



B A N K

2Q20 Results

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Milan, July 31st 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

- **1H20 Gross operating profit at 275 million, +40% y/y**, showing the **soundness of our industrial growth**
- **1H20 Net profit⁽¹⁾ at 181mln, +30% 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**
- **1H20 revenues⁽¹⁾ at 407mln, +26% y/y** supported by all business areas:
 - ✓ **Brokerage** (+107% 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** (+5.4% y/y) thanks to volume effect and sound AUM flows, despite negative market effect in 1Q20
 - ✓ **Banking** (+4.4% y/y) thanks to high quality volume growth in deposits and lending
- **Operating Costs well under control at -132mln, +3.7% y/y. C/I ratio at 32.5%, -6.9 p.p. y/y**, confirming operating leverage as a key strength of the Bank

Strong and safe capital position

- **1H20 CET1 ratio at 24.12% (pro-forma⁽²⁾ at 18.36%) and TCR at 38.88% (pro-forma⁽²⁾ at 33.12%)**

Accelerating commercial activity

- **Net sales in the first half of the year at 4.7bn (+42% y/y), TFA at 82.6bn** with penetration of **Guided products on Assets under Management at 72%**
- **Fineco Asset Management** retail net sales were 1.0bn in the first half of the year and total assets stood at 14.2bn
- **July: net inflows extremely robust with a steadily solid asset mix (AUM expected above 600mln), and strong brokerage performance (>50% y/y expected revenues in the month)**

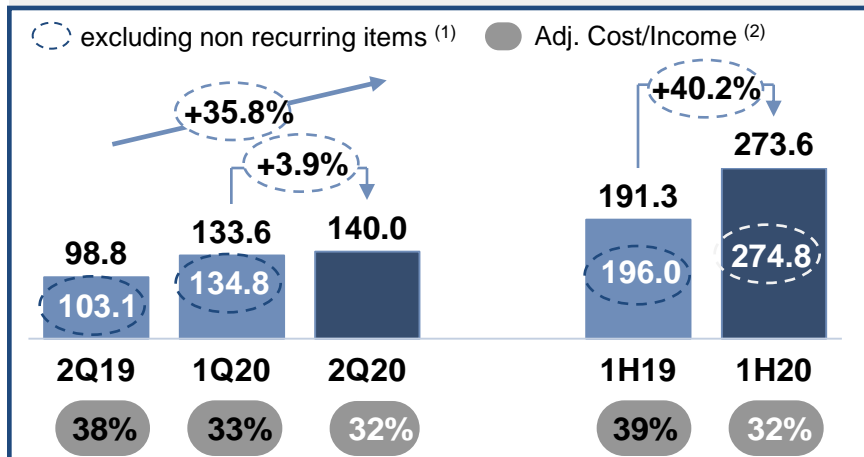
⁽¹⁾ Figures net of non recurring items: Voluntary Scheme: 1Q20: -1.2mln gross, -0.8mln net. 2019 non recurring items: 2Q19: -4.3mln gross, -2.9mln net; 1Q19: -0.4mln gross, -0.3mln net; Patent Box: -0.9mln in 1Q19, -0.9mln in 2Q19

⁽²⁾ Data pro-forma includes 2019 dividend payment (32.0 €/cent DPS).

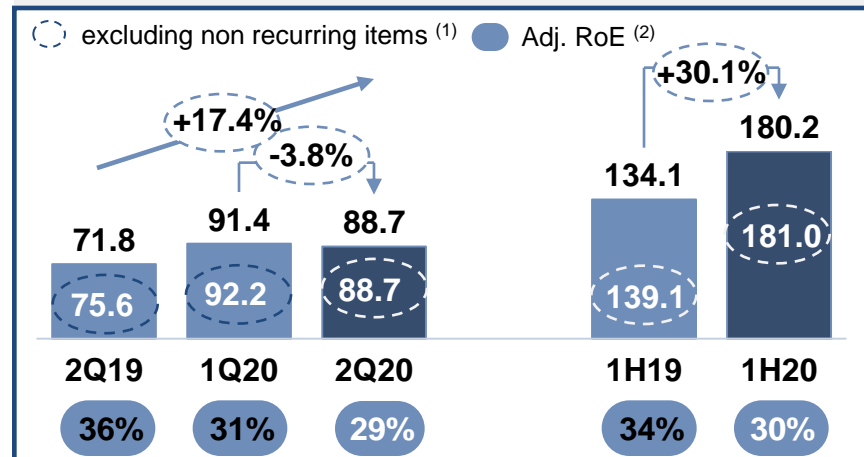
Results

Strong Operating Profit, at 275m in 1H20, up +40% y/y boosted by diversified revenues growth in a complex market environment. Net Profit at 181m, up +30% y/y. C/I ratio at 32.5%, down ~6.9 p.p. y/y confirming our strong operating leverage

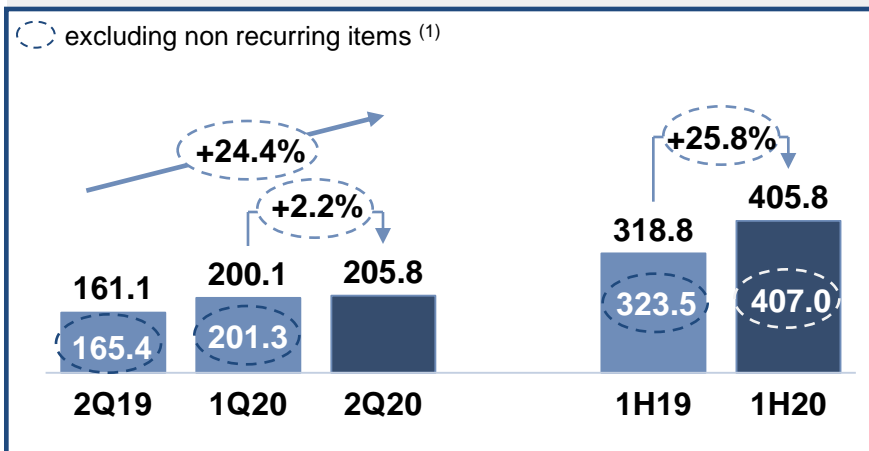
Gross operating profit, mln



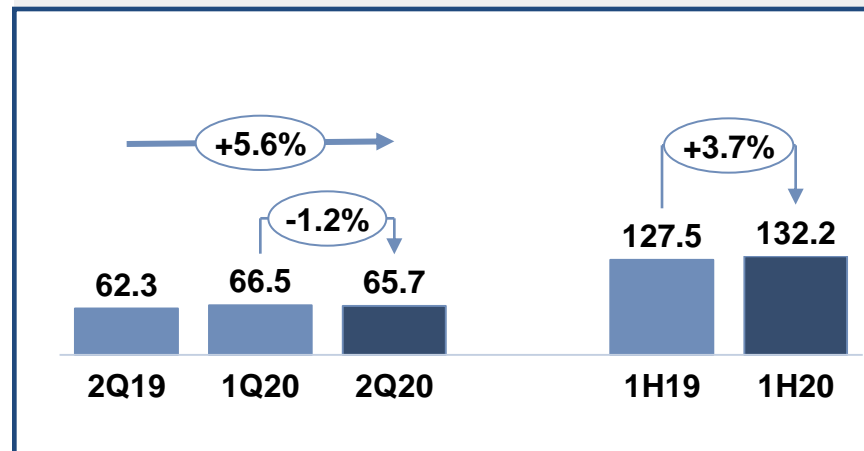
Net Profit, mln



Revenues, mln



Operating Costs, mln



(1) 1H20 non recurring items: Voluntary Scheme: 1Q20: -1.2mln gross, -0.8mln net. 1H19 non recurring items: Voluntary Scheme: 2Q19: -4.3mln gross, -2.9mln net; 1Q19: -0.4mln gross, -0.3mln net; Patent Box: -0.9mln in 1Q19, -0.9mln in 2Q19.

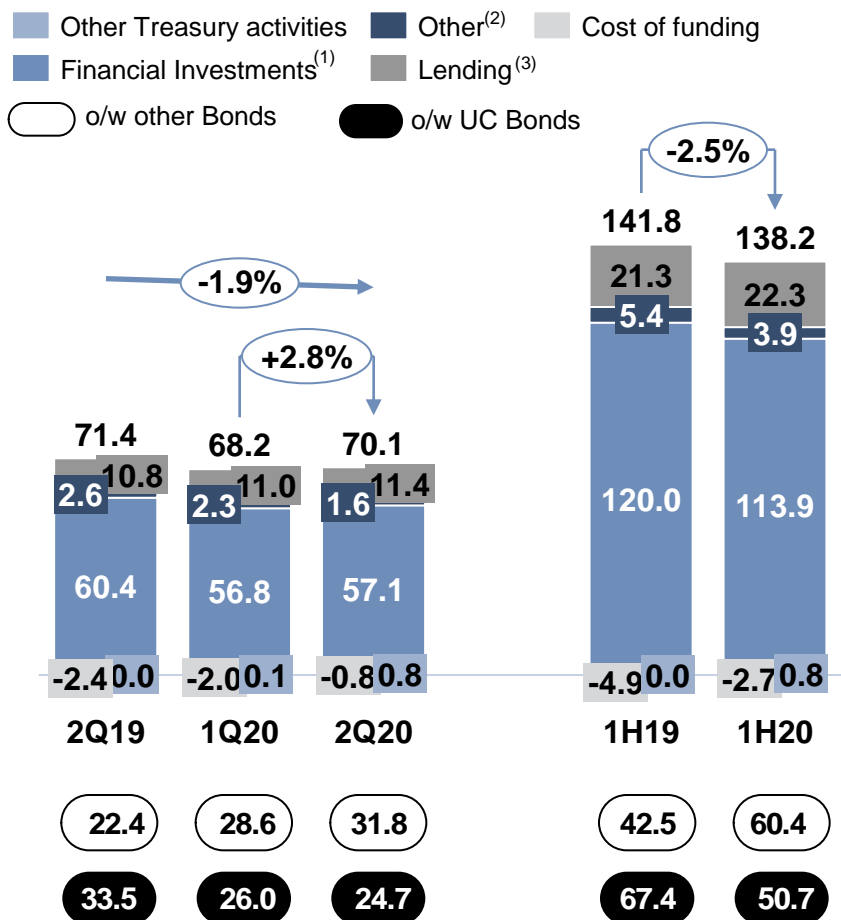
(2) Adj. Cost/Income and Adj. RoE calculated net of non recurring items

Net interest income

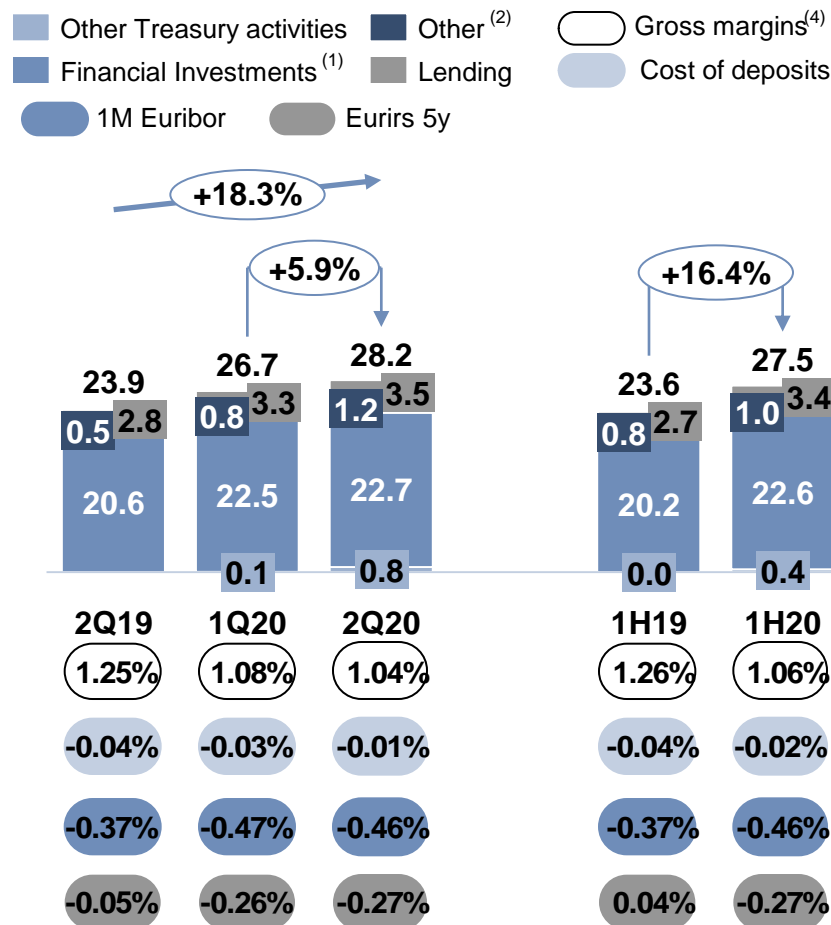
Solid NII thanks to valuable and sticky sight deposits coupled with high-quality lending portfolio despite low interest rate environment.

Sensitivity analysis +100bps / -100bps parallel shift: +123mln NII / -112mln 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 45 for details

6 (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

Focus on our Treasury

Industrially-driven dynamic Treasury management thanks to a quality Balance Sheet

High quality Balance Sheet

- ✓ **VALUABLE AND STICKY DEPOSITS:** 'transactional liquidity' gathered without short-term aggressive commercial offers
- ✓ **SAFE, ROBUST, LOW RISK:** diversified and highly liquid Balance Sheet

No change in our low-risk investment policy

- ✓ Run-off of Unicredit bonds for a **diversified and low risk investment portfolio** through a blend of Government bonds, covered bonds, supranational and agencies, to which we are adding a further diversification towards **investment grade non-EU govies** and **financial corporates senior bonds**. Exposure to Italy will remain at ~5 - 5.5 bln ⁽¹⁾
- ✓ **Almost 100% of our financial investments** accounted in **HTC**: no impact in our P&L and Balance Sheet by the widening of spreads

More dynamic Treasury management

- ✓ **Yield enhancement strategies:** thanks to our **industrially-driven strong liquidity position** (LCR >900%)⁽²⁾ and **quality investment portfolio**, we can set up operations such as. collateral switch or unsecured lending **with primary Counterparties** to extract extra-yield on our quality-paper

⁽¹⁾ Nominal value

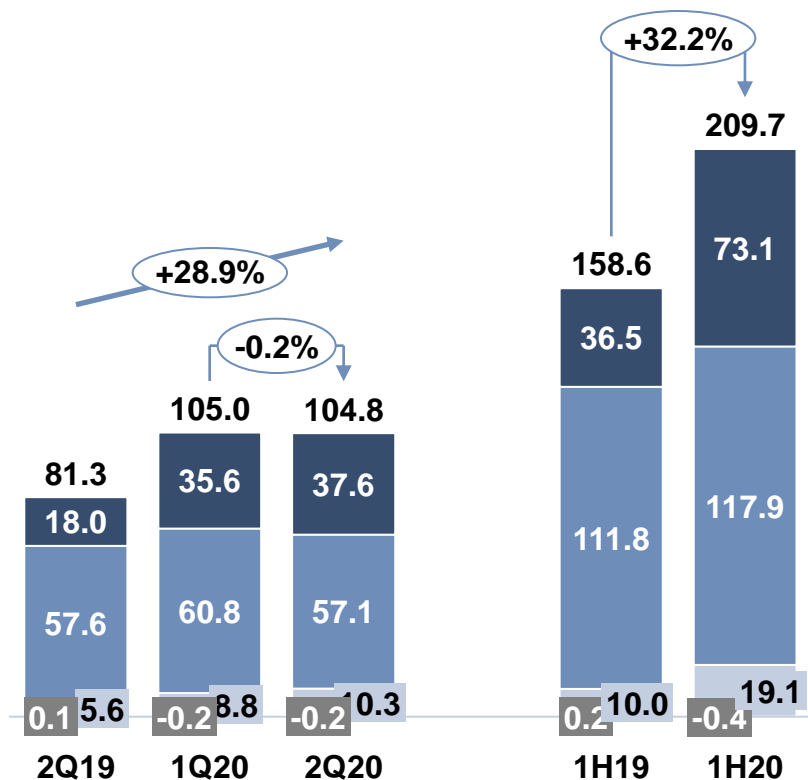
⁽²⁾ Minimum requirement at 100% (EU Regulation 2015/61)

Non Interest Income

Fees and commissions +32% y/y thanks to the positive contribution by all business areas and Trading Income +155% y/y thanks to structurally higher Brokerage

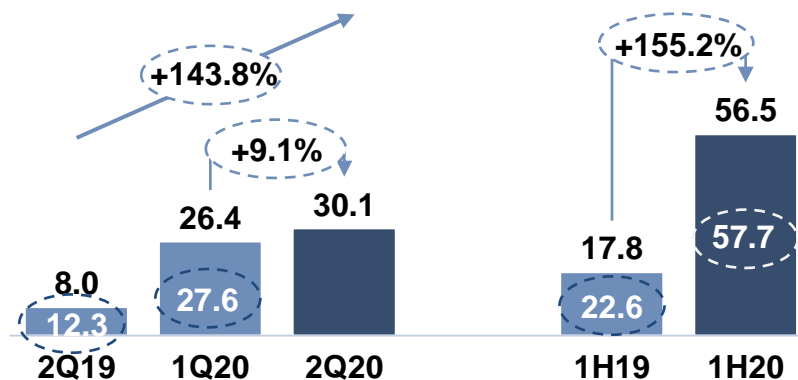
Fees and Commissions, mln

■ Brokerage ■ Investing ■ Banking ■ Other

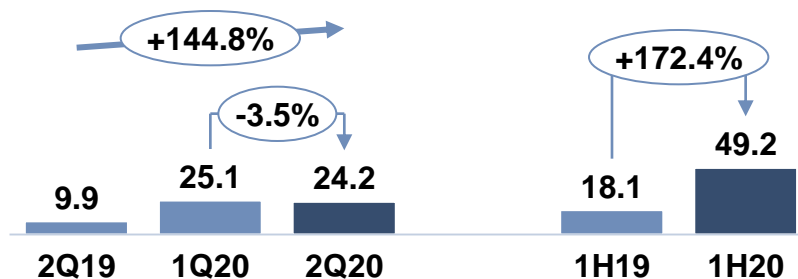


Trading Income, mln

mln ○ excluding non recurring items (2)



o/w Trading Income from Brokerage



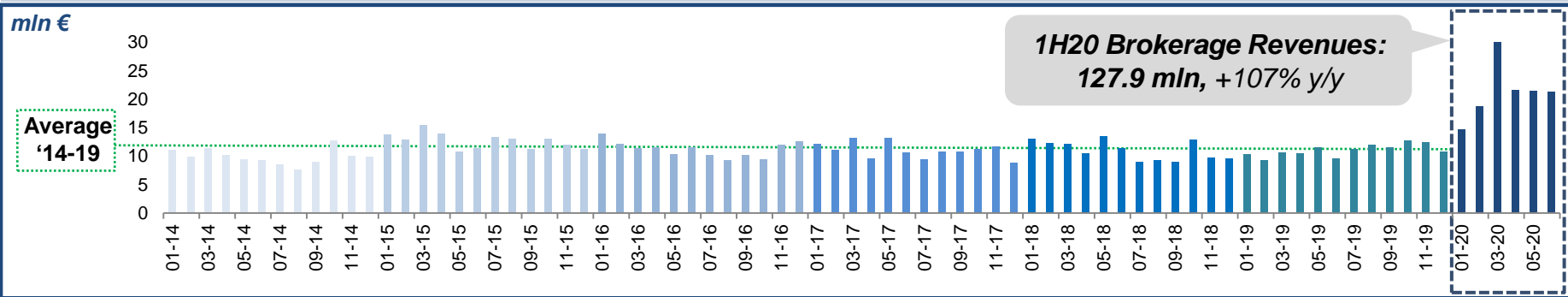
(1) Mainly PFAs annual bonus

(2) Adj. Trading Income excluding non recurring items: Voluntary Scheme (1Q20: -1.2mln gross, -0.8mln net; 1Q19: -0.4mln gross, -0.3mln net; 2Q19: -4.3mln gross, -2.9mln net)

Brokerage proved itself as a perfect counter-cyclical business

The structure of the market is changing: increased interest in financial markets and big jump into a more digitalized society

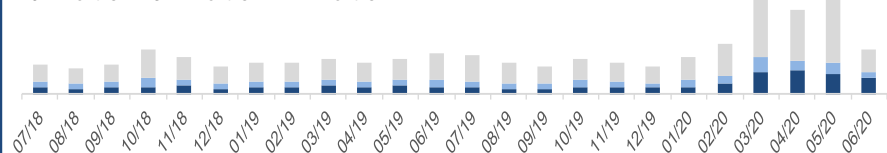
Structural growth in brokerage revenues: the floor has gone up in a clear way



Enlargement of client base and increasing market share

New brokerage clients by seniority

■ 0-2 months ■ 3-12 months ■ 12+ months



- **“Active investors”** starting to **use brokerage platform** and **“sleeping” clients** back on the market
- **>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)

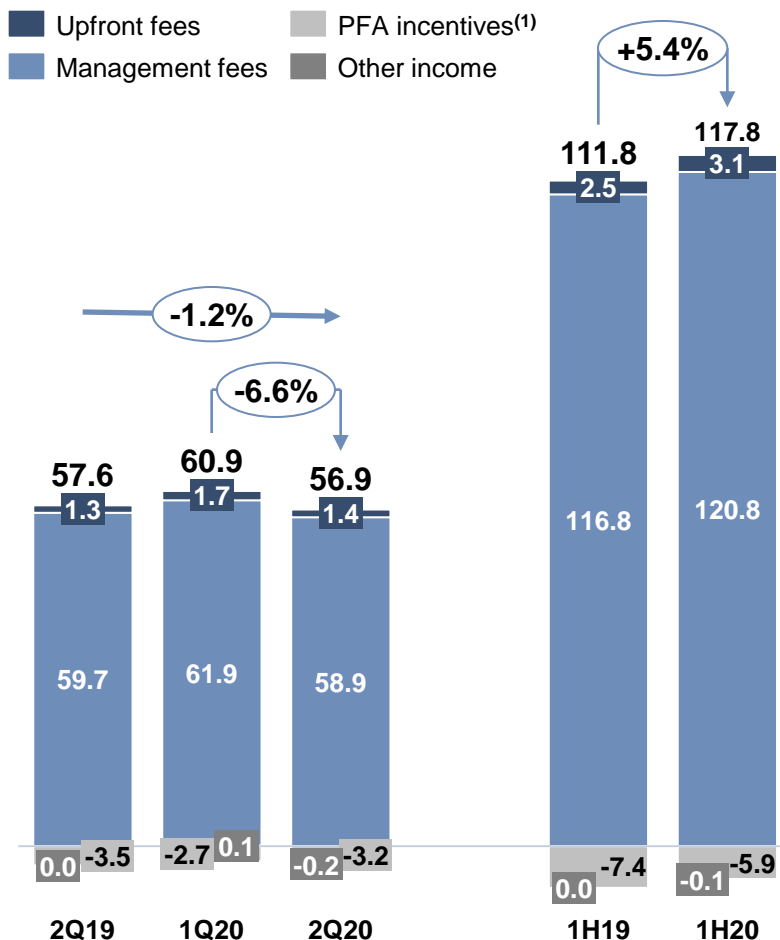
Continuous reshape of brokerage offer

- ✓ **New options** allowing to exploit volatility when it is low
- ✓ **Optimization of our systematic internalizer**
- ✓ **Multicurrency available 24/7**, further enlargement of currencies basket
- ✓ **Repricing of futures**
- ✓ **Wider OTC product offer**
- ✓ **Coming soon:** Asian markets, CFD on cryptocurrencies, new release and re-design of active traders’ platform (PowerDesk)

Focus on Investing

1H20 increasing y/y thanks to volume effect and strong AUM net sales, despite negative market performance registered in the first months of the year

Investing Revenues, mln



Main highlights

- **Increasing 1H20 investing revenues** driven by higher volumes
- **2Q20 Investing revenues** decreased for technical reasons:
 - ✓ **Lower % of equity on AUM** at end of March due to negative market effect weighing on 2Q20 management fees
 - ✓ **Increased penetration of conservative products** among our offer of guided products

	1Q20	2Q20
ManFee Margins, bps	63	62
Average AuM, bn (on daily basis)	39.6	38.2

Going forward

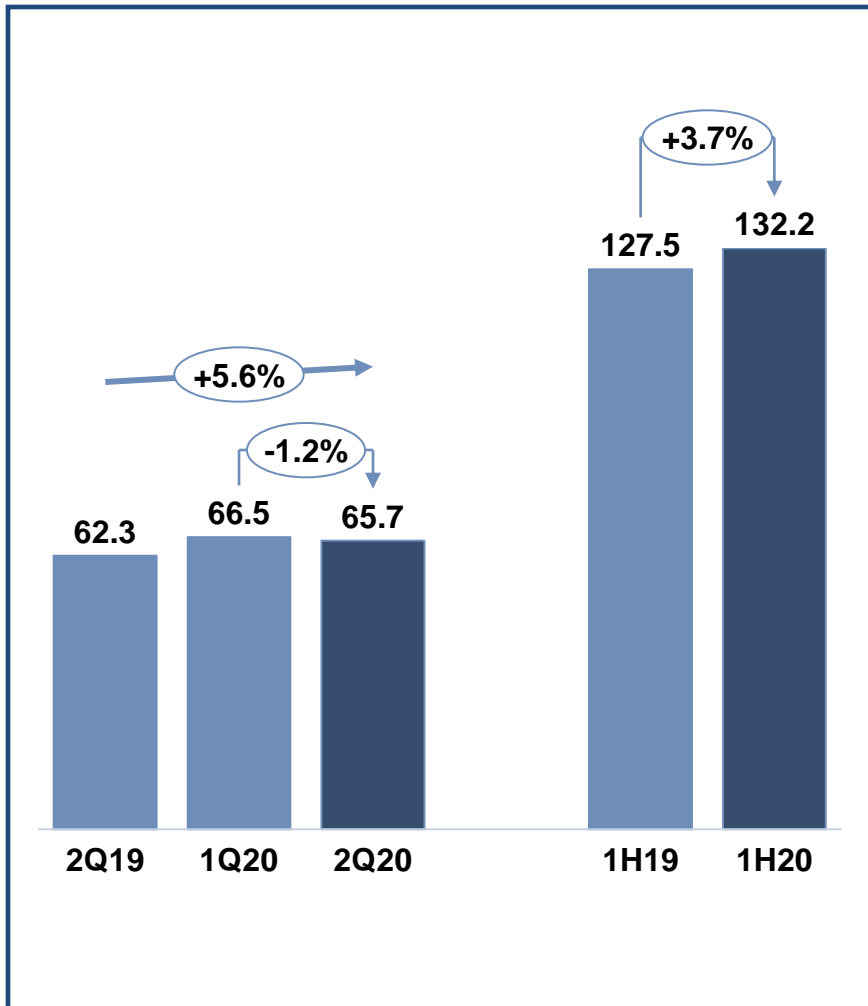
We expect **Investing Revenues to grow again starting from the next quarter**, thanks to the combination of:

- ✓ **Strong volume effect** thanks to the acceleration in AUM net sales
- ✓ **increased PFA productivity**

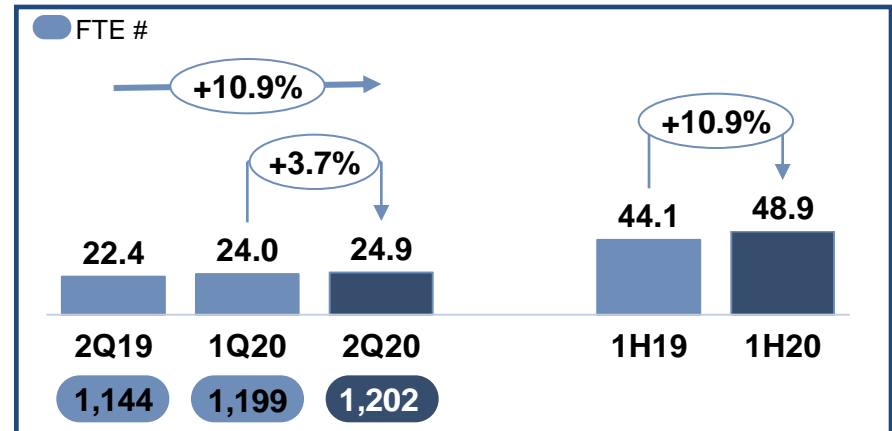
Costs

Cost efficiency and operating leverage confirmed in our DNA

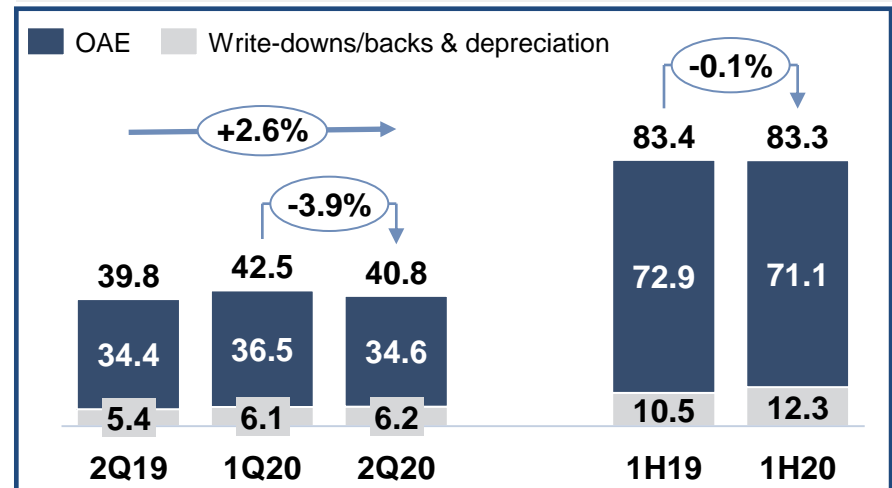
Operating Costs, mln



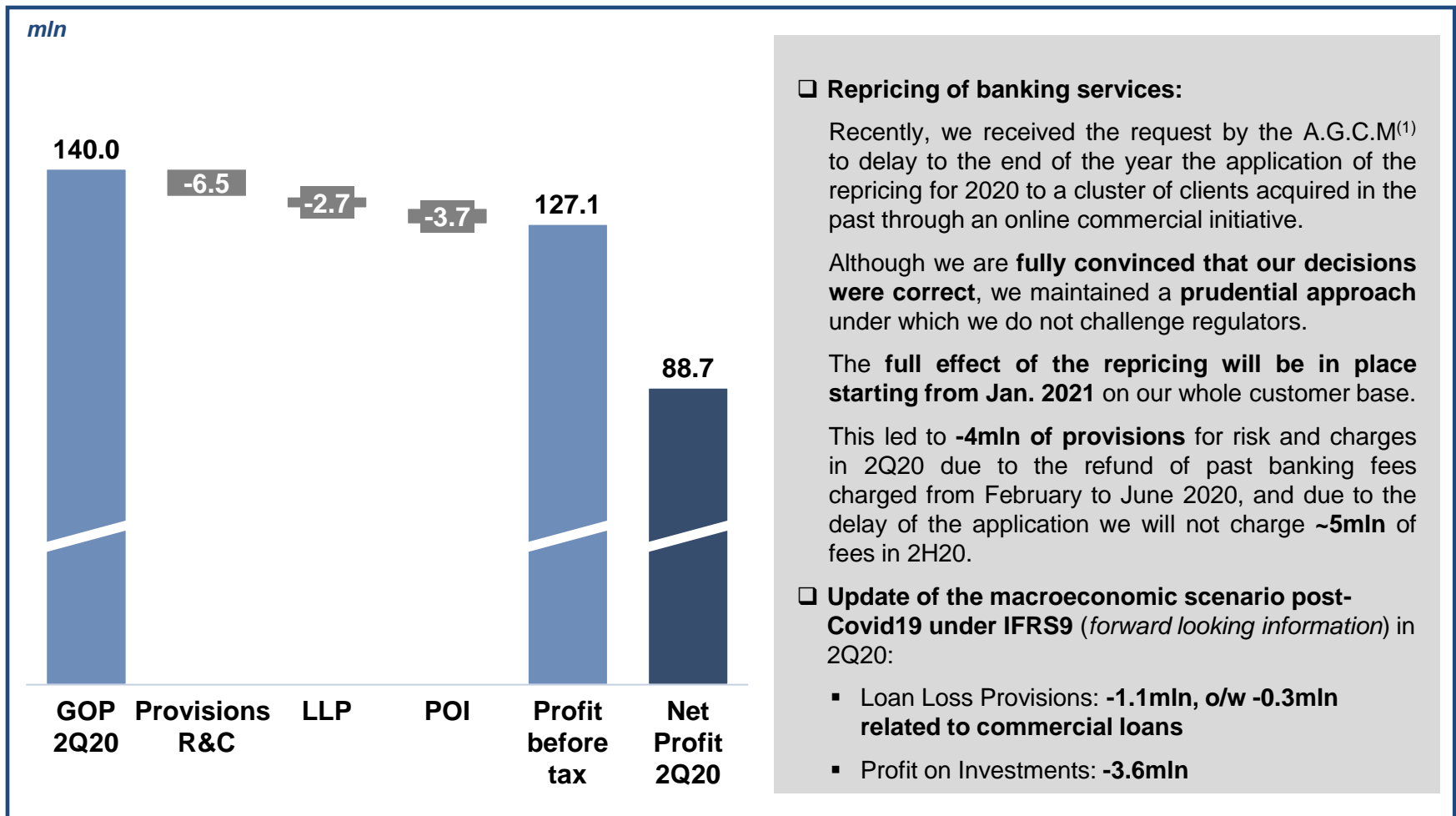
Staff expenses and FTE, mln



Non HR Costs⁽¹⁾, mln



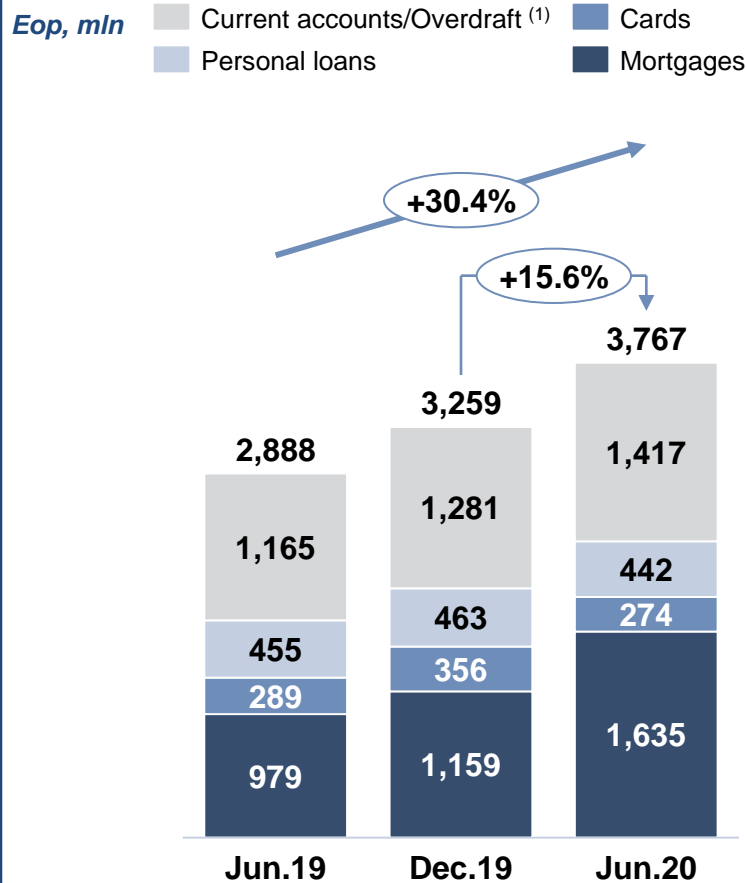
Focus on 2Q20 bottom line



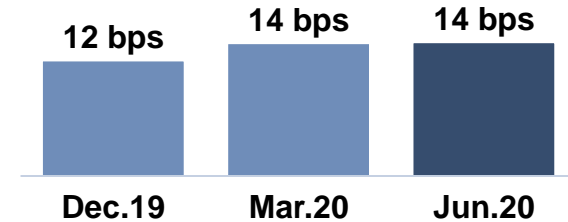
(1) Guarantor for Competition and Market Authority

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

Commercial Loans portfolio, eop mln



Cost of Risk on commercial loans ⁽²⁾



- **Cost of Risk well under control** thanks to the constant improvement in the quality of the credit which is mainly secured and low risk
- **We confirm our strategy aims to build a safe lending portfolio**, offering these products exclusively to our very well known base of clients, leveraging on a deep internal IT culture, powerful data warehouse system and Big Data analytics
- **No change in our FY20 CoR expectations (10-15bps)** thanks to the high quality of our portfolio, even in a difficult context following Covid-19 outbreak
- Only 257 mortgages moratories have been granted until now. **More details on the quality of our portfolio in the following slide**, with a deep dive on the main products offered

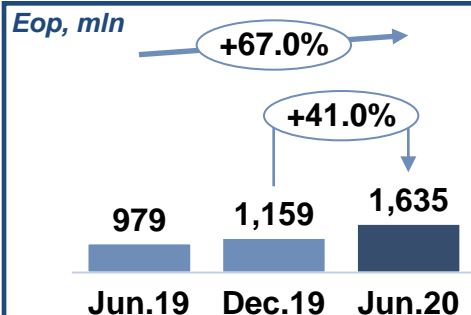
⁽¹⁾ Current accounts/overdraft Include Lombard loans

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

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

2020 Guidance

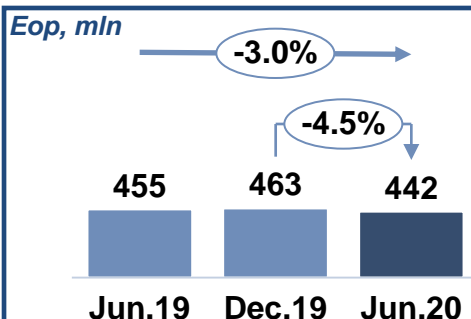
Mortgages



- **16,697 mortgages** granted since December 2016
- Average customer rate: **155bps. 1H20 Yield⁽¹⁾ at 59bps**
- Average Loan to Value **50%**, average maturity **18 yrs**
- **Low expected credit loss** (~19 bps). Only 4 clients accounted in NPL after 42 months from the launch

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

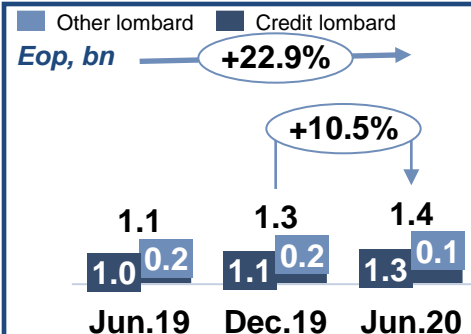
Personal Loans



- Average ticket €9,200 and average maturity 4.6 years
- **1H20 Yield at 393bps**
- **Efficient and real time process**, instant approval platform for eligible clients' requests thanks to a deep knowledge of clients.
- **Low expected credit loss** (~50 bps)

- yearly new production: ~ **150-200mln**
~ (-20/-60mln 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**

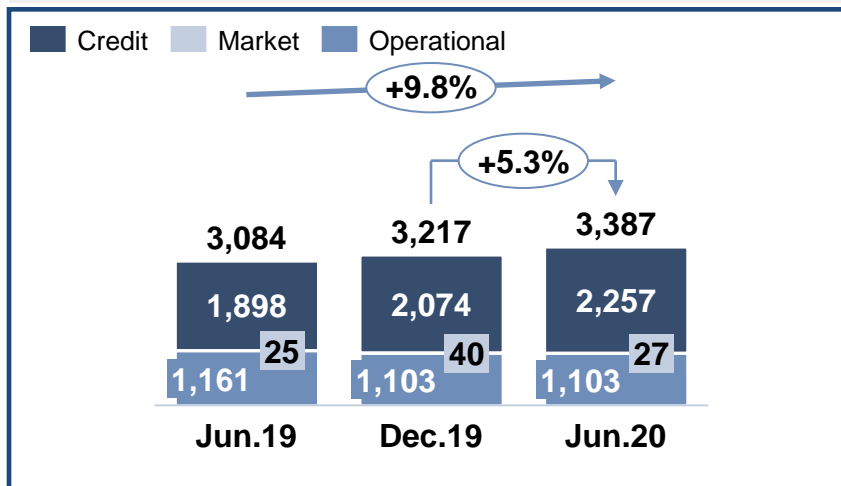
⁽¹⁾ Yield on mortgages net of amortized and hedging costs

⁽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

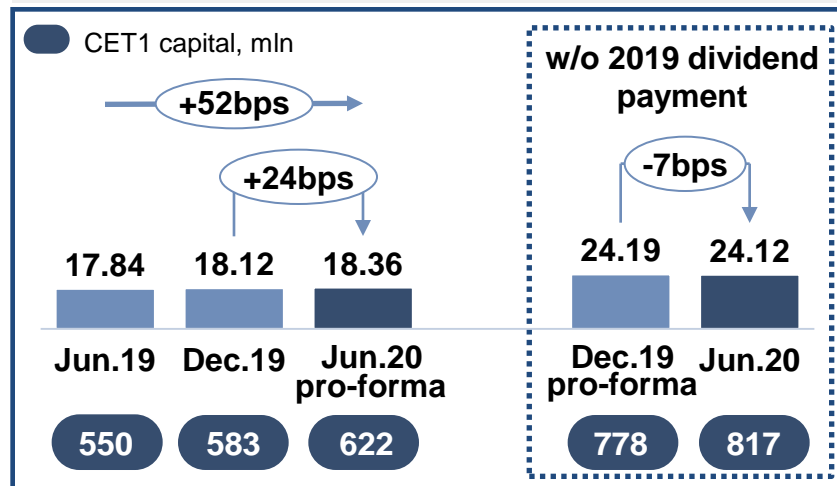
Capital Ratios:

Best in class capital position and low risk balance sheet

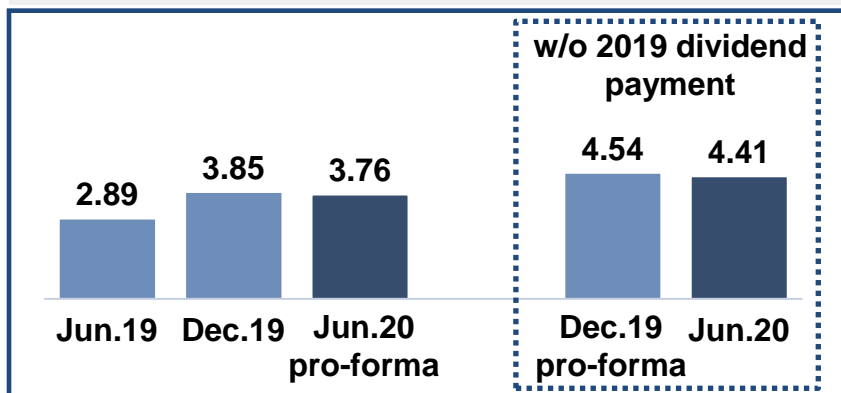
RWA⁽¹⁾, mln



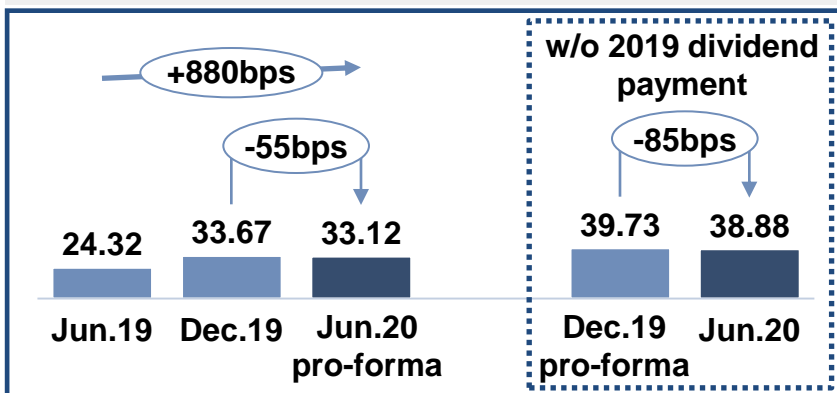
CET1 Ratio, %



Leverage Ratio, %



Total Capital Ratio, %

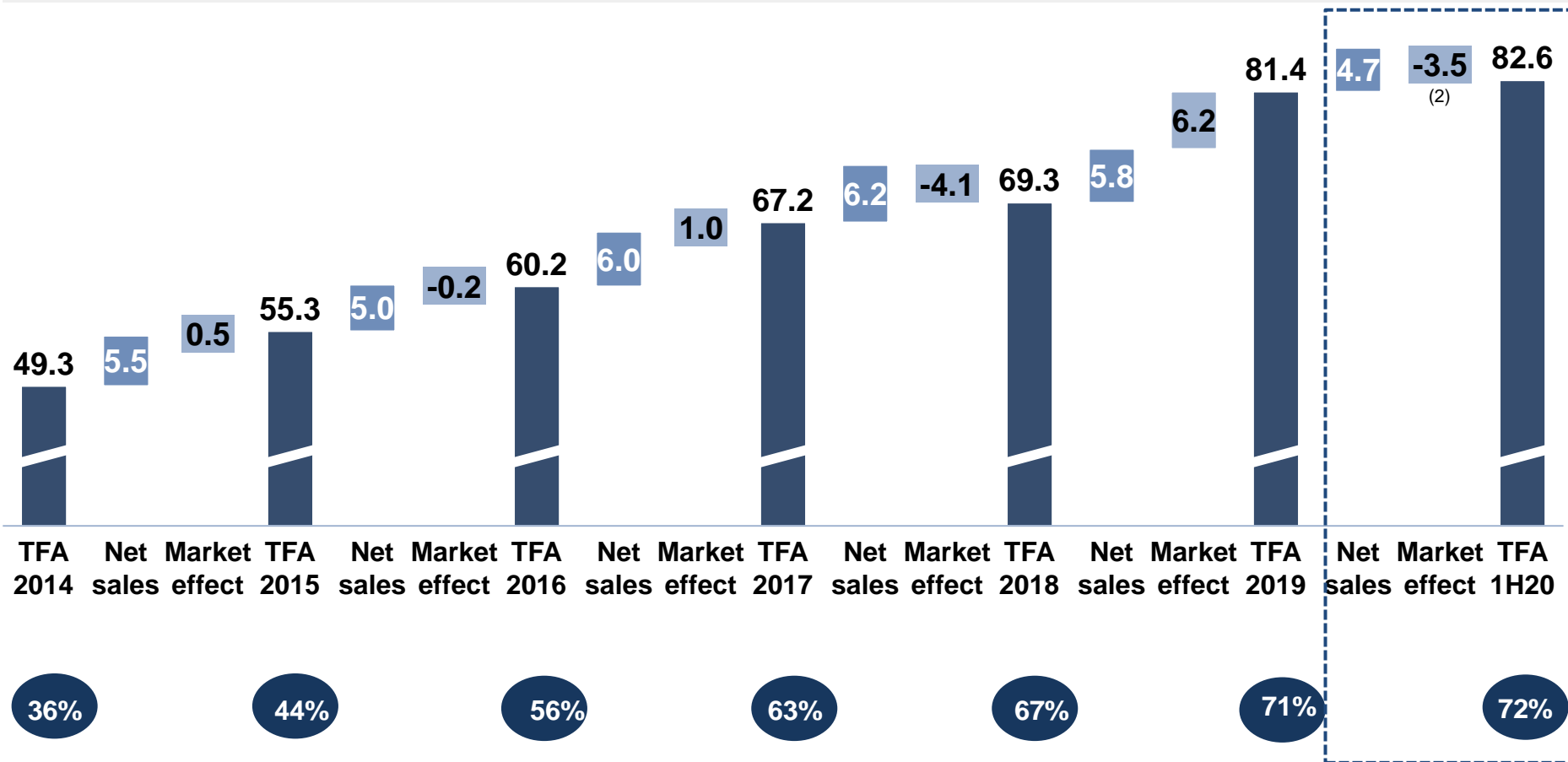


(1) "Starting from 31 December 2019, FinecoBank applied the Standardised Method for determining the regulatory requirement related to operational risk, replacing the Advanced Measurement Method ("AMA") adopted previously."

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 – Jun. 20), *bn*



● Guided products as % of total AuM ⁽¹⁾

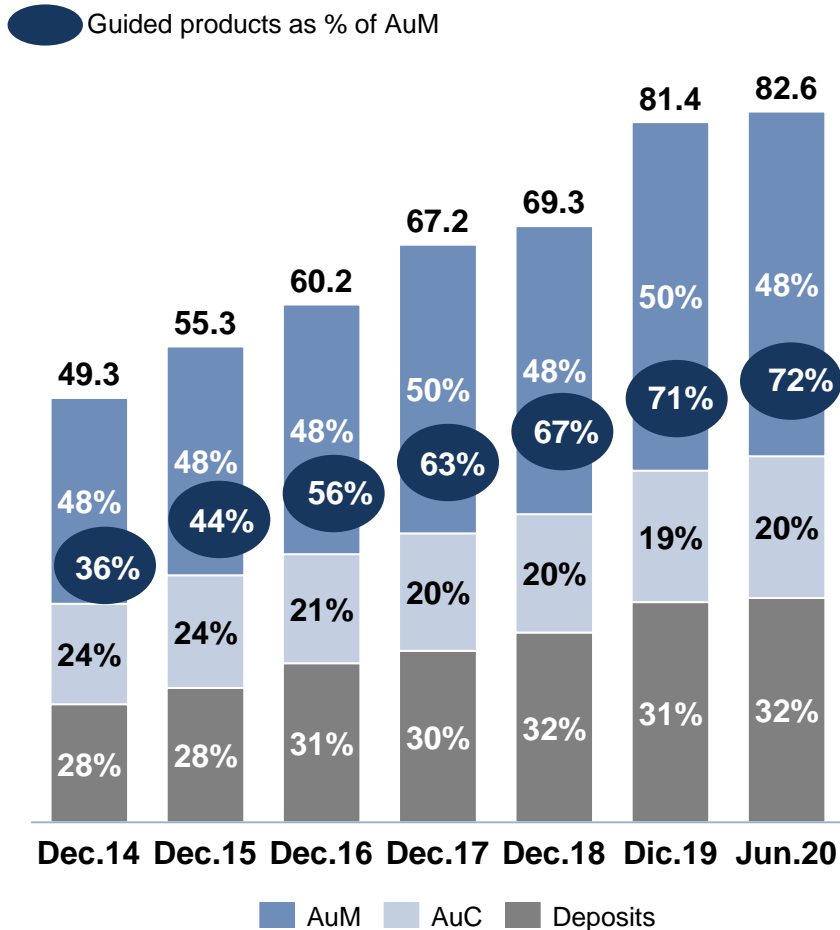


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TFA breakdown

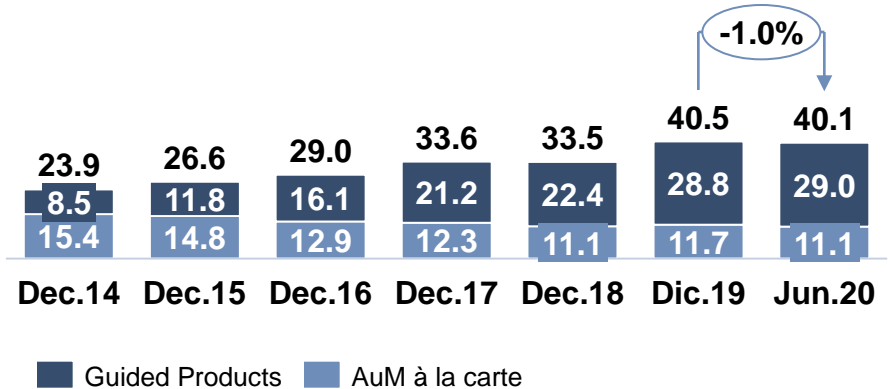
Successful shift towards high added value products thanks to strong productivity of the network. 1H20 affected by negative market effect in the first months of the year

Breakdown of total TFA, bn



Focus on AUM, bn

+16.2 bn AUM since the end of 2014, o/w:
Guided Products & Services +20.5bn
 AuM à la carte -4.3bn



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

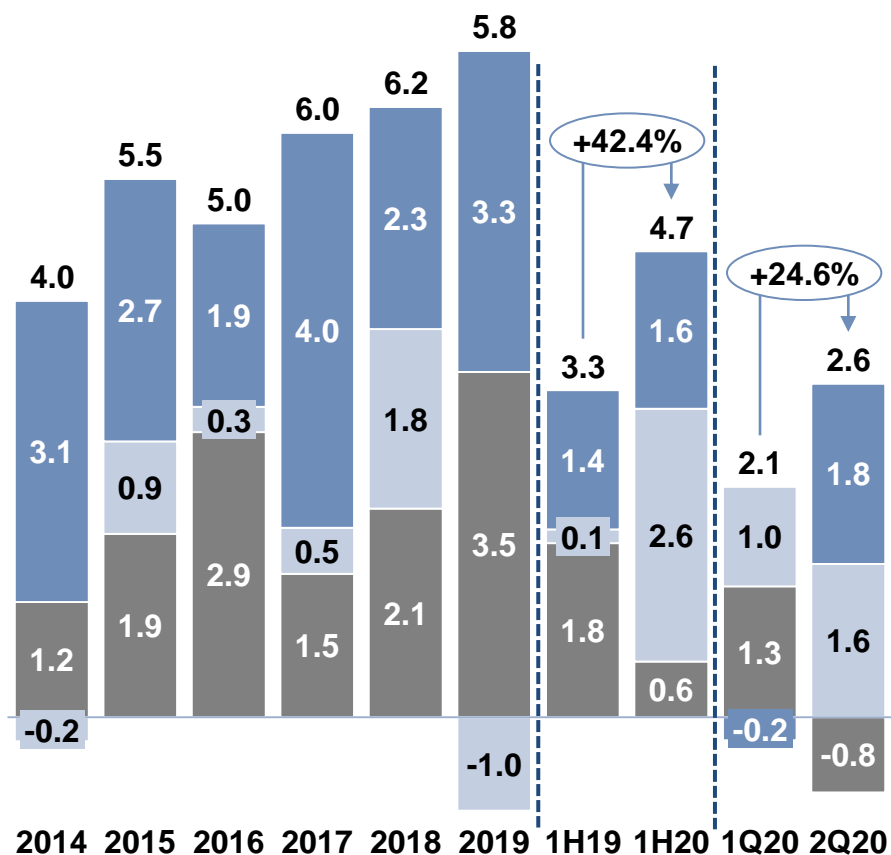
⁽¹⁾ "Best in class" are a selection of advisory products and services based on: cost optimization, quality, sustainability and risk

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

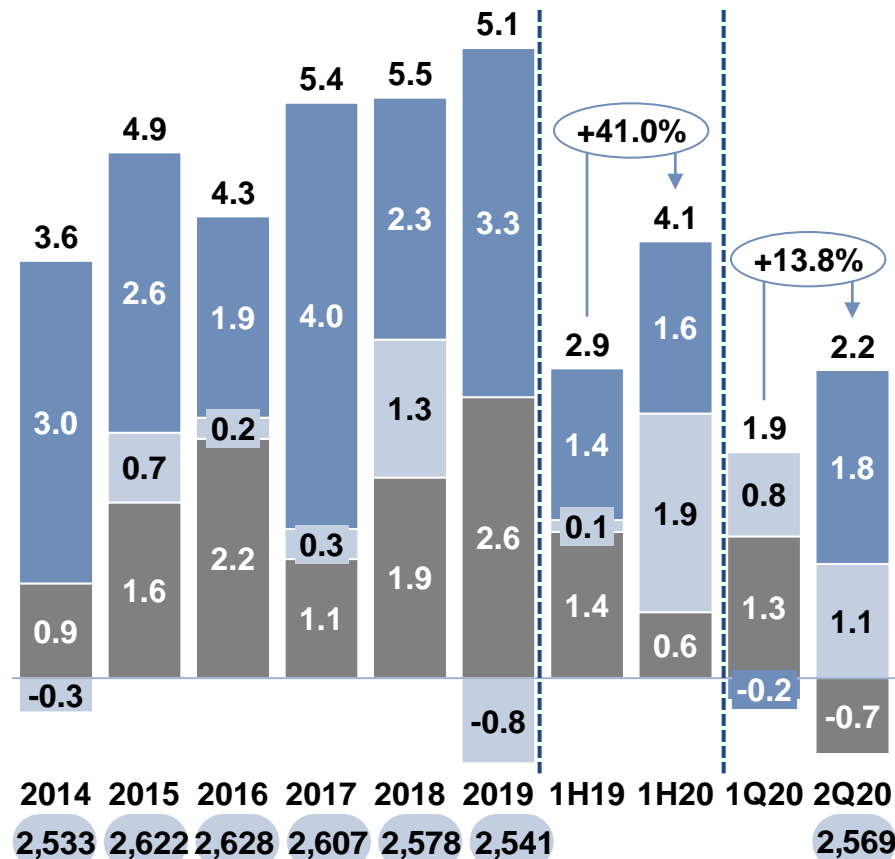
Net sales breakdown

Solid high quality net sales growth on the wave of structural trends thanks to our diversified business model and with an improving mix. AUM revamped in 2Q20

Breakdown of total Net Sales, bn



PFA Network – total Net Sales, bn



■ AuM ■ AuC ■ Deposits

● PFA Network - headcount

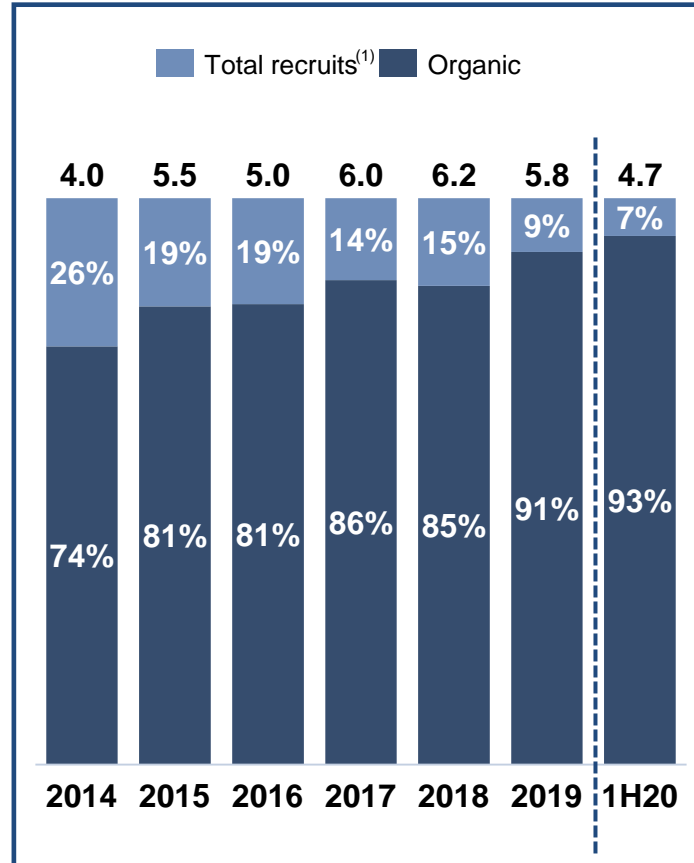
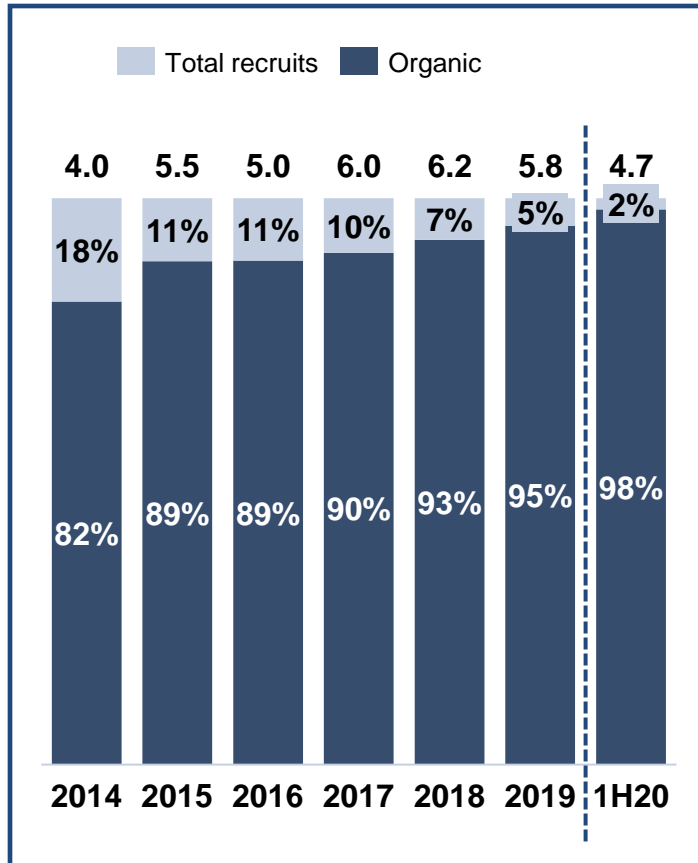


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Organic growth

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

Net Sales, bn – Organic / Recruit, %



Recruitment costs
(to be amortized)
stock 25.6mln
as of June '20



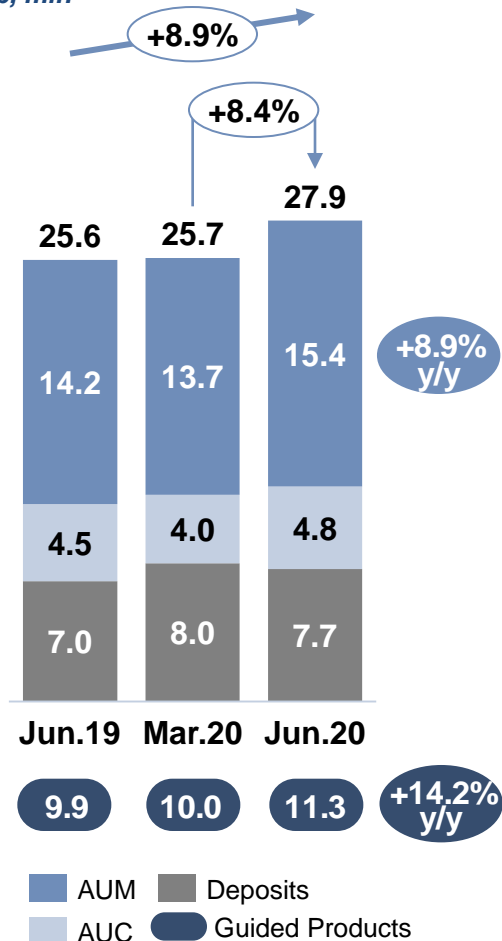
of PFAs recruited in the period

(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

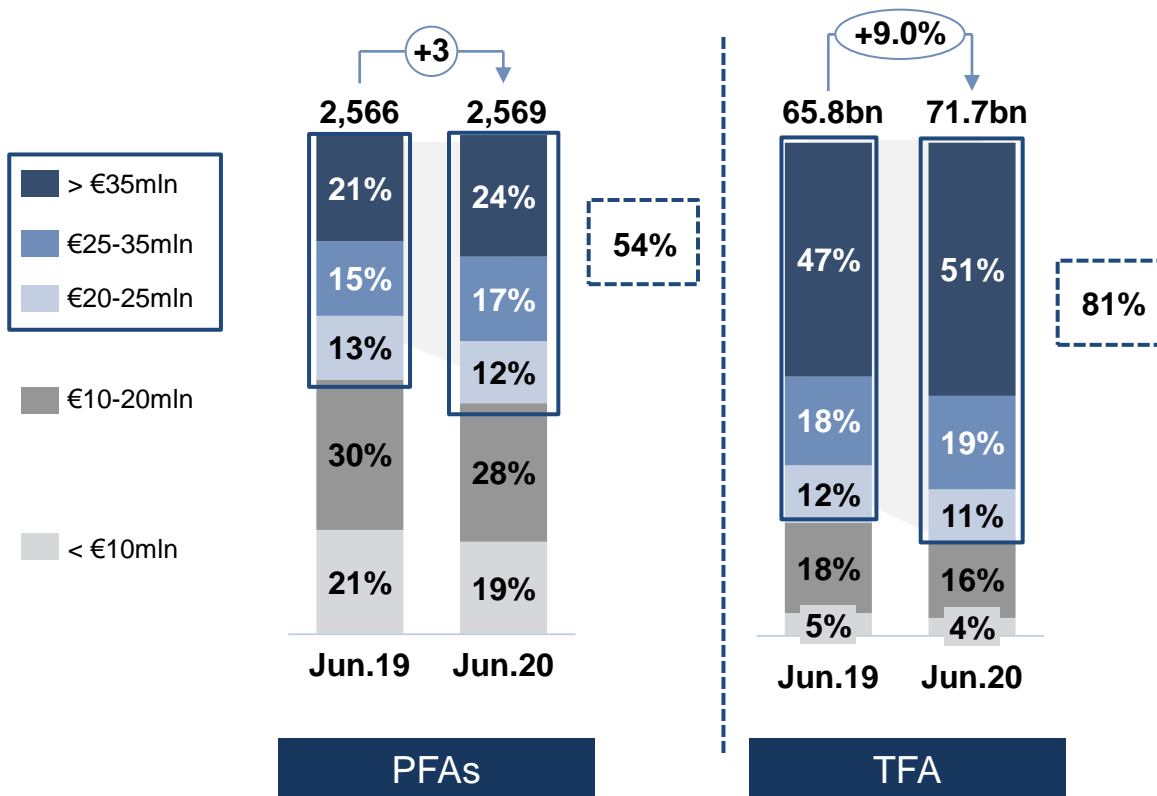
Total Assets per PFA

Eop, mln

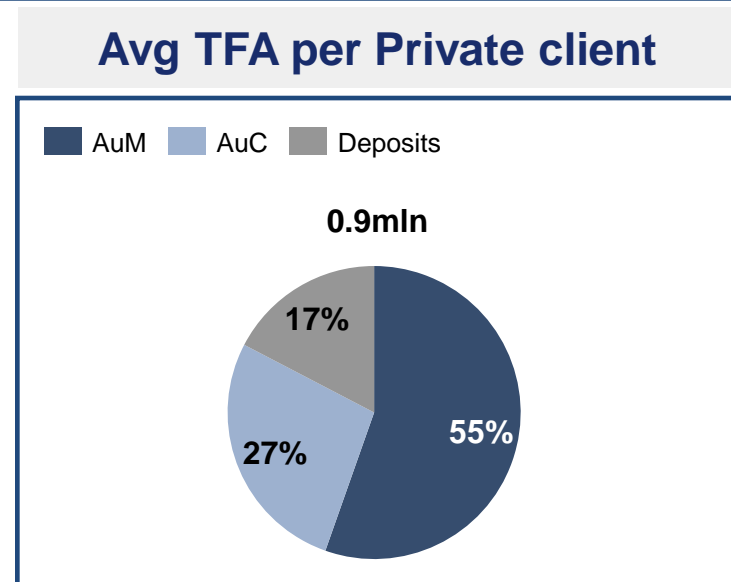
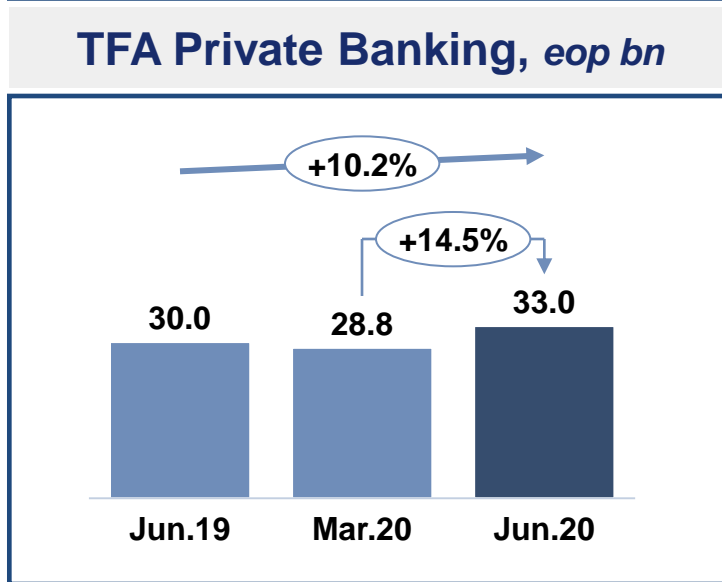
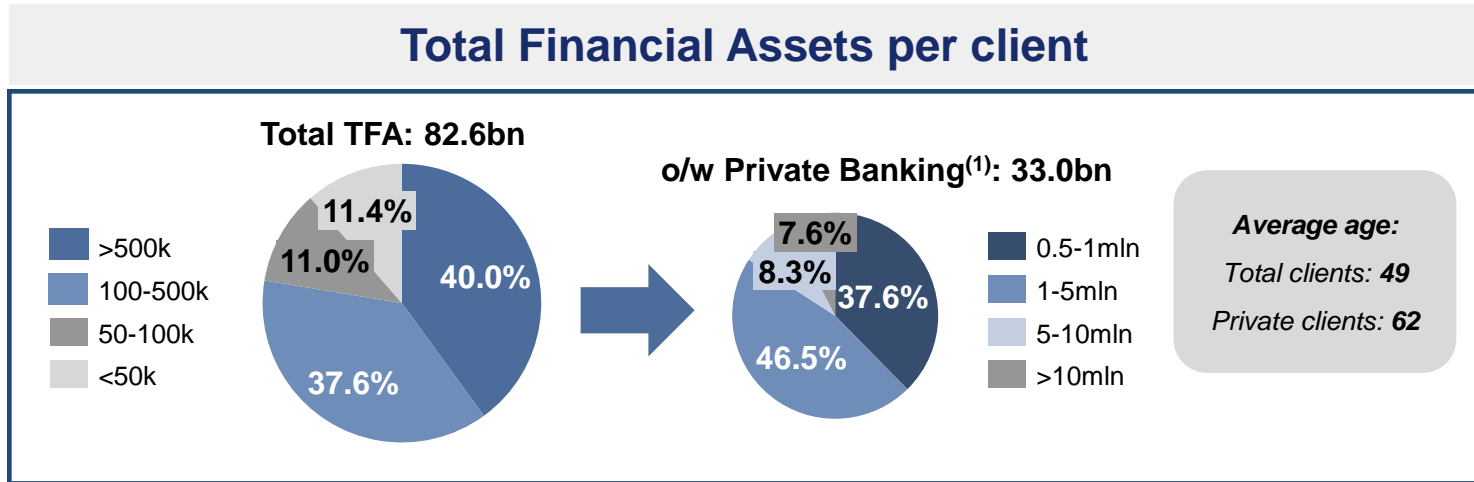


TFA concentration per PFA

PFAs with TFA >20mln are 54% (+10% y/y) and hold 81% of TFA (+5% 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

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 (~2.0-2.5bn expected growth of deposits per year) 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
- **Investing:** every 1bln change of AuM on 1st July generates ~2.5mln revenues starting from 1st July 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 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 and ~20-22mln starting from 2021
- **Costs:** we confirm our guidance⁽²⁾ to around 4% yearly growth thanks to our strong operating gearing. This guidance doesn't 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 52 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

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

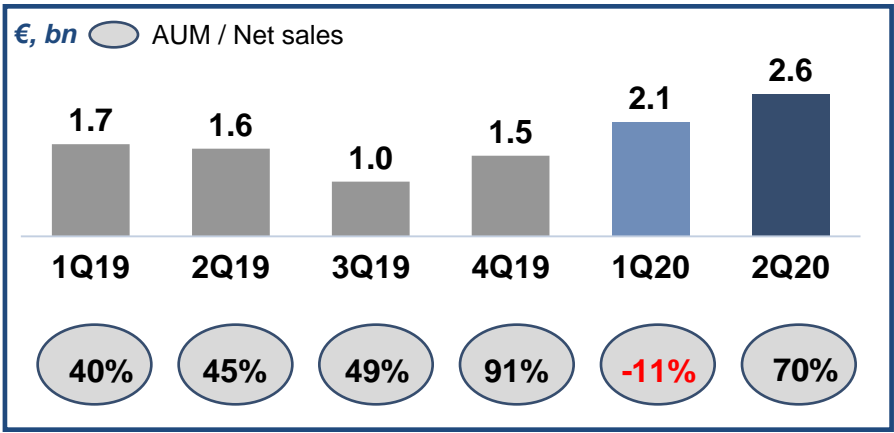
Cyborg advisory:
our PFAs already used to assist clients in a digital world

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

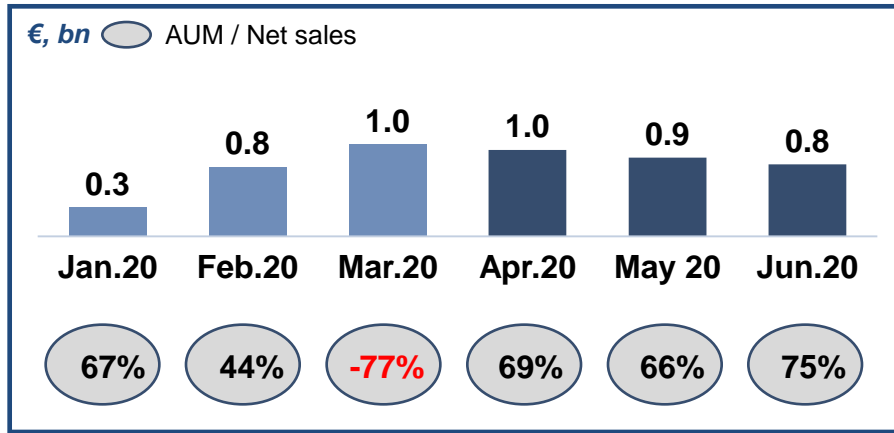
Accelerating net sales dynamics in 1H20: robust AUM flows and increased productivity

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

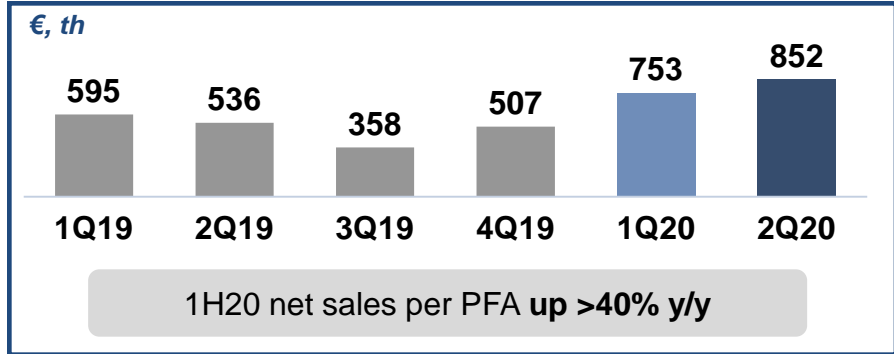
Total net sales, quarterly pace



Total net sales, monthly pace



Increasing Network productivity: net sales per PFA



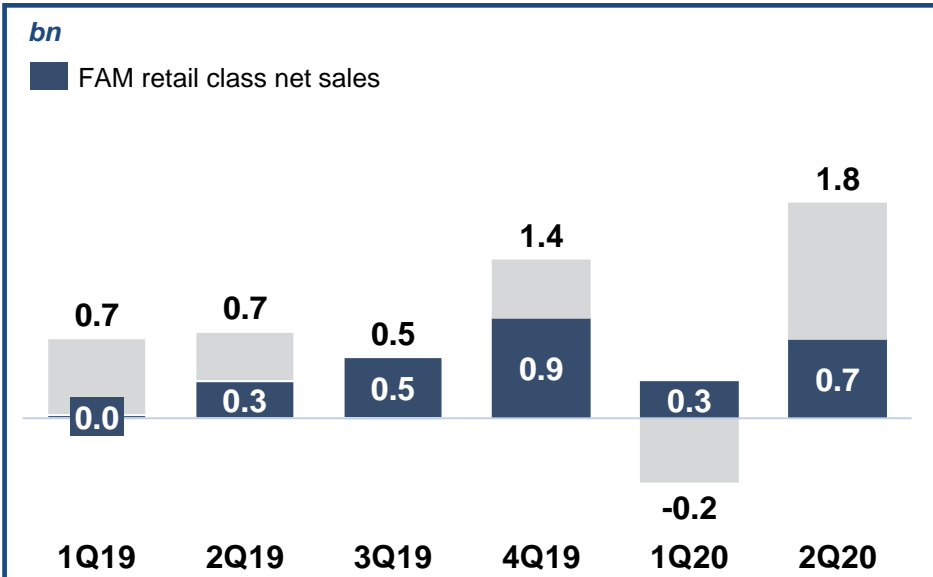
Industrial measures driving the acceleration of net sales and asset mix

- ✓ **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)

Fineco Asset Management

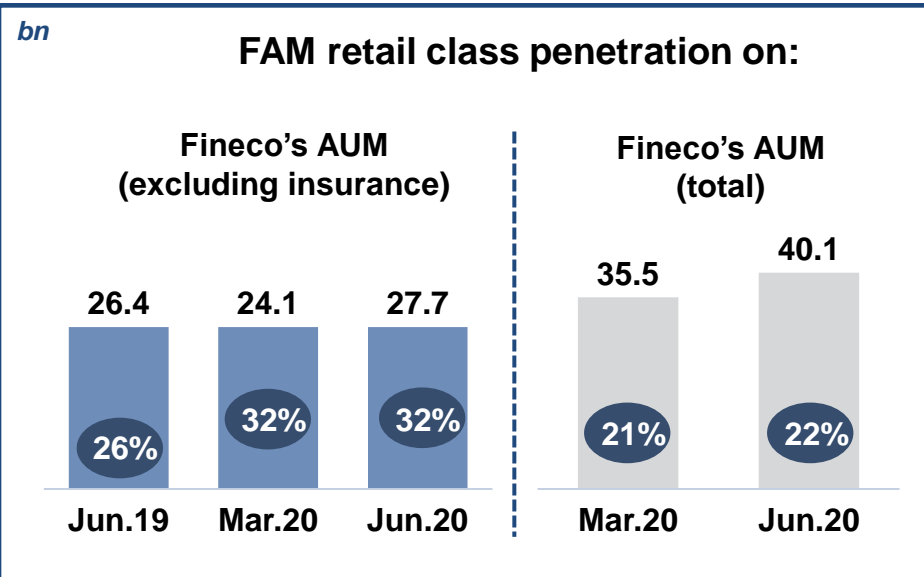
Strong commercial momentum with a sustainable approach

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

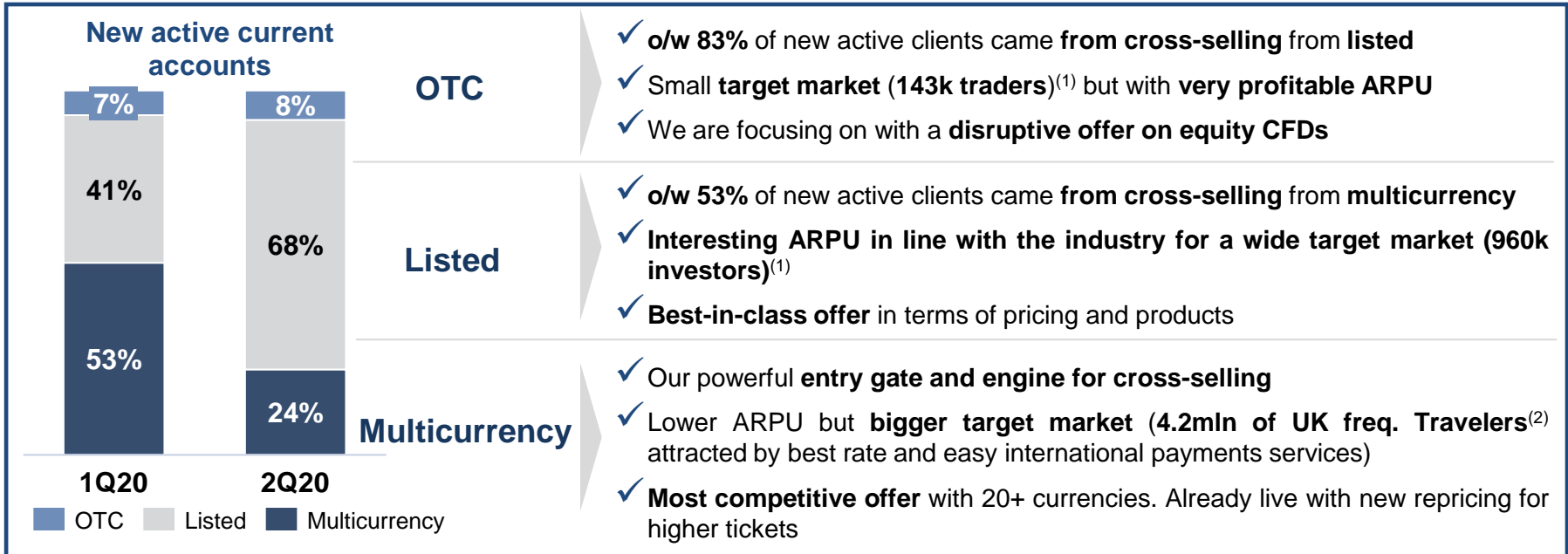
Efficiency and time-to-market to deliver quality products in line with customers needs:

- 🛡️ **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

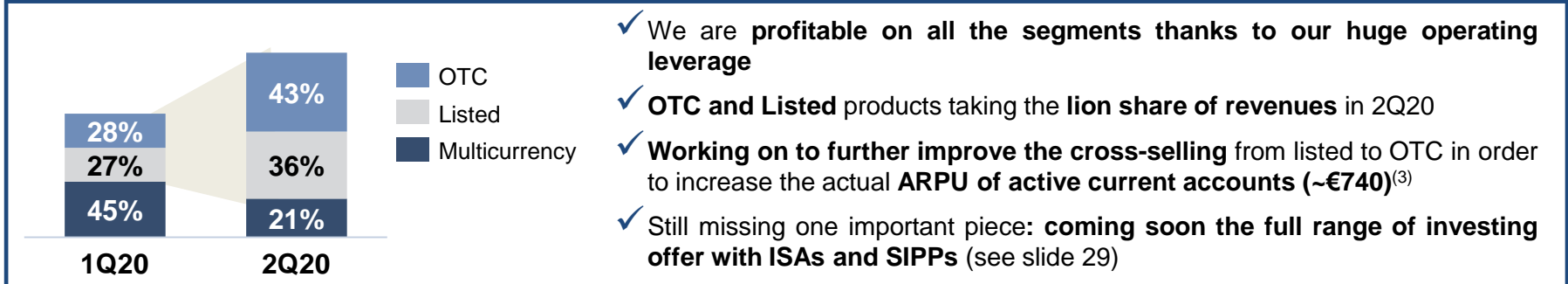


Fineco UK: our quality one-stop-solution proves to work

Strong cross-selling thanks to our quality one-stop-solution



Improving revenues thanks to cross-selling



⁽¹⁾ Source: Investment Trends 2020

⁽²⁾ Source: Internal research

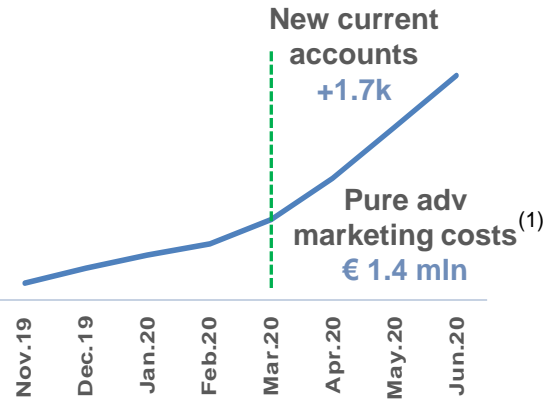
⁽³⁾ ARPU calculated as annualized revenues produced by active current accounts in the period March/June 2020. Active current accounts have done at least one operation among Listed, OTC or multicurrency services



Fineco UK: boost in clients' acquisition with limited marketing expenses

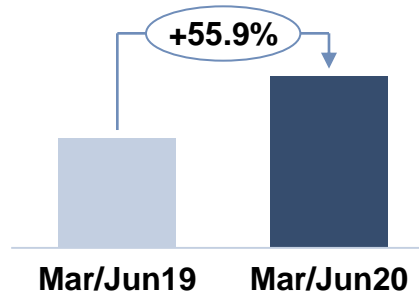
Promising feedback from our very first marketing campaign

Boost in clients' acquisition (3x new current accounts q/q)



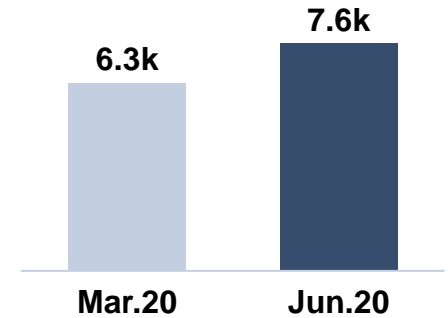
CPA adv marketing⁽²⁾ ~€ 825

Increasing active current accounts⁽³⁾



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

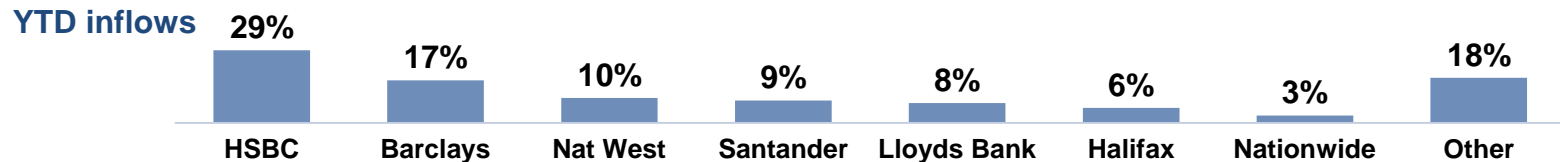
Total current accounts



First target: **30-35k** good clients in 2/3 years horizon

critical number for a "word of mouth strategy"

Gaining market share from traditional banks



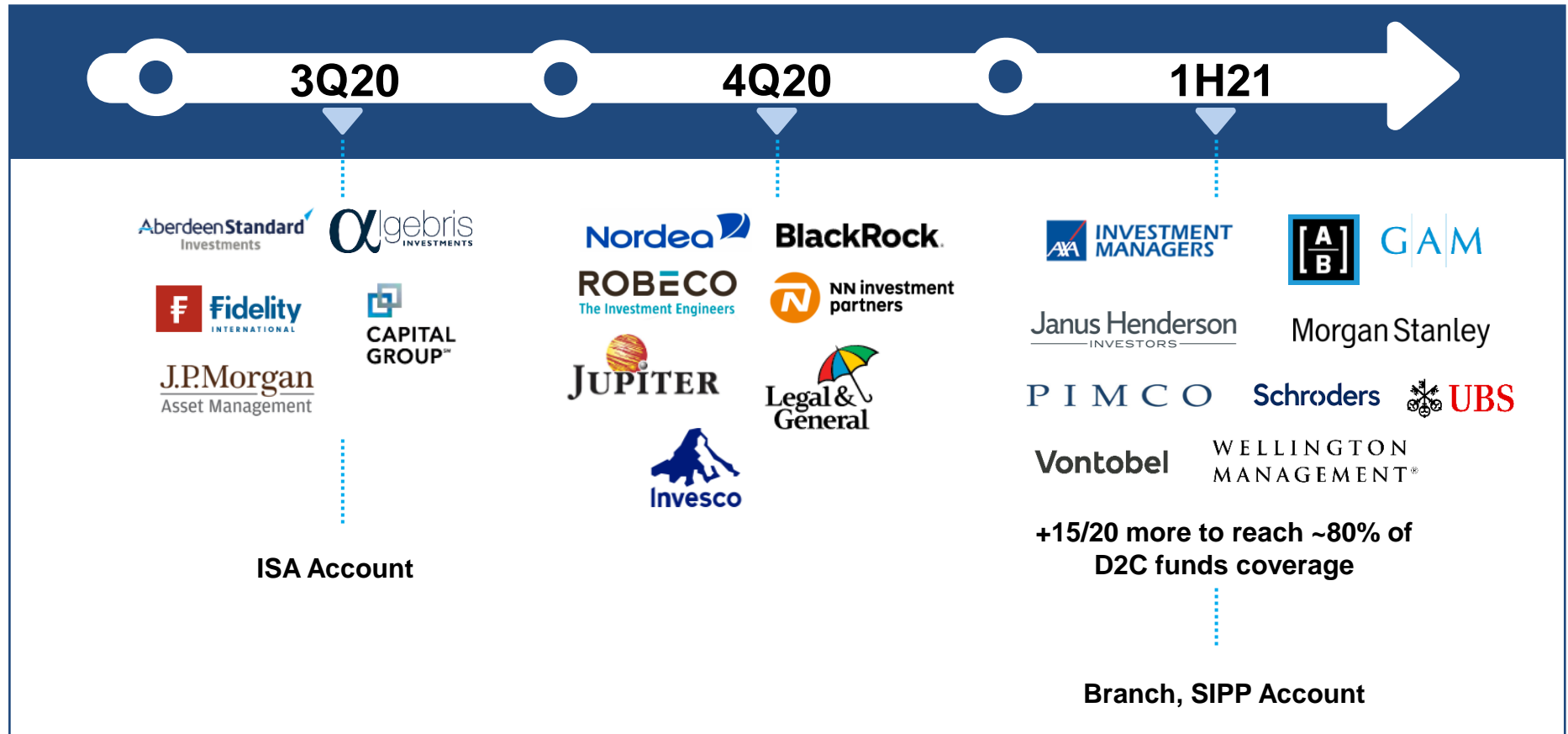
(1) Total marketing expenses in the quarter equal to €2.8 mln

(2) CPA adv marketing calculated dividing pure adv marketing costs on new current accounts

(3) Active current accounts have done at least one operation among Listed, OTC or multicurrency services

Source: internal elaboration GB Department

Fineco UK: next steps



Target Market Funds self-investors

- 1 trillion addressable wealth in UK ⁽¹⁾
- New inflows in D2C market: +23bln (+11% y/y) ⁽¹⁾
- New clients coming from traditional banks, stockbroking, D2C platform

⁽¹⁾ Source: Internal Research

Agenda

- 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 a 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 ORGANIG 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 a 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

Our ESG RATINGS recently
UPGRADED



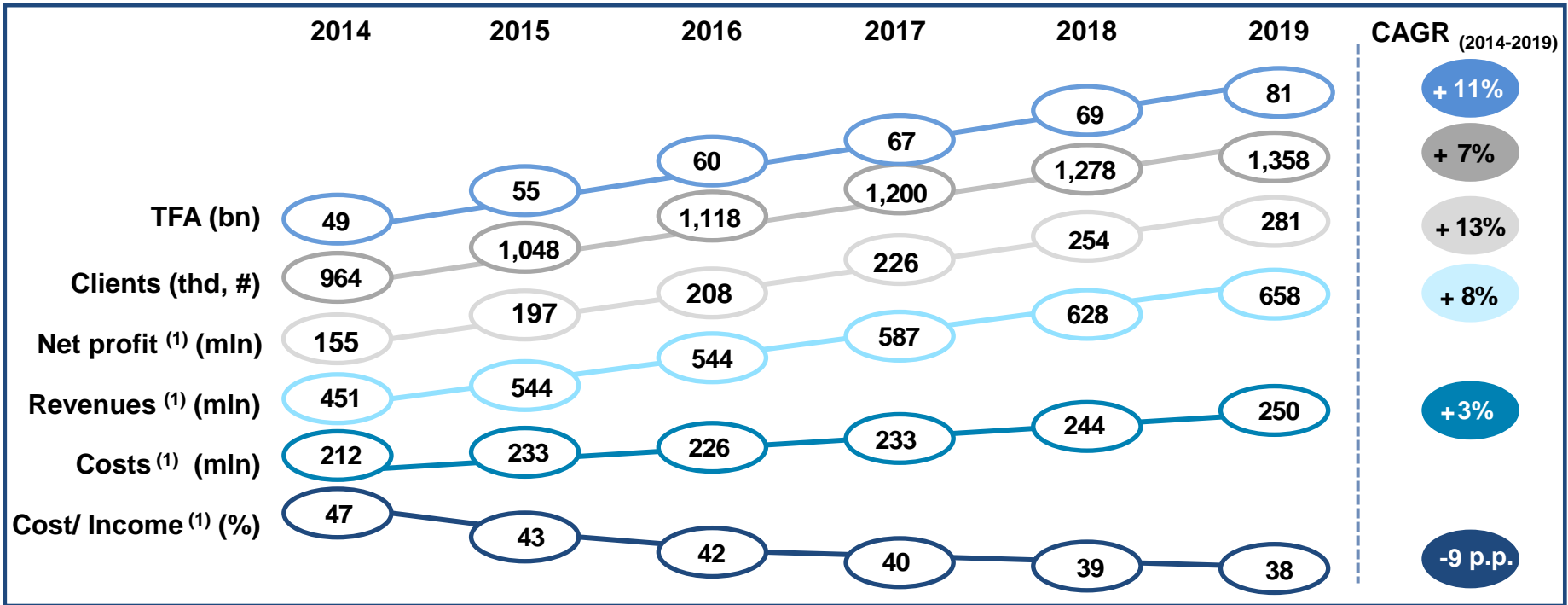
"EE+"
(very strong)



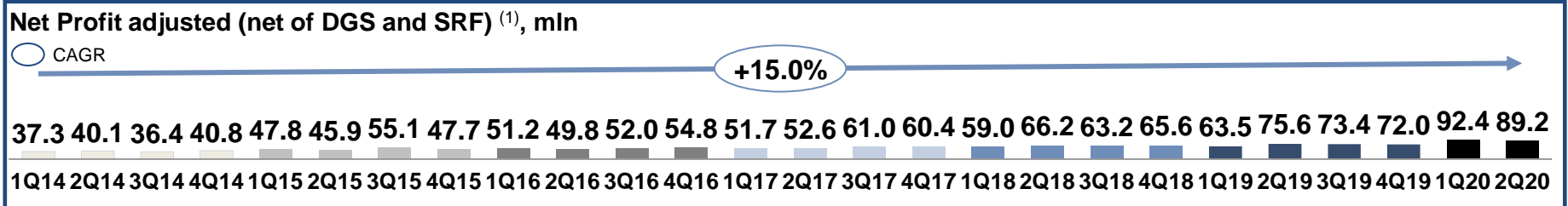
"A"

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)

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

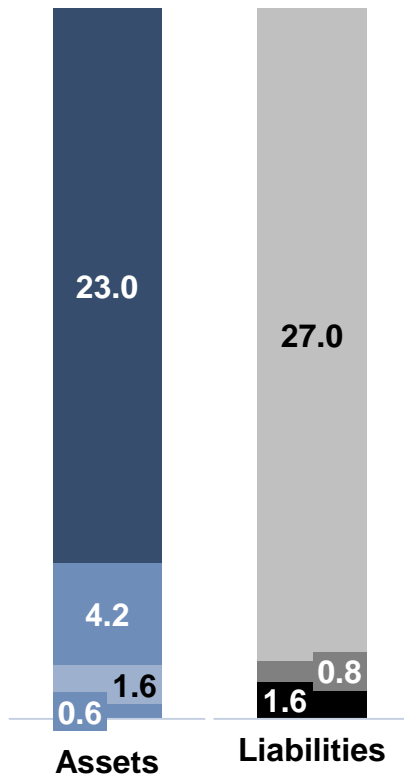
Diversified investment portfolio

- **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 50%, 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)

29.4 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
- +10.5% CAGR sight deposits growth in the last 10 years, **strong resilience during periods of stress/crisis**

Rock - solid capital position

CET1	pro-forma 18.4%	LCR	>900%
TCR	pro-forma 33.1%	NSFR ⁽²⁾	277%
		pro-forma	
		LEVERAGE RATIO	3.76%

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

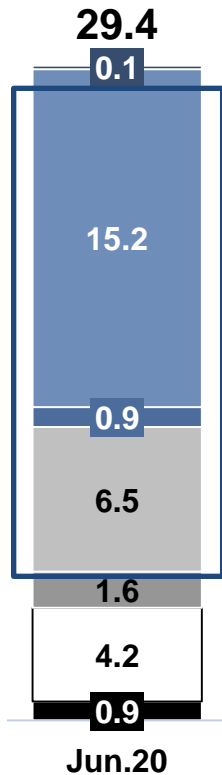
⁽¹⁾ Due from banks includes 0.9bn cash deposited at Bank of Italy as of June 2020

⁽²⁾ NSFR as of Mar.20

Total assets: 99.5% not exposed to volatility

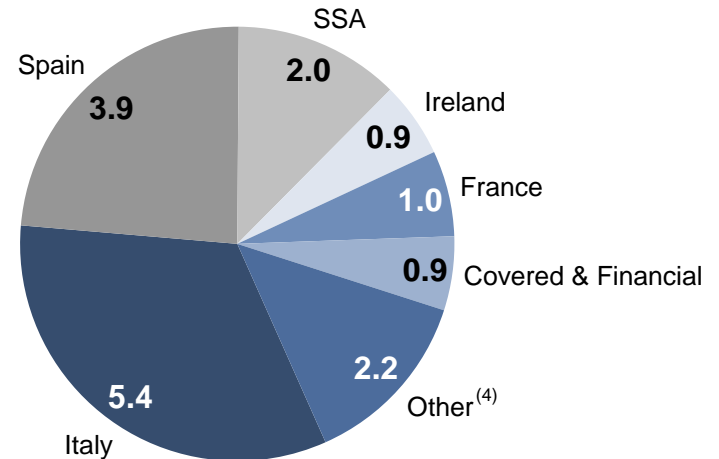
Out of 29.4bn, only 0.15bn of Assets valued at fair value with very limited impacts on Equity reserve

Total Assets, eop bn



Financial investments at amortized costs (HTC)

o/w Total non UCG Bonds: 16.2 bn⁽³⁾



Massive de-risking of the Balance Sheet

thanks to the **full collateralization of UC bonds** (May 10th, 2019)

⁽¹⁾ Due from banks includes 0.9bn cash deposited at Bank of Italy as of Jun.20

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

⁽³⁾ 16.2bn equal to 15.3bn nominal value, o/w Italy 5.0bn nominal value

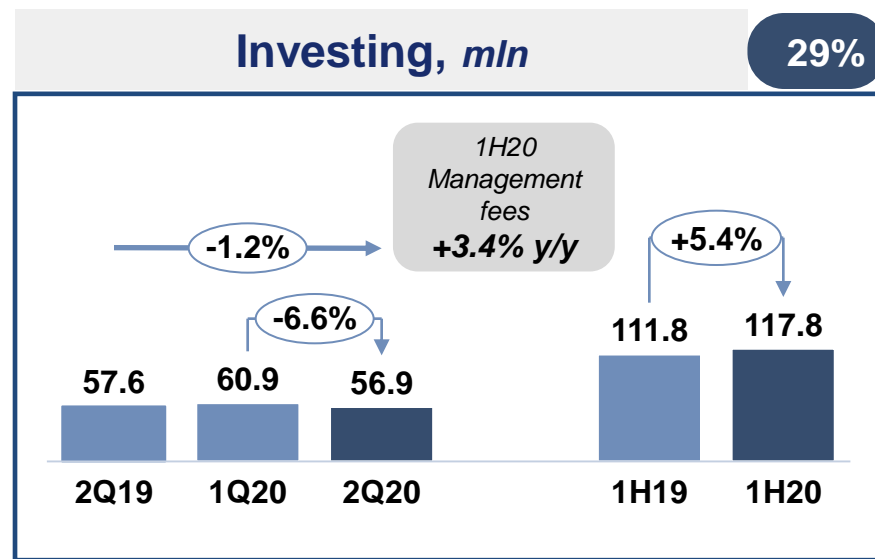
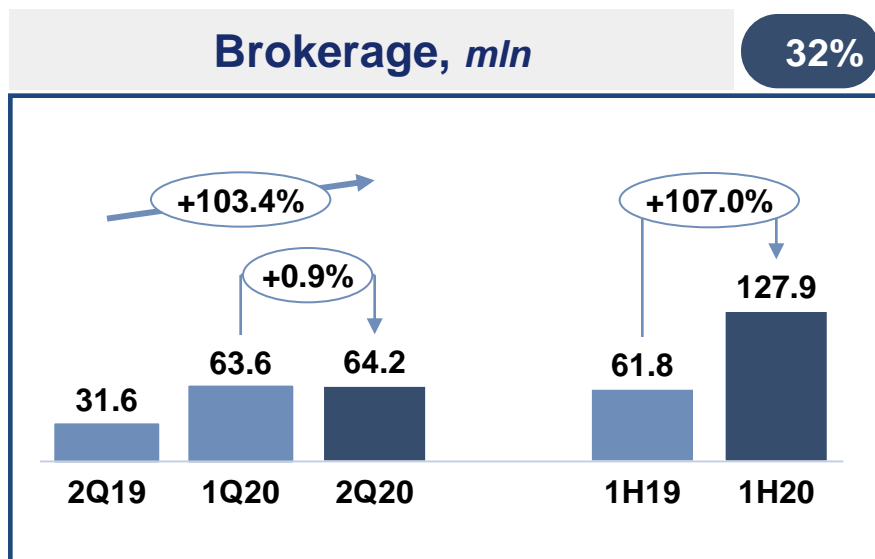
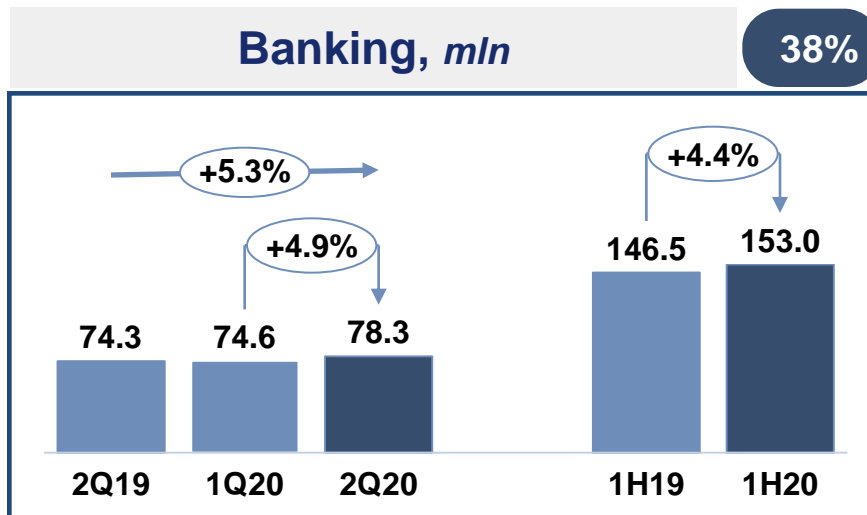
⁽⁴⁾ Other : US, Austria, Belgium, Germany, Poland, Portugal, United Kingdom, Switzerland

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



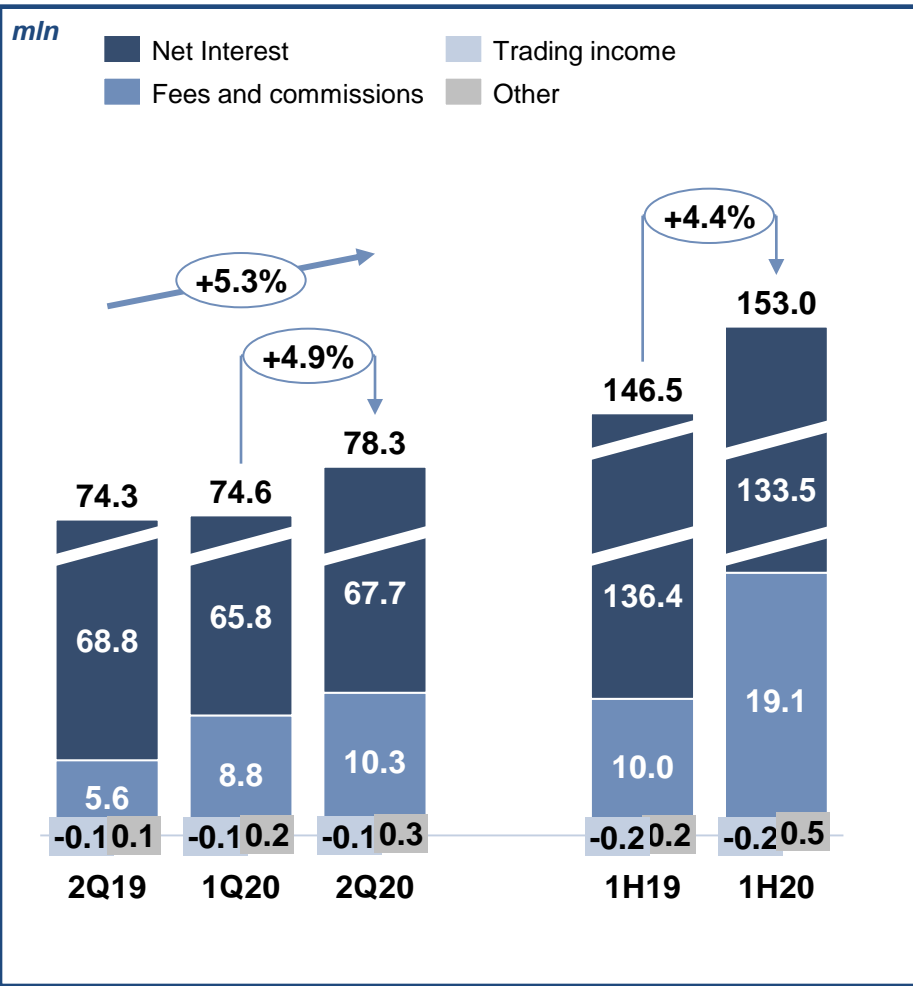
1H20 weight on total revenues for each product area

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.

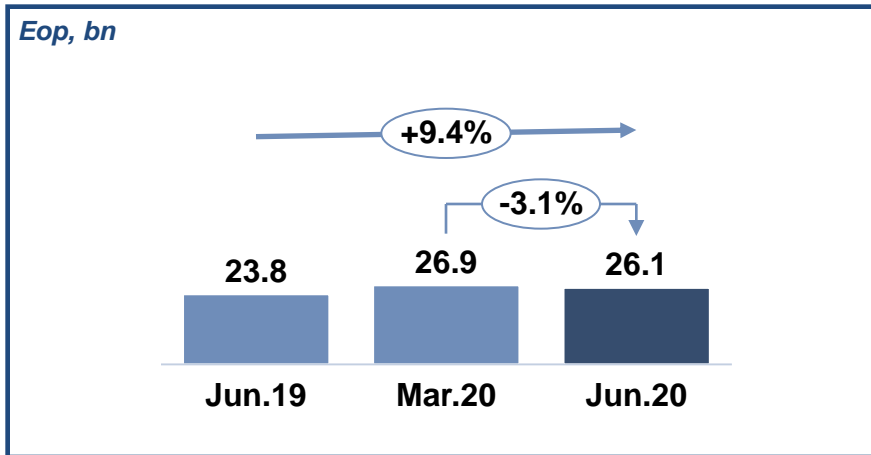
Banking

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

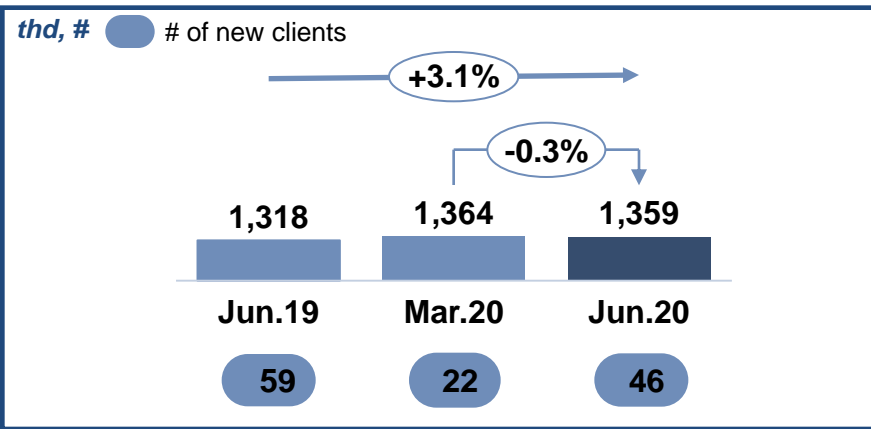
Revenues



Sight deposits



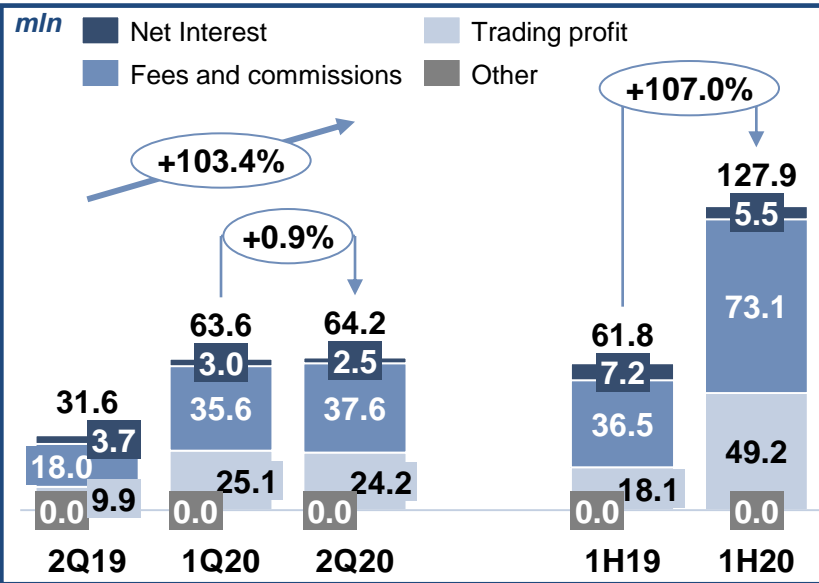
Clients and new clients



Brokerage

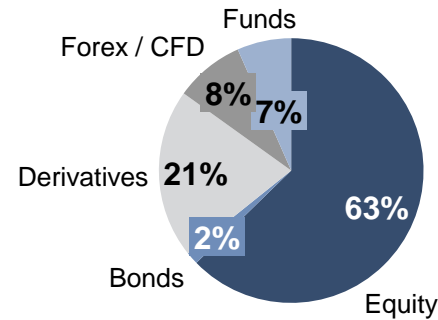
Revamped Brokerage thanks to skyrocketing volatility combined with the review of the offer. Growing market share in Italy and continuous enlargement of product offer

Revenues

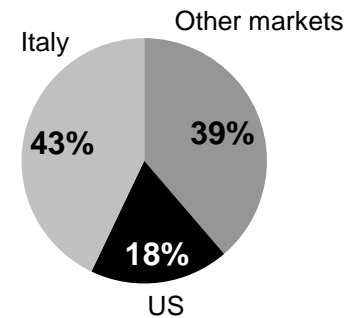


Well-diversified brokerage offer

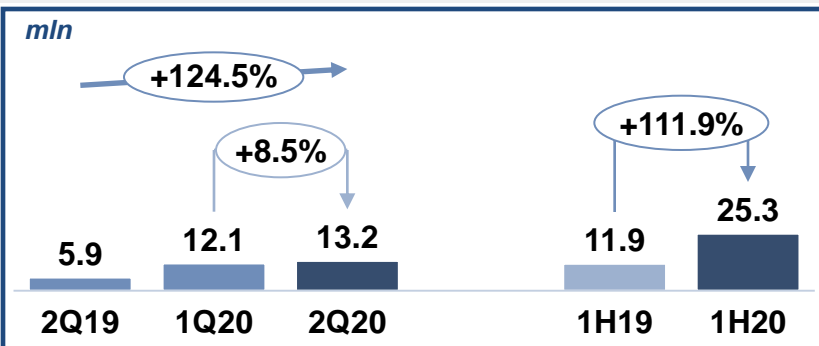
among products...



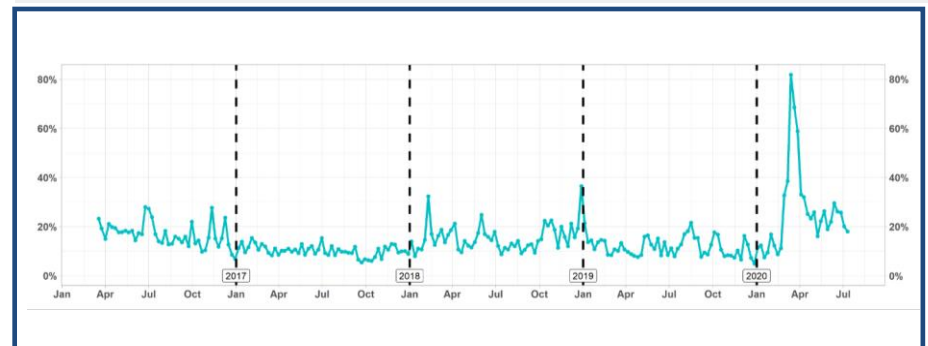
...and geographies



Executed orders



Volatility (1)



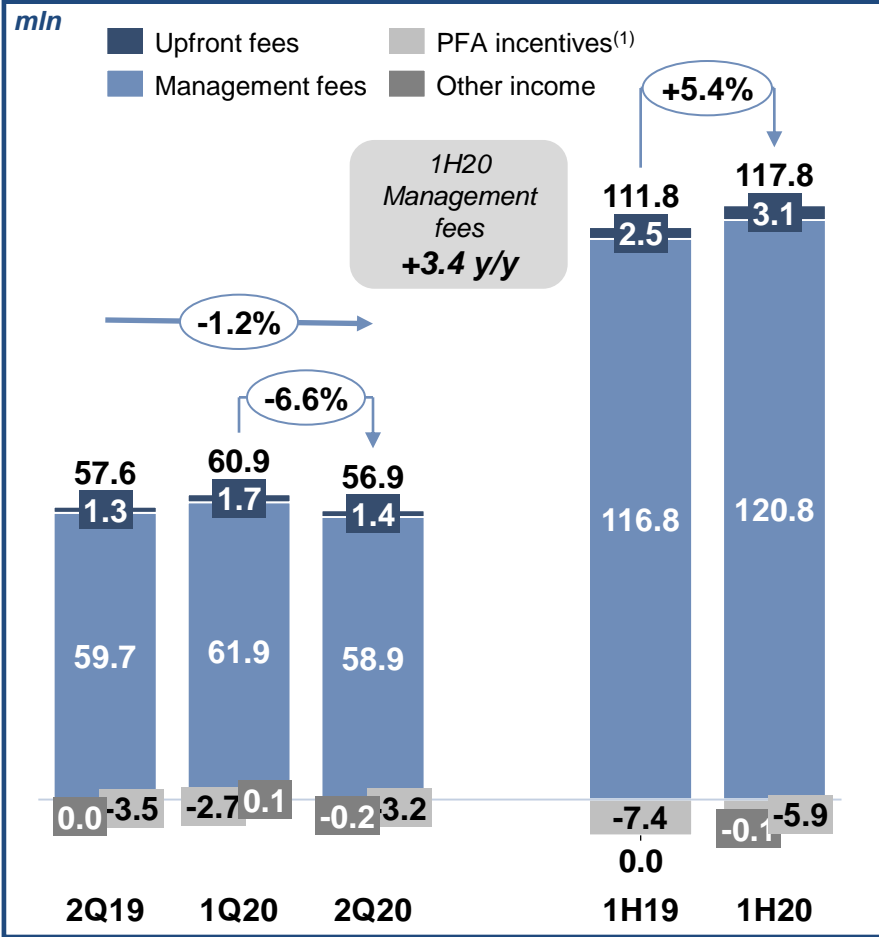
Managerial Data

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

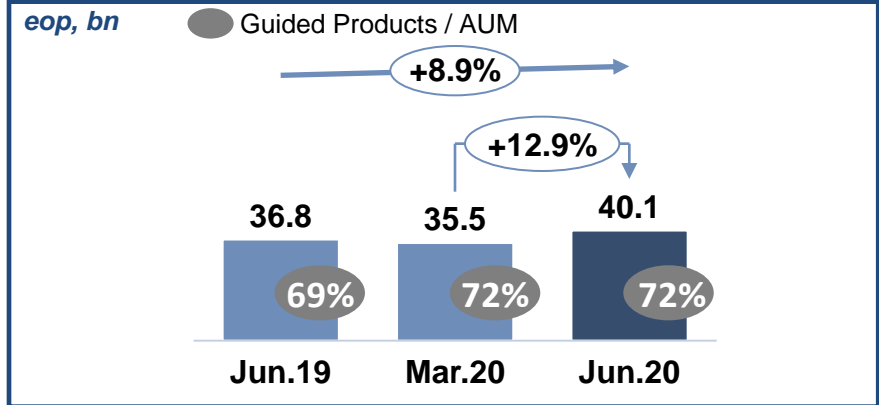
Investing

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

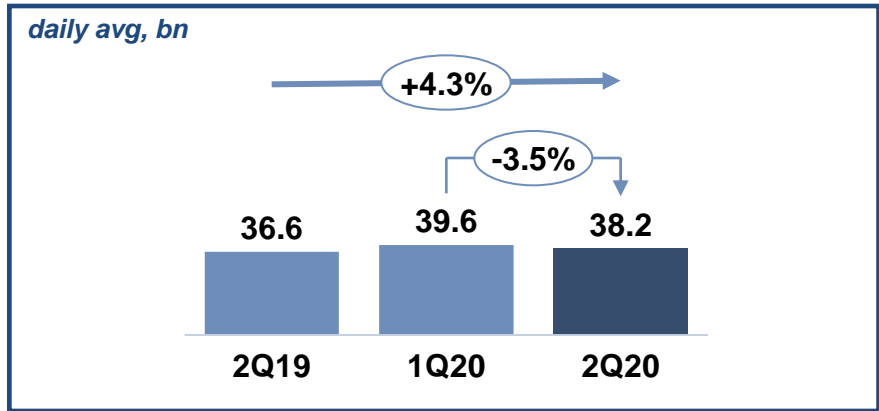
Revenues (Net fees)



Assets under Management



Average Asset under Management



Managerial Data

P&L

<i>mln</i>	1Q19	2Q19	3Q19	4Q19	FY19	1Q20	2Q20	1H19	1H20
Net interest income	70.4	71.4	69.8	69.7	281.3	68.2	70.1	141.8	138.2
Net commissions	77.4	81.3	84.3	82.3	325.2	105.0	104.8	158.6	209.7
Trading profit	9.8	8.0	11.6	15.3	44.8	26.4	30.1	17.8	56.5
Other expenses/income	0.2	0.3	0.1	2.9	3.6	0.6	0.8	0.5	1.4
Total revenues	157.7	161.1	165.8	170.2	654.8	200.1	205.8	318.8	405.8
Staff expenses	-21.7	-22.4	-22.5	-23.6	-90.2	-24.0	-24.9	-44.1	-48.9
Other admin.exp. net of recoveries	-38.5	-34.4	-29.4	-34.3	-136.6	-36.5	-34.6	-72.9	-71.1
D&A	-5.1	-5.4	-5.8	-6.6	-22.9	-6.1	-6.2	-10.5	-12.3
Operating expenses	-65.3	-62.3	-57.6	-64.4	-249.6	-66.5	-65.7	-127.5	-132.2
Gross operating profit	92.5	98.8	108.2	105.8	405.2	133.6	140.0	191.3	273.6
Provisions	-1.0	-2.9	-19.8	-3.5	-27.2	-1.1	-6.5	-3.8	-7.6
LLP	-1.3	1.1	-1.2	-0.6	-2.0	-1.0	-2.7	-0.1	-3.7
Profit from investments	-0.7	6.5	0.4	1.1	7.4	-0.1	-3.7	5.8	-3.8
Profit before taxes	89.5	103.5	87.6	102.8	383.5	131.4	127.1	193.1	258.5
Income taxes	-27.3	-31.7	-26.6	-9.6	-95.1	-40.0	-38.3	-59.0	-78.3
Net profit for the period	62.3	71.8	61.0	93.2	288.4	91.4	88.7	134.1	180.2
Net profit adjusted ⁽¹⁾	63.5	75.6	61.7	71.6	272.3	92.2	88.7	139.1	181.0
Non recurring items (mln, gross)	1Q19	2Q19	3Q19	4Q19	FY19	1Q20	2Q20	1H19	1H20
<i>Extraord systemic charges (Trading Profit) ⁽²⁾</i>	-0.4	-4.3	0.4	1.4	-3.0	-1.2	0.0	-4.8	-1.2
<i>Patent Box</i>	-0.9	-0.9	-0.9	20.7	18.1	0.0	0.0	-1.8	0.0
Total	-1.3	-5.2	-0.5	22.1	15.1	-1.2	0.0	-6.5	-1.2

⁽¹⁾ Net of non recurring items

⁽²⁾ Voluntary Scheme valuation

P&L net of non recurring items

<i>mln</i>	1Q19	2Q19	3Q19	4Q19	FY19	1Q20	2Q20	1H19	1H20
	Adj. ⁽¹⁾	Adj. ⁽¹⁾	Adj. ⁽¹⁾	Adj. ⁽¹⁾	Adj. ⁽¹⁾	Adj. ⁽¹⁾	Adj. ⁽¹⁾	Adj. ⁽¹⁾	Adj. ⁽¹⁾
Net interest income	70.4	71.4	69.8	69.7	281.3	68.2	70.1	141.8	138.2
Net commissions	77.4	81.3	84.3	82.3	325.2	105.0	104.8	158.6	209.7
Trading profit	10.3	12.3	11.2	13.9	47.7	27.6	30.1	22.6	57.7
Other expenses/income	0.2	0.3	0.1	2.9	3.6	0.6	0.8	0.5	1.4
Total revenues	158.2	165.4	165.4	168.8	657.8	201.3	205.8	323.5	407.0
Staff expenses	-21.7	-22.4	-22.5	-23.6	-90.2	-24.0	-24.9	-44.1	-48.9
Other admin.expenses	-38.5	-34.4	-29.4	-34.3	-136.6	-36.5	-34.6	-72.9	-71.1
D&A	-5.1	-5.4	-5.8	-6.6	-22.9	-6.1	-6.2	-10.5	-12.3
Operating expenses	-65.3	-62.3	-57.6	-64.4	-249.6	-66.5	-65.7	-127.5	-132.2
Gross operating profit	92.9	103.1	107.8	104.4	408.2	134.8	140.0	196.0	274.8
Provisions	-1.0	-2.9	-19.8	-3.5	-27.2	-1.1	-6.5	-3.8	-7.6
LLP	-1.3	1.1	-1.2	-0.6	-2.0	-1.0	-2.7	-0.1	-3.7
Profit from investments	-0.7	6.5	0.4	1.1	7.4	-0.1	-3.7	5.8	-3.8
Profit before taxes	90.0	107.8	87.2	101.4	386.4	132.6	127.1	197.8	259.7
Income taxes	-26.5	-32.2	-25.6	-29.8	-114.2	-40.4	-38.3	-58.8	-78.7
Net profit adjusted ⁽¹⁾	63.5	75.6	61.7	71.6	272.3	92.2	88.7	139.1	181.0

⁽¹⁾ Net of non recurring items (see page 42 for details)

1H20 P&L FinecoBank and Fineco Asset Management

<i>mln</i>	Fineco Asset Management	FinecoBank Individual	FinecoBank Consolidated
Net interest income	-0.1	138.3	138.2
Dividends		14.2	0.0
Net commissions	32.4	177.4	209.7
Trading profit	0.1	56.4	56.5
Other expenses/income	-0.1	1.5	1.4
Total revenues	32.3	387.8	405.8
Staff expenses	-2.0	-46.9	-48.9
Other admin.exp. net of recoveries	-2.0	-69.1	-71.1
D&A	-0.1	-12.1	-12.3
Operating expenses	-4.2	-128.1	-132.2
Gross operating profit	28.1	259.7	273.6
Provisions		-7.6	-7.6
LLP		-3.7	-3.7
Profit on Investments		-3.8	-3.8
Profit before taxes	28.1	244.6	258.5
Income taxes	-3.6	-74.8	-78.3
Net profit for the period	24.6	169.8	180.2

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	1H19	Volumes & Margins	1H20	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	115.1	20,165	111.1	22,609
<i>Net Margin</i>		1.17%		1.13%		1.02%		1.01%		1.08%		0.98%		1.00%		1.15%		0.99%
<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%	120.0	1.20%	113.9	1.01%
Security Lending	0.6	836	0.4	386	0.0	0	0.3	307	1.4	382	0.7	634	1.3	1,132	1.1	611	2.0	883
<i>Net Margin</i>		0.32%		0.44%		0.00%		0.44%		0.37%		0.44%		0.46%		0.36%		0.46%
Leverage - Long	2.7	129	3.2	153	3.3	157	3.3	154	12.4	148	2.9	137	2.4	117	5.9	141	5.2	127
<i>Net Margin</i>		8.45%		8.35%		8.38%		8.38%		8.39%		8.42%		8.13%		8.40%		8.29%
Other Treasury activities	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.1	69	0.8	784	n.a.	n.a.	0.8	427
<i>Net Margin</i>		n.a.		n.a.		n.a.		n.a.		n.a.		0.44%		0.39%		n.a.		0.39%
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	11.4	3,537	21.3	2,683	22.3	3,415
<i>Net Margin</i>		1.62%		1.58%		1.51%		1.42%		1.53%		1.34%		1.29%		1.60%		1.32%
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	6.1	1,076	7.0	1,345
<i>Net Margin</i>		1.14%		1.14%		1.10%		1.07%		1.11%		1.05%		1.04%		1.14%		1.04%
o/w Cards ⁽¹⁾	1.2	245	1.2	252	1.2	282	1.2	265	4.9	261	1.2	242	1.1	184	2.4	248	2.3	213
<i>Net Margin</i>		2.00%		1.92%		1.74%		1.87%		1.88%		2.02%		2.46%		1.96%		2.21%
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	9.1	444	8.9	455
<i>Net Margin</i>		4.20%		4.09%		3.98%		3.92%		4.05%		3.93%		3.93%		4.15%		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	2.3	1,530	3.7	914	4.1	1,402
<i>Net Margin</i>		0.80%		0.82%		0.79%		0.64%		0.76%		0.57%		0.61%		0.81%		0.59%
Other ⁽²⁾	-0.5		-1.0		-0.4		-0.8		-2.8		-1.3		-2.1		-1.6		-3.3	
Total	70.4		71.4		69.8		69.7		281.3		68.2		70.1		141.8		138.2	
Gross Margin		1.26%		1.25%		1.17%		1.11%		1.20%		1.08%		1.04%		1.26%		1.06%
Cost of Deposits		-0.05%		-0.04%		-0.04%		-0.03%		-0.04%		-0.03%		-0.01%		-0.04%		-0.02%

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⁾ Calculated on total cards, both spending and revolving

⁽²⁾ Other includes mainly marketing costs

UniCredit bonds underwritten

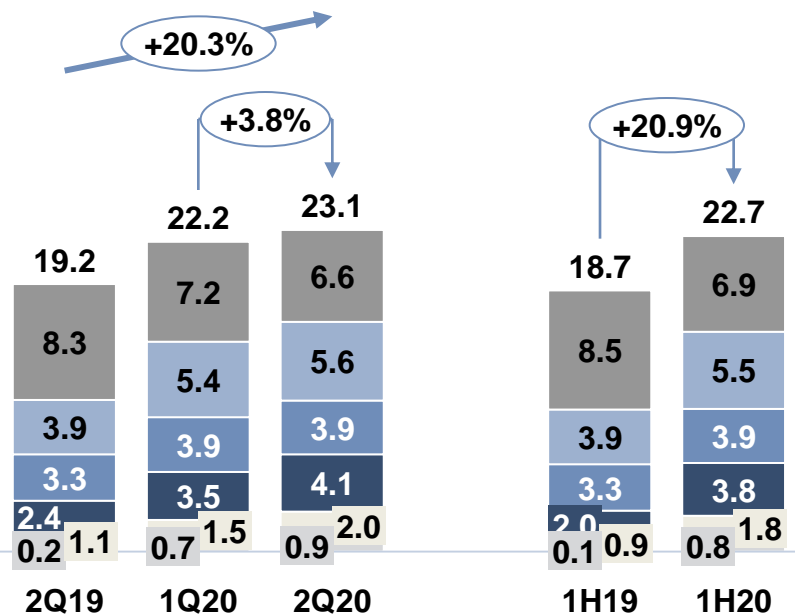
	ISIN	Currency	Amount (€ m)	Maturity	Indexation	Spread
1	IT0005010308	Euro	382.5	9-Jul-20	Euribor 1m	2.49%
2	IT0005010381	Euro	382.5	7-Oct-20	Euribor 1m	2.52%
3	IT0005010332	Euro	382.5	6-Jan-21	Euribor 1m	2.54%
4	IT0005010316	Euro	382.5	6-Apr-21	Euribor 1m	2.56%
5	IT0005010340	Euro	382.5	5-Jul-21	Euribor 1m	2.58%
6	IT0005010225	Euro	382.5	18-Oct-21	Euribor 1m	2.60%
7	IT0005040099	Euro	100.0	24-Jan-22	Euribor 1m	1.46%
8	IT0005057994	Euro	200.0	11-Apr-22	Euribor 1m	1.43%
9	IT0005083743	Euro	300.0	28-Jan-22	Euribor 1m	1.25%
10	IT0005114688	Euro	180.0	19-May-22	Euribor 1m	1.19%
11	IT0005120347	Euro	700.0	27-Jun-22	Euribor 1m	1.58%
12	IT0005144065	Euro	450.0	14-Nov-22	Euribor 3m	1.40%
13	IT0005144073	Euro	350.0	15-Nov-21	Euribor 3m	1.29%
14	IT0005158412	Euro	250.0	23-Dec-22	Euribor 3m	1.47%
15	IT0005163180	Euro	600.0	11-Feb-23	Euribor 3m	1.97%
16	IT0005175135	Euro	100.0	24-Mar-23	Euribor 3m	1.58%
17	IT0005217606	Euro	350.0	11-Oct-23	Euribor 3m	1.65%
18	IT0005241317	Euro	622.5	2-Feb-24	Euribor 3m	1.52%
Total		Euro	6,497.5		Euribor 1m	1.92%

Financial Investments

Further improvements for a diversified asset side.

Bond Portfolio, avg bn

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



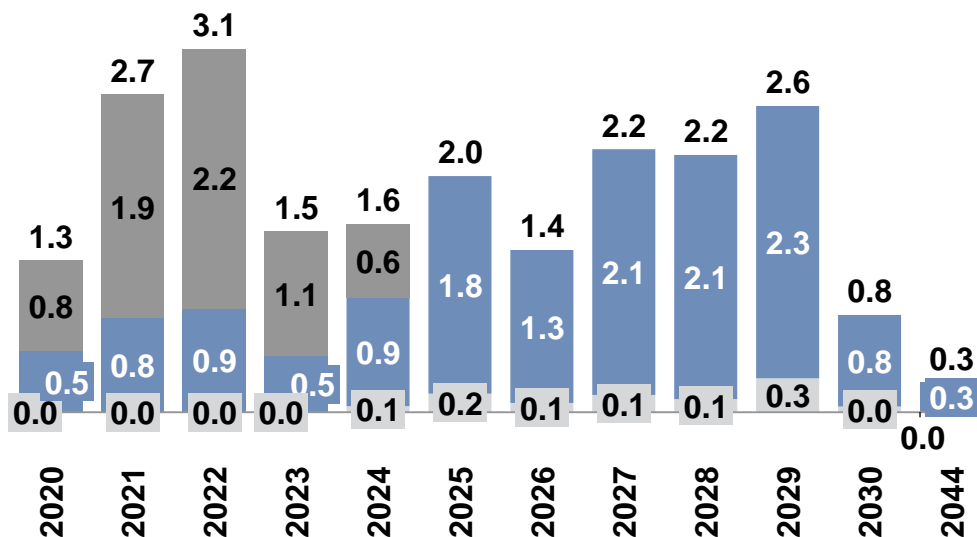
Avg Bond portfolio 1H20 (excl. UC Bonds):

15.8bn, +55% y/y

64% ⁽³⁾ at fixed rate, avg yield: 72bps

UC bonds and Govies run-offs, eop bn

■ UC Bonds ■ Govies & SSA ■ Covered & Corporate



251 234 145 189 159

UC Bonds avg spread vs Eur1M, bps

Residual maturity total portfolio: 5.0 yrs

o/w UC Bonds: 1.8 yrs

o/w bonds (excl. UC bonds): 6.4 yrs

⁽¹⁾ Sovereign Supranational and Agencies

⁽²⁾ Avg 2Q20 "Other" includes: 1.0bn France, 0.9bn Ireland, 0.5bn USA, 0.5bn Belgium, 0.5bn Austria, 0.4bn Portugal, 0.1bn Germany, 0.1 UK, 0.1 Poland and Switzerland

⁽³⁾ Calculated on nominal value as of June 30th 2020

Details on Net Commissions

<i>mln</i>	1Q19	2Q19	3Q19	4Q19	FY19	1Q20	2Q20	1H19	1H20
Brokerage	18.5	18.0	20.0	20.8	77.3	35.6	37.6	36.5	73.1
o/w									
Equity	15.6	14.7	15.9	17.0	63.2	30.0	31.0	30.3	61.0
Bond	0.9	0.9	1.4	0.7	3.9	1.0	3.8	1.8	4.8
Derivatives	2.3	2.2	2.7	2.6	9.7	4.5	3.7	4.5	8.2
Other commissions ⁽¹⁾	-0.2	0.2	0.0	0.6	0.5	0.0	-0.9	0.0	-0.9
Investing	54.2	57.6	58.3	56.1	226.2	60.8	57.1	111.8	117.9
o/w									
Placement fees	1.1	1.3	1.1	1.8	5.4	1.7	1.4	2.5	3.1
Management fees	57.1	59.7	61.5	63.0	241.3	61.9	58.9	116.8	120.8
to PFA's: incentives	-3.0	-4.3	-3.6	-8.0	-18.9	-2.5	-2.6	-7.3	-5.1
to PFA's: LTI	-1.0	0.8	-0.7	-0.7	-1.6	-0.2	-0.7	-0.2	-0.9
Banking	4.5	5.6	5.9	5.3	21.3	8.8	10.3	10.0	19.1
Other	0.1	0.1	0.1	0.1	0.4	-0.2	-0.2	0.2	-0.4
Total	77.4	81.3	84.3	82.3	325.2	105.0	104.8	158.6	209.7

⁽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	2Q20	1H19	1H20
Net interest income	67.6	68.8	67.0	66.9	270.3	65.8	67.7	136.4	133.5
Net commissions	4.5	5.6	5.9	5.3	21.3	8.8	10.3	10.0	19.1
Trading profit	-0.1	-0.1	-0.2	0.2	-0.2	-0.1	-0.1	-0.2	-0.2
Other	0.1	0.1	0.1	0.1	0.4	0.2	0.3	0.2	0.5
Total Banking	72.1	74.3	72.7	72.5	291.7	74.6	78.3	146.5	153.0
Net interest income	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	111.8	117.9
Trading profit	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	0.0	-0.1
Total Investing	54.2	57.6	58.3	58.8	228.9	60.9	56.9	111.8	117.8
Net interest income	3.4	3.7	3.4	3.4	14.0	3.0	2.5	7.2	5.5
Net commissions	18.5	18.0	20.0	20.8	77.3	35.6	37.6	36.5	73.1
Trading profit	8.2	9.9	11.5	11.7	41.3	25.1	24.2	18.1	49.2
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Brokerage	30.2	31.6	34.9	35.9	132.6	63.6	64.2	61.8	127.9

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. 2018 figures were also reclassified.

Breakdown Total Financial Assets

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

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

FINECO

B A N K

Balance Sheet

<i>mln</i>	Mar.19	Jun.19	Sep.19	Dec.19	Mar.20	Jun.20
Due from Banks ⁽¹⁾	3,807	1,941	2,033	1,320	1,801	1,633
Customer Loans	3,029	3,409	3,568	3,680	3,741	4,204
Financial Assets	19,012	19,920	21,532	22,313	23,414	22,961
Tangible and Intangible Assets	243	242	247	279	280	280
Derivatives	29	49	72	65	76	76
Other Assets	259	274	308	366	207	259
Total Assets	26,380	25,835	27,760	28,023	29,519	29,412
Customer Deposits	23,311	24,140	25,429	25,920	27,202	27,021
Due to Banks	1,605	207	188	155	331	113
Derivatives	32	84	156	95	144	207
Funds and other Liabilities	393	477	698	471	365	515
Equity	1,040	928	1,289	1,382	1,477	1,556
Total Liabilities and Equity	26,380	25,835	27,760	28,023	29,519	29,412

⁽¹⁾ Due from banks includes cash deposited at Bank of Italy: 0.9bn cash as of June 2020, 1.2bn cash as of Mar.2020, 1.2bn cash as of June 2019, 1.2bn cash as of Sept. 2019, and 0.8bn cash 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 2-2.5bn 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	Jun.20
PFA TFA/ PFA (mln) ⁽¹⁾	25.0	25.6	26.6	27.8	25.7	27.9
Guided Products / TFA ⁽²⁾	33%	33%	34%	35%	34%	35%
Cost / income Ratio ⁽³⁾	41.3%	39.4%	37.9%	37.9%	33.0%	32.5%
CET 1 Ratio ⁽⁴⁾	21.0%	17.8%	17.4%	18.1%	19.3%	18.4%
Adjusted RoE ⁽⁵⁾	31.2%	34.0%	27.3%	27.5%	30.7%	30.1%
Leverage Ratio ⁽⁶⁾	5.11%	2.89%	3.85%	3.85%	3.73%	3.76%

⁽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 42 for details) calculated as Operating Costs divided by Revenues net of non recurring items

⁽⁴⁾ 1Q20 and 2Q20 CET1 ratio pro-forma

⁽⁵⁾ RoE: Net Profit, net of non recurring items (see page 42 for details) 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 and 2Q20 Leverage ratio pro-forma

Fineco - a fully independent public company starting from May 2019

Strategy and Business model

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

Transitional Arrangements with UniCredit Group

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

INVESTMENT STRATEGY

- **No change in the investment policy** envisaging an increasing diversification of financial investments as the existing stock of UniCredit bonds progressively runs off by 2024

INFRAGROUP SERVICES

- **UniCredit has granted a financial collateral** in favor of Fineco to secure the credit risk exposures towards UniCredit and **neutralize the capital impacts and risk concentration limits**

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 €14.2bn, of which €8.9bn retail classes ⁽¹⁾

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**

- ✓ **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

Fineco UK vs Competitors: products and services

						
BANKING	Bank Account	✓	X	X	✓	✓
	Multi Currency	✓	X	X	✓	✓
	Debit Cards	✓	X	X	✓	✓
TRADING	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	✓
INVESTING	ISA	✓ ●	✓	✓	X	✓
	SIPP	✓ ●	X	✓	X	X

● Coming Soon - see slide 29

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	FINECO BANK	IG	CIIC cmc markets	SAXO BANK	Plus500
HSBC * 498.20 GBp	0	£10	£9	£8	£0.67
APPLE * 225.64 USD	0	£15	\$10	\$10	\$9.5
BMW * 42.61 EUR	0	€10	€9	€10	€10.75

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

Platform fees: the most competitive

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

Stock broking: flat fees

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

Transaction fees

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








(1) Plus Custody fees

(2) Equivalent for each transaction – Exchange rate GBP/EUR: 1.1217

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

Disruptive pricing 100% sustainable thanks to our strong operating leverage

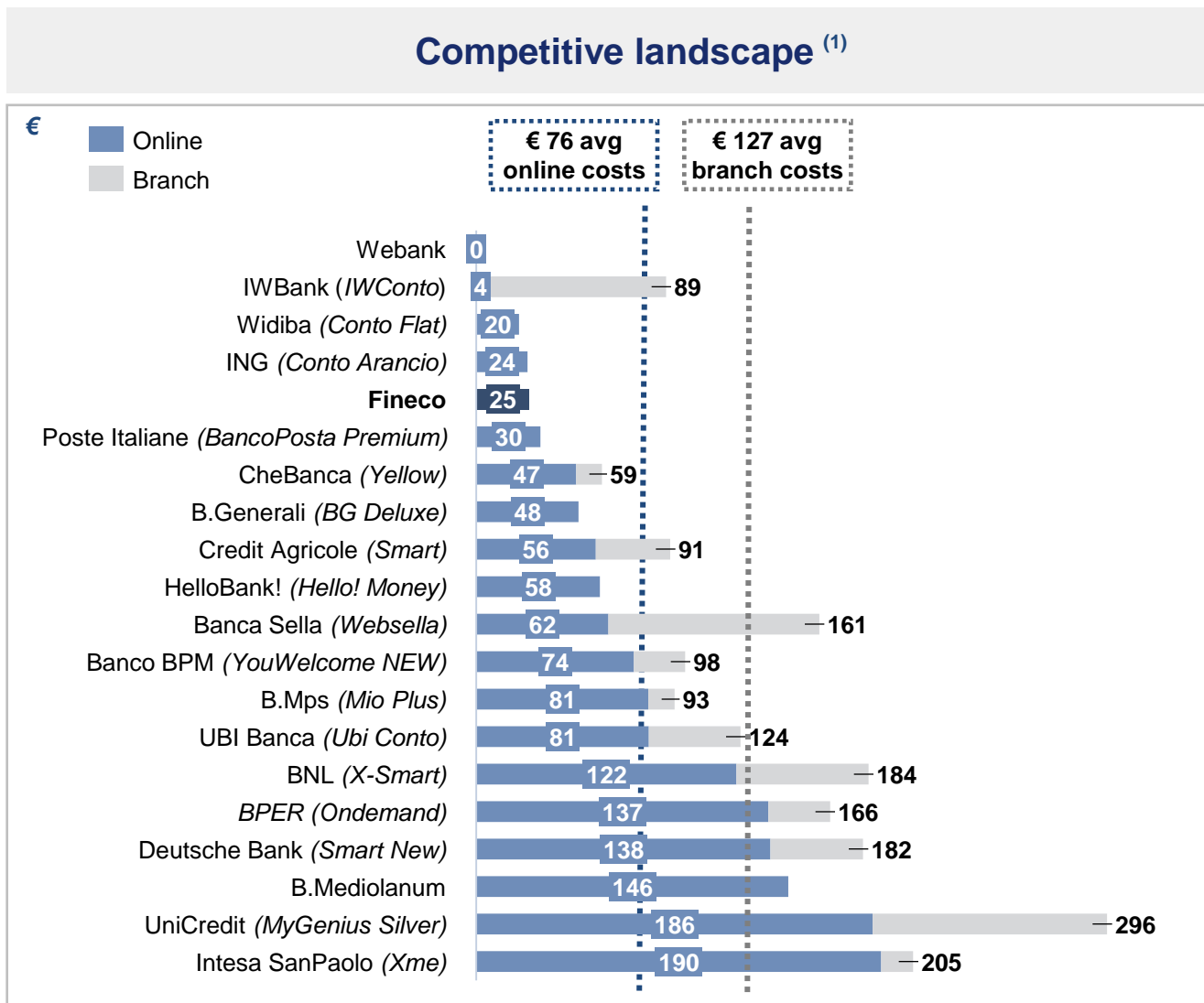
Multicurrency: best spreads, no commissions

£ → €							
£2,000 ⁽¹⁾	£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: -123%</i>
£10,000 ⁽²⁾	£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 ⁽²⁾	£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 ⁽²⁾	£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



⁽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.

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

