



FINECO. SIMPLIFYING BANKING.

## 3Q22 Results

UniCredit Italian Financials  
Debt Conference

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CFO

Milan, November 2022

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# Agenda

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## **Fineco overview**



Fineco 3Q22 Results



Capital, risks and liquidity



Next steps



Fineco International business



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

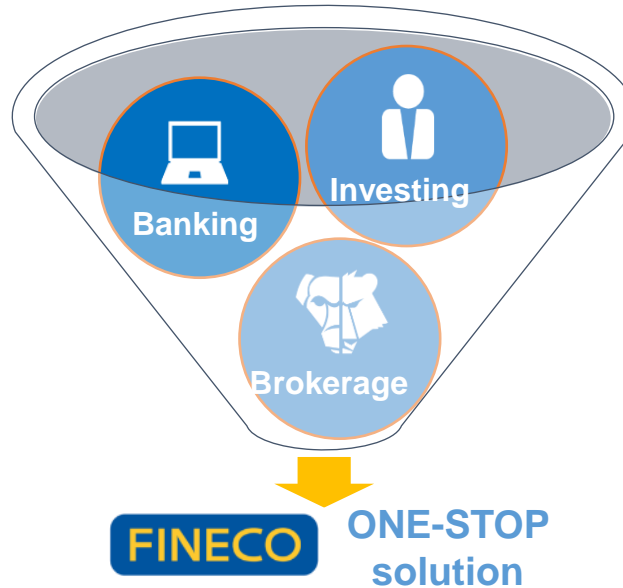
**Corporate purpose:** offer customers excellent services and products through a multi-channel system at a fair price

9M22 weight on total revenues for each product area

## Banking

45%

- 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

33%

- **FAM** (Fineco Asset Management, with 25bn+<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: **2,900<sup>(1)</sup>** PFAs and **428<sup>(1)</sup>** Fineco Center

## Brokerage

22%

Direct access to **25<sup>(2)</sup>** global markets, bonds, ETFs, futures and **21<sup>(2)</sup>** currencies both online and mobile

## Our Key figures

TFA 3Q22

€102.9 bn

with 1.4 mln clients

adj. revenues 9M22

€684.1 mln **+14.6% y/y**

adj. net income 9M22

€302.7 mln **+17.7% y/y**

adj. Cost/Income 9M22

30%

CET1 Ratio 3Q22

20.4%

<sup>(1)</sup> Figures as of September 31st, 2022

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

For details on adj. figures please refer to slide 44 and 45

# A new market structure enlarging our growth opportunities

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

The current environment has significantly changed

## Acceleration of structural trends reshaping our society

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

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



+297 bps on 2023 AVG Euribor 3M vs beginning of the year  
+248 bps on 2023 AVG EURIRS 10Y vs beginning of the year

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

### Net Financial Income:

Expected strong increase vs recent past

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

### Investing:

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

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

### Brokerage:

Higher floor thanks to our quality target market and business model

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

# 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



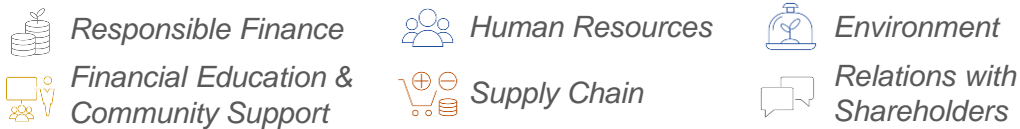
### INNOVATION

Quality offer for highly SATISFIED CLIENTS

## Strategy & Goals

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

✓ Set of **ESG objectives** to be pursued by 2023 within 6 business areas:



✓ **Net-Zero emissions** to be achieved by 2050



✓ ESG target included in the **Identified Staff Scorecard** since 2016, related to STI.

✓ ESG targets included in the **2021-2023 Long Term Incentive Plan** of the CEO and Identified Staff within the “Stakeholder Value” goal:

KPI	TARGET	MEASUREMENT CRITERIA
Customer satisfaction	Average 2021-2023	TRI*M Index <sup>(1)</sup>
People engagement	Average 2021-2023	People Survey
ESG rating for all new funds <sup>(2)</sup>	EOY 2023	% of new funds with ESG evaluation

## Initiatives & KPIs

✓ Broad offer of products with **ESG features**<sup>(3)</sup> both on:

- **Investing** (i.e., **86%** of funds have **ESG rating** by Morningstar; **56%** of funds distributed and **37%** of FAM funds are classified under **Art. 8 or 9 of SFDR**<sup>(4)</sup>)
- and **Banking & Credit** (“**Green mortgages**”, **Ecobonus** and **Sismabonus**; **zero-fee account** until age 30).

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

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



✓ Contribution for the **PFA Network** to be borne by the Bank for obtaining **EFPA ESG certification**

*Obtained in September 2022*



✓ **Environmental Management System certified** in line with the EU Eco-Management and Audit Scheme (**EMAS**)

<sup>(1)</sup> Which captures the strength of the relationship with the customer defined as performance but also as the degree of preference towards the brand

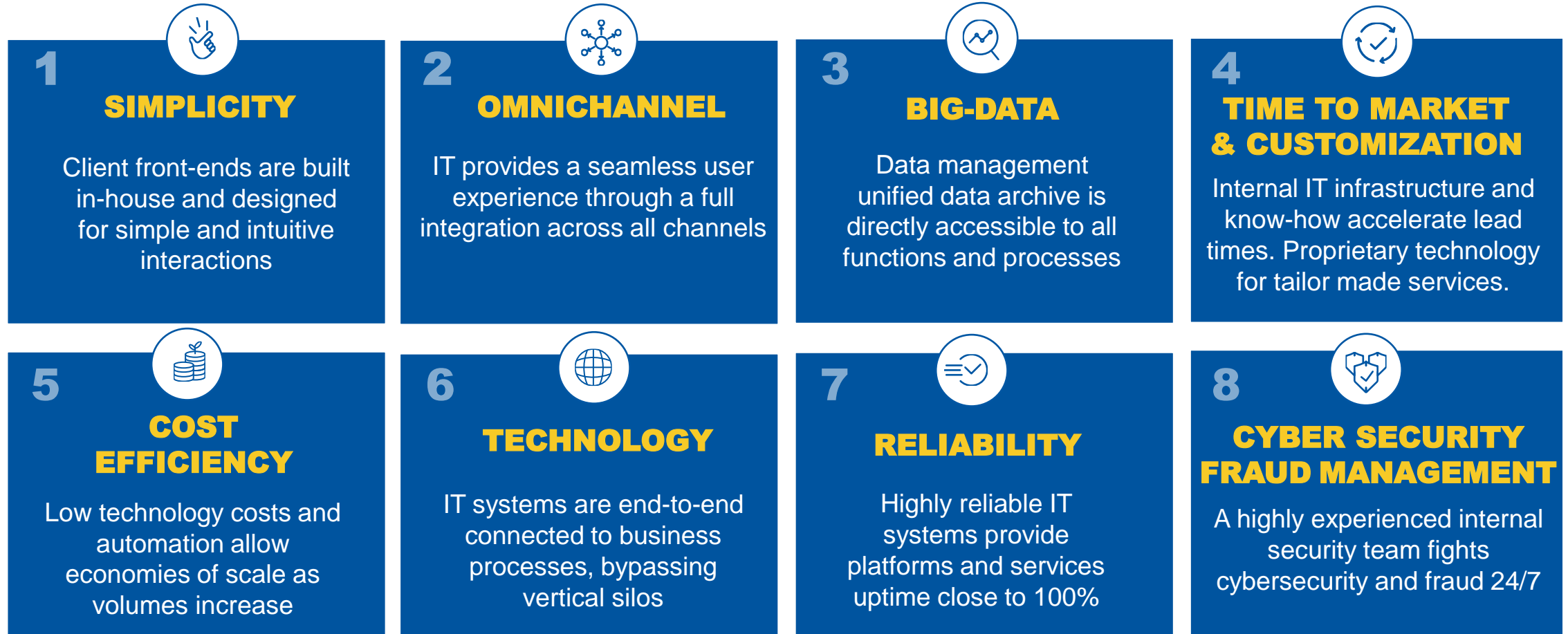
<sup>(2)</sup> Excluding UK, which represents a new market for Fineco

<sup>(3)</sup> As of 30<sup>th</sup> September 2022

<sup>(4)</sup> Regulation EU 2019/2088 - Sustainable Finance Disclosure Regulation

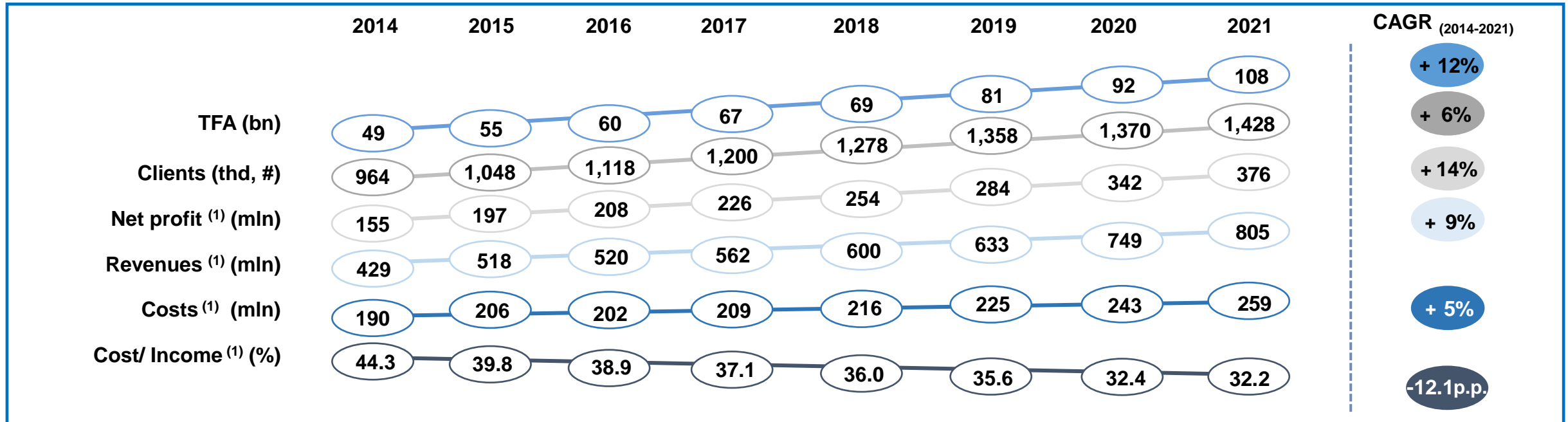
# Fineco as a profitable FinTech Bank: ICT a key business driver

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



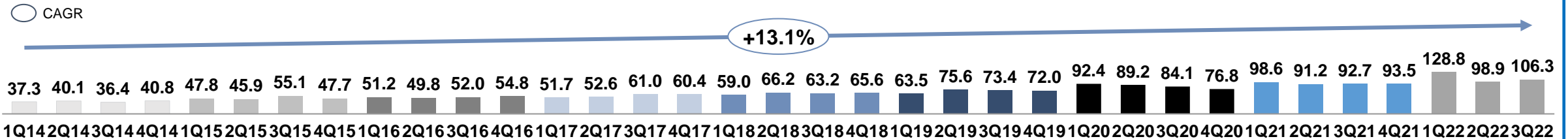
# Healthy and sustainable growth with a long term horizon

## Highly scalable operating platform...



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

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



<sup>(1)</sup> Figures adjusted by non recurring items and Net Profit adjusted net of systemic charges (FY15: -3.1mln net, FY16: -7.1mln net, FY17: -7.1mln net, FY18: -9.6mln net, FY19: -12.1 mln net, 1Q20: -0.3mln gross, -0.2mln net, 2Q20: -0.7mln gross, -0.4mln net; 3Q20: -28.0mln gross, -18.7mln net; 4Q20: +2.1mln gross, +1.4mln net; 1Q21: -5.8mln gross, -3.9mln net; 2Q21: -1.9mln gross, -1.3 mln net; 3Q21: -30.0mln gross, -20.1mln net; 4Q21: -2.3mln gross, -1.6mln net; 1Q22: -7.7mln gross, -5.2mln net; 3Q22: -39.0 mln gross, -26.1 mln 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 (77% on core deposits)
- TLTRO: we will repay ~1bn borrowed in November 2022

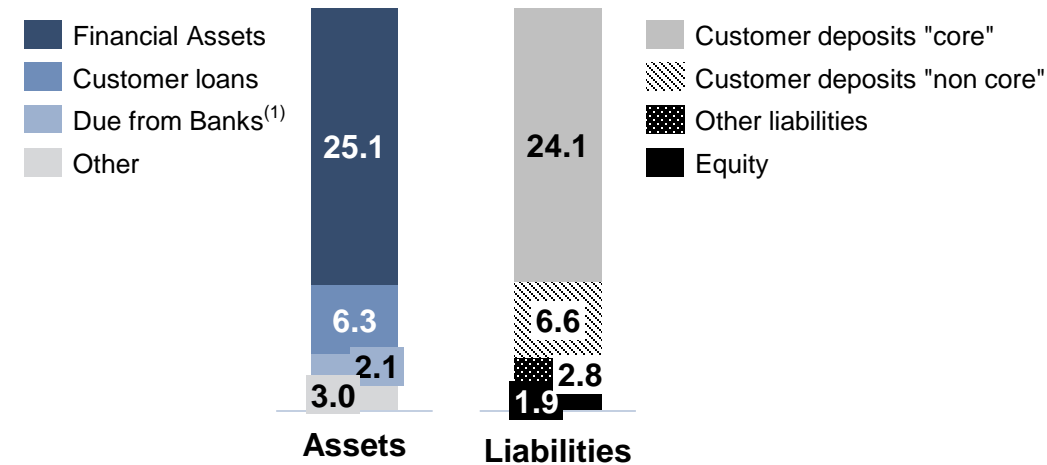
## Diversified investment portfolio

- 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 at ~ 5/6 years. Overall portfolio duration: 3.3 years

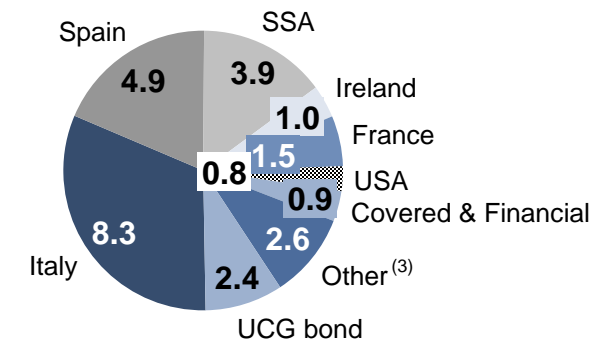
## High-quality lending growth

- Lending offered exclusively to our well-known base of clients
- Low-risk: CoR at 2bps, cautious approach on mortgages (LTV ~50%, avg maturity 20 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

36.5 bn



Total Bonds portfolio: 26.3 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)

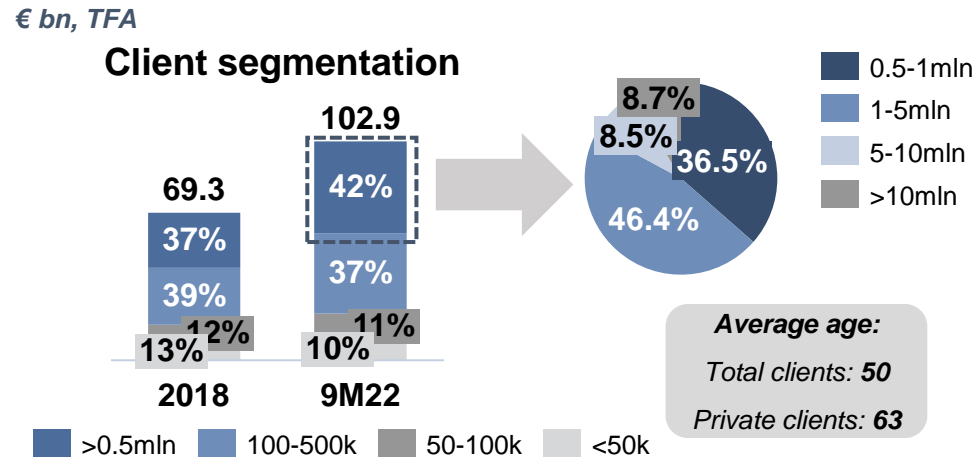
<sup>(1)</sup> Due from banks includes 1.4bn cash deposited at Bank of Italy and 0.3bn bank current accounts as of Sept.2022

<sup>(2)</sup> 26.3bn equal to 25.9bn nominal value, o/w Italy 8.2bn nominal value

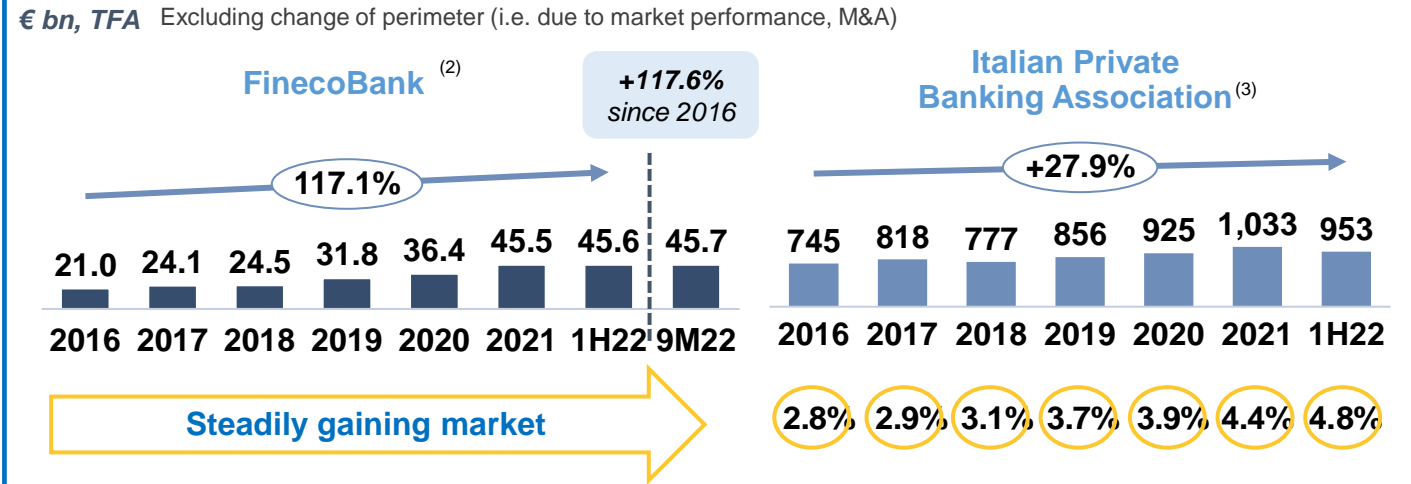
<sup>(3)</sup> Other: Austria, Belgium, Germany, Portugal, United Kingdom, Switzerland, Chile, Saudi Arabia, China, Iceland, Latvia

# Consistently growing in our target market

## Improving the quality of our client base

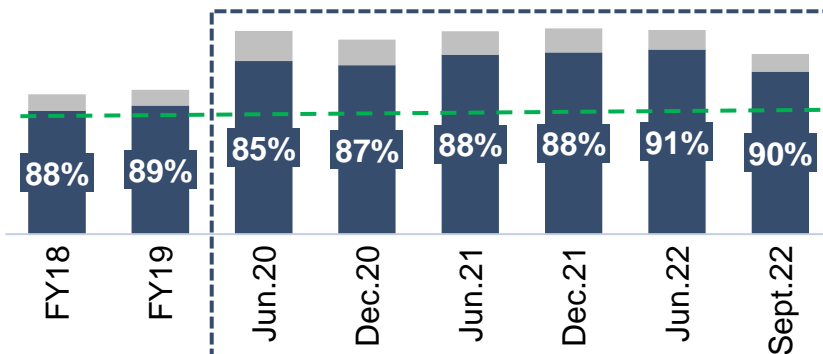


## Outperforming the system in Private Banking<sup>(1)</sup> growth



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

trader active investors<sup>(4)</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> FinecoBank stated figures: € 22.2 bn in 2016, € 25.9 bn in 2017, € 25.8 bn in 2018, € 33.4 bn in 2019, € 38.6 bn in 2020, € 48.8 bn in 2021, € 47.1 bn in 1Q22, € 43.3 bn in 1H22 and € 43.2 bn in 9M22. 1H22 figure excluding change of perimeter slightly changed due to minor adjustment

<sup>(3)</sup> AIPB (Associazione Italiana Private Banking) figures as of 1Q22. AIPB stated figures: € 776 bn in 2016, € 806 bn in 2017, € 778 bn in 2018, € 884 bn in 2019, € 932 bn in 2020, € 1,037 bn in 2021, € 1,020 bn in 1Q22, € 973 bn in 1H22

<sup>(4)</sup> Active investors: less than 20 trades per month; Traders: more than 20 trades per month

# Agenda

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- Fineco overview
- Fineco 3Q22 Results**
- Capital, risks and liquidity
- Next steps
- Fineco International Business
- Focus on product areas

# Executive Summary

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

## Delivering strong net profit in every market condition

- **9M22 adj. Net Profit at 303 mln, +17.7% y/y<sup>(1)</sup>**, confirming the sustainability of our diversified business model
- **9M22 adj. Revenues at 684 mln, +14.6% y/y<sup>(1)</sup>** mainly supported by **Investing (+18% y/y** thanks to volume effect and to the strong contribution by FAM) and **by Net Financial Income (+20% y/y)**. Brokerage confirmed a structurally higher floor compared to pre-pandemic levels
- **Operating Costs well under control at -204 mln, +4.1% y/y**, excluding costs related to the acceleration of the growth of the business<sup>(2)</sup>
- **Strong operating leverage confirmed a key strength of the Bank.** Adj. C/I ratio at 29.8%

## Growth of the Balance Sheet comfortably under control

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

## Strong capital position

- **CET1 ratio at 20.39%, TCR at 31.11%, Leverage ratio at 3.88%**

## Confirming the commercial traction of the Bank

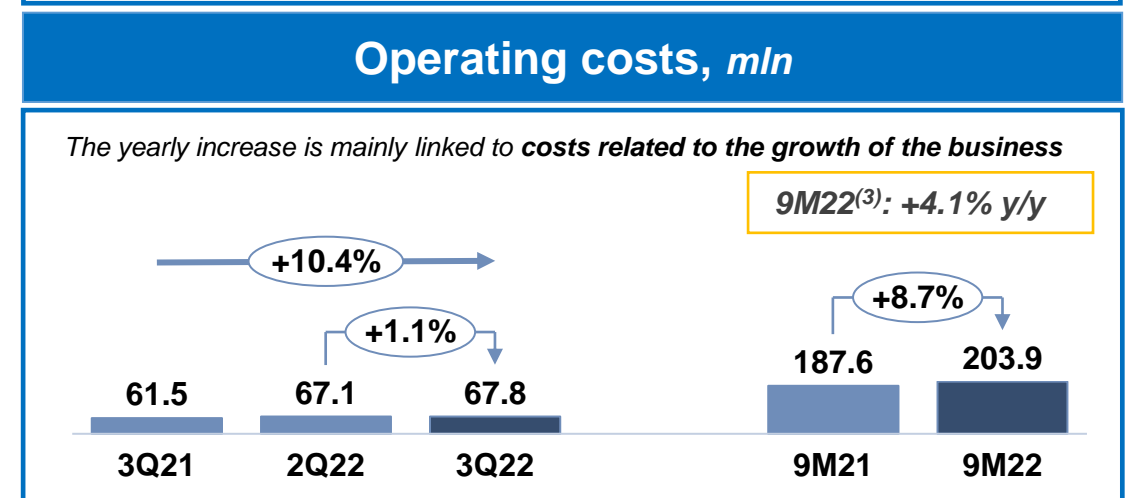
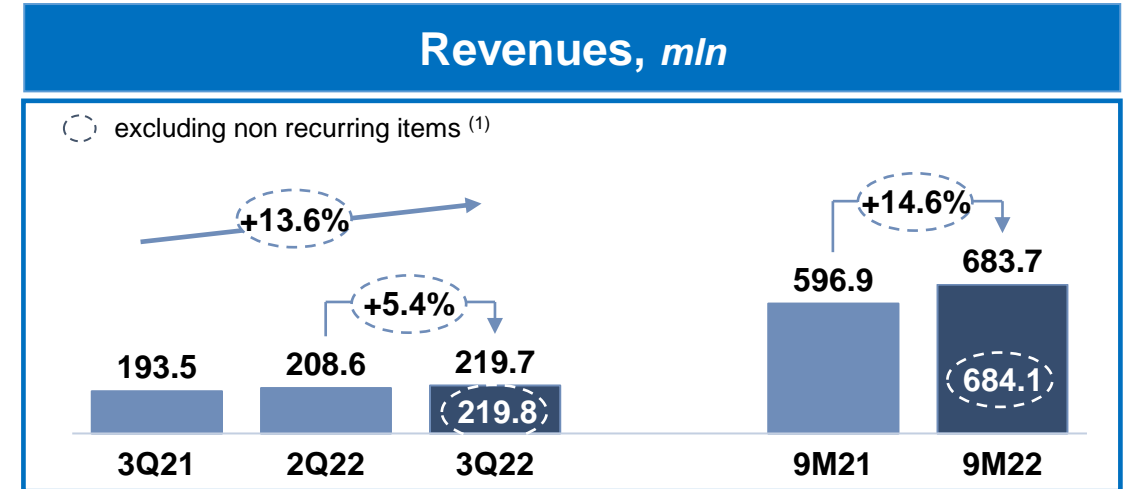
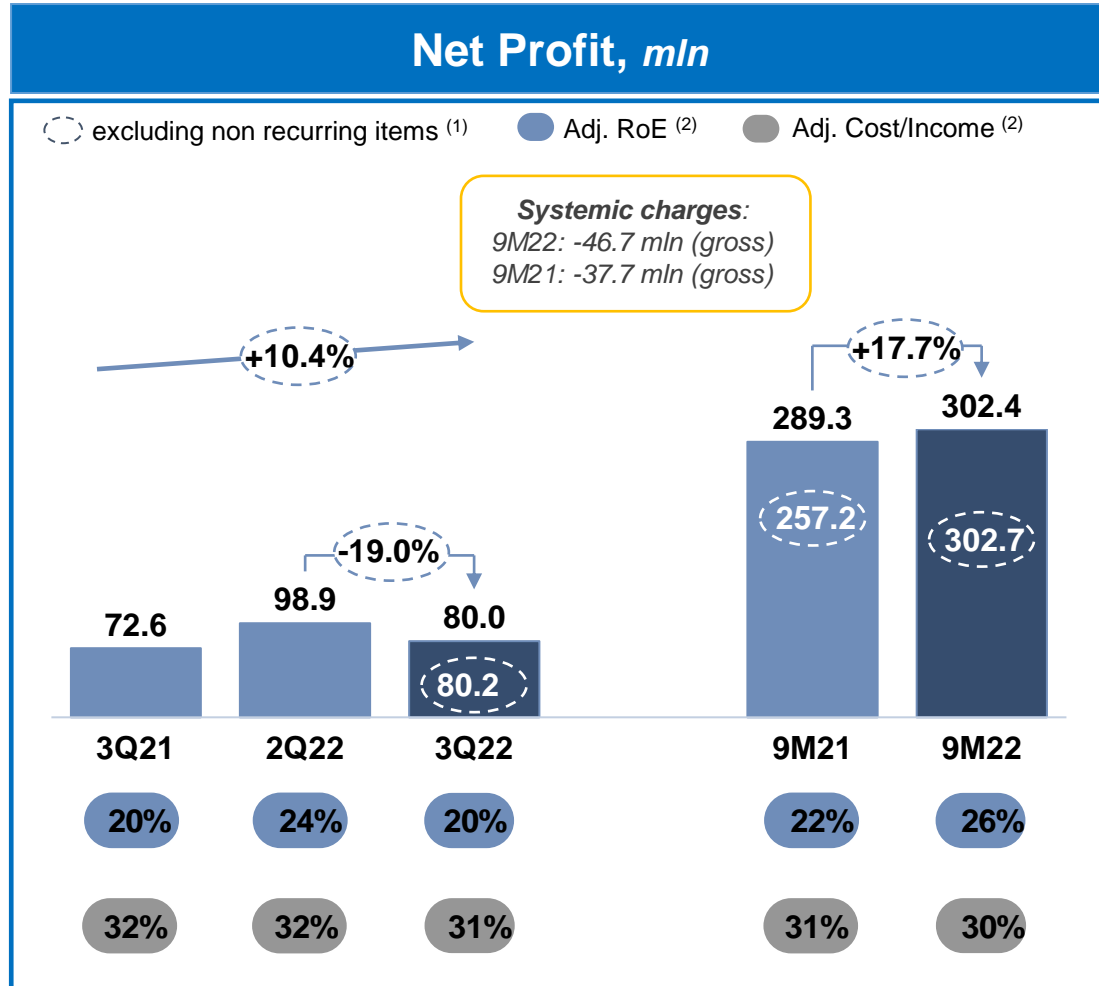
- **Net sales in 9M22 at 7.5 bn, o/w AUM at 2.5 bn. TFA at 102.9 bn with Asset under Management at 50.7 bn** and the penetration of **Fineco Asset Management retail on Asset under Management at 29%**
- **Fineco Asset Management 9M22 TFA at 24.5 bn (+13.5% y/y). Net Sales:**
  - **Retail: 1.9 bn**
  - **Funds underlyings of wrappers (Institutional classes): 1.6 bn**, as our management company is taking more control of the investing value chain
- **October: Strong net sales at ~0.7 bn, o/w AUM ~100 mln and AUC ~300 mln. Brokerage revenues estimated at ~14 mln (around +20% vs average monthly revenues in 2017-2019 y/y)**

<sup>(1)</sup> 2022 non recurring items: 3Q22 -0.2 mln gross (-0.1 mln net) and 1Q22 -0.3 mln gross (-0.2 mln net) due to Voluntary Scheme; 2021 non recurring items: 4Q21 -0.7 mln gross (-0.5 mln net) due to Voluntary Scheme; 2Q21 realignment of the intangible assets: 32 mln net

<sup>(2)</sup> Excluding costs strictly related to the growth of the business, mainly FAM (-5.5 mln y/y) and marketing (-3.2 mln y/y)

# Delivering strong Net Profit in every market condition

Adj. Net Profit at 302.7mIn, +17.7% y/y boosted by strong acceleration of Investing, confirming the effectiveness of our initiatives, and Net Financial Income. Strong operating leverage confirmed



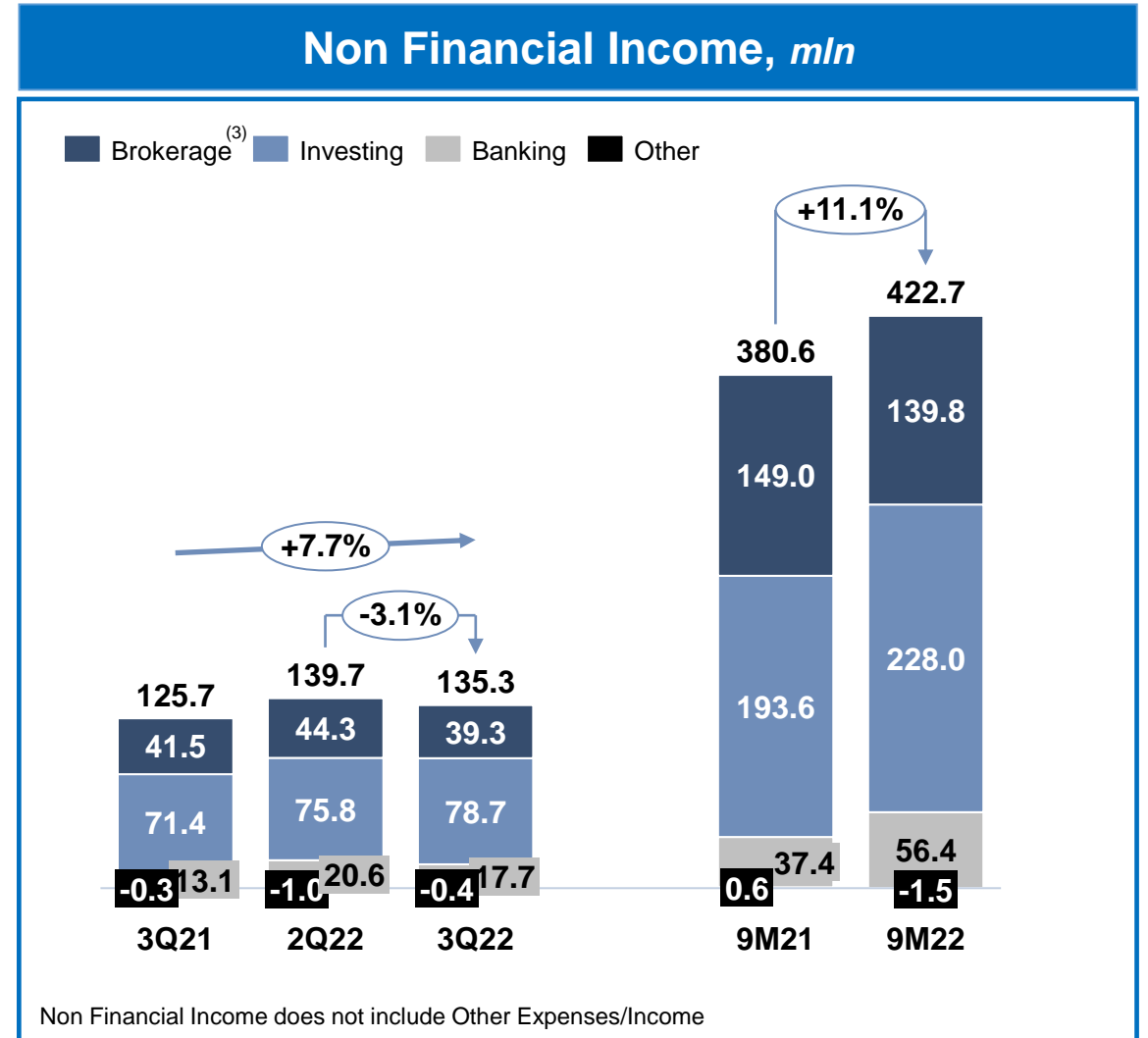
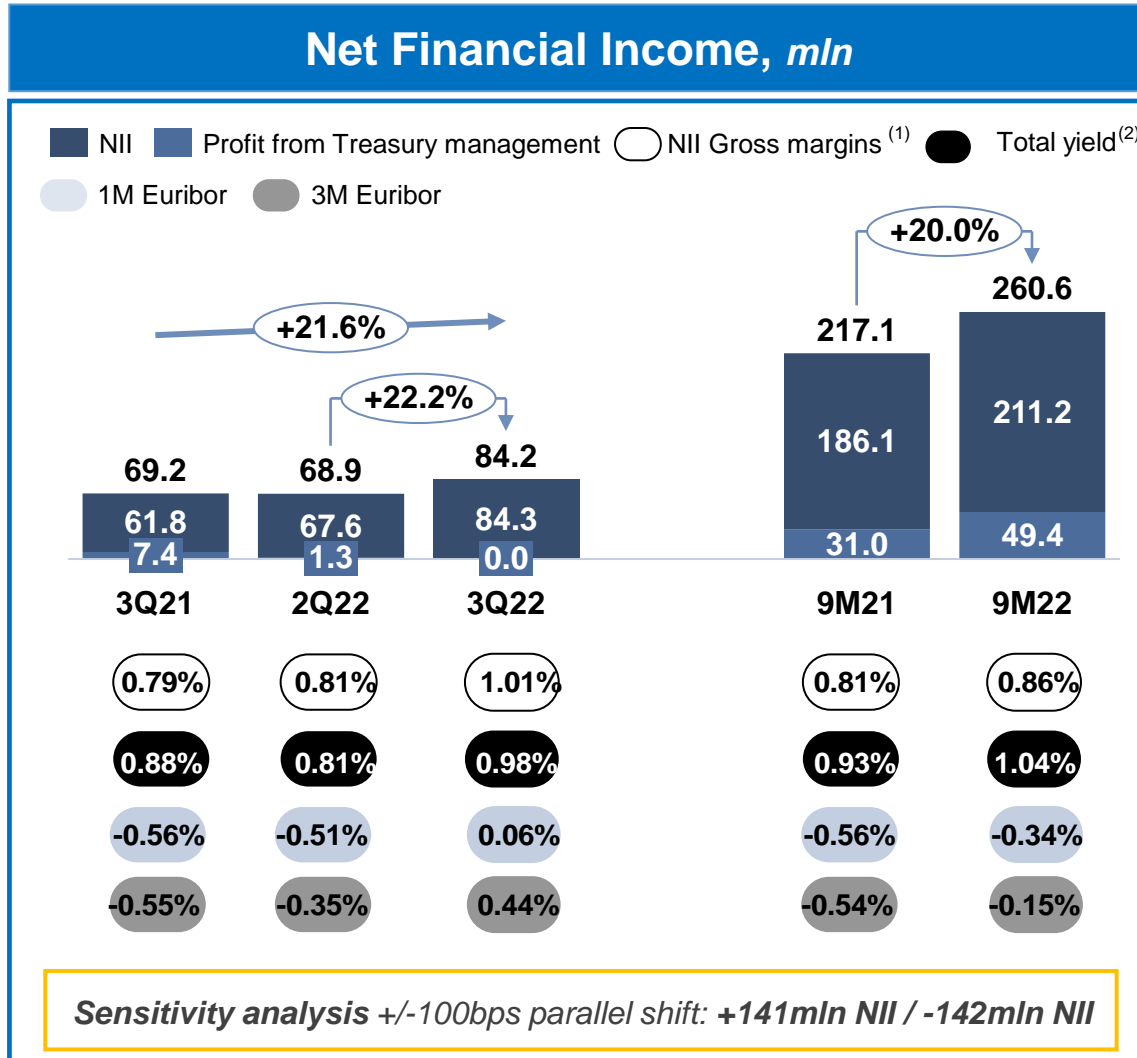
(1) 2022 non recurring items: 3Q22 -0.2 mln gross (-0.1 mln net) and 1Q22 -0.3 mln gross (-0.2 mln net) due to Voluntary Scheme; 2021 non recurring items: 4Q21 -0.7 mln gross (-0.5 mln net) due to Voluntary Scheme; 2Q21 realignment of the intangible assets: 32 mln net

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

(3) Excluding costs strictly related to the growth of the business, mainly FAM (-5.5 mln y/y) and marketing (-3.2 mln y/y)

# Revenues growth supported by all our initiatives

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



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

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

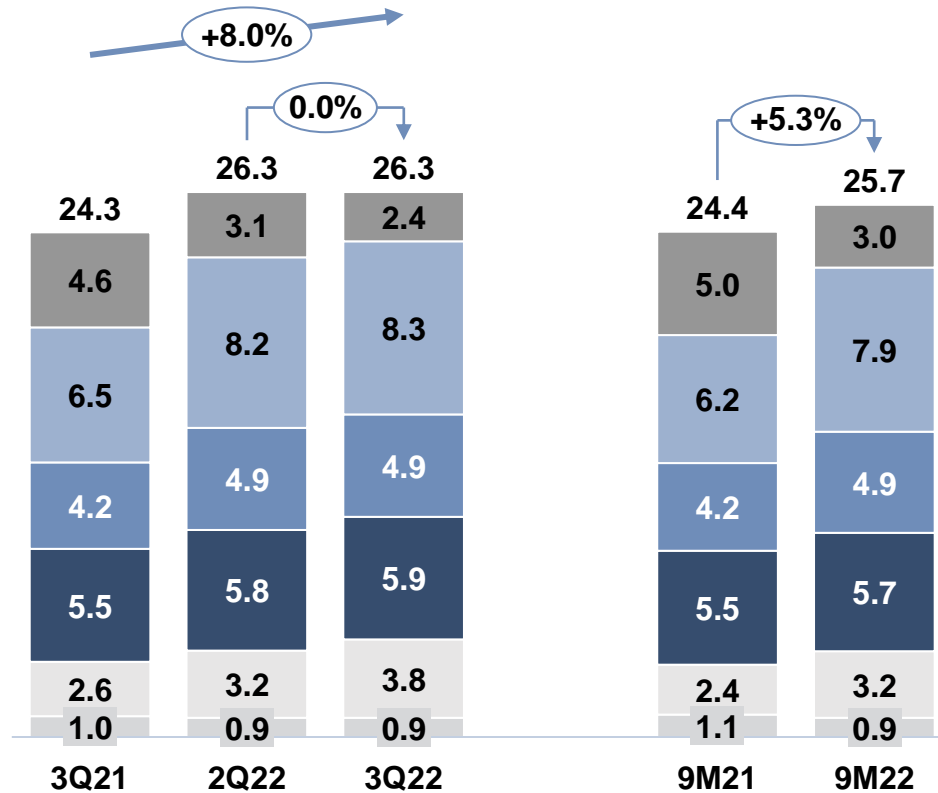
<sup>(3)</sup> Sum of brokerage commissions and Trading income (net of Profit from Treasury Management)

# Net financial income: focus on financial investments

Transactional liquidity invested in a diversified portfolio

## Bond Portfolio

€ bn, avg    ■ UC bonds   ■ Italy   ■ Spain   ■ Other Govies<sup>(1)</sup>   ■ SSA<sup>(2)</sup>   ■ Covered & Corporate



**Bond portfolio Nominal value 30th September 2022 equal to 25.9bn:**

- o/w 56% at fixed rate, avg yield: **82bps**
- o/w 35% at floating rate (swapped), avg spread on EUR3M: **83bps** on 3m Eur
- o/w 9% UCG bonds, avg spread **163bps** on 3m Eur

**Residual maturity total portfolio: 5.6 years**

- o/w UC Bonds: 0.7 years
- o/w bonds (excl. UC bonds): 6.1 years

**Overall portfolio duration: 3.1 years<sup>(3)</sup>**

<sup>(1)</sup> Avg 9M22 "Other" includes: 1.5bn France, 1.0bn Ireland, 0.8bn USA, 0.7bn Belgium, 0.6bn Austria, 0.4bn Portugal, 0.2bn Chile, 0.1bn Saudi Arabia, 0.1bn Germany, 0.2bn China, 0.1bn other (UK, Switzerland, Iceland, Latvia)

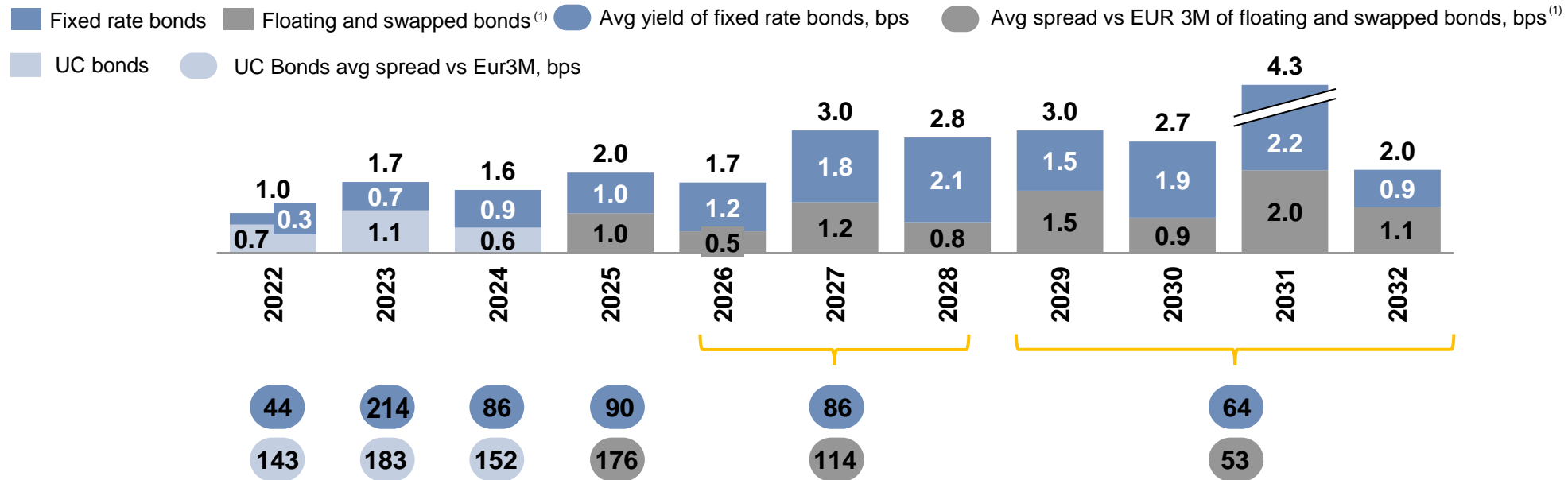
<sup>(2)</sup> Sovereign Supranational Agencies and Local Authority

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

For more details please refer to slide 16

# Net financial income: Focus on Bond portfolio run-offs

## Bond portfolio run-offs, eop bn



## UniCredit bonds run-offs

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



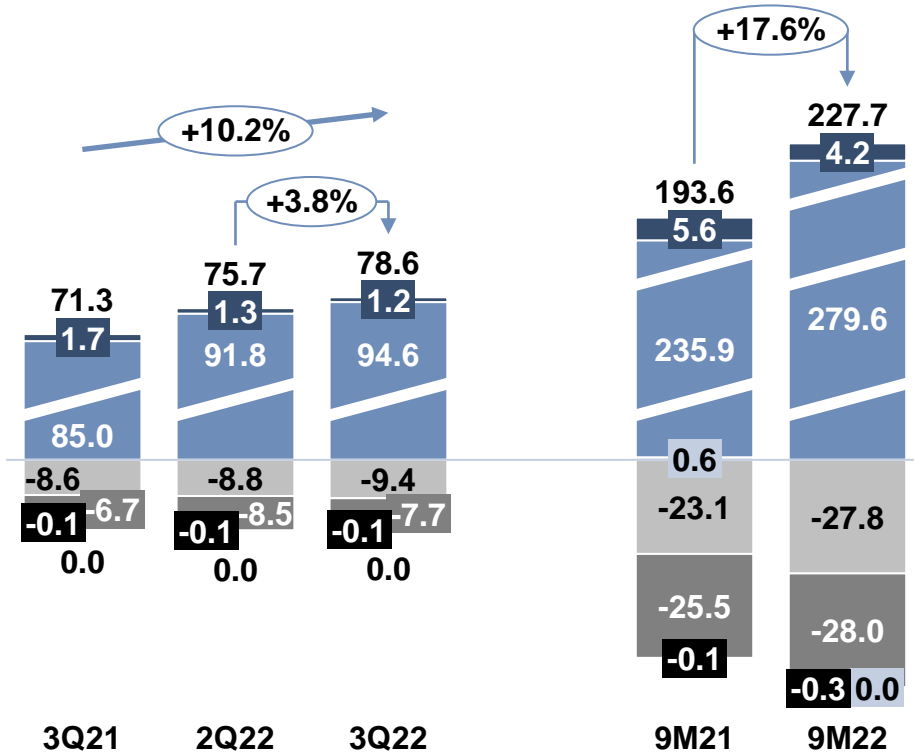
# Our priority: accelerating on Investing

9M22 revenues increasing y/y thanks to volume effect and to the higher contribution by FAM, which is taking more control of the Investing value chain, supporting our margins. Management fees in the quarter affected by negative market performance

## Investing Revenues, mln

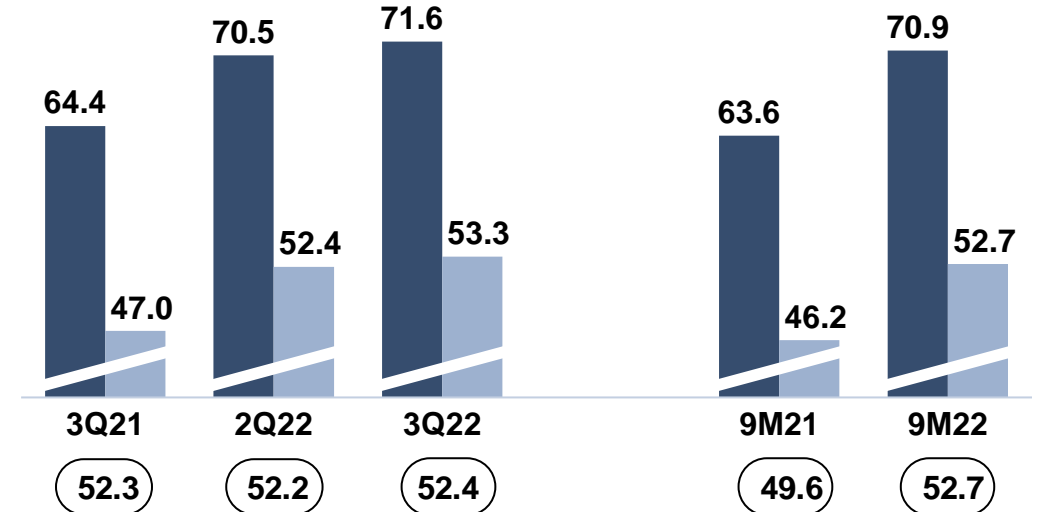
- Upfront fees
- Management fees
- PFA incentives
- Other PFA costs
- Other commissions
- Other income

**Management fees:**  
**9M22: +18.5% y/y**  
**3Q22: +11.3% y/y, +3.0% q/q**



## Management fees Margins, bps

- Manfee margins pre tax (bps)
- Manfee margins after tax (bps)
- Avg AuM (on daily basis, bn)



**Margins benefitting from FAM discontinuity:**

- ✓ strong retail net sales
- ✓ higher control of the value chain through the institutional classes (FAM funds underlyings of wrappers)

# FAM: delivering on the strategic discontinuity

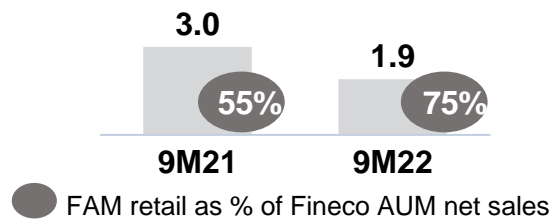
Key to sustain AUM margins thanks to its strong operating leverage and to a more efficient value chain

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

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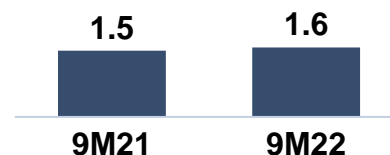
### FAM NET SALES

#### FAM RETAIL:



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

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



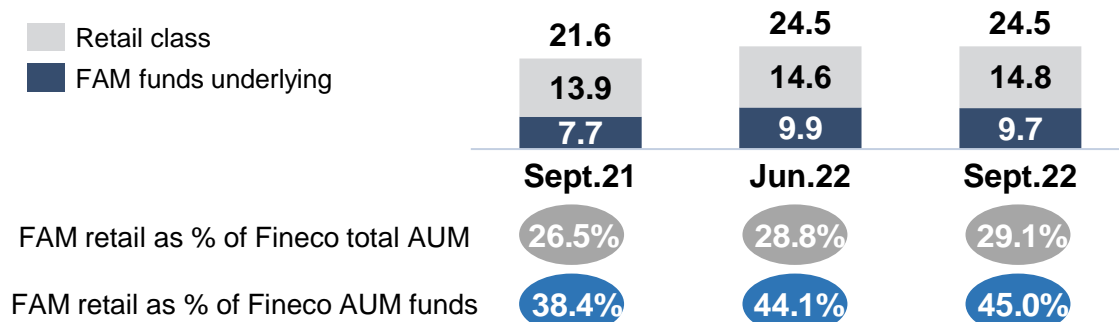
- ✓ Increase driven by the acceleration in the internalization of the value chain

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

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### FAM AUM STOCK

■ Retail class  
■ FAM funds underlying



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

## FY22 FAM priorities

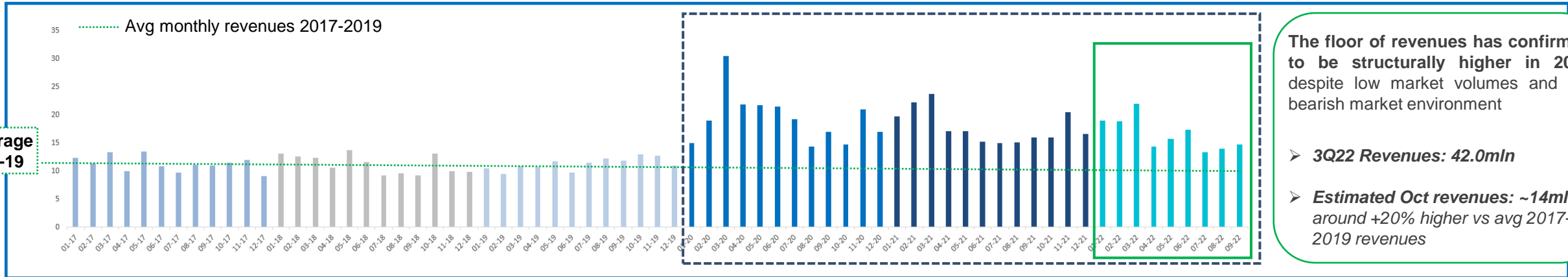
- ✓ Thanks to the **full control of the value chain**, FAM can offer at the same time both an **efficient pricing** for clients and **retain higher margins**
- ✓ FAM has launched its investment solutions based on passive funds with diversified solutions and different risk profiles. **In October FAM has listed its ETF offer**
- ✓ Coming soon: new edition of the **Smart Defence Equity**, after the strong success of the first wave
- ✓ **Continuous widening of sustainable offer** through the launch of new investment solutions under **SFDR art. 8 and 9**



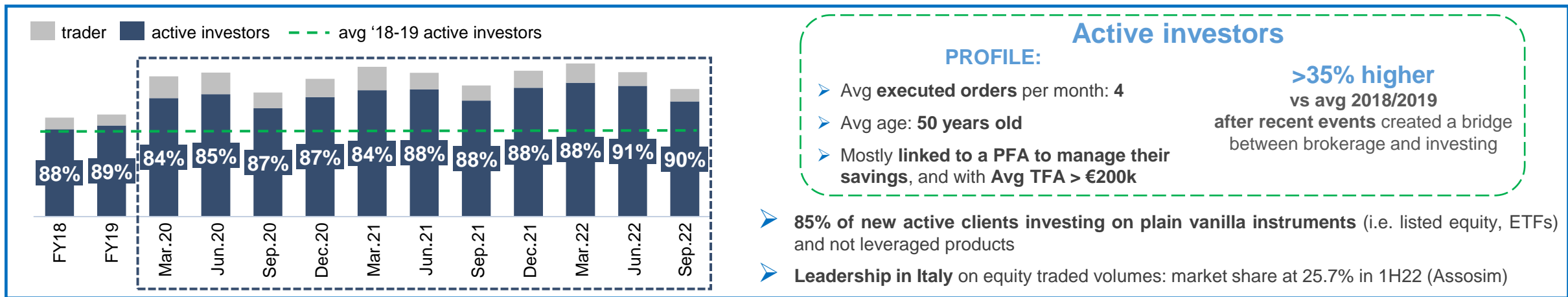
# Brokerage: higher floor as the structure of the market is changing

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

## Structural growth in revenues: the floor has gone up in a clear way in any market environment



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



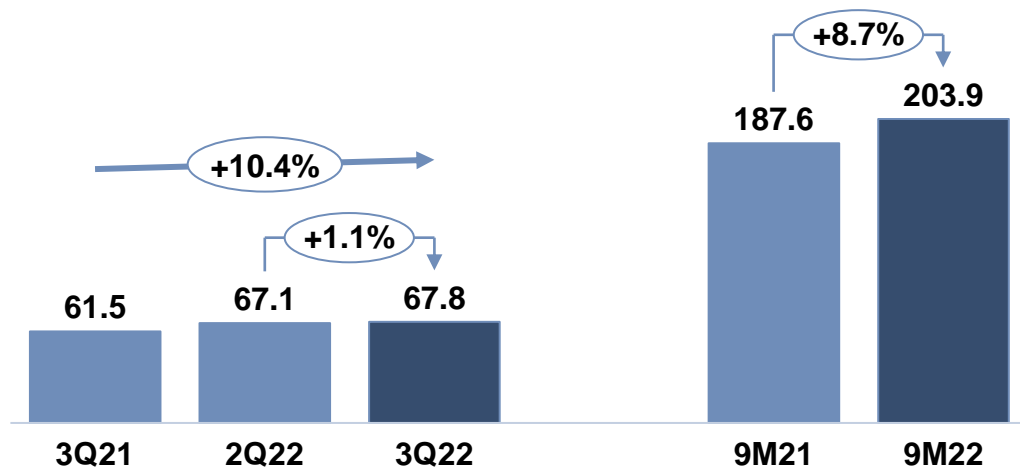
# Cost efficiency and operating leverage confirmed in our DNA

## Operating Costs, mln

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

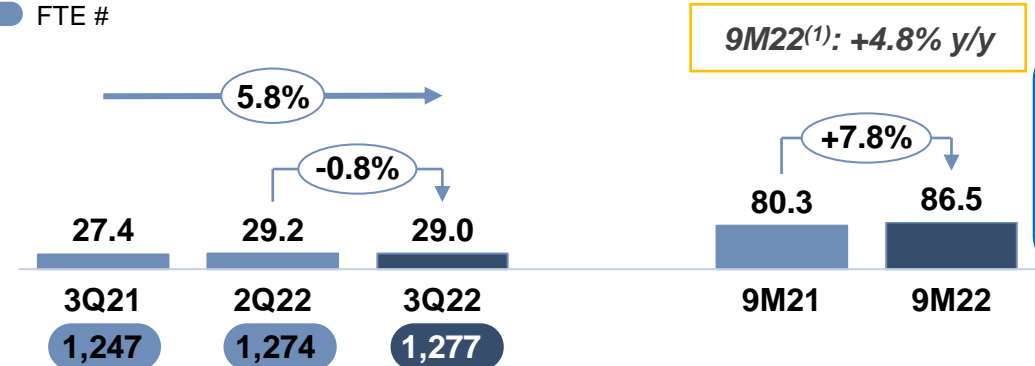
- FAM as it is progressively increasing the efficiency of the value chain
- Marketing expenses

Net of this items, 9M22<sup>(1)</sup>: +4.1% y/y



## Staff expenses and FTE, mln

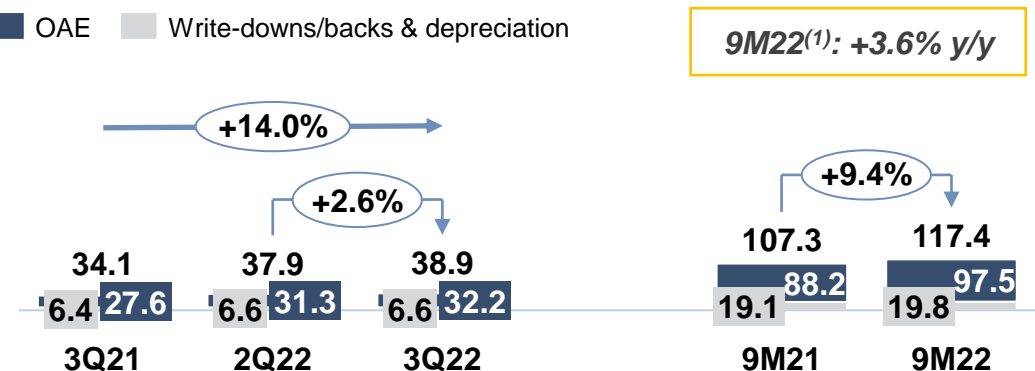
FTE #



9M22 FAM costs up by 2.4mln y/y as it is progressively increasing the efficiency of the Investing value chain

## Non HR Costs, mln

OAE Write-downs/back & depreciation



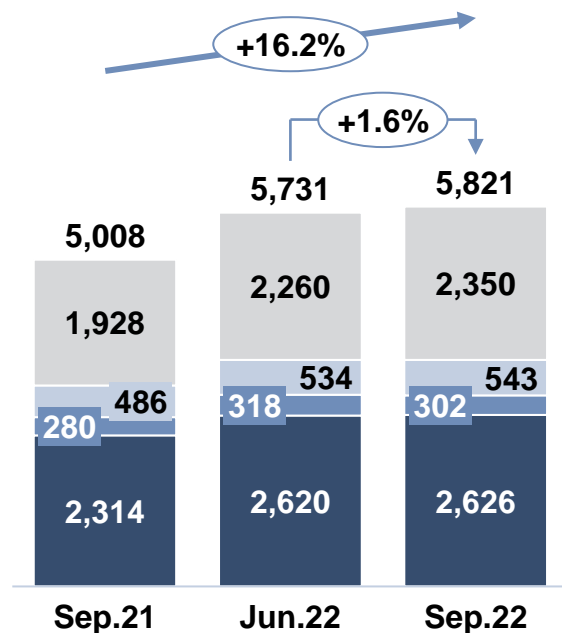
<sup>(1)</sup> Excluding costs strictly related to the growth of the business in 9M22, mainly: FAM (-5.5mln y/y, o/w -2.4mln y/y related to Staff Expenses and -3.0mln y/y related to Non HR Cost) and marketing (-3.2 mln y/y)

# High quality lending

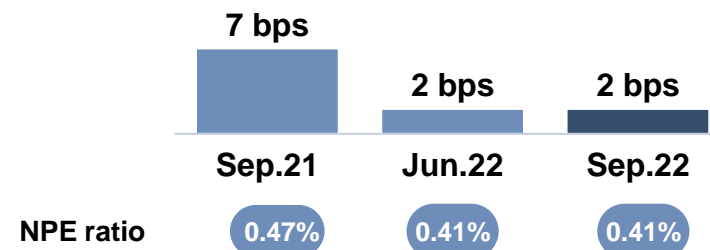
Offered exclusively to the existing base of clients, leveraging on our internal Big Data analytics

## Commercial Loans Portfolio, eop mln

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



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



- **Cost of Risk well under control thanks** to the constant improvement in the quality of the credit which is mainly secured and low risk
- **We confirm our strategy aims to build a safe lending portfolio**, offering these products exclusively to our very well known base of clients, leveraging on a deep internal IT culture, powerful data warehouse system and Big Data analytics
- **NPE at 24 mln with a coverage ratio at 83%, NPE ratio at 0.41%**
- **LLP equal to 1.5 mln in 9M22 (2.0 mln in 9M21)**
- **Less than 300 mortgages moratories have been granted until now, o/w only less than 5 are active**

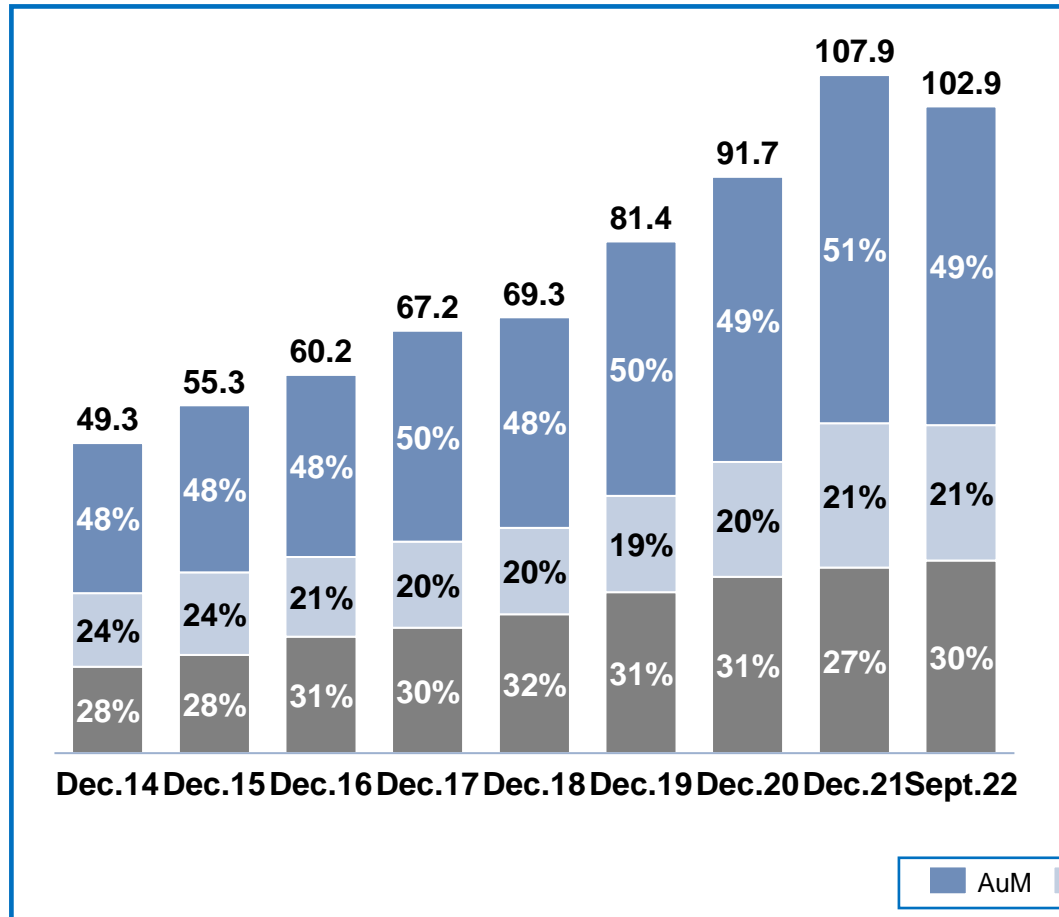
<sup>(1)</sup> Current accounts/overdraft Include Lombard loans

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

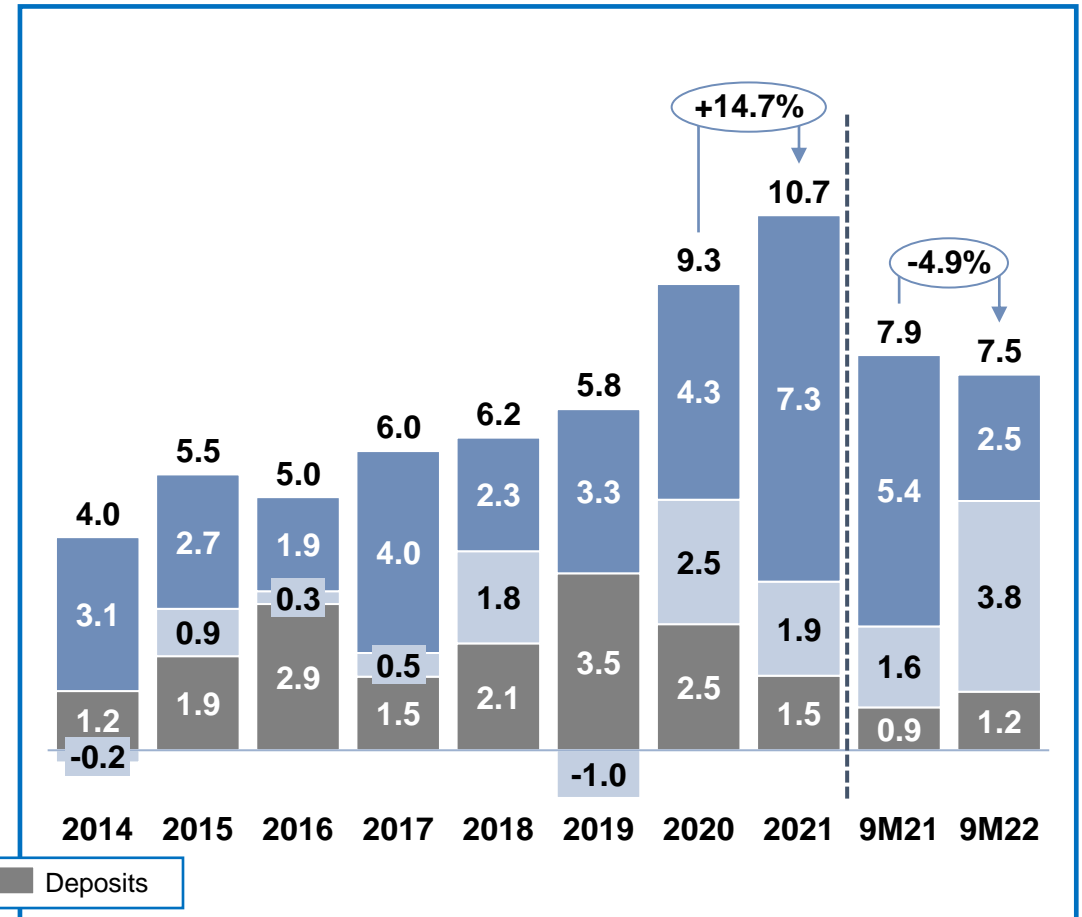
# TFA breakdown

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

## Breakdown of total TFA, bn

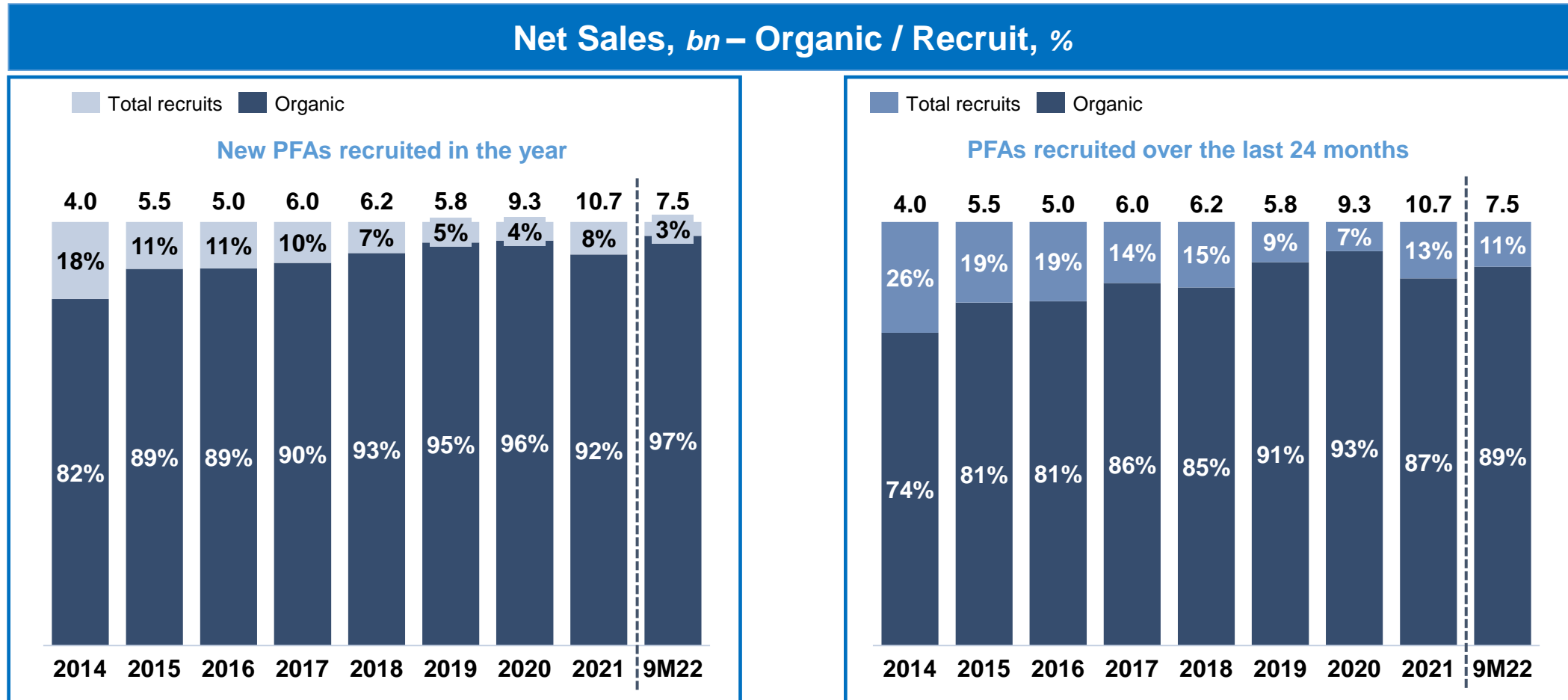


## Breakdown of total Net Sales, bn



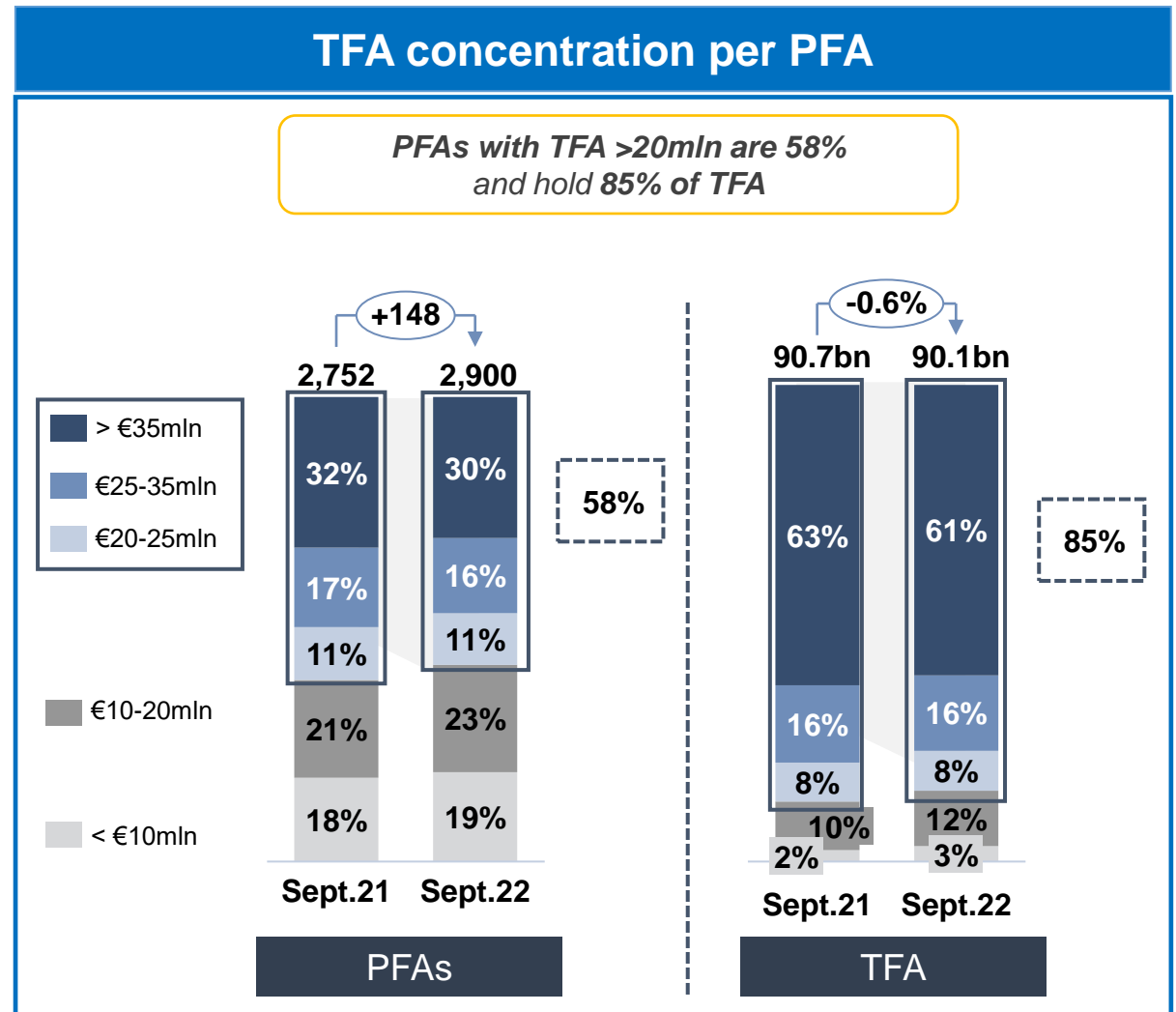
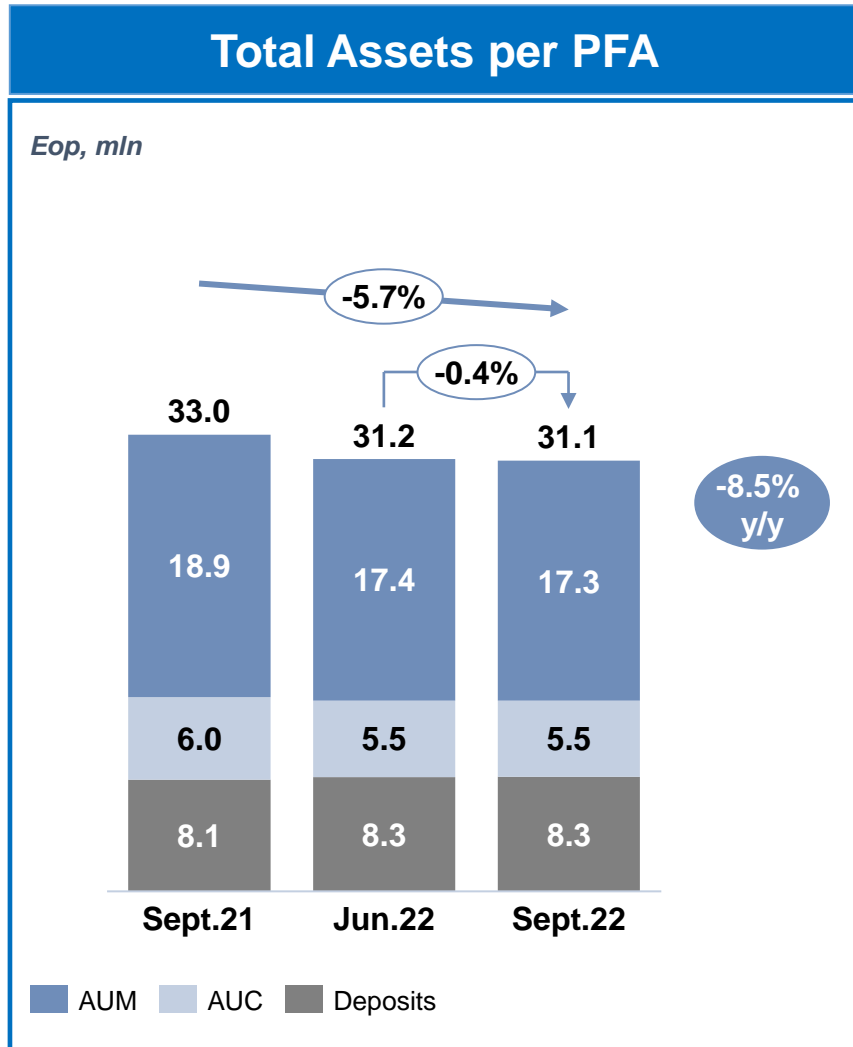
# Net sales organically driven key in our strategy of growth

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



- No change in our recruiting policy (recruiting costs to be amortized: 40.1 mln as of Sept.22)
- Increase in the spontaneous interest to join Fineco, which emerged as the perfect partner for professionals looking to grow in a sustainable way

# Increasing quality and productivity of the Network





# Agenda

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- Fineco overview
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- Capital, risks and liquidity**
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- Focus on product areas

# Capital ratios

Capital position well above requirements

	Sept.21	Jun.22	Sept.22	Current Requirements		Sept.21	Jun.22	Sept.22	
CAPITAL	CET1 Ratio	18.37%	19.14%	20.39%	8.12%	CET1 Capital	841	929	951
	Total Capital Ratio	29.29%	29.45%	31.11%	12.50%	Tier1 Capital	1,341	1,429	1,451
	Leverage Ratio <sup>(1)</sup>	3.80%	3.82%	3.88%	3.00%	Total Capital	1,341	1,429	1,451
LIQUIDITY	LCR <sup>(2)</sup>	825%	829%	799%	100%	RWA	4,580	4,851	4,664
	NSFR	332%	331%	356%	100%				
MREL	MREL LRE	n.a.	5.15%	5.21%	4.11% <sup>(3)</sup>				
	MREL TREA	n.a.	39.69%	41.77%	20.83% <sup>(3)</sup>				

(1) Leverage Ratio excluding exposures towards Central Banks from the total LR exposures (according to art. 429a - CRR) was equal to 4.04% in Sept 2021

(2) Calculated according to the Pillar 3 methodology

(3) The current MREL requirements binding from 1/1/22 are equal to 4.11% for LRE and 20.83% for TREA. Starting from 1/1/24, LRE MREL requirement is equal to 5.18%

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

**Sustainability** and **prudent risk-taking** remain at the heart of Fineco's model. The institution's strategic approach is oriented towards a **robust business model characterized by a low-risk appetite** to create sustainable profits 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 <b>prudent credit origination</b> process to a well-known customer base;</li> <li>Maintain a high-quality investment profile focused on <b>investment-grade assets</b>;</li> <li>Focus on maintaining a low Expected Loss via <b>higher volumes of collateralized exposure</b> and low non-performing exposures inflows.</li> </ul>	4Q20	4Q21	3Q22	
		0.61%	0.43%	0.41%	
		86%	82%	83%	
		0.14%	0.11%	0.11%	
Market Risk	<ul style="list-style-type: none"> <li>Maintain a <b>low risk appetite</b> for market risk compatibly with the minimum business needs of the brokerage operations;</li> <li>Higher risk limits due to higher volumes but unchanged risk exposure and focus;</li> <li><b>IRRBB</b>: maintain a fully hedged position (in terms of economic value sensitivity) against interest rate fluctuations.</li> </ul>	2020	2021	3Q22	
		700k	700k	1m	
		204k	199k	119k	
Operational Risk	<ul style="list-style-type: none"> <li>Maintain a contained operational risk through <b>proactive monitoring</b> processes (Loss Data Collection, KPIs) and extensive reporting;</li> <li>Maintain a solid <b>insurance</b> framework to cover risks stemming from frauds;</li> <li>Growing focus on ICT and reputational risks.</li> </ul>	2019	2020	2021	3Q22
		439	250	253	131
		3.4m	0.4m	5.6m	3.2m

(1) Events with loss > €500

# Leverage Ratio Sensitivity

OUR PRIORITY

Focus on our **Balance Sheet** to keep under control the growth of deposits and improve our quality revenues mix. Thanks to our new initiatives **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 3.75%-4.0%)

## Leverage Ratio comfortably under control

Retained earnings = Tier 1 Capital (mln)

	70	80	90	100	110	120	130	140	150	200	250	300	350	400	450	500
-500	4.11%	4.14%	4.17%	4.19%	4.22%	4.24%	4.27%	4.30%	4.32%	4.45%	4.58%	4.71%	4.83%	4.96%	5.09%	5.22%
0	4.06%	4.08%	4.11%	4.14%	4.16%	4.19%	4.21%	4.24%	4.26%	4.39%	4.52%	4.64%	4.77%	4.90%	5.02%	5.15%
500	4.01%	4.03%	4.06%	4.08%	4.11%	4.13%	4.16%	4.18%	4.21%	4.33%	4.46%	4.58%	4.71%	4.83%	4.96%	5.08%
1,000	3.95%	3.98%	4.00%	4.03%	4.05%	4.08%	4.10%	4.13%	4.15%	4.28%	4.40%	4.52%	4.65%	4.77%	4.89%	5.02%
1,500	3.90%	3.93%	3.95%	3.98%	4.00%	4.03%	4.05%	4.08%	4.10%	4.22%	4.34%	4.47%	4.59%	4.71%	4.83%	4.95%
2,000	3.85%	3.88%	3.90%	3.93%	3.95%	3.98%	4.00%	4.02%	4.05%	4.17%	4.29%	4.41%	4.53%	4.65%	4.77%	4.89%
2,500	3.81%	3.83%	3.85%	3.88%	3.90%	3.93%	3.95%	3.97%	4.00%	4.12%	4.24%	4.36%	4.47%	4.59%	4.71%	4.83%
3,000	3.76%	3.78%	3.81%	3.83%	3.85%	3.88%	3.90%	3.92%	3.95%	4.07%	4.18%	4.30%	4.42%	4.54%	4.65%	4.77%
4,000	3.67%	3.69%	3.71%	3.74%	3.76%	3.78%	3.81%	3.83%	3.85%	3.97%	4.08%	4.20%	4.31%	4.43%	4.54%	4.66%
5,000	3.58%	3.60%	3.63%	3.65%	3.67%	3.69%	3.72%	3.74%	3.76%	3.88%	3.99%	4.10%	4.21%	4.32%	4.44%	4.55%
6,000	3.50%	3.52%	3.54%	3.57%	3.59%	3.61%	3.63%	3.65%	3.68%	3.79%	3.90%	4.01%	4.12%	4.23%	4.34%	4.44%
7,000	3.42%	3.44%	3.46%	3.49%	3.51%	3.53%	3.55%	3.57%	3.59%	3.70%	3.81%	3.92%	4.02%	4.13%	4.24%	4.35%
8,000	3.35%	3.37%	3.39%	3.41%	3.43%	3.45%	3.47%	3.49%	3.51%	3.62%	3.73%	3.83%	3.94%	4.04%	4.15%	4.25%
9,000	3.27%	3.29%	3.31%	3.34%	3.36%	3.38%	3.40%	3.42%	3.44%	3.54%	3.65%	3.75%	3.85%	3.96%	4.06%	4.16%
10,000	3.20%	3.22%	3.24%	3.27%	3.29%	3.31%	3.33%	3.35%	3.37%	3.47%	3.57%	3.67%	3.77%	3.87%	3.97%	4.07%

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 3.75%-4.0%

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

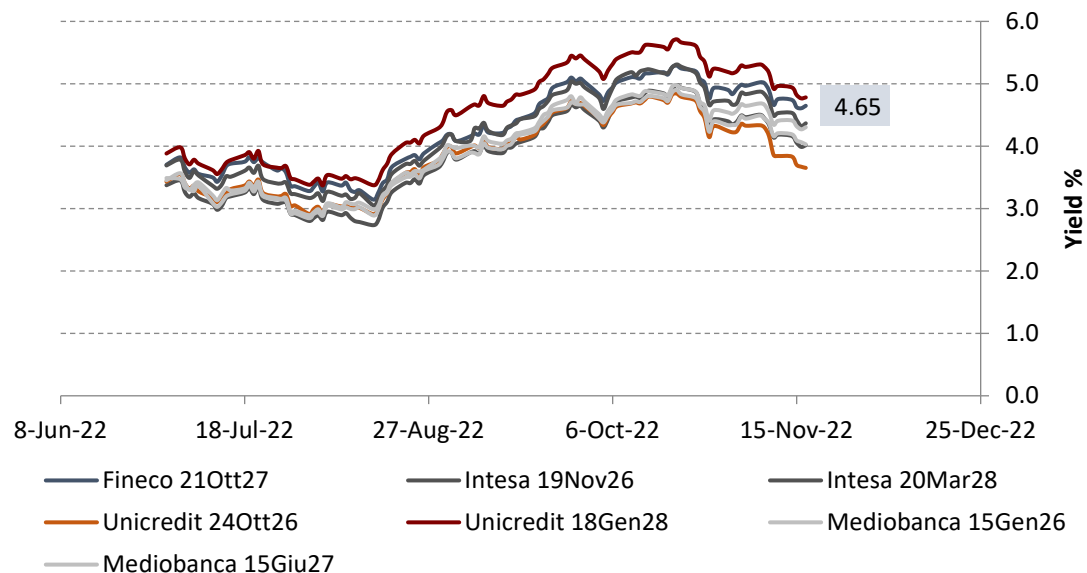
# Fixed Income

## 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

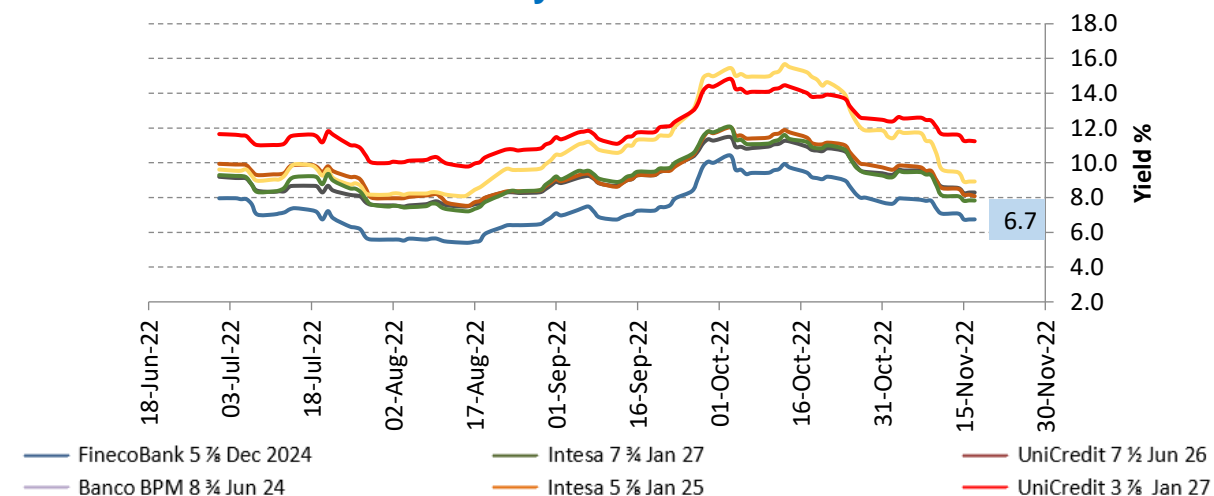
➤ €200 mln perpetual AT1 issued on January 23<sup>rd</sup>, 2018:

- 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

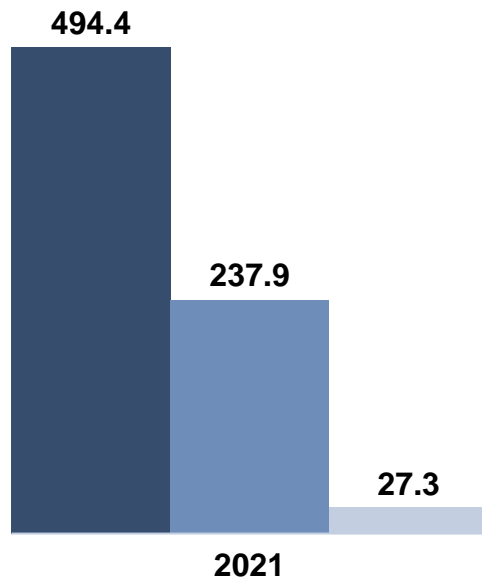
### Italian AT1 yield at first call date



# AT1 Coupon payments underpin by solid profitability

## New dimension of growth reinforcing our solid profitability

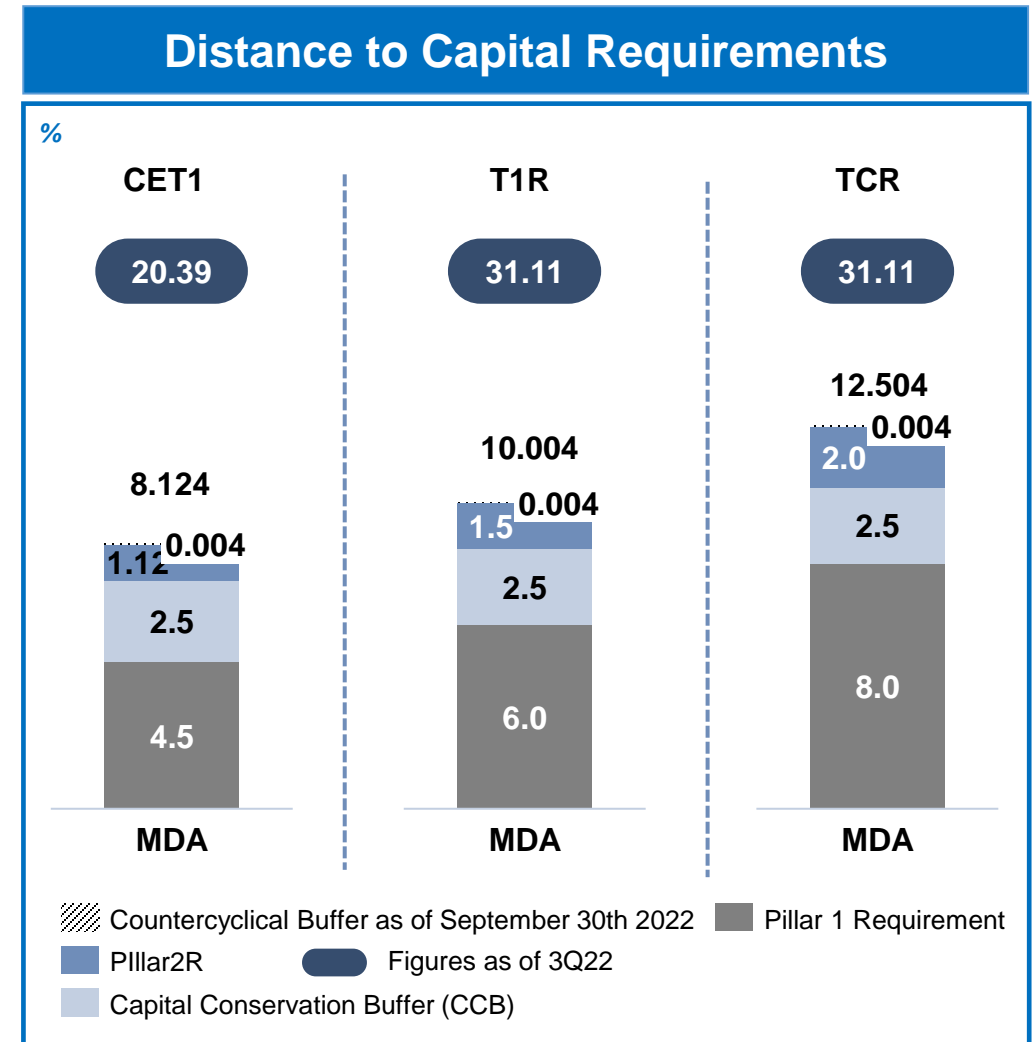
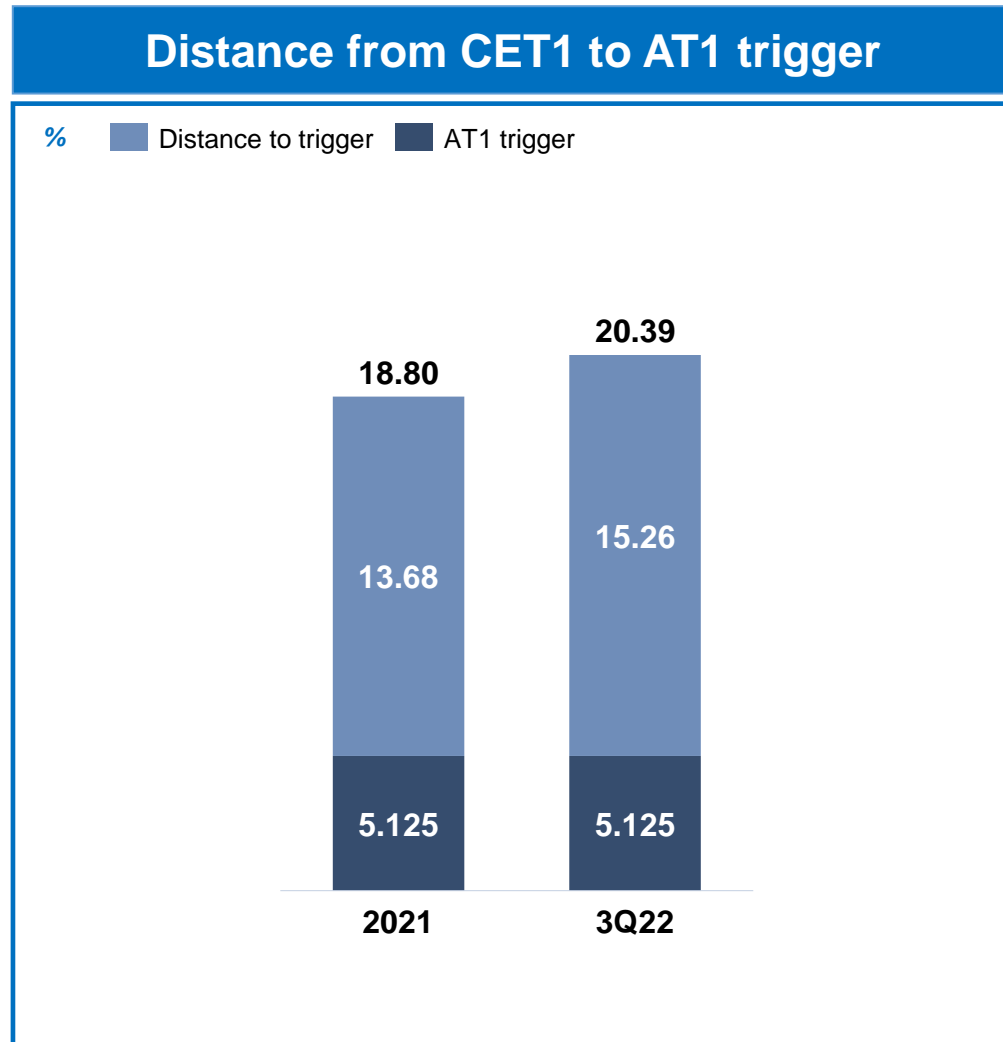
€ mln    ■ PBT    ■ Dividends    ■ AT1 Coupon before Tax



- Discretionary coupon payments on AT1 capital are subject to sufficient distributable items
- As of 31st December 2021, Fineco distributable reserves (ADI) amounted to €487.9 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 Neutral outlook

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S&P	
Outlook	Neutral
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



# Agenda

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# 2022 Guidance and outlook going forward

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

## ■ BANKING REVENUES:

➤ **Net financial income (NFI: net interest income + Profit from Treasury management) expectations<sup>(1)</sup>:**

**FY22:** around 380 mln with the current forward rate curve.

**FY23:** NFI growth by at least +70% vs FY22 upward revised expectations<sup>(2)</sup>. **Going forward** we expect it to keep on benefiting from the new interest rates scenario thanks to the sensitivity and to the volume increase

➤ **Banking fees:**

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

## ■ INVESTING REVENUES expectations:

**FY22:**

- Revenues increase around 10% y/y, including market effect up to October, with higher ManFees margins y/y
- AUM net sales at around 3.0 bn (FAM retail net sales around 2.5 bn)
- PFAs: net increase in a range of 110-130 PFAs expected

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

- 1) AUM net sales around 5 bn per year
- 2) The increase in FAM penetration in Fineco AUM, with retail net sales ~4.5bn per year

ManFee margins after-tax confirmed up to ~55bps in 2024 (pre-tax ~73bps)

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

## ■ OPERATING COSTS expectations:

**For FY22:** growth of around 5% y/y, not including ~7 million of additional costs related to FAM strategic discontinuity and additional marketing costs. In the coming months we will invest few additional millions in marketing to take advantage of the strengthening of the structural trends

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

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

■ **SYSTEMIC CHARGES:** in a range -45/47 mln of DGS+SRF <sup>(3)</sup>

■ **TAX RATE:** for 2022 in a range 0/-0.5 p.p. y/y due to new interest rates scenario

■ **CAPITAL RATIOS:** CET1 floor at 17%, Leverage Ratio very well under control in a range 3.75/4.0% in FY22 (for details see slide 28)

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

■ **COST OF RISK:** in a range 3/8 bps in 2022 thanks to the quality of our portfolio

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

**OUTLOOK  
IMPROVED**

The current expectations for FY22 and FY23 have strongly improved vs the previous ones as the expected uplift in the Net Financial Income is consistently higher compared to the slight decrease in the growth of Investing revenues

# Innovation and Simplification Project

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

## BROKERAGE

**COMING SOON** Brokerage-only Account

✓ New Trading Pages

✓ New Trading Platform (*Family&Friends*)

✓ *US Certificates* thanks to the wider trading hours

**COMING SOON** *Constant Leverage Certificates*

## INVESTING

✓ Updated Investing page

✓ Improved PFA web collaboration

**COMING SOON** New Advisory Platform

## BANKING

### INNOVATIVE USER EXPERIENCE

✓ New faster onboarding

**COMING SOON** Redesigned private homepage

➤ SPEED UP ACTIVATION RATES

➤ IMPROVING SEGMENTATION  
AND CROSS-SELLING

➤ UPSELLING INVESTMENT PRODUCTS

➤ BETTER CLIENT & PFA EXPERIENCE

➤ MOBILE CHANNEL  
GAINING TRACTION IN  
TERMS OF ONBOARDING

## Improved MARKETING efficiency thanks to Big Data Analytics

✓ Improving customer segmentation

✓ Increasing advertising effectiveness

➤ DECLINING ACQUISITION COST

➤ STRONG UPTICK IN THE CONVERSION RATE

VS BENCHMARK IN A FIRST TEST ON A SMALL SAMPLE

# Agenda

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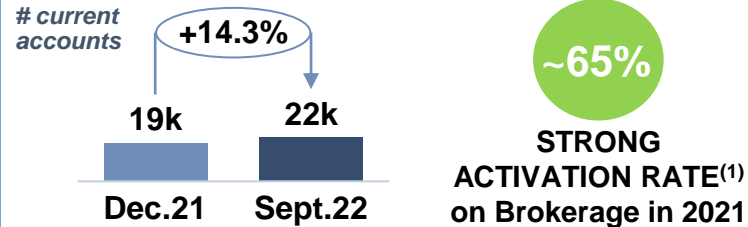
- Fineco overview
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# Fineco international business: getting ready for the deployment

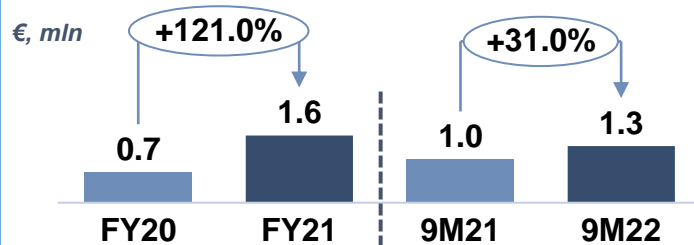
Focusing our offer on a simplified digital model through a brand new, highly scalable and multilanguage platform for investments

## UK: gaining traction thanks to word of mouth

### An increasing and better quality client base...



### ...translating in improving brokerage revenues metrics



## Germany: coming soon

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

## Going forward: rest of EU

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

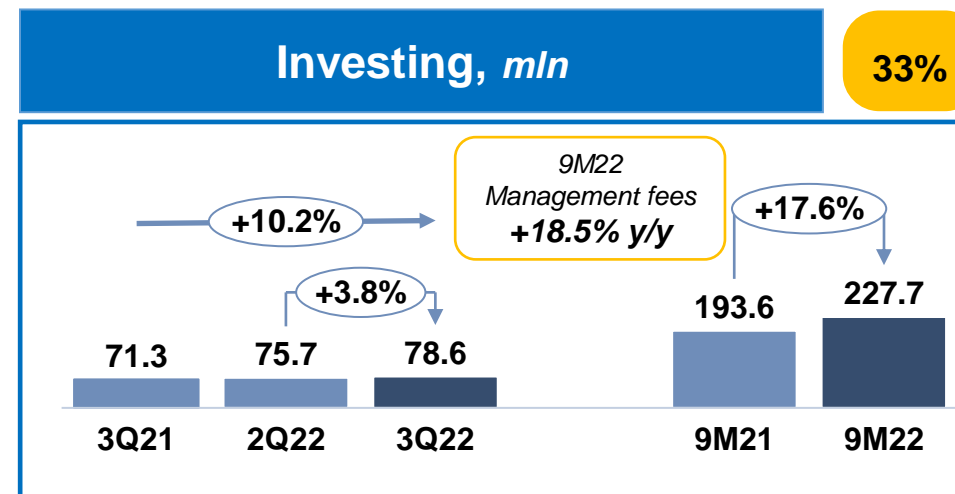
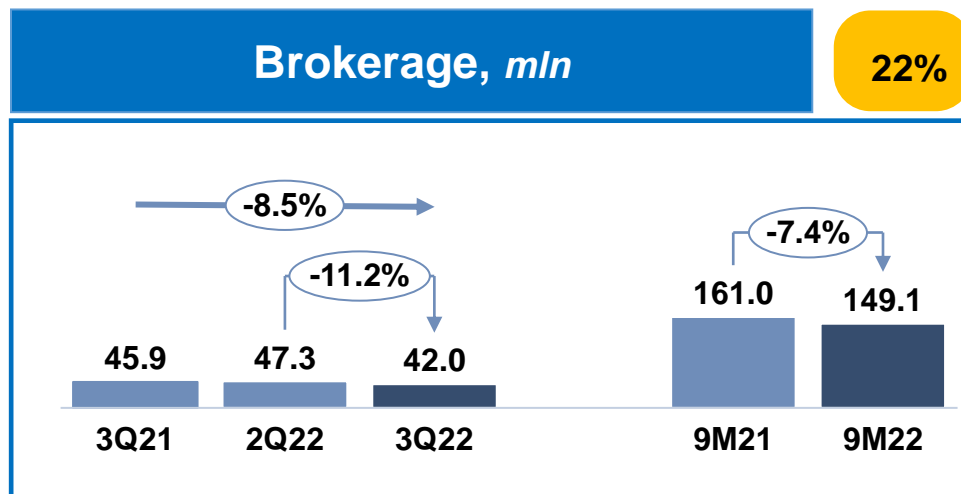
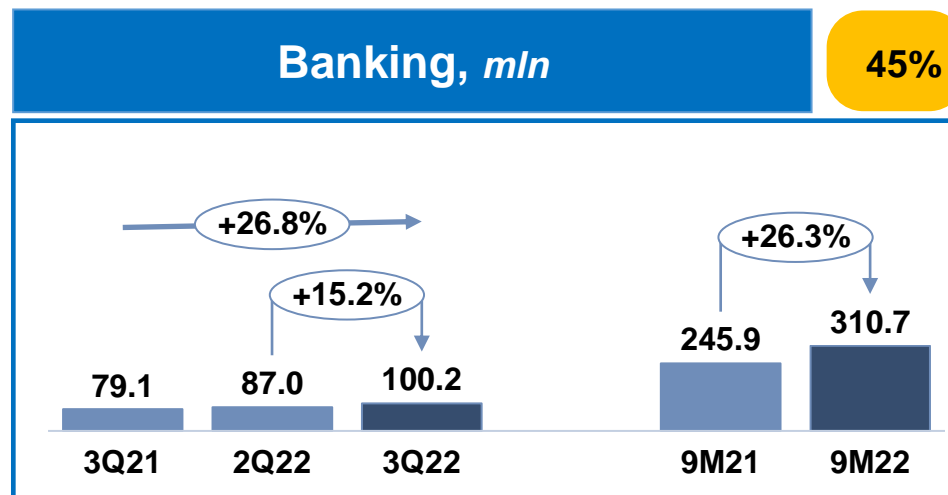
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# Revenues by Product Area

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

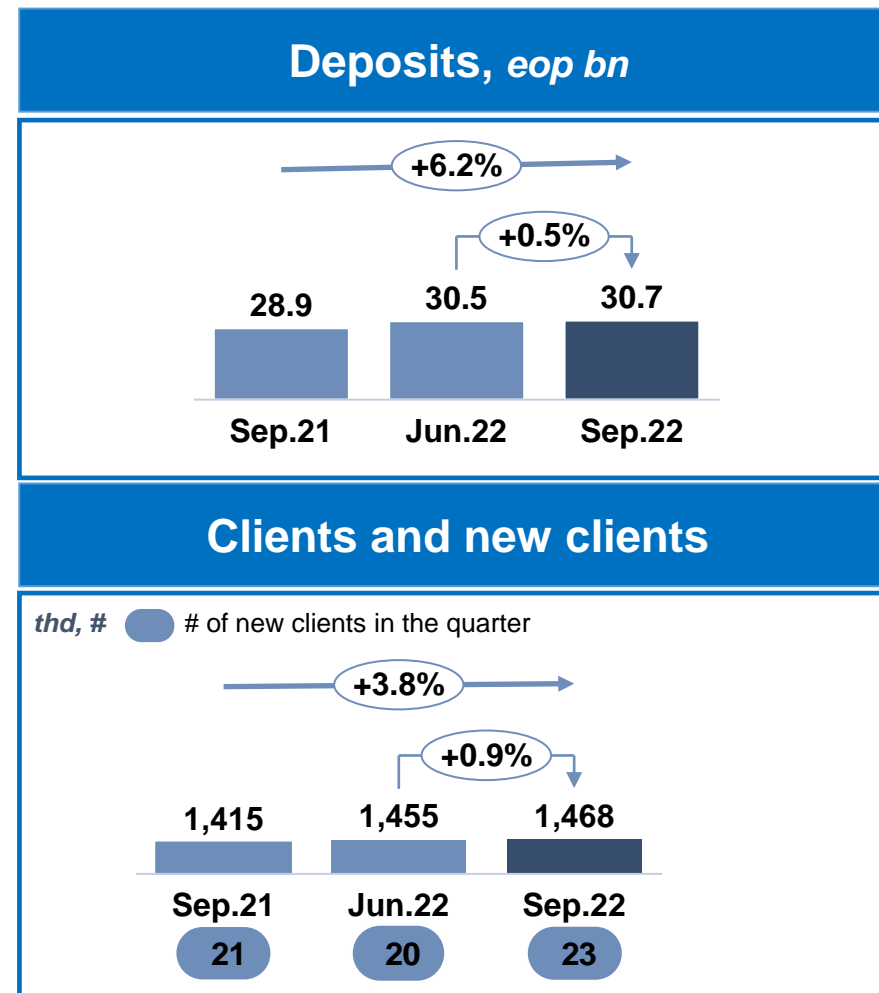
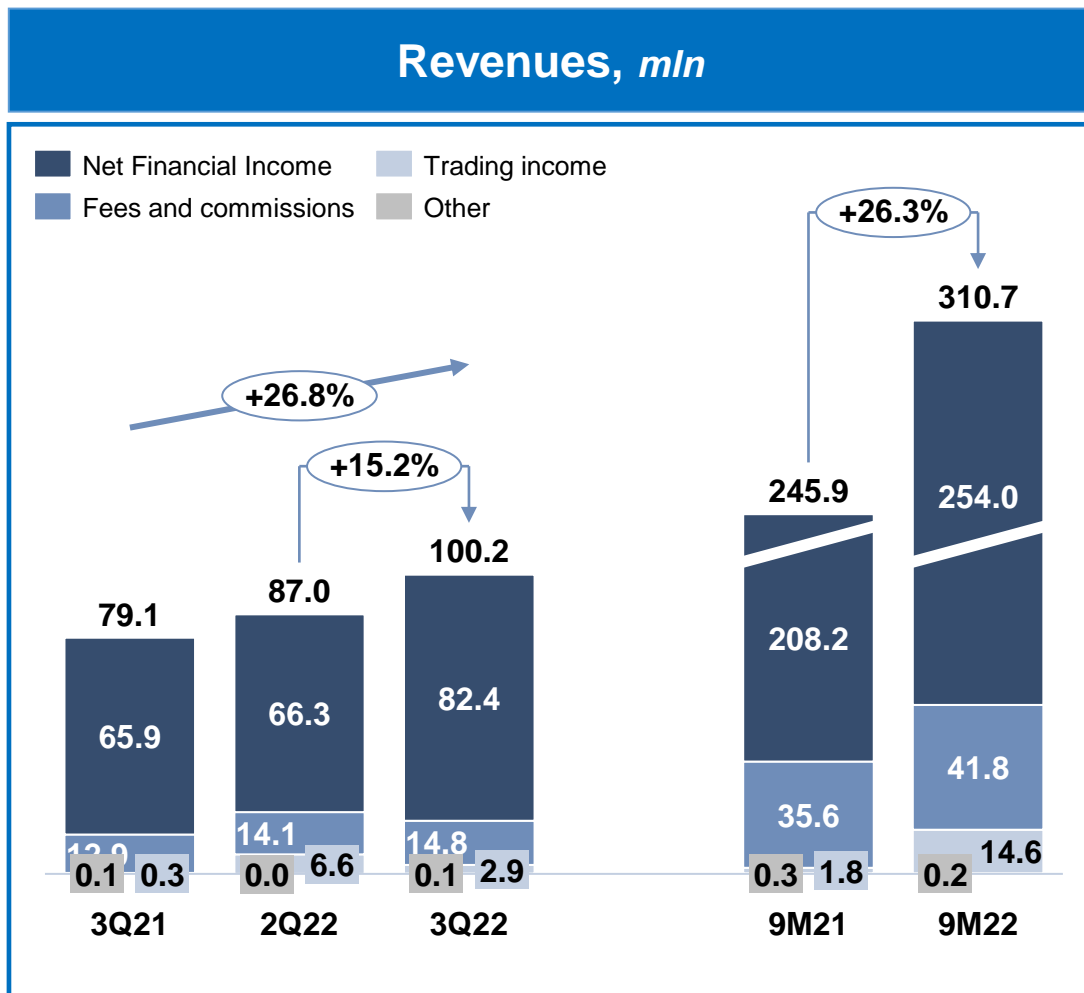


9M22 weight on total revenues for each product area

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



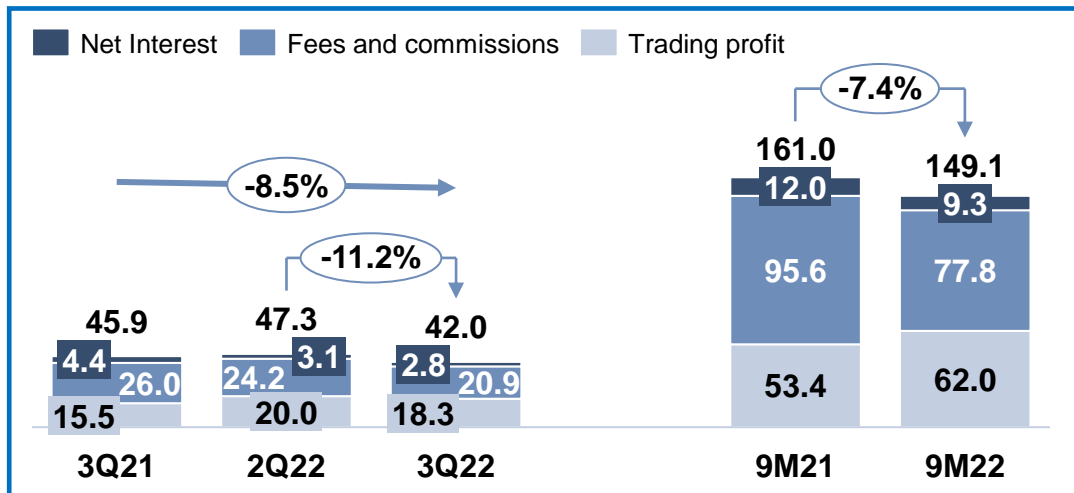
Managerial Data



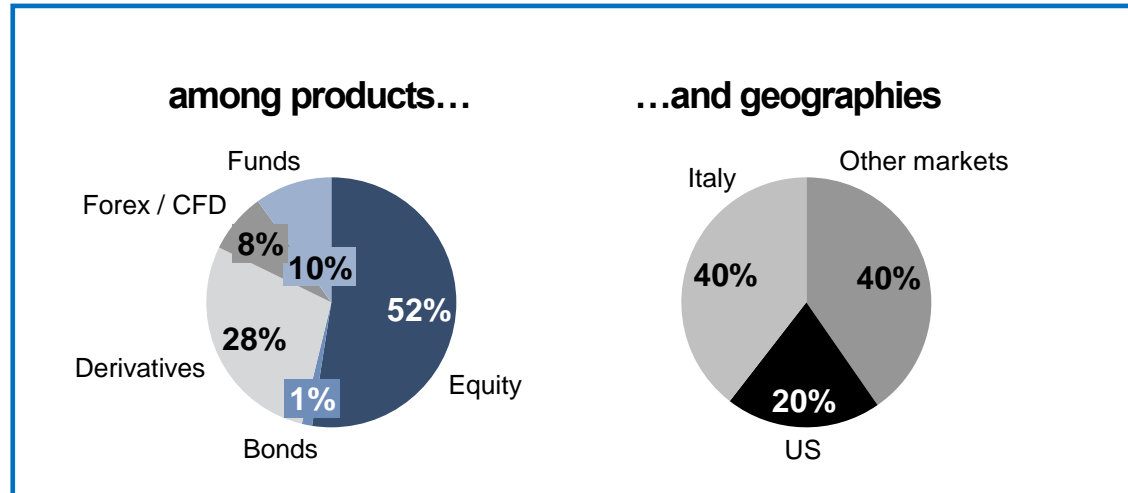
# Brokerage

Structurally higher revenues floor compared to pre-pandemic levels

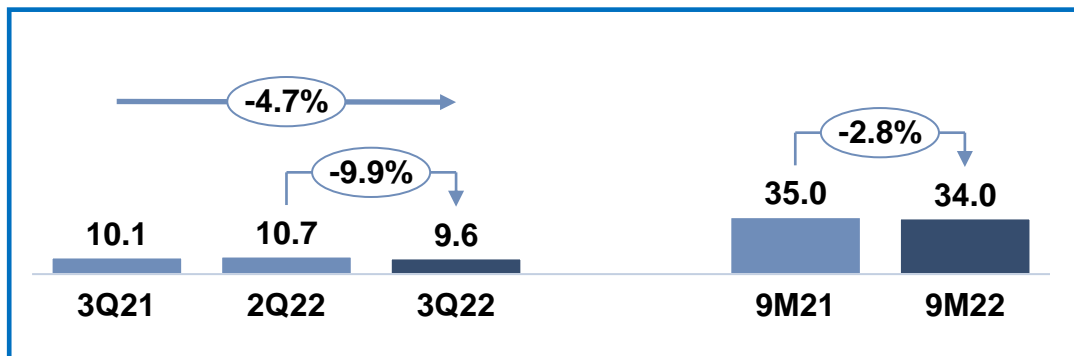
## Revenues, mln



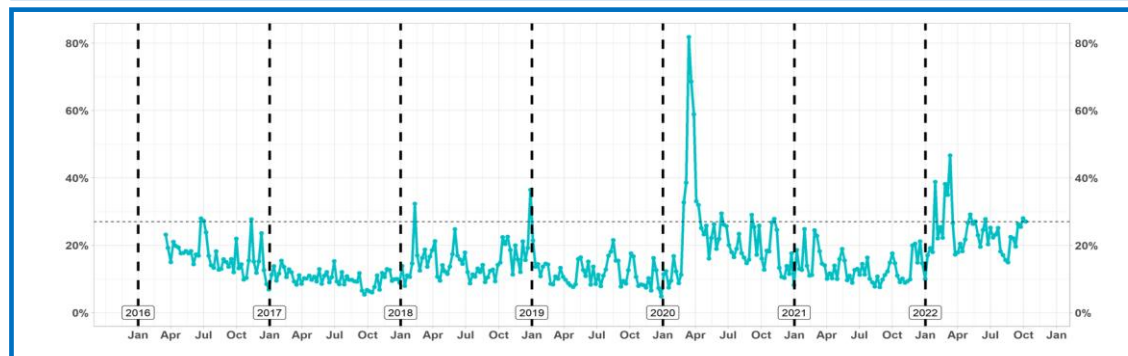
## Well-diversified brokerage offer



## Executed orders, mln

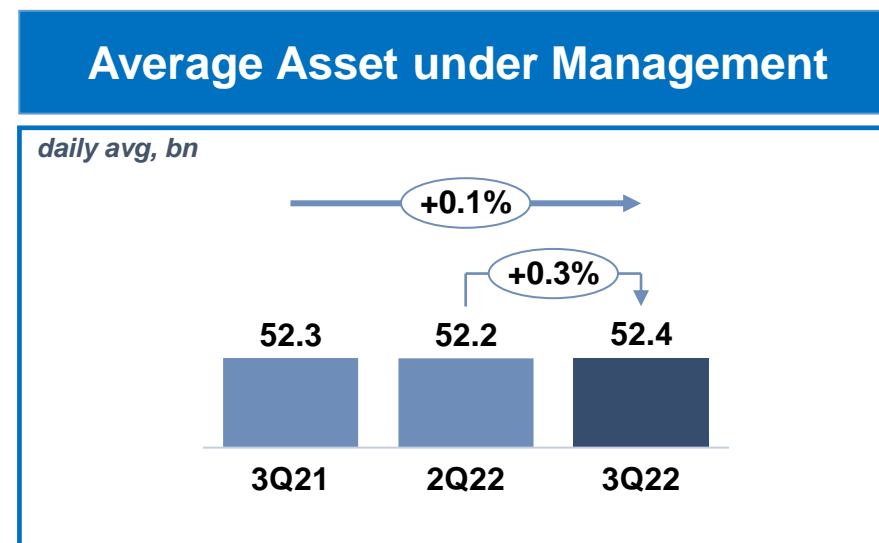
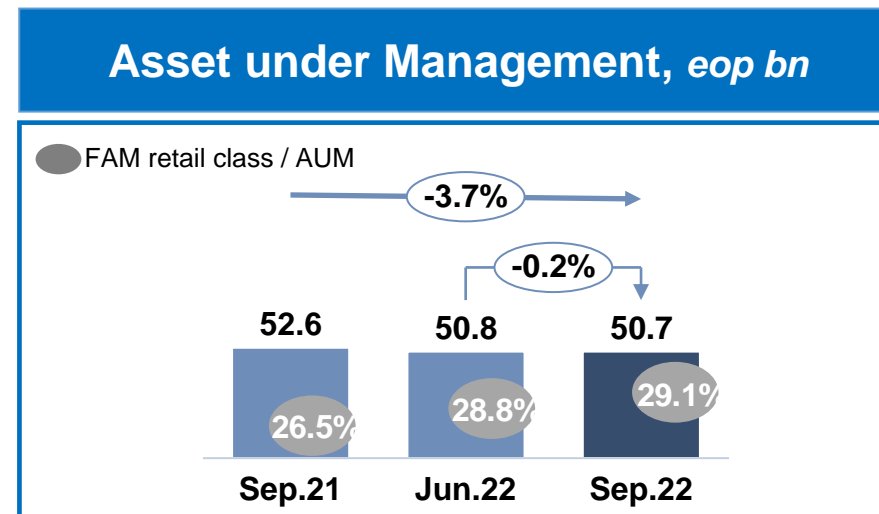
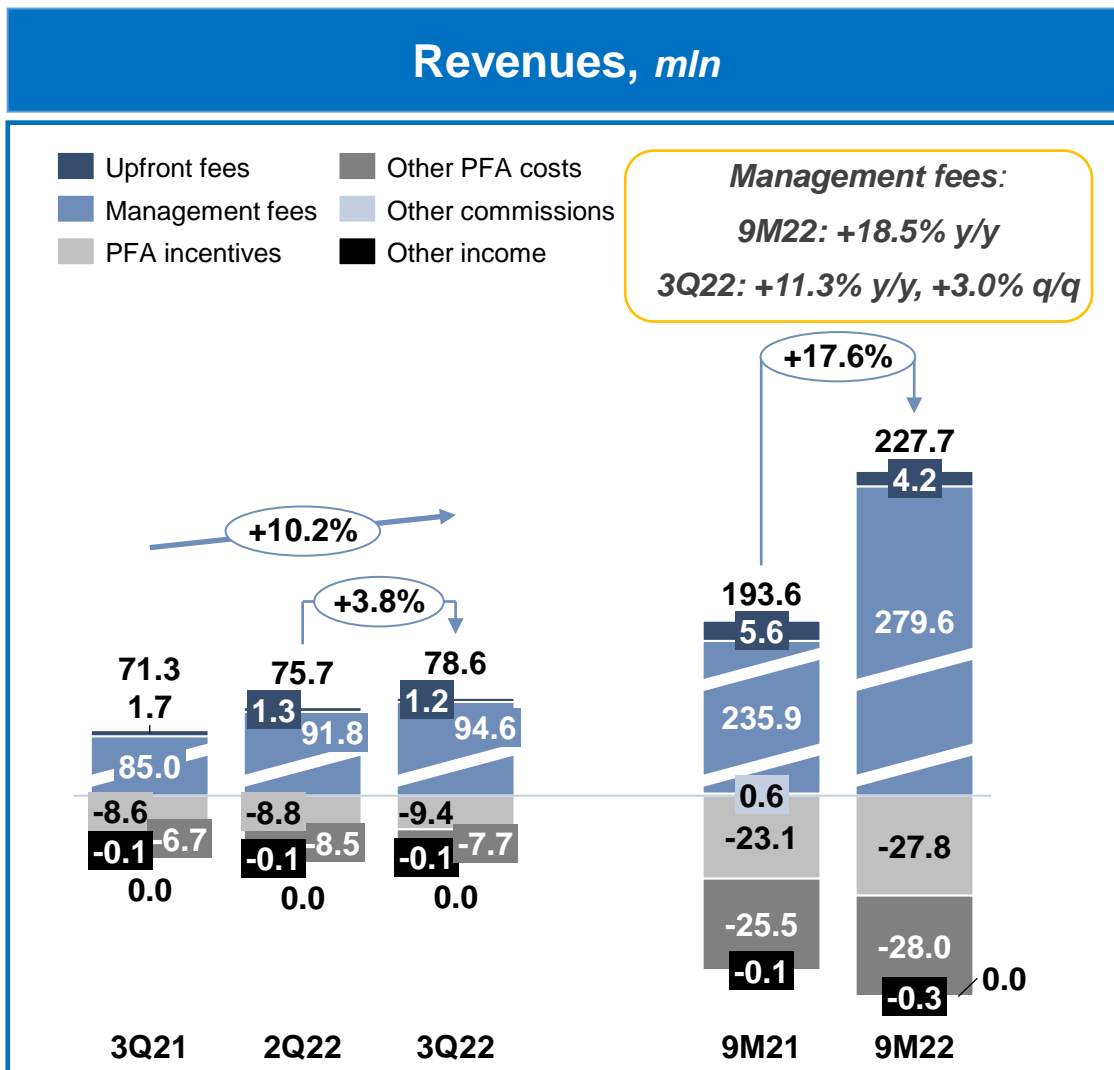


## Volatility (1)



# Investing

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



# Annex

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# P&L pro-forma

P&L pro-forma <sup>(1)</sup>										
<i>mln</i>	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22	9M21	9M22
Net financial income	75.1	72.8	69.2	62.9	280.0	107.5	68.9	84.2	217.1	260.6
<i>o/w Net Interest Income</i>	61.8	62.5	61.8	61.8	247.9	59.3	67.6	84.3	186.1	211.2
<i>o/w Profit from treasury management</i>	13.2	10.3	7.4	1.1	32.1	48.1	1.3	0.0	31.0	49.4
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	-0.2
Net commissions	108.1	106.3	110.1	126.4	450.8	118.6	113.9	114.1	324.4	346.6
Trading profit	23.9	16.7	15.6	18.1	74.3	29.0	25.9	21.2	56.2	76.1
Other expenses/income	0.5	0.1	-1.5	-0.5	-1.3	0.4	0.1	0.1	-0.8	0.6
<b>Total revenues</b>	<b>207.6</b>	<b>195.9</b>	<b>193.5</b>	<b>206.9</b>	<b>803.8</b>	<b>255.4</b>	<b>208.6</b>	<b>219.7</b>	<b>596.9</b>	<b>683.7</b>
Staff expenses	-26.2	-26.7	-27.4	-29.3	-109.6	-28.3	-29.2	-29.0	-80.3	-86.5
Other admin.exp. net of recoveries	-30.6	-29.9	-27.6	-34.9	-123.1	-34.0	-31.3	-32.2	-88.2	-97.5
D&A	-6.3	-6.4	-6.4	-7.1	-26.2	-6.6	-6.6	-6.6	-19.1	-19.8
<b>Operating expenses</b>	<b>-63.1</b>	<b>-63.0</b>	<b>-61.5</b>	<b>-71.3</b>	<b>-258.9</b>	<b>-69.0</b>	<b>-67.1</b>	<b>-67.8</b>	<b>-187.6</b>	<b>-203.9</b>
<b>Gross operating profit</b>	<b>144.4</b>	<b>132.9</b>	<b>132.0</b>	<b>135.5</b>	<b>544.9</b>	<b>186.4</b>	<b>141.6</b>	<b>151.8</b>	<b>409.4</b>	<b>479.8</b>
Provisions	-8.2	-5.8	-31.1	-4.9	-49.9	-10.2	-2.3	-41.6	-45.1	-54.1
<i>o/w Systemic charges</i>	-5.8	-1.9	-30.0	-2.3	-40.0	-7.7	0.0	-39.0	-37.7	-46.7
LLP	-0.5	-1.2	-0.4	0.4	-1.7	-0.8	-0.4	-0.3	-2.0	-1.5
Profit from investments	-0.6	1.8	0.3	-0.4	1.1	-0.6	-0.2	-0.3	1.5	-1.1
<b>Profit before taxes</b>	<b>135.2</b>	<b>127.7</b>	<b>100.9</b>	<b>130.6</b>	<b>494.4</b>	<b>174.8</b>	<b>138.7</b>	<b>109.6</b>	<b>363.8</b>	<b>423.1</b>
Income taxes	-40.4	-5.8	-28.3	-39.2	-113.7	-51.4	-39.8	-29.6	-74.5	-120.7
<b>Net profit for the period</b>	<b>94.7</b>	<b>121.9</b>	<b>72.6</b>	<b>91.5</b>	<b>380.7</b>	<b>123.5</b>	<b>98.9</b>	<b>80.0</b>	<b>289.3</b>	<b>302.4</b>
<b>Net profit adjusted <sup>(2)</sup></b>	<b>94.7</b>	<b>89.9</b>	<b>72.6</b>	<b>91.9</b>	<b>349.2</b>	<b>123.6</b>	<b>98.9</b>	<b>80.2</b>	<b>257.2</b>	<b>302.7</b>
<b>Non recurring items (mln, gross)</b>	<b>1Q21</b>	<b>2Q21</b>	<b>3Q21</b>	<b>4Q21</b>	<b>FY21</b>	<b>1Q22</b>	<b>2Q22</b>	<b>3Q22</b>	<b>9M21</b>	<b>9M22</b>
<i>Extraord systemic charges (Trading Profit)<sup>(3)</sup></i>	0.0	0.0	0.0	-0.7	-0.7	-0.3	0.0	-0.2	0.0	-0.5
<i>Realignment of Intangible Assets</i>	0.0	32.0	0.0	0.0	32.0	0.0	0.0	0.0	32.0	0.0
<b>Total</b>	<b>0.0</b>	<b>32.0</b>	<b>0.0</b>	<b>-0.7</b>	<b>31.3</b>	<b>-0.3</b>	<b>0.0</b>	<b>-0.2</b>	<b>32.0</b>	<b>-0.5</b>

# P&L net of non recurring items

## P&L pro-forma<sup>(1)</sup> net of non recurring items

<i>mln</i>	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22	9M21	9M22
	Adj. <sup>(1)</sup>	Adj. <sup>(1)</sup>	Adj. <sup>(1)</sup>	Adj. <sup>(1)</sup>	Adj. <sup>(1)</sup>	Adj. <sup>(1)</sup>	Adj. <sup>(1)</sup>	Adj. <sup>(1)</sup>	Adj. <sup>(1)</sup>	Adj. <sup>(1)</sup>
Net financial income	75.1	72.8	69.2	62.9	280.0	107.5	68.9	84.2	217.1	260.6
<i>o/w Net interest income</i>	61.8	62.5	61.8	61.8	247.9	59.3	67.6	84.3	186.1	211.2
<i>o/w Profit from treasury</i>	13.2	10.3	7.4	1.1	32.1	48.1	1.3	0.0	31.0	49.4
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	-0.1
Net commissions	108.1	106.3	110.1	126.4	450.8	118.6	113.9	114.1	324.4	346.6
Trading profit	23.9	16.7	15.6	18.9	75.0	29.2	25.9	21.4	56.2	76.5
Other expenses/income	0.5	0.1	-1.5	-0.5	-1.3	0.4	0.1	0.1	-0.8	0.6
<b>Total revenues</b>	<b>207.6</b>	<b>195.9</b>	<b>193.5</b>	<b>207.6</b>	<b>804.5</b>	<b>255.7</b>	<b>208.6</b>	<b>219.8</b>	<b>596.9</b>	<b>684.1</b>
Staff expenses	-26.2	-26.7	-27.4	-29.3	-109.6	-28.3	-29.2	-29.0	-80.3	-86.5
Other admin.expenses	-30.6	-29.9	-27.6	-34.9	-123.1	-34.0	-31.3	-32.2	-88.2	-97.5
D&A	-6.3	-6.4	-6.4	-7.1	-26.2	-6.6	-6.6	-6.6	-19.1	-19.8
<b>Operating expenses</b>	<b>-63.1</b>	<b>-63.0</b>	<b>-61.5</b>	<b>-71.3</b>	<b>-258.9</b>	<b>-69.0</b>	<b>-67.1</b>	<b>-67.8</b>	<b>-187.6</b>	<b>-203.9</b>
<b>Gross operating profit</b>	<b>144.5</b>	<b>132.9</b>	<b>132.0</b>	<b>136.3</b>	<b>545.7</b>	<b>186.7</b>	<b>141.6</b>	<b>152.0</b>	<b>409.4</b>	<b>480.3</b>
Provisions	-8.2	-5.8	-31.1	-4.9	-49.9	-10.2	-2.3	-41.6	-45.1	-54.1
<i>o/w Systemic charges</i>	-5.8	-1.9	-30.0	-2.3	-40.0	-7.7	0.0	-39.0	-37.7	-46.7
LLP	-0.5	-1.2	-0.4	0.4	-1.7	-0.8	-0.4	-0.3	-2.0	-1.5
Profit from investments	-0.6	1.8	0.3	-0.4	1.1	-0.6	-0.2	-0.3	1.5	-1.1
<b>Profit before taxes</b>	<b>135.2</b>	<b>127.7</b>	<b>100.9</b>	<b>131.4</b>	<b>495.1</b>	<b>175.1</b>	<b>138.7</b>	<b>109.8</b>	<b>363.8</b>	<b>423.6</b>
Income taxes	-40.4	-37.8	-28.3	-39.4	-146.0	-51.5	-39.8	-29.6	-106.5	-120.9
<b>Net profit adjusted <sup>(1)</sup></b>	<b>94.7</b>	<b>89.9</b>	<b>72.6</b>	<b>91.9</b>	<b>349.2</b>	<b>123.6</b>	<b>98.9</b>	<b>80.2</b>	<b>257.2</b>	<b>302.7</b>

# 9M22 P&L FinecoBank and Fineco Asset Management

<i>mln</i>	Fineco Asset Management	FinecoBank Individual	FinecoBank Consolidated
Net financial income	-0.3	260.9	260.6
Dividends	0.0	23.0	-0.2
Net commissions	100.1	246.5	346.6
Trading profit	-0.2	76.2	76.1
Other expenses/income	-0.3	1.0	0.6
<b>Total revenues</b>	<b>99.3</b>	<b>607.7</b>	<b>683.7</b>
Staff expenses	-8.0	-78.5	-86.5
Other admin.exp. net of recoveries	-6.1	-91.6	-97.5
D&A	-0.4	-19.4	-19.8
<b>Operating expenses</b>	<b>-14.5</b>	<b>-189.5</b>	<b>-203.9</b>
<b>Gross operating profit</b>	<b>84.9</b>	<b>418.1</b>	<b>479.8</b>
Provisions	0.0	-54.1	-54.1
LLP	0.0	-1.5	-1.5
Profit on Investments	0.0	-1.1	-1.1
<b>Profit before taxes</b>	<b>84.9</b>	<b>361.4</b>	<b>423.1</b>
Income taxes	-10.8	-109.9	-120.7
<b>Net profit for the period</b>	<b>74.0</b>	<b>251.5</b>	<b>302.4</b>

# Details on Net Interest Income

<i>mln</i>	1Q21	Volumes & Margins	2Q21	Volumes & Margins	3Q21	Volumes & Margins	4Q21	Volumes & Margins	FY21	Volumes & Margins	1Q22	Volumes & Margins	2Q22	Volumes & Margins	3Q22	Volumes & Margins	9M21	Volumes & Margins	9M22	Volumes & Margins
Financial Investments	44.6	24,416	43.2	23,977	41.3	23,824	39.8	23,564	168.8	23,945	37.1	23,834	42.1	24,269	57.6	24,187	129.1	24,073	136.8	24,097
<i>Net Margin</i>		0.74%		0.72%		0.69%		0.67%		0.71%		0.63%		0.70%		0.95%		0.72%		0.76%
<i>Gross margin</i>	44.8	0.74%	43.2	0.72%	41.4	0.69%	39.8	0.67%	169.2	0.71%	37.1	0.63%	42.6	0.70%	59.4	0.97%	129.3	0.72%	139.1	0.77%
Treasury activities <sup>(1)</sup>	3.9	2,791	4.7	3,140	4.3	2,646	4.4	2,670	17.2	2,812	4.4	2,786	5.1	3,551	3.5	3,448	12.9	2,859	12.9	3,261
<i>Net Margin</i>		0.57%		0.59%		0.64%		0.65%		0.61%		0.63%		0.57%		0.40%		0.60%		0.53%
Leverage - Long	3.4	171	3.9	199	4.3	214	4.3	213	16.0	199	3.4	172	3.0	149	2.8	133	11.7	194	9.1	152
<i>Net Margin</i>		8.12%		7.92%		8.00%		8.01%		8.01%		7.98%		7.94%		8.25%		8.01%		8.04%
Tax Credit	0.0	1	0.3	42	0.5	95	1.6	441	2.4	145	2.2	541	3.1	696	4.1	846	0.8	46	9.3	694
<i>Net Margin</i>		0.00%		2.50%		2.15%		1.43%		1.63%		1.62%		1.76%		1.90%		2.26%		1.79%
Lending	10.8	3,805	11.4	4,141	12.3	4,583	13.2	4,931	47.7	4,365	13.6	5,189	14.7	5,343	17.2	5,499	34.5	4,176	45.6	5,344
<i>Net Margin</i>		1.15%		1.10%		1.07%		1.06%		1.09%		1.07%		1.11%		1.24%		1.10%		1.14%
<i>o/w Current accounts</i>	3.6	1,632	3.9	1,748	4.1	1,866	4.3	2,005	16.0	1,812	4.4	2,132	4.8	2,196	5.4	2,301	11.6	1,748	14.6	2,210
<i>Net Margin</i>		0.90%		0.90%		0.87%		0.86%		0.88%		0.83%		0.87%		0.94%		0.89%		0.88%
<i>o/w Cards</i>	1.0	36	1.0	34	1.0	35	1.0	35	4.0	35	1.0	35	1.0	34	1.0	35	3.0	35	3.0	34
<i>Net Margin</i>		11.40%		11.36%		11.43%		11.47%		11.41%		11.44%		11.50%		11.52%		11.40%		11.49%
<i>o/w Personal loans</i>	4.2	447	4.3	466	4.4	481	4.5	495	17.4	472	4.5	506	4.7	523	4.8	539	13.0	465	14.1	523
<i>Net Margin</i>		3.83%		3.72%		3.64%		3.60%		3.69%		3.64%		3.58%		3.57%		3.73%		3.60%
<i>o/w Mortgages</i>	2.0	1,690	2.1	1,893	2.8	2,202	3.4	2,397	10.3	2,045	3.7	2,517	4.3	2,590	6.0	2,625	6.9	1,928	14.0	2,577
<i>Net Margin</i>		0.47%		0.45%		0.51%		0.55%		0.50%		0.60%		0.67%		0.90%		0.48%		0.73%
Other	-0.9		-0.9		-0.9		-1.5		-4.2		-1.2		-0.3		-0.9		-2.7		-2.5	
<b>Total</b>	<b>61.8</b>		<b>62.5</b>		<b>61.8</b>		<b>61.8</b>		<b>247.9</b>		<b>59.3</b>		<b>67.6</b>		<b>84.3</b>		<b>186.1</b>		<b>211.2</b>	
<b>Gross Margin</b>		<b>0.82%</b>		<b>0.81%</b>		<b>0.79%</b>		<b>0.79%</b>		<b>0.80%</b>		<b>0.76%</b>		<b>0.81%</b>		<b>1.01%</b>		<b>0.81%</b>		<b>0.86%</b>
<b>Cost of Deposits</b>		<b>0.00%</b>		<b>0.00%</b>		<b>0.00%</b>		<b>0.00%</b>		<b>0.00%</b>		<b>0.00%</b>		<b>-0.01%</b>		<b>-0.02%</b>		<b>0.00%</b>		<b>-0.01%</b>

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

<sup>(1)</sup> Treasury activities: Unsecured lending, collateral switch, tiering, TLTRO, other repos

# New interest rates environment

- In the recent months the market experienced a **significant structural change due to interest rates move and the inflationary environment**
- Below a comparison **of the forward rate curve** at the beginning of 2022 and the ones used for the assumptions behind the guidance to the market during the 2Q22 and 3Q22 conference calls

	2022			2023			2024		
	as of 07/01/22	as of 01/08/22	as of 31/10/22	as of 07/01/22	as of 01/08/22	as of 31/10/22	as of 07/01/22	as of 01/08/22	as of 31/10/22
<b>Euribor 1M AVG</b>	-0.50%	-0.04%	<b>0.10%</b>	-0.12%	1.14%	<b>2.80%</b>	0.14%	1.16%	<b>2.88%</b>
<b>Euribor 3M AVG</b>	-0.47%	0.15%	<b>0.36%</b>	-0.05%	1.27%	<b>2.92%</b>	0.18%	1.25%	<b>2.91%</b>
<b>EURIRS 5Y AVG</b>	0.16%	1.22%	<b>1.74%</b>	0.32%	1.50%	<b>2.97%</b>	0.42%	1.61%	<b>2.95%</b>
<b>EURIRS 10Y AVG</b>	0.43%	1.51%	<b>1.95%</b>	0.55%	1.79%	<b>3.03%</b>	0.63%	1.88%	<b>3.04%</b>
<b>EU (Supranational) 10Y EOP <sup>(1)</sup></b>	0.35%	1.59%	<b>2.79%</b>	0.45%	1.69%	<b>2.83%</b>	0.51%	1.78%	<b>2.84%</b>



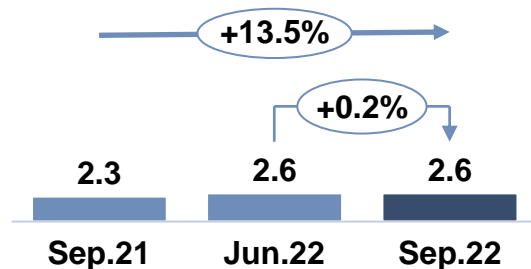
# Net Financial Income: focus on Lending

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

## 2022 Guidance

### Mortgages

Eop, bn

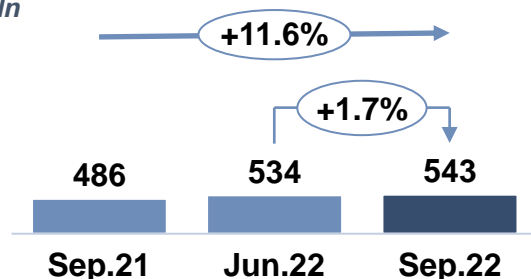


- **27,893 mortgages** granted since December 2016
- Average customer rate: **147 bps. 9M22 Yield<sup>(1)</sup> at 73 bps**
- Average Loan to Value on actual portfolio **~50%**, average maturity **20 yrs**
- **Low expected credit loss** (~12 bps). Only **12** clients accounted in NPL after 66 months from the launch

- yearly new production: ~ 350-375 mln
- Expected yield<sup>(3)</sup>: ~ 85-95 bps

### Personal Loans

Eop, mln

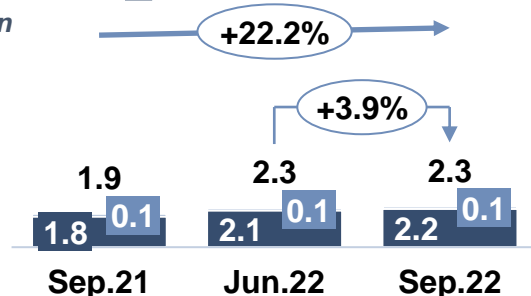


- Average ticket € 9,700 and average maturity 4.7 years
- **9M22 Yield at 360 bps**
- **Efficient and real time process**, instant approval platform for eligible clients' requests thanks to a deep knowledge of clients.
- **Low expected credit loss** (~25 bps)

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

### Lombard Loans

■ Other lombard ■ Credit lombard  
Eop, bn



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

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

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

- Expected growth: ~ 300-400 mln per year
- Expected yield<sup>(3)</sup>: ~ 105-115 bps

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

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

<sup>(3)</sup> Expected yield are referred to the stock. Assumptions for Mortgages and Lombard Loans are based on forward rate curve as of October 31st, 2022

# Revenues breakdown by Product Area

## Revenues by product area

<i>mln</i>	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22	9M21	9M22
Net financial income	72.6	69.8	65.9	60.0	268.2	105.3	66.3	82.4	208.2	254.0
<i>o/w Net interest income</i>	59.3	59.5	58.4	58.9	236.1	57.2	65.0	82.4	177.2	204.6
<i>o/w Profit from Treasury Management</i>	13.2	10.3	7.4	1.1	32.1	48.1	1.3	0.0	31.0	49.4
Net commissions	10.8	11.9	12.9	13.6	49.2	12.9	14.1	14.8	35.6	41.8
Trading profit	1.4	0.1	0.3	0.7	2.5	5.1	6.6	2.9	1.8	14.6
Other	0.1	0.1	0.1	0.2	0.5	0.1	0.0	0.1	0.3	0.2
<b>Total Banking</b>	<b>84.9</b>	<b>81.9</b>	<b>79.1</b>	<b>74.5</b>	<b>320.4</b>	<b>123.4</b>	<b>87.0</b>	<b>100.2</b>	<b>245.9</b>	<b>310.7</b>
Net interest income	3.5	4.0	4.4	4.4	16.4	3.5	3.1	2.8	12.0	9.3
Net commissions	40.2	29.5	26.0	30.6	126.2	32.6	24.2	20.9	95.6	77.8
Trading profit	22.0	15.9	15.5	17.9	71.3	23.7	20.0	18.3	53.4	62.0
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>65.7</b>	<b>49.4</b>	<b>45.9</b>	<b>52.9</b>	<b>213.9</b>	<b>59.7</b>	<b>47.3</b>	<b>42.0</b>	<b>161.0</b>	<b>149.1</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	57.2	65.0	71.4	82.3	275.9	73.5	75.8	78.7	193.6	228.0
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	-0.1	-0.3	-0.3	-0.1	-0.1	-0.1	-0.1	-0.3
<b>Total Investing</b>	<b>57.2</b>	<b>65.0</b>	<b>71.3</b>	<b>82.1</b>	<b>275.6</b>	<b>73.4</b>	<b>75.7</b>	<b>78.6</b>	<b>193.6</b>	<b>227.7</b>

# Breakdown Total Financial Assets

<i>mln</i>	Mar.21	Jun.21	Sep.21	Dec.21	Mar.22	Jun.22	Sep.22
<b>AUM</b>	<b>48,018</b>	<b>51,399</b>	<b>52,648</b>	<b>55,450</b>	<b>53,651</b>	<b>50,789</b>	<b>50,708</b>
o/w Funds and Sicav	33,271	35,699	36,233	38,053	35,985	33,182	32,806
o/w Insurance	12,659	13,448	14,122	14,963	15,354	15,421	15,643
o/w GPM	238	282	294	330	326	308	303
o/w AuC + deposits under advisory	1,850	1,970	1,998	2,105	1,986	1,878	1,956
<i>o/w in Advice</i>	572	596	603	637	617	600	627
<i>o/w in Plus</i>	1,278	1,374	1,395	1,468	1,369	1,277	1,329
<b>AUC</b>	<b>20,347</b>	<b>21,760</b>	<b>22,038</b>	<b>22,970</b>	<b>22,804</b>	<b>21,497</b>	<b>21,547</b>
o/w Equity	14,503	15,695	16,054	17,020	16,853	15,109	14,946
o/w Bond	5,772	5,993	5,893	5,796	5,777	6,167	6,340
o/w Other	72	72	90	155	174	222	261
<b>Direct Deposits</b>	<b>28,687</b>	<b>28,273</b>	<b>28,867</b>	<b>29,495</b>	<b>30,362</b>	<b>30,518</b>	<b>30,658</b>
o/w Sight	28,687	28,273	28,867	29,495	30,362	30,518	30,658
o/w Term	0	0	0	0	0	0	0
<b>Total</b>	<b>97,052</b>	<b>101,431</b>	<b>103,552</b>	<b>107,915</b>	<b>106,817</b>	<b>102,804</b>	<b>102,914</b>
<i>o/w Guided Products &amp; Services</i>	<b>35,381</b>	<b>38,531</b>	<b>39,721</b>	<b>42,304</b>	<b>41,018</b>	<b>38,842</b>	<b>38,811</b>
<i>o/w TFA FAM retail</i>	<b>11,465</b>	<b>13,215</b>	<b>13,929</b>	<b>15,133</b>	<b>15,249</b>	<b>14,627</b>	<b>14,765</b>
<i>o/w TFA Private Banking</i>	<b>41,844</b>	<b>44,763</b>	<b>45,924</b>	<b>48,761</b>	<b>47,133</b>	<b>43,304</b>	<b>43,153</b>

# Balance Sheet

<i>mln</i>	Mar.21	Jun.21	Sep.21	Dec.21	Mar.22	Jun.22	Sep.22
Due from Banks <sup>(1)</sup>	1,902	2,253	2,429	1,844	2,132	1,943	2,139
Customer Loans	4,639	5,269	5,624	6,002	6,088	6,311	6,318
Financial Assets	25,398	24,648	24,446	24,581	25,389	25,315	25,091
Tangible and Intangible Assets	277	281	279	279	276	274	270
Derivatives	84	85	92	126	466	949	1,390
Tax credit acquired	9	75	394	509	601	827	902
Other Assets	279	293	271	528	446	460	440
<b>Total Assets</b>	<b>32,588</b>	<b>32,905</b>	<b>33,534</b>	<b>33,867</b>	<b>35,399</b>	<b>36,078</b>	<b>36,551</b>
Customer Deposits	29,102	29,141	29,805	29,848	30,736	30,828	30,945
Due to Banks	1,149	1,173	1,169	1,225	1,808	2,333	2,791
Debt securities in Issue	0	0	0	497	498	499	500
Derivatives	140	119	91	65	-1	3	-4
Funds and other Liabilities	413	575	501	505	503	706	525
Equity	1,783	1,897	1,969	1,727	1,855	1,709	1,793
<b>Total Liabilities and Equity</b>	<b>32,588</b>	<b>32,905</b>	<b>33,534</b>	<b>33,867</b>	<b>35,399</b>	<b>36,078</b>	<b>36,551</b>

<sup>(1)</sup> Due from banks includes cash deposited at Bank of Italy (1.4 bn as of Sept.22, 1.3 bn as of Jun.22, 1.5bn as of Mar.22, 1.3bn as of Dec.21, 1.8bn as of Sep.2021, 1.6bn as of June 2021, 1.3bn as of Mar.2021) and bank current accounts (0.3 bn as of Sept.22, 0.3 bn as of Jun.22, 0.3bn as of Mar.2022, 0.2bn as of Dec.21, 0.3bn as of Sep.2021, 0.3bn as of June 2021, 0.2bn as of Mar.2021)

# Main Financial Ratios

	Mar.21	Jun.21	Sep.21	Dec.21	Mar.22	Jun.22	Sep.22
<b>PFA TFA / PFA (mln) <sup>(1)</sup></b>	<b>31.6</b>	<b>32.5</b>	<b>33.0</b>	<b>33.9</b>	<b>32.8</b>	<b>31.2</b>	<b>31.1</b>
<b>FAM retail / Fineco AUM <sup>(2)</sup></b>	<b>24%</b>	<b>26%</b>	<b>26%</b>	<b>27%</b>	<b>28%</b>	<b>29%</b>	<b>29%</b>
<b>Cost / income Ratio <sup>(3)</sup></b>	<b>30.4%</b>	<b>31.3%</b>	<b>31.4%</b>	<b>32.2%</b>	<b>27.0%</b>	<b>29.3%</b>	<b>29.8%</b>
<b>CET 1 Ratio</b>	<b>26.5%</b>	<b>18.6%</b>	<b>18.4%</b>	<b>18.8%</b>	<b>19.3%</b>	<b>19.1%</b>	<b>20.4%</b>
<b>Adjusted RoE <sup>(4)</sup></b>	<b>22.2%</b>	<b>23.3%</b>	<b>21.5%</b>	<b>22.0%</b>	<b>30.4%</b>	<b>29.3%</b>	<b>26.4%</b>
<b>Leverage Ratio <sup>(5)</sup></b>	<b>4.77%</b>	<b>3.81%</b>	<b>3.80%</b>	<b>3.84%</b>	<b>3.80%</b>	<b>3.82%</b>	<b>3.88%</b>

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

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

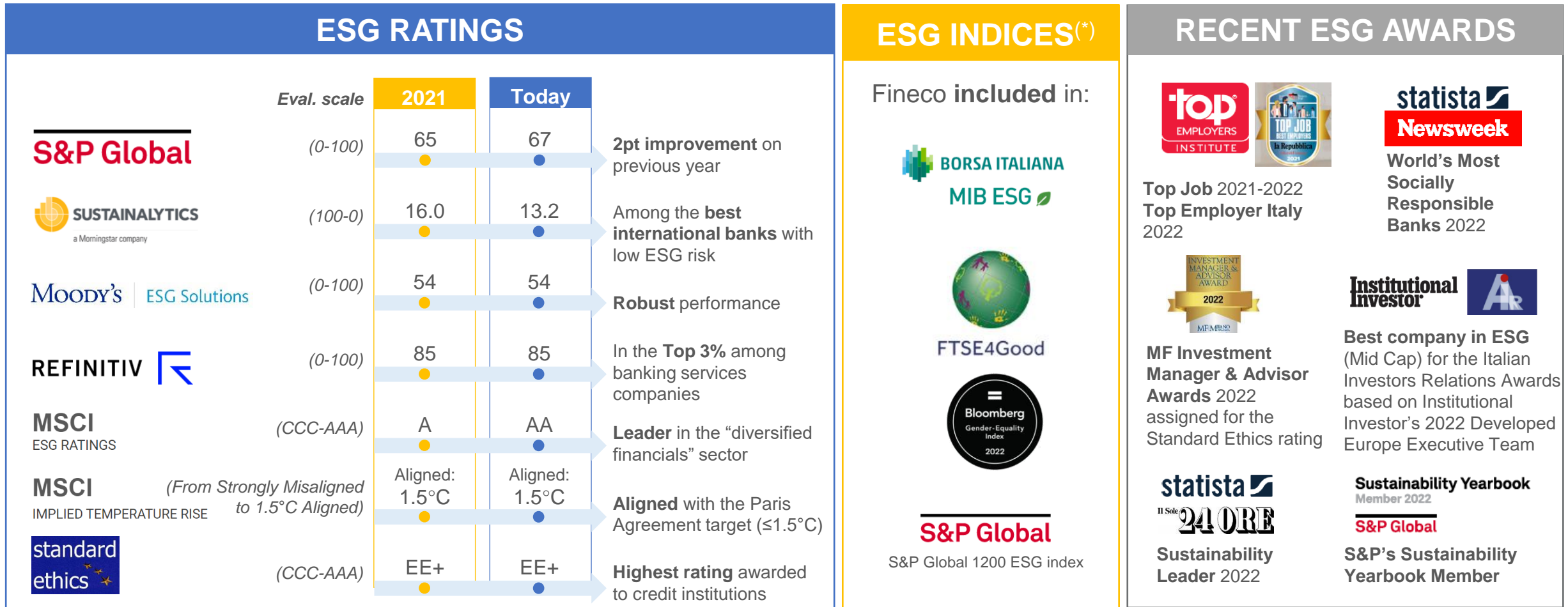
<sup>(3)</sup> C/I ratio net of non recurring items (see page 44 for details) calculated as Operating Costs divided by Revenues net of non recurring items

<sup>(4)</sup> RoE: annualized Net Profit, net of non recurring items (see page 44 for details) divided by the average book shareholders' equity for the period (excluding dividends expected to be distributed and the revaluation reserves)

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

# 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



(\*) By June 30, 2022, Nasdaq has ceased the calculation and dissemination of the Nasdaq CRD Global Sustainability Index, in which Fineco was included.

# Commitment to Net Zero emissions by 2050




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

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

> 70% of the 2021 Total Consolidated Assets

	2021	2030 	2050 
 % exposure in <b>countries and institutions with a Net-Zero target</b> by 2050 formalised in national/international policy document <sup>(1)</sup>	56.9%	95% <sup>(2)</sup>	100%
 % exposure in <b>Banks with a Net-Zero target</b> by 2050 on <b>financed emissions</b>	92.5%	95%	100%

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

 <b>Scope 1</b> – CO <sub>2</sub> e from energy consumption of Milan registered office and of the Fineco Centers with utilities in the Bank's name; CO <sub>2</sub> e from fuel for company car fleet	473 tCO <sub>2</sub> e	- 35%	- 90% & neutralisation of residual emissions
 <b>Scope 2 (market based)</b> - CO <sub>2</sub> e from energy consumption of Milan registered office and of the Fineco Centers with utilities in the Bank's name			
 <b>Scope 3</b> - CO <sub>2</sub> e from paper consumption of all sites; CO <sub>2</sub> e from energy consumption of Reggio-Emilia Headquarters <sup>(3)</sup> , of Fineco AM's Dublin office, of the Data Processing Centers <sup>(3)</sup> and of the Fineco Centers with utilities in the Personal Financial Advisors' name	1,351 tCO <sub>2</sub> e	- 20%	- 90% & neutralisation of residual emissions

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

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

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

# Fineco Asset Management in a nutshell

AUM at € 24.5bn, of which € 14.8bn retail classes<sup>(1)</sup>. Over 400 ISIN launched since inception

## FUNDS OF FUNDS

## FAM SERIES (sub-advised funds)

## INSTITUTIONAL CLASSES

### FAM EVOLUTION

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

### CORE SERIES

- ✓ **Release of Premium Share Classes**

- ✓ **FAM Smart Defence Equity:** new capital preservation solution
- ✓ **FAM Target China Coupon and ESG Target Global Coupon:** investment solutions to build up exposure towards equity
- ✓ **FAM Passive Single Strategies and new ETF offer**

- ✓ **FAM underlying funds for advisory solutions** (both funds of funds and Insurance wrappers) allowing a better control of the value chain **to retain more margins and lower customers' TER**
- ✓ **FAM Passive Underlyings**
- ✓ **68 strategies**, including also Passive and new Smart Beta funds

## BENEFITS

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



# Preserving our best price/quality ratio

