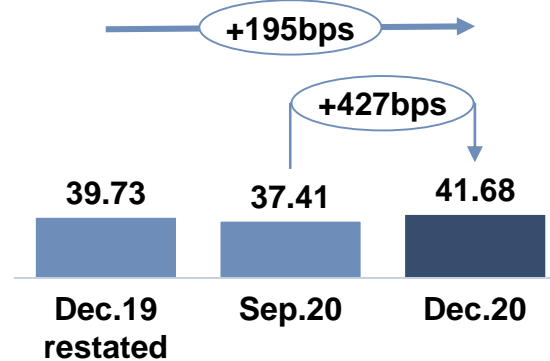
● CET1 capital, mln



Leverage Ratio, %



Total Capital Ratio, %



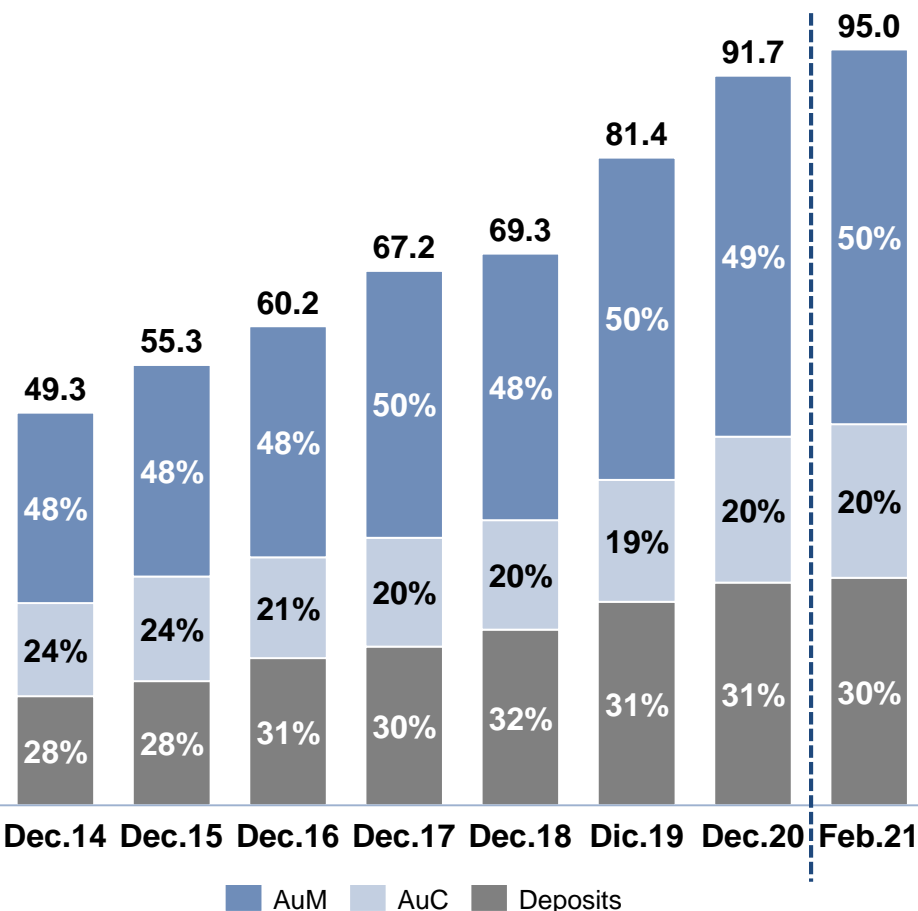
⁽¹⁾ Starting from 31 December 2019, FinecoBank applied the Standardised Method for determining the regulatory requirement related to operational risk, replacing the Advanced Measurement Method ("AMA") adopted previously.

Dec.19 restated does not include 2019 dividend payment of 32.0 €/cents

TFA breakdown

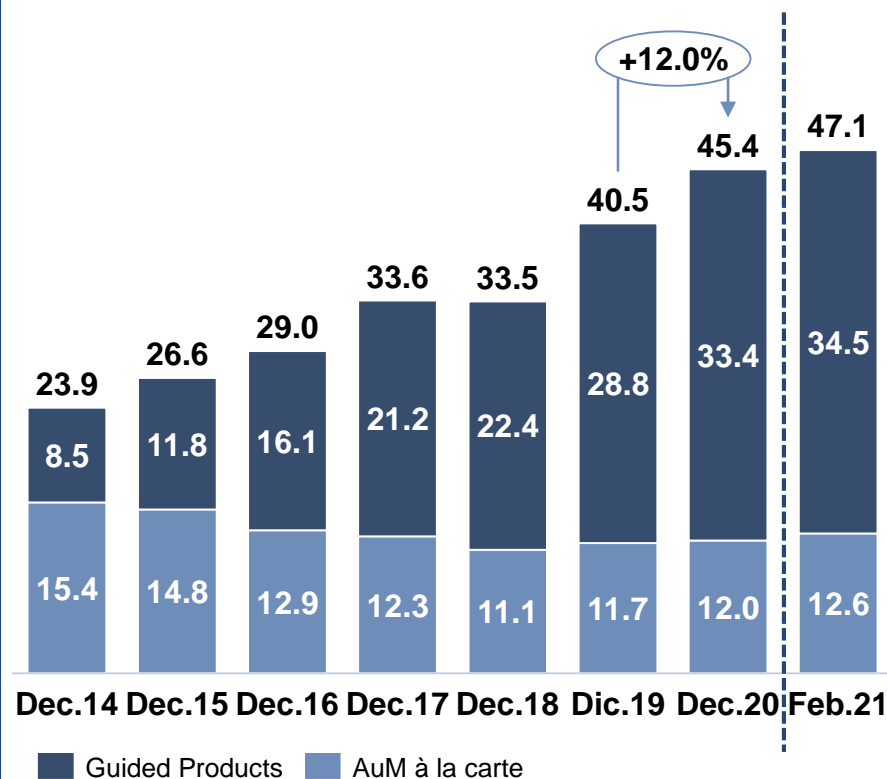
Successful shift towards high added value products thanks to strong productivity of the network

Breakdown of total TFA, bn



Focus on AUM, bn

+21.5bn AUM since the end of 2014, o/w:
Guided Products & Services +24.9bn
 AuM à la carte -3.4bn



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

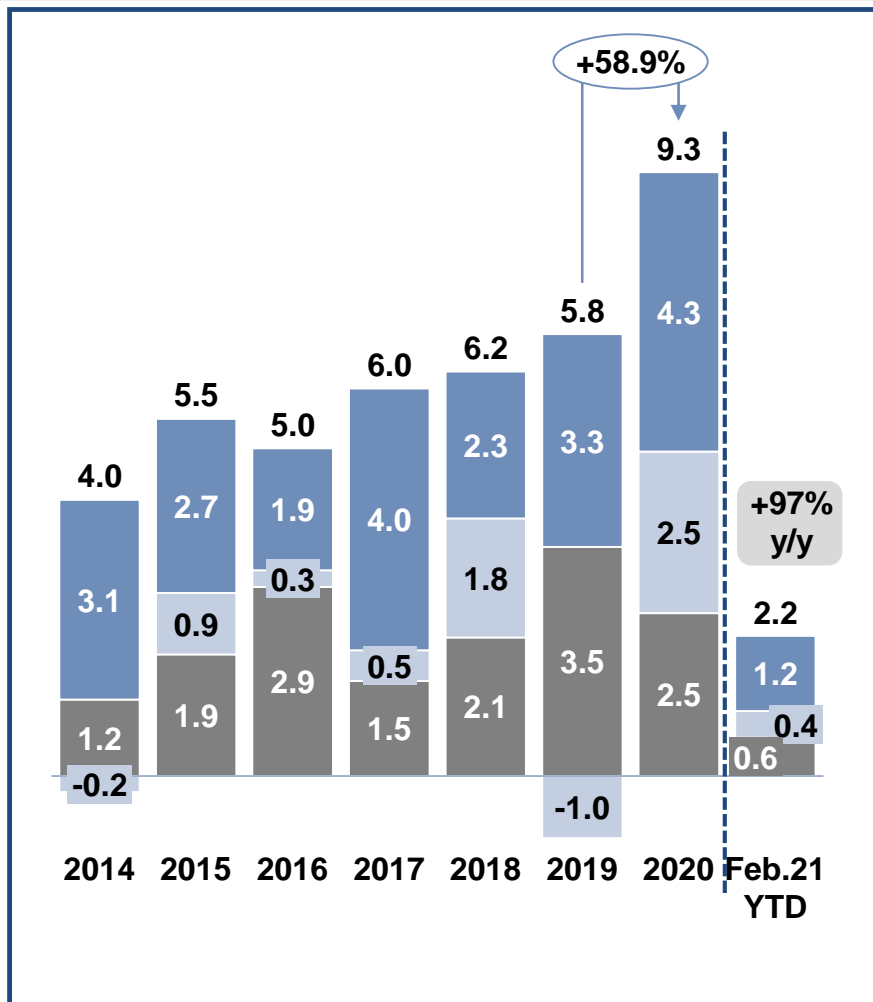


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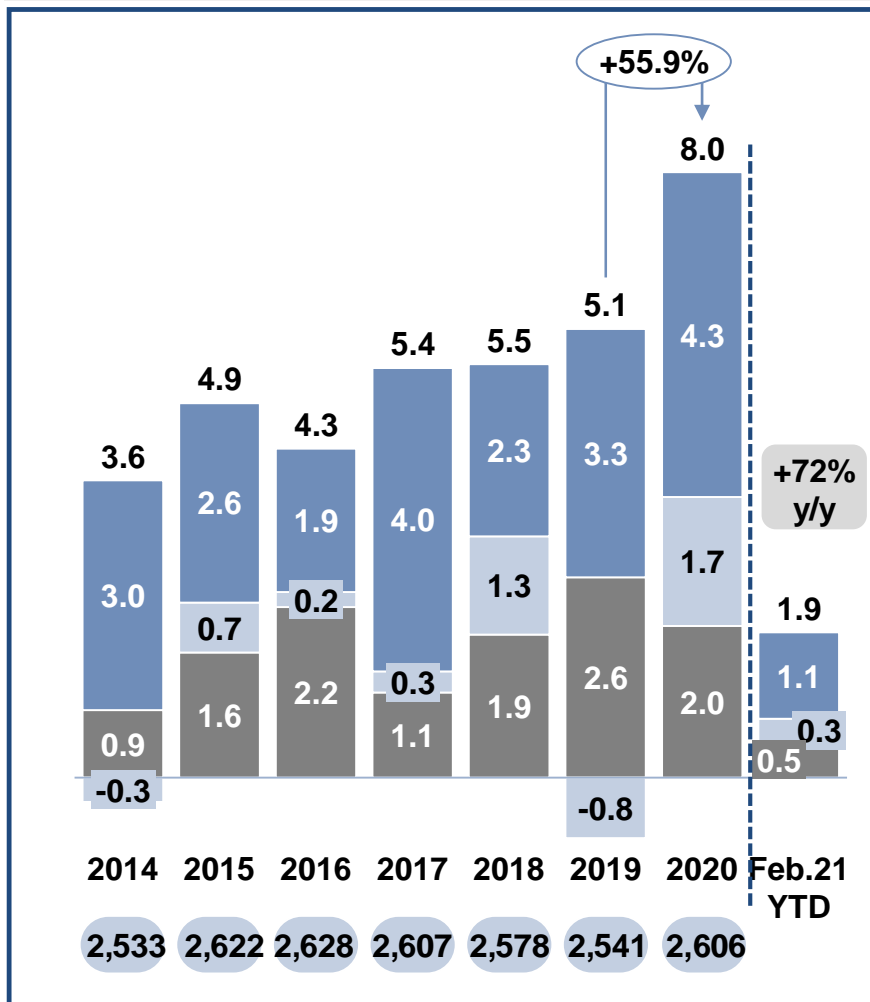
Net sales breakdown

Solid high quality net sales growth on the wave of structural trends thanks to our diversified business model and with an improving mix

Breakdown of total Net Sales, bn



PFA Network – total Net Sales, bn



AuM AuC Deposits

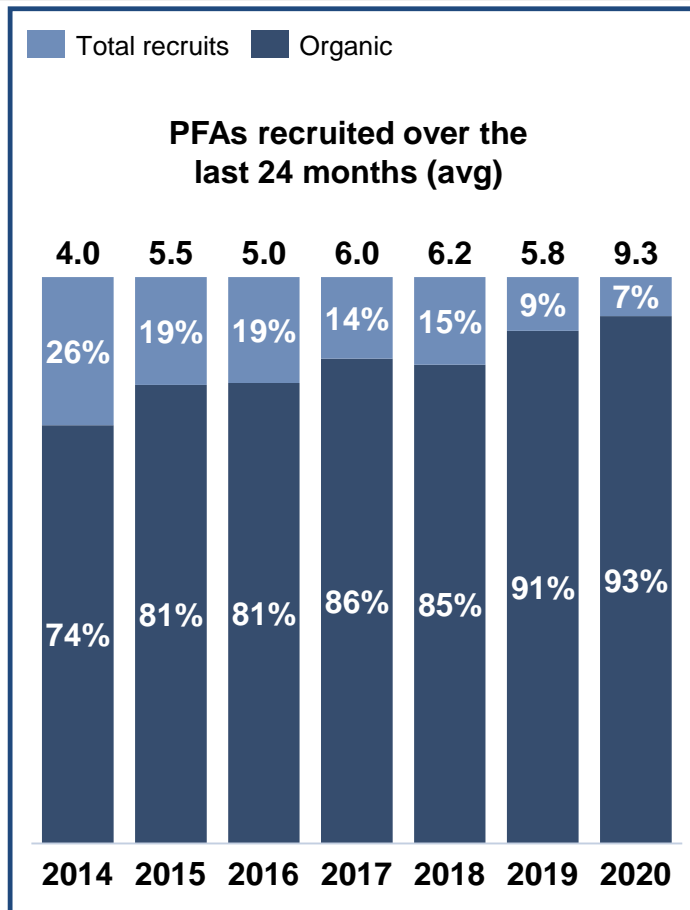
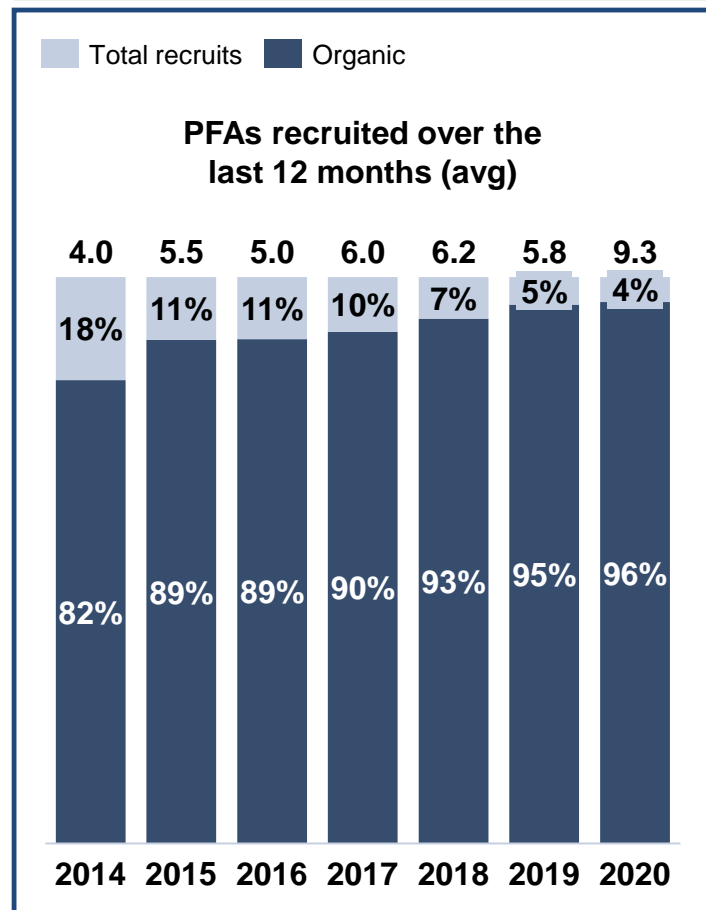
PFA Network - headcount



Organic growth

Net sales organically generated confirmed as key in our strategy of growth

Net Sales, bn – Organic / Recruit, %



Recruitment costs
(to be amortized)
stock 27.6mln
as of Dec. '20

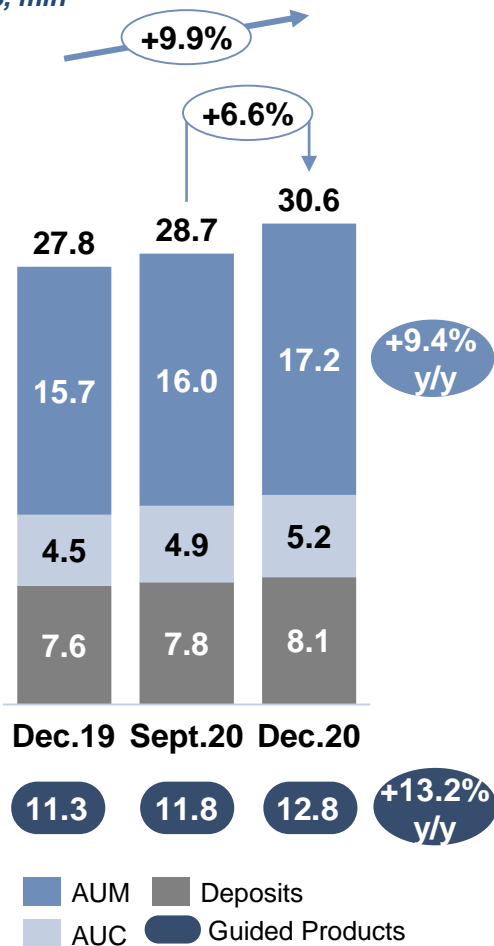
125 118 85 98 70 58 74

of PFAs recruited in the period

Continuously increase of quality and productivity of the network

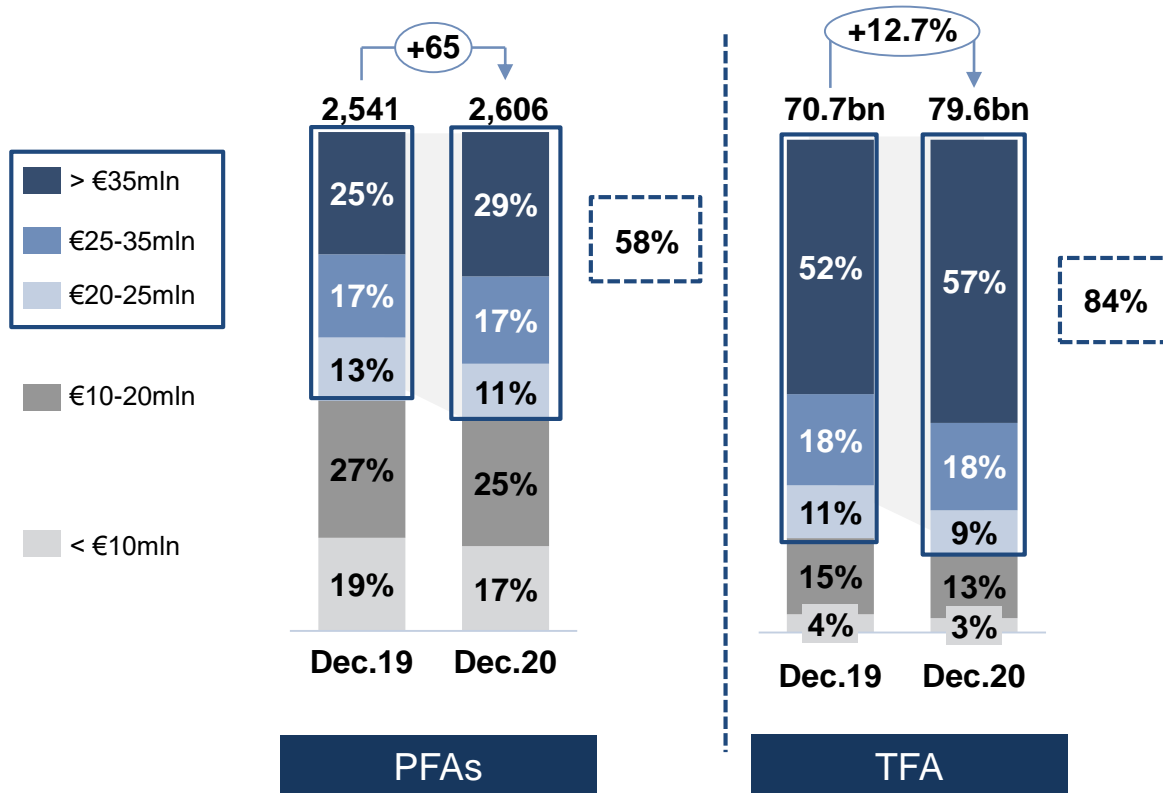
Total Assets per PFA

Eop, mln



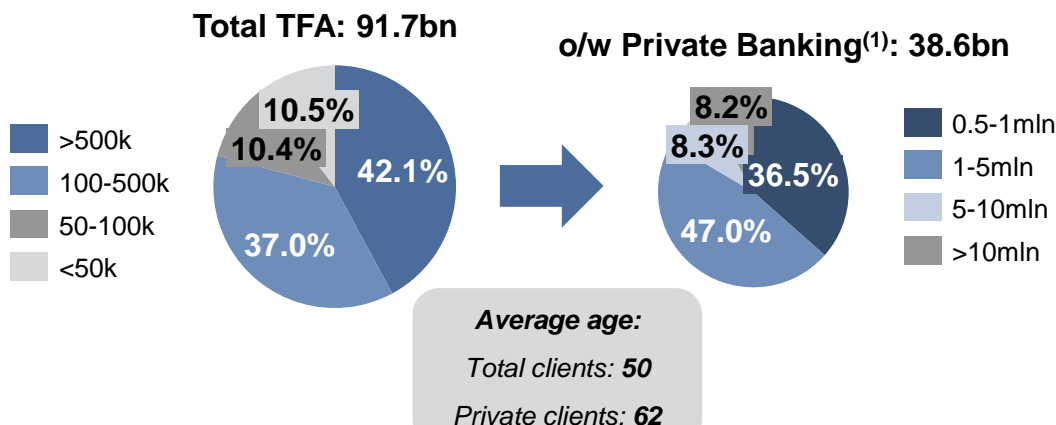
TFA concentration per PFA

PFAs with TFA >20mln are 58% (+7% y/y)
and hold 84% of TFA (+4% y/y)

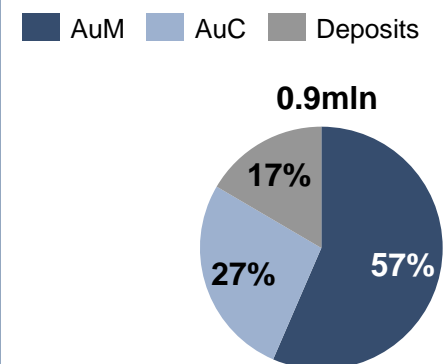


Clients' profile and focus on Private Banking

Total Financial Assets per client



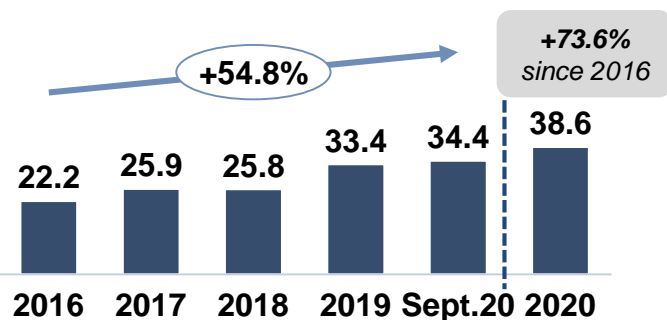
Avg TFA per Private client ⁽¹⁾



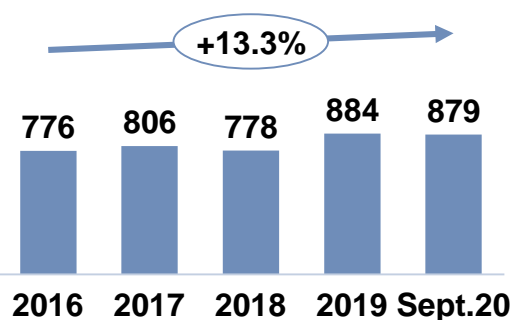
Outperforming the system in Private Banking growth

€ bn, TFA

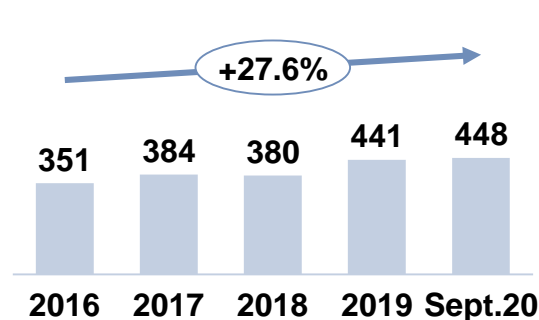
FinecoBank



AIPB ⁽²⁾



AIPB "Modelli Misti" ⁽³⁾



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

⁽²⁾ AIPB (Associazione Italiana Private Banking) figures as of 9M20

⁽³⁾ "Modelli Misti" include the following players: Allianz Financial Advisors, Banca Euromobiliare, Banca Generali PB, Banca Mediolanum, Banca Patrimoni Sella, Widiba, CheBanca!, Deutsche Bank, Fideuram ISPB, Fineco

Agenda

- Fineco Results

- **Next steps**

- Fineco UK

- Key messages

- Focus on product areas

Current environment is creating the conditions to further enlarge 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**
- ✓ **Structurally higher Brokerage**
- ✓ Acceleration in **high-end clients' acquisition**
- ✓ **Decreasing Cost/Income**

2021 Guidance

Given current outlook⁽¹⁾, our assumptions for **2021** are:

- **Net interest income:** confirmed resilient and low risk. We are containing the effect of the worsening interest rates environment thanks to the smooth run-off of our bond portfolio, and lending book, benefit from ECB's tiering and TLTRO, enlargement of the scope of our investments to non-EU govies with no change in our investment policy nor increase in our risk profile, benefit from yield enhancement strategies and from our new activity on Tax Credit towards the State. We are also expecting an additional contribution from the new initiatives we are undertaking (see slide 22)
- **Investing:** we expect revenues increasing high-teens vs 2020 with resilient margins
- **Brokerage:** countercyclical business, it is expected to remain strong with a floor definitely higher than in the past
- **Banking:** banking fees from 2020 related to smart repricing expected to be ~20-22mln in 2021; we are also expecting additional fees from the new pricing on new current accounts (see slide 22)
- **Operating Costs:** expected to grow in a range between 4.5%-5% mainly due to the increase in the workforce given the acceleration in our growth we are experiencing in the latest months
- **CET1:** floor at 17%
- **Leverage Ratio:** very well under control and above 3.5%
- **Cost of Risk:** confirmed in the range between 10 and 15 basis points thanks to the quality of our portfolio
- **Net sales:** robust, high quality net sales with a lower deposits component thanks to the new initiatives we are undertaking (see slide 22)

⁽¹⁾ Forward rate curve as of February 4th, 2021

Our main priority: focus on quality growth, more selective on clients' liquidity

New initiatives to take advantage from the acceleration of flight-to-quality

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 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⁽¹⁾ with the possibility of a full bonus on the fee according to their activity with the Bank. New termination clause on new current accounts that are used only to park liquidity
- **Actions to transform current accounts “full-liquidity”** that have been **inactive** for an extended period of time: we will increase our efforts to reduce liquidity also leveraging on our Big Data Analytics

4 LAUNCH OF 2 NEW PLATFORMS leveraging on our Fintech DNA:

- **Multi-brand platform to distribute third-parties savings accounts**, matching the demand and the supply available on the market to **lower the amount of clients' liquidity** with us and generate **revenues without increasing the Balance Sheet**
- **Platform to manage tax credits** (Ecobonus / Superbonus): we are using **our liquidity position to buy tax credit towards the State**. This way, **we are sustaining the NII with an interesting yield and with no use of capital** (Ecobonus / Superbonus)

This will result in a lower Balance Sheet growth and better quality revenues mix

Banking: actively managing liquidity thanks to our FinTech DNA

Further combining Treasury and Business to boost our growth

FEATURES

High quality balance sheet

- ✓ **SAFE, ROBUST, LOW RISK AND HIGHLY LIQUID**

No change in our low-risk strategy

- ✓ **DIVERSIFIED AND LOW RISK INVESTMENT PORTFOLIO:** run-off of UniCredit bonds invested in a blend of diversified govies, covered bonds, supranational and agencies
- ✓ **AVG MATURITY UNCHANGED** at ~5 years
- ✓ **EXPOSURE TO ITALY UNCHANGED** at ~ 5-5.5bn ⁽¹⁾
- ✓ **~100% OF OUR FINANCIAL INVESTMENTS IN HTC:** no impact in our P&L and BS by the widening of spreads
- ✓ **LOW COST OF RISK ON COMMERCIAL LOANS** thanks to the quality of our portfolio: **10bps as of Dec. 2020** (guidance for 2021: 10-15bps). **Avg LTV on mortgages: ~49%.**

FinTech DNA

- ✓ **OWNERSHIP AND CONTROL** of critical infrastructure
- ✓ **INNOVATION** fully IN-HOUSE
- ✓ **INTERNAL IT CULTURE** resulting in unmatched user experience
- ✓ **HIGH CUSTOMER SATISFACTION**

INDUSTRIAL ACTIONS



MORE DYNAMIC TREASURY MANAGEMENT:

- ✓ **yield enhancement strategies** (unsecured lending, collateral switch)
- ✓ full **ADVANTAGE OF ECB's TIERING AND TLTRO**
- ✓ **ENLARGING THE SCOPE OF OUR INVESTMENTS** to investment grade non-EU govies and financial corp. senior bonds



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



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 intervention on their houses (i.e. increasing energy efficiency of buildings, reducing seismic risk, etc.)



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



BANKING FEES: 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



Actions to TRANSFORM inactive CURRENT ACCOUNTS "FULL LIQUIDITY"

FINECO

B A N K

Investing going forward

Investing revenues expected to keep on growing mainly driven by volumes effect and resilient margins, sustained by further boost in FAM operational efficiency

We expect **increasing revenues** with **resilient margins**, despite clients remaining cautious and conservative, thanks to:

STRONG VOLUME EFFECT

- **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**
- **Increasing PFAs productivity** thanks to our cyborg-advisory approach

FAM OPERATIONAL EFFICIENCY

- **FAM is core for extracting additional operational efficiency** (on fund administration costs, custodian, etc)
- **FAM margins contribution expected to grow in a geometrical way** with the increase of FAM volumes as **institutional products** can be used as underlying of Investing solutions
- **New FAM product range based on advisory service by third parties**: this will give FAM even more flexibility and will make the value chain even more efficient

Investing: FAM growth potential

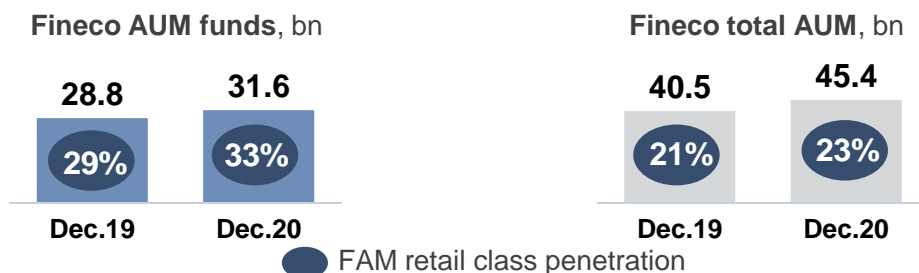
Key to sustain AUM margins thanks to its strong operating leverage

FAM growth potential and new opportunities

- ✓ Strong room to increase FAM's penetration on Fineco's funds stock:

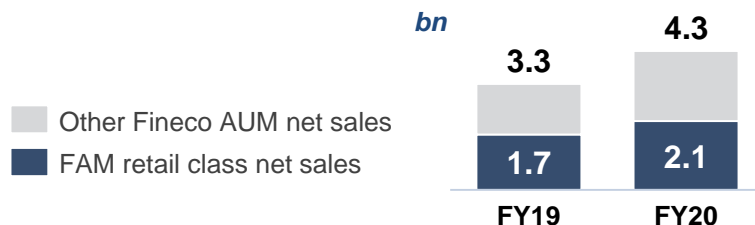
- **FAM strongly positioned in terms of RISK MANAGEMENT** thanks to the daily look-through: **we expect a solid acceleration towards FAM products under the 2021 PFAs incentive scheme**

FAM retail class penetration on:



FAM contribution to Fineco AUM net sales

- ✓ **FAM is strongly and consistently contributing to Fineco's AuM net sales in every market conditions** thanks to its ability to create modern and innovative multimanager solutions



FAM 2021 priorities

- ✓ In 2021 FAM will focus on further widening its product offer by adding **new solutions focused on equity and sustainability**



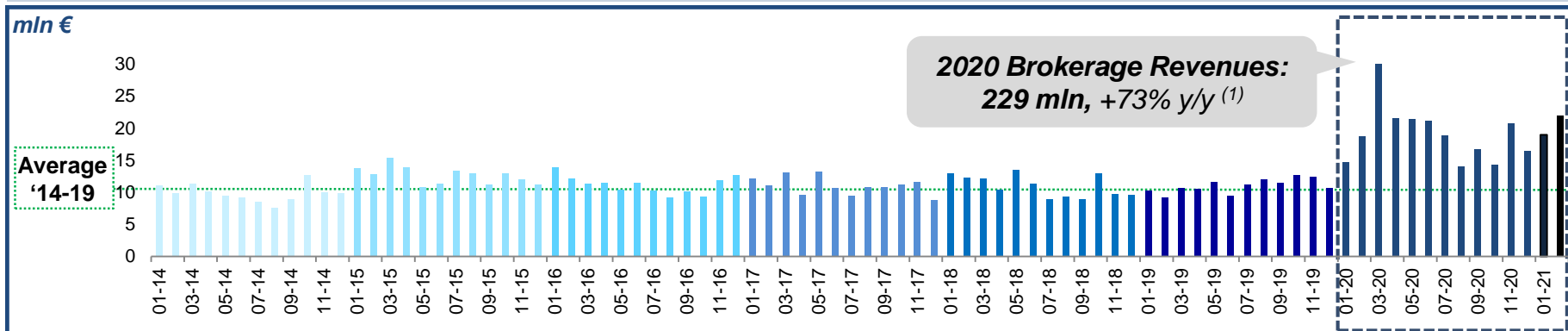
- ✓ FAM is adding a **new product range based on an advisory service by third parties. FAM will be even more flexible, with a more efficient value chain and a further alignment with clients and investors' interests**

Brokerage proved itself as a perfect counter-cyclical business

BROKERAGE

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



Continuous reshape of brokerage offer. Next step: certificates

- ✓ Thanks to our multicurrency platform, foreign markets overcame the Italian one in terms of executed orders: **to fully catch the opportunities from this trend, we are now live with a new US options platform.** Other recent releases: optimization of our systematic internalizer, Multicurrency available 24/7, wider currencies basket, repricing of futures, wider OTC product offer

COMING SOON:

- ✓ **Leveraged certificates** (see slide 27 for more details)
- ✓ **Continuous revamp of our option offer** (repricing of derivatives offer), **Asian markets**, **CFD on cryptocurrencies**, new release and re-design of active traders' platform (PowerDesk)

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 51 year old, avg TFA > € 200k, mostly linked to a PFA who manages his wealth
- **Increasing market share** in Italy on equity traded volumes at 27.8% in 2020 (+0.8 p.p. y/y) (Assosim)
- See slide 28 for more details

⁽¹⁾ Estimated Brokerage revenues in January and February 2021 are equal to 42mln (+24% y/y)

FINECO

B A N K

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

In 1H21 we will launch our offer and become 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⁽¹⁾ volumes and 100 mln revenues⁽²⁾. **We are also targeting flows on leveraged ETFs and covered warrants**

Step 1: launch of first certificates on FTSE MIB, DAX and US indexes

Hi-MTF

The Board of Directors approved the binding offer for the acquisition of a 20% stake (cost around 1.25mln).

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

⁽¹⁾ ACEPI (Italian Association of Certificates and Investment Products)

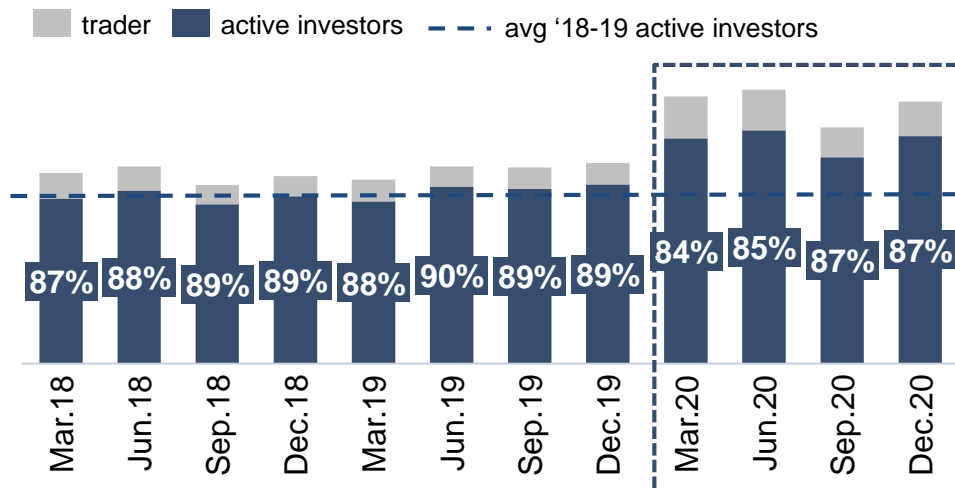
⁽²⁾ Internal estimates

Brokerage: enlargement of client base and increased market share

BROKERAGE

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

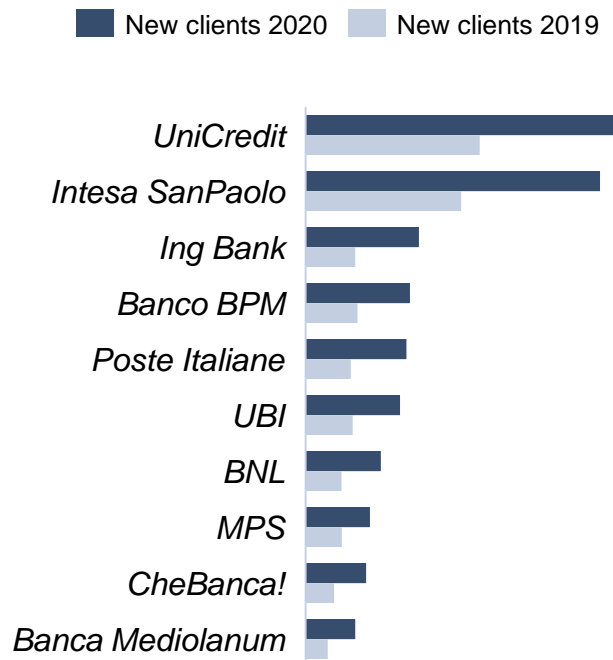
Brokerage clients evolution



ACTIVE INVESTORS PROFILE:

- Avg **executed orders** per month: 4
- Avg age: **51 years old**
- Mostly **linked to a PFA to manage their savings**
- Avg TFA: **> €200k**

New brokerage clients from Top 10 banks of origin



Agenda

- Fineco Results

- Next steps

- Fineco UK**

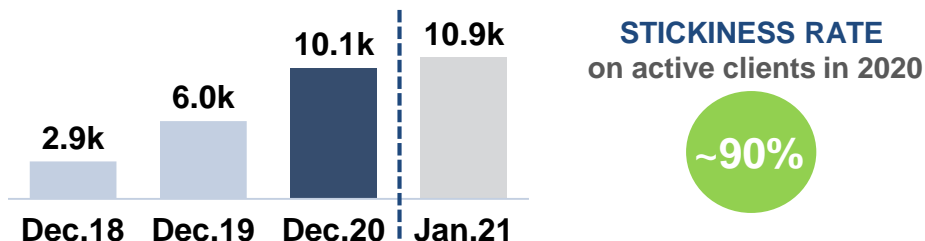
- Key messages

- Focus on product areas

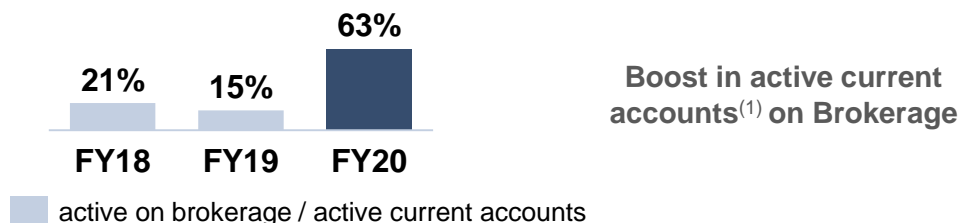
Fineco UK: our quality one-stop-solution proves to work

More effective in our customer acquisition, focusing on the quality of our UK clients

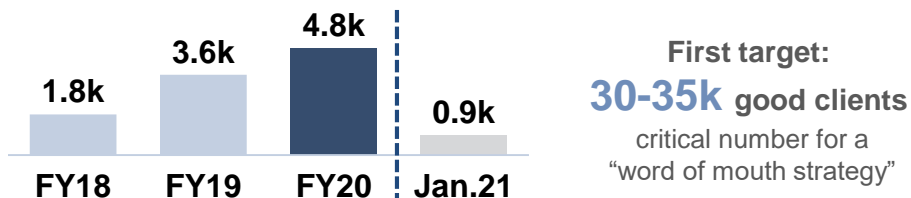
Total current accounts keep strong pace of growth



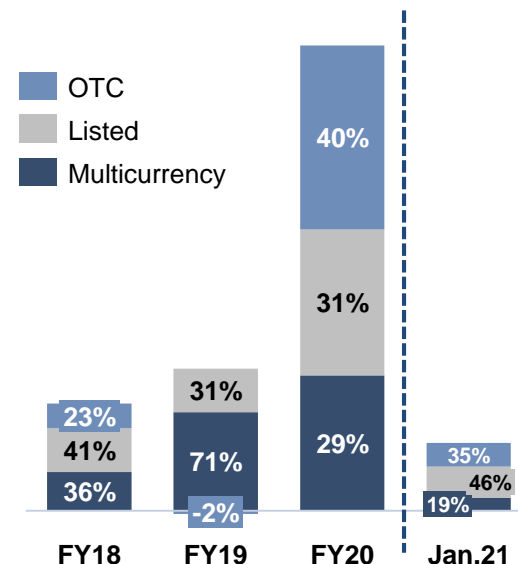
Targeting quality clients with the right offer...



...and accelerating new current accounts



Improved revenues mix: Operating breakeven⁽²⁾ within 1Q21



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

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



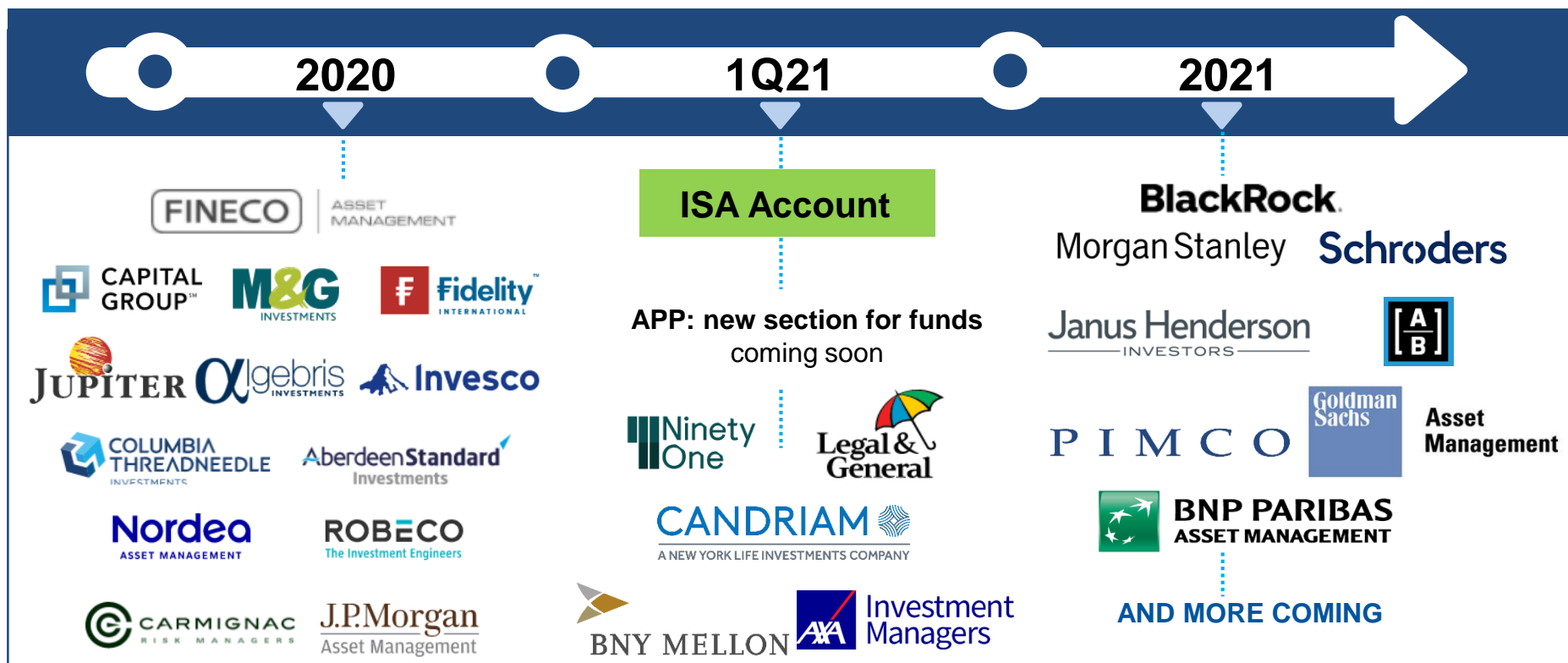
⁽¹⁾ Active current accounts have done at least one operation among Listed or OTC services.

⁽²⁾ Profitable excluding marketing expenses

Source: internal elaboration GB Department

Getting closer to launch the Investing offer

- Further enlargement of our fund offer
- **ISA are now live in “Family&Friends”** with >200 early access requests in a two weeks time of coming soon campaign
- New section for funds in our APP



Agenda

- Fineco Results

- Next steps

- Fineco UK

- Key messages**

- Focus on product areas

Long term sustainability at the heart of Fineco's 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

Our corporate purpose: to offer clients a **quality and multichannel one-stop-solution** with a **fair pricing leveraging on our 3 pillars**



TRANSPARENCY

Fairness and respect for all our stakeholders

- ✓ **FAM as a champion of ESG: PERFORMANCE FEES FREE** trademark
- ✓ **FAIR PRICING**
- ✓ **LOW UPFRONT FEES** (only ~**3%** 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's 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 overall society

We have an ESG-friendly model by being sustainable since inception



✓ MARKET FRIENDLY CORPORATE GOVERNANCE:

- Up to 3 lists for Board renewal
- 10 independent Board members out of 11



2020 AGM, % of represented shares in favour:

- ✓ 86.2% for outgoing Board list proposal
- ✓ 97.5% for 2020 remuneration policy



✓ Ramping up the GOVERNANCE OF SUSTAINABILITY:

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



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



- ✓ Broad **ESG product offer**: both on **Investing** (i.e. ~57% of funds have ESG rating Morningstar) and **Lending** ("Green mortgages")



- ✓ 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)

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

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

ESG RATING



“A” confirmed in 2020:
Fineco **“leads peers in customer protection and governance efforts”**



ESG Risk Rating at 18.7
(*Low Risk*) far better than industry avg (30.3)



Upgraded to “EE+”
(*very strong*) in 2020

ESG INDEX



FTSE4Good

Fineco is a constituent company in the **FTSE4Good Index**, measuring the performance of companies with strong ESG practices



In 2021 Fineco has been included in the index, which **tracks the performance of public companies committed to transparency in gender-data reporting**



B A N K

Fineco as a profitable Fintech Bank

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



A PROPRIETARY, INTEGRATED BACK-END

Senior management experienced in IT

No external consultants nor system integrator

18% FTEs in IT Department

24% FTEs in Back-Office

OUR INTERNAL IT KNOW-HOW

A STRATEGIC CHOICE

resulting in unmatched
user experience for
both our clients and
PFAs

FOCUS ON IT OPERATIONS

- ✓ Extreme **process automation**
- ✓ Critical processes always **in-house**
- ✓ **Time to market** and **cost reduction**
- ✓ Continuous innovation fully **in-house developed**

FULLY INTEGRATED BUSINESS STRUCTURE

- ✓ **Core system** internally managed
- ✓ **Internal DWH** to exploit our **Big Data Analytics**
- ✓ **CRM** dedicated team for **all clients needs**

IT SECURITY

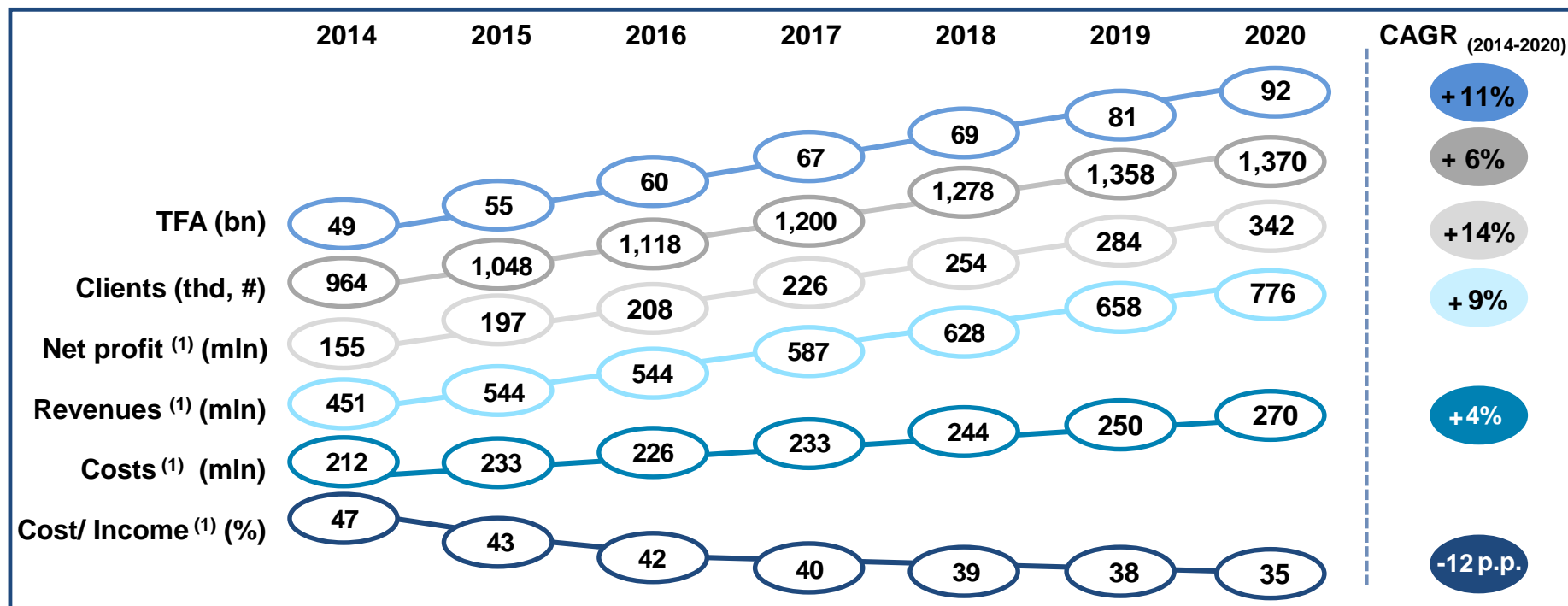
- ✓ Governance, implementation and operations for **cybersecurity & anti-fraud** internally managed
- ✓ **Ownership and control of critical infrastructure**, relying on cloud for massive, scale-out workload needs only



A SINGLE DATABASE POWERING A STRONG DATA MANAGEMENT

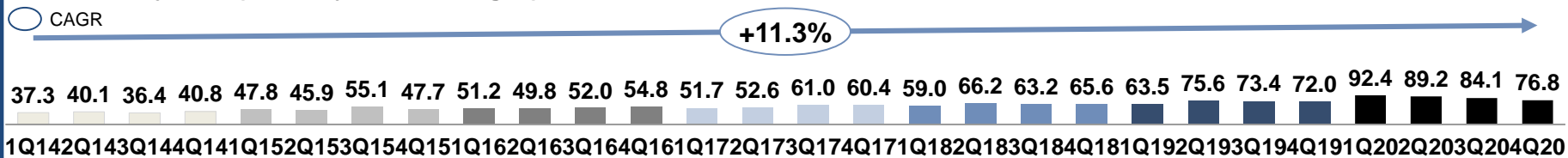
Healthy and sustainable growth with a long term horizon

Highly scalable operating platform...



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

Net Profit adjusted (net of systemic charges) ⁽¹⁾, mln



⁽¹⁾ 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)

FINECO

B A N K

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
- **99.6% not exposed to volatility:** HTC classification since November 2016

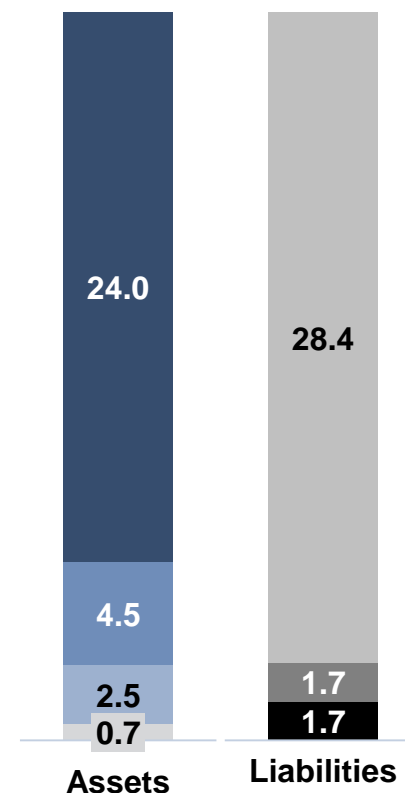
High-quality lending growth

- Lending offered exclusively to our **well-known base of clients**
- **Low-risk:** CoR at 10bps, cautious approach on mortgages (LTV ~49%, avg maturity 18 yrs)
- **Strong competitive advantage leveraging on Big Data Analytics and continuous innovation** (i.e. look-through implementation with significant benefits on CET1 ratio)

Rock - solid capital position

CET1	28.6%	LCR	>900%	NSFR	308.5%
TCR	41.7%	LEVERAGE RATIO	4.85%		

31.8 bn

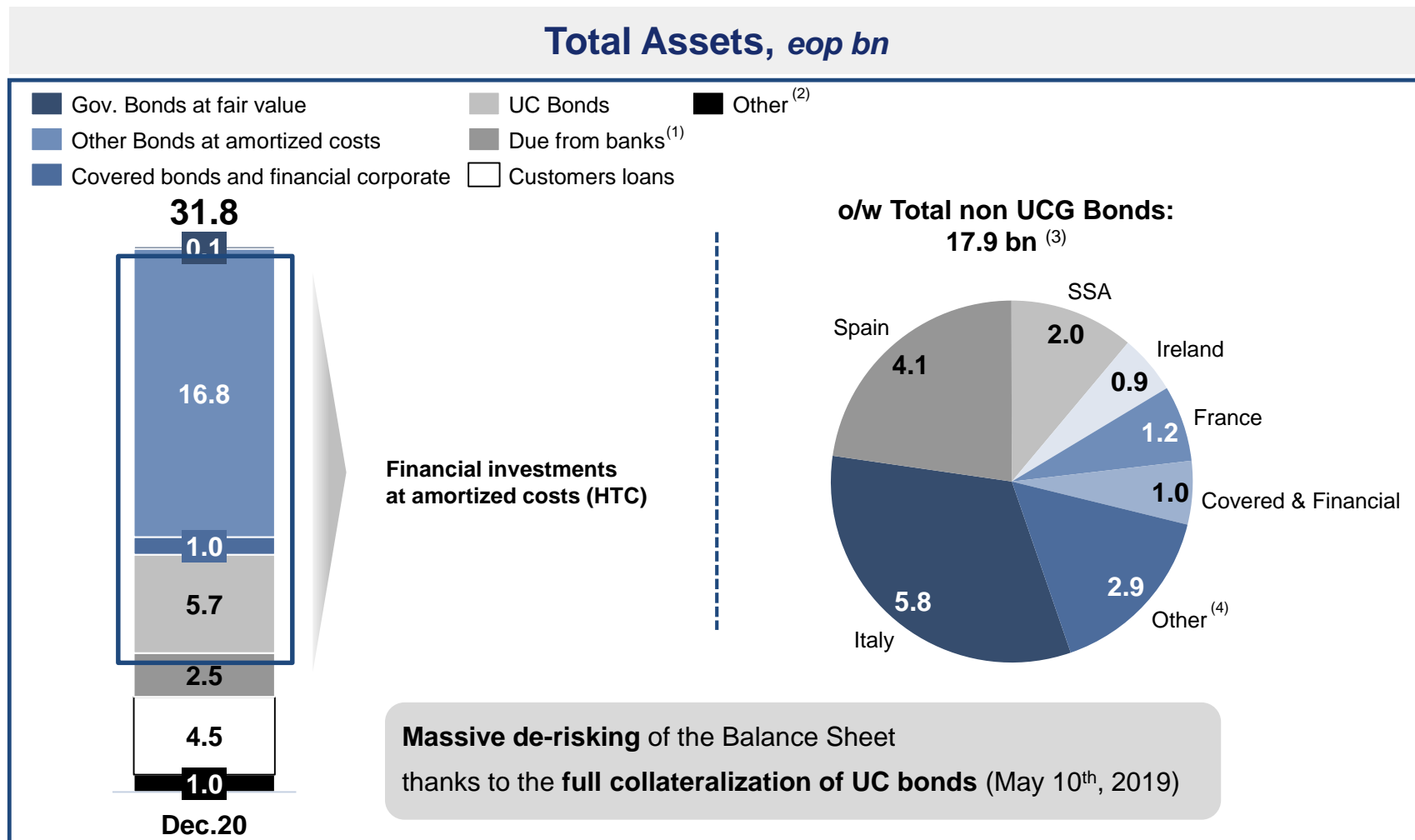


Financial Assets	Customer deposits
Customer loans	Other liabilities
Due from Banks ⁽¹⁾	Equity
Other	

⁽¹⁾ Due from banks includes 1.8bn cash deposited at Bank of Italy as of Dec. 2020

Total assets: 99.6% not exposed to volatility in the Balance Sheet

Out of 31.8bn, only 0.14bn of Assets valued at fair value with very limited impacts on Equity reserve



⁽¹⁾ Due from banks includes 1.8bn cash deposited at Bank of Italy as of Dec.20

⁽²⁾ Other refers to tangible and intangible assets, derivatives and other assets

⁽³⁾ 17.9bn equal to 17.0bn nominal value, o/w Italy 5.4bn nominal value

⁽⁴⁾ Other : US, Austria, Belgium, Germany, Poland, Portugal, United Kingdom, Switzerland, Chile, Israel, Saudi Arabia, China

Agenda

- Fineco Results

- Next steps

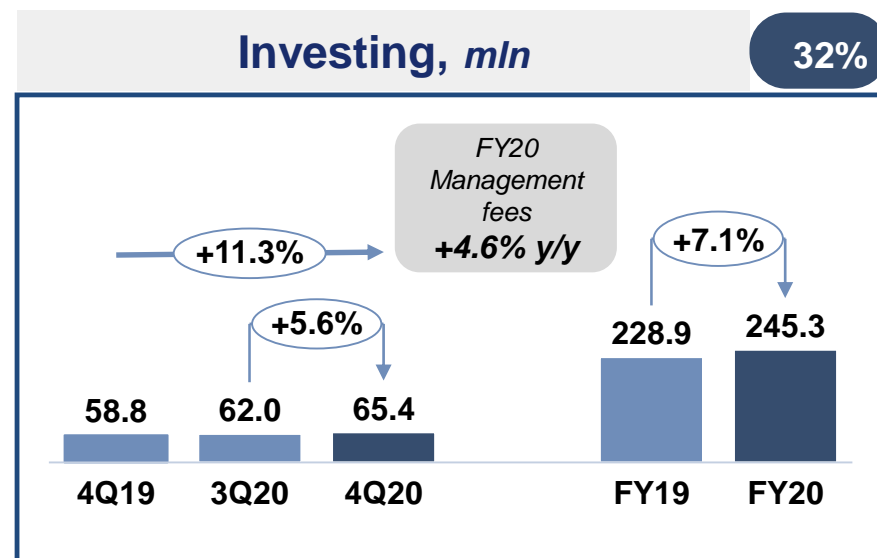
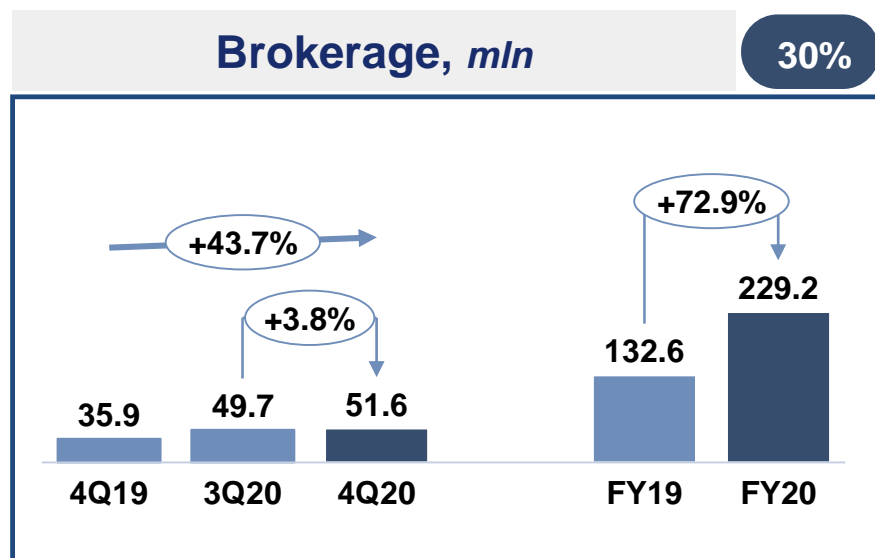
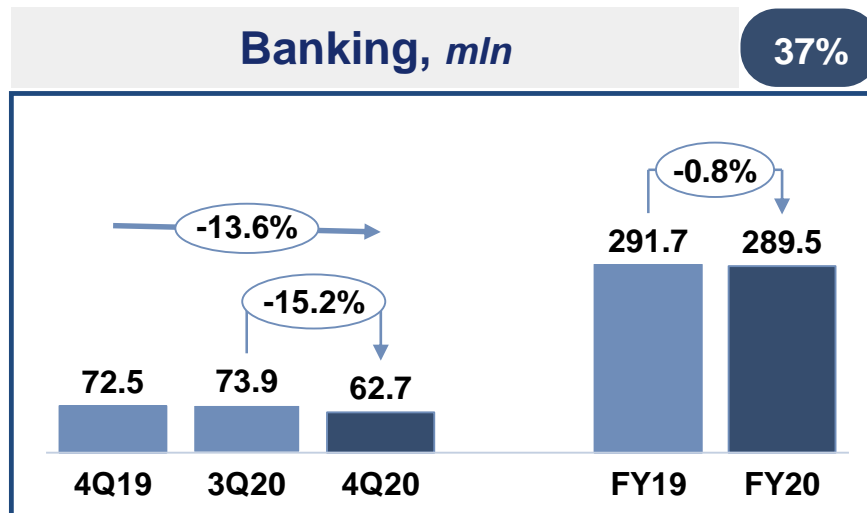
- Fineco UK

- Key messages

- Focus on product areas**

Revenues by Product Area

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



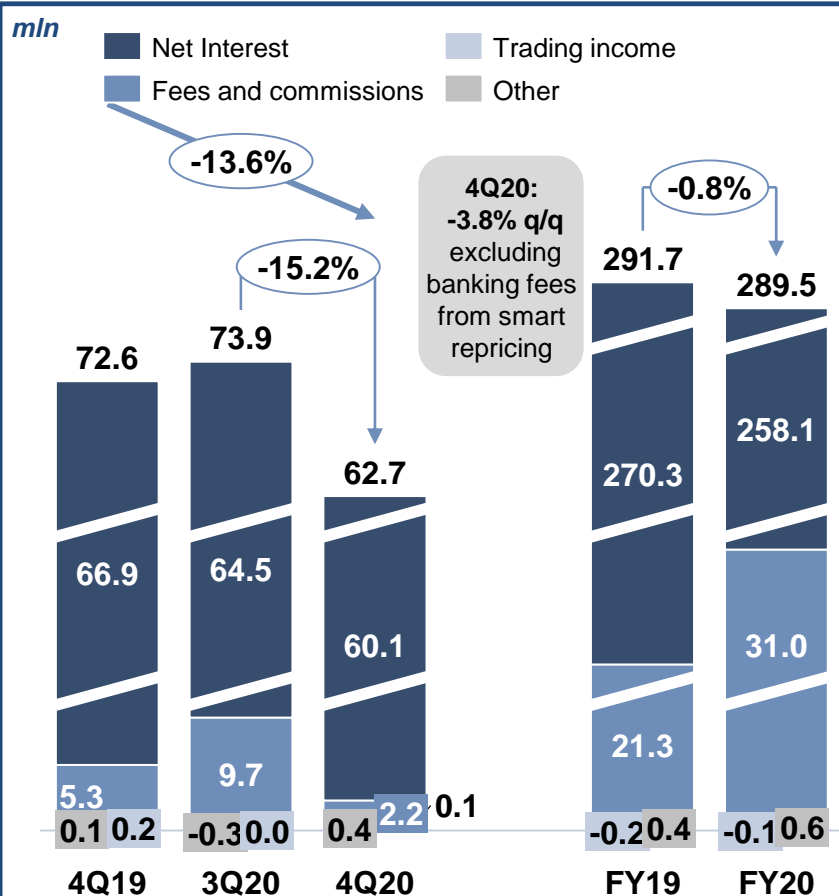
FY20 weight on total revenues for each product area

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 direct deposits and credit products. Investing includes revenues generated by asset under management products; Brokerage includes revenues from trading activity.

Banking

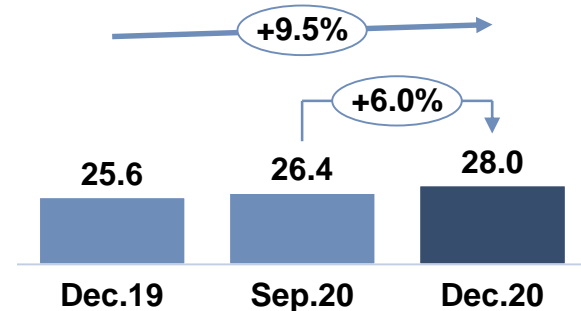
Sound performance driven by strong volume growth and relentless clients' acquisition, thanks to high quality services and best-in-class customer satisfaction

Revenues



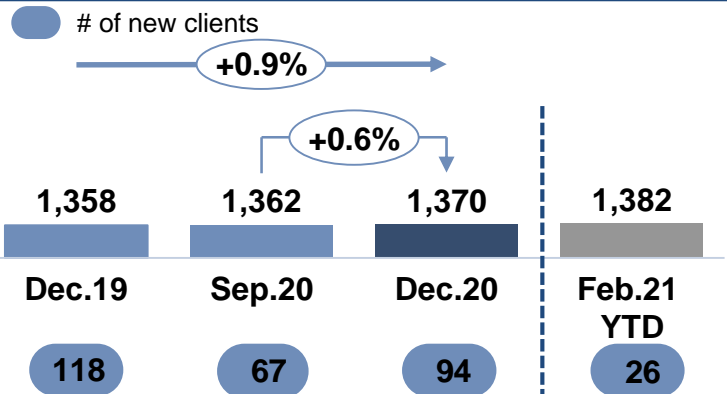
Deposits

Eop, bn



Clients and new clients

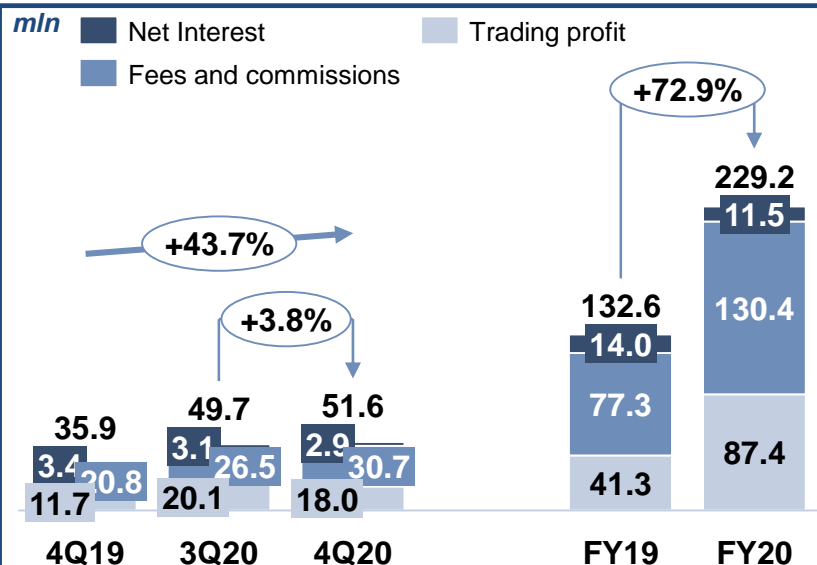
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Brokerage

Revamped Brokerage thanks to skyrocketing volatility combined with the review of the offer. Growing market share in Italy and continuous enlargement of product offer

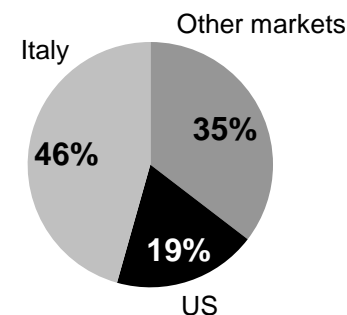
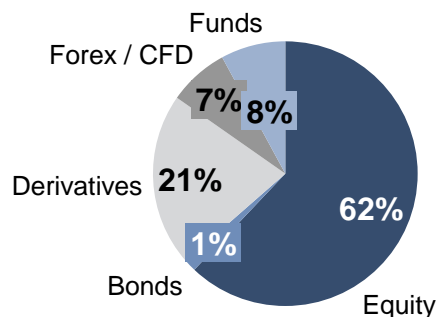
Revenues



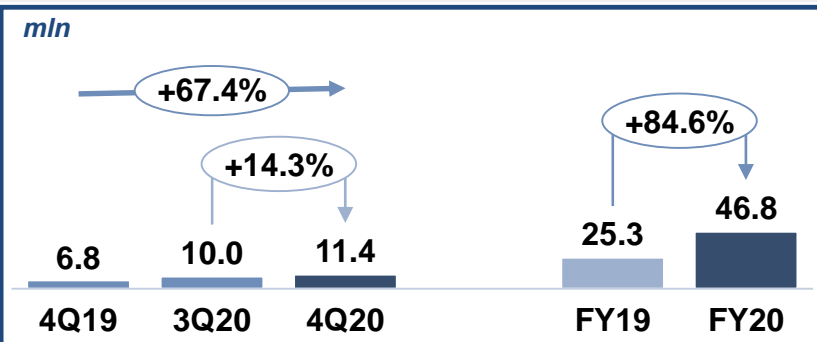
Well-diversified brokerage offer

among products...

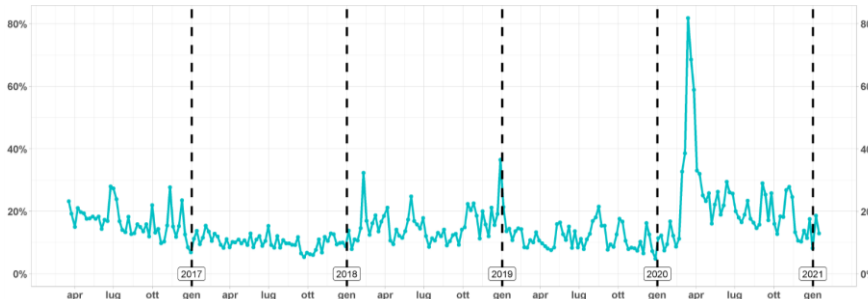
...and geographies



Executed orders



Volatility ⁽¹⁾



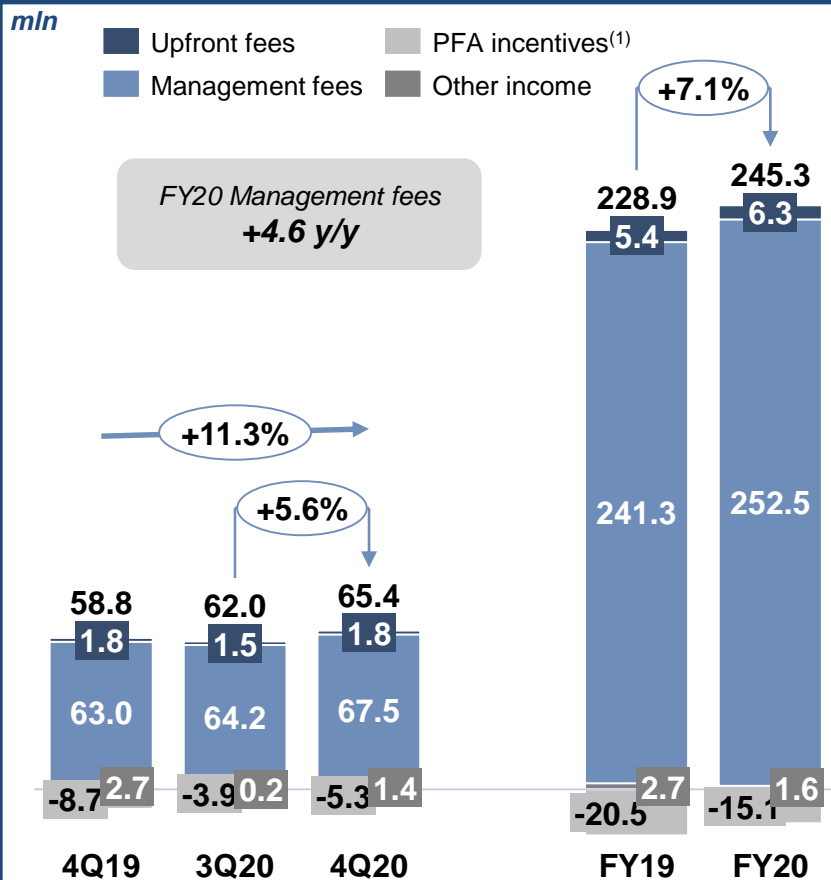
Managerial Data

⁽¹⁾ Volatility calculated as avg weekly volatility of BUND, BTP, SP, EUROSTOXX, MINIDAX, DAX, FIB, MINIFIB, NASDAQ, DOW weighted on volumes related to futures traded by our clients

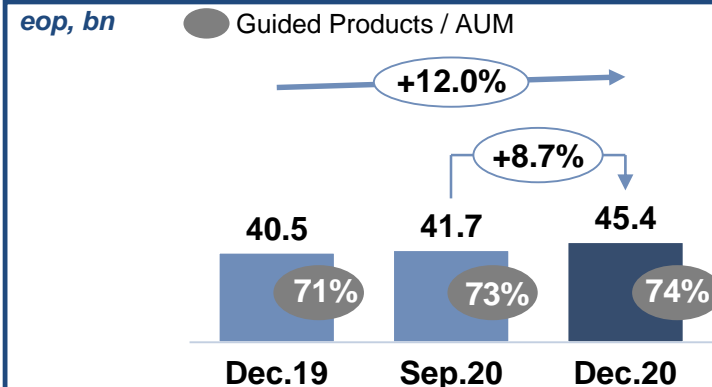
Investing

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

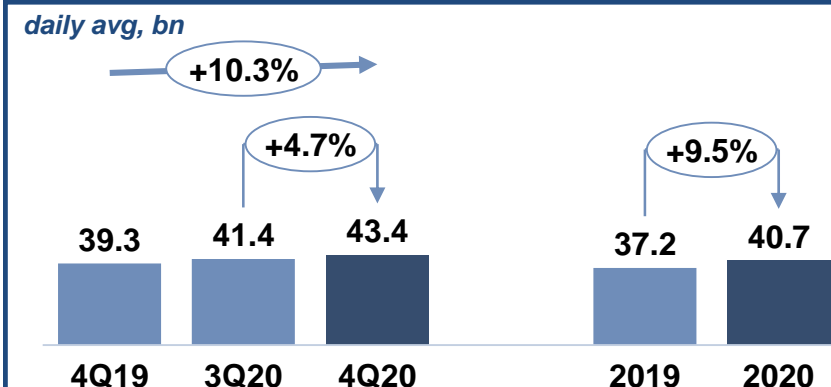
Revenues



Assets under Management



Average Asset under Management



Managerial Data

Investing Revenues also include extraordinary revenues coming from Fineco Asset Management costs efficiencies on Core Series achieved during the year

<i>mln</i>	1Q19	2Q19	3Q19	4Q19	FY19	1Q20	2Q20	3Q20	4Q20	FY20
Net interest income	70.4	71.4	69.8	69.7	281.3	68.2	70.1	68.6	63.9	270.7
Net commissions	77.4	81.3	84.3	82.3	325.2	105.0	104.8	97.9	96.7	404.3
Trading profit	9.8	8.0	11.6	15.3	44.8	26.4	30.1	20.2	19.1	95.8
Other expenses/income	0.2	0.3	0.1	2.9	3.6	0.6	0.8	0.2	2.0	3.6
Total revenues	157.7	161.1	165.8	170.2	654.8	200.1	205.8	186.9	181.6	774.4
Staff expenses	-21.7	-22.4	-22.5	-23.6	-90.2	-24.0	-24.9	-24.6	-26.0	-99.5
Other admin.exp. net of recoveries	-38.5	-34.4	-29.4	-34.3	-136.6	-36.5	-34.6	-33.4	-40.1	-144.6
D&A	-5.1	-5.4	-5.8	-6.6	-22.9	-6.1	-6.2	-6.4	-6.8	-25.4
Operating expenses	-65.3	-62.3	-57.6	-64.4	-249.6	-66.5	-65.7	-64.4	-72.9	-269.6
Gross operating profit	92.5	98.8	108.2	105.8	405.2	133.6	140.0	122.4	108.7	504.8
Provisions	-1.0	-2.9	-19.8	-3.5	-27.2	-1.1	-6.5	-32.0	5.5	-34.1
LLP	-1.3	1.1	-1.2	-0.6	-2.0	-1.0	-2.7	0.1	0.2	-3.3
Profit from investments	-0.7	6.5	0.4	1.1	7.4	-0.1	-3.7	-0.2	-2.3	-6.3
Profit before taxes	89.5	103.5	87.6	102.8	383.5	131.4	127.1	90.4	112.2	461.1
Income taxes	-27.3	-31.7	-26.6	-9.6	-95.1	-40.0	-38.3	-25.3	-34.0	-137.5
Net profit for the period	62.3	71.8	61.0	93.2	288.4	91.4	88.7	65.2	78.2	323.6
Net profit adjusted ⁽¹⁾	63.5	75.6	61.7	71.6	272.3	92.2	88.7	65.3	78.2	324.5
Non recurring items (mln, gross)	1Q19	2Q19	3Q19	4Q19	FY19	1Q20	2Q20	3Q20	4Q20	FY20
<i>Extraord systemic charges (Trading Profit) ⁽²⁾</i>	-0.4	-4.3	0.4	1.4	-3.0	-1.2	0.0	-0.2	0.0	-1.4
<i>Patent Box</i>	-0.9	-0.9	-0.9	20.7	18.1	0.0	0.0	0.0	0.0	0.0
Total	-1.3	-5.2	-0.5	22.1	15.1	-1.2	0.0	-0.2	0.0	-1.4

⁽¹⁾ Net of non recurring items
⁽²⁾ Voluntary Scheme valuation

P&L net of non recurring items

<i>mln</i>	1Q19	2Q19	3Q19	4Q19	FY19	1Q20	2Q20	3Q20	4Q20	FY20
	Adj. ⁽¹⁾	Adj. ⁽¹⁾	Adj. ⁽¹⁾	Adj. ⁽¹⁾	Adj. ⁽¹⁾	Adj. ⁽¹⁾	Adj. ⁽¹⁾	Adj. ⁽¹⁾	Adj. ⁽¹⁾	Adj. ⁽¹⁾
Net interest income	70.4	71.4	69.8	69.7	281.3	68.2	70.1	68.6	63.9	270.7
Net commissions	77.4	81.3	84.3	82.3	325.2	105.0	104.8	97.9	96.7	404.3
Trading profit	10.3	12.3	11.2	13.9	47.7	27.6	30.1	20.4	19.1	97.2
Other expenses/income	0.2	0.3	0.1	2.9	3.6	0.6	0.8	0.2	2.0	3.6
Total revenues	158.2	165.4	165.4	168.8	657.8	201.3	205.8	187.1	181.6	775.8
Staff expenses	-21.7	-22.4	-22.5	-23.6	-90.2	-24.0	-24.9	-24.6	-26.0	-99.5
Other admin.expenses	-38.5	-34.4	-29.4	-34.3	-136.6	-36.5	-34.6	-33.4	-40.1	-144.6
D&A	-5.1	-5.4	-5.8	-6.6	-22.9	-6.1	-6.2	-6.4	-6.8	-25.4
Operating expenses	-65.3	-62.3	-57.6	-64.4	-249.6	-66.5	-65.7	-64.4	-72.9	-269.6
Gross operating profit	92.9	103.1	107.8	104.4	408.2	134.8	140.0	122.7	108.7	506.2
Provisions	-1.0	-2.9	-19.8	-3.5	-27.2	-1.1	-6.5	-32.0	5.5	-34.1
LLP	-1.3	1.1	-1.2	-0.6	-2.0	-1.0	-2.7	0.1	0.2	-3.3
Profit from investments	-0.7	6.5	0.4	1.1	7.4	-0.1	-3.7	-0.2	-2.3	-6.3
Profit before taxes	90.0	107.8	87.2	101.4	386.4	132.6	127.1	90.7	112.2	462.5
Income taxes	-26.5	-32.2	-25.6	-29.8	-114.2	-40.4	-38.3	-25.3	-34.0	-138.0
Net profit adjusted ⁽¹⁾	63.5	75.6	61.7	71.6	272.3	92.2	88.7	65.3	78.2	324.5

⁽¹⁾ Net of non recurring items (see page 46 for details)

2020 P&L FinecoBank and Fineco Asset Management

<i>mln</i>	Fineco Asset Management	FinecoBank Individual	FinecoBank Consolidated
Net interest income	-0.2	271.0	270.7
Dividends		52.1	0.0
Net commissions	67.7	336.5	404.3
Trading profit	0.1	95.7	95.8
Other expenses/income	1.6	2.1	3.6
Total revenues	69.1	757.4	774.4
Staff expenses	-4.5	-95.0	-99.5
Other admin.exp. net of recoveries	-4.3	-140.4	-144.6
D&A	-0.2	-25.2	-25.4
Operating expenses	-9.1	-260.6	-269.6
Gross operating profit	60.1	496.8	504.8
Provisions		-34.1	-34.1
LLP		-3.3	-3.3
Profit on Investments		-6.3	-6.3
Profit before taxes	60.1	453.1	461.1
Income taxes	-7.6	-130.0	-137.5
Net profit for the period	52.5	323.1	323.6

Details on Net Interest Income

<i>min</i>	1Q19	Volumes & Margins	2Q19	Volumes & Margins	3Q19	Volumes & Margins	4Q19	Volumes & Margins	1Q20	Volumes & Margins	2Q20	Volumes & Margins	3Q20	Volumes & Margins	4Q20	Volumes & Margins	FY19	Volumes & Margins	FY20	Volumes & Margins
Financial Investments	57.1	19,748	58.0	20,582	55.9	21,714	56.0	22,114	54.8	22,543	56.3	22,676	53.0	22,491	49.0	23,334	227.0	21,040	213.1	22,761
<i>Net Margin</i>		1.17%		1.13%		1.02%		1.01%		0.98%		1.00%		0.94%		0.84%		1.08%		0.94%
<i>Gross margin</i>	59.7	1.23%	60.4	1.18%	58.5	1.07%	57.7	1.04%	56.8	1.01%	57.1	1.01%	53.1	0.94%	49.1	0.84%	236.3	1.12%	216.1	0.95%
Other Treasury activities (unsecured lending and collateral switch)	0.0	0	0.0	0	0.0	0	0.0	0	0.1	69	0.8	784	1.0	1,101	1.2	1,517	0.0	0	3.1	868
<i>Net Margin</i>		0.00%		0.00%		0.00%		0.00%		0.44%		0.39%		0.36%		0.33%		0.00%		0.35%
Security Lending (Tying)	0.6	836	0.4	386	0.0	0	0.3	307	0.7	634	1.3	1,132	1.3	1,013	1.0	587	1.4	382	4.4	841
<i>Net Margin</i>		0.32%		0.44%		0.00%		0.44%		0.44%		0.46%		0.52%		0.71%		0.37%		0.52%
Leverage - Long	2.7	129	3.2	153	3.3	157	3.3	154	2.9	137	2.4	117	3.1	150	2.8	138	12.4	148	11.1	136
<i>Net Margin</i>		8.45%		8.35%		8.38%		8.38%		8.42%		8.13%		8.13%		8.10%		8.39%		8.20%
Lending	10.5	2,410	10.8	2,544	11.1	2,674	10.9	2,828	11.0	3,094	11.4	3,393	11.6	3,582	11.1	3,670	43.3	2,614	45.0	3,435
<i>Net Margin</i>		1.76%		1.71%		1.64%		1.53%		1.42%		1.35%		1.28%		1.20%		1.66%		1.31%
o/w Current accounts	2.9	1,040	3.2	1,112	3.2	1,169	3.4	1,241	3.4	1,316	3.6	1,375	3.6	1,453	3.7	1,527	12.7	1,141	14.3	1,418
<i>Net Margin</i>		1.14%		1.14%		1.10%		1.07%		1.05%		1.04%		0.99%		0.97%		1.11%		1.01%
o/w Cards	1.2	43	1.2	42	1.2	43	1.2	43	1.2	43	1.1	40	1.1	39	1.1	38	4.9	43	4.5	40
<i>Net Margin</i> ⁽¹⁾		11.43%		11.42%		11.40%		11.40%		11.41%		11.40%		11.43%		11.45%		11.41%		11.42%
o/w Personal loans	4.6	441	4.6	448	4.6	457	4.5	459	4.5	462	4.4	448	4.2	437	4.2	439	18.3	451	17.4	447
<i>Net Margin</i>		4.20%		4.09%		3.98%		3.92%		3.93%		3.93%		3.86%		3.82%		4.05%		3.88%
o/w Mortgages	1.8	886	1.9	942	2.0	1,005	1.8	1,084	1.8	1,273	2.3	1,530	2.6	1,653	2.1	1,666	7.4	979	8.8	1,530
<i>Net Margin</i>		0.80%		0.82%		0.79%		0.64%		0.57%		0.61%		0.63%		0.49%		0.76%		0.57%
Other ⁽²⁾	-0.5		-1.0		-0.4		-0.8		-1.3		-2.1		-1.3		-1.3		-2.8		-5.9	
Total	70.4		71.4		69.8		69.7		68.2		70.1		68.6		63.9		281.3		270.7	
<i>Gross Margin</i>		1.26%		1.25%		1.17%		1.11%		1.08%		1.04%		0.98%		0.88%		1.20%		0.99%
<i>Cost of Deposits</i>		-0.05%		-0.04%		-0.04%		-0.03%		-0.03%		-0.01%		0.00%		0.00%		-0.04%		-0.01%

Volumes and margins: average of the period

Net margin calculated on real interest income and expenses

2019 quarterly figures have been reclassified due to a managerial recast

⁽¹⁾ Net margins and volumes on cards recasted for the previous quarters: now they include only revolving cards, while they were previously calculated on total cards, both spending and revolving.

⁽²⁾ Other includes mainly marketing costs

UniCredit bonds underwritten

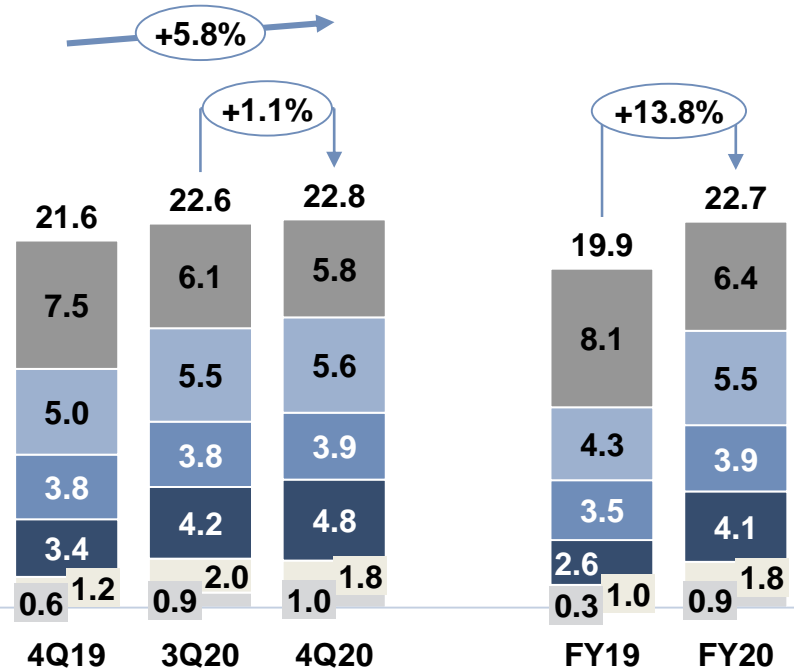
	ISIN	Currency	Amount (€ m)	Maturity	Indexation	Spread
1	IT0005010332	Euro	382.5	6-Jan-21	Euribor 1m	2.54%
2	IT0005010316	Euro	382.5	6-Apr-21	Euribor 1m	2.56%
3	IT0005010340	Euro	382.5	5-Jul-21	Euribor 1m	2.58%
4	IT0005010225	Euro	382.5	18-Oct-21	Euribor 1m	2.60%
5	IT0005040099	Euro	100.0	24-Jan-22	Euribor 1m	1.46%
6	IT0005057994	Euro	200.0	11-Apr-22	Euribor 1m	1.43%
7	IT0005083743	Euro	300.0	28-Jan-22	Euribor 1m	1.25%
8	IT0005114688	Euro	180.0	19-May-22	Euribor 1m	1.19%
9	IT0005120347	Euro	700.0	27-Jun-22	Euribor 1m	1.58%
10	IT0005144065	Euro	450.0	14-Nov-22	Euribor 3m	1.40%
11	IT0005144073	Euro	350.0	15-Nov-21	Euribor 3m	1.29%
12	IT0005158412	Euro	250.0	23-Dec-22	Euribor 3m	1.47%
13	IT0005163180	Euro	600.0	11-Feb-23	Euribor 3m	1.97%
14	IT0005175135	Euro	100.0	24-Mar-23	Euribor 3m	1.58%
15	IT0005217606	Euro	350.0	11-Oct-23	Euribor 3m	1.65%
16	IT0005241317	Euro	622.5	2-Feb-24	Euribor 3m	1.52%
Total		Euro	5,732.5		Euribor 1m	1.82%

Financial Investments

Further improvements for a diversified asset side.

Bond Portfolio, avg bn

UC bonds Spain SSA ⁽¹⁾
Italy Other Govies ⁽²⁾ Covered & Corporate



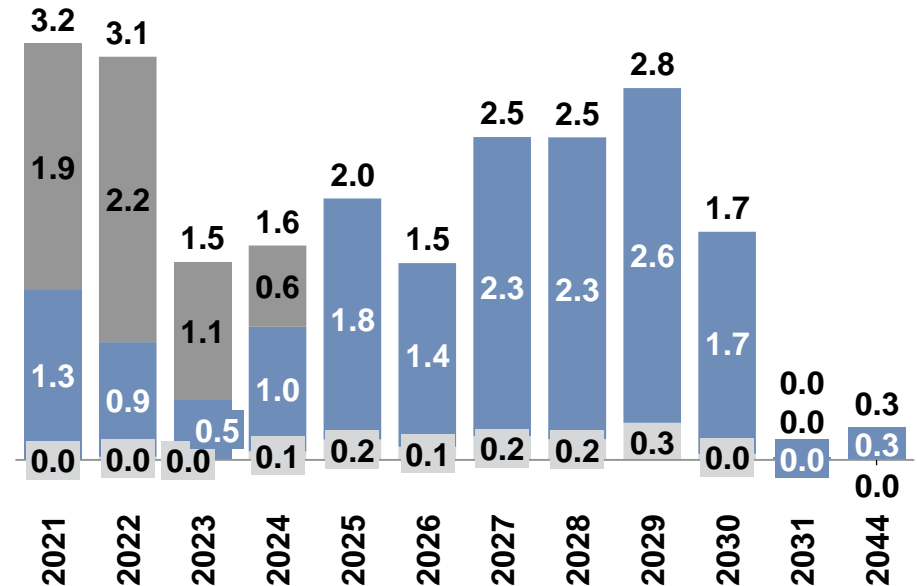
Avg Bond portfolio FY20 (excl. UC Bonds):

16.3bn, +38% y/y

67% at fixed rate, avg yield: 60bps ⁽³⁾

Bond portfolio run-offs, eop bn

UC Bonds Govies & SSA Covered & Corporate



(234) (144) (184) (154)

UC Bonds avg spread vs Eur1M, bps

Residual maturity total portfolio: 5.0 yrs

o/w UC Bonds: 1.5 yrs

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

⁽¹⁾ Sovereign Supranational and Agencies

⁽²⁾ Avg 4Q20 "Other" includes: 1.1bn France, 0.9bn Ireland, 0.8bn USA, 0.6bn Belgium, 0.5bn Austria, 0.4bn Portugal, 0.1bn Germany, 0.1bn Israel, 0.3bn other (UK, Poland, Switzerland, Saudi Arabia, Chile, China)

⁽³⁾ Calculated on nominal value as of Dec 31st 2020

Details on Net Commissions

<i>mln</i>	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	FY19	FY20
Banking	4.5	5.6	5.9	5.3	8.8	10.3	9.7	2.2	21.3	31.0
Brokerage	18.5	18.0	20.0	20.8	35.6	37.6	26.5	30.7	77.3	130.4
o/w										
Equity	15.6	14.7	15.9	17.0	30.0	31.0	21.7	26.5	63.2	109.2
Bond	0.9	0.9	1.4	0.7	1.0	3.8	2.2	1.9	3.9	9.0
Derivatives	2.3	2.2	2.7	2.6	4.5	3.7	2.6	2.7	9.7	13.5
Other commissions ⁽¹⁾	-0.2	0.2	0.0	0.6	0.0	-0.9	0.1	-0.4	0.5	-1.3
Investing	54.2	57.6	58.3	56.1	60.8	57.1	61.8	64.0	226.2	243.7
o/w										
Placement fees	1.1	1.3	1.1	1.8	1.7	1.4	1.5	1.8	5.4	6.3
Management fees	57.1	59.7	61.5	63.0	61.9	58.9	64.2	67.5	241.3	252.5
to PFA's: incentives	-3.0	-4.3	-3.6	-8.0	-2.5	-2.6	-3.1	-4.7	-18.9	-12.9
to PFA's: LTI	-1.0	0.8	-0.7	-0.7	-0.2	-0.7	-0.7	-0.6	-1.6	-2.2
Other	0.1	0.1	0.1	0.1	-0.2	-0.2	-0.2	-0.2	0.4	-0.8
Total	77.4	81.3	84.3	82.3	105.0	104.8	97.9	96.7	325.2	404.3

⁽¹⁾ Other commissions include security lending and other PFA commissions related to AuC

Revenues breakdown by Product Area

<i>mln</i>	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	FY19	FY20
Net interest income	67.6	68.8	67.0	66.9	65.8	67.7	64.5	60.1	270.3	258.1
Net commissions	4.5	5.6	5.9	5.3	8.8	10.3	9.7	2.2	21.3	31.0
Trading profit	-0.1	-0.1	-0.2	0.2	-0.1	-0.1	0.0	0.1	-0.2	-0.1
Other	0.1	0.1	0.1	0.1	0.2	0.3	-0.3	0.4	0.4	0.6
Total Banking	72.1	74.3	72.7	72.5	74.6	78.3	73.9	62.7	291.7	289.5
Net interest income	3.4	3.7	3.4	3.4	3.0	2.5	3.1	2.9	14.0	11.5
Net commissions	18.5	18.0	20.0	20.8	35.6	37.6	26.5	30.7	77.3	130.4
Trading profit	8.2	9.9	11.5	11.7	25.1	24.2	20.1	18.0	41.3	87.4
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Brokerage	30.2	31.6	34.9	35.9	63.6	64.2	49.7	51.6	132.6	229.2
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	54.2	57.6	58.3	56.1	60.8	57.1	61.8	64.0	226.2	243.7
Trading profit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	2.7	0.1	-0.2	0.2	1.4	2.7	1.6
Total Investing	54.2	57.6	58.3	58.8	60.9	56.9	62.0	65.4	228.9	245.3

Managerial Data

Please note that, starting from December 31st, 2019, "Trading profit" also includes dividends and similar revenues on equity investments held at fair value in the item "Dividend income and similar revenue", previously included in the item "Dividends and other income from equity investments" in the reclassified income statement.

Breakdown Total Financial Assets

<i>mln</i>	Mar.19	Jun.19	Sep.19	Dec.19	Mar.20	Jun.20	Sep.20	Dec.20
AUM	35,988	36,819	38,325	40,505	35,516	40,083	41,744	45,381
o/w Funds and Sicav	26,361	26,426	27,477	28,786	24,122	27,657	28,929	31,578
o/w Insurance	8,401	9,002	9,369	10,115	9,961	10,676	11,020	11,819
o/w GPM	1	26	55	93	127	169	185	209
o/w AuC + deposits under advisc	1,225	1,365	1,425	1,512	1,307	1,580	1,610	1,776
o/w in Advice	572	600	603	598	516	550	554	561
o/w in Plus	653	765	822	914	792	1,030	1,056	1,215
AUC	15,187	15,229	15,158	15,324	13,485	16,486	16,821	18,314
o/w Equity	9,137	9,207	9,573	9,841	8,308	10,565	11,006	12,614
o/w Bond	6,037	6,011	5,575	5,448	5,147	5,878	5,766	5,637
o/w Other	13	12	11	35	30	43	49	63
Direct Deposits	22,941	23,844	25,099	25,590	26,925	26,077	26,432	28,014
o/w Sight	22,938	23,842	25,098	25,588	26,924	26,077	26,432	28,014
o/w Term	2	2	2	1	1	1	0	0
Total	74,116	75,892	78,583	81,419	75,927	82,646	84,997	91,709
o/w Guided Products & Services	24,301	25,354	26,697	28,788	25,486	28,984	30,331	33,420
o/w TFA Private Banking	29,041	29,970	31,891	33,437	28,844	33,024	34,438	38,614

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.19	Jun.19	Sep.19	Dec.19	Mar.20	Jun.20	Sep.20	Dec.20
Due from Banks ⁽¹⁾	3,807	1,941	2,033	1,320	1,801	1,633	1,761	2,541
Customer Loans	3,029	3,409	3,568	3,680	3,741	4,204	4,320	4,528
Financial Assets	19,012	19,920	21,532	22,313	23,414	22,961	22,988	23,957
Tangible and Intangible Assets	243	242	247	279	280	280	278	281
Derivatives	29	49	72	65	76	76	76	74
Other Assets	259	274	308	366	207	259	298	374
Total Assets	26,380	25,835	27,760	28,023	29,519	29,412	29,721	31,755
Customer Deposits	23,311	24,140	25,429	25,920	27,202	27,021	27,297	28,360
Due to Banks	1,605	207	188	155	331	113	105	1,065
Derivatives	32	84	156	95	144	207	212	232
Funds and other Liabilities	393	477	698	471	365	515	487	411
Equity	1,040	928	1,289	1,382	1,477	1,556	1,620	1,687
Total Liabilities and Equity	26,380	25,835	27,760	28,023	29,519	29,412	29,721	31,755

⁽¹⁾ Due from banks includes cash deposited at Bank of Italy: 1.8 bn as of Dec.20, 1.0 bn as of Sep.2020, 0.9bn as of June 2020, 1.2bn as of Mar.2020, 1.2bn as of June 2019, 1.2bn as of Sept. 2019, and 0.8bn as of Dec. 2019

Main Financial Ratios

	Mar.19	Jun.19	Sep.19	Dec.19	Mar.20	Jun.20	Sep.20	Dec.20
PFA TFA/ PFA (mln) ⁽¹⁾	25.0	25.6	26.6	27.8	25.7	27.9	28.7	30.6
Guided Products / TFA ⁽²⁾	33%	33%	34%	35%	34%	35%	36%	36%
Cost / income Ratio ⁽³⁾	41.3%	39.4%	37.9%	37.9%	33.0%	32.5%	33.1%	34.7%
CET 1 Ratio ⁽⁴⁾	21.0%	17.8%	17.4%	restated 24.2%	25.4%	24.1%	23.3%	28.6%
Adjusted RoE ⁽⁵⁾	31.2%	34.0%	27.3%	restated 25.1%	26.5%	26.0%	23.4%	21.2%
Leverage Ratio ⁽⁶⁾	5.11%	2.89%	3.85%	restated 4.54%	4.39%	4.41%	4.35%	4.85%

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

⁽²⁾ Calculated as Guided Products eop divided by Total Financial Assets eop

⁽³⁾ C/I ratio net of non recurring items (see page 46 for details) calculated as Operating Costs divided by Revenues net of non recurring items

⁽⁴⁾ Dec.19 CET1 ratio restated

⁽⁵⁾ RoE: Net Profit, net of non recurring items (see page 46 for details) divided by the average book shareholders' equity for the period (excluding dividends expected to be distributed and the revaluation reserves) . Dec.19 ROE is restated

⁽⁶⁾ Leverage ratios until Mar.19 are calculated on Individual basis, according to the EC Delegated Act 2015/62 regarding the exclusion of intra-group exposure. Dec.19 Leverage ratio restated

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

INFRAGROUP SERVICES

- **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**
- **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 €16.5bn, of which €10.8bn retail classes⁽¹⁾

FUNDS OF FUNDS

FAM EVOLUTION (30 strategies)

- ✓ **FAM Target:** decumulation product to progressively invest in multi-thematic/profile funds
- ✓ **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**

FAM SERIES (sub-advised funds)

- ✓ **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
- ✓ 34 strategies

INSTITUTIONAL BUSINESS

- ✓ 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**
- ✓ 42 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

FINECO

B A N K

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	✓	X	X	X	X
Advanced Charting tool	✓	X	X	X	X
Recurring investments	✓	X	✓	X	✓
Trading order strategies	✓	✓	X	X	X
Stock screener	✓	X	X	X	X
Payments	✓	X	X	✓	✓
Budget track	✓	X	X	✓	X
Open banking	✓	X	X	✓	✓

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	FINECO BANK	IG	CIIC 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

CFD on UK INDEX	FINECO BANK	IG	CIIC cmc markets	SAXO BANK
PiPSe100	PIPS	PIPS	PIPS	PIPS
PiPSe100	0.6	1	1	0.8

Platform fees: the most competitive

Portfolio size	FINECO BANK	HARGREAVES LANSDOWN	AJ Bell	BARCLAYS	Fidelity	HSBC
£10,000.00	0.25%	0.45%	0.25%	0.20%	0.35%	0.25%
£50,000.00	0.25%	0.45%	0.25%	0.20%	0.35%	0.25%
£100,000.00	0.25%	0.45%	0.25%	0.20%	0.35%	0.25%
£250,000.00	0.25%	0.45%	0.25%	0.20%	0.35%	0.25%

Multicurrency: best spreads, no commissions

£ → €	FINECO 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%







Equivalent for each transaction – Exchange rate GBP/EUR: 1,1217

Stock broking: flat fees

	FINECO BANK	HARGREAVES LANSDOWN	interactive investor	AJ Bell	IG	SAXO BANK	Interactive Brokers
London Stock Exchange							
Stock for £5,000	£2.95	£11.95	£7.99 ⁽¹⁾	£9.95 ⁽¹⁾	£8	£8	£6
Stock for £20,000	£2.95	£11.95	£7.99 ⁽¹⁾	£9.95 ⁽¹⁾	£8	£20	£6

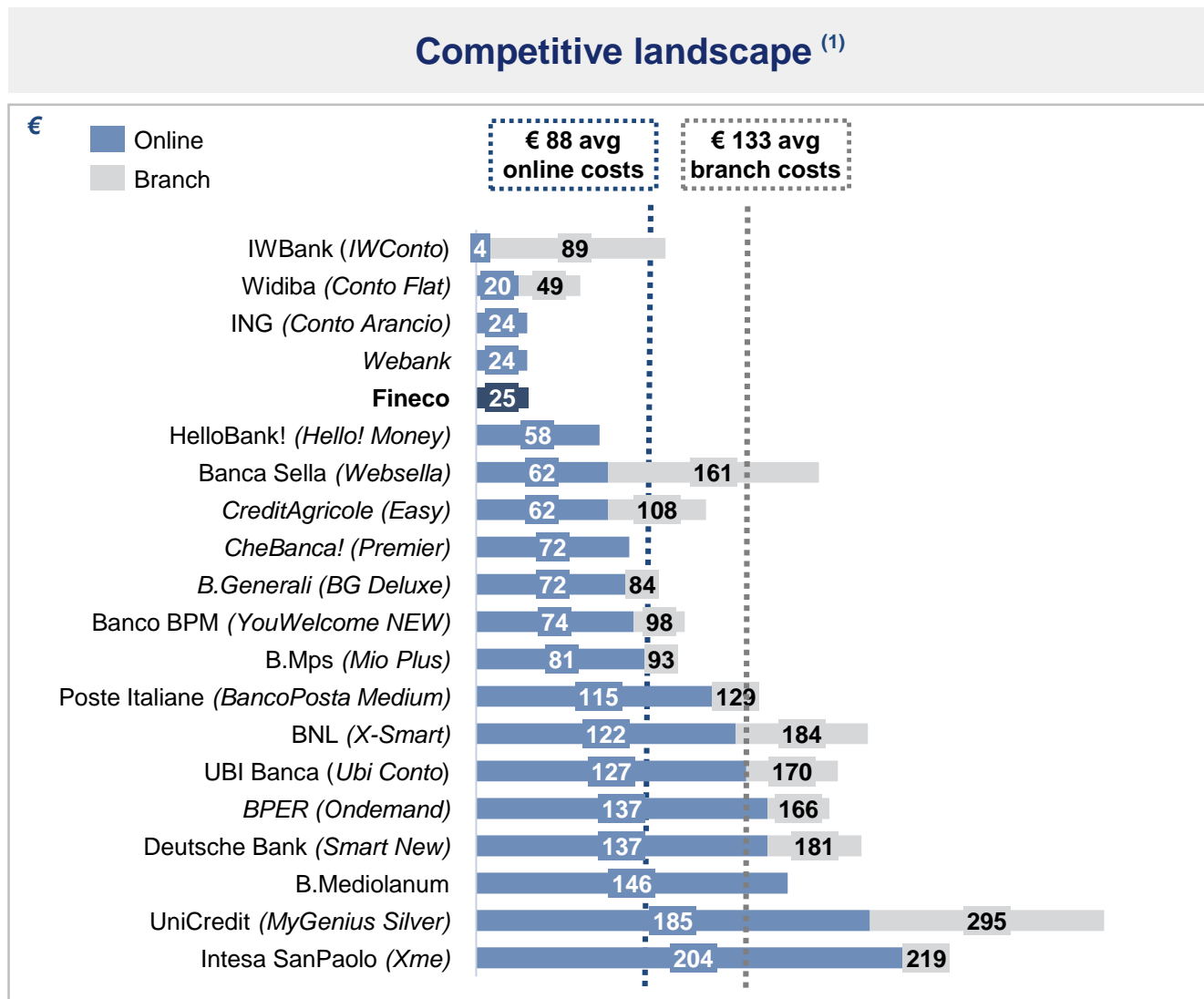
⁽¹⁾ Plus Custody fees

Transaction fees

					
£0.00	£0.00	£1.50	£3.00	£10.00	No online Phone dealing only

Preserving our best price/quality ratio

An update on the main outcomes from our Smart Repricing



⁽¹⁾ Most convenient current accounts. Source: Figures based on publicly available costs for families with average online operations of the main Italian banks (ICC – Indicatore Complessivo dei Costi). The figures relates to the costs of current accounts reported in brackets, and are not taking into account promotions on the fee for the first year.

Additional Tier 1

First public placement successfully issued with strong demand (9x the offer)

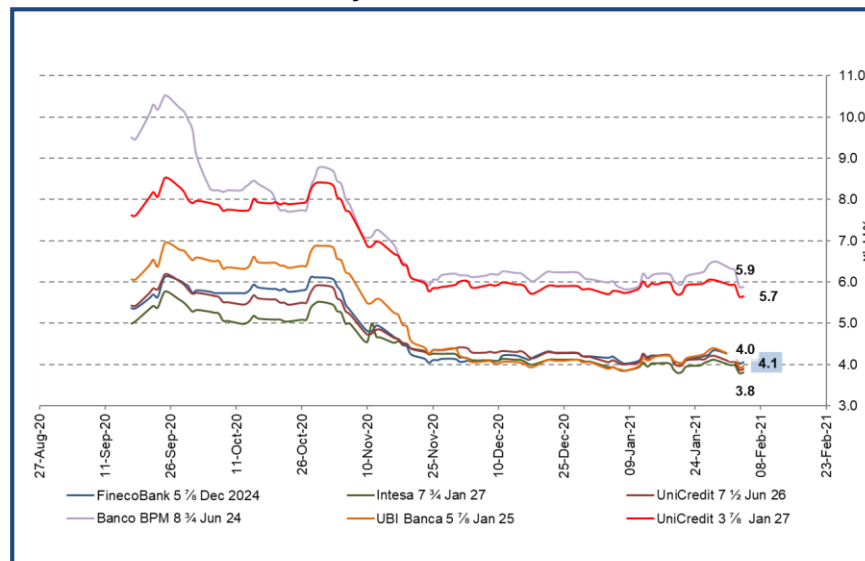
€200 mln AT1 issued in January 2018

- On January 23rd, 2018 the Bank issued a **€200mln** perpetual AT1
- 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

€300 mln AT1 issued in July 2019

- On July 11th, 2019 Fineco issued a **€300mln** perpetual AT1 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



On Oct. 29th, 2020

**S&P Global Ratings
upgraded Fineco's outlook
to Stable and affirmed
ratings at BBB/A-2**



B A N K