



B A N K

1Q20 Results

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Milan, May 11th 2020

FINECO. SIMPLIFYING BANKING.

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Fineco Results

-  Next steps

-  Key messages

-  Focus on product areas

Executive Summary

Outstanding net profit in challenging market scenario

- **1Q20 Net profit⁽¹⁾ at 92mln, +45% y/y and +29% q/q** and, confirming the **sustainability of a business model able to deliver consistent results in every market condition**
- **1Q20 revenues⁽¹⁾ at 201mln, +27% y/y and +19% q/q** and supported by all business areas:
 - ✓ **Brokerage** (+110% y/y and +77% q/q) thanks to both the in-depth review of our product offer and to the particularly high market volatility
 - ✓ **Investing** (+12% y/y and +4% q/q) despite negative market performance in 1Q20, with management fees up +8% y/y
 - ✓ **Banking** (+3% y/y and q/q) thanks to high quality volume growth in deposits and lending and to the contribution from the smart repricing in place starting from February 2020
- **Operating Costs well under control at -67mln, +2% y/y. C/I ratio at 33.0%, -8.2 p.p. y/y**, confirming **operating leverage as a key strength of the Bank**

Strong and safe capital position

- **1Q20 CET1 ratio at 19.28% pro-forma and TCR pro-forma at 34.94%**, including 2019 dividend payment (32.0 €/cents DPS)

Robust commercial activity

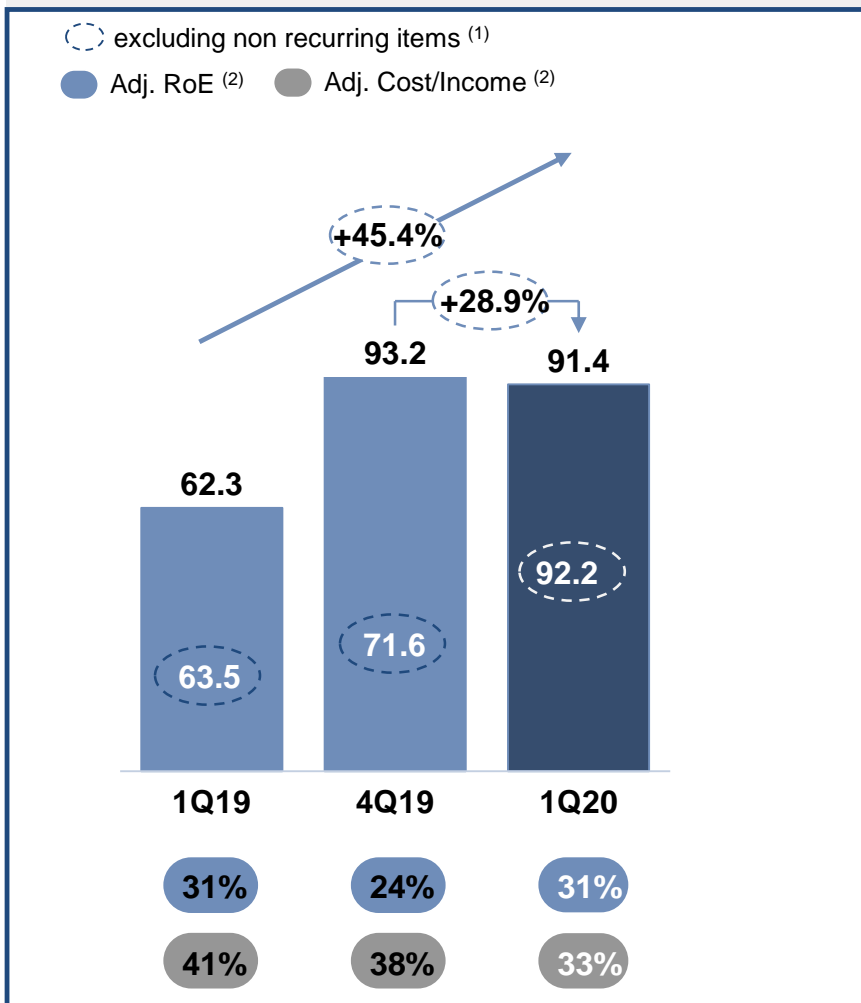
- **Net sales in the first 4 months of the year at 3.1bn** (2.1bn in 1Q20), **TFA at 79.1bn** (75.9bn in 1Q20) with penetration of **Guided products on Assets under Management at 72%**
- **Fineco Asset Management AUM net sales** were 0.5bn in the first 4 months of the year and total assets stood at 13.2bn



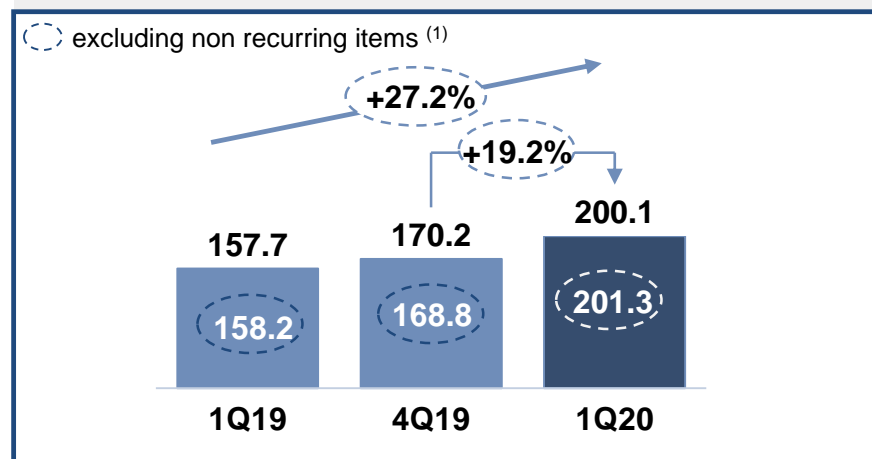
Results

1Q20 Net Profit up +45% y/y and +29% q/q, boosted by diversified revenues growth in a complex market environment. C/I ratio at 33.0%, down ~8.2 p.p. y/y confirming our strong operating leverage

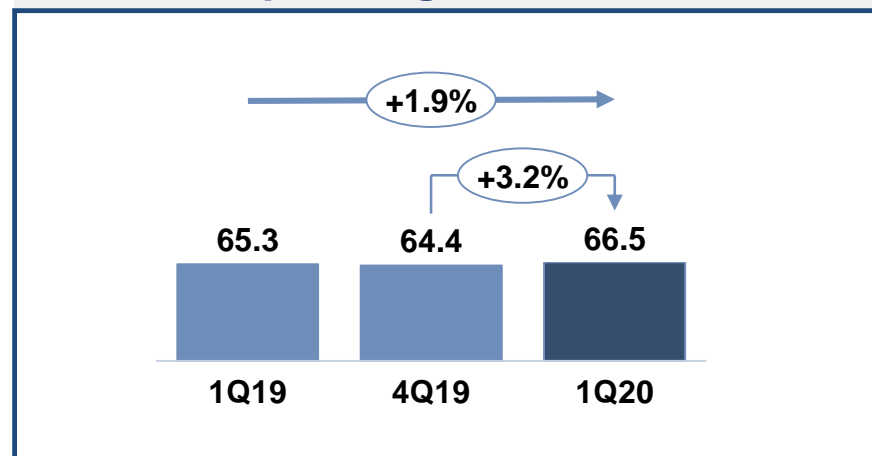
Net Profit, mln



Revenues, mln



Operating Costs, mln



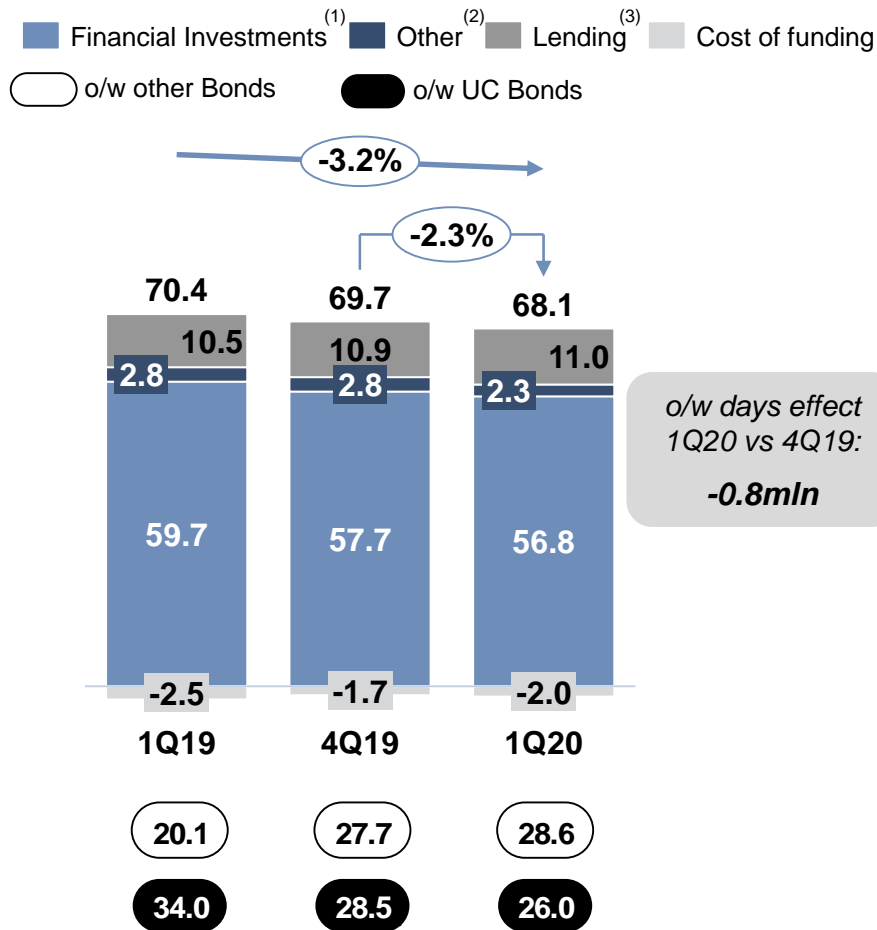
⁽¹⁾ 1Q20 non recurring items: Voluntary Scheme: 1Q20: -1.2mln gross, -0.8mln net; 2019 non recurring items: Voluntary Scheme: 1Q19: -0.4mln gross, -0.3mln net; 4Q19: +1.4mln gross, +0.9mln net); Patent Box: -0.9mln in 1Q19, +20.7mln in 4Q19.

⁽²⁾ Adj. Cost/Income and Adj. RoE calculated net of non recurring items

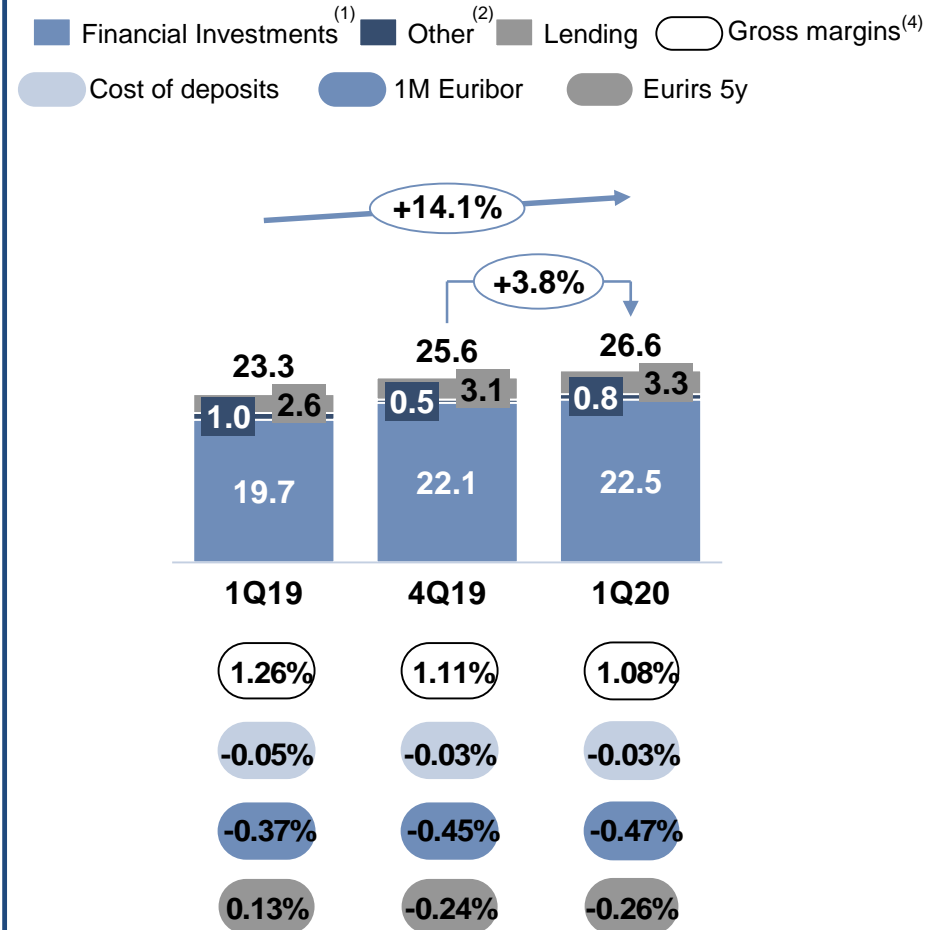
Net interest income (1/2)

Solid NII thanks to valuable and sticky sight deposits coupled with high-quality lending portfolio despite low interest rate environment

Net Interest Income, mln



Interest-earning assets, avg bn



(1) Financial investments include interest income coming from the reinvestments of deposits (both sight and term) 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 41 for details

(3) Lending: only interest income

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

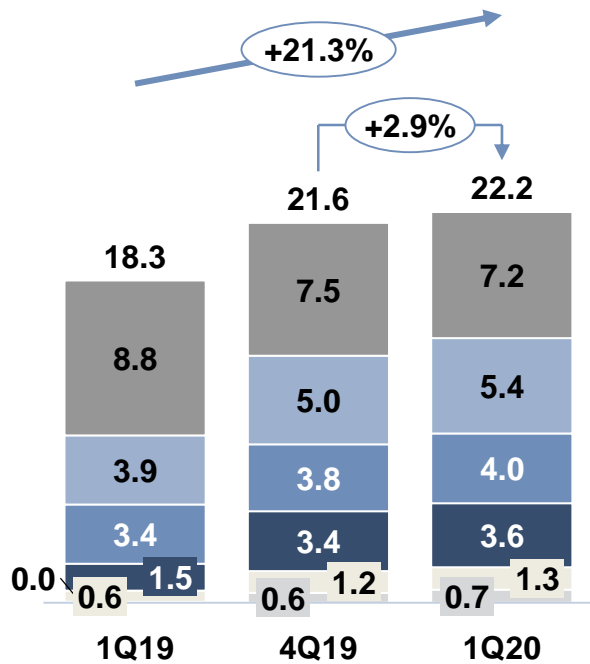
Net interest income (2/2)

Further improvements for a diversified asset side.

Sensitivity analysis +100bps / -100bps parallel shift: +134mln NII / -121mln NII

Bond Portfolio, avg bn

■ UC bonds ■ Spain ■ SSA ⁽¹⁾
■ Italy ■ Other Govies ⁽²⁾ ■ Covered Bonds



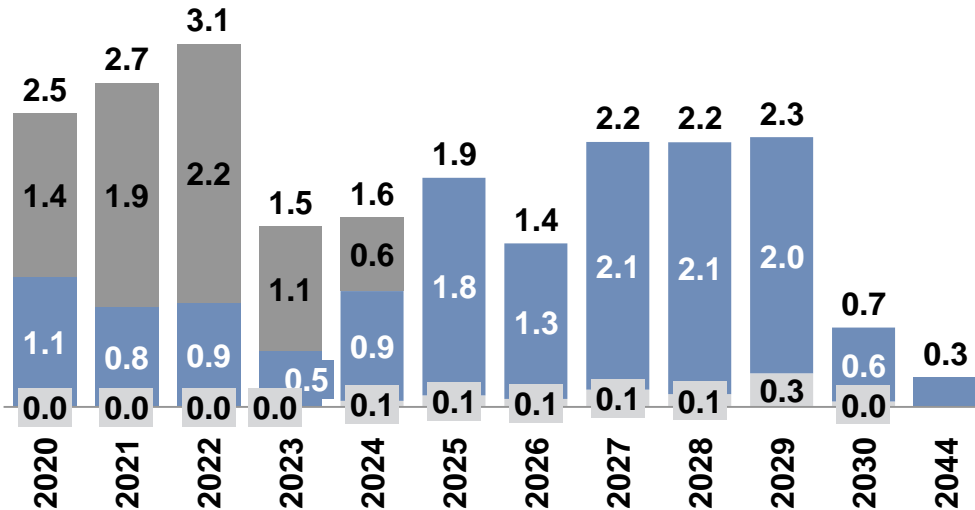
Avg Bond portfolio 1Q20 (excl. UC Bonds):

15.0bn, +58.3% y/y, +7.2% q/q

68% ⁽³⁾ at fixed rate, avg yield: 79bps

UC bonds and Govies run-offs, eop bn

■ UC Bonds ■ Govies & SSA ■ Covered Bonds



223 235 146 191 160 UC Bonds avg spread vs Eur1M, bps

Residual maturity total portfolio: 4.9 yrs

o/w UC Bonds: 1.9 yrs

o/w bonds (excl. UC bonds): 6.3 yrs

⁽¹⁾ Sovereign Supranational and Agencies

⁽²⁾ Avg 1Q20 "Other" includes: 0.7bn France, 0.8bn Ireland, 0.5bn USA, 0.4bn Belgium, 0.4bn Austria, 0.4bn Portugal, 0.3bn Germany, 0.1bn Poland, 0.1bn UK

⁽³⁾ Calculated on nominal value as of Mar.31st, 2020

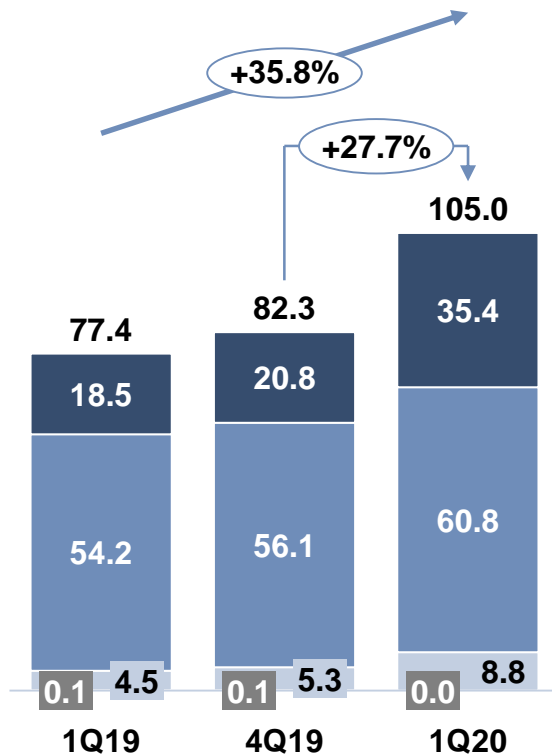
Non Interest Income

Fees and commissions +36% y/y and +28% q/q boosted by Brokerage.

Trading Income +169% y/y and +98% q/q mainly driven by high market volatility

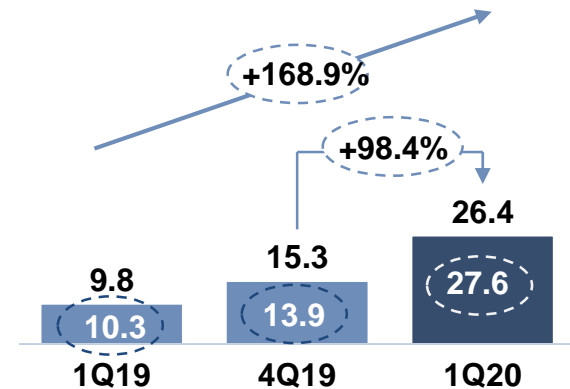
Fees and Commissions, mln

■ Brokerage ■ Investing ■ Banking ■ Other

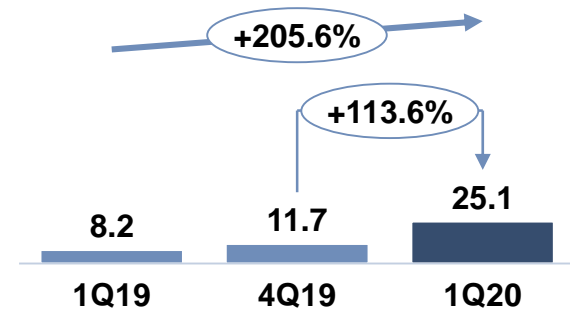


Trading Income, mln

mln ○ excluding non recurring items (2)



o/w Trading Income from Brokerage



(1) Mainly PFAs annual bonus

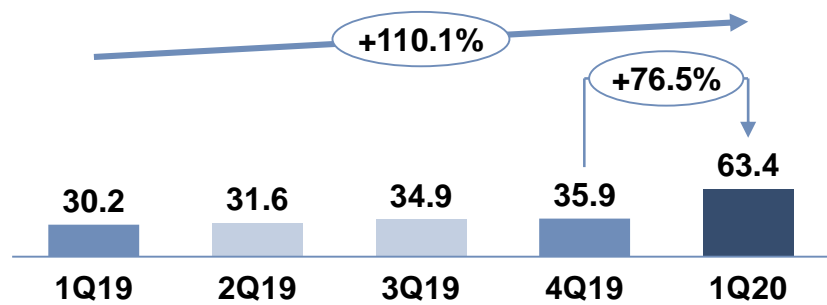
(2) Adj. Trading Income excluding non recurring items: Voluntary Scheme (1Q20: -1.2mln gross, -0.8mln net; 1Q19: -0.4mln gross, -0.3mln net; 4Q19: +1.4mln gross, +0.9mln net)

Focus on Brokerage

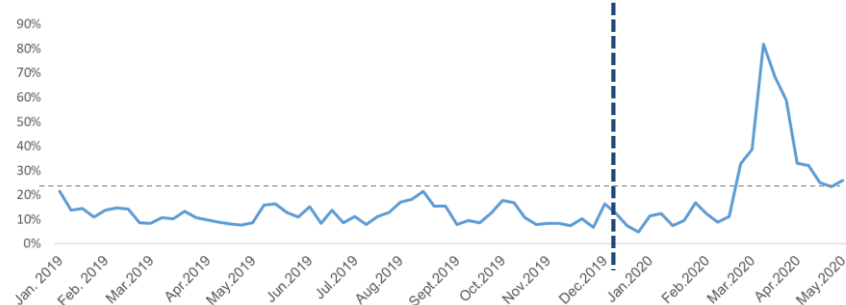
Perfect countercyclical business delivering outstanding results in a complex market environment

In 1Q20 our **Brokerage recorded booming results** due to skyrocketing volatility, to the in-depth reshape of our offer, and to the enlargement of the market as more Italians are now interested in financial markets

Outstanding 1Q20 brokerage revenues



Skyrocketing volatility in the quarter (1)

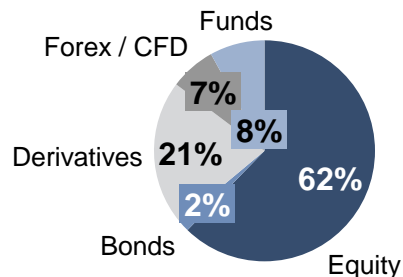


No.1 Brokerage platform, multichannel and fully integrated

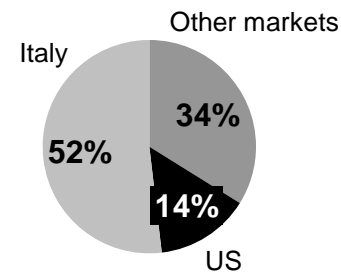
- **Well advanced in-house know-how**, optimizing time-to-market and cost efficiency
- **In-house back-office and customer care.** Business continuity always guaranteed
- **Order internalization supporting Brokerage performance:** equity, bonds and forex
- **Robust risk management**, mostly intra-day positions with low risk light traders

Well-diversified brokerage offer

among products...



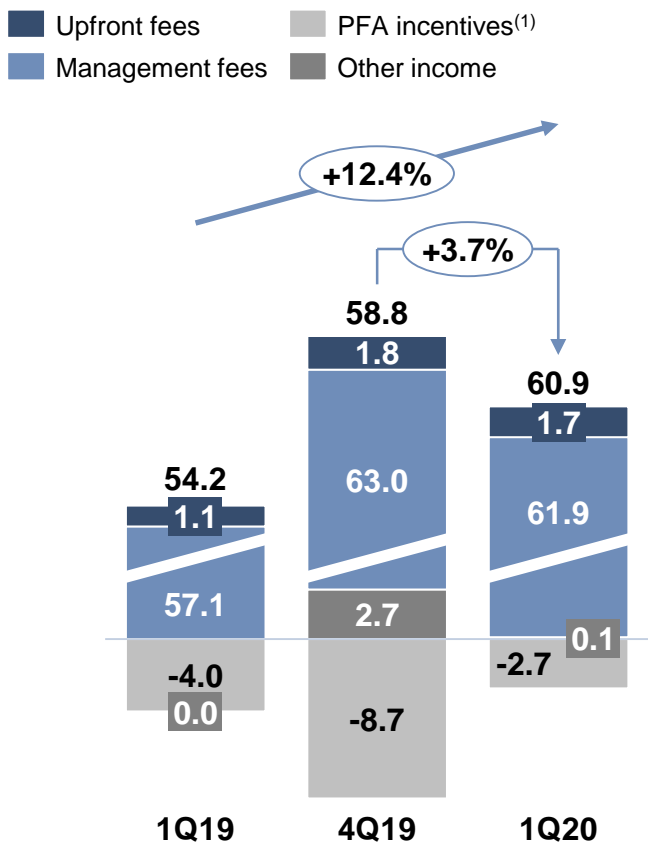
...and geographies



Focus on Investing

1Q20 resilient despite difficult market conditions. AUM expected to recover as volatility calms down from its recent peak

Investing Revenues, *mln*



Main highlights

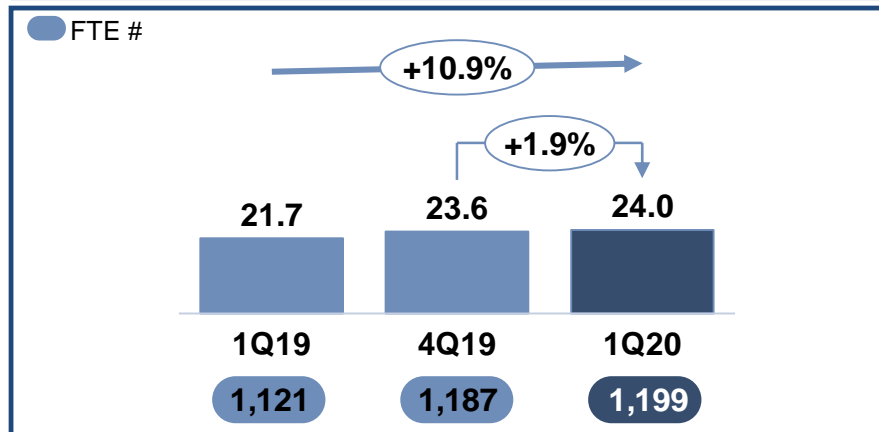
- ▣ **Increasing Investing revenues** driven by lower PFA incentives compared to 4Q19 (related to AuM inflows realized in the quarter)
- ▣ **Management fees** in 1Q20 affected by:
 - ✓ **Lower % of equity on AUM** in 1Q20 due to negative market effect
 - ✓ **Increased penetration of decumulation products** among our offer of guided products

MANFEE MARGINS, <i>bps</i>	4Q19	1Q20
Pre tax	64	63
After tax	46	46
Average AuM, <i>bn</i> (on daily basis)	39.3	39.6

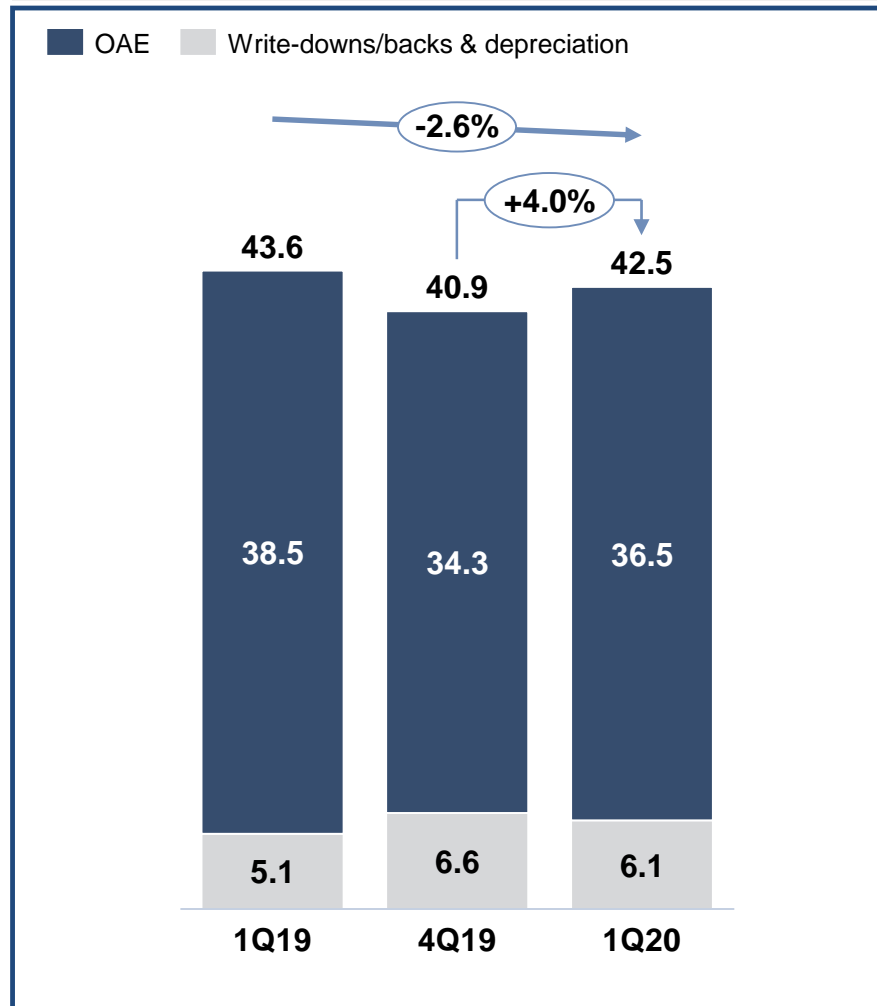
Costs

Cost efficiency and operating leverage confirmed in our DNA

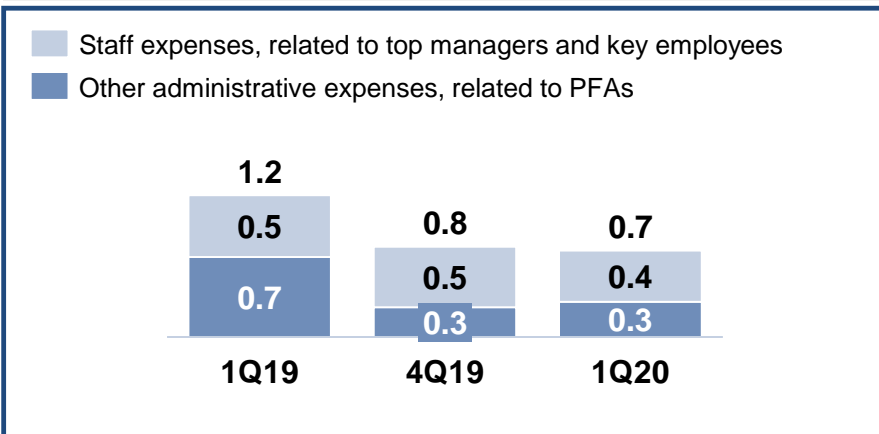
Staff expenses and FTE, mln



Non HR Costs⁽¹⁾, mln



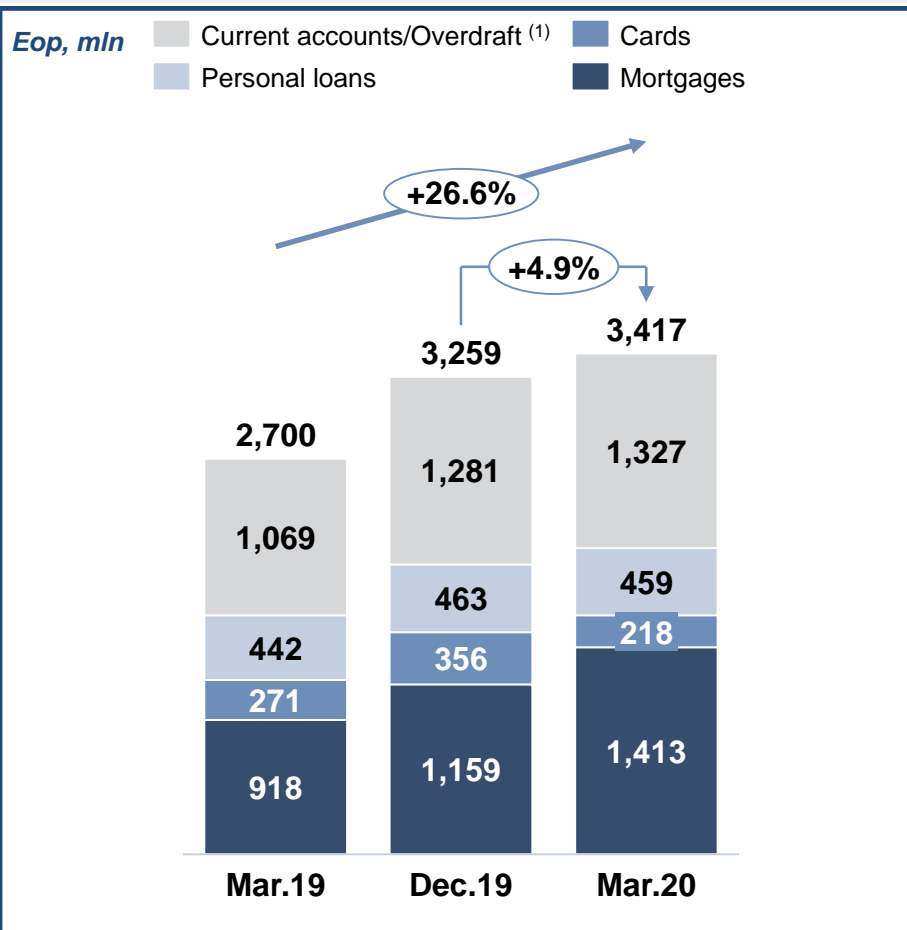
Long Term Incentive Plans, mln



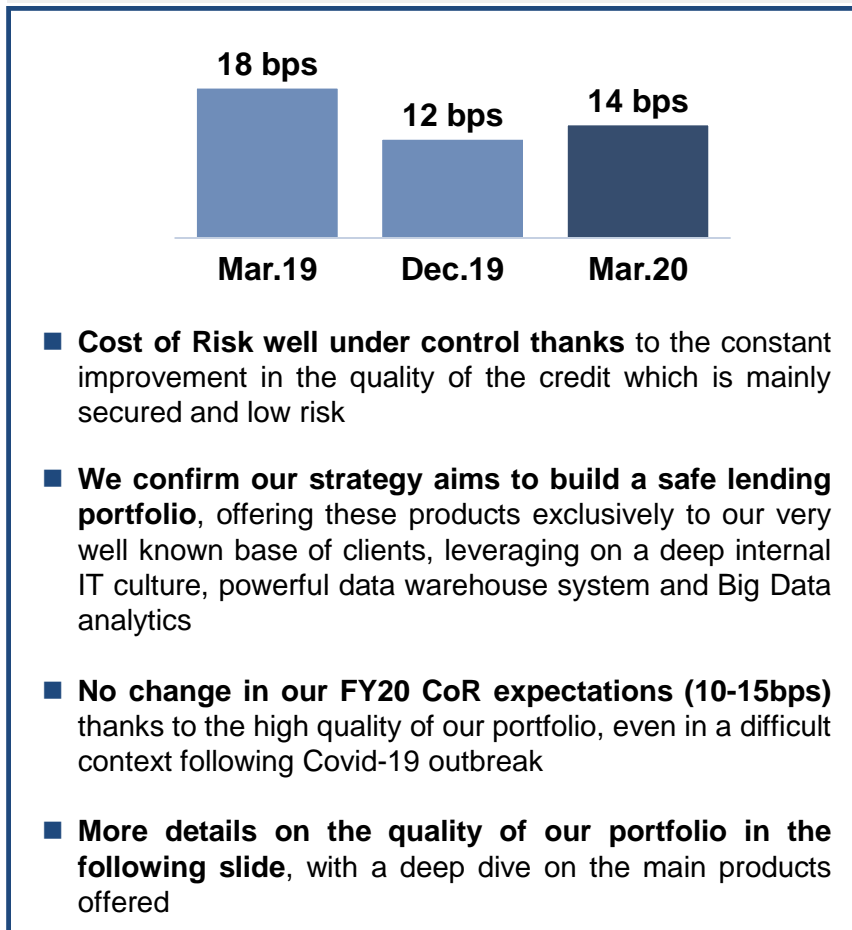
⁽¹⁾ Other administrative expenses with breakdown between development and running costs: managerial data

Boost in high quality lending volume offered exclusively to the existing base of clients, leveraging on our internal Big Data analytics

Commercial Loans portfolio, eop mln



Cost of Risk on commercial loans ⁽²⁾



⁽¹⁾ Current accounts/overdraft Include Lombard loans

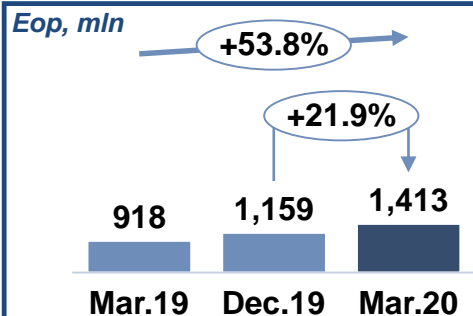
⁽²⁾ Cost of Risk: commercial LLP of the last 12 months on average last 12 months commercial Loans

Lending

Strong lending growth with decreasing expected losses for mortgages, personal loans and lombard loans thanks to the quality of our portfolio

2020 Guidance

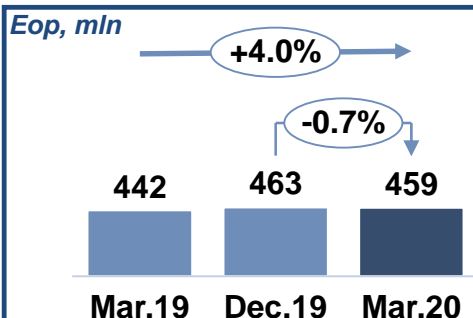
Mortgages



- **14,505 mortgages** granted since December 2016
- Average customer rate: **159bps. 1Q20 Yield⁽¹⁾ at 57bps**
- Average Loan to Value **54%**, average maturity **19 yrs**
- **Low expected loss** (~17 bps)

- yearly new production: ~ **400-500mln**
- Expected yield: ~ **55-70bps**

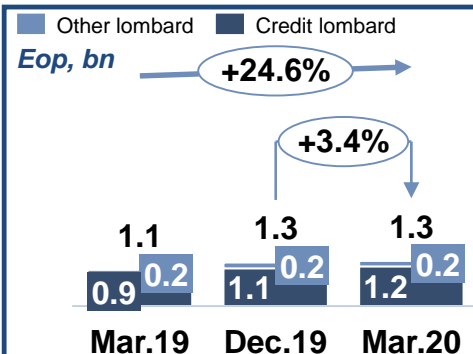
Personal Loans



- Average ticket €9,100 and average maturity 4.5 years
- **1Q20 Yield at 393bps**
- **Efficient and real time process**, instant approval platform for eligible clients' requests thanks to a deep knowledge of clients.
- **Low expected loss** (~50 bps)

- yearly new production: ~ **150-200mln**
~ (-20/-40mln net)
- Expected yield: ~ **380-410bps**

Lombard Loans



o/w Credit Lombard⁽²⁾:

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

o/w Credit Lombard⁽²⁾:

- Expected growth: ~ **300-350mln** per year
- Expected yield: ~ **75-85bps**

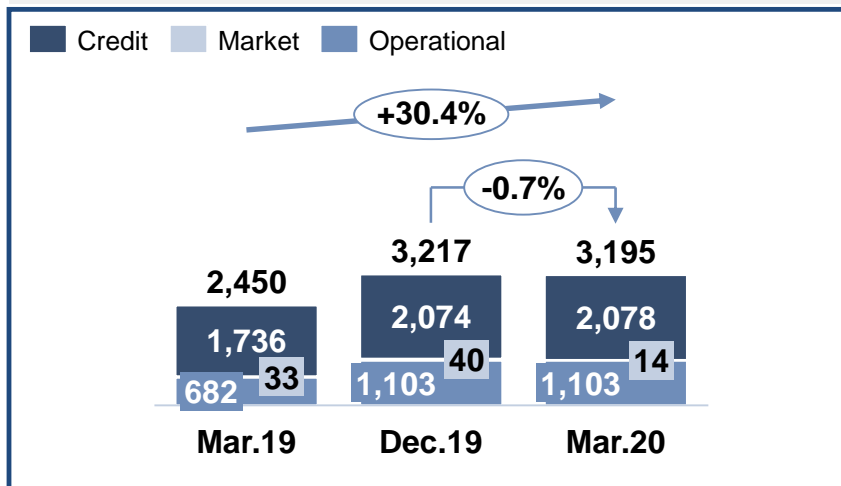
⁽¹⁾ Yield on mortgages net of amortized and hedging costs

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

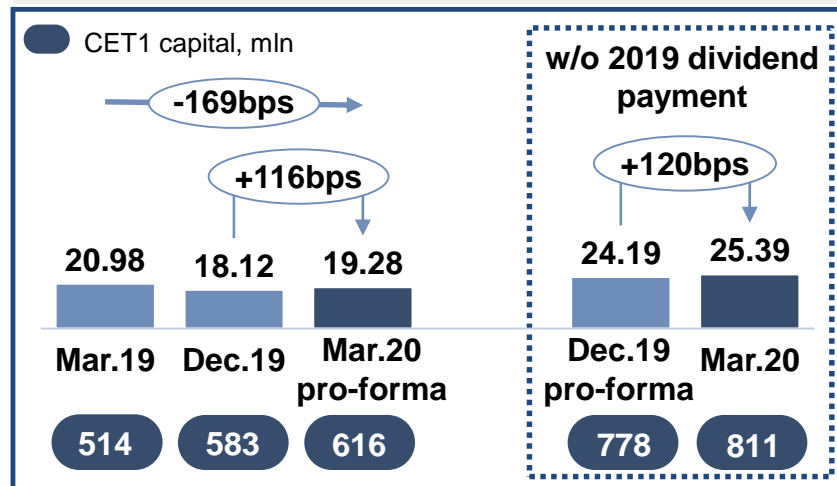
Capital Ratios:

Best in class capital position and low risk balance sheet

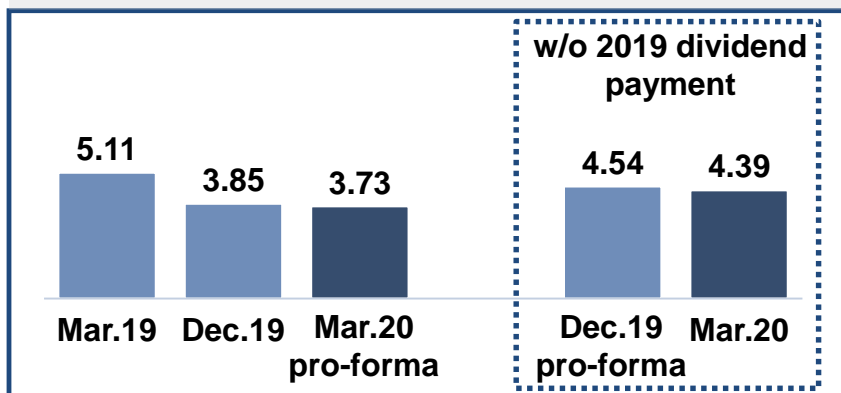
RWA⁽¹⁾, mln



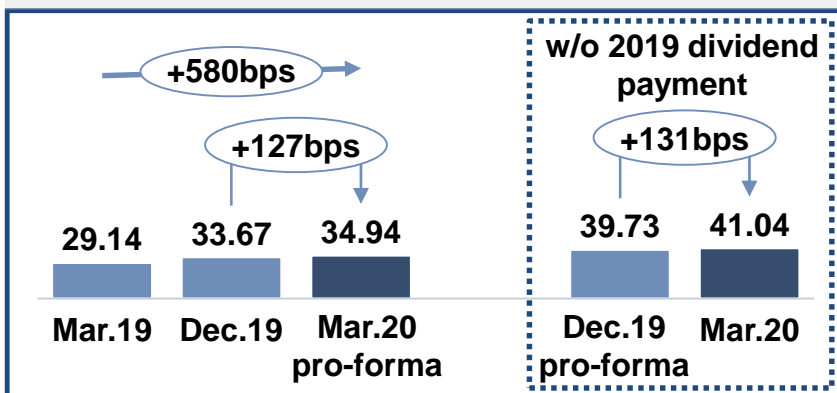
CET1 Ratio, %



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."

(2) CET1 ratio in March 2020 y/y decrease is mainly related to the change of model for calculating operational risks following the exit from UniCredit Group

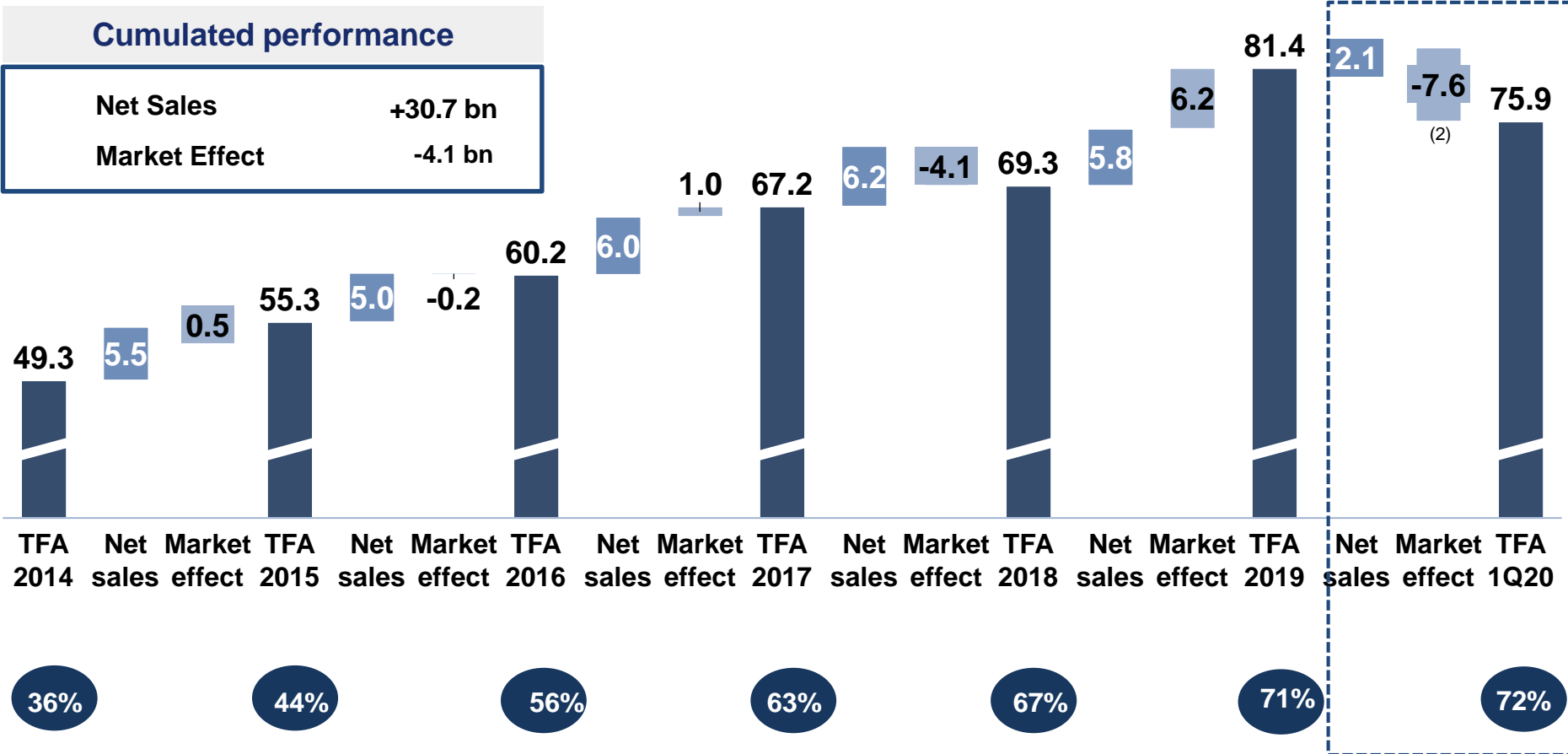
TFA

Relentless TFA growth thanks to a healthy expansion in net sales.
 Guided products & Services increased at 72% of total AuM

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

Cumulated performance

Net Sales	+30.7 bn
Market Effect	-4.1 bn



● Guided products as % of total AuM⁽¹⁾



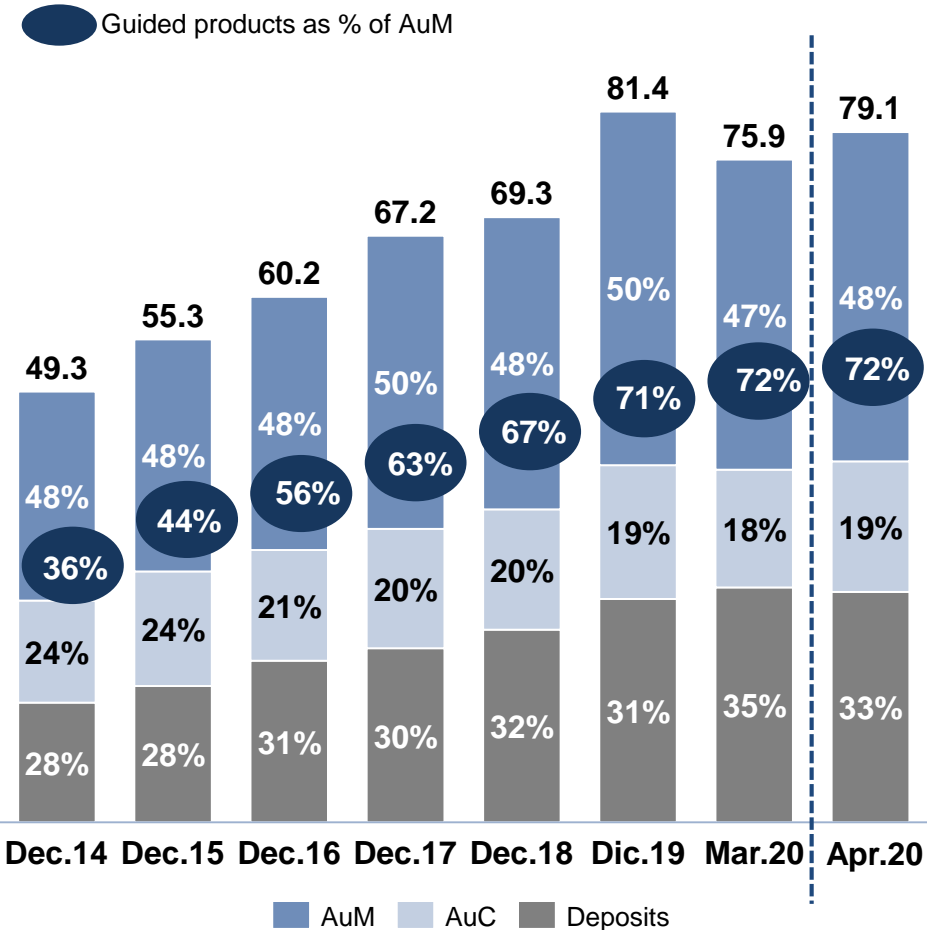
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15 ⁽¹⁾ Calculated as Guided Products end of period divided by Asset under Management end of period
⁽²⁾ 1Q20 market effect: -4.8bn AUM and -2.9bn AUC

TFA breakdown

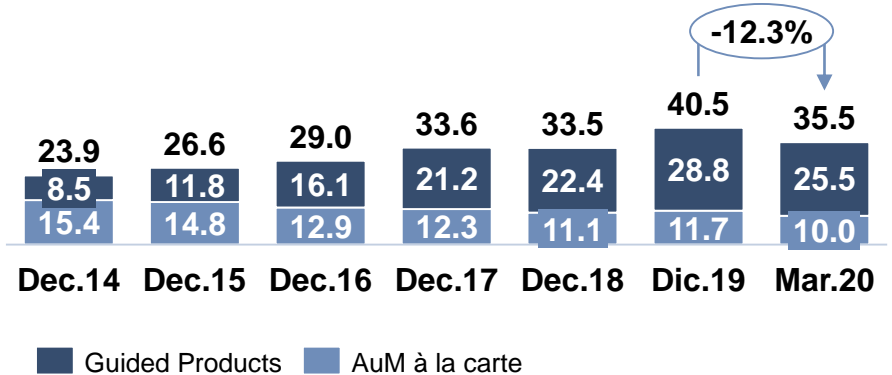
Successful shift towards high added value products thanks to strong productivity of the network. 1Q20 affected by negative market effect

Breakdown of total TFA, bn

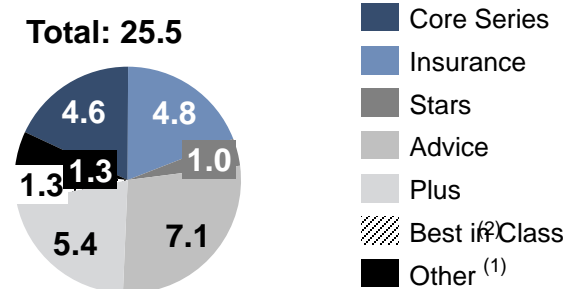


Focus on AUM, bn

+11.6 bn AUM since the end of 2014, o/w:
Guided Products & Services +17.0bn
 AuM à la carte -5.4bn



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

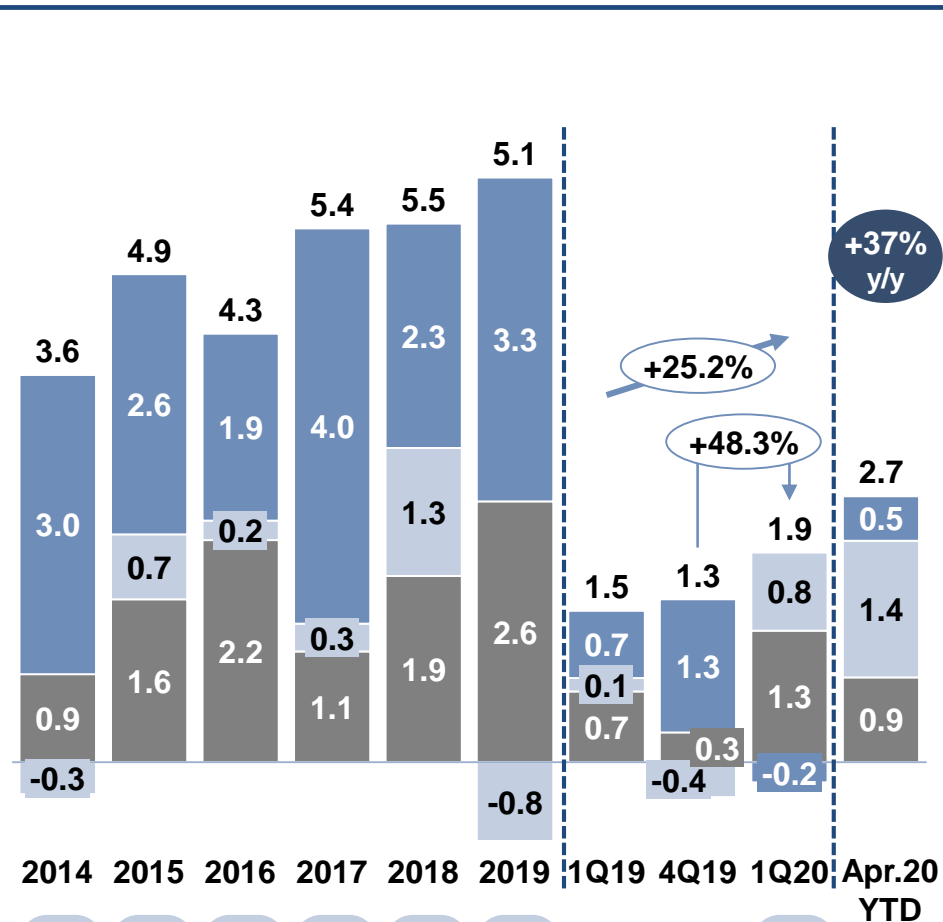
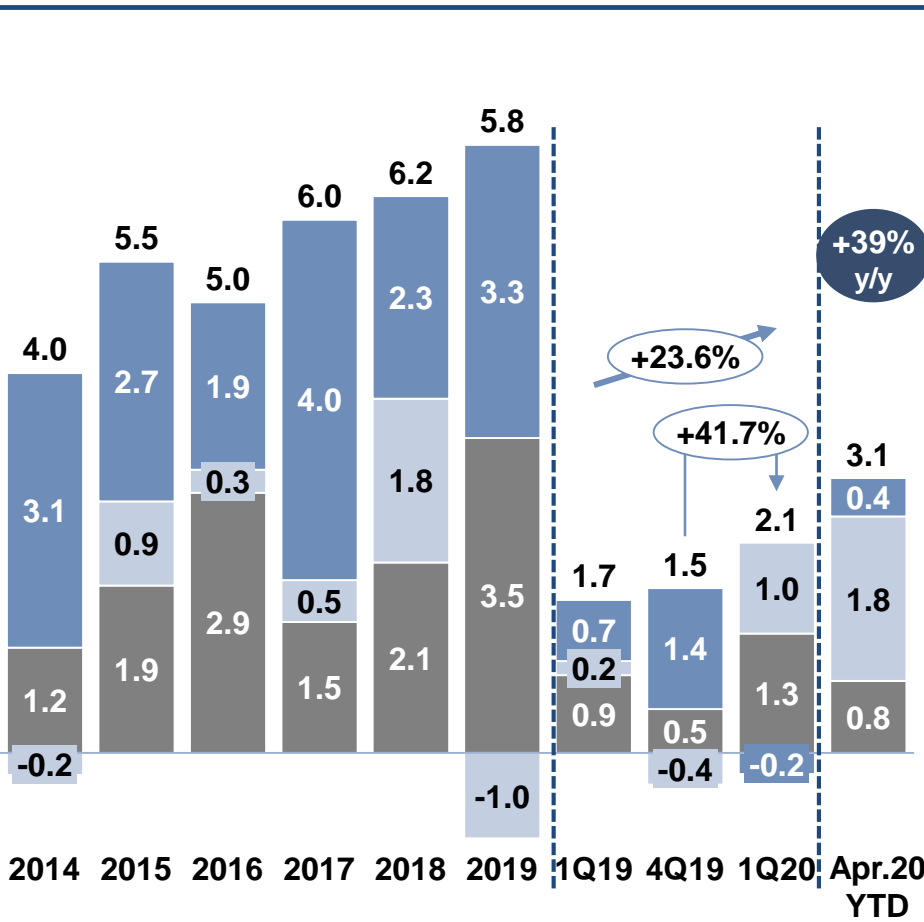
(2) Other includes: Core Funds, PIR and Core Pension, GP Private, FAM Evolution stand-alone

Net sales breakdown

Solid high quality net sales growth on the wave of structural trends thanks to our diversified business model and with a mix affected by complex environment

Breakdown of total Net Sales, bn

PFA Network – total Net Sales, bn



■ AuM ■ AuC ■ Deposits

● PFA Network - headcount

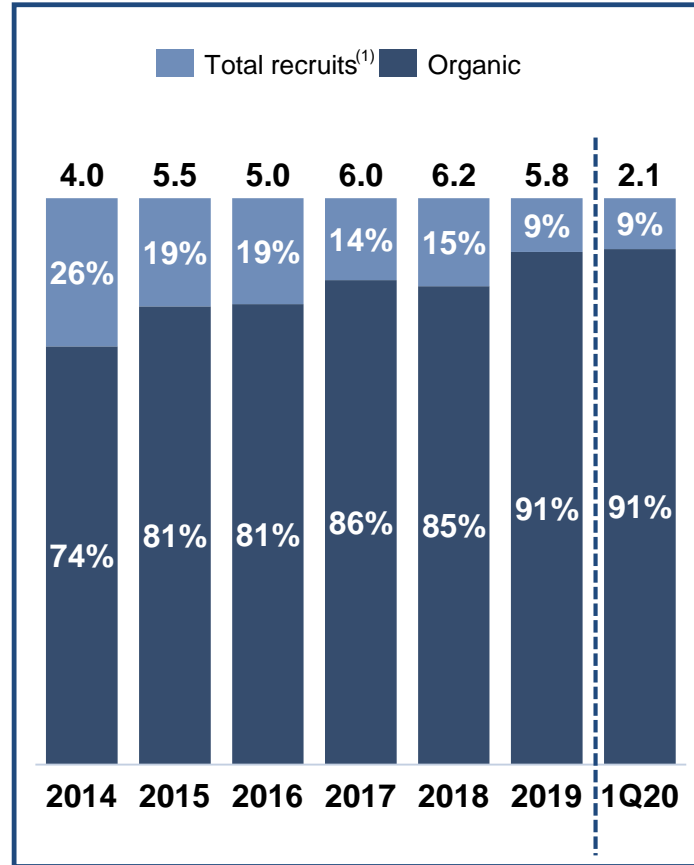
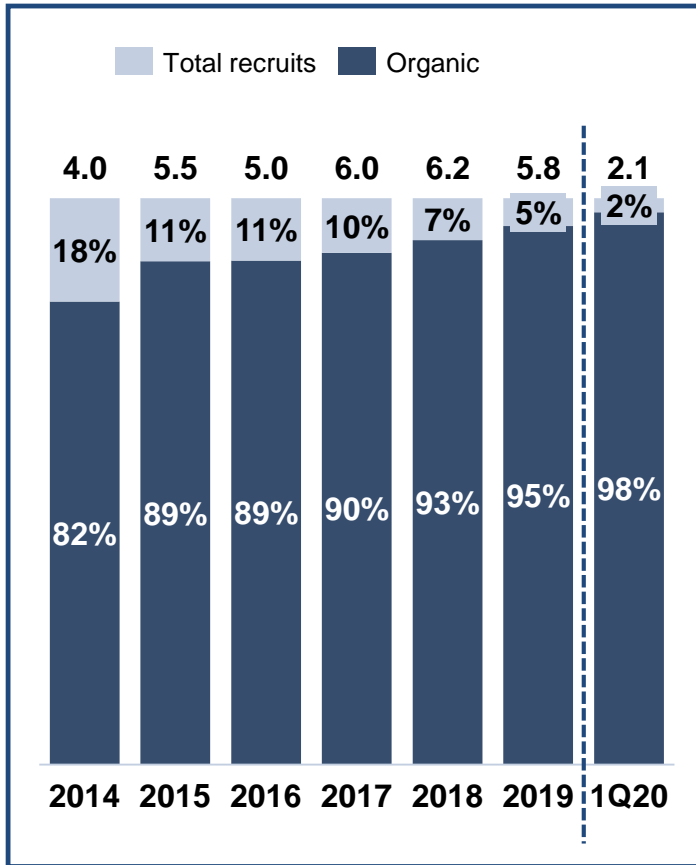


B A N K

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 25.3mln
as of Mar.'20



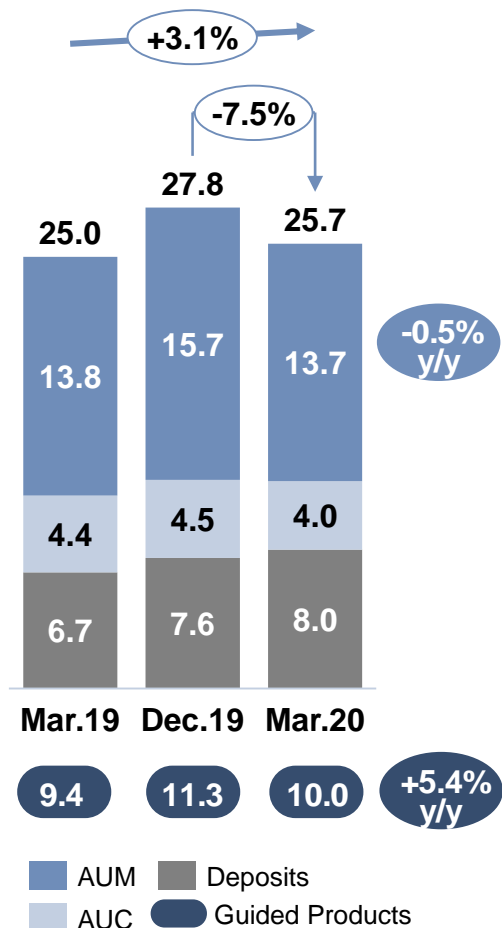
of PFAs recruited in the period

(1) Total recruits include net inflows related to PFAs recruited over the last 24 months (avg)

Continuously increase of quality and productivity of the network, despite negative market effect in the first quarter of the year

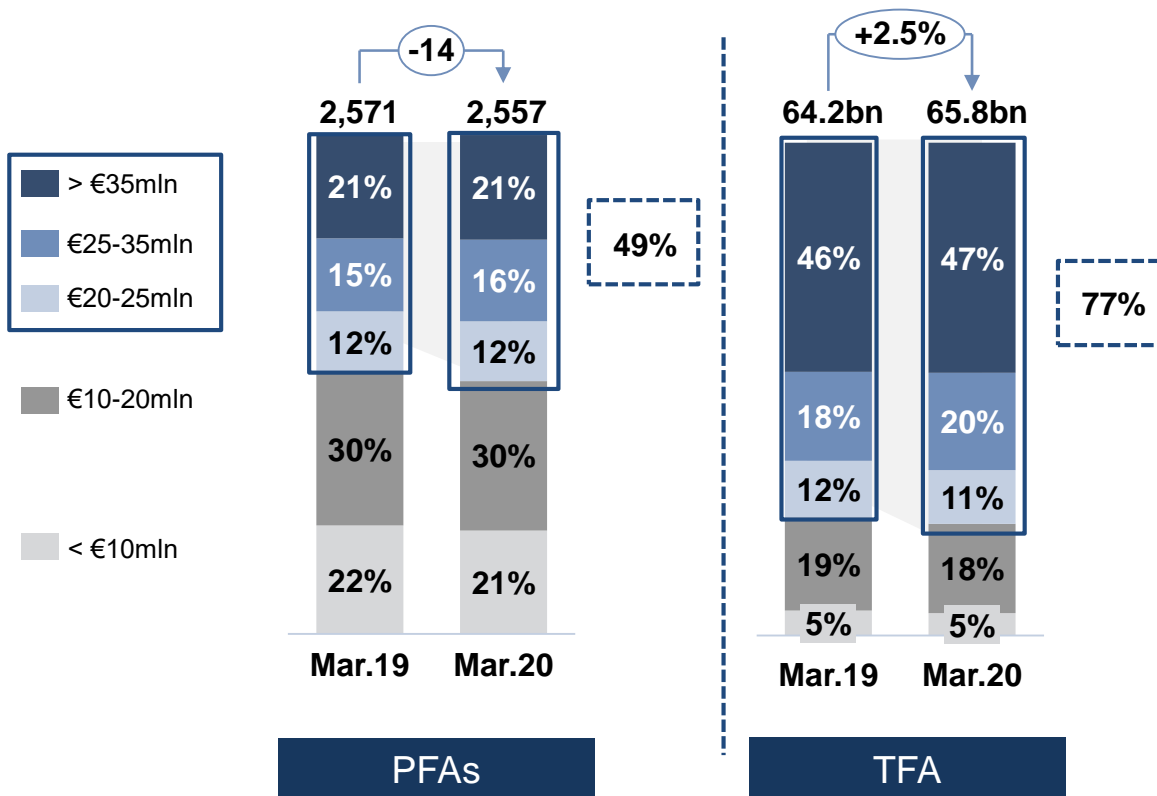
Total Assets per PFA

Eop, mln

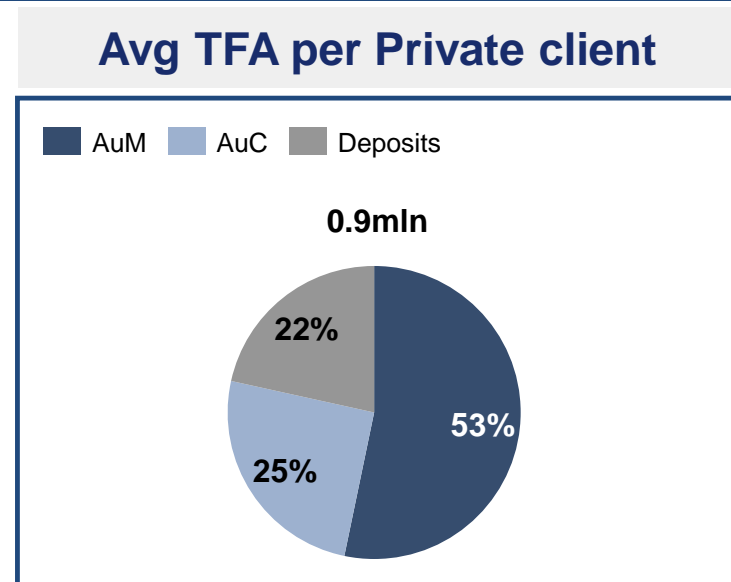
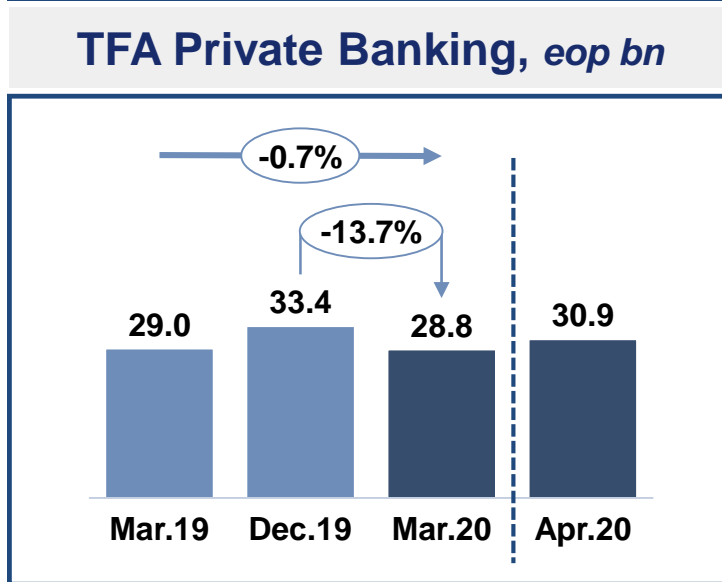
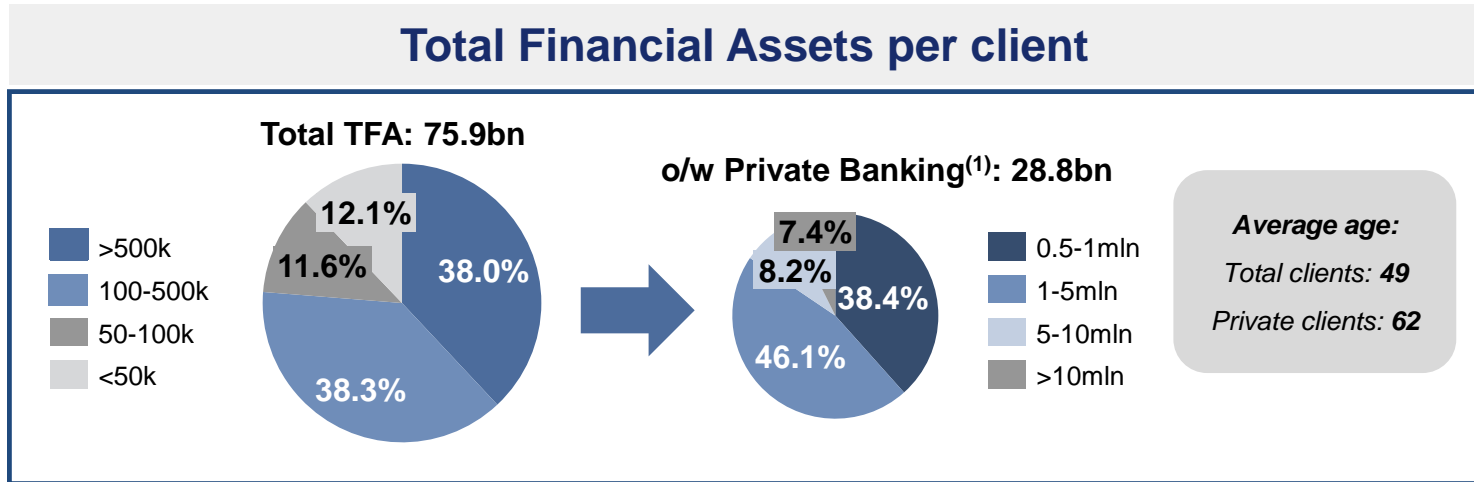


TFA concentration per PFA

PFAs with TFA >20mln are 49% (+3%y/y) and hold 77% of TFA (+2% y/y)



Clients' profile and focus on Private Banking



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

Agenda

- Fineco Results

- Next steps**

- Key messages

- Focus on product areas

2020 Guidance

On track to achieve our expectations for 2020 results although with a different mix

Given current outlook⁽¹⁾, 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 (~2.5bn-3bn expected growth of deposits per year) and lending book (~0.8-1bn new production per year), benefit from ECB's tiering, no change in our investment policy with no increase in Fineco risk profile and a more dynamic management of our Treasury
- **Investing:** every 1bln change of AuM on 1st May generates ~3.6mln revenues starting from 1st May until year-end
- **Brokerage:** acting as countercyclical business. It is expected to remain strong thanks to: 1) the deep reshape of the product offer, 2) the levels of volatility which we expect to be higher than the extremely low levels registered in the past years and 3) to the enlargement of the market (more Italians are interested in financial markets)
- **Banking:** banking fees from smart repricing expected to increase by ~20mln
- **Costs:** we decrease our guidance⁽²⁾ to ~4% yearly growth thanks to our strong operating gearing. This guidance does not include up to ~6.5mln of marketing costs in UK. Cost/Income continuously declining in the long run
- **CET1: floor 17%**, but we expect to stay at ~18% in 2020
- **Leverage Ratio:** very well under control and above 3.5% (for details, see slide 48 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

⁽¹⁾ Forward rate curve as of April 23rd, 2020

⁽²⁾ Costs guidance includes 1.5mln of UK operative costs

Current environment is creating the conditions to further enlarge our growth opportunities

Benefiting from current situation with more positive than negative effects in 2020...

POSITIVES

- ✓ Robust Net sales
- ✓ Booming Brokerage
- ✓ Customers appreciate price/quality
- ✓ Costs savings

NEUTRAL

- ✓ NII
- ✓ Cost of Risk unchanged

NEGATIVES

- ✓ Slowing AUM pace

...and further accelerating our long term growth

Society structurally accelerating towards a **more digitalized world**

Strengths of our business model:
quality, efficiency, innovation

Fintech DNA:
we were born already digital

In the sweet spot to capture the secular trend of **DIGITALIZATION**

Delivering on industrial measures

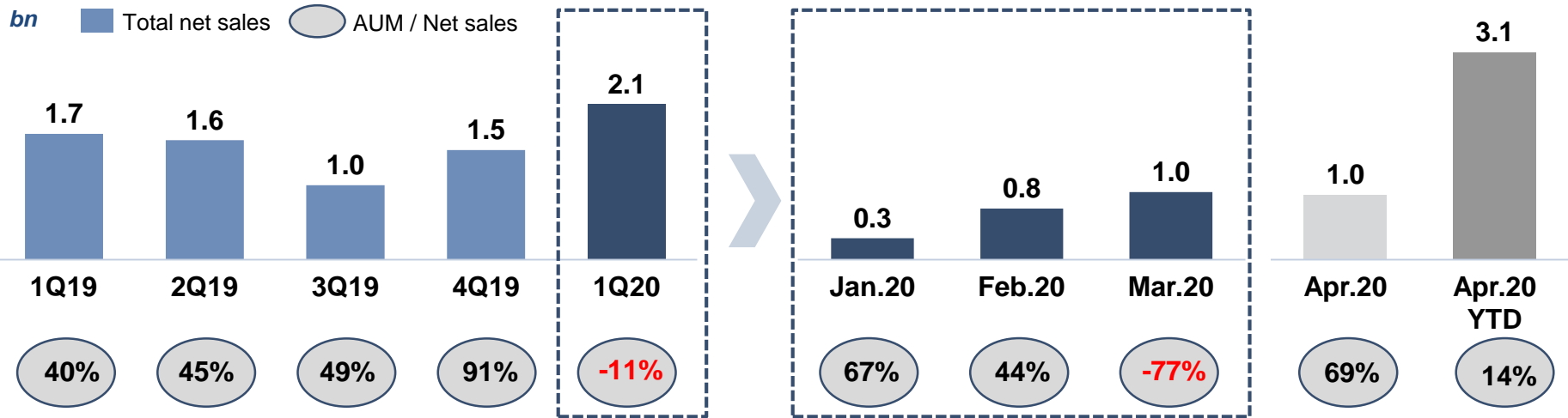
Focus on improving revenues mix and slowing down Balance Sheet growth for a better quality business going forward

Our industrial measures

Well-equipped to deal with clients' conservative approach in challenging market environment thanks to:

- ✓ **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)

April net sales mix improved again after the spike in market volatility during March

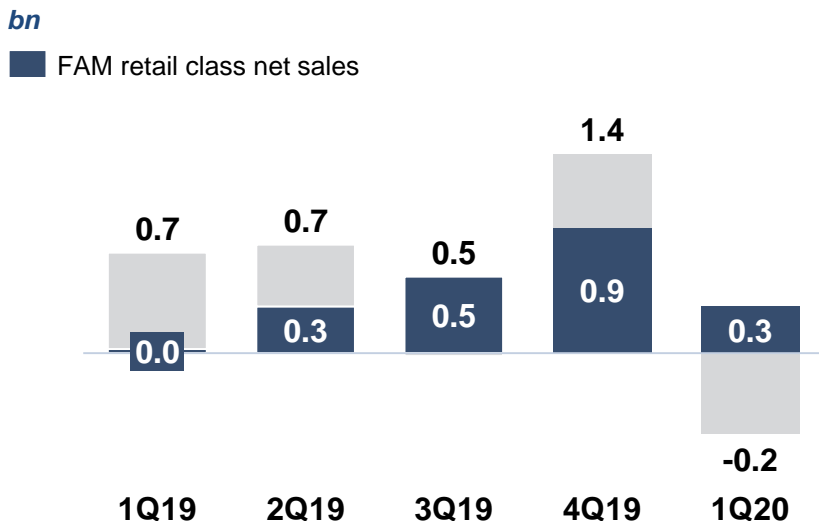


- ✓ March recorded **more than 1bn net sales**, the highest since December 2015, with a **mix** reflecting both the flexible and transparent approach of our **multichannel platform** and the extremely **high volatility of financial markets**
- ✓ **Improved net sales mix in April (AUM at 69% of total net sales)** also thanks to volatility calming down

Delivering on industrial measures

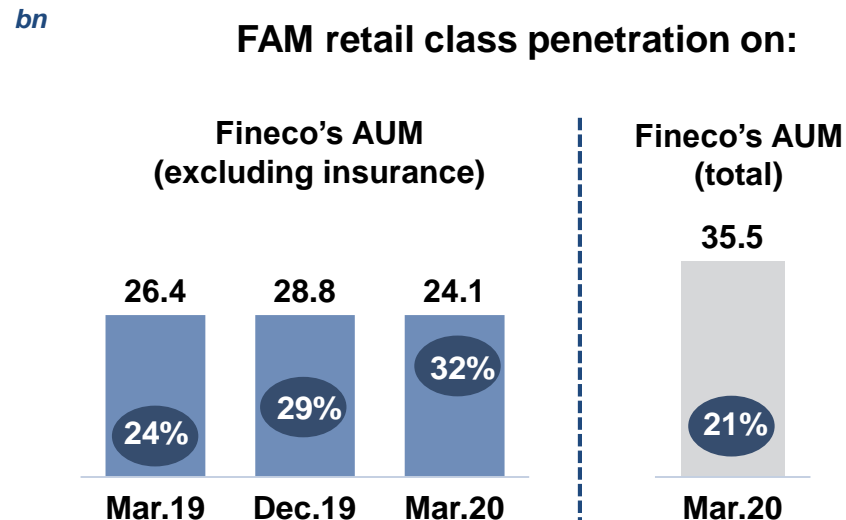
Fineco Asset Management gaining commercial momentum

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**

New solutions suitable for volatile markets:

- 📄 **FAM Global Defence** (launched in March 2020): capital preservation solution for more conservative customers' who want to protect their capital
- 📄 **FAM Target BOOST** (launched in April 2020): an evolution of the decumulation products for customers' who want to take advantage of bear market phases

Agenda

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

3 Pillars: Efficiency, Innovation and Transparency

The keys of our strategy, still leading our sustainable growth



EFFICIENCY

Strong focus on IT & Operations,
more flexibility, less costs



INNOVATION

Anticipate new needs
simplifying customers' life



TRANSPARENCY

Fairness and Respect
for all our stakeholders



We built everything from scratch

Freedom: Freedom to start over «from scratch», build a new bank, **the best you can imagine**

Proprietary back-end: In-house development and automated processes allow an efficient cost structure and fast time to market

Excellent offer: Unique customer user experience, top quality in all services



We were true pioneers

Fineco anticipated a main market trend: digitalization

Moving customer's focus from proximity to service and quality



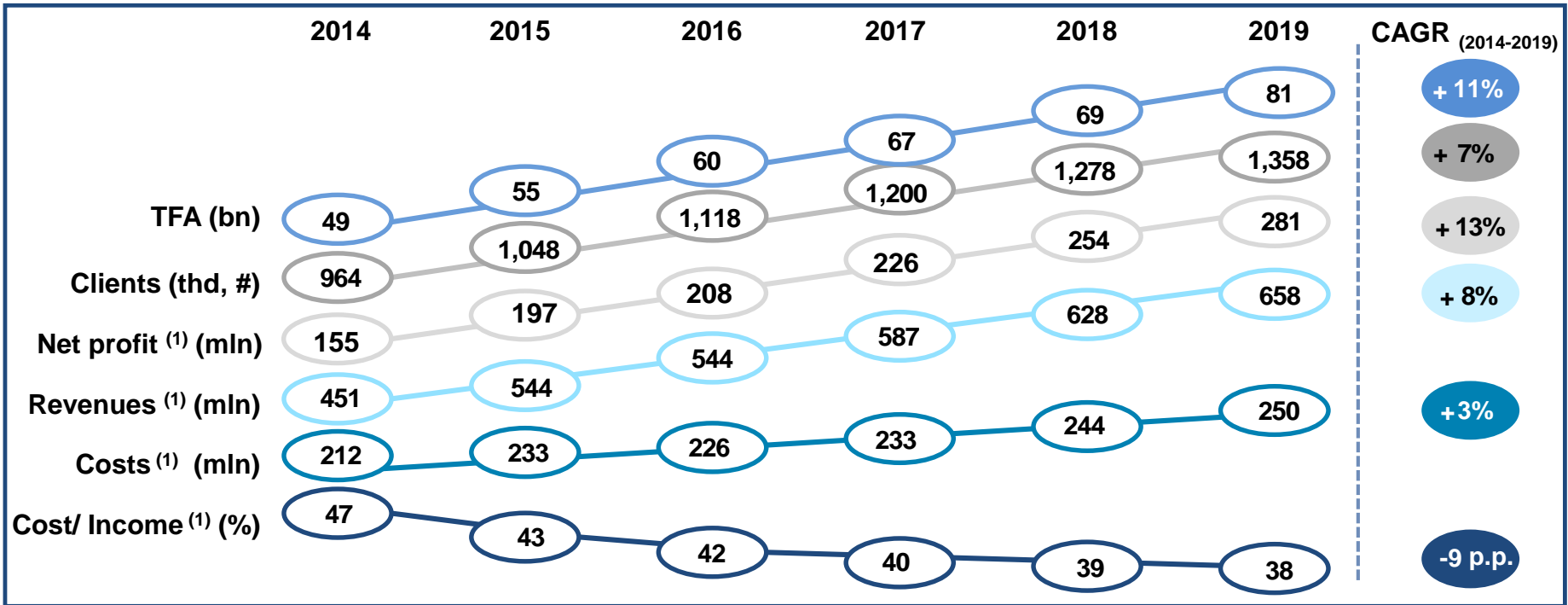
We believe in a "Quality" One Stop Solution

Providing all services in a single account is a distinctive feature but it's not enough.

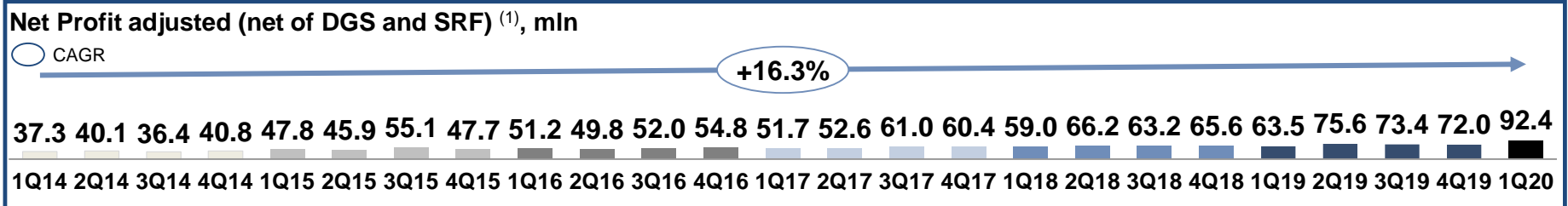
Gaining a competitive edge requires high quality on each single service and product

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



⁽¹⁾ Figures adjusted by non recurring items and Net Profit adjusted net of Deposit Guarantee Scheme and Single Resolution 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)



B A N K

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

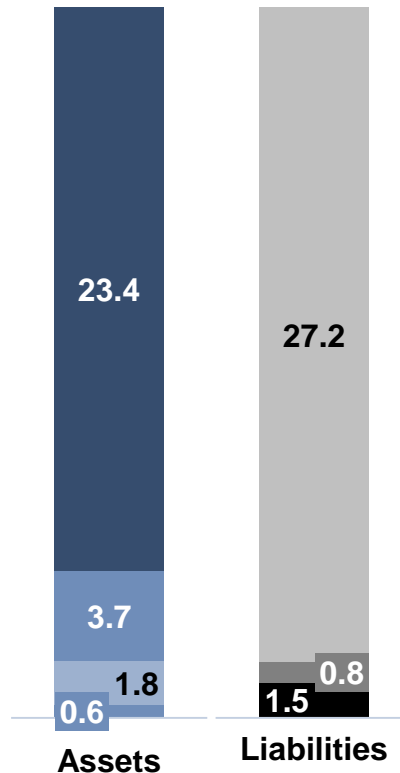
Diversified investment portfolio

- **Investment strategy announced during FY17 results unchanged:** UC bonds run-offs, blend of European government bonds diversified across countries, covered bonds, supranational and agencies
- **99% 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 14bps, cautious approach on mortgages (LTV 54%, avg maturity 19 yrs)
- **Strong competitive advantage leveraging on Big Data Analytics and continuous innovation** (i.e. look-through implementation with significant benefits on CET1 ratio)

29.5 bn



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	pro-forma 19.3%	LCR	~1000%
TCR	pro-forma 34.9%	NSFR ⁽²⁾	261%
		pro-forma	
		LEVERAGE RATIO	3.73%

Financial Assets
 Customer loans
 Due from Banks⁽¹⁾
 Other

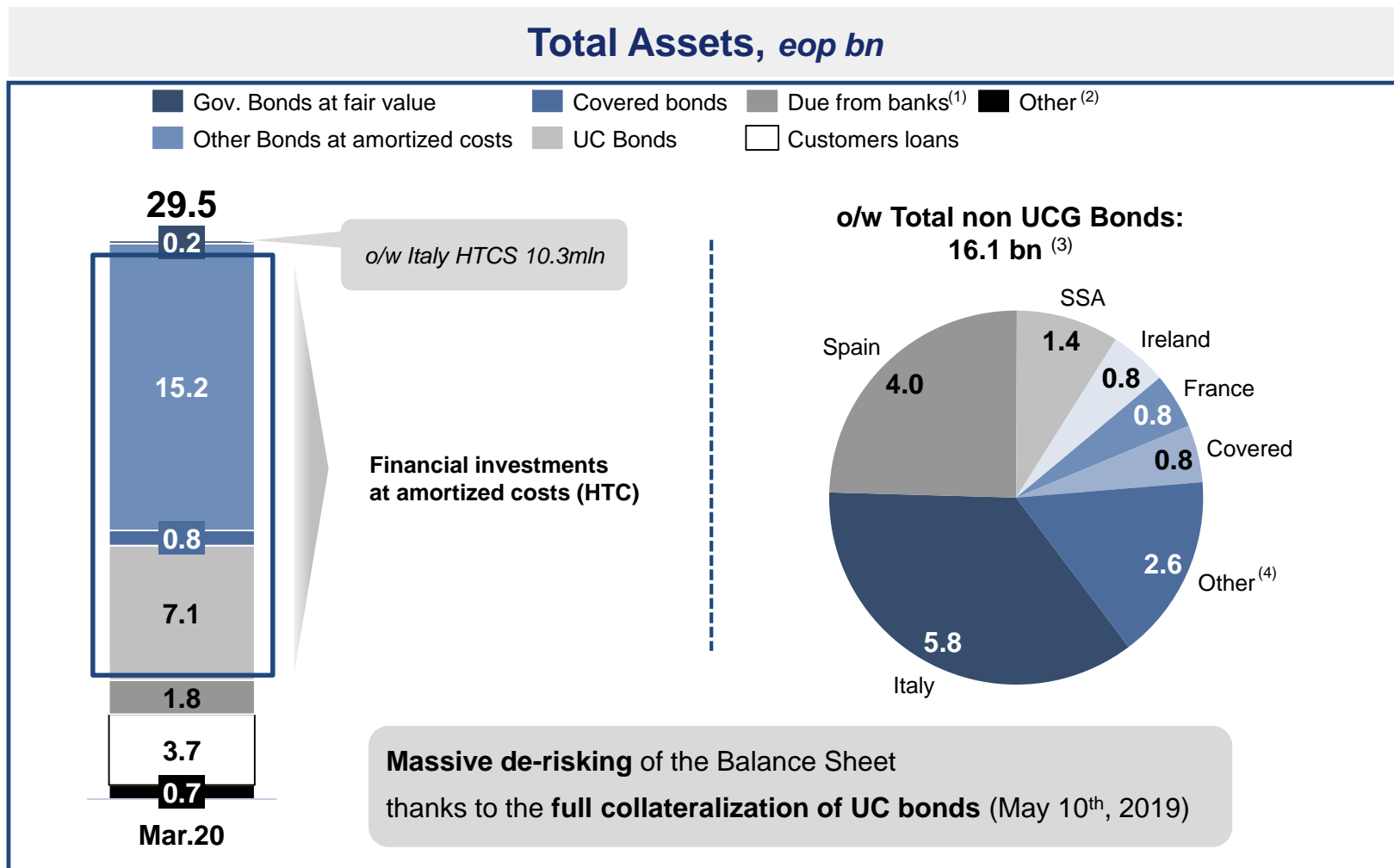
 Customer deposits
 Other liabilities
 Equity

⁽¹⁾ Due from banks includes 1.2bn cash deposited at Bank of Italy as of Mar.20

⁽²⁾ NSFR as of Dec.19

Total assets: 99.5% not exposed to volatility

Out of 29.5, only 0.16bn of Assets valued at fair value with very limited impacts on Equity reserve



⁽¹⁾ Due from banks includes 1.2bn cash deposited at Bank of Italy as of Mar.20

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

⁽³⁾ 16.1bn equal to 15.2bn nominal value, o/w Italy 5.35bn nominal value

⁽⁴⁾ Other : US, Austria, Belgium, Germany, Poland, Portugal, United Kingdom, Luxembourg

Sustainability at the heart of Fineco's business model

Embedding ESG in our Bank's Governance



✓ Our sustainable **growth strategy** is inspired by principles of the most relevant international organisations, consistent with the achievements of the **17 Sustainable Development Goals (SDGs)** of the UN 2030 Agenda

✓ **Appointments and Sustainability Committee** established to supervise the Bank's sustainable growth strategy and ESG plans, together with a Sustainability Management Committee

✓ **Materiality Matrix** defined, to determine the relevant topics for Fineco and its Stakeholders on which Fineco has based its **first Non Financial Statement**



✓ Our **Standard Ethics Rating⁽¹⁾** at **"EE"** was confirmed in 2019, a grade given to sustainable companies with low reputational risk profile and strong prospects for long-term growth. In 2019 Standard Ethics also assigned us an **ESG Award**

✓ **MSCI** has upgraded **FinecoBank's** rating at **"A"** from **"BBB"**

✓ **First Non Financial Disclosure** published in April 2020

Continuously updating our ESG offer

✓ **Around 40% of funds with a rating Morningstar** equal to **"high"**, **"above average"** and **"average"**

✓ **FAM Megatrends** launched in July 2019



✓ **ESG model portfolios** launched within our Advice Platform

✓ **Green mortgages** for the purchase of real estate with energy rating between A and B

✓ **Green and Social Bonds** are included in our covered bonds portfolio

⁽¹⁾ Standard Ethics is an independent agency which assigns Solicited Sustainability Ratings to companies and sovereign issuers. Fineco is included in the Standard Ethics Italian Banks Index[©] and in the Standard Ethics Italian Index, among the major environmental, social and governance performance indices and benchmarks.

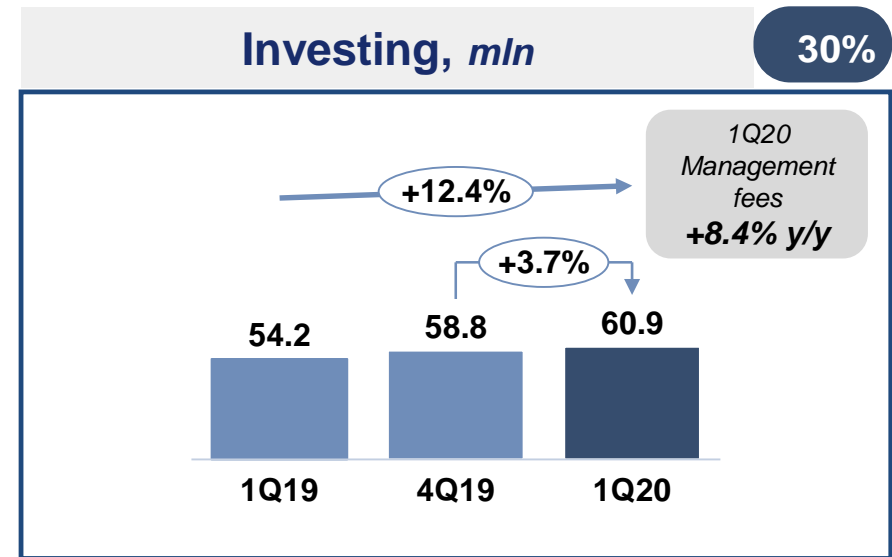
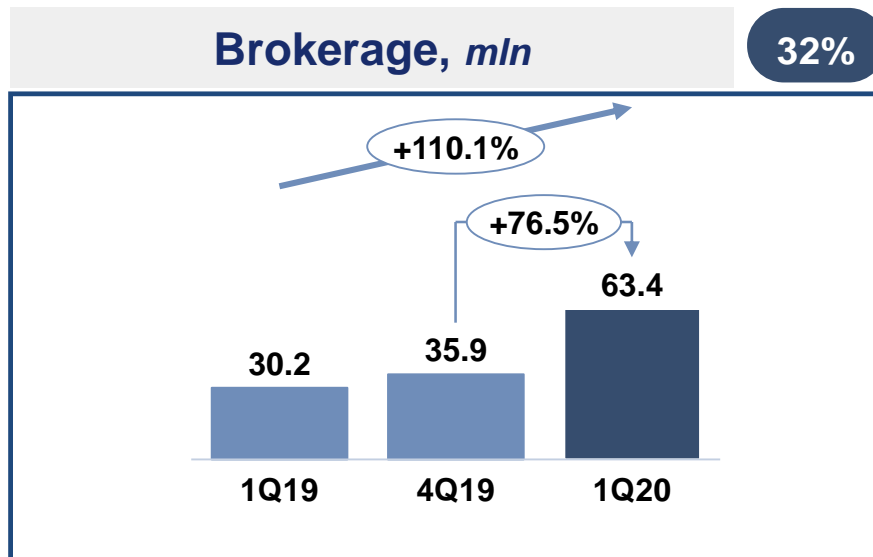
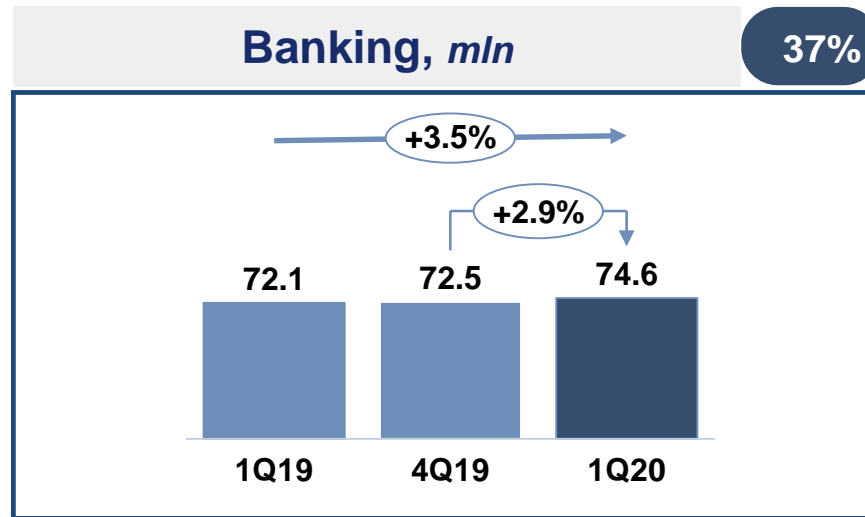
The Standard Ethics Rating is an assessment of sustainability and governance based on the principles and voluntary directions of the United Nations, the Organization for Economic Cooperation and Development (OECD) and the European Union.

Agenda

- 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



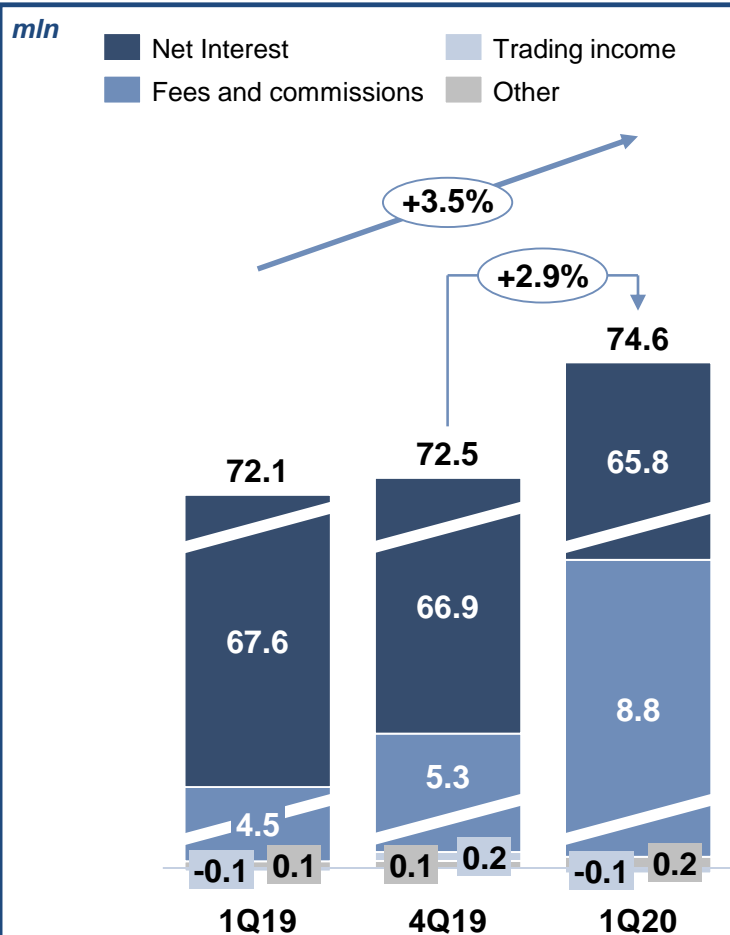
1Q20 weight on total revenues for each product area

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.

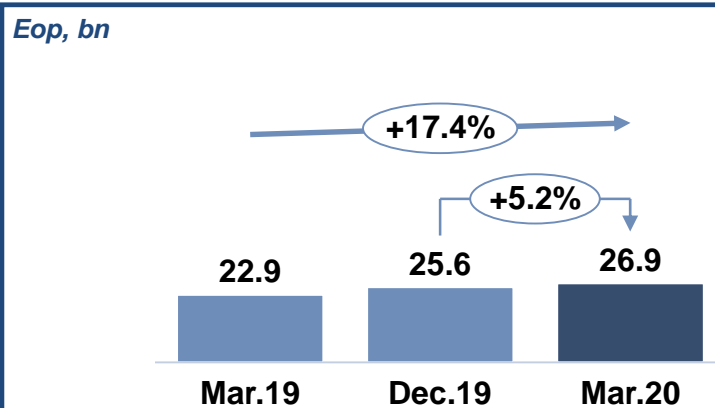
Banking

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

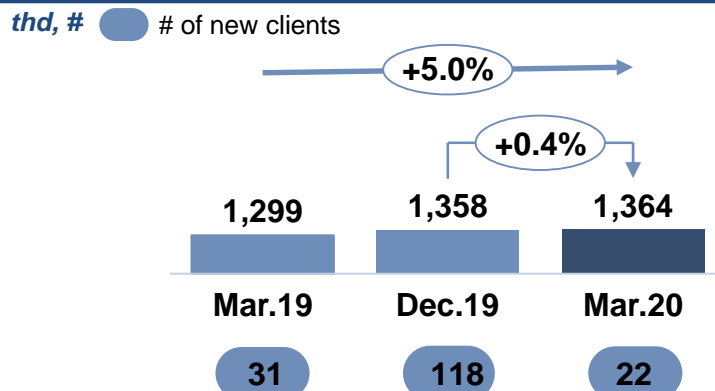
Revenues



Sight deposits



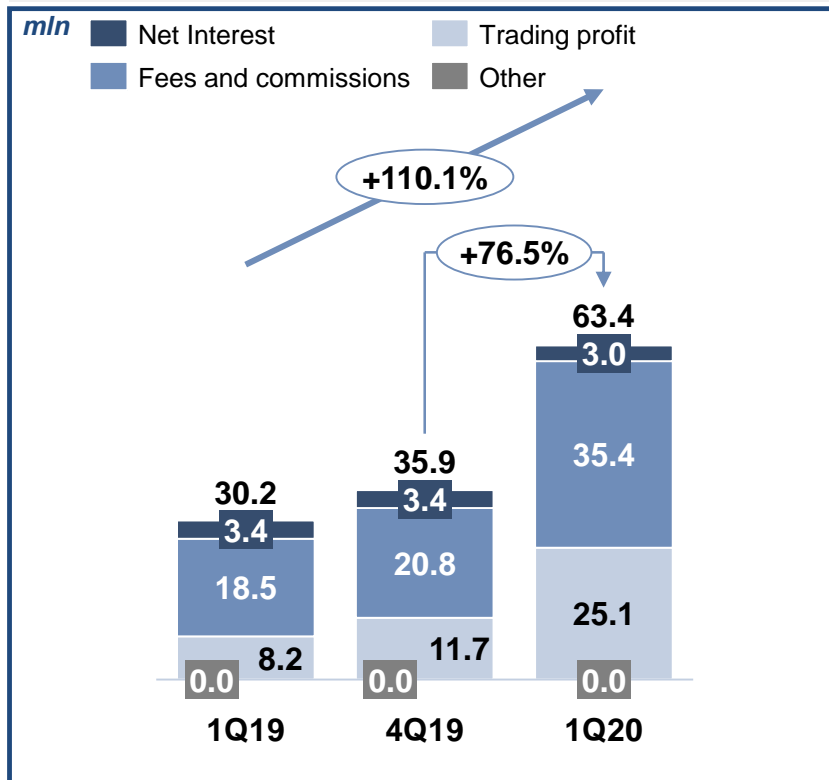
Clients and new clients



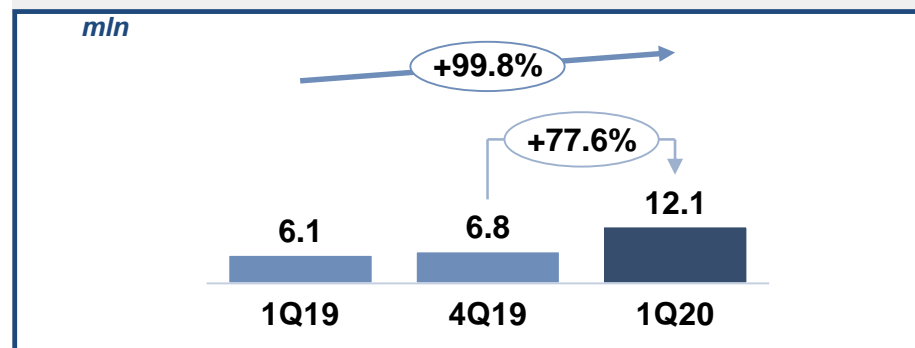
Brokerage

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

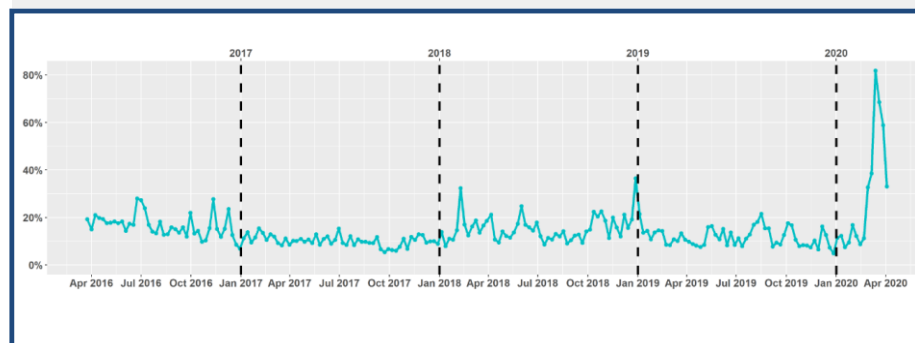
Revenues



Executed orders



Volatility (1)



- **Booming brokerage thanks to skyrocketing volatility in 1Q20 and to the reshape of our product offer**
- **Structural improvement** thanks to larger base of clients/higher market share and the enlargement of the products offer
- **Continuously increasing market share** (i.e. market share on equity traded volumes in Italy at 27.0% in Dec.19⁽²⁾, +2.3p.p. vs Dec.18) confirming Fineco as leader in brokerage

Managerial Data

35

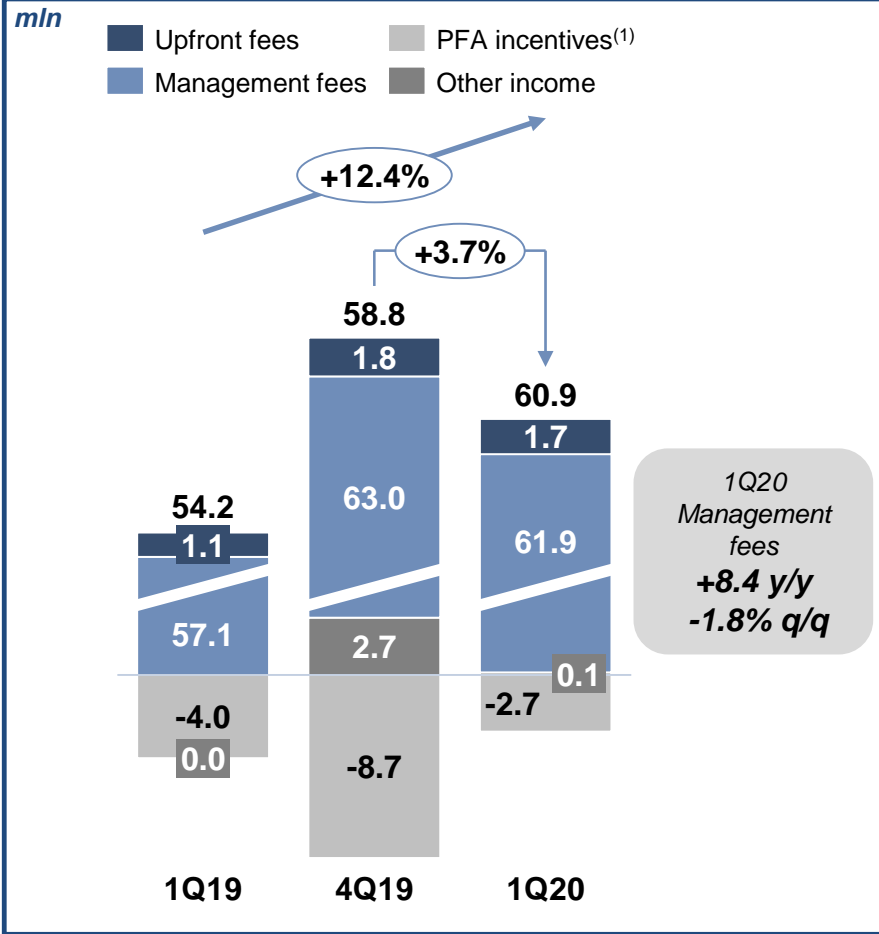
(1) Volatility calculated as avg weekly volatility of BUND, BTP, SP, EUROSTOXX, MINIDAX, DAX, FIB, MINIFIB, NASDAQ, DOW weighted on volumes related to futures traded by our clients

(2) Assosim

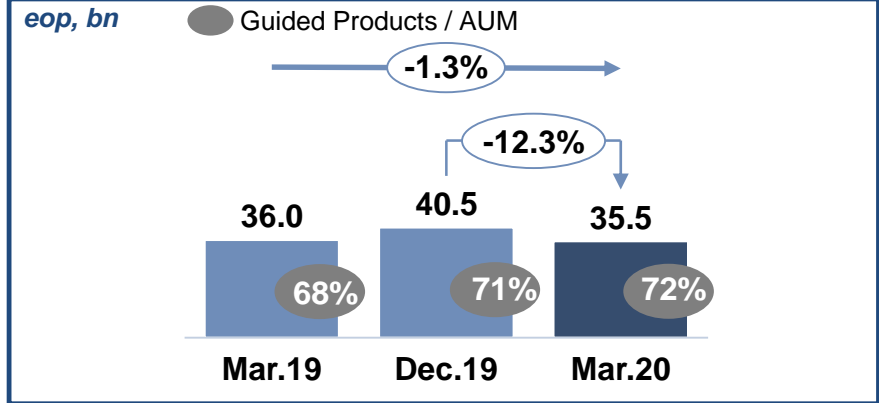
Investing

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

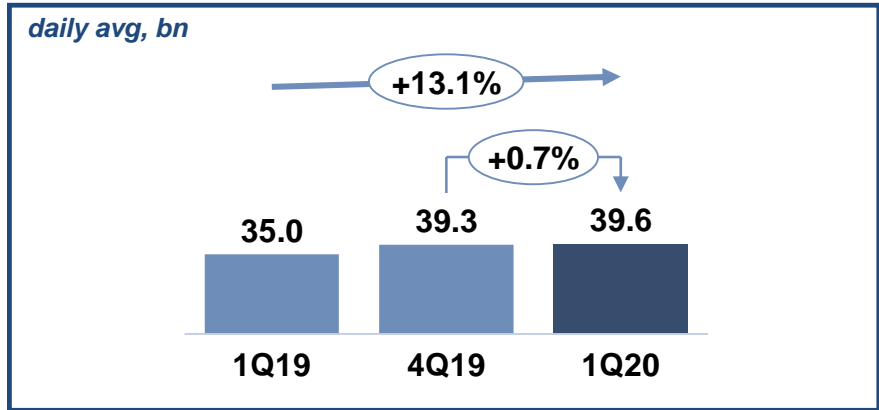
Revenues (Net fees)



Assets under Management



Average Asset under Management



Managerial Data

<i>mln</i>	1Q19	2Q19	3Q19	4Q19	FY19	1Q20
Net interest income	70.4	71.4	69.8	69.7	281.3	68.1
Net commissions	77.4	81.3	84.3	82.3	325.2	105.0
Trading profit	9.8	8.0	11.6	15.3	44.8	26.4
Other expenses/income	0.2	0.3	0.1	2.9	3.6	0.6
Total revenues	157.7	161.1	165.8	170.2	654.8	200.1
Staff expenses	-21.7	-22.4	-22.5	-23.6	-90.2	-24.0
Other admin.exp. net of recoveries	-38.5	-34.4	-29.4	-34.3	-136.6	-36.5
D&A	-5.1	-5.4	-5.8	-6.6	-22.9	-6.1
Operating expenses	-65.3	-62.3	-57.6	-64.4	-249.6	-66.5
Gross operating profit	92.5	98.8	108.2	105.8	405.2	133.6
Provisions	-1.0	-2.9	-19.8	-3.5	-27.1	-1.1
LLP	-1.3	1.1	-1.2	-0.6	-2.0	-1.0
Profit from investments	-0.7	6.5	0.4	1.1	7.4	-0.1
Profit before taxes	89.5	103.5	87.6	102.8	383.5	131.4
Income taxes	-27.3	-31.7	-26.6	-9.6	-95.1	-40.0
Net profit for the period	62.3	71.8	61.0	93.2	288.4	91.4
Net profit adjusted ⁽¹⁾	63.5	75.6	61.7	71.6	272.3	92.2
Non recurring items (mln, gross)						
	1Q19	2Q19	3Q19	4Q19	FY19	1Q20
<i>Extraord systemic charges (Trading Profit) ⁽²⁾</i>	-0.4	-4.3	0.4	1.4	-3.0	-1.2
<i>Patent Box</i>	-0.9	-0.9	-0.9	20.7	18.1	0.0
Total	-1.3	-5.2	-0.5	22.1	15.1	-1.2

⁽¹⁾ Net of non recurring items

⁽²⁾ Voluntary Scheme valuation

P&L net of non recurring items

<i>mln</i>	1Q19 Adj. ⁽¹⁾	2Q19 Adj. ⁽¹⁾	3Q19 Adj. ⁽¹⁾	4Q19 Adj. ⁽¹⁾	FY19 Adj. ⁽¹⁾	1Q20 Adj. ⁽¹⁾	1Q20/ 1Q19	1Q20/ 4Q19
Net interest income	70.4	71.4	69.8	69.7	281.3	68.1	-3.2%	-2.3%
Net commissions	77.4	81.3	84.3	82.3	325.2	105.0	35.8%	27.7%
Trading profit	10.3	12.3	11.2	13.9	47.7	27.6	168.9%	98.4%
Other expenses/income	0.2	0.3	0.1	2.9	3.6	0.6	191.0%	-80.5%
Total revenues	158.2	165.4	165.4	168.8	657.8	201.3	27.2%	19.2%
Staff expenses	-21.7	-22.4	-22.5	-23.6	-90.2	-24.0	10.9%	1.9%
Other admin.expenses	-38.5	-34.4	-29.4	-34.3	-136.6	-36.5	-5.3%	6.3%
D&A	-5.1	-5.4	-5.8	-6.6	-22.9	-6.1	17.8%	-7.8%
Operating expenses	-65.3	-62.3	-57.6	-64.4	-249.6	-66.5	1.9%	3.2%
Gross operating profit	92.9	103.1	107.8	104.4	408.2	134.8	45.1%	29.1%
Provisions	-1.0	-2.9	-19.8	-3.5	-27.2	-1.1	14.6%	-68.2%
LLP	-1.3	1.1	-1.2	-0.6	-2.0	-1.0	-24.1%	61.3%
Profit from investments	-0.7	6.5	0.4	1.1	7.4	-0.1	-86.5%	-107.9%
Profit before taxes	90.0	107.8	87.2	101.4	386.4	132.6	47.3%	30.8%
Income taxes	-26.5	-32.2	-25.6	-29.8	-114.2	-40.4	52.1%	35.4%
Net profit adjusted ⁽¹⁾	63.5	75.6	61.7	71.6	272.3	92.2	45.4%	28.9%

⁽¹⁾ Net of non recurring items (see page 38 for details)

1Q20 P&L FinecoBank and Fineco Asset Management

<i>mln</i>	Fineco Asset Management	FinecoBank Individual	FinecoBank Consolidated
Net interest income		68.1	68.1
Dividends		0.0	0.0
Net commissions	16.6	88.4	105.0
Trading profit	0.1	26.3	26.4
Other expenses/income	0.1	0.5	0.6
Total revenues	16.8	183.3	200.1
Staff expenses	-0.8	-23.2	-24.0
Other admin.exp. net of recoveries	-1.1	-35.4	-36.5
D&A	-0.1	-6.0	-6.1
Operating expenses	-1.9	-64.6	-66.5
Gross operating profit	14.9	118.7	133.6
Provisions		-1.1	-1.1
LLP		-0.9	-1.0
Profit on Investments		-0.1	-0.1
Profit before taxes	14.9	116.5	131.4
Income taxes	-1.9	-38.1	-40.0
Net profit for the period	13.0	78.5	91.4

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
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
<i>Net Margin</i>		1.17%		1.13%		1.02%		1.01%		1.08%		0.98%
<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%
Security Lending	0.6	836	0.4	386	0.0	0	0.3	307	1.4	382	0.7	634
<i>Net Margin</i>		0.32%		0.44%		0.00%		0.44%		0.37%		0.44%
Leverage - Long	2.7	129	3.2	153	3.3	157	3.3	154	12.4	148	2.9	137
<i>Net Margin</i>		8.45%		8.35%		8.38%		8.38%		8.39%		8.42%
Lending	10.5	2,611	10.8	2,754	11.1	2,912	10.9	3,050	43.3	2,832	11.0	3,293
<i>Net Margin</i>		1.62%		1.58%		1.51%		1.42%		1.53%		1.34%
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
<i>Net Margin</i>		1.14%		1.14%		1.10%		1.07%		1.11%		1.05%
o/w Cards	1.2	245	1.2	252	1.2	282	1.2	265	4.9	261	1.2	242
<i>Net Margin</i>		2.00%		1.92%		1.74%		1.87%		1.88%		2.02%
o/w Personal loans	4.6	441	4.6	448	4.6	457	4.5	459	18.3	451	4.5	462
<i>Net Margin</i>		4.20%		4.09%		3.98%		3.92%		4.05%		3.93%
o/w Mortgages	1.8	886	1.9	942	2.0	1,005	1.8	1,084	7.4	979	1.8	1,273
<i>Net Margin</i>		0.80%		0.82%		0.79%		0.64%		0.76%		0.57%
Other	-0.5		-1.0		-0.4		-0.8		-2.8		-1.3	
Total	70.4		71.4		69.8		69.7		281.3		68.1	
Gross Margin		1.26%		1.25%		1.17%		1.11%		1.20%		1.08%
Cost of Deposits		-0.05%		-0.04%		-0.04%		-0.03%		-0.04%		-0.03%

(1)

Volumes and margins: average of the period
 Net margin calculated on real interest income and expenses
 2019 quarterly figures have been reclassified due to a managerial recast

(1) Other includes mainly marketing costs

UniCredit bonds underwritten

	ISIN	Currency	Amount (€ m)	Maturity	Indexation	Spread
1	IT0005010365	Euro	382.5	10-Apr-20	Euribor 1m	2.47%
2	IT0005010308	Euro	382.5	9-Jul-20	Euribor 1m	2.49%
3	IT0005010381	Euro	382.5	7-Oct-20	Euribor 1m	2.52%
4	IT0005010332	Euro	382.5	6-Jan-21	Euribor 1m	2.54%
5	IT0005010316	Euro	382.5	6-Apr-21	Euribor 1m	2.56%
6	IT0005010340	Euro	382.5	5-Jul-21	Euribor 1m	2.58%
7	IT0005010225	Euro	382.5	18-Oct-21	Euribor 1m	2.60%
8	IT0005040099	Euro	100.0	24-Jan-22	Euribor 1m	1.46%
9	IT0005057994	Euro	200.0	11-Apr-22	Euribor 1m	1.43%
10	IT0005083743	Euro	300.0	28-Jan-22	Euribor 1m	1.25%
11	IT0005106189	Euro	230.0	20-Apr-20	Euribor 1m	0.90%
12	IT0005114688	Euro	180.0	19-May-22	Euribor 1m	1.19%
13	IT0005120347	Euro	700.0	27-Jun-22	Euribor 1m	1.58%
14	IT0005144065	Euro	450.0	14-Nov-22	Euribor 3m	1.40%
15	IT0005144073	Euro	350.0	15-Nov-21	Euribor 3m	1.29%
16	IT0005158412	Euro	250.0	23-Dec-22	Euribor 3m	1.47%
17	IT0005163180	Euro	600.0	11-Feb-23	Euribor 3m	1.97%
18	IT0005175135	Euro	100.0	24-Mar-23	Euribor 3m	1.58%
19	IT0005217606	Euro	350.0	11-Oct-23	Euribor 3m	1.65%
20	IT0005241317	Euro	622.5	2-Feb-24	Euribor 3m	1.52%
Total		Euro	7,110.0		Euribor 1m	1.92%

In order to calculate an average spread on Eur1m, an average basis swap of 0.08% is considered

Details on Net Commissions

<i>mln</i>	1Q19	2Q19	3Q19	4Q19	FY19	1Q20
Brokerage	18.5	18.0	20.0	20.8	77.3	35.4
<i>o/w</i>						
Equity	15.6	14.7	15.9	17.0	63.2	30.0
Bond	0.9	0.9	1.4	0.7	3.9	1.0
Derivatives	2.3	2.2	2.7	2.6	9.7	4.5
Other commissions ⁽¹⁾	-0.2	0.2	0.0	0.6	0.5	-0.2
Investing	54.2	57.6	58.3	56.1	226.2	60.8
<i>o/w</i>						
Placement fees	1.1	1.3	1.1	1.8	5.4	1.7
Management fees	57.1	59.7	61.5	63.0	241.3	61.9
to PFA's: incentives	-3.0	-4.3	-3.6	-8.0	-18.9	-2.5
to PFA's: LTI	-1.0	0.8	-0.7	-0.7	-1.6	-0.2
Banking	4.5	5.6	5.9	5.3	21.3	8.8
Other	0.1	0.1	0.1	0.1	0.4	0.0
Total	77.4	81.3	84.3	82.3	325.2	105.0

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

Revenues breakdown by Product Area

<i>mln</i>	1Q19	2Q19	3Q19	4Q19	FY19	1Q20
Net interest income	67.6	68.8	67.0	66.9	270.3	65.8
Net commissions	4.5	5.6	5.9	5.3	21.3	8.8
Trading profit	-0.1	-0.1	-0.2	0.2	-0.2	-0.1
Other	0.1	0.1	0.1	0.1	0.4	0.2
Total Banking	72.1	74.3	72.7	72.5	291.7	74.6
Net interest income	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
Trading profit	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
Total Investing	54.2	57.6	58.3	58.8	228.9	60.9
Net interest income	3.4	3.7	3.4	3.4	14.0	3.0
Net commissions	18.5	18.0	20.0	20.8	77.3	35.4
Trading profit	8.2	9.9	11.5	11.7	41.3	25.1
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total Brokerage	30.2	31.6	34.9	35.9	132.6	63.4

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.

IFRS 9 P&L impacts

<i>mln</i>	1Q19	2Q19	3Q19	4Q19	1Q20
Trading Profit	0.8	-3.6	0.6	1.9	-2.3
<i>Visa</i>	1.2	0.7	0.2	0.4	-1.1
<i>Voluntary Scheme</i>	-0.4	-4.3	0.4	1.4	-1.2
Loan Loss Provisions	-1.0	3.1	-0.0	0.0	0.0
Profit on Investments	-0.7	6.5	0.4	1.1	-0.1
<i>Govies</i>	0.2	-0.8	-0.1	1.1	-0.1
<i>UC Bonds</i>	-0.8	7.3	0.5	-0.0	0.0
Total impacts from IFRS 9	-0.9	5.9	1.1	3.0	-2.3

Accounting standard IFRS 9, starting from January 1st, 2018, introduced a new impairment accounting model for credit exposures and resulted in an extension of the Bank's scope of recognition.

In detail, P&L IFRS 9 impacted:

- Trading Profit: impacts from VISA and Voluntary Scheme valuation
- Loan Loss Provisions: impacts from deposits with UniCredit
- Profit on Investments: valuation on UniCredit Bonds and Government Bonds

Breakdown Total Financial Assets

<i>mln</i>	Mar.19	Jun.19	Sep.19	Dec.19	Mar.20
AUM	35,988	36,819	38,325	40,505	35,516
o/w Funds and Sicav	26,361	26,426	27,477	28,786	24,122
o/w Insurance	8,401	9,002	9,369	10,115	9,961
o/w GPM	1	26	55	93	127
o/w AuC + deposits under advisory	1,225	1,365	1,425	1,512	1,307
<i>o/win Advice</i>	572	600	603	598	516
<i>o/win Plus</i>	653	765	822	914	792
AUC	15,187	15,229	15,158	15,324	13,485
o/w Equity	9,137	9,207	9,573	9,841	8,308
o/w Bond	6,037	6,011	5,575	5,448	5,147
o/w Other	13	12	11	35	30
Direct Deposits	22,941	23,844	25,099	25,590	26,925
o/w Sight	22,938	23,842	25,098	25,588	26,924
o/w Term	2	2	2	1	1
Total	74,116	75,892	78,583	81,419	75,927
<i>o/w Guided Products & Services</i>	24,301	25,354	26,697	28,788	25,486
<i>o/w TFA Private Banking</i>	29,041	29,970	31,891	33,437	28,844

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
Due from Banks ⁽¹⁾	3,807	1,941	2,033	1,320	1,801
Customer Loans	3,029	3,409	3,568	3,680	3,741
Financial Assets	19,012	19,920	21,532	22,313	23,414
Tangible and Intangible Assets	243	242	247	279	280
Derivatives	29	49	72	65	76
Other Assets	259	274	308	366	207
Total Assets	26,380	25,835	27,760	28,023	29,519
Customer Deposits	23,311	24,140	25,429	25,920	27,202
Due to Banks	1,605	207	188	155	331
Derivatives	32	84	156	95	144
Funds and other Liabilities	393	477	698	471	365
Equity	1,040	928	1,289	1,382	1,477
Total Liabilities and Equity	26,380	25,835	27,760	28,023	29,519

⁽¹⁾ Due from banks includes: 1.2bn cash and 0.3bn compulsory reserves deposited at Bank of Italy as of Mar.2020; 1.2bn cash deposited at Bank of Italy as of June 2019, 1.2bn cash and 0.2bn compulsory reserves deposited at Bank of Italy as of Sept. 2019, and 0.8bn cash and 0.3bn compulsory reserves deposited at Bank of Italy 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 GUIDANCE:** Leverage Ratio above 3.5% considering a growth of deposits in a range between 2.5-3bn per year

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⁽¹⁾ 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%.**

⁽¹⁾ 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
PFA TFA/ PFA (mln) ⁽¹⁾	25.0	25.6	26.6	27.8	25.7
Guided Products / TFA ⁽²⁾	33%	33%	34%	35%	34%
Cost / income Ratio ⁽³⁾	41.3%	39.4%	37.9%	37.9%	33.0%
CET 1 Ratio ⁽⁴⁾	21.0%	17.8%	17.4%	18.1%	19.3%
Adjusted RoE ⁽⁵⁾	31.2%	34.0%	27.3%	27.5%	30.7%
Leverage Ratio ⁽⁶⁾	5.11%	2.89%	3.85%	3.85%	3.73%

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

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

⁽³⁾ C/I ratio net of non recurring items (see page 38) calculated as Operating Costs divided by Revenues net of non recurring items

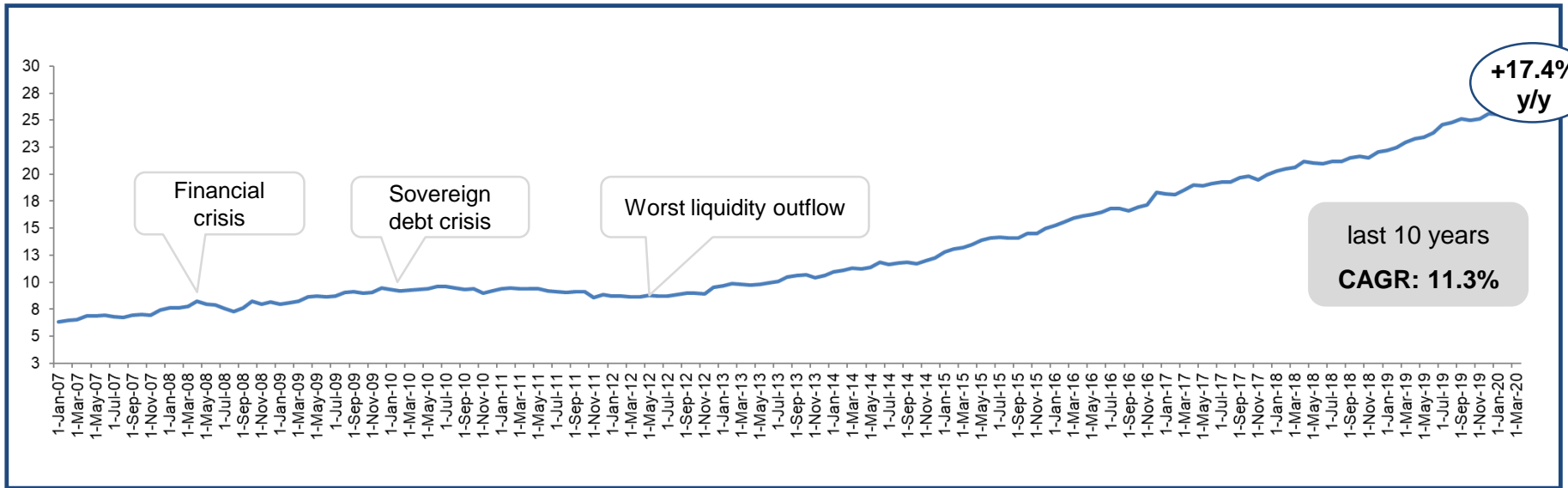
⁽⁴⁾ 1Q20 CET1 ratio pro-forma

⁽⁵⁾ RoE: Net Profit, net of non recurring items (see page 38) divided by the average book shareholders' equity for the period (excluding dividends expected to be distributed and the revaluation reserves)

⁽⁶⁾ Leverage ratios until Mar.19 are calculated on Individual basis, according to the EC Delegated Act 2015/62 regarding the exclusion of intra-group exposure. 1Q20 Leverage ratio pro-forma

High-value deposit base confirms strong resilience over time

Sight deposits growth, Eop bn



- ✓ **Double-digit deposit growth** throughout the last 10 years (+11.3% CAGR), with no impacts from 2008 financial crisis and 2011 sovereign debt crisis
- ✓ **Strong resilience during periods of stress/crisis:** 912mln worst liquidity outflow on April 10th, 2012
- ✓ **High-value deposit base:** most of our deposits is transactional liquidity. Customer rate: zero; cost of funding: 4bps
- ✓ **83% of total sight deposits: core liquidity⁽¹⁾ in a stressed scenario** according to clients' behavioral model
- ✓ **Structural trends** in place in Italy combined with **best in class banking platform and high-quality services** will continue to support our deposit growth

Fineco - a fully independent public company starting from May 2019

Strategy and Business model

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

Transitional Arrangements with UniCredit Group

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

INVESTMENT STRATEGY

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

INFRAGROUP SERVICES

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

TRADEMARK

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

Benefits from being a fully independent public company

- **More liquid stock** with more than doubled average volumes
- **Increased efficiency** as we now are **more flexible and agile** to adapt to a fast changing environment in terms of:

 **MARKETING AND COMMUNICATION**

More freedom in terms of marketing strategy, **tone of voice** and **communication on social media** (very important for Brokerage)

 **TECHNOLOGY**

Possibility to fully exploit our **operational efficiency to offer a better customer experience** with more flexibility (e.g. Strong Customer Authentication)

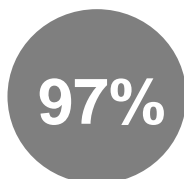
 **TREASURY**

Improved efficiency and flexibility in our decision making, with **no need to increase risk profile**

Delivering on industrial measures

Innovation key for our best-in-class Customer Experience

Improving an already best-in-class Customer Experience



CUSTOMER SATISFACTION ⁽¹⁾



IN TERMS OF REPUTATION ⁽²⁾



4.6 ★★★★★

+ 210,000 ratings

Continuous upgrade of our banking platform



Brand new dashboard for credit and debit cards, which will also be **fully digitalized**



Payments:

- ✓ **upgrade of mobile payment services**
- ✓ **Fineco Pay peer-to-peer**: to send and receive money with no need of IBAN code (both on website and on app)



Renewal of our banking homepage both on the website and on APP with real-time debit/credit data



Simplification of our onboarding process via mobile by sending the PIN codes by real-time



Our Family Budget Planner, **MoneyMap**, **further enhanced and for free** for all our clients



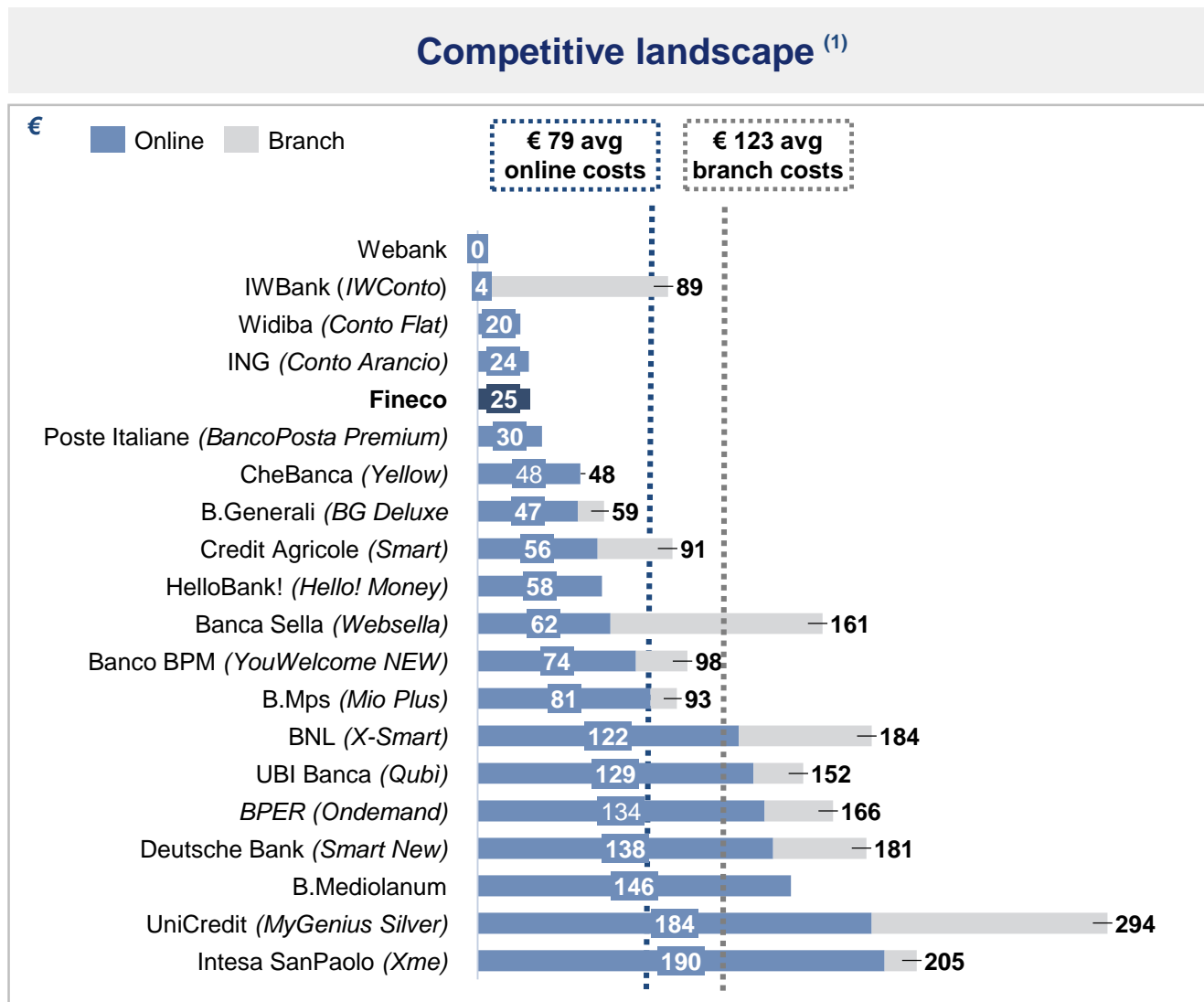
Further enlargement of our **multicurrency** basket (CZK, DKK, HKD, HUF, NOK, NZD, PLN, SGD), which will be active 24/7

⁽¹⁾ Source: Kantar Tri*M Index, December 2019

⁽²⁾ Source: Reputation Institute, December 2019

Preserving our best price/quality ratio

An update on the main outcomes from our Smart Repricing



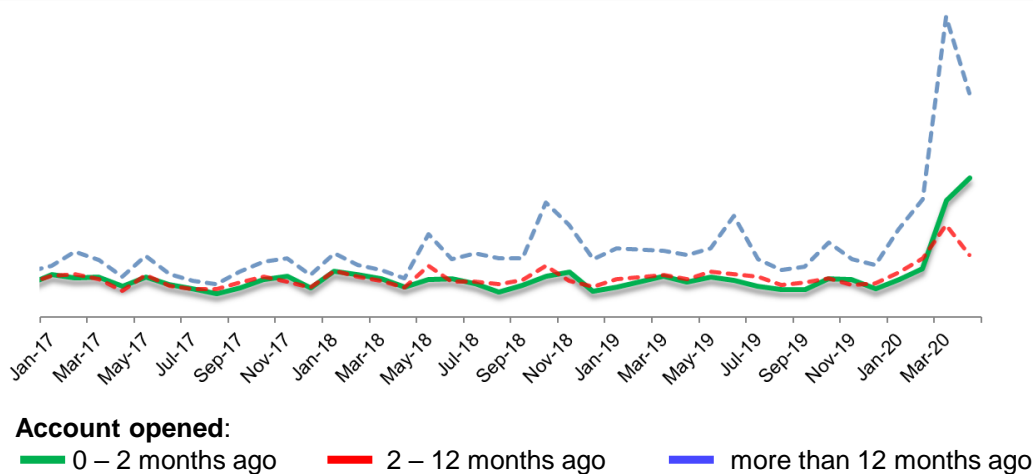
⁽¹⁾ Most convenient current accounts. Source: Figures based on publicly available costs for families with average online operations of the main Italian banks (ICC – Indicatore Complessivo dei Costi). The figures relates to the costs of current accounts reported in brackets.

Brokerage: an effective and timely reshape of our offer

In 1Q20 our **Brokerage recorded booming results** due to skyrocketing volatility and an in-depth reshape of our offer

- ✓ **New options** allowing customers to exploit volatility also when it is low
- ✓ **Optimization of our systematic internalizer** with new products
- ✓ **Multicurrency available in 24h and over the weekend, further enlargement** of currencies basket
- ✓ **Repricing of futures**
- ✓ **Coming soon:** Knock-out options overnight, CFD on cryptocurrencies

Enlargement of the brokerage market client base



- No. of customers **who started trading since March signal a very high interest** on brokerage offer
- No. of **customers who have started trading is 3x the usual average** we have seen pre Covid period
- The strong number coming from the cluster 0 – 2 month indicates a **great performance on our acquisition channel**

Fineco Asset Management in a nutshell

AUM at €13.2bn, of which €8.2bn retail classes ⁽¹⁾

FUNDS OF FUNDS

FAM SERIES
(sub-advised funds)

INSTITUTIONAL BUSINESS

FAM EVOLUTION (25 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 Boost:** an evolution of the decumulation products for customers' who want to take advantage of bear market phases

CORE SERIES (30 strategies)

- ✓ Release of **Premium Share Classes**
- ✓ **Additional sub-advisory mandates in pipeline** to further enlarge the offer through **quality and exclusivity agreements** for Fineco clients only
- ✓ **FAM Global Defence:** new capital preservation solution
- ✓ 32 strategies
- ✓ Underlying funds for advisory solutions (both funds of funds and Insurance wrappers) allowing a better control of the value chain **to retain more margins and lower customers' TER**
- ✓ 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

FINECO

B A N K

Patent Box

Fineco is the first Bank finalizing the agreement in February 2020

- The Patent Box is a tax relief regime for companies generating income through the use of intangible assets. We **finalized the agreement** with the Italian Fiscal Authority on the Patent Box **for years 2015/2019**
- Fineco is the **first Bank** to sign the agreement, which relates to both intellectual properties (our platform internally created and developed) and trademark
- **Fiscal benefit for the 5 years** is **~22mIn** (recorded in our 2019 Financial Statement), of which **~5mIn** related to trademark
- For **2019**, the fiscal benefit related to intellectual properties is **~3.5mIn**
- **The Bank applied in order to renew the fiscal benefit on intellectual properties for the next 5 years.** The renewal of the trademark is excluded due to regulation.
- The Italian Tax Revenue Agency has confirmed our renewal – as regards the software - of the regime for 2020-2024. As prescribed by law, the Tax Authorities now have to officially validate the use of the methodology agreed for the period 2015-2019. In the meantime, we will assume the same methodology, considering that we have defined our agreement with Revenues Agency few months ago and we don't expect significant changes

Additional Tier 1

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

€200 mln AT1 issued in January 2018

- On January 23rd, 2018 the Bank issued a **€200mln** perpetual AT1
- Coupon fixed at **4.82%** for the initial **5.5 years**
- **Private placement**, fully subscribed by UniCredit SpA
- **Semi-annual coupon**
- Coupon (net of taxes) will impact directly Equity reserves

€300 mln AT1 issued in July 2019

- On July 11th, 2019 Fineco issued a **€300mln** perpetual AT1 in order to maintain the Leverage Ratio above 3.5% after the exit from the UniCredit Group
- Coupon fixed at **5.875%** (initial guidance at 6.5%) for the initial **5.5 years**
- **Public placement**, with strong demand (9x, €2.7bn), listed in Euronext Dublin
- **Semi-annual coupon**
- Coupon (net of taxes) will impact directly Equity reserves
- The instrument was assigned a **BB-** rating by S&P

Italian AT1 yield at first call date

