



FINECO. SIMPLIFYING BANKING.

Carnegie Digital Savings Platforms Seminar

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CEO and General Manager

May 30th 2024

Fineco, a leading FinTech Bank in Europe

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

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

1Q24 weight on total revenues for each product area

Banking

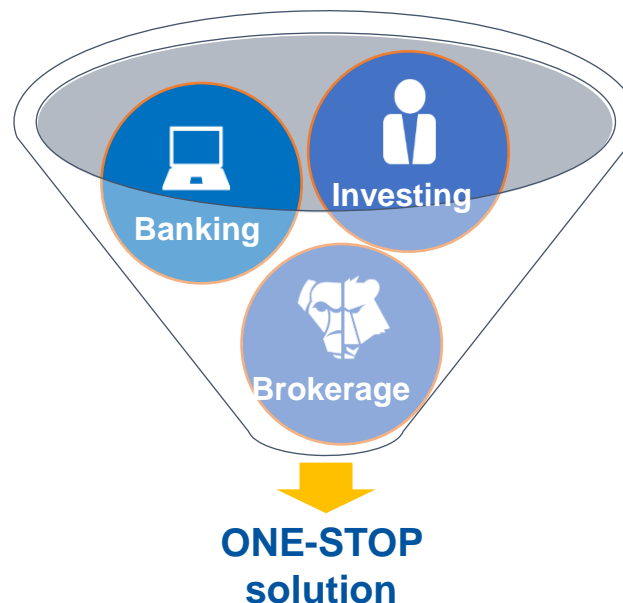
56%

- 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

Brokerage

17%

- **Leader in Italy with >50% estimated market share** on retail families; and **leader on equity traded volumes: market share at 26.85% in FY23 (Amf Italia)**
- **Best-in-class brokerage platform** giving access to wide set of global markets, bonds, ETFs, futures, derivatives and multicurrency with 20+ currencies both online and mobile



Investing

26%

- **~60 bn AUM**, o/w ~30 bn under advisory service
- Physical distribution network: **2,969⁽²⁾** PFAs and **429⁽²⁾** Fineco Center
- **FAM** (Fineco Asset Management, with 32.0bn⁽¹⁾ TFA) key in delivering quality investment solutions for our clients
- Guided **open architecture platform** leveraging on more than **6,350** mutual funds by more than **70** Asset Managers worldwide

Our Key figures

TFA (Apr. 2024)

€128.0 bn

² with 1.6 mln clients

Net Sales (Apr.24 YTD)

€3.1 bn

adj. Net Income 1Q24

€147.0 mln

adj. Cost/Income 1Q24

24.2%

CET1 Ratio 1Q24

25.29%

⁽¹⁾ Figures as of Apr. 30st, 2024

⁽²⁾ Figures as of Mar. 31st, 2024

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

Managing internally our platforms and developing our source codes thanks to our strong internal know-how



HYPERAUTOMATION

Blending RPA, AI, and DevOps for enhanced efficiency and innovation.



COST EFFICIENCY

Our strong emphasis on automation paves the way for greater economies of scale with rising volumes.



DATA DRIVEN

Ensuring our vast data layer is not only extensive, but also seamlessly accessible.



OMNICHANNEL

Through comprehensive integration across all channels, our Technology ensures a smooth and seamless user experience.



SOURCING AND TALENT

By retaining our IT Infra/Dev and expertise in-house, we streamline lead times and craft services with our proprietary technology.



LEAD TIME

By retaining our IT Infra/Dev and expertise in-house, we streamline lead times and craft services with our proprietary technology.



RELIABILITY

With a track record close to 100% uptime, our IT systems are a beacon of reliability for our platforms.



CYBER SECURITY & FRAUD MANAGEMENT

Around the clock, our expert internal security team combats both cyber threats and fraud.

Current environment is further enlarging our growth opportunities

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

DEMAND FOR ADVICE

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

DIGITALIZATION

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

DISRUPTION IN TRADITIONAL BANKS

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

...and strengthening our long term growth opportunities

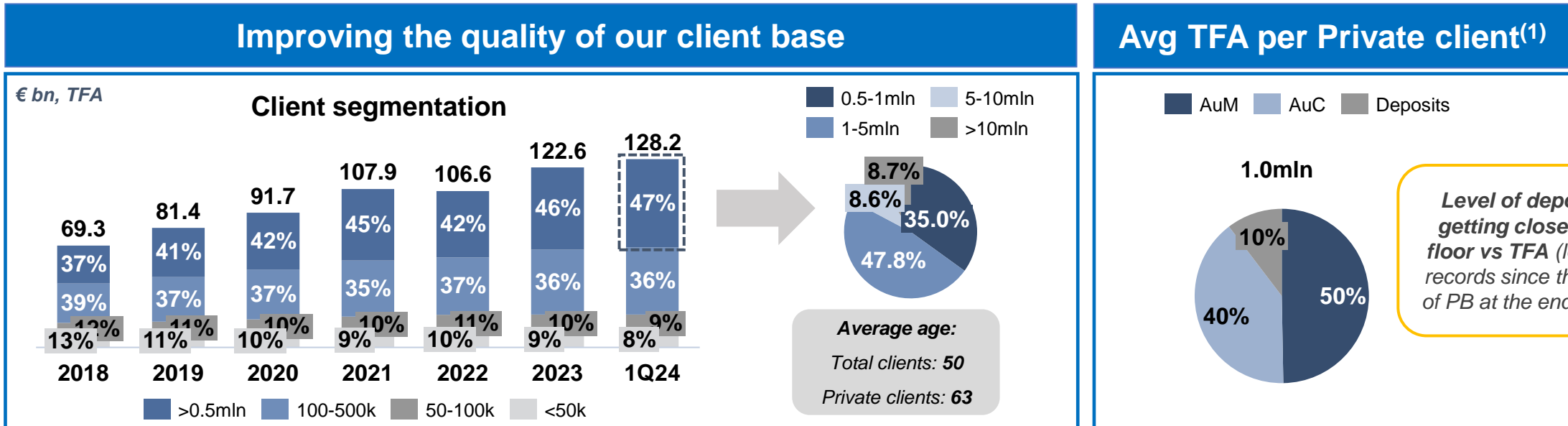
Fintech DNA:
we were born already digital

Strengths of our business model:
quality, efficiency, innovation, fair pricing and transparency

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

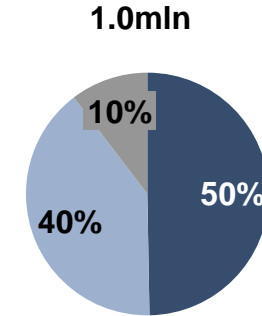
- ✓ **Robust Net sales**
- ✓ **Boost in Investing** supported by new trends
- ✓ **Structurally higher Brokerage**
- ✓ Acceleration in **high-end clients' acquisition**

Clients' profile and focus on Private Banking



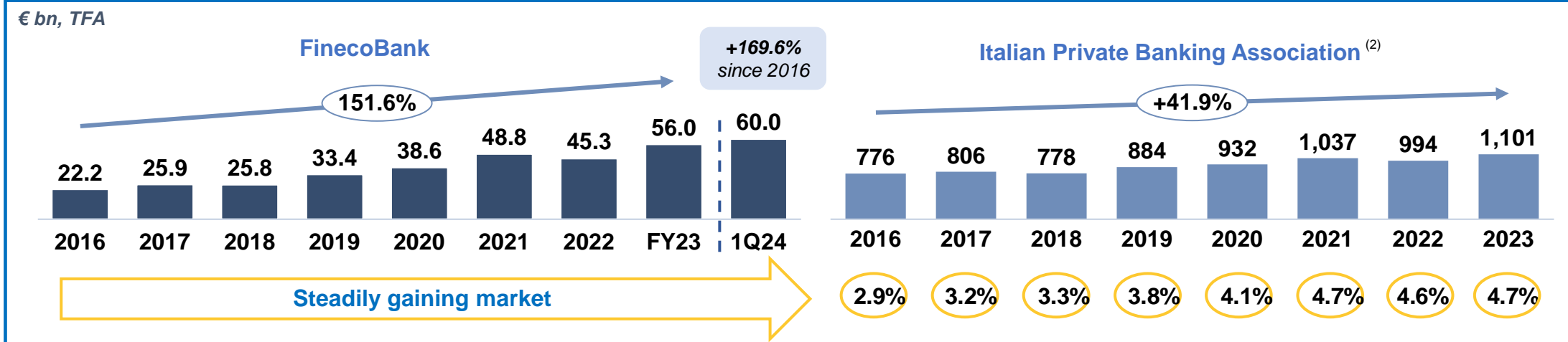
Avg TFA per Private client⁽¹⁾

AuM AuC Deposits



Level of deposits is getting closer to the floor vs TFA (lowest on records since the launch of PB at the end of 2015)

Outperforming the system in Private Banking growth



(1) Private Banking clients are clients with more than € 0.5mln TFA with the Bank
 (2) AIPB (Associazione Italiana Private Banking) figures as of 4Q23

Deep dive on our transactional liquidity

Our business model has fully fledged banking platform used by all our clients for their daily activities

Granular and retail deposit base, very sticky thanks to the quality of our customer experience

98% Retail clients

€ 17.5k Avg deposit ticket
(€ 103k for private and € 14k for non private clients)

€ 4.5k Median deposit ticket
(€ 34.6k for private banking and € 4.2k for non private clients)

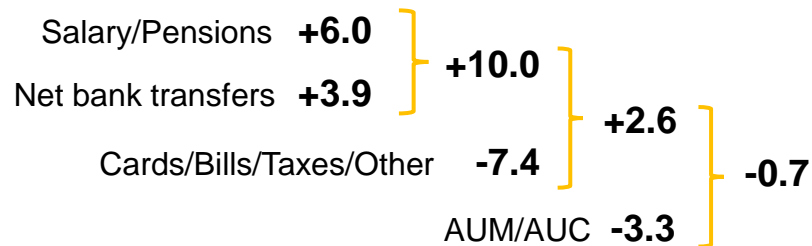
78% Guaranteed deposits by DGS (<€100k)

50% Salary credited in current accounts

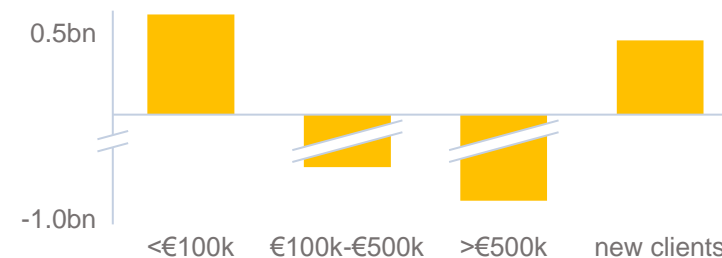
€ 18bn Salary/pensions credited in FY23

Focus on liquidity transformation

Deposits Net Sales breakdown April YTD, € bn



April YTD Deposits net sales per cluster of clients (by TFA) ⁽¹⁾

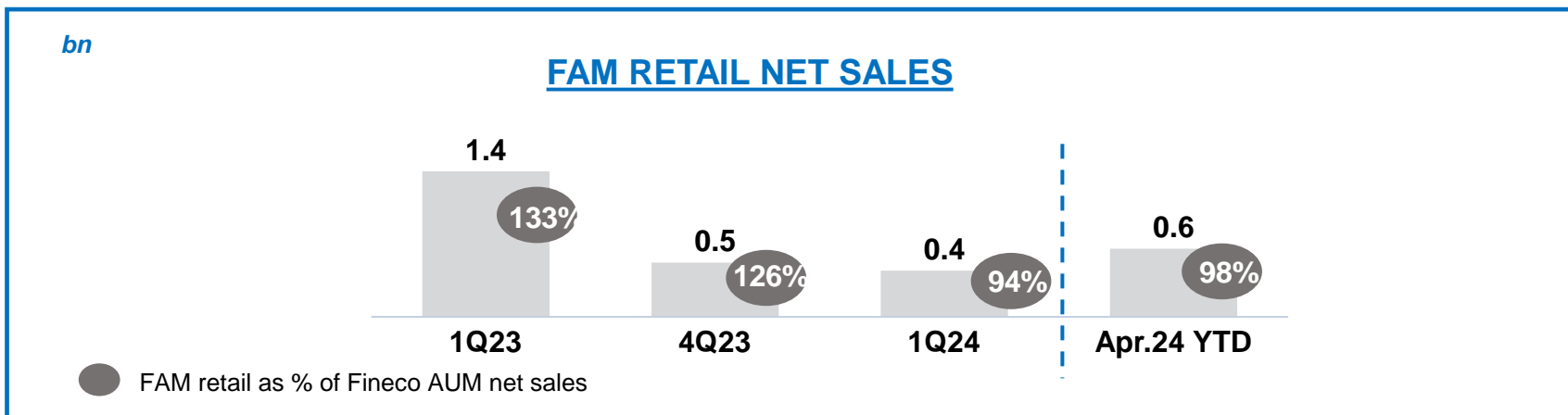


- Positive deposits inflows for clients with TFA <€100k
- Clients with TFA >€100k are investing the liquidity in excess: PB clients liquidity at 10% of TFA as of Apr.24

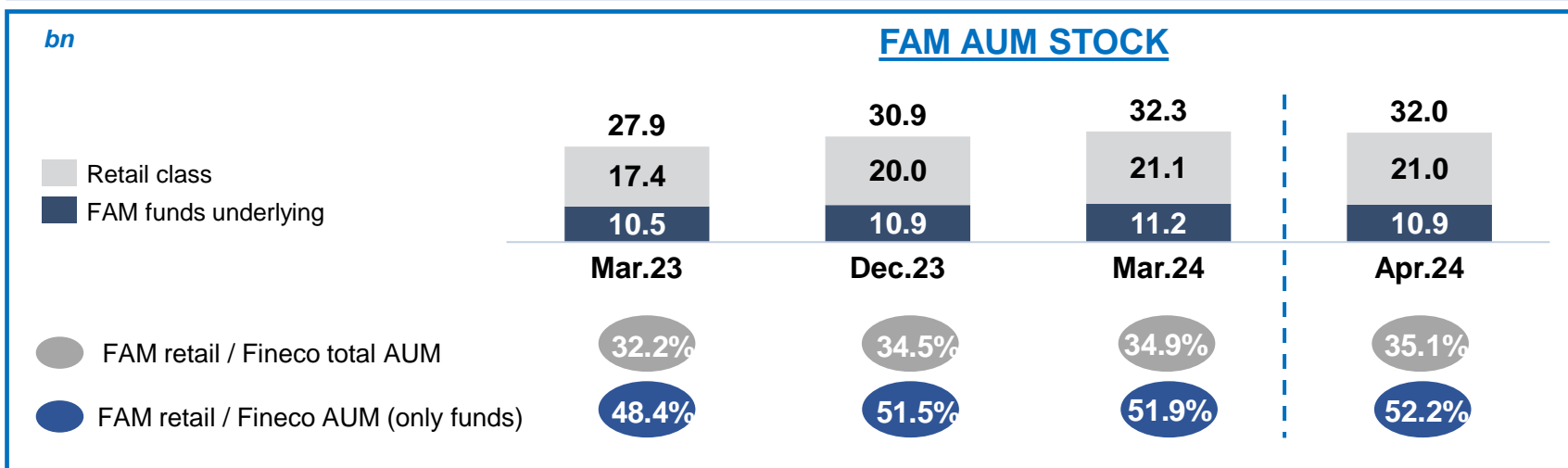
Focus on FAM: opportunities thanks to a more efficient value chain

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...



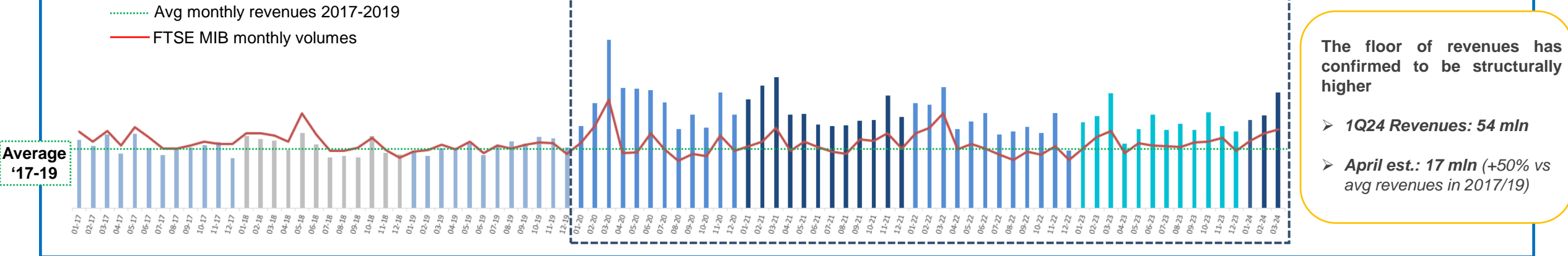
...and becoming the cornerstone of our Investing



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



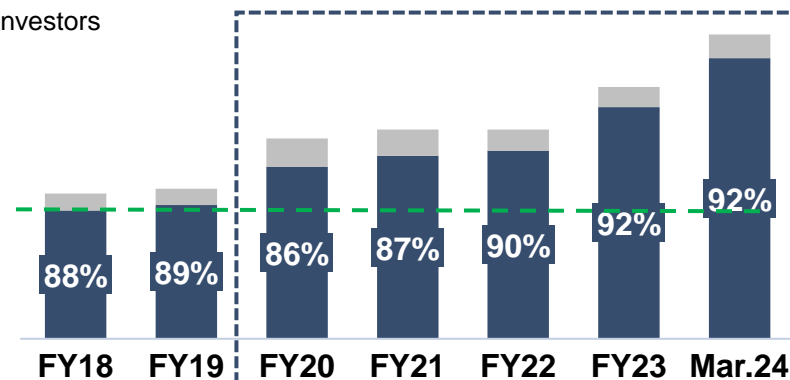
Further enlargement “Active investors” with a big jump vs Covid era

Legend: trader (grey bar), active investors (dark blue bar), avg '18-19 active investors (dashed green line)

Active investors more than doubled

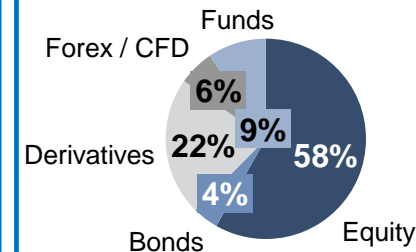
vs avg 2018/2019 after Covid pandemic created a bridge between brokerage and investing

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

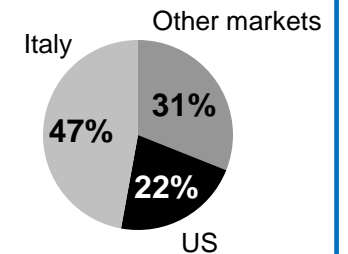


Well-diversified brokerage offer

among products...



...and geographies

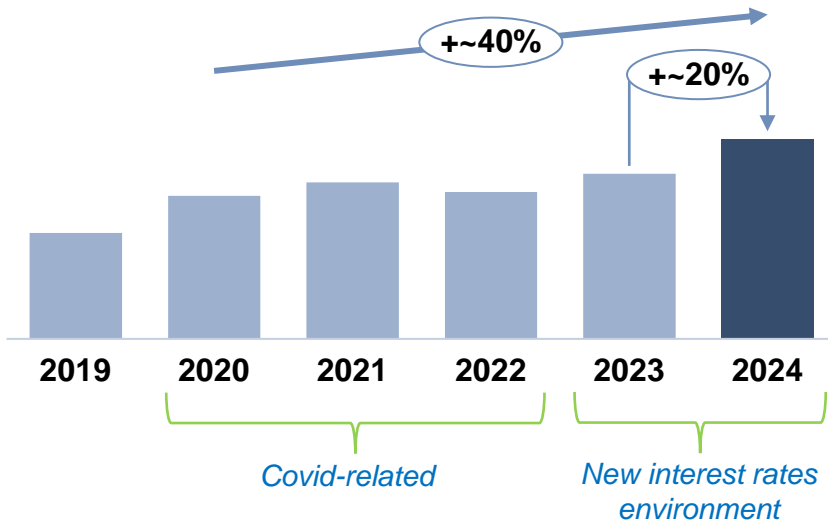


Brokerage: new initiatives building a potential to be unlocked

Superior price/quality offer, new initiatives and new market trends are the key drivers of our strong brokerage performance

A relentless growth of our brokerage active client base

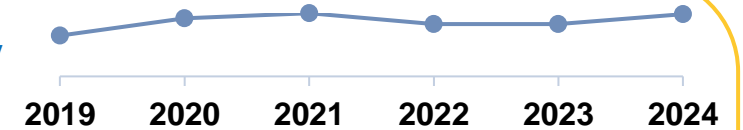
Base of active clients (on monthly basis)



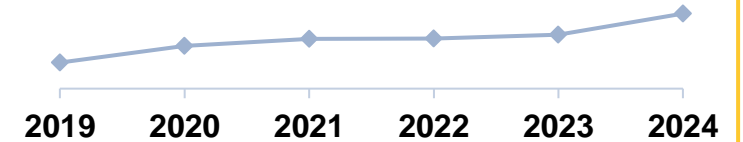
Drivers of wider active client base:

- **Delivering on new initiatives** (marketing and brokerage current account, new platform Fineco X)
- **New market structure** (bridge between brokerage and investing)
- **Renewed interest in govies**, with Fineco being platform of choice

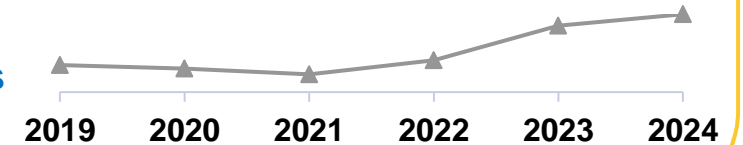
Equity



ETFs

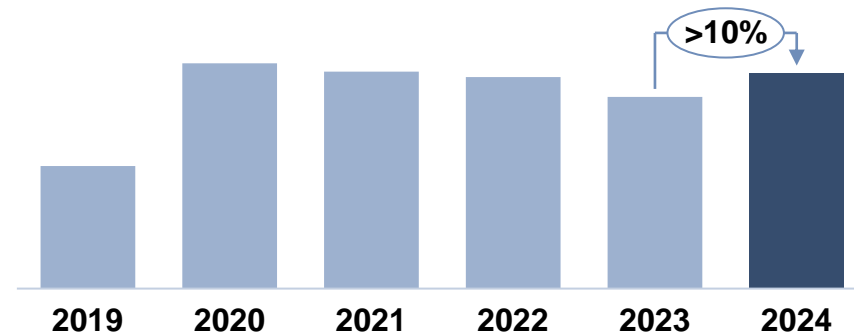


Bonds



Executed orders resilient despite poor market environment for brokerage

(on monthly basis)

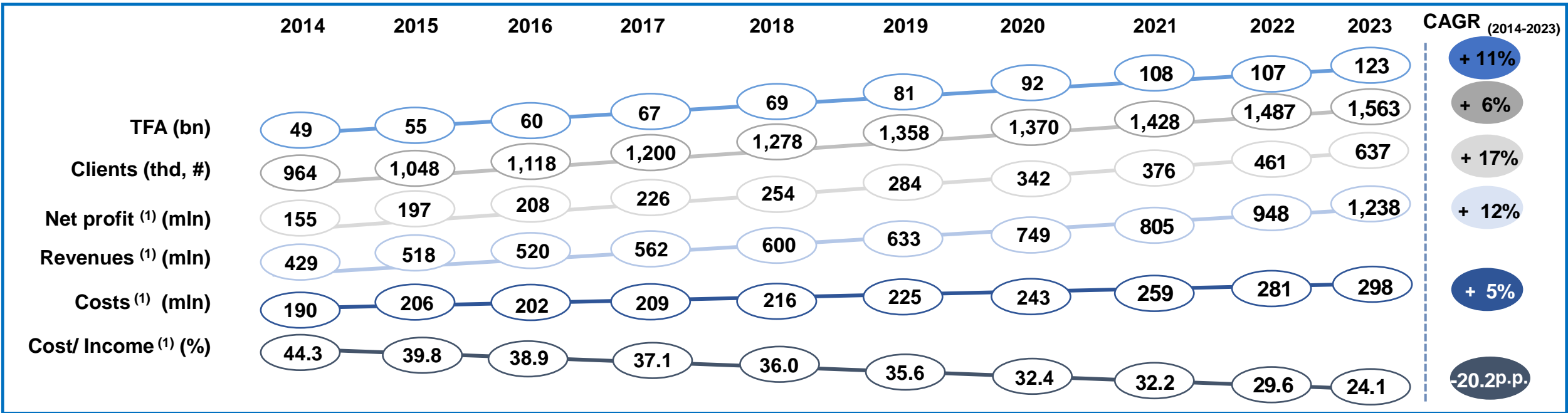


Executed orders: a potential to be unlocked as soon as market environment improves

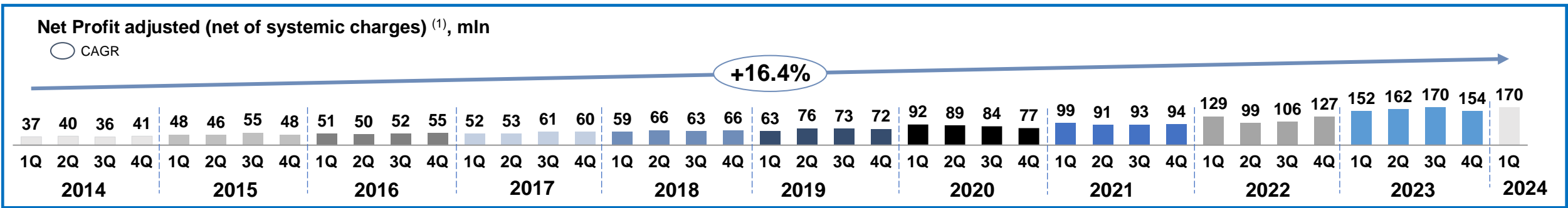
- **Resilient executed orders** despite poor market environment for brokerage, thanks to the increase of the client base
- **Wider client base** will act as a multiplier for revenues as soon as the market environment improves

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

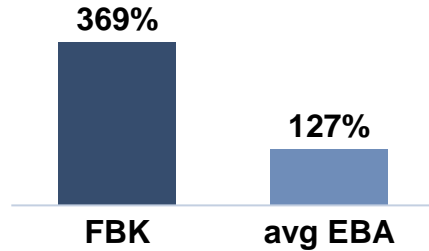


⁽¹⁾ Figures adjusted by non recurring items and Net Profit adjusted net of systemic charges (FY15: -3.1mln net, FY16: -7.1mln net, FY17: -7.1mln net, FY18: -9.6mln net, FY19: -12.1 mln net, 1Q20: -0.3mln gross, -0.2mln net, 2Q20: -0.7mln gross, -0.4mln net; 3Q20: -28.0mln gross, -18.7mln net; 4Q20: +2.1mln gross, +1.4mln net; 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, 4Q22: -1.0mln gross, -0.7mln net); 1Q23: -6.6mln gross, -4.4 mln net; 3Q23: -37.0mln gross, -24.8mln net; 4Q23: 2.0mln gross, 1.3mln net; 1Q24: -35mln gross, -23.4 mln net.

Annex

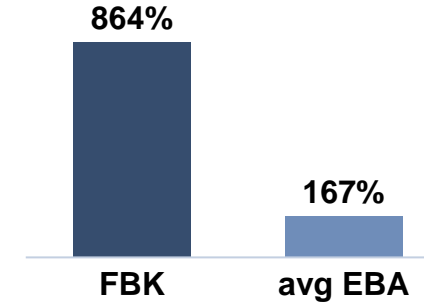
Very strong liquidity ratios

NSFR



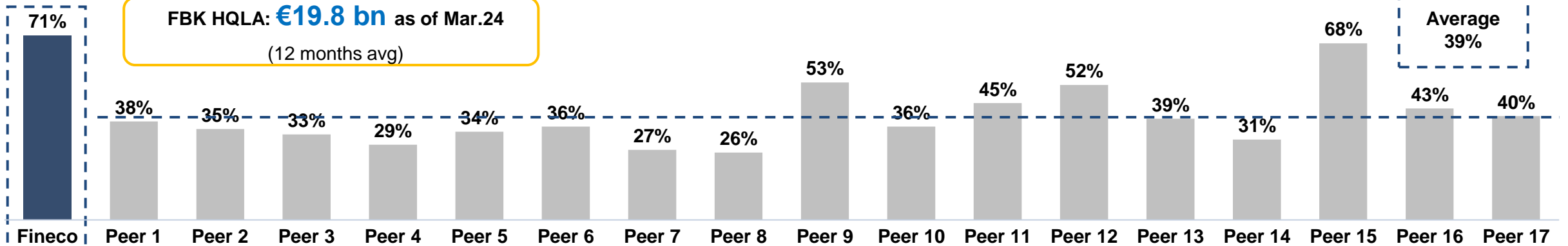
Fineco as of Mar.24; avg EBA as of Dec.23

LCR – 12months average



Fineco Mar.24; avg EBA as of Dec.23

HQLA/Deposits



Fineco as of 31.03.2024. HQLA/Deposits based on Pillar III "EU LIQ1 Template" as of 31 December 2023: HQLA 12-month average weighted value; Deposits calculated as retail deposits and deposits from small business customers plus operational and non operational deposits, total unweighted value, 12-month average. Peers are: BBVA, B.BPM, BNP Paribas, CABK, Commerzbank, Credem, Credit Agricole, Danske, Deutsche Bank, HSBC, ISP, Lloyds, Mediobanca, Santander, SocGen, UBS, UCG

Solvency, liquidity ratios

Capital position well above requirements

		Mar.23	Dec.23	Mar.24	Current Requirements	(€/bn)	Mar.23	Dec.23	Mar.24
SOLVENCY	CET1 Ratio	21.80%	24.34%	25.29%	8.24%	CET1 Capital	1.03	1.15	1.19
	Total Capital Ratio	32.41%	34.91%	35.94%	12.61%	Tier1 Capital	1.53	1.65	1.69
	Leverage Ratio	4.21%	4.95%	5.16%	3.00%	Total Capital	1.53	1.65	1.69
LIQUIDITY	LCR ⁽¹⁾	803%	823%	864%	100%	RWA	4.71	4.73	4.69
	NSFR	377%	378%	369%	100%	o/w credit	3.29	3.07	3.02
	HQLA/Deposits	63%	68%	71%		o/w market	0.04	0.05	0.06
						o/w operational	1.38	1.61	1.61
						HQLA	19.39	19.46	19.83

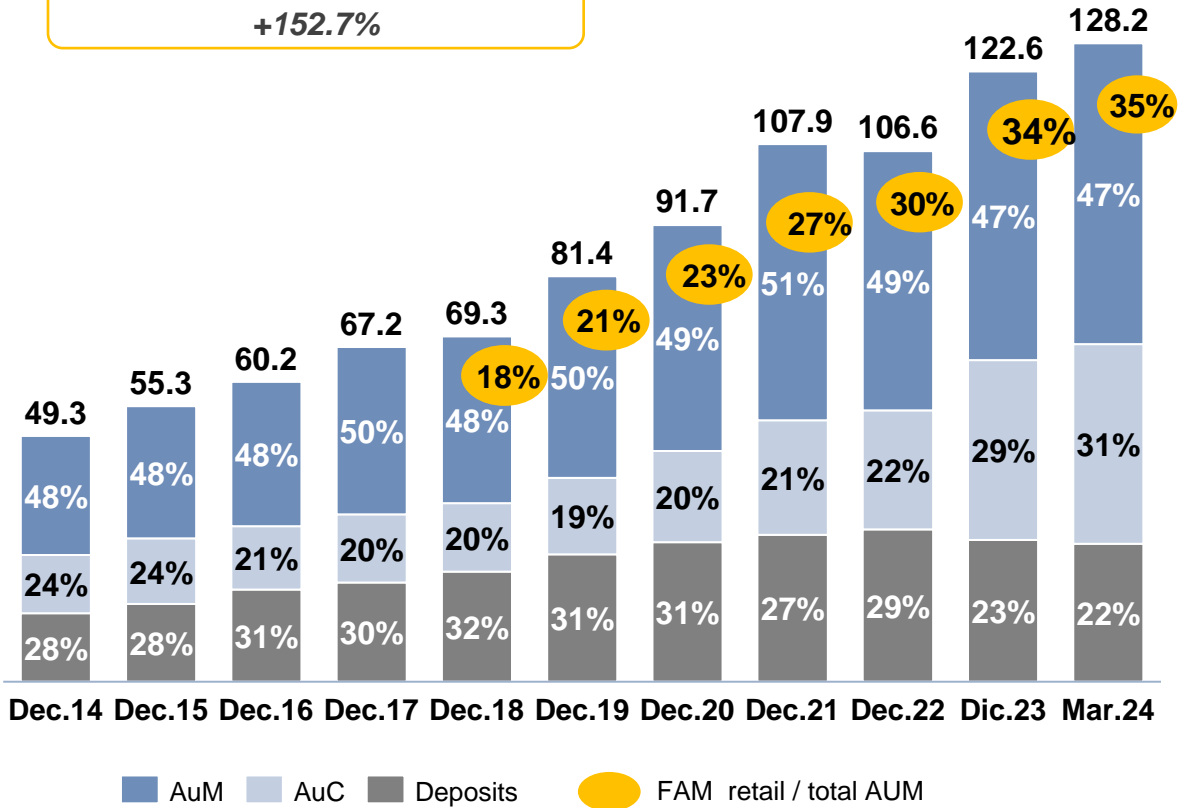
(1) Avg 12 months

TFA and Net Sales evolution

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

Breakdown of total TFA, bn

AUM since the end of 2014:
+152.7%



Breakdown of total Net Sales, bn

Apr.24 total Net Sales: 844 mln

