



B A N K

# 3Q20 Results

**Alessandro Foti, CEO and General Manager**




**Milan, November 9<sup>th</sup> 2020**

FINECO. SIMPLIFYING BANKING.

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## **Fineco Results**

-  Next steps
-  Key messages
-  Focus on product areas

## Outstanding net profit in challenging market scenario

- **9M20 Gross operating profit<sup>(1)</sup> at 397mIn, +31% y/y**, showing the **soundness of our industrial growth**. In particular, 3Q20 at 123mIn, +14% y/y
- **9M20 Net profit<sup>(1)</sup> at 246mIn, +23% y/y**, confirming the **sustainability of a business model able to deliver consistent results in every market condition and to accelerate growth in the current situation**
- **9M20 Revenues<sup>(1)</sup> at 594mIn, +22% y/y** supported by all product areas:
  - ✓ **Brokerage** (+84% 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
  - ✓ **Investing** (+6% y/y) thanks to volume effect and sound AUM flows
  - ✓ **Banking** (+3.5% y/y) thanks to high quality volume growth in deposits and lending
- **Operating Costs well under control at -197mIn, +3.8% y/y** excluding -4.5mIn of marketing costs in UK
- **C/I ratio at 33.1%, -4.8 p.p. y/y**, confirming **operating leverage as a key strength of the Bank**

## Strong and safe capital position

- **9M20 CET1 ratio at 23.28% and TCR at 37.41%**

## Accelerating commercial activity

- **Net sales** in the first nine months of the year **at 6.4bn (+46% y/y)**, **TFA at 85.0bn** with penetration of **Guided products on Assets under Management at 73%**
- **Fineco Asset Management** retail net sales at **1.5bn** in the first nine months of the year and TFA at **14.8bn**
- **Strong October net sales at 739mIn, +91% y/y. Solid Brokerage revenues, estimated at around 14 mIn**

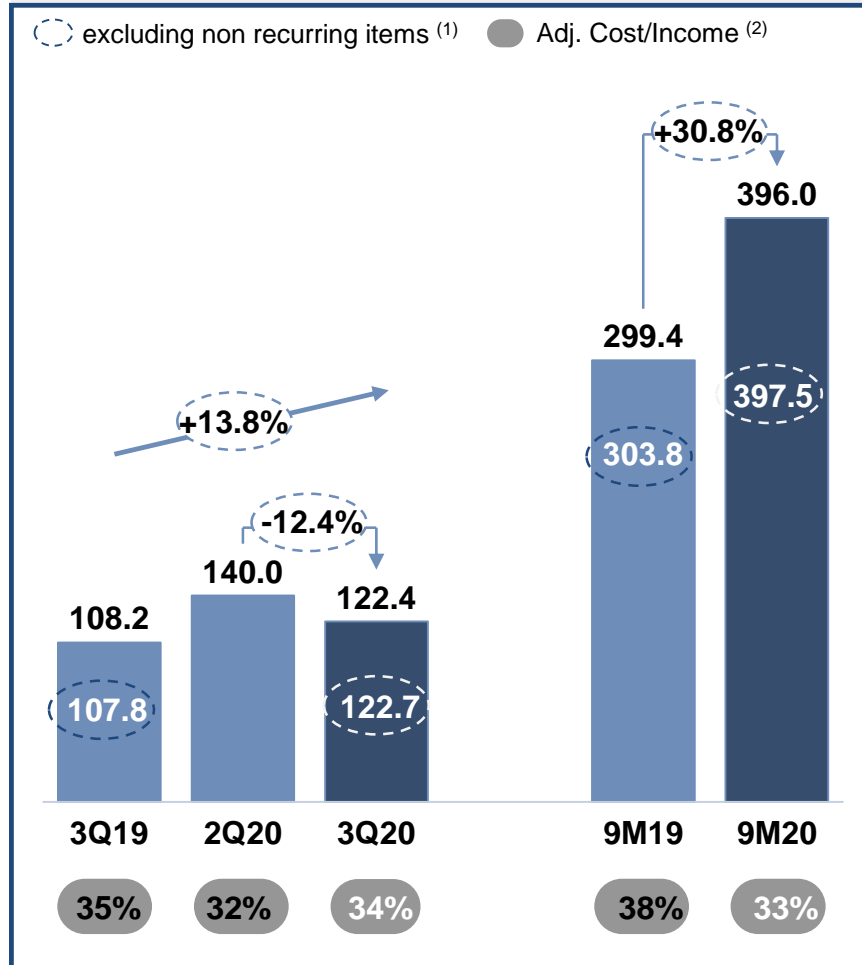
(1) Figures net of non recurring items: Voluntary Scheme: 3Q20: -0.2mIn gross, -0.2mIn net, 1Q20: -1.2mIn gross, -0.8mIn net. 9M19 non recurring items: Voluntary Scheme: 3Q19: 0.4mIn gross, 0.3mIn net, 2Q19:-4.3mIn gross, -2.9mIn net; 1Q19: -0.4mIn gross, -0.3mIn net; Patent Box: -0.9mIn in 3Q19, -0.9mIn in 2Q19, -0.9mIn in 1Q19.

# Results (1/2)

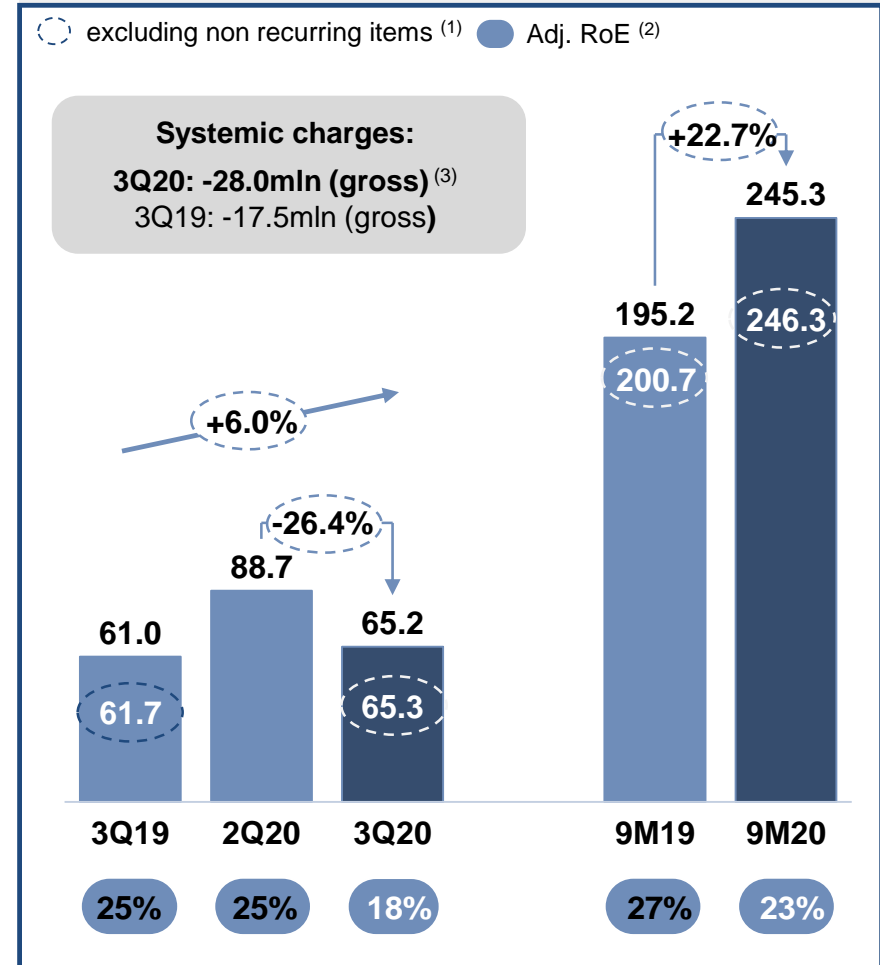
Strong Operating Profit, at 397mIn in 9M20 and 123mIn in the quarter, +14% y/y boosted by diverse revenues growth in a complex market environment. Net Profit at 246mIn, +23% y/y despite higher systemic charges. C/I ratio at 33%, down -4.8 p.p. y/y confirming our strong operating leverage



## Gross Operating Profit, mIn



## Net Profit, mIn



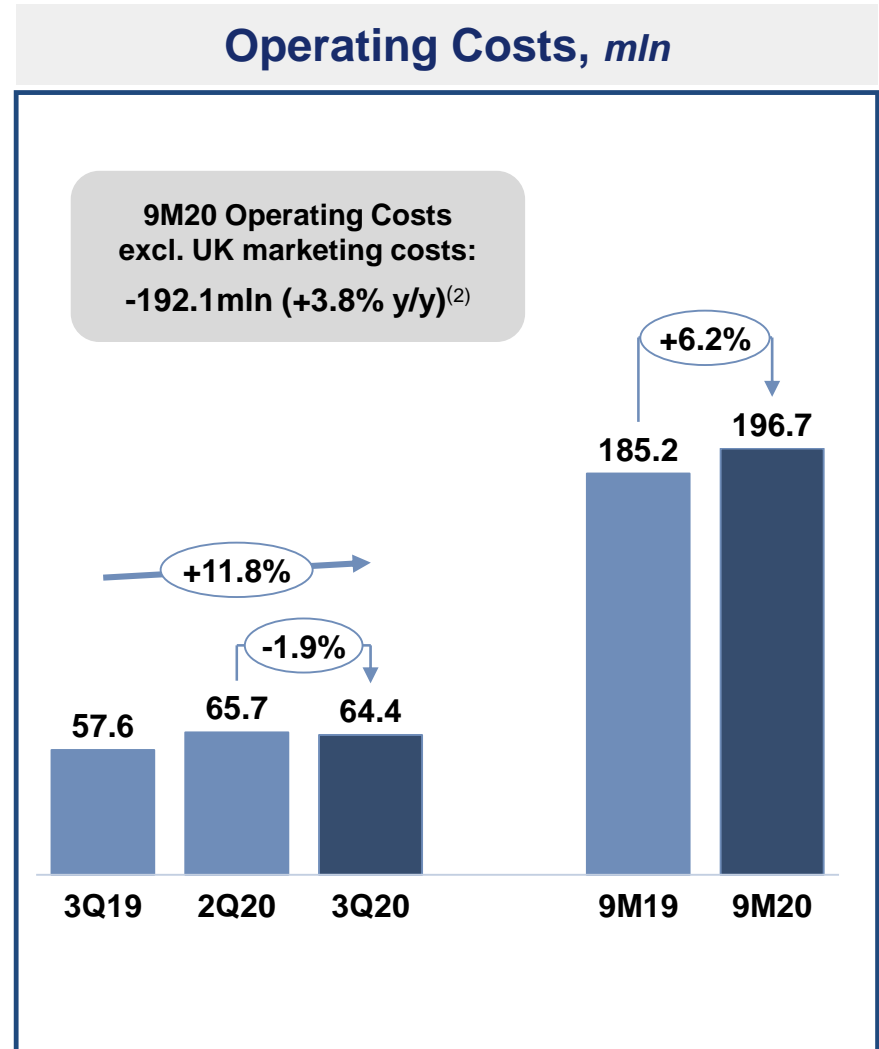
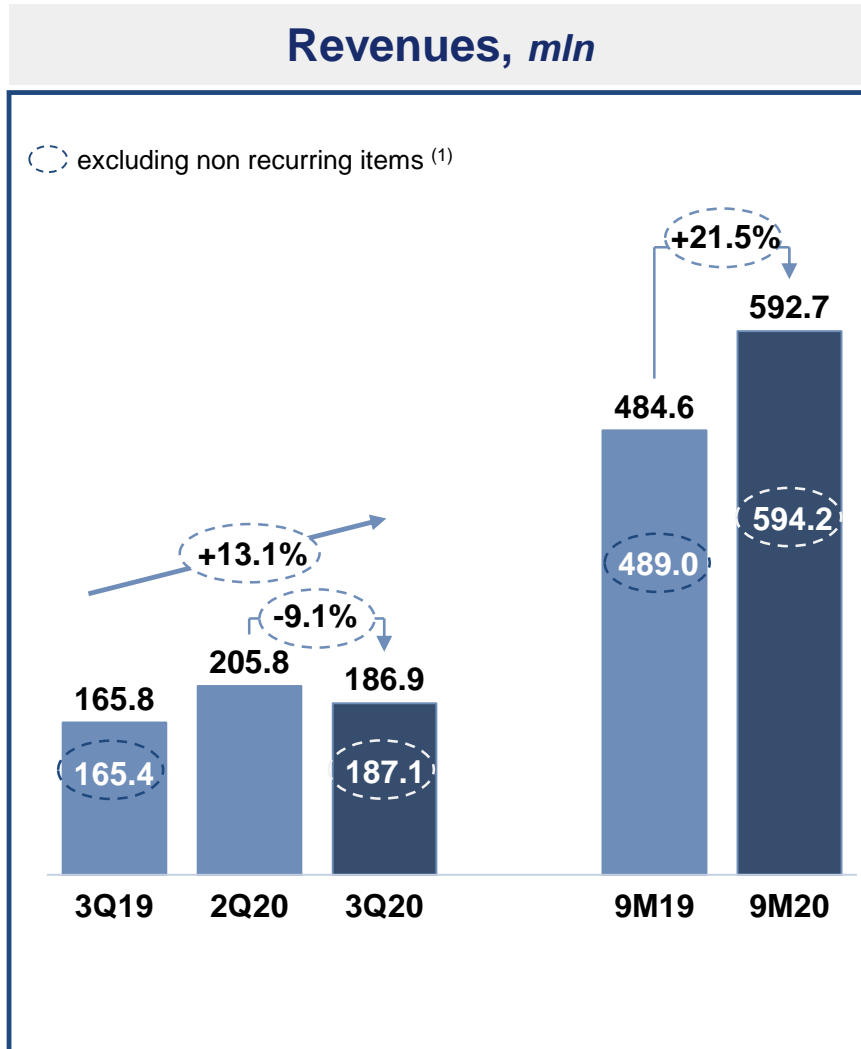
(1) 9M20 non recurring items: Voluntary Scheme: 3Q20: -0.2mIn gross, -0.2mIn net, 1Q20: -1.2mIn gross, -0.8mIn net. 9M19 non recurring items: Voluntary Scheme: 3Q19: 0.4mIn gross, 0.3mIn net, 2Q19: -4.3mIn gross, -2.9mIn net; 1Q19: -0.4mIn gross, -0.3mIn net; Patent Box: -0.9mIn in 3Q19, -0.9mIn in 2Q19, -0.9mIn in 1Q19.

5 (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) Estimate (3Q20 includes: -20.9mIn contribution to DGS and -7.1mIn additional contribution to a member of Interbank Deposit Protection Fund)

# Results (2/2)

Revenues at 594.2mln, +21.5% y/y supported by all product areas. Operating costs at 196.7mln, +3.8% excluding marketing costs in UK



<sup>(1)</sup> 9M20 non recurring items: Voluntary Scheme: 3Q20: -0.2mln gross, 1Q20: -1.2mln gross. 9M19 non recurring items: Voluntary Scheme: 3Q19: 0.4mln gross, 2Q19:-4.3mln gross, 1Q19: -0.4mln gross

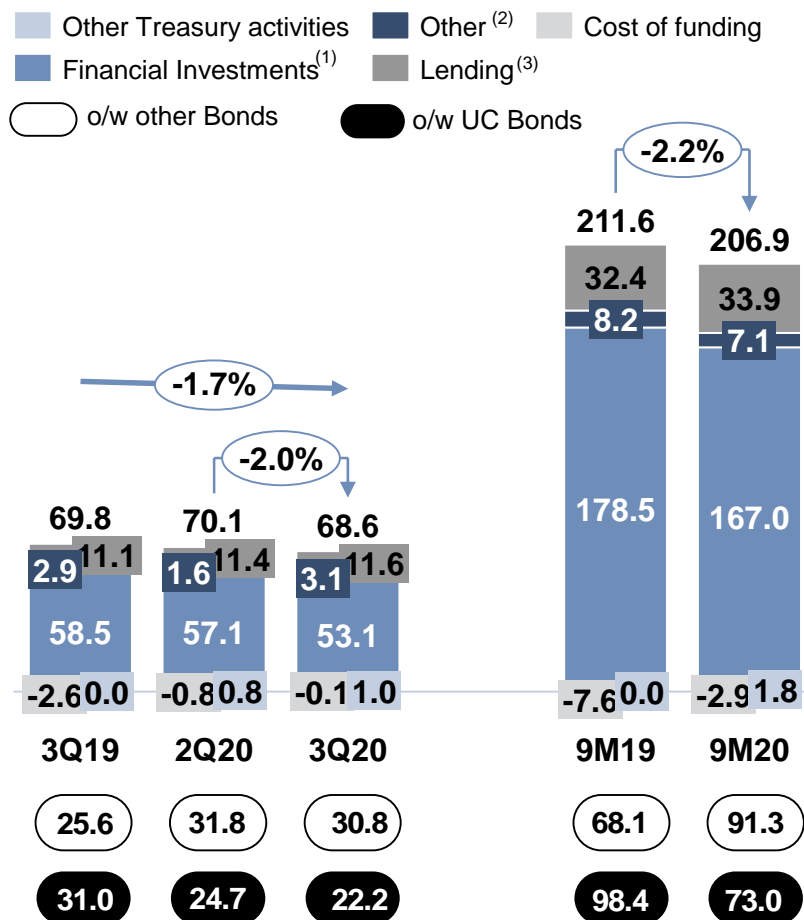
<sup>(2)</sup> Marketing costs related to UK: -4.5mln in 9M20

# Net interest income

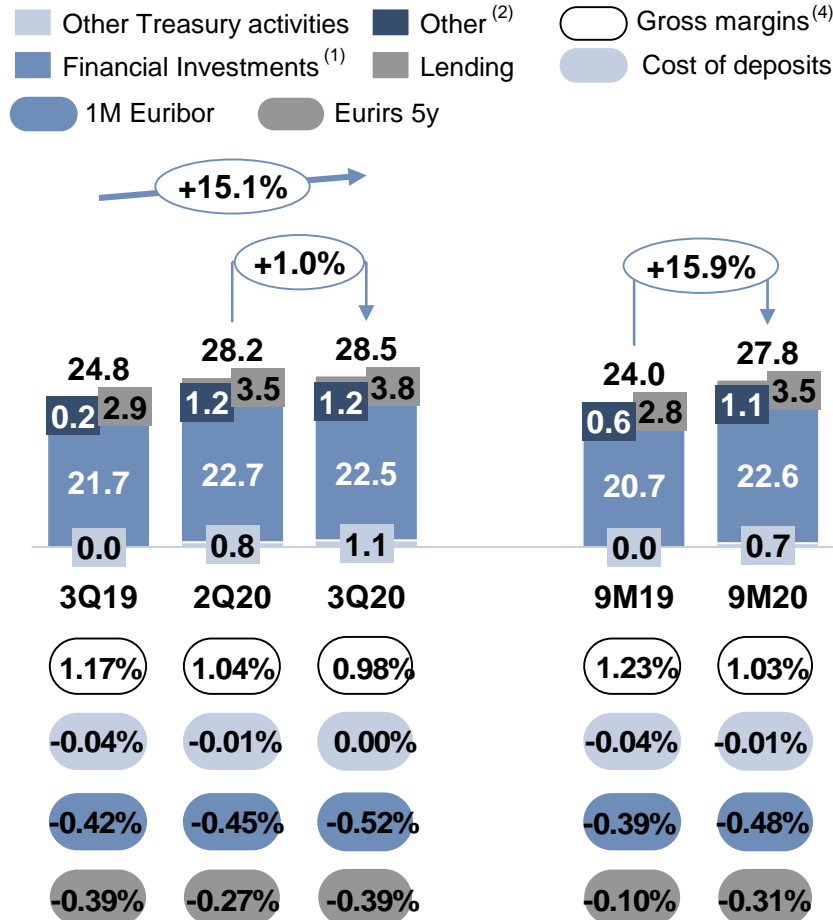
Solid NII thanks to valuable and sticky sight deposits coupled with high-quality lending portfolio and a more dynamic treasury activity despite low interest rate environment.  
Sensitivity analysis +100bps / -100bps parallel shift: +116mln NII / -101mln NII



## Net Interest Income, mln



## Interest-earning assets, avg bn



(1) 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)

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

(3) Lending: only interest income

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

# Managing liquidity in a more dynamic way to sustain NII

Our high quality balance sheet allow us to undertake industrial actions to manage current interest rate environment while maintaining our low-risk investment policy

High quality balance sheet	No change in our low-risk investment policy
<ul style="list-style-type: none"> <li>✓ <b>VALUABLE AND STICKY DEPOSITS:</b> 'transactional liquidity' gathered without short-term aggressive commercial offers and only driven by high quality services, transparency and fair pricing</li> <li>✓ <b>SAFE, ROBUST, LOW RISK:</b> diversified and highly liquid Balance Sheet</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>DIVERSIFIED AND LOW RISK INVESTMENT PORTFOLIO:</b> run-off of UniCredit bonds invested in a blend of diversified govies, covered bonds, supranational and agencies</li> <li>✓ <b>AVG MATURITY UNCHANGED</b> at ~5 years</li> <li>✓ <b>EXPOSURE TO ITALY UNCHANGED</b> at ~ 5-5.5bn <sup>(1)</sup></li> <li>✓ <b>~100% OF OUR FINANCIAL INVESTMENTS IN HTC:</b> no impact in our P&amp;L and BS by the widening of spreads</li> </ul>

## OUR INDUSTRIAL ACTIONS

- ✓ **MORE DYNAMIC TREASURY MANAGEMENT:** yield enhancement strategies like unsecured lending or collateral switch with primary counterparties to extract **extra-yield on our quality-paper thanks to our industrially-driven strong liquidity position (LCR >1000%)<sup>(2)</sup>** and **quality investment portfolio**
- ✓ **ENLARGE THE SCOPE OF OUR INVESTMENTS** to **investment grade non-EU govies** and financial corp. senior bonds
- ✓ **FULL ADVANTAGE OF ECB's TIERING AND TLTRO**
- ✓ **INCREASED DEMAND FOR LENDING IS EXPECTED** without changing our cautious and conservative approach as low interest rate environment increases the appetite for lending products by our existing good clients

<sup>(1)</sup> Nominal value

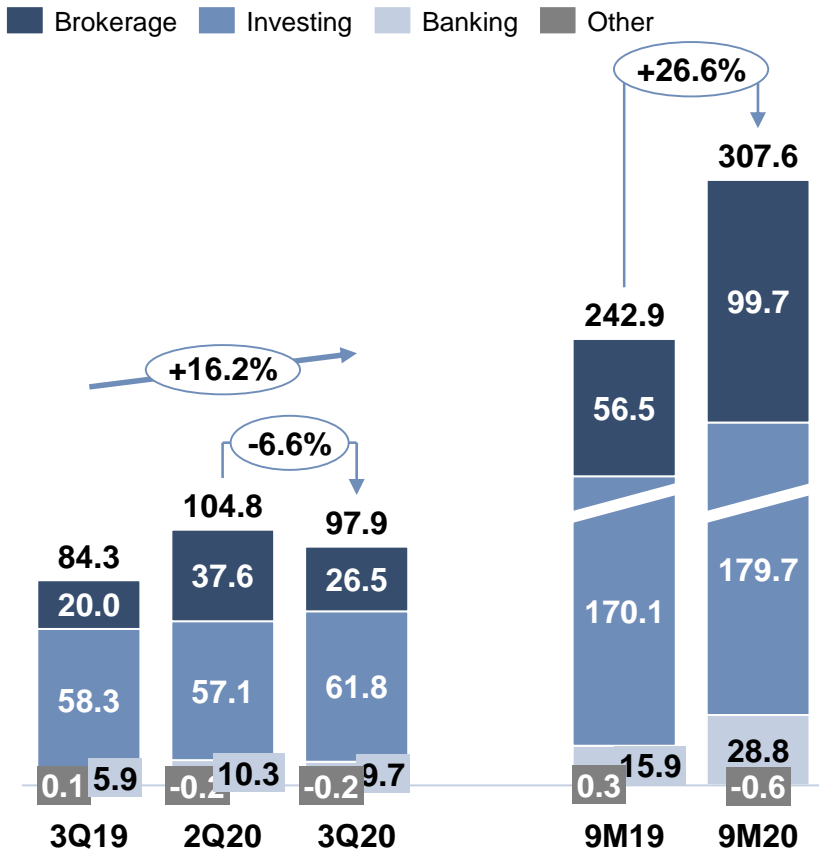
<sup>(2)</sup> Minimum requirement at 100% (EU Regulation 2015/61)



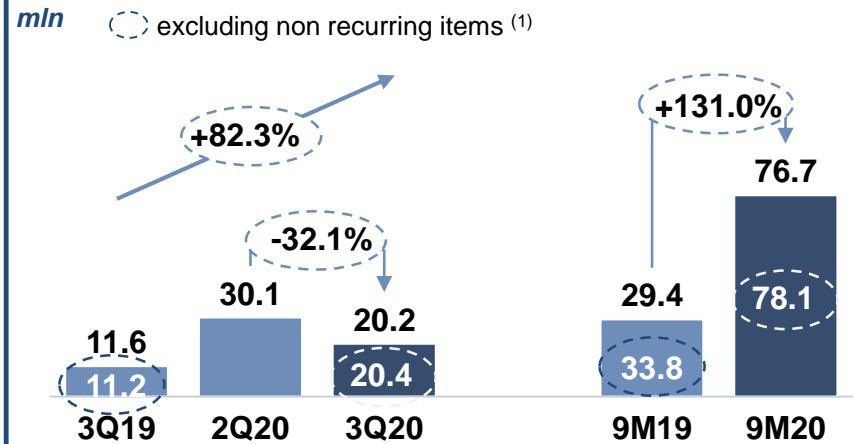
# Non Interest Income

Fees and commissions +27% y/y thanks to the positive contribution by all business areas and Trading Income +131% y/y thanks to structurally higher Brokerage

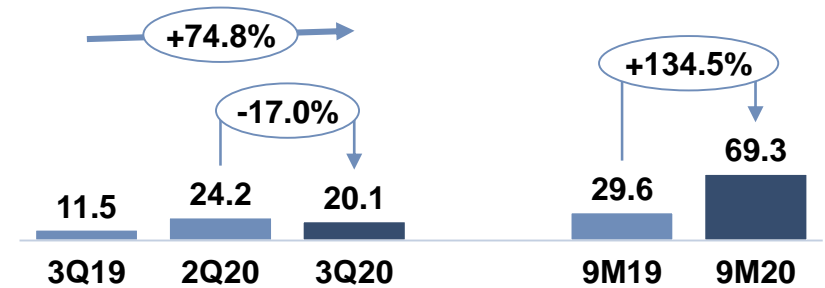
## Fees and Commissions, mln



## Trading Income, mln



## o/w Trading Income from Brokerage



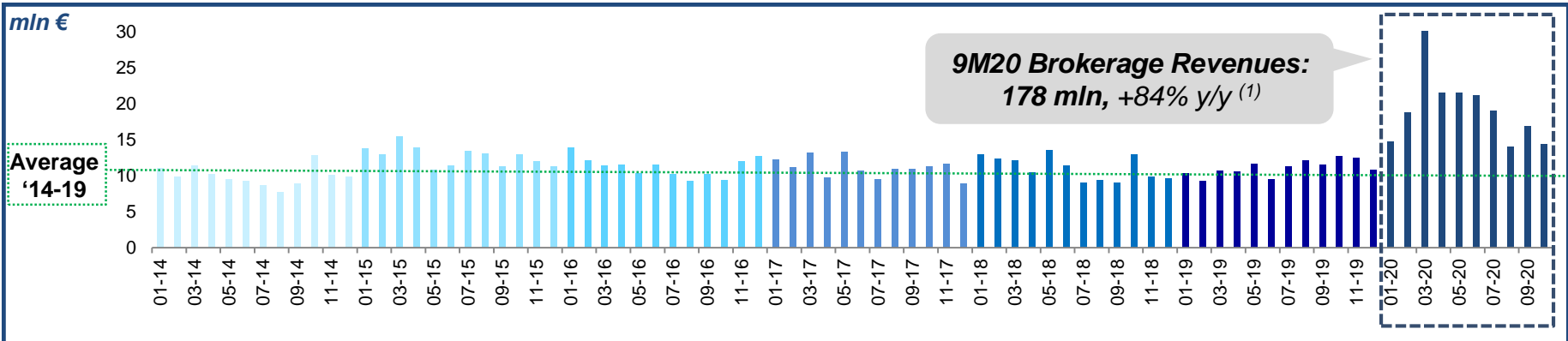
(1) Adj. Trading Income excluding non recurring items: Voluntary Scheme (1Q20: -1.2mln gross; 3Q20: -0.2mln gross; 1Q19: -0.4mln gross; 2Q19: -4.3mln gross; 3Q19: 0.4mln gross)

# Brokerage proved itself as a perfect counter-cyclical business

The structure of the market is changing: increased interest in financial markets and a 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

- ✓ New options allowing to exploit volatility when it is low (new US options platform), optimization of our systematic internalizer, Multicurrency available 24/7, wider currencies basket, repricing of futures, wider OTC product offer

### COMING SOON:

- ✓ **Leveraged certificates: we are vertically integrating the business, becoming issuer, market maker and distributor.** Market size: 13bn<sup>(2)</sup> volumes and €100mln revenues<sup>(3)</sup>. Until now we are only distributors, through the vertical integration we can gain market share and further boost revenues
- ✓ **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
- **Increasing market share** in Italy on equity traded volumes at 28% in June 2020 (+1.4 p.p. y/y) (Assosim)
- **See next slide for more details**

<sup>(1)</sup> Estimated Brokerage revenues in the first ten months of 2020 are equal to €191.9 mln (+75% y/y)

<sup>(2)</sup> ACEPI (Italian Association of Certificates and Investment Products)

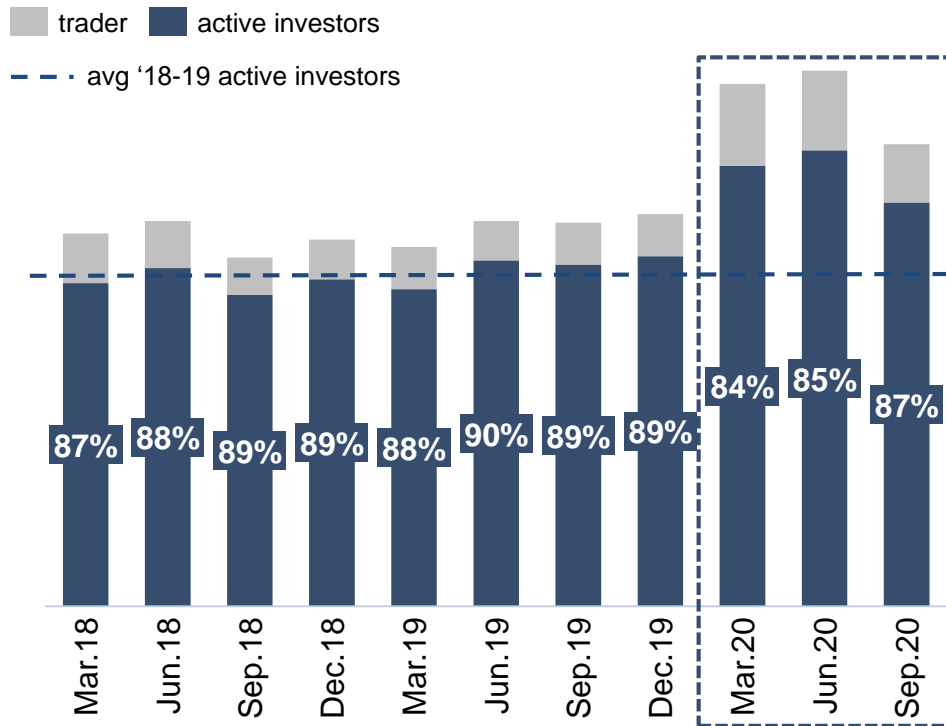
<sup>(3)</sup> Internal estimates

# Brokerage: focus on enlargement of client base and increasing market share



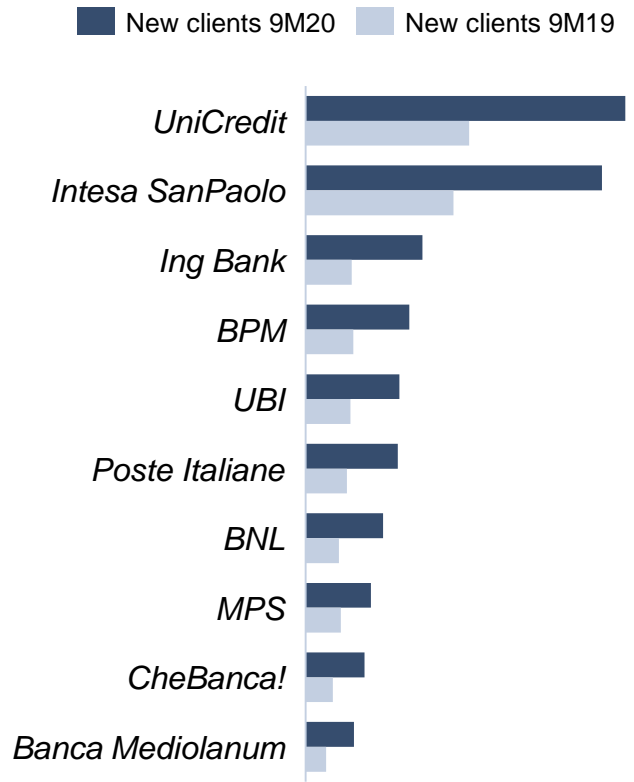
Clients' base growth mainly driven by "Active investors" starting to use brokerage platform and "sleeping" clients back on the market. New clients are coming from traditional banks

### Brokerage clients evolution



**Active investors** have an average of **4 executed orders** per month

### New brokerage clients from Top 10 banks of origin

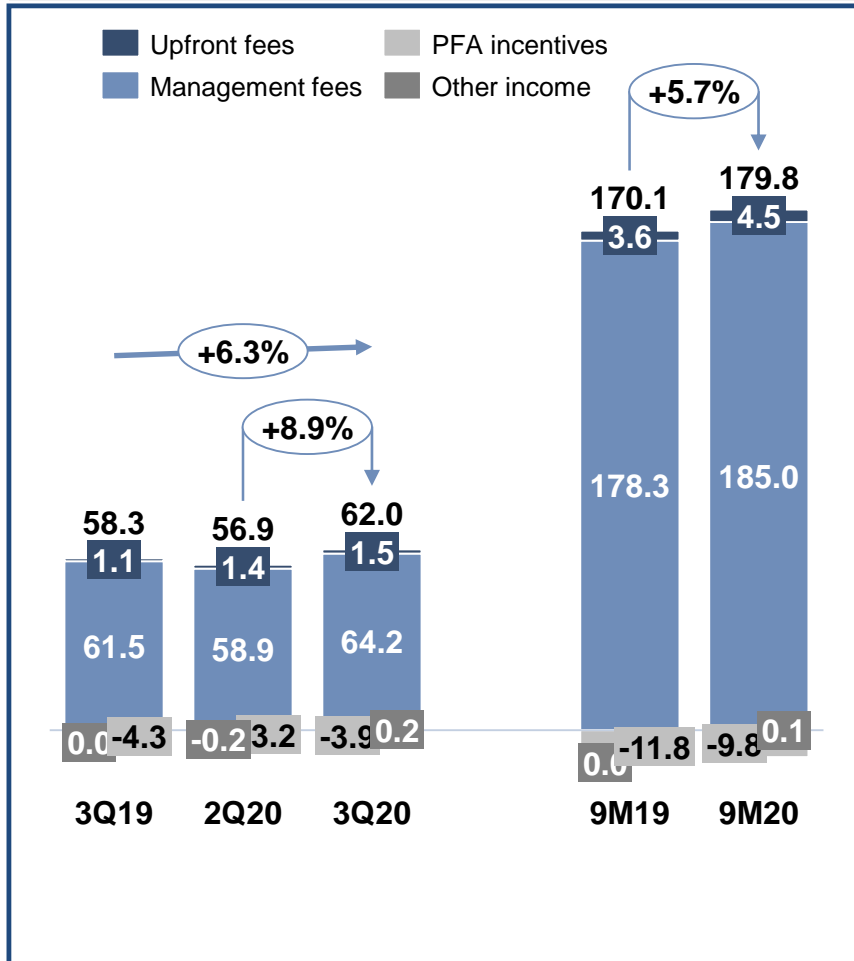


# Focus on Investing

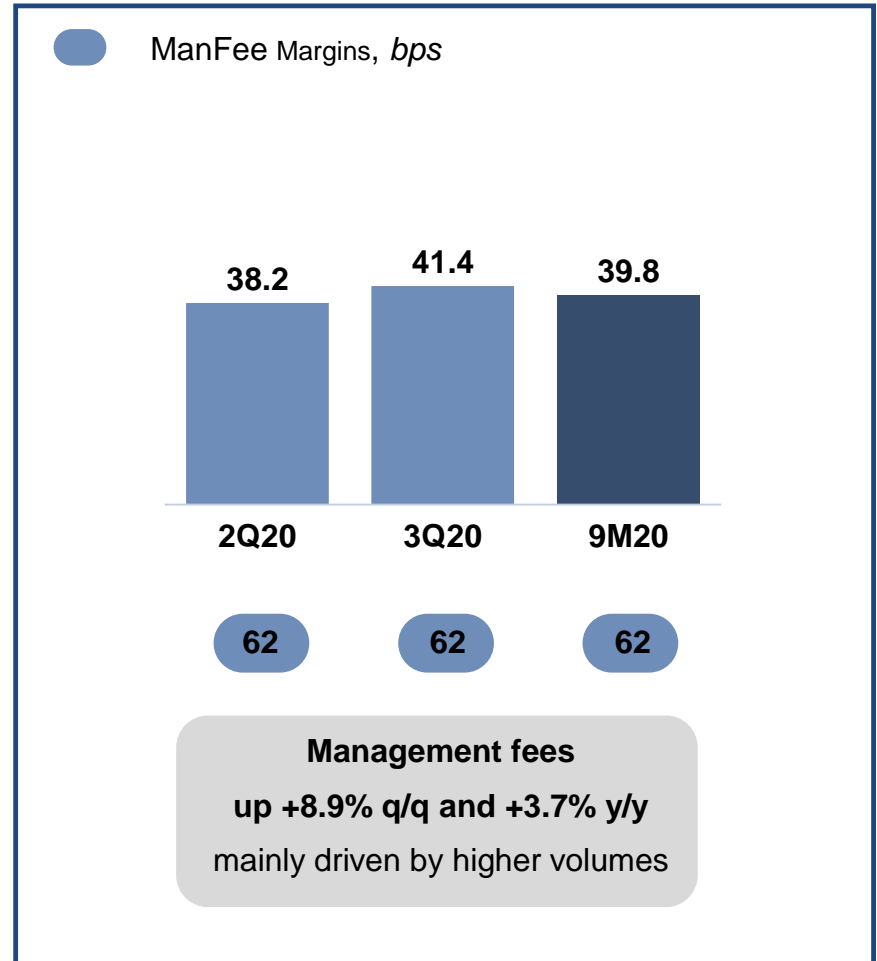
9M20 increasing y/y thanks to volume effect and strong AUM net sales. Margins supported by operational efficiency given by Fineco Asset Management



## Investing Revenues, mln



## Average AuM on daily basis, bn



## Focus on 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 (increasing demand for advice by Italian families, increasing digitalization, consolidation of banking system)
- **New project with the aim to offer better quality solutions** to our clients with a **strong focus on RISK MANAGEMENT**. Since our Irish management company already allows us to have a **daily look-through** on its solutions, we expect a strong **acceleration in direction of FAM products**
- **Increasing PFA productivity** thanks to our cyborg-advisory approach

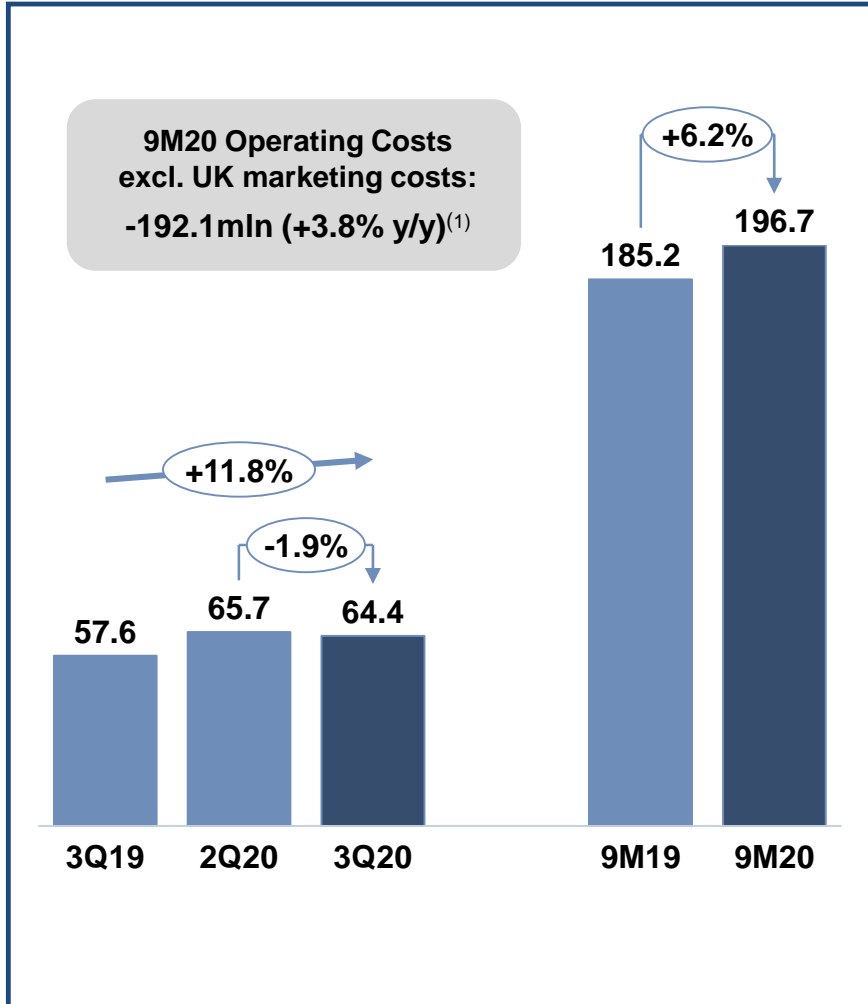
### FAM OPERATIONAL EFFICIENCY

- **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

# Costs

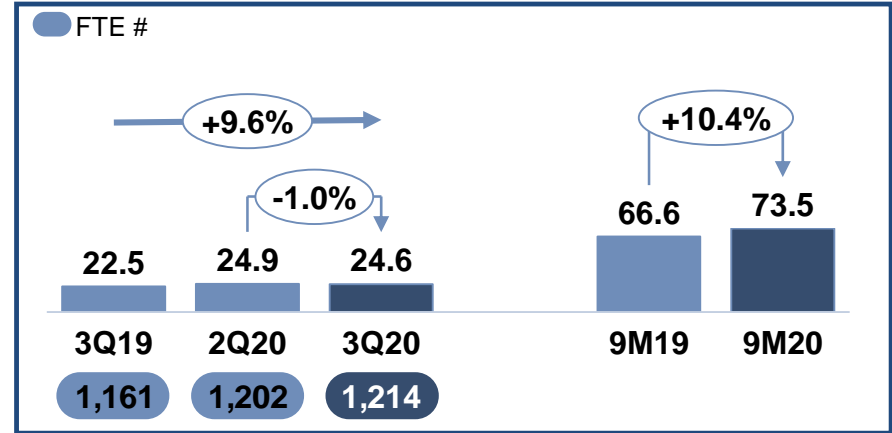
Cost efficiency and operating leverage confirmed in our DNA.  
Non HR costs flat excluding marketing in UK

## Operating Costs, mln

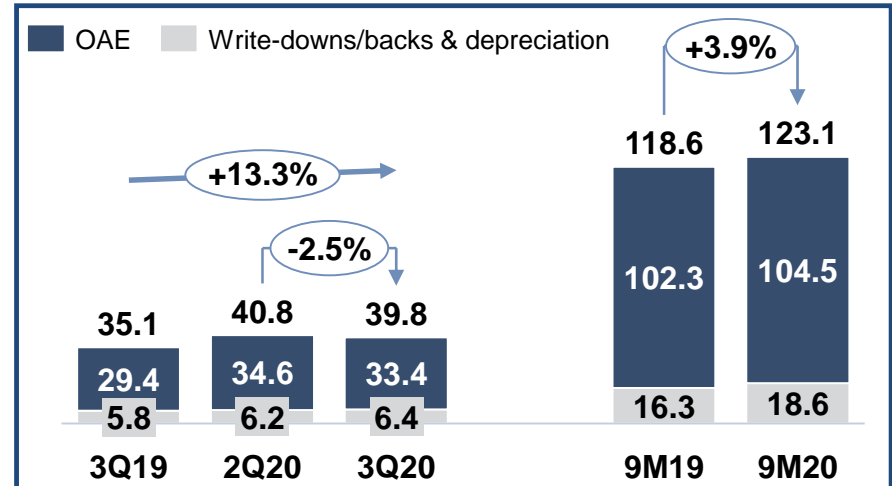


<sup>(1)</sup> Marketing costs related to UK: -4.5mln in 9M20

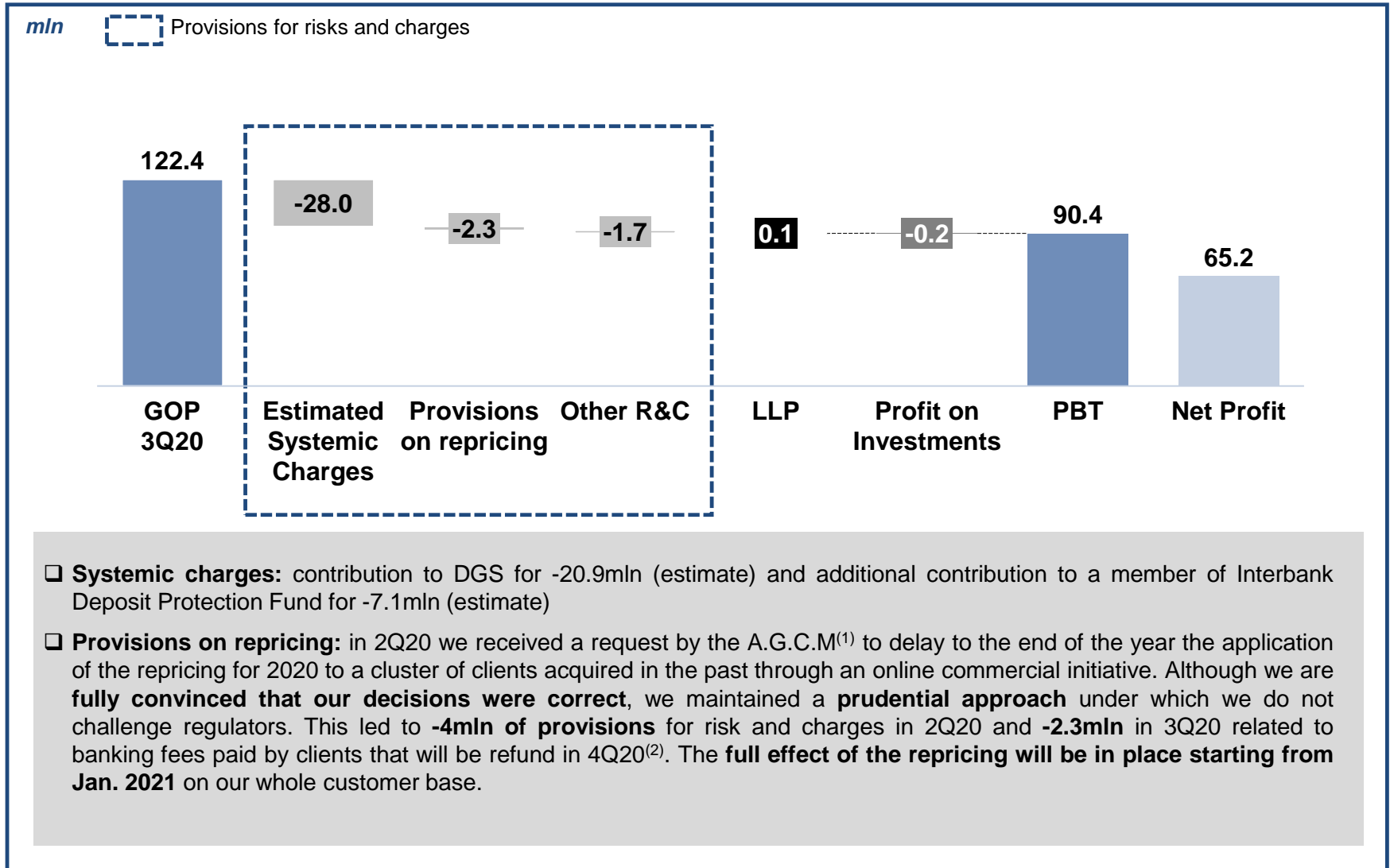
## Staff expenses and FTE, mln



## Non HR Costs<sup>(1)</sup>, mln



# Focus on 3Q20 bottom line



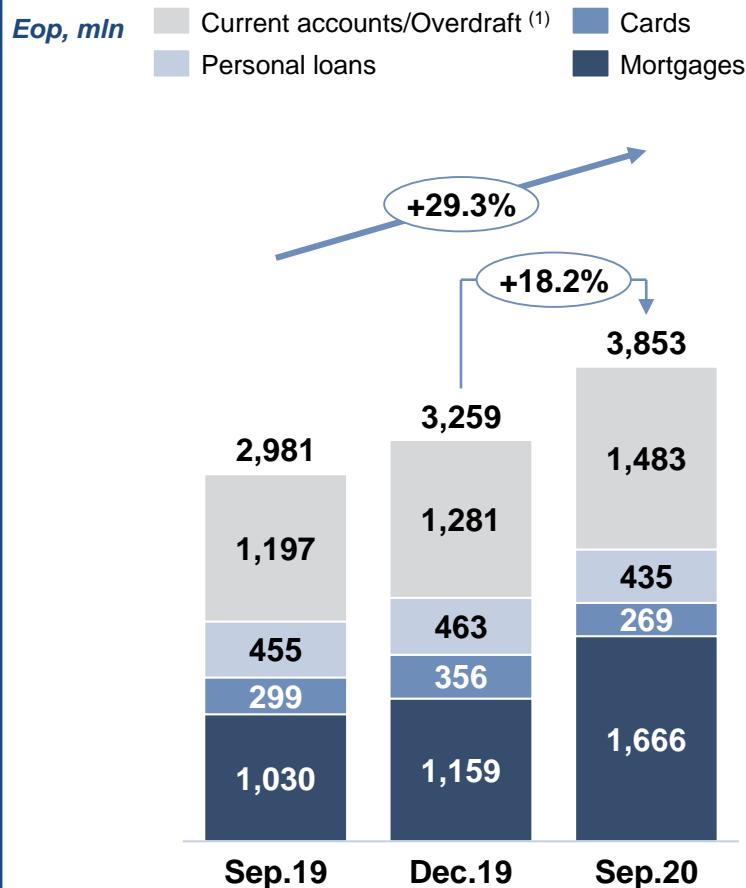
<sup>(1)</sup> Guarantor for Competition and Market Authority

<sup>(2)</sup> As a result of reimbursement, in 4Q20 we will release the provisions accounted so far and we will account lower banking fees

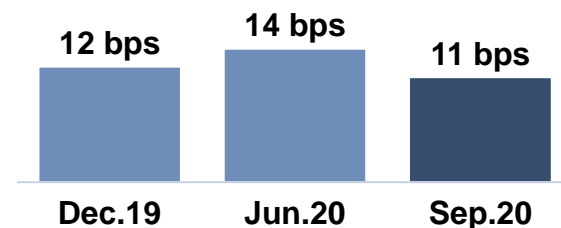
# High quality lending volume, offered exclusively to the existing base of clients leveraging on our internal Big Data analytics



## Commercial Loans portfolio, eop mln



## Cost of Risk on commercial loans <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
- **No change in our FY20 CoR expectations (10-15bps)** thanks to the high quality of our portfolio, even in a difficult context following Covid-19 outbreak
- Only 263 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

<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; CoR as of Sept.20 is a pro-forma figure excluding a non recurring write-back

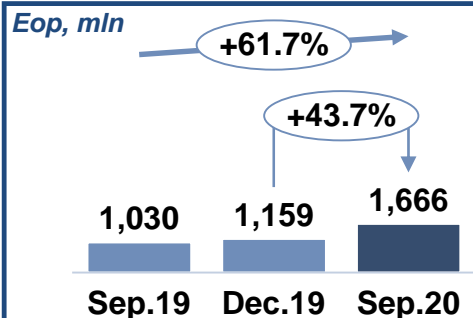


# Lending: solid growth for all our lending products thanks to the quality of our portfolio and to our cautious approach



## 2020 Guidance

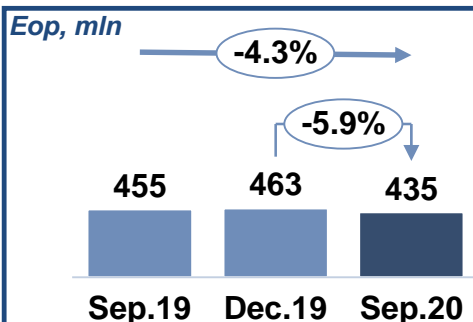
### Mortgages



- **17,261 mortgages** granted since December 2016
- Average customer rate: **154bps. 9M20 Yield<sup>(1)</sup> at 60bps**
- Average Loan to Value ~**51%**, average maturity **18 yrs**
- **Low expected credit loss** (~19 bps). Only 3 clients accounted in NPL after 45 months from the launch

- yearly new production: ~ **600-700mln**
- Expected yield: ~ **55-70bps**

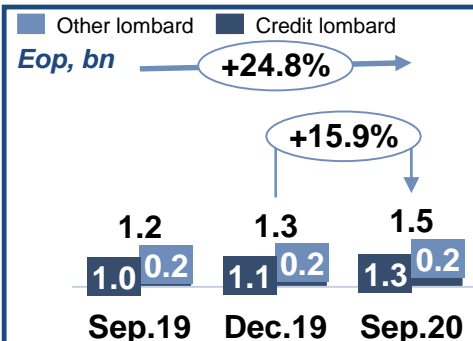
### Personal Loans



- Average ticket €9,200 and average maturity 4.6 years
- **9M20 Yield at 390bps**
- **Efficient and real time process**, instant approval platform for eligible clients' requests thanks to a deep knowledge of clients.
- **Low expected credit loss** (~55 bps)

- yearly new production: ~ **150-200mln**  
~ (-20/-60mln net)
- Expected yield: ~ **380-410bps**

### Lombard Loans



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

- **Attractive pricing:** retail clients 100bps and private clients 50/65/75bps (on 3M Eur<sup>(3)</sup>)
- **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: ~ **300-350mln** per year
- Expected yield: ~ **75-85bps**

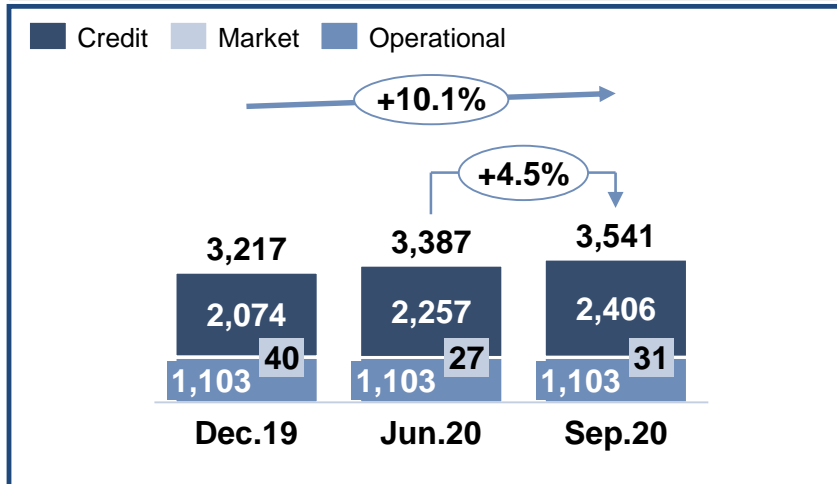
<sup>(1)</sup> Yield on mortgages net of amortized and hedging costs

<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

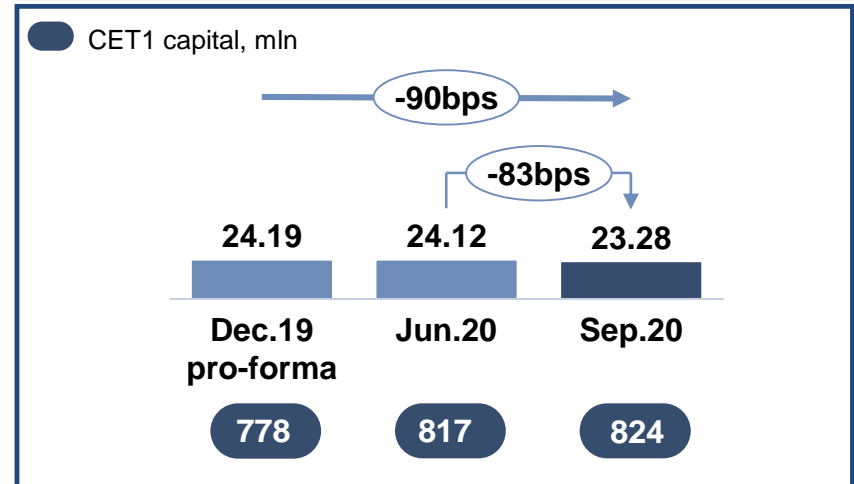
# Capital Ratios:

Best in class capital position and low risk balance sheet

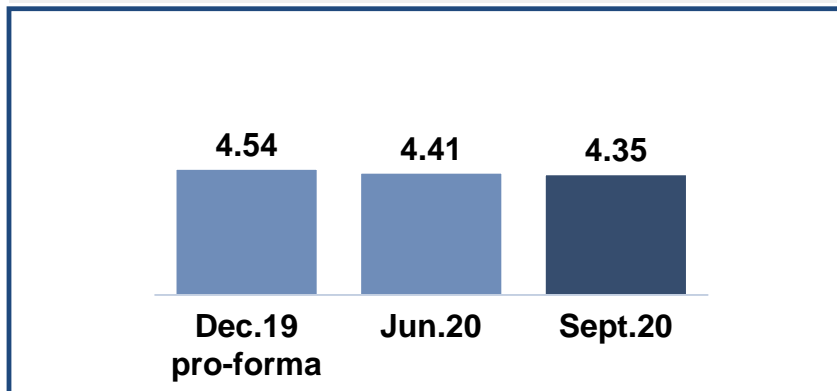
## RWA, mln



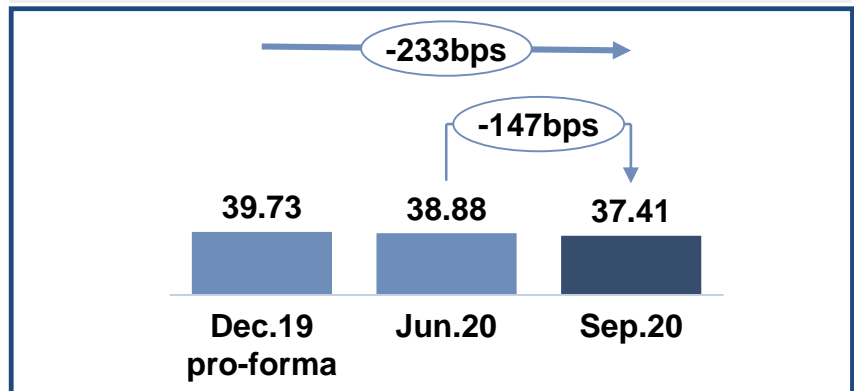
## CET1 Ratio, %



## Leverage Ratio, %



## Total Capital Ratio, %



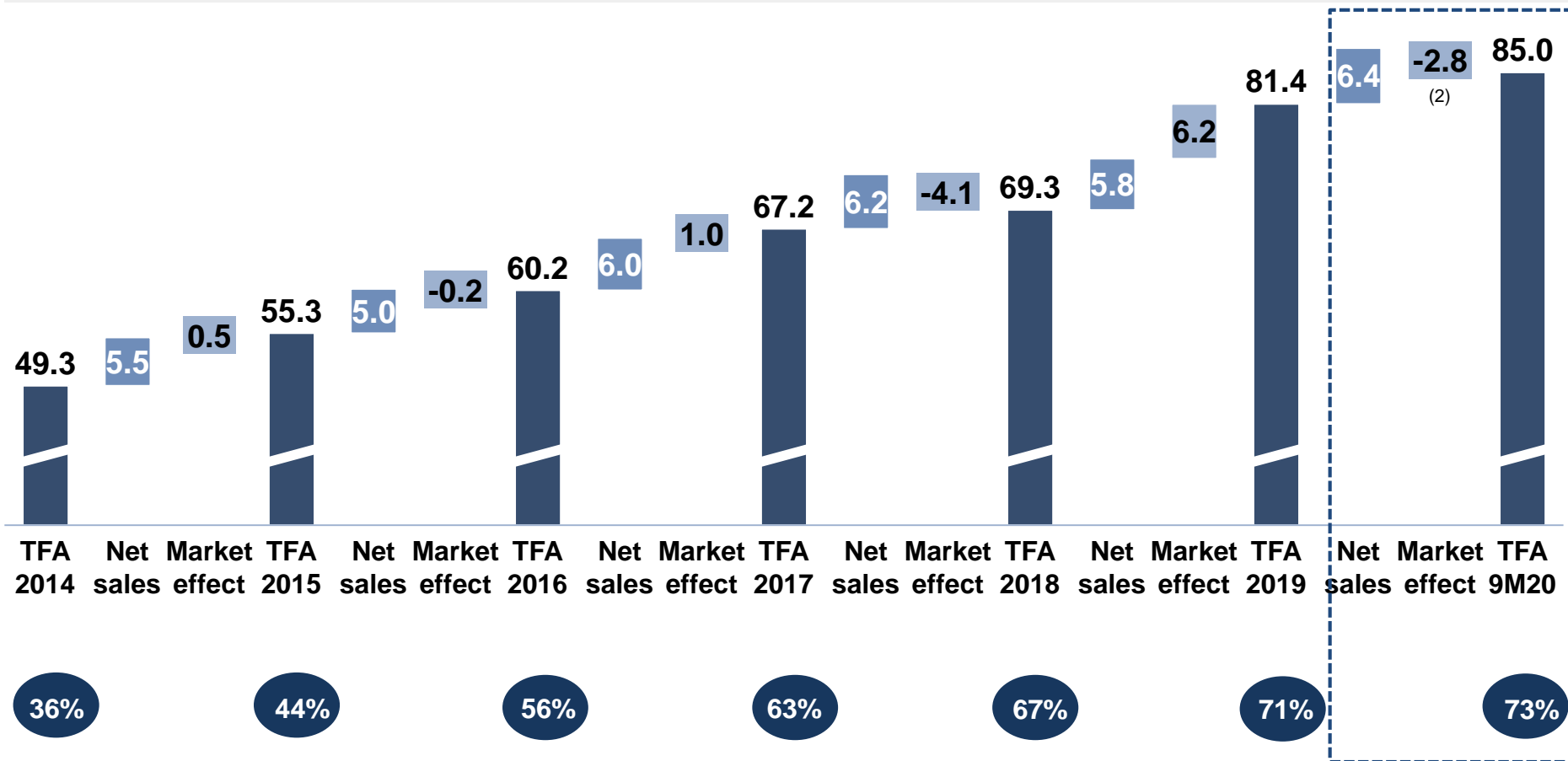
(1) "Starting from 31 December 2019, FinecoBank applied the Standardised Method for determining the regulatory requirement related to operational risk, replacing the Advanced Measurement Method ("AMA") adopted previously."

# TFA

Relentless TFA growth thanks to a healthy expansion in net sales.  
Guided products & Services increased at 73% of total AuM



## TFA evolution (Dec.14 – Sep. 20), *bn*



● Guided products as % of total AuM <sup>(1)</sup>

19 <sup>(1)</sup> Calculated as Guided Products end of period divided by Asset under Management end of period  
<sup>(2)</sup> 9M20 market effect: -1.4bn AUM and -1.3bn AUC



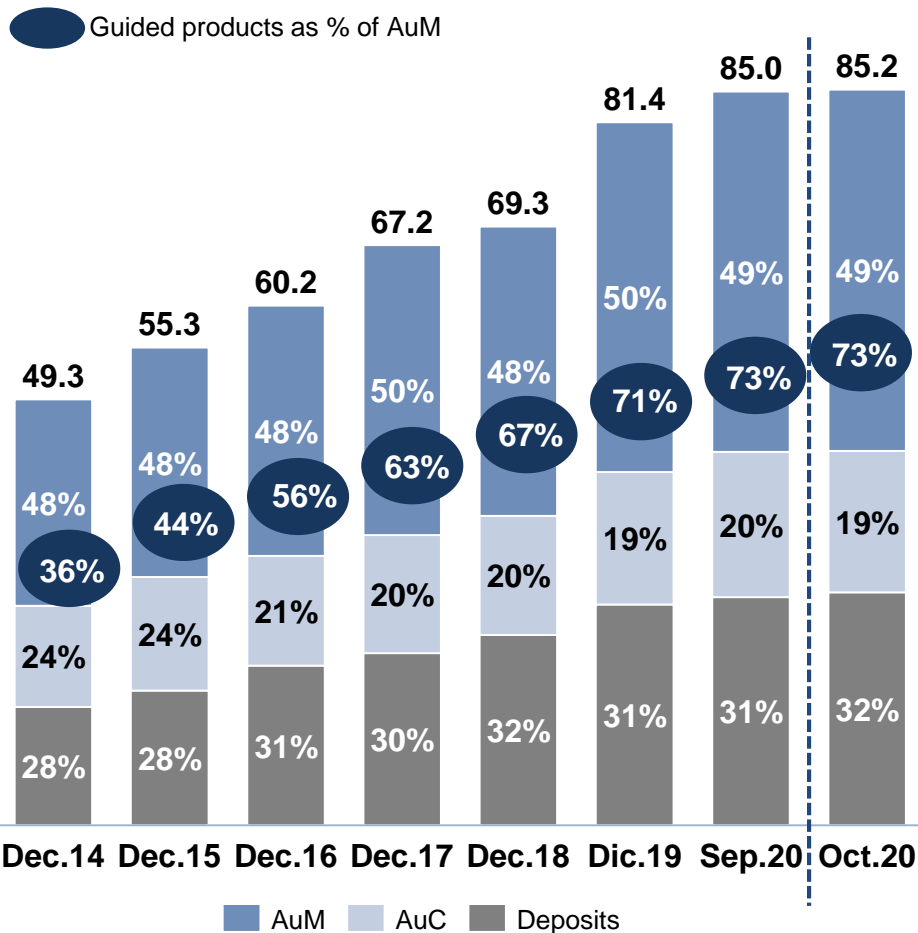
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# TFA breakdown

Successful shift towards high added value products thanks to strong productivity of network. 9M20 affected by negative market effect in the first months of the year

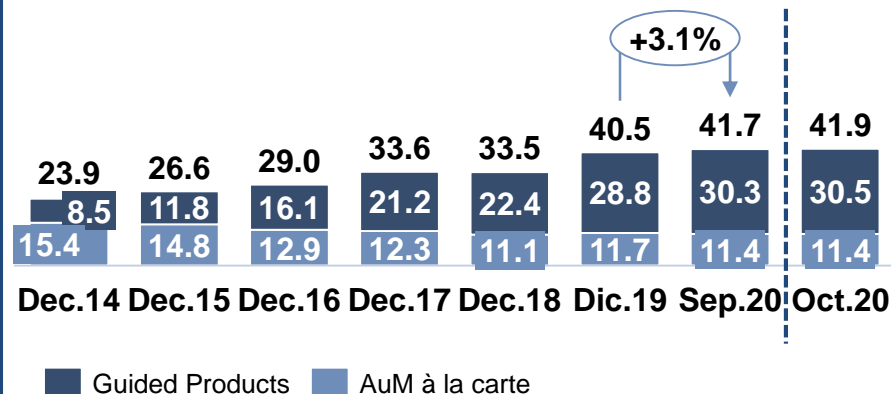


## Breakdown of total TFA, bn



## Focus on AUM, bn

+17.9bn AUM since the end of 2014, o/w:  
**Guided Products & Services +21.9bn**  
 AuM à la carte -4.0bn



## Guided Products breakdown, bn



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

(1) "Best in class" are a selection of advisory products and services based on: cost optimization, quality, sustainability and risk

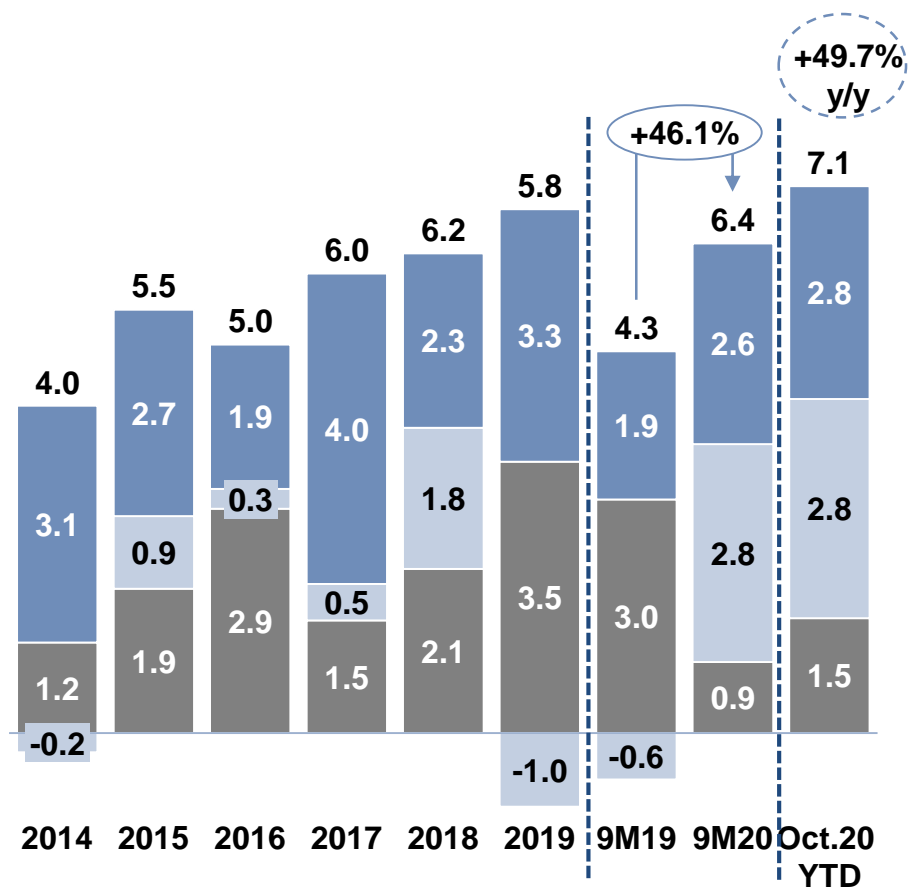
(2) Other includes: Core Funds, PIR and Core Pension, GP Private, FAM Evolution stand-alone, FAM Global Defence stand alone

# Net sales breakdown

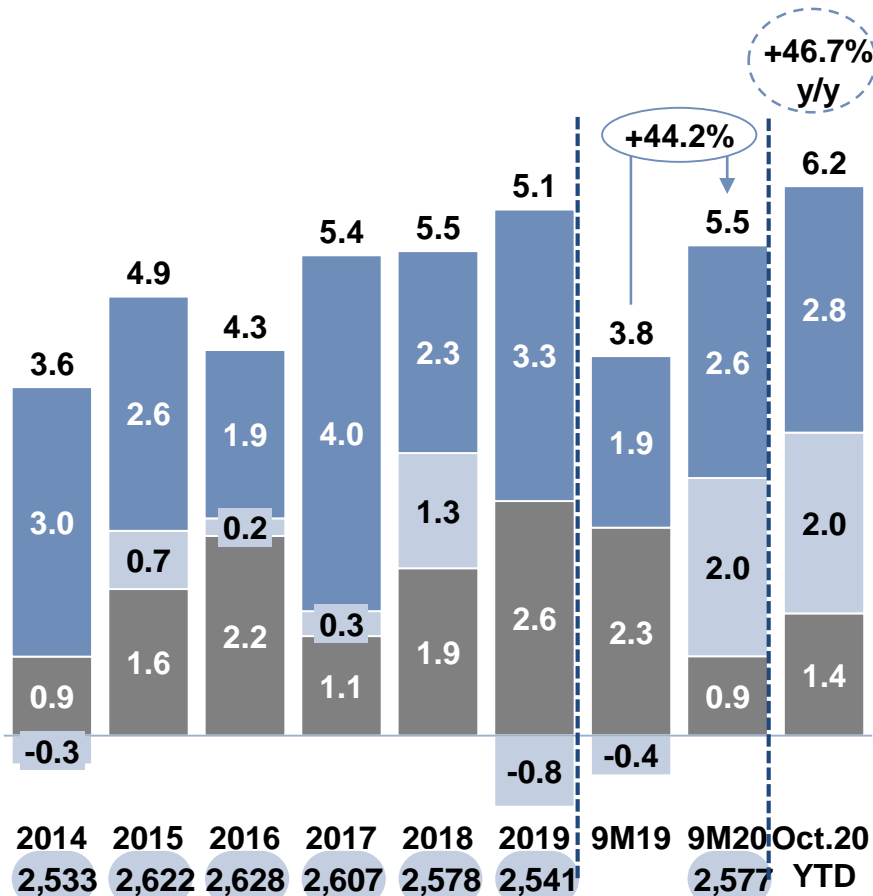
Solid high quality net sales growth on the wave of structural trends thanks to our diversified business model and with an improving mix



## Breakdown of total Net Sales, bn



## PFA Network – total Net Sales, bn



■ AuM ■ AuC ■ Deposits

● PFA Network - headcount

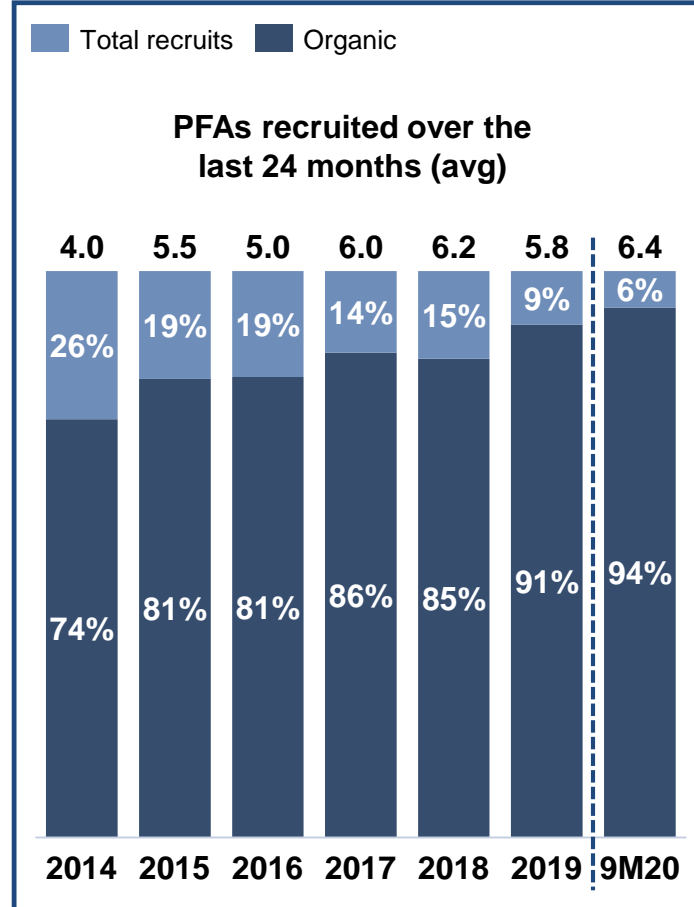
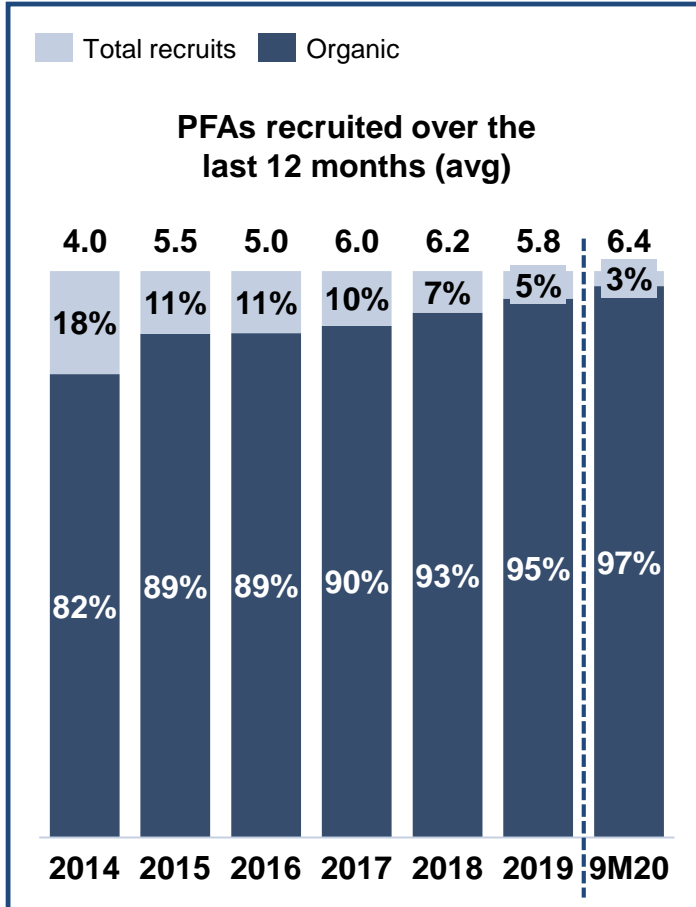


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# Organic growth

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

## Net Sales, bn – Organic / Recruit, %



**Recruitment costs**  
(to be amortized)  
**stock 25.2mln**  
as of Sept '20

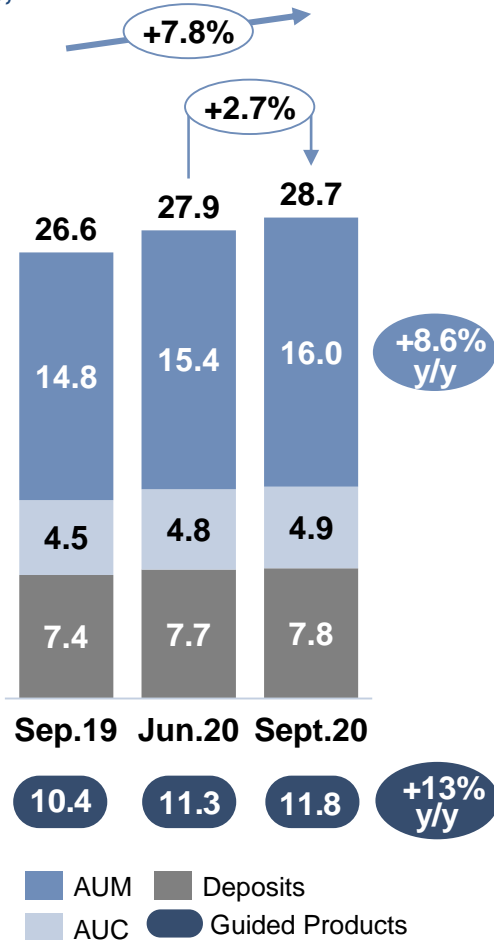
125 118 85 98 70 58 49

# of PFAs recruited in the period

# Continuously increase of quality and productivity of the network

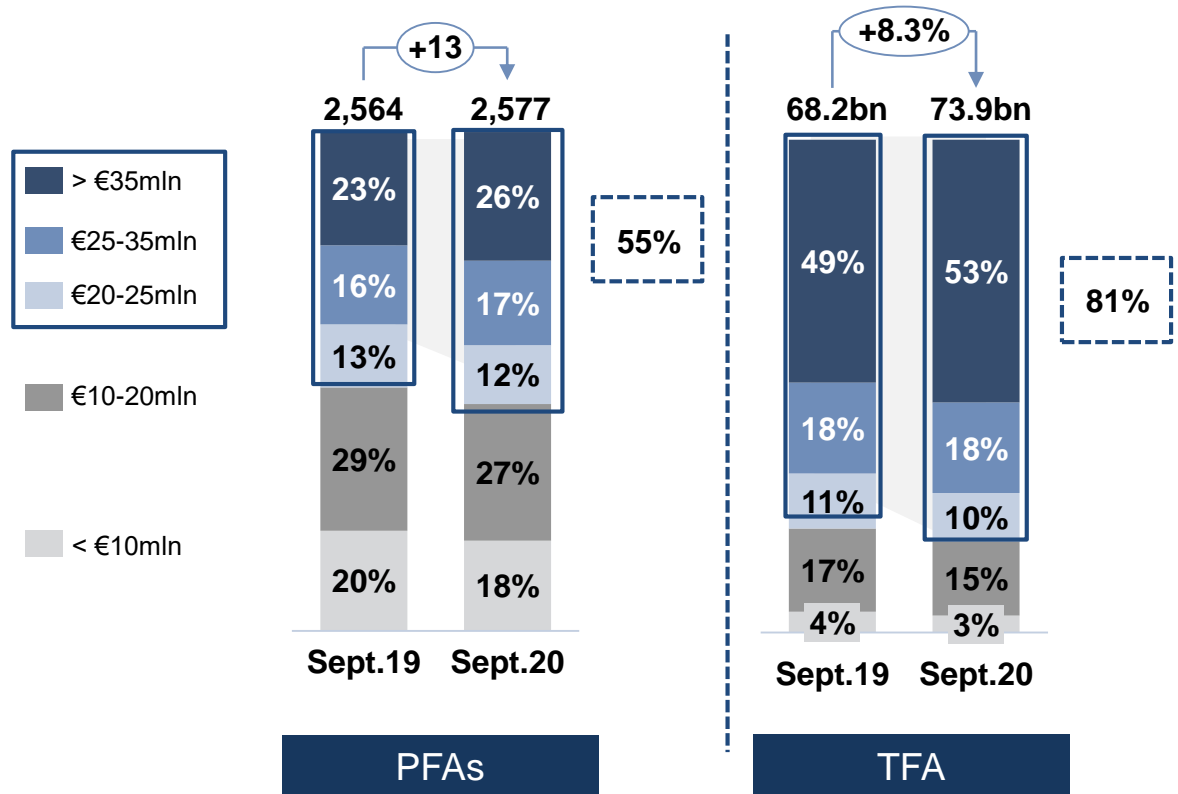
## Total Assets per PFA

Eop, mln



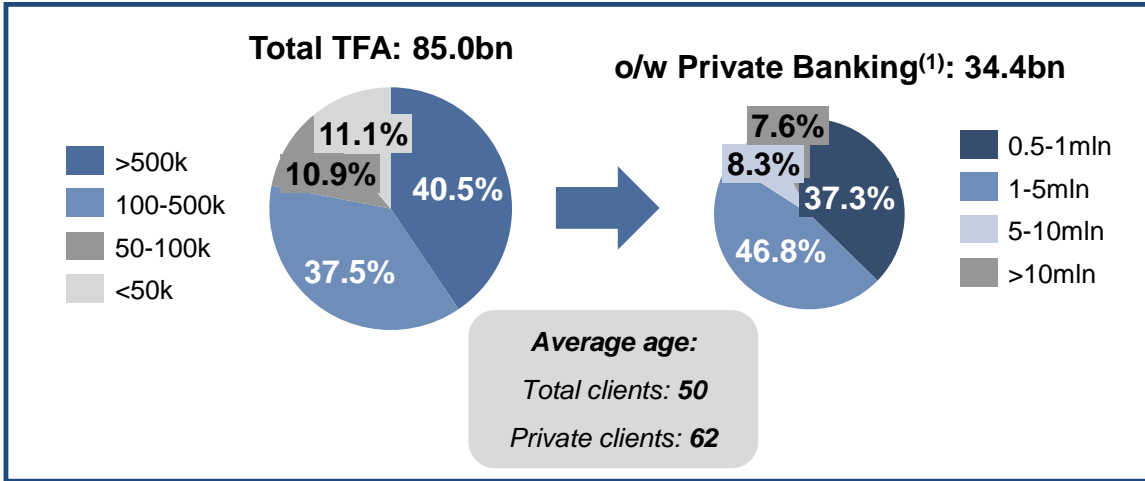
## TFA concentration per PFA

PFA's with TFA >20mln are 55% (+6% y/y)  
and hold 81% of TFA (+3% y/y)

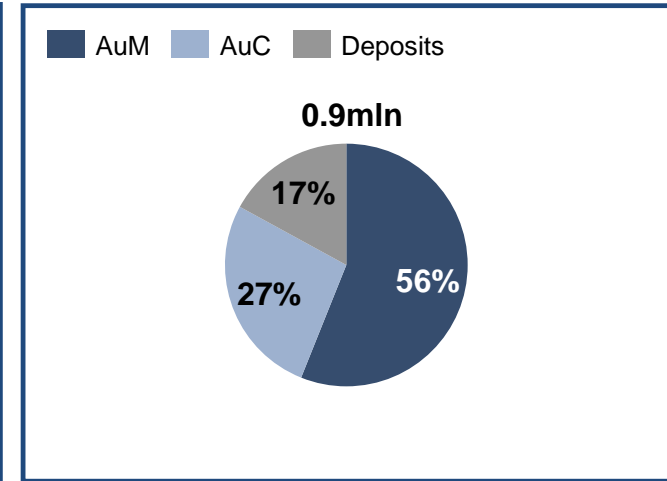


# Clients' profile and focus on Private Banking

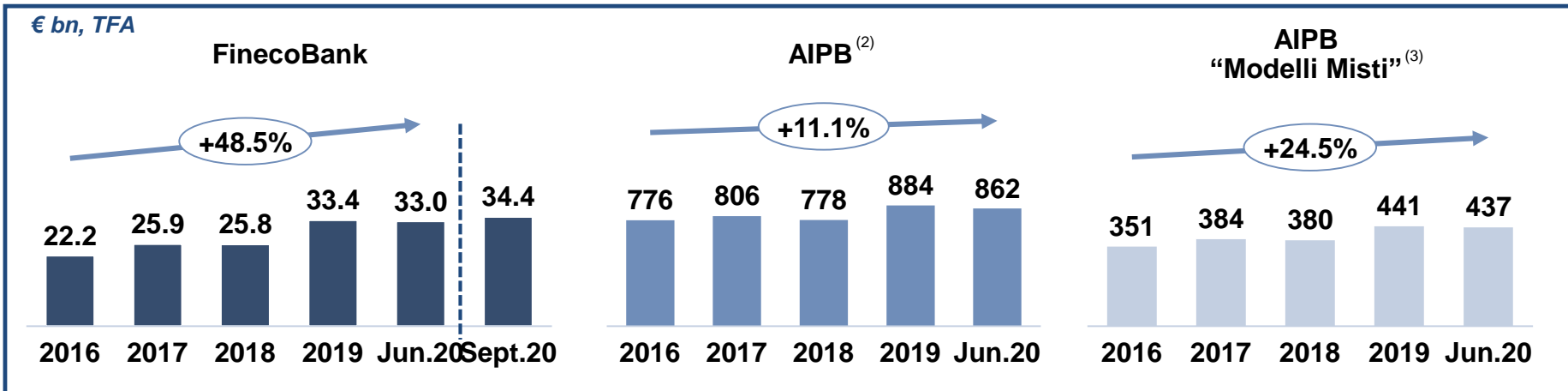
## Total Financial Assets per client



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



## Outperforming the system in Private Banking growth



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

<sup>(2)</sup> AIPB (Associazione Italiana Private Banking) figures as of 1H20

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



- Fineco Results

- **Next steps**

- Key messages

- Focus on product areas

## 2020 Guidance

Given current outlook<sup>(1)</sup>, our assumptions for **2020**, excluding revenues and costs related to UK business development, are:

- **Net interest income:** confirmed resilient and low risk thanks to the smooth run-off of our bond portfolio, positive effect from volumes (~2.0-2.5bn expected growth of deposits) and lending book (~1.0-1.2bn new production per year), benefit from ECB's tiering, no change in our investment policy with no increase in Fineco risk profile and benefit of yield enhancement strategies from a more dynamic management of our Treasury. No contribution from TLTRO in 2020
- **Investing:** revenues growing mid-single-digit and stabilization of margins
- **Brokerage:** acting as countercyclical business. It is expected to remain strong thanks to: 1) the deep reshape of the product offer, 2) the enlargement of the market (more Italians are interested in financial markets) and 3) the levels of volatility which we expect to be higher than the extremely low levels registered in the past years
- **Banking:** banking fees from smart repricing expected to be ~11mln for 2020
- **Costs:** we confirm our guidance<sup>(2)</sup> to around 4% yearly growth thanks to our strong operating gearing. This guidance doesn't include up to ~7.5mln of marketing costs in UK. Cost/Income continuously declining in the long run
- **CET1:** we expect to stay comfortably above 17%
- **Leverage Ratio:** very well under control and above 3.5% (for details, see slide 56 in Annex)
- **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

## 2021 Guidance: strong results expected also going forward

Given current outlook<sup>(1)</sup>, 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, positive effect from volumes 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 and benefit of yield enhancement strategies. On top of this, we expect a contribution of structural revenues from the regular activity of maintenance of our investment portfolio in the present context of decreasing interest rates environment<sup>(2)</sup>
- **Investing:** we expect revenues increasing double digit 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 smart repricing expected to be ~20-22mln in 2021
- **Costs:** expected to grow by around 4.5% also due to the increase in the workforce
- **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

<sup>(1)</sup> Forward rate curve as of October 26th, 2020

<sup>(2)</sup> Although this contribution is accounted in the trading profit line, this activity is not driven by market timing but only by the continuous process of maintenance to have an efficient portfolio

# 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

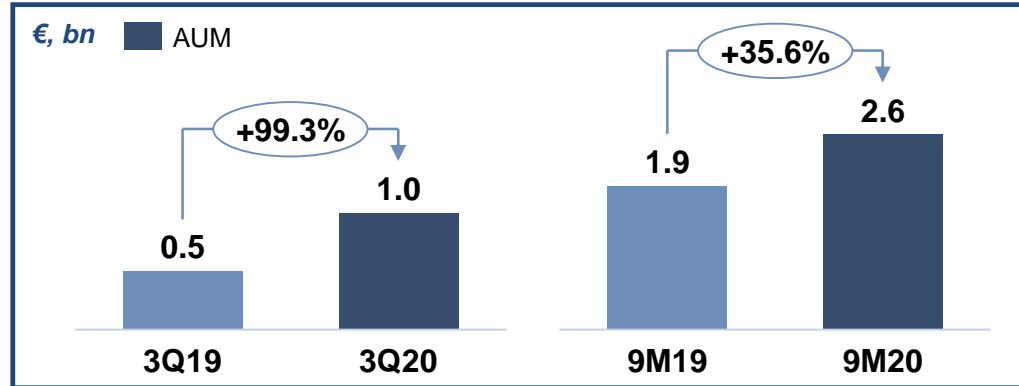
**Cyborg advisory:**  
our PFAs already used to assist clients in a digital world

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

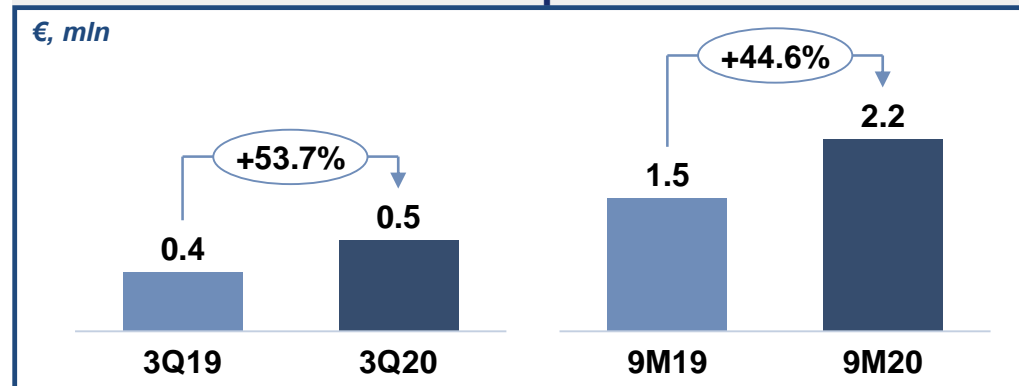
# Accelerating net sales dynamics: robust AUM flows and increased productivity

Focus on improving revenues mix and slowing down Balance Sheet growth for a better quality business going forward

## Acceleration in direction of AUM



## Increasing network productivity: net sales per PFA



## Industrial measures

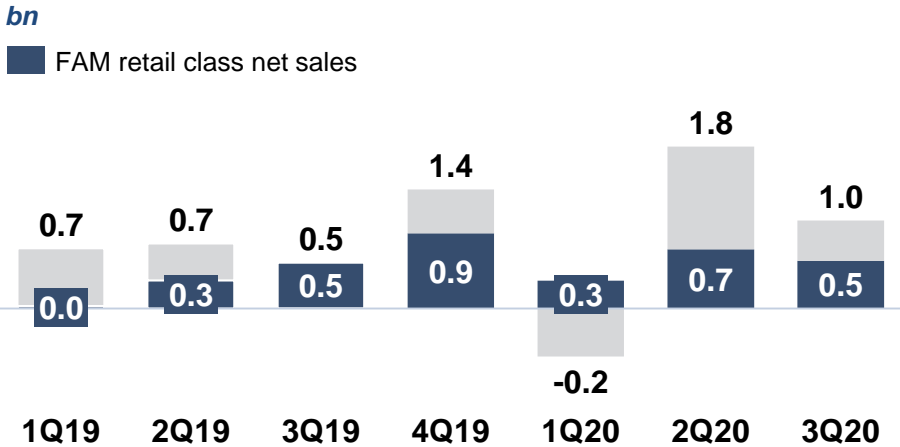
The strong acceleration in Total Net Sales and asset mix is driven by **our industrial measures**, further strengthening our sustainable growth potential:

- ✓ **New generation of products:** FAM contributing in terms of **product innovation, operating efficiency and time-to-market**
- ✓ **New software developments:** to improve PFAs productivity also leveraging on Big Data Analytics capabilities (X-Net, Co-Working platform)

# FAM: strong commercial momentum with a sustainable approach

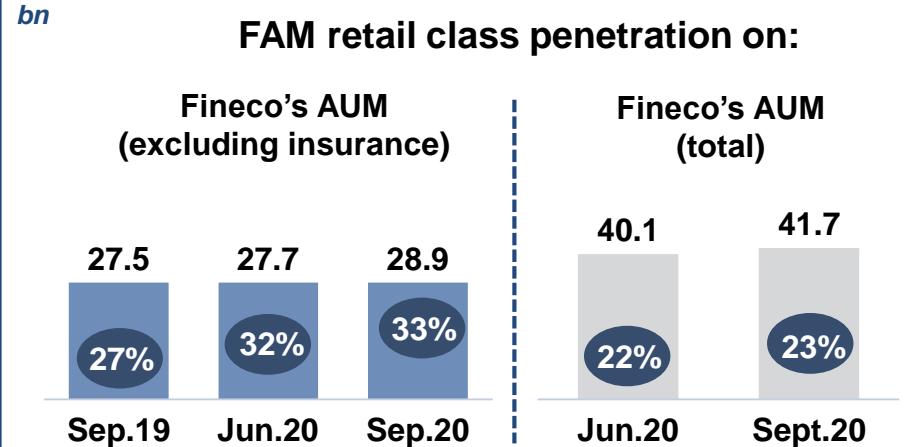
Key to sustain AUM margins thanks to its strong operating leverage

## Strong contribution to Fineco's AuM net sales



Increasing penetration in Fineco's AuM net sales thanks to FAM ability to create modern and innovative multimanager solutions

## FAM Growth potential



Further room to increase FAM's penetration on Fineco's funds stock enhancing the Bank's open architecture platform

## FAM is catching a new trend for a further evolution of its business model

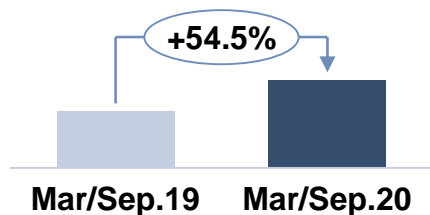
FAM is catching a new trend arising from US, where asset managers are starting to give advisory in portfolio management.

Starting from 2021, FAM will add to sub-advisory mandates a new product range based on an advisory service by third parties. This is going to make FAM even more flexible, with a more efficient value chain and a further alignment with clients and investors' interests



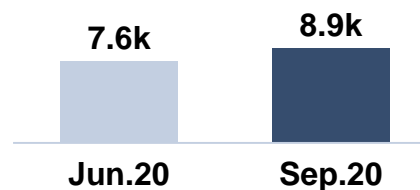
## Effective marketing campaign increases the number of active clients

Increasing active current accounts<sup>(1)</sup>



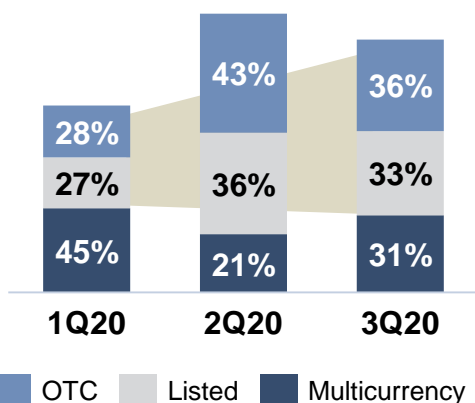
Active current accounts on trading increasing >3x y/y

Total current accounts



First target: **30-35k** good clients in 2/3 years horizon  
critical number for a “word of mouth strategy”

## Revenues mix improved since our first marketing campaign

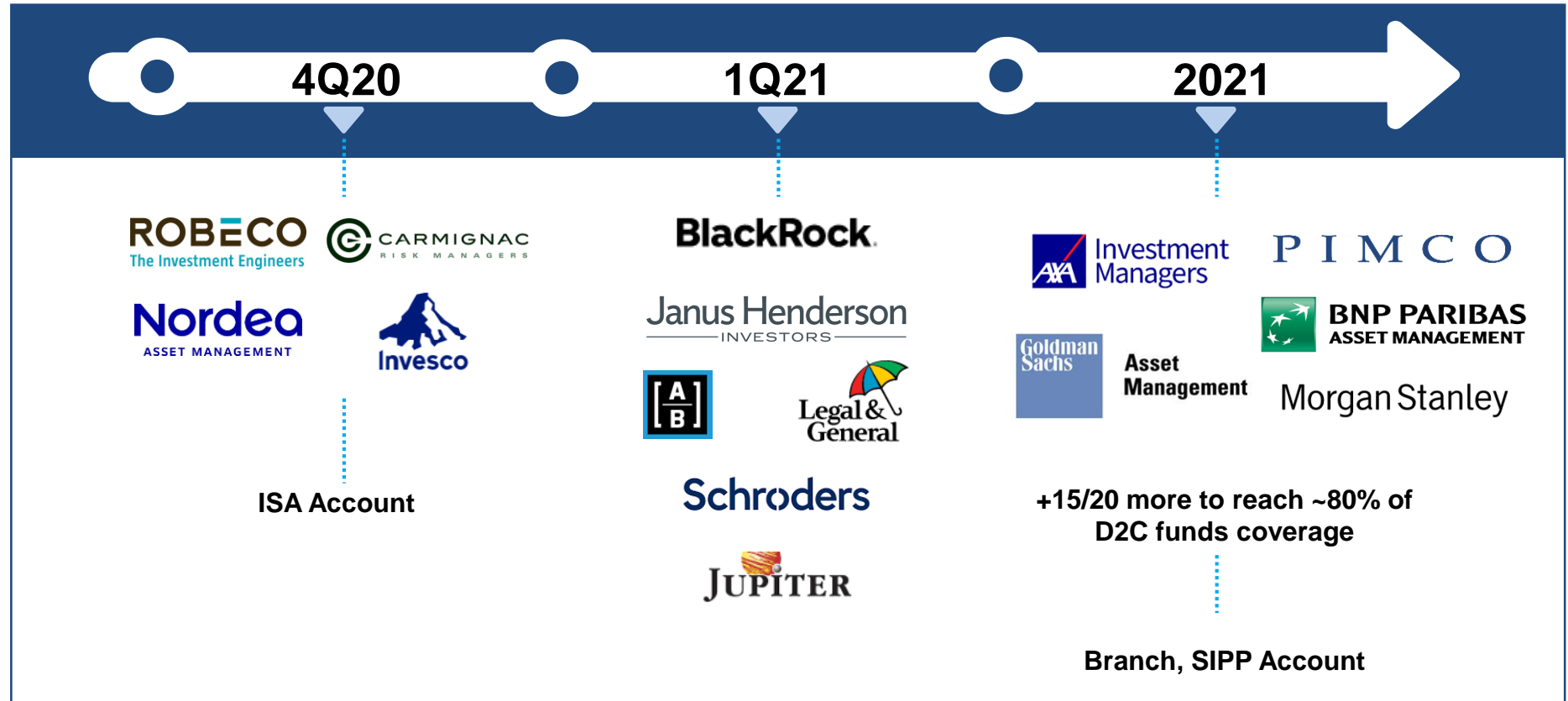


- ✓ **Cross selling and revenues mix improved** since our very first marketing campaign at the end of 1Q20. **Coupled with our huge operating leverage, this is allowing us to be at operating breakeven within the 1H21**
- ✓ **OTC and Listed** products confirmed to be the **lion share of revenues** in 3Q20 despite seasonality and lower volatility in the quarter
- ✓ Next steps: we are **progressively enlarging our fund offer, and ISAs and SIPPs are coming soon** (see slide 32)

<sup>(1)</sup> Active current accounts have done at least one operation among Listed, OTC or multicurrency services  
Source: internal elaboration GB Department

# Fineco UK: next steps

Our UK funds offer counts now on 8 Asset Managers





- Fineco Results
- Next steps
- **Key messages**
- Focus on product areas

# Sustainability at the heart of Fineco's business model (1/2)

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

Our *sustainable strategy* lays on 2 different levels: a *macro level* and a *micro level*

1

## MACRO level: related to our business model, from the beginning based on sustainability long-term view



### 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**

# Sustainability at the heart of Fineco's business model (2/2)

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

Our *sustainable strategy* lays on 2 different levels: a *macro level* and a *micro level*

2

## MICRO level: related to the single details contributing to the ESG world



### ✓ MARKET FRIENDLY CORPORATE GOVERNANCE:

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



### 2020 AGM, % of represented shares voting 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. ~40% of funds have ESG rating Morningstar above "Average") and Lending ("Green mortgages")



### ✓ First Non-Financial Statement published on our website

### ✓ Fineco is signatory of UN Global Compact

### ✓ Fineco AM is signatory of UN PRI (UN Principles for Responsible Investing)

### ✓ Our ESG RATINGS



"EE+"  
(very strong)



"A"

### ✓ Our ESG INDEX



FTSE4Good



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**

## ITSECURITY

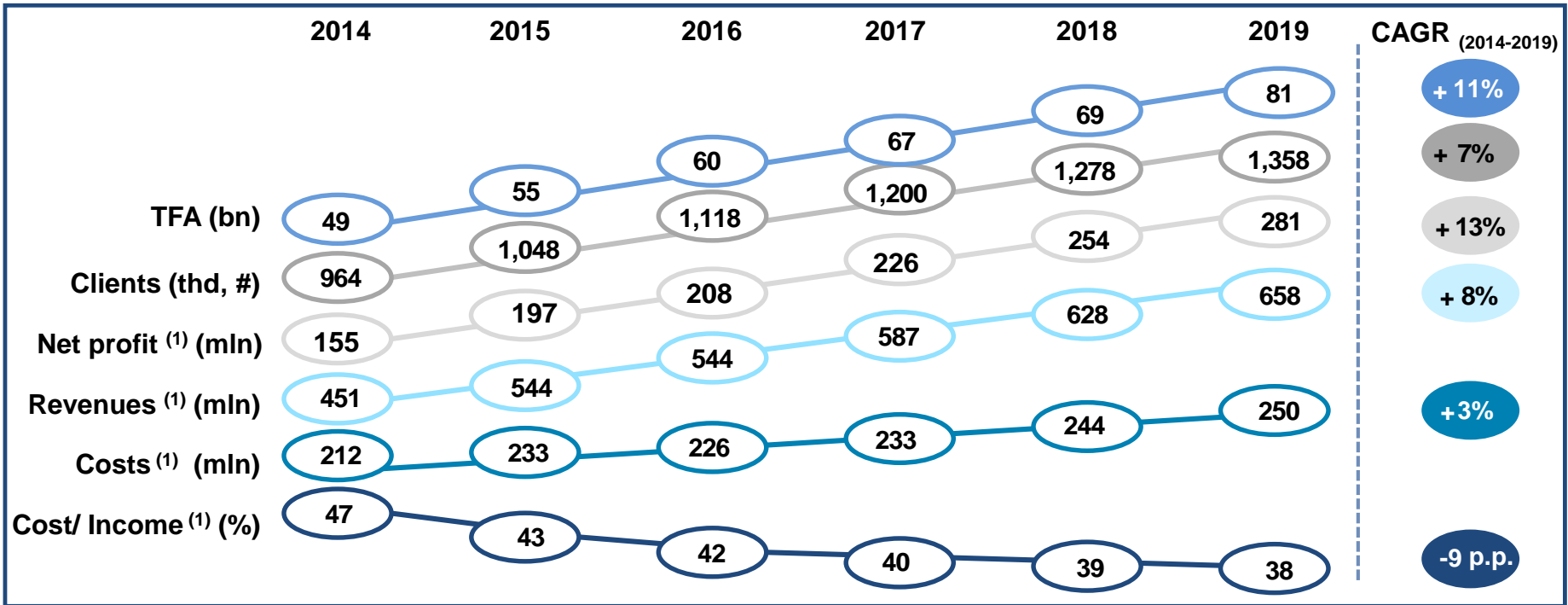
- ✓ Governance, implementation and operations for **cybersecurity & anti-fraud** internally managed
- ✓ **Ownership and control of critical infrastructure**, relying on cloud for massive, scale-out workload needs only



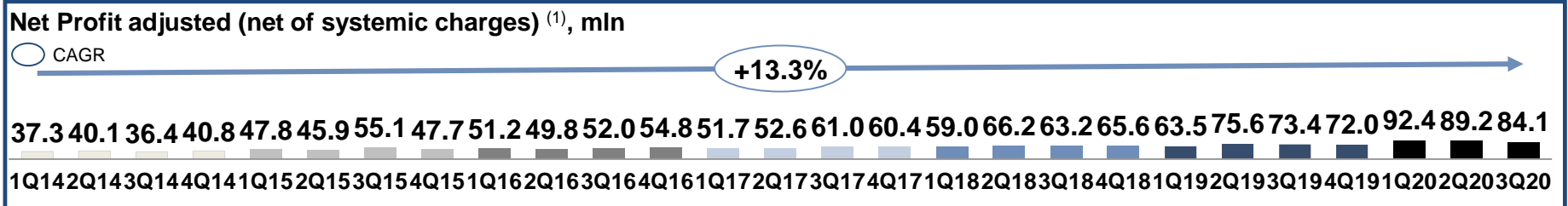
B A N K

# 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



<sup>(1)</sup> Figures adjusted by non recurring items and Net Profit adjusted net of Deposit Guarantee Scheme, Single Resolution Fund and additional contribution to a member of Interbank Deposit Protection Fund: (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)

# Safe Balance Sheet: simple, highly liquid and low risk asset side, valuable and sticky deposits

## 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
- **99.5% 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 11bps, cautious approach on mortgages (LTV ~51%, 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)

## High-value deposit base

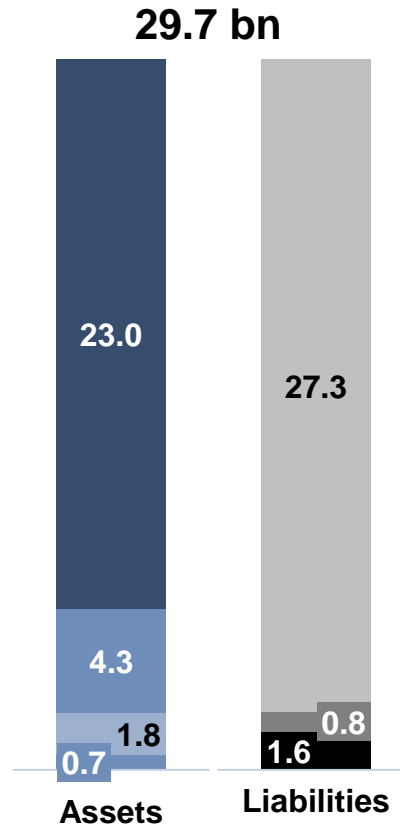
- **Sticky deposits:** mostly 'transactional liquidity' gathered without aggressive commercial offers
- **Growth based on quality of services.** Cost of funding close to zero
- +11% CAGR sight deposits growth in the last 10 years, **strong resilience during periods of stress/crisis**

## Rock - solid capital position

CET1 **23.3%**      LCR **>1000%**

TCR **37.4%**      NSFR **309%**

**LEVERAGE RATIO 4.35%**



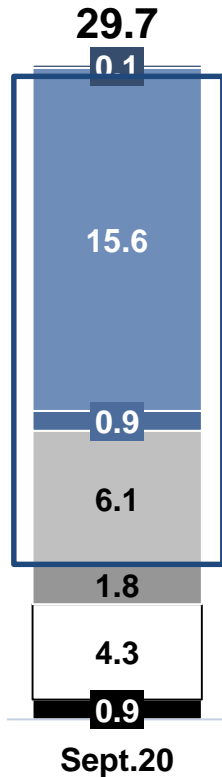
■ Financial Assets  
 ■ Customer loans  
 ■ Due from Banks <sup>(1)</sup>  
 ■ Other  
■ Customer deposits  
 ■ Other liabilities  
 ■ Equity

<sup>(1)</sup> Due from banks includes 1.0bn cash deposited at Bank of Italy as of Sep. 2020

# Total assets: 99.5% not exposed to volatility

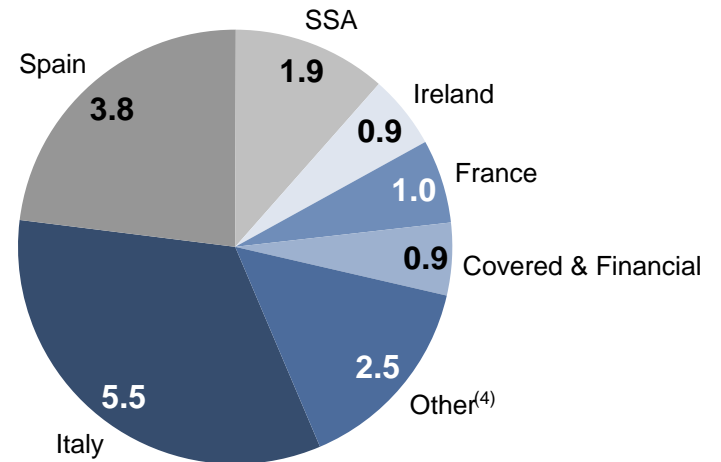
Out of 29.7bn, only 0.15bn of Assets valued at fair value with very limited impacts on Equity reserve

## Total Assets, eop bn



Financial investments  
at amortized costs (HTC)

**o/w Total non UCG Bonds:  
16.6 bn<sup>(3)</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 1.0bn cash deposited at Bank of Italy as of Sep.20

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

<sup>(3)</sup> 16.6bn equal to 15.7bn nominal value, o/w Italy 5.1bn nominal value

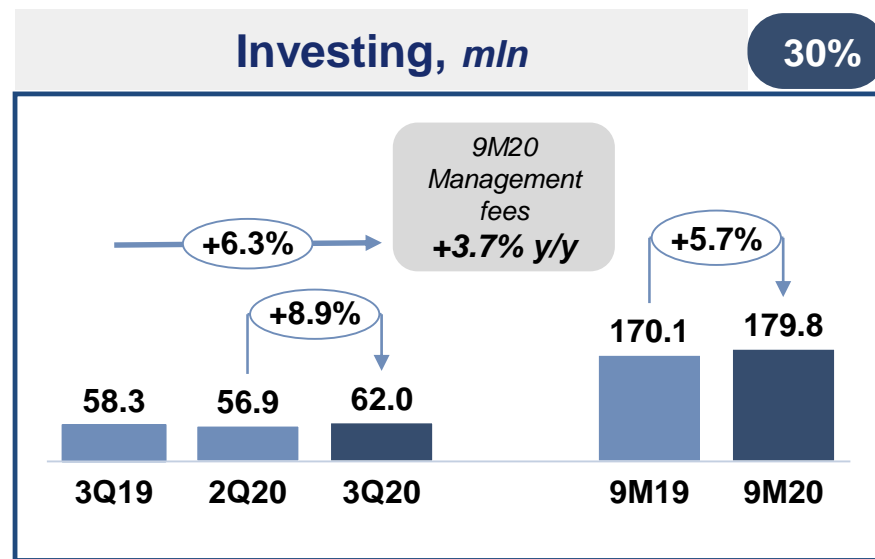
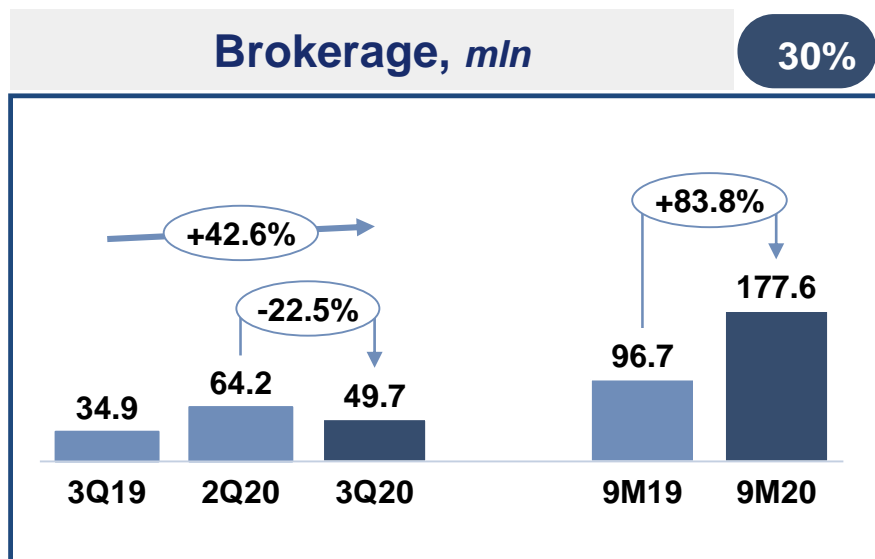
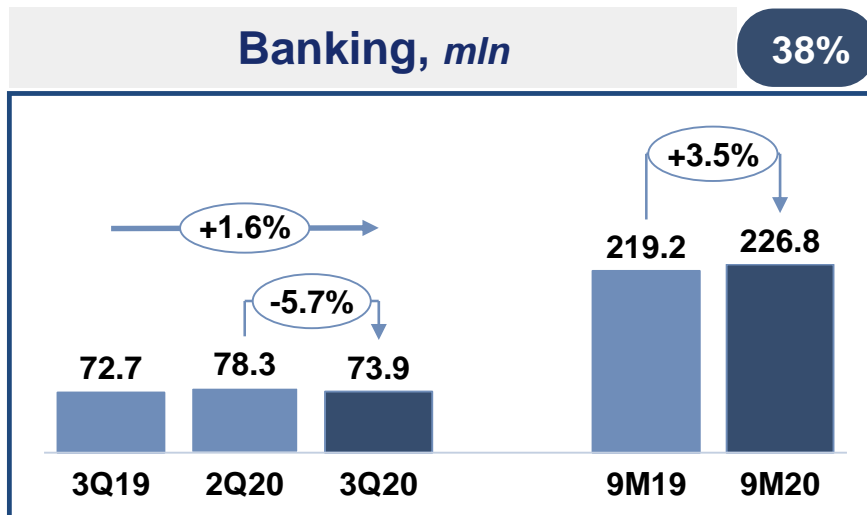
<sup>(4)</sup> Other : US, Austria, Belgium, Germany, Poland, Portugal, United Kingdom, Switzerland, Chile, Israel, Saudi Arabia

- Fineco Results
- Next steps
- Key messages
- Focus on product areas**



# Revenues by Product Area

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



9M20 weight on total revenues for each product area

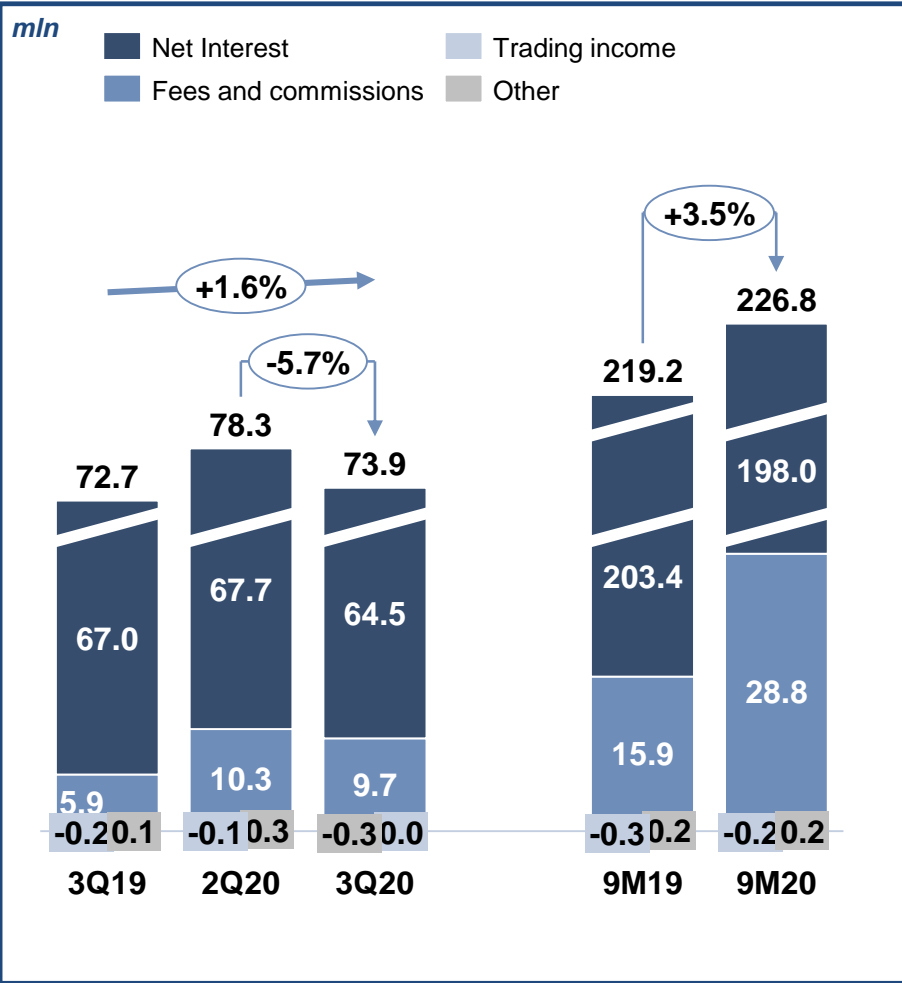
Managerial Data. Revenues attributable to single each product area, generated by products / services offered to customers according to the link between products and product area. Banking includes revenues generated by direct deposits and credit products. Investing includes revenues generated by asset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

# Banking

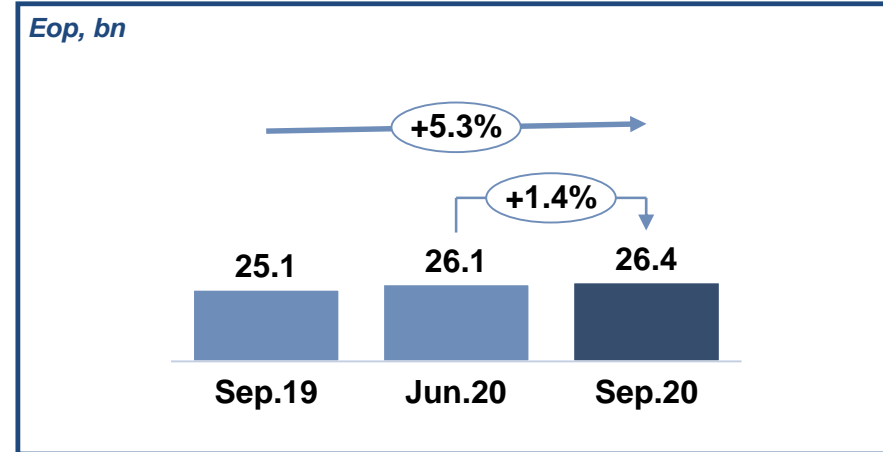
Sound performance driven by strong volume growth and relentless clients' acquisition, thanks to high quality services and best-in-class customer satisfaction



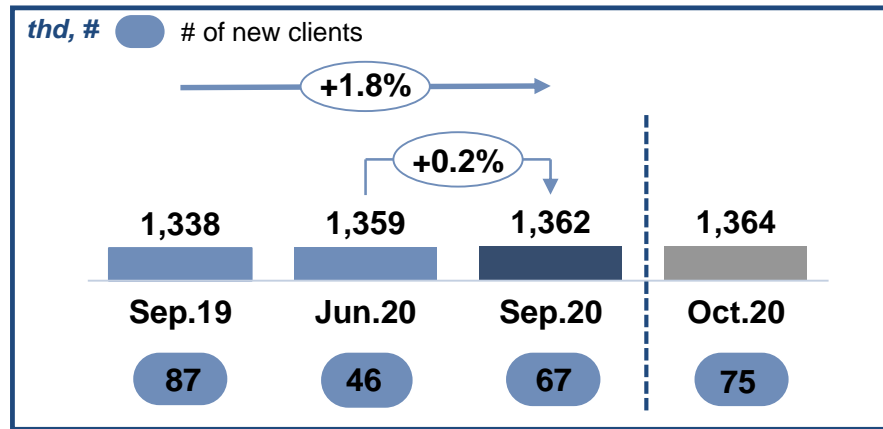
## Revenues



## Deposits



## Clients and new clients

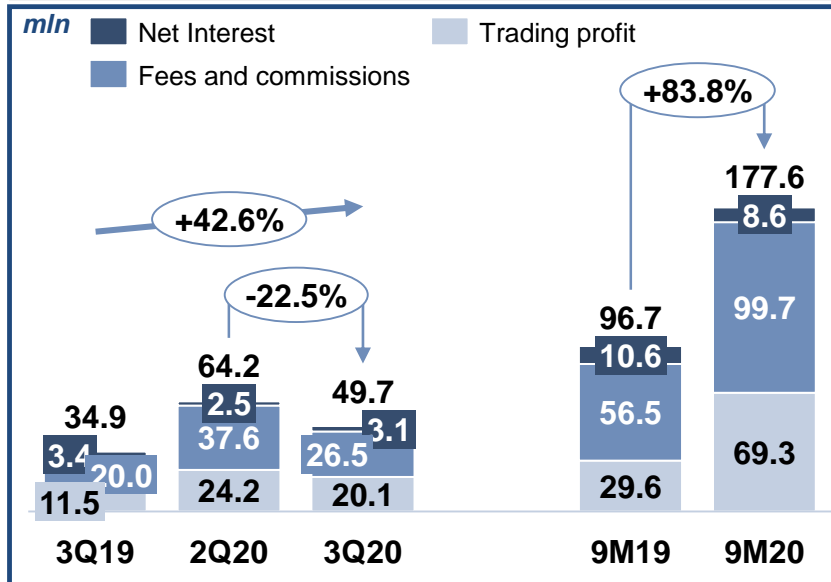


# Brokerage

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



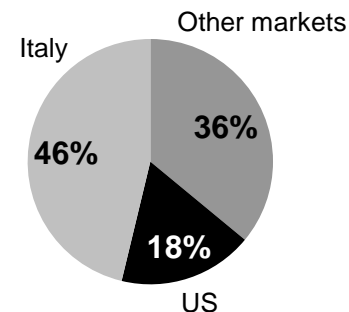
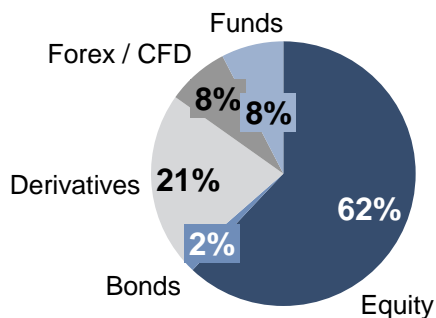
## Revenues



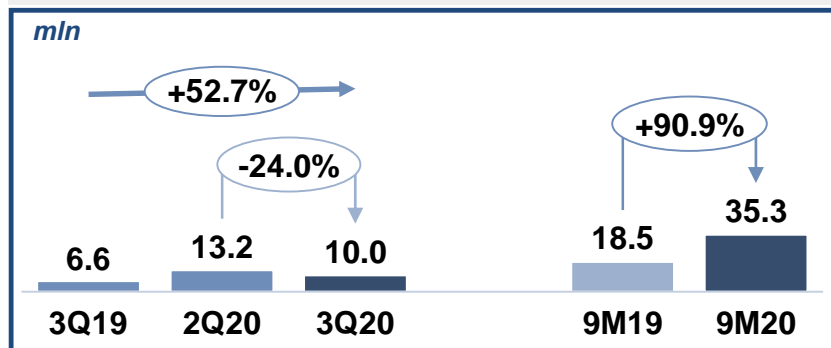
## Well-diversified brokerage offer

among products...

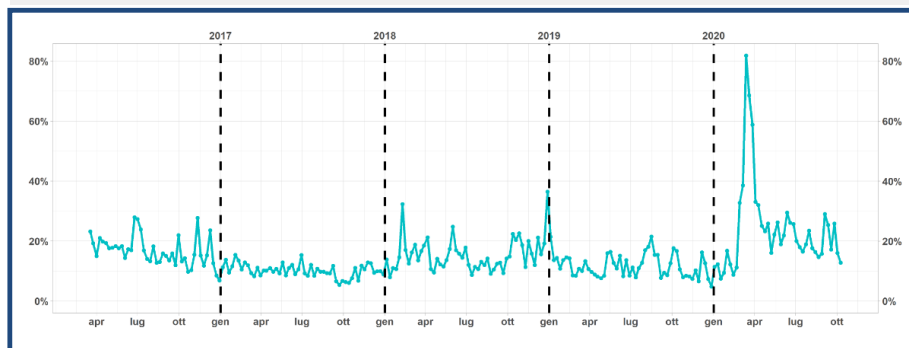
...and geographies



## Executed orders



## Volatility (1)



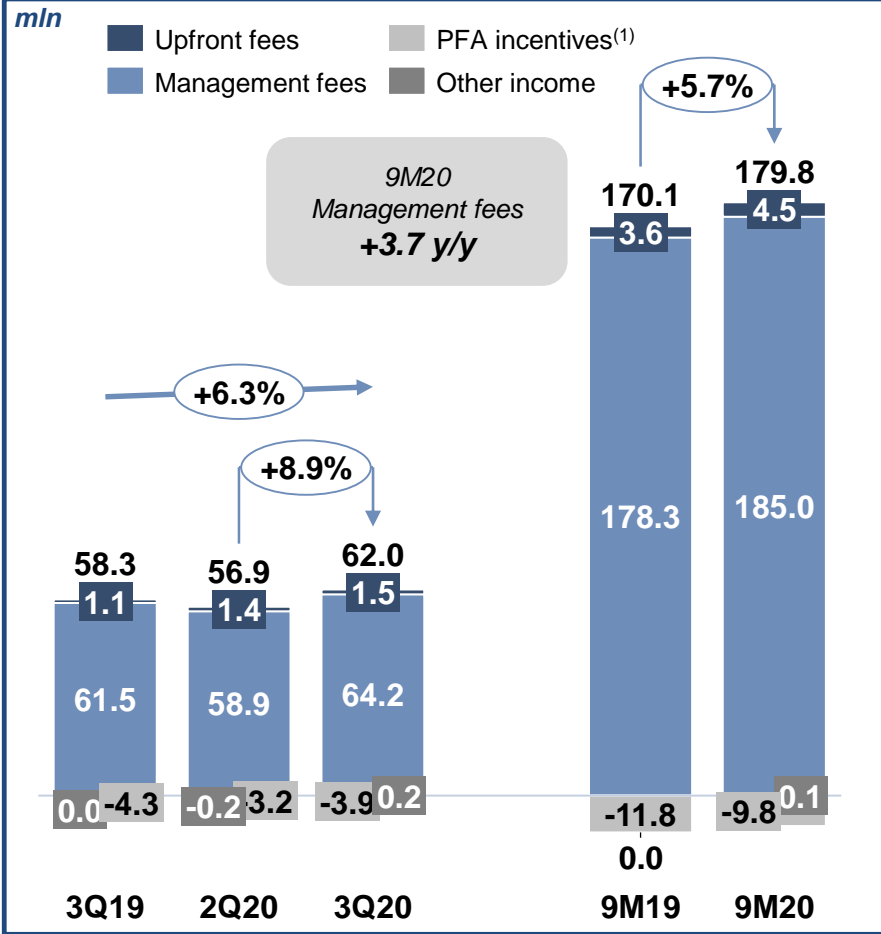
Managerial Data

(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

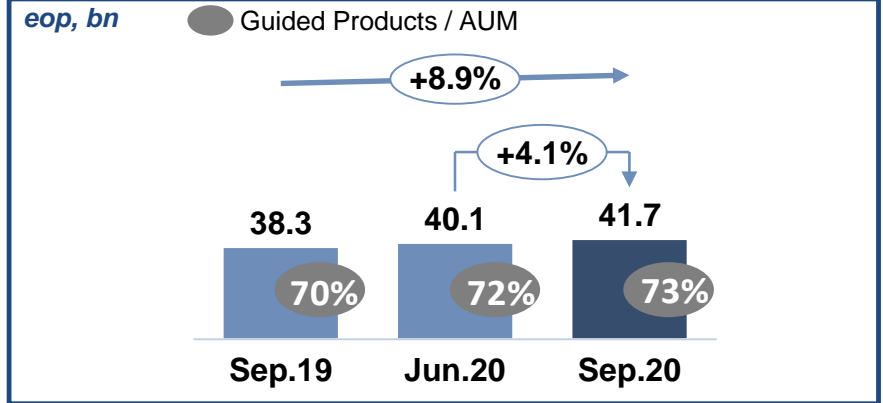
# Investing

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

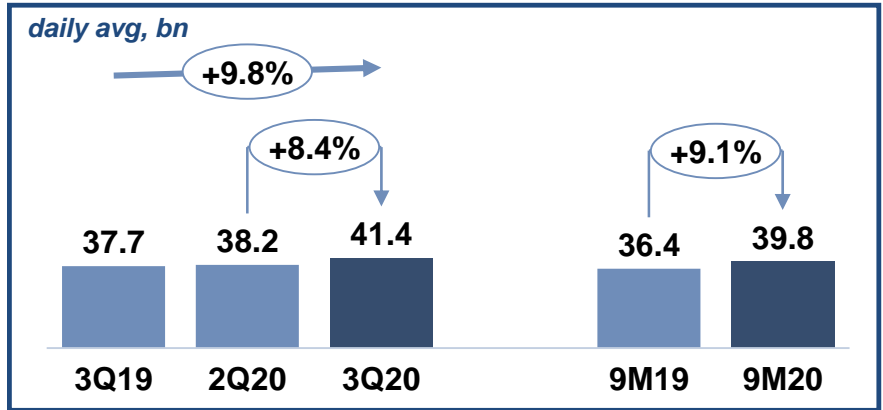
## Revenues



## Assets under Management



## Average Asset under Management



Managerial Data



# P&L

<i>mln</i>	1Q19	2Q19	3Q19	4Q19	FY19	1Q20	2Q20	3Q20	9M19	9M20
Net interest income	70.4	71.4	69.8	69.7	281.3	68.2	70.1	68.6	211.6	206.9
Net commissions	77.4	81.3	84.3	82.3	325.2	105.0	104.8	97.9	242.9	307.6
Trading profit	9.8	8.0	11.6	15.3	44.8	26.4	30.1	20.2	29.4	76.7
Other expenses/income	0.2	0.3	0.1	2.9	3.6	0.6	0.8	0.2	0.7	1.6
<b>Total revenues</b>	<b>157.7</b>	<b>161.1</b>	<b>165.8</b>	<b>170.2</b>	<b>654.8</b>	<b>200.1</b>	<b>205.8</b>	<b>186.9</b>	<b>484.6</b>	<b>592.7</b>
Staff expenses	-21.7	-22.4	-22.5	-23.6	-90.2	-24.0	-24.9	-24.6	-66.6	-73.5
Other admin.exp. net of recoveries	-38.5	-34.4	-29.4	-34.3	-136.6	-36.5	-34.6	-33.4	-102.3	-104.5
D&A	-5.1	-5.4	-5.8	-6.6	-22.9	-6.1	-6.2	-6.4	-16.3	-18.6
<b>Operating expenses</b>	<b>-65.3</b>	<b>-62.3</b>	<b>-57.6</b>	<b>-64.4</b>	<b>-249.6</b>	<b>-66.5</b>	<b>-65.7</b>	<b>-64.4</b>	<b>-185.2</b>	<b>-196.7</b>
<b>Gross operating profit</b>	<b>92.5</b>	<b>98.8</b>	<b>108.2</b>	<b>105.8</b>	<b>405.2</b>	<b>133.6</b>	<b>140.0</b>	<b>122.4</b>	<b>299.4</b>	<b>396.0</b>
Provisions	-1.0	-2.9	-19.8	-3.5	-27.2	-1.1	-6.5	-32.0	-23.6	-39.6
LLP	-1.3	1.1	-1.2	-0.6	-2.0	-1.0	-2.7	0.1	-1.4	-3.5
Profit from investments	-0.7	6.5	0.4	1.1	7.4	-0.1	-3.7	-0.2	6.3	-4.0
<b>Profit before taxes</b>	<b>89.5</b>	<b>103.5</b>	<b>87.6</b>	<b>102.8</b>	<b>383.5</b>	<b>131.4</b>	<b>127.1</b>	<b>90.4</b>	<b>280.7</b>	<b>348.9</b>
Income taxes	-27.3	-31.7	-26.6	-9.6	-95.1	-40.0	-38.3	-25.3	-85.5	-103.6
<b>Net profit for the period</b>	<b>62.3</b>	<b>71.8</b>	<b>61.0</b>	<b>93.2</b>	<b>288.4</b>	<b>91.4</b>	<b>88.7</b>	<b>65.2</b>	<b>195.2</b>	<b>245.3</b>
<b>Net profit adjusted <sup>(1)</sup></b>	<b>63.5</b>	<b>75.6</b>	<b>61.7</b>	<b>71.6</b>	<b>272.3</b>	<b>92.2</b>	<b>88.7</b>	<b>65.3</b>	<b>200.7</b>	<b>246.3</b>
<b>Non recurring items (mln, gross)</b>	<b>1Q19</b>	<b>2Q19</b>	<b>3Q19</b>	<b>4Q19</b>	<b>FY19</b>	<b>1Q20</b>	<b>2Q20</b>	<b>3Q20</b>	<b>9M19</b>	<b>9M20</b>
<i>Extraord systemic charges (Trading Profit) <sup>(2)</sup></i>	-0.4	-4.3	0.4	1.4	-3.0	-1.2	0.0	-0.2	-4.4	-1.4
<i>Patent Box</i>	-0.9	-0.9	-0.9	20.7	18.1	0.0	0.0	0.0	-2.6	0.0
<b>Total</b>	<b>-1.3</b>	<b>-5.2</b>	<b>-0.5</b>	<b>22.1</b>	<b>15.1</b>	<b>-1.2</b>	<b>0.0</b>	<b>-0.2</b>	<b>-7.0</b>	<b>-1.4</b>

<sup>(1)</sup> Net of non recurring items

<sup>(2)</sup> Voluntary Scheme valuation

## P&L net of non recurring items

<i>mln</i>	1Q19	2Q19	3Q19	4Q19	FY19	1Q20	2Q20	3Q20	9M19	9M20
	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 interest income	70.4	71.4	69.8	69.7	281.3	68.2	70.1	68.6	211.6	206.9
Net commissions	77.4	81.3	84.3	82.3	325.2	105.0	104.8	97.9	242.9	307.6
Trading profit	10.3	12.3	11.2	13.9	47.7	27.6	30.1	20.4	33.8	78.1
Other expenses/income	0.2	0.3	0.1	2.9	3.6	0.6	0.8	0.2	0.7	1.6
<b>Total revenues</b>	<b>158.2</b>	<b>165.4</b>	<b>165.4</b>	<b>168.8</b>	<b>657.8</b>	<b>201.3</b>	<b>205.8</b>	<b>187.1</b>	<b>489.0</b>	<b>594.2</b>
Staff expenses	-21.7	-22.4	-22.5	-23.6	-90.2	-24.0	-24.9	-24.6	-66.6	-73.5
Other admin.expenses	-38.5	-34.4	-29.4	-34.3	-136.6	-36.5	-34.6	-33.4	-102.3	-104.5
D&A	-5.1	-5.4	-5.8	-6.6	-22.9	-6.1	-6.2	-6.4	-16.3	-18.6
<b>Operating expenses</b>	<b>-65.3</b>	<b>-62.3</b>	<b>-57.6</b>	<b>-64.4</b>	<b>-249.6</b>	<b>-66.5</b>	<b>-65.7</b>	<b>-64.4</b>	<b>-185.2</b>	<b>-196.7</b>
<b>Gross operating profit</b>	<b>92.9</b>	<b>103.1</b>	<b>107.8</b>	<b>104.4</b>	<b>408.2</b>	<b>134.8</b>	<b>140.0</b>	<b>122.7</b>	<b>303.8</b>	<b>397.5</b>
Provisions	-1.0	-2.9	-19.8	-3.5	-27.2	-1.1	-6.5	-32.0	-23.6	-39.6
LLP	-1.3	1.1	-1.2	-0.6	-2.0	-1.0	-2.7	0.1	-1.4	-3.5
Profit from investments	-0.7	6.5	0.4	1.1	7.4	-0.1	-3.7	-0.2	6.3	-4.0
<b>Profit before taxes</b>	<b>90.0</b>	<b>107.8</b>	<b>87.2</b>	<b>101.4</b>	<b>386.4</b>	<b>132.6</b>	<b>127.1</b>	<b>90.7</b>	<b>285.1</b>	<b>350.3</b>
Income taxes	-26.5	-32.2	-25.6	-29.8	-114.2	-40.4	-38.3	-25.3	-84.3	-104.0
<b>Net profit adjusted <sup>(1)</sup></b>	<b>63.5</b>	<b>75.6</b>	<b>61.7</b>	<b>71.6</b>	<b>272.3</b>	<b>92.2</b>	<b>88.7</b>	<b>65.3</b>	<b>200.7</b>	<b>246.3</b>

<sup>(1)</sup> Net of non recurring items (see page 46 for details)

## 9M20 P&L FinecoBank and Fineco Asset Management

<i>mln</i>	Fineco Asset Management	FinecoBank Individual	FinecoBank Consolidated
Net interest income	-0.2	207.1	206.9
Dividends		14.2	0.0
Net commissions	49.7	257.9	307.6
Trading profit	0.1	76.6	76.7
Other expenses/income	0.1	1.6	1.6
<b>Total revenues</b>	<b>49.7</b>	<b>557.4</b>	<b>592.7</b>
Staff expenses	-3.1	-70.4	-73.5
Other admin.exp. net of recoveries	-2.9	-101.7	-104.5
D&A	-0.2	-18.5	-18.6
<b>Operating expenses</b>	<b>-6.3</b>	<b>-190.5</b>	<b>-196.7</b>
<b>Gross operating profit</b>	<b>43.4</b>	<b>366.9</b>	<b>396.0</b>
Provisions		-39.6	-39.6
LLP	-0.1	-3.4	-3.5
Profit on Investments		-4.0	-4.0
<b>Profit before taxes</b>	<b>43.3</b>	<b>319.8</b>	<b>348.9</b>
Income taxes	-5.5	-98.1	-103.6
<b>Net profit for the period</b>	<b>37.8</b>	<b>221.7</b>	<b>245.3</b>



# Details on Net Interest Income

<i>mIn</i>	1Q19	Volumes & Margins	2Q19	Volumes & Margins	3Q19	Volumes & Margins	4Q19	Volumes & Margins	FY19	Volumes & Margins	1Q20	Volumes & Margins	2Q20	Volumes & Margins	3Q20	Volumes & Margins	9M19	Volumes & Margins	9M20	Volumes & Margins
Financial Investments	57.1	19,748	58.0	20,582	55.9	21,714	56.0	22,114	227.0	21,040	54.8	22,543	56.3	22,676	53.0	22,491	171.0	20,681	164.1	22,570
<i>Net Margin</i>		1.17%		1.13%		1.02%		1.01%		1.08%		0.98%		1.00%		0.94%		1.11%		0.97%
<i>Gross margin</i>	59.7	1.23%	60.4	1.18%	58.5	1.07%	57.7	1.04%	236.3	1.12%	56.8	1.01%	57.1	1.01%	53.1	0.94%	178.5	1.15%	167.0	0.99%
Other Treasury activities <i>(unsecured lending and collateral switch)</i>	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.1	69	0.8	784	1.0	1,101	n.a.	n.a.	1.8	651
<i>Net Margin</i>		0.00%		0.00%		0.00%		0.00%		0.00%		0.44%		0.39%		0.36%		n.a.		0.37%
Security Lending	0.6	836	0.4	386	0.0	0	0.3	307	1.4	382	0.7	634	1.3	1,132	1.3	1,013	1.1	407	3.3	926
<i>Net Margin</i>		0.32%		0.44%		0.00%		0.44%		0.37%		0.44%		0.46%		0.52%		0.35%		0.48%
Leverage - Long	2.7	129	3.2	153	3.3	157	3.3	154	12.4	148	2.9	137	2.4	117	3.1	150	9.2	146	8.3	135
<i>Net Margin</i>		8.45%		8.35%		8.38%		8.38%		8.39%		8.42%		8.13%		8.13%		8.40%		8.23%
Lending	10.5	2,410	10.8	2,544	11.1	2,674	10.9	2,828	43.3	2,614	11.0	3,094	11.4	3,393	11.6	3,582	32.4	2,543	33.9	3,356
<i>Net Margin</i>		1.76%		1.71%		1.64%		1.53%		1.66%		1.42%		1.35%		1.28%		1.70%		1.35%
o/w Current accounts	2.9	1,040	3.2	1,112	3.2	1,169	3.4	1,241	12.7	1,141	3.4	1,316	3.6	1,375	3.6	1,453	9.3	1,107	10.6	1,381
<i>Net Margin</i>		1.14%		1.14%		1.10%		1.07%		1.11%		1.05%		1.04%		0.99%		1.13%		1.03%
o/w Cards	1.2	43	1.2	42	1.2	43	1.2	43	4.9	43	1.2	43	1.1	40	1.1	39	3.6	43	3.4	40
<i>Net Margin</i> <sup>(1)</sup>		11.43%		11.42%		11.40%		11.40%		11.41%		11.41%		11.40%		11.43%		11.41%		11.41%
o/w Personal loans	4.6	441	4.6	448	4.6	457	4.5	459	18.3	451	4.5	462	4.4	448	4.2	437	13.7	449	13.1	449
<i>Net Margin</i>		4.20%		4.09%		3.98%		3.92%		4.05%		3.93%		3.93%		3.86%		4.09%		3.90%
o/w Mortgages	1.8	886	1.9	942	2.0	1,005	1.8	1,084	7.4	979	1.8	1,273	2.3	1,530	2.6	1,653	5.7	944	6.7	1,485
<i>Net Margin</i>		0.80%		0.82%		0.79%		0.64%		0.76%		0.57%		0.61%		0.63%		0.80%		0.60%
Other <sup>(2)</sup>	-0.5		-1.0		-0.4		-0.8		-2.8		-1.3		-2.1		-1.3		-2.0		-4.6	
<b>Total</b>	<b>70.4</b>		<b>71.4</b>		<b>69.8</b>		<b>69.7</b>		<b>281.3</b>		<b>68.2</b>		<b>70.1</b>		<b>68.6</b>		<b>211.6</b>		<b>206.9</b>	
<i>Gross Margin</i>		1.26%		1.25%		1.17%		1.11%		1.20%		1.08%		1.04%		0.98%		1.23%		1.03%
<i>Cost of Deposits</i>		-0.05%		-0.04%		-0.04%		-0.03%		-0.04%		-0.03%		-0.01%		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

<sup>(1)</sup> 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.

<sup>(2)</sup> Other includes mainly marketing costs

# UniCredit bonds underwritten



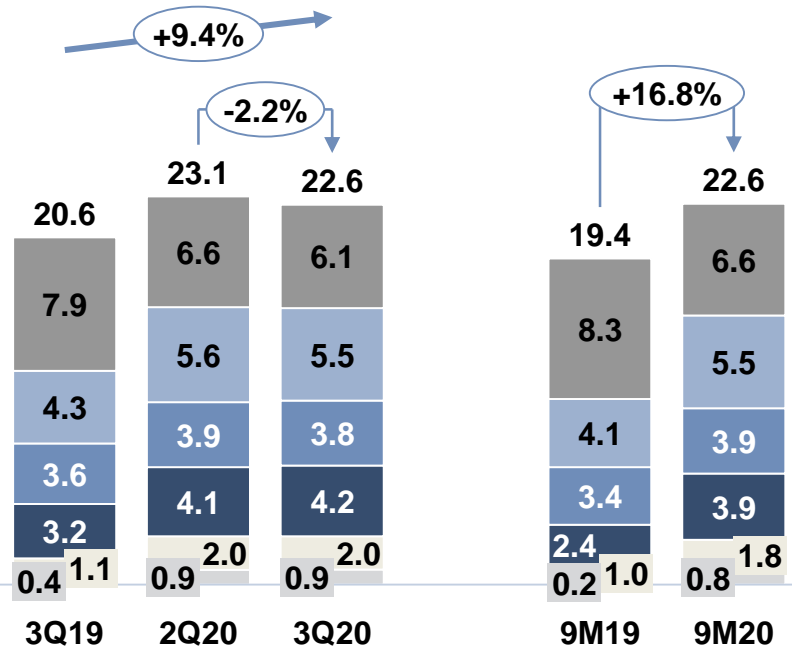
	ISIN	Currency	Amount (€ m)	Maturity	Indexation	Spread
1	IT0005010381	Euro	382.5	7-Oct-20	Euribor 1m	2.52%
2	IT0005010332	Euro	382.5	6-Jan-21	Euribor 1m	2.54%
3	IT0005010316	Euro	382.5	6-Apr-21	Euribor 1m	2.56%
4	IT0005010340	Euro	382.5	5-Jul-21	Euribor 1m	2.58%
5	IT0005010225	Euro	382.5	18-Oct-21	Euribor 1m	2.60%
6	IT0005040099	Euro	100.0	24-Jan-22	Euribor 1m	1.46%
7	IT0005057994	Euro	200.0	11-Apr-22	Euribor 1m	1.43%
8	IT0005083743	Euro	300.0	28-Jan-22	Euribor 1m	1.25%
9	IT0005114688	Euro	180.0	19-May-22	Euribor 1m	1.19%
10	IT0005120347	Euro	700.0	27-Jun-22	Euribor 1m	1.58%
11	IT0005144065	Euro	450.0	14-Nov-22	Euribor 3m	1.40%
12	IT0005144073	Euro	350.0	15-Nov-21	Euribor 3m	1.29%
13	IT0005158412	Euro	250.0	23-Dec-22	Euribor 3m	1.47%
14	IT0005163180	Euro	600.0	11-Feb-23	Euribor 3m	1.97%
15	IT0005175135	Euro	100.0	24-Mar-23	Euribor 3m	1.58%
16	IT0005217606	Euro	350.0	11-Oct-23	Euribor 3m	1.65%
17	IT0005241317	Euro	622.5	2-Feb-24	Euribor 3m	1.52%
<b>Total</b>		<b>Euro</b>	<b>6,115.0</b>		<b>Euribor 1m</b>	<b>1.87%</b>

# Financial Investments

Further improvements for a diversified asset side.

## Bond Portfolio, avg bn

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



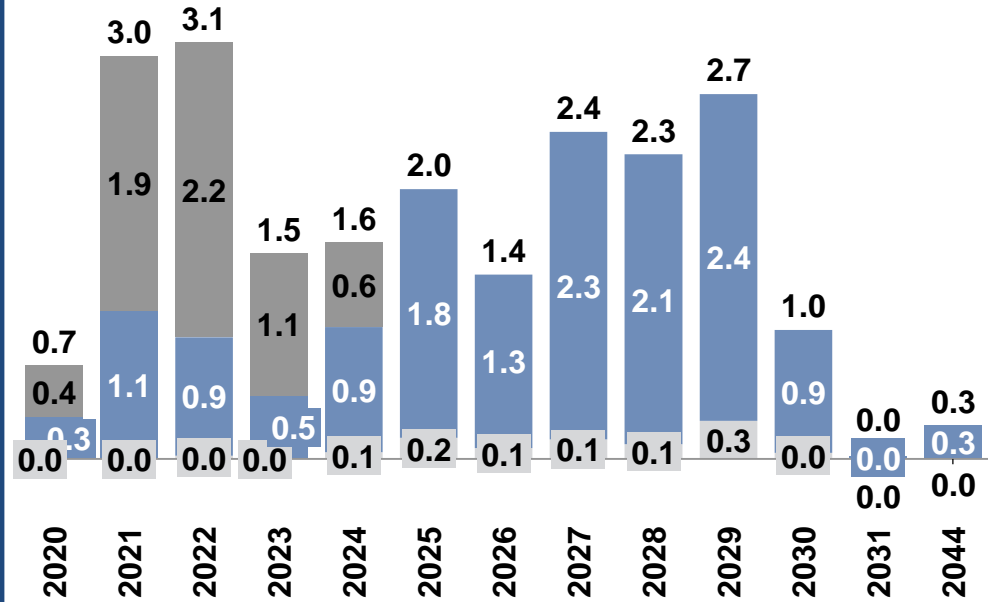
**Avg Bond portfolio 9M20 (excl. UC Bonds):**

**16.0bn, +45% y/y**

**65% at fixed rate, avg yield: 68bps<sup>(3)</sup>**

## Bond portfolio run-offs, eop bn

■ UC Bonds ■ Govies & SSA ■ Covered & Corporate



(252) (234) (144) (186) (155)

UC Bonds avg spread vs Eur1M, bps

**Residual maturity total portfolio: 4.9 yrs**

*o/w UC Bonds: 1.6 yrs*

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

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

<sup>(2)</sup> Avg 3Q20 "Other" includes: 1.0bn France, 0.9bn Ireland, 0.6bn Belgium, 0.5bn USA, 0.5bn Austria, 0.4bn Portugal, 0.1bn Germany, 0.2bn other (UK, Poland, Switzerland, Saudi Arabia, Israel, Chile)

<sup>(3)</sup> Calculated on nominal value as of Sept 30<sup>th</sup> 2020

# Details on Net Commissions

<i>mln</i>	1Q19	2Q19	3Q19	4Q19	FY19	1Q20	2Q20	3Q20	9M19	9M20
<b>Banking</b>	<b>4.5</b>	<b>5.6</b>	<b>5.9</b>	<b>5.3</b>	<b>21.3</b>	<b>8.8</b>	<b>10.3</b>	<b>9.7</b>	<b>15.9</b>	<b>28.8</b>
<b>Brokerage</b>	<b>18.5</b>	<b>18.0</b>	<b>20.0</b>	<b>20.8</b>	<b>77.3</b>	<b>35.6</b>	<b>37.6</b>	<b>26.5</b>	<b>56.5</b>	<b>99.7</b>
o/w										
Equity	15.6	14.7	15.9	17.0	63.2	30.0	31.0	21.7	46.2	82.7
Bond	0.9	0.9	1.4	0.7	3.9	1.0	3.8	2.2	3.2	7.0
Derivatives	2.3	2.2	2.7	2.6	9.7	4.5	3.7	2.6	7.2	10.8
Other commissions <sup>(1)</sup>	-0.2	0.2	0.0	0.6	0.5	0.0	-0.9	0.1	-0.1	-0.8
<b>Investing</b>	<b>54.2</b>	<b>57.6</b>	<b>58.3</b>	<b>56.1</b>	<b>226.2</b>	<b>60.8</b>	<b>57.1</b>	<b>61.8</b>	<b>170.1</b>	<b>179.7</b>
o/w										
Placement fees	1.1	1.3	1.1	1.8	5.4	1.7	1.4	1.5	3.6	4.5
Management fees	57.1	59.7	61.5	63.0	241.3	61.9	58.9	64.2	178.3	185.0
to PFA's: incentives	-3.0	-4.3	-3.6	-8.0	-18.9	-2.5	-2.6	-3.1	-10.9	-8.2
to PFA's: LTI	-1.0	0.8	-0.7	-0.7	-1.6	-0.2	-0.7	-0.7	-0.9	-1.6
<b>Other</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.4</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.2</b>	<b>0.3</b>	<b>-0.6</b>
<b>Total</b>	<b>77.4</b>	<b>81.3</b>	<b>84.3</b>	<b>82.3</b>	<b>325.2</b>	<b>105.0</b>	<b>104.8</b>	<b>97.9</b>	<b>242.9</b>	<b>307.6</b>

<sup>(1)</sup> Other commissions include security lending and other PFA commissions related to AuC

# Revenues breakdown by Product Area

<i>mln</i>	1Q19	2Q19	3Q19	4Q19	FY19	1Q20	2Q20	3Q20	9M19	9M20
Net interest income	67.6	68.8	67.0	66.9	270.3	65.8	67.7	64.5	203.4	198.0
Net commissions	4.5	5.6	5.9	5.3	21.3	8.8	10.3	9.7	15.9	28.8
Trading profit	-0.1	-0.1	-0.2	0.2	-0.2	-0.1	-0.1	0.0	-0.3	-0.2
Other	0.1	0.1	0.1	0.1	0.4	0.2	0.3	-0.3	0.2	0.2
<b>Total Banking</b>	<b>72.1</b>	<b>74.3</b>	<b>72.7</b>	<b>72.5</b>	<b>291.7</b>	<b>74.6</b>	<b>78.3</b>	<b>73.9</b>	<b>219.2</b>	<b>226.8</b>
Net interest income	3.4	3.7	3.4	3.4	14.0	3.0	2.5	3.1	10.6	8.6
Net commissions	18.5	18.0	20.0	20.8	77.3	35.6	37.6	26.5	56.5	99.7
Trading profit	8.2	9.9	11.5	11.7	41.3	25.1	24.2	20.1	29.6	69.3
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>30.2</b>	<b>31.6</b>	<b>34.9</b>	<b>35.9</b>	<b>132.6</b>	<b>63.6</b>	<b>64.2</b>	<b>49.7</b>	<b>96.7</b>	<b>177.6</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	54.2	57.6	58.3	56.1	226.2	60.8	57.1	61.8	170.1	179.7
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	2.7	0.1	-0.2	0.2	0.0	0.1
<b>Total Investing</b>	<b>54.2</b>	<b>57.6</b>	<b>58.3</b>	<b>58.8</b>	<b>228.9</b>	<b>60.9</b>	<b>56.9</b>	<b>62.0</b>	<b>170.1</b>	<b>179.8</b>

## 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
<b>AUM</b>	<b>35,988</b>	<b>36,819</b>	<b>38,325</b>	<b>40,505</b>	<b>35,516</b>	<b>40,083</b>	<b>41,744</b>
o/w Funds and Sicav	26,361	26,426	27,477	28,786	24,122	27,657	28,929
o/w Insurance	8,401	9,002	9,369	10,115	9,961	10,676	11,020
o/w GPM	1	26	55	93	127	169	185
o/w AuC + deposits under adviso	1,225	1,365	1,425	1,512	1,307	1,580	1,610
<i>o/win Advice</i>	572	600	603	598	516	550	554
<i>o/win Plus</i>	653	765	822	914	792	1,030	1,056
<b>AUC</b>	<b>15,187</b>	<b>15,229</b>	<b>15,158</b>	<b>15,324</b>	<b>13,485</b>	<b>16,486</b>	<b>16,821</b>
o/w Equity	9,137	9,207	9,573	9,841	8,308	10,565	11,006
o/w Bond	6,037	6,011	5,575	5,448	5,147	5,878	5,766
o/w Other	13	12	11	35	30	43	49
<b>Direct Deposits</b>	<b>22,941</b>	<b>23,844</b>	<b>25,099</b>	<b>25,590</b>	<b>26,925</b>	<b>26,077</b>	<b>26,432</b>
o/w Sight	22,938	23,842	25,098	25,588	26,924	26,077	26,432
o/w Term	2	2	2	1	1	1	0
<b>Total</b>	<b>74,116</b>	<b>75,892</b>	<b>78,583</b>	<b>81,419</b>	<b>75,927</b>	<b>82,646</b>	<b>84,997</b>

<i>o/w Guided Products &amp; Services</i>	<b>24,301</b>	<b>25,354</b>	<b>26,697</b>	<b>28,788</b>	<b>25,486</b>	<b>28,984</b>	<b>30,331</b>
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<i>o/w TFA Private Banking</i>	<b>29,041</b>	<b>29,970</b>	<b>31,891</b>	<b>33,437</b>	<b>28,844</b>	<b>33,024</b>	<b>34,438</b>
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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
Due from Banks <sup>(1)</sup>	3,807	1,941	2,033	1,320	1,801	1,633	1,761
Customer Loans	3,029	3,409	3,568	3,680	3,741	4,204	4,320
Financial Assets	19,012	19,920	21,532	22,313	23,414	22,961	22,988
Tangible and Intangible Assets	243	242	247	279	280	280	278
Derivatives	29	49	72	65	76	76	76
Other Assets	259	274	308	366	207	259	298
<b>Total Assets</b>	<b>26,380</b>	<b>25,835</b>	<b>27,760</b>	<b>28,023</b>	<b>29,519</b>	<b>29,412</b>	<b>29,721</b>
Customer Deposits	23,311	24,140	25,429	25,920	27,202	27,021	27,297
Due to Banks	1,605	207	188	155	331	113	105
Derivatives	32	84	156	95	144	207	212
Funds and other Liabilities	393	477	698	471	365	515	487
Equity	1,040	928	1,289	1,382	1,477	1,556	1,620
<b>Total Liabilities and Equity</b>	<b>26,380</b>	<b>25,835</b>	<b>27,760</b>	<b>28,023</b>	<b>29,519</b>	<b>29,412</b>	<b>29,721</b>

<sup>(1)</sup> Due from banks includes cash deposited at Bank of Italy: 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

# Leverage Ratio Sensitivity

- ✓ **OUR PRIORITY:** to slow down the growth of our Balance Sheet through the conversion of deposits into Asset under Management and through the repricing of our Banking services
- ✓ **OUR 2020 GUIDANCE:** Leverage Ratio comfortably above 3.5% considering 2-2.5bn growth of deposits

## STRESS TEST SCENARIO

**T1 Capital (mln)**

	0	30	40	50	60	70	80	90	100	110	120	130	140	150
-	3.85%	3.95%	3.99%	4.02%	4.06%	4.10%	4.13%	4.17%	4.20%	4.24%	4.27%	4.31%	4.34%	4.38%
500	3.78%	3.88%	3.92%	3.95%	3.99%	4.02%	4.06%	4.09%	4.13%	4.16%	4.20%	4.23%	4.27%	4.30%
1,000	3.72%	3.82%	3.85%	3.89%	3.92%	3.96%	3.99%	4.02%	4.06%	4.09%	4.13%	4.16%	4.20%	4.23%
1,500	3.65%	3.75%	3.79%	3.82%	3.85%	3.89%	3.92%	3.96%	3.99%	4.02%	4.06%	4.09%	4.12%	4.16%
2,000	3.59%	3.69%	3.72%	3.76%	3.79%	3.82%	3.86%	3.89%	3.92%	3.96%	3.99%	4.02%	4.06%	4.09%
2,500	3.53%	3.63%	3.66%	3.70%	3.73%	3.76%	3.79%	3.83%	3.86%	3.89%	3.92%	3.96%	3.99%	4.02%
3,000	3.48%	3.57%	3.61%	3.64%	3.67%	3.70%	3.73%	3.77%	3.80%	3.83%	3.86%	3.89%	3.93%	3.96%
3,500	3.42%	3.52%	3.55%	3.58%	3.61%	3.64%	3.67%	3.71%	3.74%	3.77%	3.80%	3.83%	3.86%	3.90%
4,000	3.37%	3.46%	3.49%	3.52%	3.56%	3.59%	3.62%	3.65%	3.68%	3.71%	3.74%	3.77%	3.80%	3.84%
4,500	3.32%	3.41%	3.44%	3.47%	3.50%	3.53%	3.56%	3.59%	3.62%	3.65%	3.68%	3.72%	3.75%	3.78%
5,000	3.27%	3.36%	3.39%	3.42%	3.45%	3.48%	3.51%	3.54%	3.57%	3.60%	3.63%	3.66%	3.69%	3.72%
5,500	3.22%	3.31%	3.34%	3.37%	3.40%	3.43%	3.46%	3.49%	3.52%	3.55%	3.57%	3.60%	3.63%	3.66%
6,000	3.17%	3.26%	3.29%	3.32%	3.35%	3.38%	3.41%	3.43%	3.46%	3.49%	3.52%	3.55%	3.58%	3.61%
6,500	3.13%	3.21%	3.24%	3.27%	3.30%	3.33%	3.36%	3.39%	3.41%	3.44%	3.47%	3.50%	3.53%	3.56%
7,000	3.08%	3.17%	3.19%	3.22%	3.25%	3.28%	3.31%	3.34%	3.37%	3.39%	3.42%	3.45%	3.48%	3.51%
7,500	3.04%	3.12%	3.15%	3.18%	3.21%	3.23%	3.26%	3.29%	3.32%	3.35%	3.37%	3.40%	3.43%	3.46%
8,000	3.00%	3.08%	3.11%	3.13%	3.16%	3.19%	3.22%	3.24%	3.27%	3.30%	3.33%	3.36%	3.38%	3.41%
8,500	2.95%	3.04%	3.06%	3.09%	3.12%	3.15%	3.17%	3.20%	3.23%	3.26%	3.28%	3.31%	3.34%	3.36%
9,000	2.92%	3.00%	3.02%	3.05%	3.08%	3.10%	3.13%	3.16%	3.18%	3.21%	3.24%	3.27%	3.29%	3.32%
9,500	2.88%	2.96%	2.98%	3.01%	3.04%	3.06%	3.09%	3.12%	3.14%	3.17%	3.20%	3.22%	3.25%	3.27%
10,000	2.84%	2.92%	2.94%	2.97%	3.00%	3.02%	3.05%	3.07%	3.10%	3.13%	3.15%	3.18%	3.21%	3.23%

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

Considering our organic capital generation<sup>(1)</sup> after dividend distribution and payment of AT1 coupon, also in case of extremely adverse market scenario and **assuming 5 billion of deposit growth in 2020** (vs 2.4bn on average in the period 2015-'19), **our Leverage ratio would remain around 3.5%**

<sup>(1)</sup> In 2019 we generated 58mln of organic capital after the payment of AT1 coupon and assuming the distribution of €0.32 DPS



# Main Financial Ratios

	Mar.19	Jun.19	Sep.19	Dec.19	Mar.20	Jun.20	Sep.20
<b>PFA TFA/ PFA (mln) <sup>(1)</sup></b>	<b>25.0</b>	<b>25.6</b>	<b>26.6</b>	<b>27.8</b>	<b>25.7</b>	<b>27.9</b>	<b>28.7</b>
<b>Guided Products / TFA <sup>(2)</sup></b>	<b>33%</b>	<b>33%</b>	<b>34%</b>	<b>35%</b>	<b>34%</b>	<b>35%</b>	<b>36%</b>
<b>Cost / income Ratio <sup>(3)</sup></b>	<b>41.3%</b>	<b>39.4%</b>	<b>37.9%</b>	<b>37.9%</b>	<b>33.0%</b>	<b>32.5%</b>	<b>33.1%</b>
<b>CET 1 Ratio <sup>(4)</sup></b>	<b>21.0%</b>	<b>17.8%</b>	<b>17.4%</b>	<b>pro-forma 24.2%</b>	<b>25.4%</b>	<b>24.1%</b>	<b>23.3%</b>
<b>Adjusted RoE <sup>(5)</sup></b>	<b>31.2%</b>	<b>34.0%</b>	<b>27.3%</b>	<b>pro-forma 25.1%</b>	<b>26.5%</b>	<b>26.0%</b>	<b>23.4%</b>
<b>Leverage Ratio <sup>(6)</sup></b>	<b>5.11%</b>	<b>2.89%</b>	<b>3.85%</b>	<b>pro-forma 4.54%</b>	<b>4.39%</b>	<b>4.41%</b>	<b>4.35%</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 Guided Products eop divided by Total Financial Assets eop

<sup>(3)</sup> 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

<sup>(4)</sup> Dec.19 CET1 ratio pro-forma

<sup>(5)</sup> 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 pro-forma

<sup>(6)</sup> 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 pro-forma

## 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**

### TRADEMARK

- **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**

- **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 €14.9bn, of which €9.6bn retail classes <sup>(1)</sup>

**FUNDS OF FUNDS**

**FAM SERIES**  
(sub-advised funds)

**INSTITUTIONAL BUSINESS**

- 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**

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- ✓ **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
- ✓ 32 strategies

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- ✓ 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**
- ✓ 40 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



B A N K

# Fineco UK vs Competitors: products and services

						
<b>BANKING</b>	Bank Account	✓	X	X	✓	✓
	Multi Currency	✓	X	X	✓	✓
	Debit Cards	✓	X	X	✓	✓
<b>TRADING</b>	Shares	✓	✓	✓	✓	✓
	Bonds	✓	X	✓	X	✓
	Futures & Options	✓	X	X	X	X
	CFDs	✓	✓	X	X	X
	FX	✓	✓	X	X	X
	Analytic tools	✓	X	X	X	X
	Funds	✓	X	✓	X	✓
<b>INVESTING</b>	ISA	✓ ●	✓	✓	X	✓
	SIPP	✓ ●	X	✓	X	X

● Coming Soon - see slide 32

# Fineco UK vs Competitors: features

Fineco platform: 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 (1/2)

Disruptive pricing 100% sustainable thanks to our strong operating leverage

## OTC: zero commission, no added spreads

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

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

## Platform fees: the most competitive

Portfolio size	<b>FINECO</b> BANK	HARGREAVES LANSDOWN	AJBell	BARCLAYS	Fidelity	HSBC
£10,000.00	<b>0.25%</b>	0.45%	0.25%	0.20%	0.35%	0.25%
£50,000.00	<b>0.25%</b>	0.45%	0.25%	0.20%	0.35%	0.25%
£100,000.00	<b>0.25%</b>	0.45%	0.25%	0.20%	0.35%	0.25%
£250,000.00	<b>0.25%</b>	0.45%	0.25%	0.20%	0.35%	0.25%

## Stock broking: flat fees

	<b>FINECO</b> BANK	HARGREAVES LANSDOWN	interactive investor	AJBell Yourvest	IG	SAXO BANK	Interactive Brokers
London Stock Exchange							
Stock for £5,000	<b>£2.95</b>	£11.95	£7.99 <sup>(1)</sup>	£9.95 <sup>(1)</sup>	£8	£8	£6
Stock for £20,000	<b>£2.95</b>	£11.95	£7.99 <sup>(1)</sup>	£9.95 <sup>(1)</sup>	£8	£20	£6

## Transaction fees

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

(1) Plus Custody fees

# Fineco UK: Premium service without premium price (2/2)

Disruptive pricing 100% sustainable thanks to our strong operating leverage

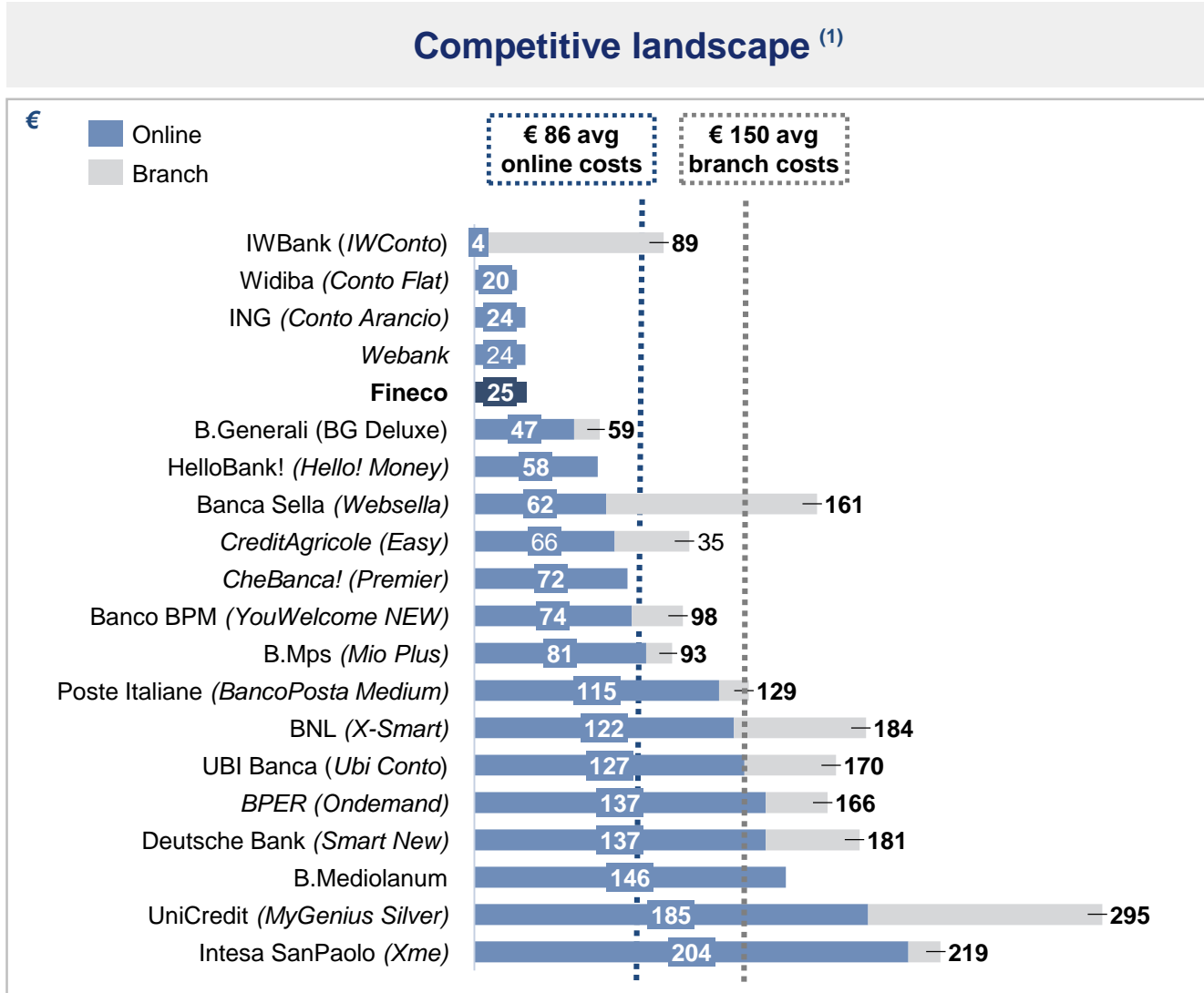
## Multicurrency: best spreads, no commissions

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

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

# Preserving our best price/quality ratio

An update on the main outcomes from our Smart Repricing



<sup>(1)</sup> 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)

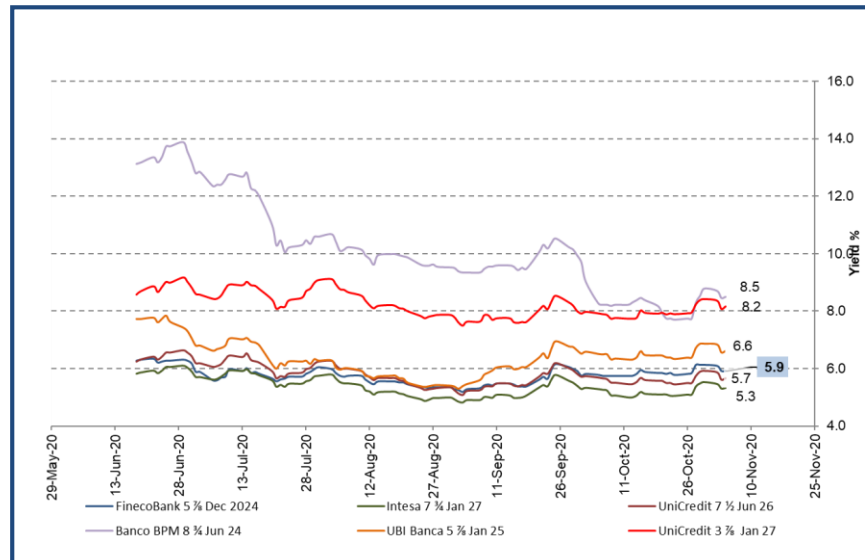
### €200 mln AT1 issued in January 2018

- On January 23<sup>rd</sup>, 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 11<sup>th</sup>, 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. 29<sup>th</sup>, 2020

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

**FINECO**

B A N K