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Testo del comunicato

Vedi allegato.

Results at 31 March 2021, approved

IN 1Q21 FINECO CONFIRMED ITS STRONGER GROWTH MOMENTUM WITH RECORD-HIGH NET PROFITS AND REVENUES

SOLID COMMERCIAL DYNAMICS, LED BY THE INCREASED PRODUCTIVITY OF THE PFAs' NETWORK THANKS TO THE BANK'S FINTECH DNA

- Strong growth in net profit thanks to the diversified business model: **€94.7 million** (+2.7% y/y[1])
- Revenues: **€218.2 million** (+8.4% y/y[1])
- Gross operating profit: **€144.5 million** (+7.2% y/y[1])
- Cost/income ratio: **33.8%** (+0.8 p.p. y/y[1])
- CET1 at **26.51%**

Milan, 11 May 2021

The Board of Directors of FinecoBank S.p.A. has approved the results at March 31st, 2021.
Alessandro Foti, CEO and General Manager of FinecoBank, stated:

"We're very satisfied about these quarterly results which strongly underline the change of pace in Fineco's growing path. A turning point based on extreme solidity and sustainability driven by the fast acceleration of the structural trends shaping Italian society, among which digitalization stands out. The growing request by customers of advanced investment solutions is crucial for the positive results of our investing platform, with a strong contribution by Fineco Asset Management. In addition, FAM is being setting a strategic discontinuity to improve the efficiency of the value chain, increasing the opportunities for our financial advisors to successfully meet our customers' needs. We are fully engaged in leveraging on the great growth opportunities offered by our digital DNA based platform, positioned in the best way to offer an excellent service level based on efficiency, transparency and constant innovation."

[1] Non-recurring items recorded in 2020: €-1.4 million gross (€-1.0 million net) related to Voluntary Scheme fair value, of which: €-0.2 million gross (€-0.2 million net) in the third quarter of 2020; €-1.2 million gross (-€0.8 million net) in the first quarter of 2020.

1Q21 HIGHLIGHTS	■ **Revenues**[1] **at €218.2 million,** +8.4% y/y **led by the Investing area (+13.8% y/y)**, thanks to Fineco Asset Management's contribution and to the increase of Asset under Management, **and by the Brokerage area (+2.1% y/y)** thanks to the combined effect of the reshape of our product offer, the enlargement of the client base, the increase of Fineco market share ■ **Operating costs at €73.8 million, +10.9% y/y (+4.5% y/y**[2]**).** Please note that the first quarter of 2020 has recorded the lowest first quarter of the last 10 years in terms of non HR costs due to the strict lockdown in place in Italy**. The q/q increase has been equal to 1.2%. Cost/Income ratio**[1] **at 33.8%,** confirming the Bank's operational efficiency ■ **Net profit**[1] **reached a new record-high at €94.7 million,** up +2.7% y/y compared to the first quarter of 2020 (which was the best result ever), despite €5.8 million contribution to Single Resolution Fund in the quarter (€-0.3 in 1Q20) ■ **TFA at €97.1 billion**, +27.8% y/y thanks to the contribution of high quality **net sales**, **equal to €3.3 billion (+56.4% y/y)**. Net sales in Asset Under Management stood at €1.9 billion compared with -0.2 billion in the same quarter of 2020 ■ **FAM nears €18 billion of TFA**, of which €11.5 billion in retail classes (+50.3% y/y) ■ **39,204 new customers** acquired, **+75% y/y**
UPDATE ON INITIATIVES	■ Activities continued to develop **Fineco Asset Management** which in 2021 will widen its offer with new *equity* and *sustainable* solutions, confirming its increasing capacity to promptly and effectively respond to customer needs ■ Fineco keeps on developing its **UK offer**, with the launch of ISA products and the progressive widening of its mutual funds offer on the platform ■ The process of **reshape of the brokerage offer is continuing** with the launch of new products and services (Asian markets, CFD, new release of the platform *PowerDesk*). We are in the process of vertically integrating leveraged certificates, becoming issuer, market maker and distributor through our platform, allowing us to increase our ability to extract value from the business thanks to our clients' strong volumes, and develop a flexible and modern model

[2] Net costs strictly related to the growth of the business: marketing expenses (-2.4mln y/y, mainly related to UK), costs related to PFAs' Firr and Enasarco (-0.7mln y/y), FAM (-1.0mln y/y), CRM (-0.2mln y/y, after the strong acceleration in new current accounts)

TOTAL FINANCIAL ASSETS AND NET SALES

Total Financial Assets (TFA) at 31 March 2021 amounted to €97.1 billion, up 27.8% compared to March 2020. Stock of Assets under Management was €48.0 billion, down by 35.2% y/y, assets under custody amounted to €20.3 billion (+50.9% y/y), while the stock of direct deposits amounted to €28.7 billion (+6.5% y/y).

In particular, the TFA related to Private Banking customers, i.e. with assets above €500,000, totalled €41.8 billion, increasing by 45.1% compared to 31 March 2020.

In the first quarter 2021, inflows totalled €3.3 billion (+56.4% y/y), again proving to be solid, of high quality, and not requiring recourse to short-term commercial policies. The asset mix shifted positively towards asset under management, standing at €1.9 billion (€-0.2 billion net sales recorded in 1Q20). Assets under custody amounted to €0.8 billion (-24.5% y/y), while direct deposits were equal to €0.7 billion (-49.6% y/y).

Since the start of the year, inflows into "*Guided products & services*" reached €1.5 bln, confirming customer appreciation and reaching the 74% on total AuM compared to 72% in March 2020.

On 31 March 2021, the network was composed of 2,675 personal financial advisors operating across the country through 410 Fineco Centers. Inflows in the first three months of the year through the PFA network were €3.0 billion (+56.2% y/y).

As at 31 March 2021, Fineco Asset Management managed €17.9 billion of assets, of which €11.5 billion were retail class (+50.3% y/y) and around €6.4 billion institutional class (35.3% y/y).

In the first quarter of 2021, 39,204 new customers were acquired (+75.7% y/y). The total number of customers as at 31 March 2021 was 1,390,054.

MAIN INCOME STATEMENT RESULTS AT 31.03.2021

Figures and variations in this section are shown net of non-recurring items[1].
Revenues composition is on a pro-forma basis, by summing Net interest income and profits from Treasury management to better represent the overall Net financial income. Reconciliation below the table.

mln	1Q20 Adj. (1)	4Q20 Adj. (1)	1Q21 Adj. (1)	delta y/y	delta q/q
Net financial income	72.0	64.1	75.1	*4.3%*	*17.1%*
o/w Net interest income	68.2	63.9	61.8	*-9.3%*	*-3.2%*
o/w Profit from treasury	3.8	0.3	13.2	*n.s.*	*n.s.*
Net commissions	105.0	96.7	118.7	*13.1%*	*22.8%*
Trading profit	23.8	18.8	23.9	*0.6%*	*26.9%*
Other expenses/income	0.6	2.0	0.5	*-9.9%*	*-74.5%*
Total revenues	**201.3**	**181.6**	**218.2**	***8.4%***	***20.1%***
Staff expenses	-24.0	-26.0	-26.2	*9.2%*	*0.8%*
Other admin.expenses	-36.5	-40.1	-41.3	*13.2%*	*2.9%*
D&A	-6.1	-6.8	-6.3	*3.6%*	*-7.7%*
Operating expenses	***-66.5***	***-72.9***	***-73.8***	***10.9%***	***1.2%***
Gross operating profit	**134.8**	**108.7**	**144.5**	***7.2%***	***32.8%***
Provisions	-1.1	5.5	-8.2	*n.s.*	*n.s.*
LLP	-1.0	0.2	-0.5	*-50.5%*	*n.s.*
Profit from investments	-0.1	-2.3	-0.6	*n.s.*	*-74.3%*
Profit before taxes	**132.6**	**112.2**	**135.2**	***1.9%***	***20.5%***
Income taxes	-40.4	-34.0	-40.4	*0.1%*	*19.0%*
Net profit adjusted (1)	**92.2**	**78.2**	**94.7**	***2.7%***	***21.1%***

Reconciliation (mln)	1Q20 Adj. (1)	4Q20 Adj. (1)	1Q21 Adj. (1)	delta y/y	delta q/q
Net Financial Income	3.8	0.3	13.2	*n.s.*	*n.s.*
Trading Profit	-3.8	-0.3	-13.2	*n.s.*	*n.s.*

Revenues totalled €218.2 million in the first quarter of 2021, up 8.4% compared to €201.3 million in the same period of the previous year and 20.1% compared to €181.6 million in the fourth quarter of 2020, mainly thanks to the positive contribution of net commission and trading profit.

Net Financial income stood at €75.1 million, up by 4.3% compared to 31 March 2020 and by 17.1% compared to the fourth quarter of 2020, due to the Profits from Treasury Management, which more than offset the decrease in Net interest income due to the fall in market interest rates.
In particular, Net interest Income is equal to €61.8 million while Profits from Treasury Management were equal to €13.2 million.

Net commissions at 31 March 2021 stood at €118.7 million, up 13.1% from €105.0 million at 31 March 2020 and 22.8% from €96.7 million in the fourth quarter of 2020.

This increase is mainly due to the rise in net commissions in the Brokerage area (+10.9% y/y and +28.5% q/q), thanks to the combined effect of the reshape of our product offer, the enlargement of the client base, the increase of Fineco market share. The Investing area grew by +14.1% y/y and +8.4% q/q thanks to the strong volume effect and to the increased contribution of Fineco Asset Management. Banking fees grew by 14.4% y/y and by 4.6x q/q[3] thanks to the contribution of the repricing on current accounts.

Trading profit amounted to €23.9 million (+0.6% y/y and +26.9% q/q) net of Profits from Treasury Management, mainly due to the contribution from the Brokerage area (€22.0 million) thanks to the abovementioned combined effect of the reshape of our product offer, the enlargement of the client base, the increase of Fineco market share.

Operating costs in the first three months of 2021 were well under control at €73.8 million, up by 7.2 million y/y, of which 5.0 million due expenses strictly linked to the growth of the business, like a different distribution of marketing expenses and to the seasonality linked to contributions paid for the activity of Financial Advisors. Contributions to the Enasarco association have a fixed annual limit that is mainly filled in the early months of the year, while contributions to the FIRR termination compensation fund call for decreasing rates as specific thresholds are reached.
Staff expenses were equal to €26.2 million, increasing by €2.2 million y/y (+9.2%) mainly due to the increase in the number of employees, which rose to 1,266 as of March 31st, 2021 from 1,237 as of March 31st, 2020, due to the gradual internalisation of some services following the exit from the UniCredit Group and to our Irish company Fineco Asset Management, which will further improve the efficiency of the value chain in the Investing area.
Operating costs slightly increased compared to the fourth quarter (+1.2% q/q).
The cost/income ratio net of non-recurring items[1] was equal to 33.8%, increasing by 0.8 percentage point y/y.

Gross operating profit came to €144.5 million, up by 7.2% y/y and 32.8% q/q.

Other charges and provisions in the first quarter 2021 totalled €-8.2 million, mainly due to the contribution to the Single Resolution Fund (€-5.8 million).

Loan loss provisions amounted to €-0.5 million. The cost of risk is 9 basis points.

Profits from investments stood at €-0.6 million.

Profit before taxes amounted to €135.2 million, up by 1.9% compared to €132.6 million in the first quarter of 2020 and 20.5% compared to the €112.2 million in the fourth quarter of 2020.

Net profit for the period was equal to €94.7 million, up by 2.7% y/y and 21.1% q/q.

[3] In 4Q20 the Bank has refunded a cluster of clients the banking fees related to the repricing on current accounts paid in 2020, following the communication by the Guarantor for Competition and Market Authority (A.G.C.M.).

SHAREHOLDERS' EQUITY AND CAPITAL RATIOS

Consolidated Shareholders' equity stood at €1,783.3 million, increasing by €96.2 million compared to December 31st, 2020, mainly due to the profits achieved in the first quarter of 2021.

The Bank confirms its solid capital position with a CET1 ratio of 26.51% as of March 31st, 2021, compared to 28.56% as of December 31st, 2020. The decline is partly due the increase in Treasury financial investments, and mainly due to the temporary increase in RWA linked to Treasury exposures towards UK institutional financial counterparties, in the context of the exit of the United Kingdom from the European Union. We expect this impact to reduce, as the Regulators will pronounce on the treatment of exposures towards UK financial counterparties making them equivalent to the EU ones, or we will significantly reduce the existing exposures.

The Tier 1 ratio and the Total Capital Ratio were equal to 38.40% as of March 31st, 2021 compared to 41.68% as of December 31st, 2020.
The Leverage ratio was 4.77% in March 2021 compared to 4.85% in December 2020.

LOANS TO CUSTOMERS

Loans to customers, which include mortgages, personal loans and Lombard loans, stood at €4,639 million as of March 31st, 2021, increasing by 24.0% compared to March 31st, 2020 and by 2.4% compared to December 31st, 2020.

The amount of non-performing loans (loans with insolvent borrowers, unlikely to pay and non-performing loans/past due) net of impairment totaled €4.0 million (€3.5 million as of December 31st and €3.6 million as of March 30th, 2020), with an 82.9% coverage ratio. The ratio between the amount of non-performing loans and total loans to ordinary customers equaled to 0.10% (0.09% at December 31st, 2020 and 0.11% March 31st, 2020).

SIGNIFICANT EVENTS IN THE FIRST QUARTER OF 2021 AND SUBSEQUENT EVENTS

With reference to the main events that occurred during in the first quarter of 2021 , refer to section "Subsequent events" in the Consolidated report on operations, which is an integral part of Reports and Accounts 2020 document of Fineco Group as well as the press releases published on the Fineco group website.

No significant events occurred after 31 March 2021 that would make it necessary to change any of the information given in this report. It should be noted that, with a communication notified to FinecoBank S.p.A. on April 2, 2021, the Antitrust Authority ("AGCM") initiated proceedings in order to ascertain the possible existence of unfair commercial practices in violation of Legislative Decree no. 206/2005.

As no elements are currently available to predict the outcome of the proceeding just started[4], the Bank has considered the same as a contingent liability, in accordance with IAS 37, without making provisions in the Consolidated Interim Financial Report as at 31 March 2021.

[4] The amount of the potential sanction would be within a minimum of € 5,000 and a maximum of € 5,000,000

NEW INITIATIVES MONITORING

Fineco Asset Management keeps on developing its product offer and in 2021 it will offer new *equity* and *sustainable* products, confirming its **increasing capacity to promptly and effectively respond to customer needs**. The new FAM Target China Coupon 2026, allowing clients to gradually build-up an exposure towards the Chinese market, has been recently launched and very well appreciated by clients.

Fineco keeps on developing its **UK offer**, with the launch of the ISA products and the progressive widening of its mutual funds offer on the platform.

After the recent launch of the new US option platform, the process of **reshape of the brokerage offer is continuing** with the launch of new products and services. Within the first half of 2021 the process of vertically integrating leveraged certificates will be live, as the Bank will become issuer, market maker and distributor through its platform. The process of vertical integration will allow the Bank to increase its ability to extract value from the business thanks to its clients' strong volumes, and developing a flexible and modern model, with the aim to offer customers more and more efficient and transparent products in line with Fineco business model.

CONDENSED BALANCE SHEET

(Amounts in € thousand)

	Amounts as at		Changes	
ASSETS	**31/03/2021**	**31/12/2020**	**Amounts**	**%**
Cash and cash balances	1,280,542	1,760,348	(479,806)	-27.3%
Financial assets held for trading	26,233	16,997	9,236	54.3%
Loans and receivables with banks	621,822	780,473	(158,651)	-20.3%
Loans and receivables with customers	4,638,732	4,527,837	110,895	2.4%
Financial investments	25,372,229	23,939,899	1,432,330	6.0%
Hedging instruments	84,464	74,451	10,013	13.4%
Property, plant and equipment	148,041	151,872	(3,831)	-2.5%
Goodwill	89,602	89,602	-	-
Other intangible assets	39,048	39,597	(549)	-1.4%
Tax assets	7,595	13,314	(5,719)	-43.0%
Other assets	279,732	360,627	(80,895)	-22.4%
Total assets	**32,588,040**	**31,755,017**	**833,023**	**2.6%**

(Amounts in € thousand)

	Amounts as at		Changes	
LIABILITIES AND SHAREHOLDERS' EQUITY	**31/03/2021**	**31/12/2020**	**Amounts**	**%**
Deposits from banks	1,149,224	1,064,859	84,365	7.9%
Deposits from customers	29,102,456	28,359,739	742,717	2.6%
Financial liabilities held for trading	8,123	5,889	2,234	37.9%
Hedging instruments	139,836	232,102	(92,266)	-39.8%
Tax liabilities	49,169	13,954	35,215	252.4%
Other liabilities	355,897	391,349	(35,452)	-9.1%
Shareholders' equity	1,783,335	1,687,125	96,210	5.7%
- capital and reserves	*1,690,311*	*1,366,387*	*323,924*	23.7%
- revaluation reserves	*(1,720)*	*(2,833)*	*1,113*	-39.3%
- net profit	*94,744*	*323,571*	*(228,827)*	-70.7%
Total liabilities and Shareholders' equity	**32,588,040**	**31,755,017**	**833,023**	**2.6%**

CONDENSED BALANCE SHEET – QUARTERLY FIGURES

(Amounts in € thousand)

ASSETS	31/03/2020	30/06/2020	30/09/2020	31/12/2020	31/03/2021
Cash and cash balances	1,177,380	909,802	987,533	1,760,348	1,280,542
Financial assets held for trading	12,888	14,591	13,146	16,997	26,233
Loans and receivables with banks	625,247	723,189	773,653	780,473	621,822
Loans and receivables with customers	3,741,000	4,204,291	4,320,340	4,527,837	4,638,732
Financial investments	23,400,694	22,946,524	22,974,599	23,939,899	25,372,229
Hedging instruments	76,454	75,577	76,119	74,451	84,464
Property, plant and equipment	152,973	153,685	150,459	151,872	148,041
Goodwill	89,602	89,602	89,602	89,602	89,602
Other intangible assets	37,053	36,592	37,812	39,597	39,048
Tax assets	3,300	4,186	14,405	13,314	7,595
Other assets	202,426	254,169	282,998	360,627	279,732
Total assets	**29,519,017**	**29,412,208**	**29,720,666**	**31,755,017**	**32,588,040**

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	31/03/2020	30/06/2020	30/09/2020	31/12/2020	31/03/2021
Deposits from banks	330,927	113,137	104,977	1,064,859	1,149,224
Deposits from customers	27,202,155	27,021,199	27,296,509	28,359,739	29,102,456
Financial liabilities held for trading	11,039	8,209	5,737	5,889	8,123
Hedging instruments	143,500	207,116	211,970	232,102	139,836
Tax liabilities	32,254	62,928	51,118	13,954	49,169
Other liabilities	322,068	443,965	429,953	391,349	355,897
Shareholders' equity	1,477,074	1,555,654	1,620,402	1,687,125	1,783,335
- capital and reserves	*1,382,491*	*1,373,995*	*1,375,138*	*1,366,387*	*1,690,311*
- revaluation reserves	*3,152*	*1,485*	*(84)*	*(2,833)*	*(1,720)*
- net profit	*91,431*	*180,174*	*245,348*	*323,571*	*94,744*
Total liabilities and Shareholders' equity	**29,519,017**	**29,412,208**	**29,720,666**	**31,755,017**	**32,588,040**

CONDENSED INCOME STATEMENT

(Amounts in € thousand)

	1Q 2021	1Q 2020	Changes Amounts	Changes %
Net interest	61,823	68,164	(6,341)	-9.2%
Net fee and commission income	118,736	104,954	13,782	13.1%
Net trading, hedging and fair value income	37,136	26,394	10,742	40.7%
Net other expenses/income	512	570	(58)	-10.2%
OPERATING INCOME	**218,207**	**200,082**	**18,125**	**9.1%**
Staff expenses	(26,217)	(24,007)	(2,210)	9.2%
Other administrative expenses	(73,635)	(60,257)	(13,378)	22.2%
Recovery of expenses	32,367	23,807	8,560	36.0%
Impairment/write-backs on intangible and tangible assets	(6,275)	(6,058)	(217)	3.6%
Operating costs	**(73,760)**	**(66,515)**	**(7,245)**	**10.9%**
OPERATING PROFIT (LOSS)	**144,447**	**133,567**	**10,880**	**8.1%**
Net impairment losses on loans and provisions for guarantees and commitments	(477)	(963)	486	-50.5%
NET OPERATING PROFIT (LOSS)	**143,970**	**132,604**	**11,366**	**8.6%**
Other charges and provisions	(8,236)	(1,124)	(7,112)	632.7%
Net income from investments	(583)	(89)	(494)	555.1%
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**135,151**	**131,391**	**3,760**	**2.9%**
Income tax for the period	(40,407)	(39,960)	(447)	1.1%
NET PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**94,744**	**91,431**	**3,313**	**3.6%**
PROFIT (LOSS) FOR THE PERIOD	**94,744**	**91,431**	**3,313**	**3.6%**
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**94,744**	**91,431**	**3,313**	**3.6%**

Starting from June 30th, 2020, revenues resulting from the Other Treasury activities (unsecured lending, collateral switch) are now accounted within the line “Net Interest” of the reclassified income statement. The activity, which started in 2020, generated revenues for €74 thousands in the first quarter, therefore in the table above they were reclassified.

CONDENSED INCOME STATEMENT – QUARTERLY FIGURES

(Amounts in € thousand)

	Year 2020	1st Quarter 2020	2nd Quarter 2020	3rd Quarter 2020	4th Quarter 2020	1st Quarter 2021
Net interest	270,728	68,164	70,065	68,645	63,854	61,823
Net fee and commission income	404,294	104,954	104,785	97,874	96,681	118,736
Net trading, hedging and fair value income	95,774	26,394	30,088	20,188	19,104	37,136
Net other expenses/income	3,566	570	822	169	2,005	512
OPERATING INCOME	**774,362**	**200,082**	**205,760**	**186,876**	**181,644**	**218,207**
Staff expenses	(99,546)	(24,007)	(24,886)	(24,647)	(26,006)	(26,217)
Other administrative expenses	(255,112)	(60,257)	(63,081)	(61,861)	(69,913)	(73,635)
Recovery of expenses	110,512	23,807	28,456	28,438	29,811	32,367
Impairment/write-backs on intangible and tangible assets	(25,440)	(6,058)	(6,210)	(6,373)	(6,799)	(6,275)
Operating costs	**(269,586)**	**(66,515)**	**(65,721)**	**(64,443)**	**(72,907)**	**(73,760)**
OPERATING PROFIT (LOSS)	**504,776**	**133,567**	**140,039**	**122,433**	**108,737**	**144,447**
Net impairment losses on loans and provisions for guarantees and commitments	(3,344)	(963)	(2,707)	148	178	(477)
NET OPERATING PROFIT (LOSS)	**501,432**	**132,604**	**137,332**	**122,581**	**108,915**	**143,970**
Other charges and provisions	(34,076)	(1,124)	(6,512)	(31,970)	5,530	(8,236)
Net income from investments	(6,262)	(89)	(3,729)	(181)	(2,263)	(583)
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**461,094**	**131,391**	**127,091**	**90,430**	**112,182**	**135,151**
Income tax for the period	(137,523)	(39,960)	(38,348)	(25,256)	(33,959)	(40,407)
NET PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**323,571**	**91,431**	**88,743**	**65,174**	**78,223**	**94,744**
PROFIT (LOSS) FOR THE PERIOD	**323,571**	**91,431**	**88,743**	**65,174**	**78,223**	**94,744**
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**323,571**	**91,431**	**88,743**	**65,174**	**78,223**	**94,744**

Starting from June 30th, 2020, revenues resulting from the Other Treasury activities (unsecured lending, collateral switch) are now accounted within the line “Net Interest” of the reclassified income statement. The activity, which started in 2020, generated revenues for €74 thousands in the first quarter, therefore in the table above they were reclassified.

SOVEREIGN, SUPRANATIONAL AND AGENCY EXPOSURES

The following table indicates the book value of Sovereign, Supranational, Agency and local Authority exposures in debt securities at 31 March 2021 classified in the portfolio "Financial assets designated at fair value through other comprehensive income" and "Financial assets at amortised cost"; penetration on the Group's total assets totalled 57.93%.

(Amounts in € thousand)

	Carrying amount as at 03.31.2021	% Financial statements item
Italy	**6,032,567**	
Financial assets at amortised cost	6,032,567	19.79%
Spain	**4,646,296**	
Financial assets at amortised cost	4,646,296	15.25%
Germany	**126,764**	
Financial assets at amortised cost	126,764	0.42%
Poland	**26,415**	
Financial assets at amortised cost	26,415	0.09%
France	**1,336,235**	
Financial assets at fair value through other comprehensive income	36,930	25.52%
Financial assets at amortised cost	1,299,305	4.26%
U.S.A.	**751,274**	
Financial assets at fair value through other comprehensive income	68,599	47.40%
Financial assets at amortised cost	682,675	2.24%
Austria	**518,509**	
Financial assets at amortised cost	518,509	1.70%
Ireland	**995,502**	
Financial assets at fair value through other comprehensive income	39,185	27.08%
Financial assets at amortised cost	956,317	3.14%
United Kingdom	**35,206**	
Financial assets at amortised cost	35,206	0.12%
Belgium	**560,520**	
Financial assets at amortised cost	560,520	1.84%
Portugal	**392,069**	
Financial assets at amortised cost	392,069	1.29%
Switzerland	**41,488**	
Financial assets at amortised cost	41,488	0.14%
Saudi Arabia	**222,508**	
Financial assets at amortised cost	222,508	0.73%
Chile	**221,929**	
Financial assets at amortised cost	221,929	0.73%
Israel	**212,591**	
Financial assets at amortised cost	212,591	0.70%
China	**153,259**	
Financial assets at amortised cost	153,259	0.50%
Latvia	**29,686**	
Financial assets at amortised cost	29,686	0.10%
Qatar	**24,320**	
Financial assets at amortised cost	24,320	0.08%
Iceland	**14,958**	
Financial assets at amortised cost	14,958	0.05%
Total sovereign exposures	**16,342,096**	**50.15%**

Financial assets at amortised cost - Supranational	**1,192,029**	**3.66 %**
Financial assets at amortised cost - Agencies and Local Authority exposures	**1,342,946**	**4.14 %**
Total Supranational, Agencies and Local Authority exposures	**2,534,975**	**7.78%**
Total	**18,877,071**	**57.93 %**

OPERATING STRUCTURE

	Data as at	
	31/03/2021	31/12/2020
No. Employees	1,266	1,262
No. Personal financial advisors	2,675	2,606
No. Financial shops [1]	410	410

[1] Number of Fineco Centers operational: Fineco Centers managed by the Bank and Fineco Centers managed by personal financial advisors (Fineco Centers).

FINECOBANK RATING

	Long-term debt	Short-term debt	Outlook
S&P GLOBAL RATING	BBB	A-2	Negative

BASIS OF PREPARATION

This Consolidated Interim Financial Report as at 31 March 2021 - Press Release was prepared on a voluntary basis, to guarantee continuity with previous quarterly reports, as Legislative Decree 25/2016 implementing Directive 2013/50/EU eliminated the obligation for additional periodical financial reports other than the half-year and annual ones.

This Consolidated Interim Financial Report as at 31 March 2021 – Press Release, as well as the press releases on significant events during the period, the market presentation on Q1 2020 results and the Database are also available on FinecoBank's website.

Items in the condensed tables of the balance sheet and income statement were prepared according to the models contained in Bank of Italy Circular 262 "Bank financial report: models and rules of compilation" issued by the Bank of Italy, to which were applied the reconciliations illustrated in the "Reconciliation models for the preparation of condensed consolidated financial report" annexed to the Financial Statements at December 31st 2020.

In order to provide additional information on the Bank's performance, several alternative performance indicators have been used - APM (such as Cost/income ratio, Cost of Risk, Guided products & services/AUM), whose description is found in "Glossary of technical terminology and acronyms used" of the 2020 Financial Statements, in line with the guidelines published by the European Securities and Markets Authority (ESMA/2015/1415) on 5 October 2015.

The information contained in this Consolidated Interim Financial Report as at 31 March 2021 – Press Release was not prepared in accordance with the international accounting standard applicable to interim financial reports (IAS 34).

The Consolidated Interim Financial Report at 31 March 2021 - Press Release, shown in reclassified format, was prepared on the basis of the IAS/IFRS in force today.

It should be noted that, in the application of the accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of certain assets and liabilities as well as the information regarding contingent assets and liabilities. Estimates and related assumptions take into account all the information available at the reporting date of this document and are based on previous experience and other factors considered reasonable under the circumstances and have been used to estimate the carrying values of assets and liabilities not readily available from other sources. At this regard, the valuation of some items has been particularly complex due to the uncertainties linked to the evolution of the Covid-19 pandemic and to the measurement of the expected economic recovery, and as a consequence these valuations could change in unforeseeable way in the next periods.

With specific reference to the assessment of credit exposures, whether represented by receivables or securities,I t should be noted that the IFRS9 accounting standard requires that not only historical and current information have to be considered, but also macroeconomic forecast information ("Forward Looking" components), and, in the current crisis context, updating the scenarios underlying the Forward looking components is a particularly complex.

For the purposes of calculating expected credit losses for performing exposures the Bank calculated the expected credit losses for performing exposures using risk parameters (PD and LGD) adjusted through macroeconomic scenarios supplied by the external provider Moody's Analytics. These scenarios incorporate forward-looking information updated for the pandemic crisis, in line with the macroeconomic forecasts issued by the European Central Bank. The forward-looking component is determined by three macroeconomic scenarios: a baseline scenario, a positive scenario and an adverse scenario. The baseline scenario is weighted at 40% as it is considered the most likely to occur. The positive and adverse scenarios are weighted at 30% and respectively represent better or worse alternative possibilities. With specific reference to March 31, 2021, on a prudential basis, the macroeconomic scenarios have not been updated with respect to those used at December 31, 2020; therefore, the changes in this parameter did not affect the calculation of the IFRS9 expected losses for the first quarter of 2021.

In line with European guidelines on the assessment of a significant increase in credit risk ("SICR"), the COVID-19 health emergency has not resulted in any change to the policies adopted by the Group for the assessment of the creditworthiness of credit exposures and not even the criteria adopted for the staging allocation of retail customers (evaluation of the SICR and classification in stages 1, 2 and 3). The measures taken in the context of the epidemic (such as suspension of loan instalment payments or late payments), in accordance with the provisions of the regulatory framework, are not considered as an automatic trigger for SICR, nor an automatic trigger for classification as forborne exposures.

It should be noted that starting from 31 March 2021, in order to achieve greater compliance with IFRS 9 standard, a new staging allocation method was introduced for exposures in securities accounted for in the Group's portfolio. The new methodology, which is based on the change in the rating that took place between the moment in which the position was originated/purchased and the rating at the analysis date, replaces the previous "low risk exemption" criterion, also specifically provided for by the standard. The decision to adopt a new methodology for staging allocation is in no way attributable to the pandemic crisis, and was implemented in full continuity and consistency with the previous approach. In fact, there were no changes in the stage of the counterparties included in the perimeter.

With regard to the projections of future cash flows, assumptions and parameters used for the purposes of assessing the recoverability of goodwill, the Fineco brands and domains accounted for in the financial statements, it should be noted that the parameters and information used are significantly influenced by the macroeconomic market scenario, which could undergo unpredictable changes in light of the uncertainties highlighted above. In this regard, it should be noted that as at 31 March 2021 the Bank assessed that the reasonably estimated changes in the forecast data used as at 31 December 2020 are not such as to have a significant impact on the positive outcome of the impairment test carried out with reference to this date, the results of which confirmed the sustainability of the goodwill accounted for in the financial statements, not highlighting the need for a write-down in any of the hypothesized scenarios, confirming a value in use significantly higher than the book value.

In cases in which the accounts did not fully reflect the reporting of items on an accruals “pro rata temporis” basis, such as administrative expenses, the accounting figure was supplemented by estimates based on the budget.

With regard to the contribution obligations referred to in the Deposit Guarantee Schemes Directive 2014/49/EU, contributions will be due and recognised in the third quarter of the year, in application of IFRIC 21.

With regard to the contribution obligations under Directive 2014/59/EU (Single Resolution Fund), the Bank recognized in item 190. "Administrative expenses b) other administrative expenses" the amount of the annual ordinary contribution for the financial year 2021 equal to € 5.8 million, estimated on the basis of the information available as of March 31, 2021.

This Consolidated Interim Financial Report as at 31 March 2021 – Press Release was not audited by the External Auditors.

CERTIFICATIONS AND OTHER COMMUNICATIONS

Related-Party Transactions

With reference to paragraph 8 of Article 5 "Disclosure of related-party transactions" of the Consob Regulation on related-party transactions (adopted by Consob with resolution no. 17221 of 12 March 2010 and subsequently amended with Resolution no. 17389 of 23 June 2010), please note that in the first quarter of 2021 minor intercompany transactions and/or transactions with related parties in general, both Italian and foreign, were conducted within the ordinary course of business and related financial activities of the Bank, and were carried out under arm's length conditions, i.e. conditions similar to those applied to transactions with unrelated third parties.

During the same period, no other transactions were undertaken with related parties that could significantly affect the Bank's asset situation and results, or atypical and/or unusual transactions, including intercompany and related party transactions.

DISCLAIMER

This Press Release may contain written and oral "forward-looking statements", which includes all statements that do not relate solely to historical or current facts and which are therefore inherently uncertain. All forward-looking statements rely on a number of assumptions, expectations, projections and provisional data concerning future events and are subject to a number of uncertainties and other factors, many of which are outside the control of FinecoBank S.p.A. (the "Company"). There are a variety of factors that may cause actual results and performance to be materially different from the explicit or implicit contents of any forward-looking statements and thus, such forward-looking statements are not a reliable indicator of future performance. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law. The information and opinions contained in this Press Release are provided as at the present date and are subject to change without notice. Neither this Press Release nor any part of it nor the fact of its distribution may form the basis of, or be relied on or in connection with, any contract or investment decision.

The information, statements and opinions contained in this Press Release are for information purposes only and do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of an offer to purchase or subscribe for securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments. None of the securities referred to herein have been, or will be, registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any state or other jurisdiction of the United States or in Australia, Canada or Japan or any other jurisdiction where such an offer or solicitation would be unlawful (the "Other Countries"), and there will be no public offer of any such securities in the United States. This Press Release does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States or the Other Countries.

Consolidated Interim Financial Report
as at 31 March 2021 – Press Release

Declaration of Financial Reporting Officer

The undersigned Lorena Pelliciari, as Nominated Official in charge of drawing up Company Accounts of FinecoBank S.p.A.,

DECLARES

as prescribed by Article 154(a), second paragraph of the "Testo Unico della Finanza" (the "Single Financial Services Act") that this Consolidated Interim Report as at 31 March 2020 corresponds to the documentary records, ledgers and accounting data.

Milan, 11 May 2021

The Nominated Official in charge of drawing up the Company's Accounts

FinecoBank
FinecoBank is one of the most important FinTech banks in Europe. Listed on the FTSE MIB, Fineco offers a business model that is unique in Europe, combining the best platforms with a large network of financial advisors. It offers a single account with banking, trading and investment services, on transactional and advisory platforms developed with proprietary technologies. Fineco is a leading bank in brokerage in Europe, and one of the most important players in Private Banking in Italy, offering advanced and tailor-made advisory services. Since 2017, FinecoBank has also been in the UK with an offer focused on brokerage, banking and investment services. Fineco Asset Management was founded in Dublin in 2018, with a mission to develop investment solutions in partnership with top international asset managers

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Fine Comunicato n.1615-45	Numero di Pagine: 19