

Results at December 31st, 2020 approved

2020 MARKS A TURNING POINT: FINECO SPEEDS UP ITS GROWTH MOMENTUM

RECORD NET PROFIT AND INCREASING REVENUES THANKS TO OUR FINTECH DNA

- Strong growth in net profit¹ thanks to the diversified business model: **€324.5 million (+19.2% y/y)**
 - Total revenues¹: **€775.8 million (+17.9% y/y)**
 - Cost/income ratio¹ down: **34.7% (-3.2 p.p.)**
 - CET1 at **28.56%**

Milan, 09 February 2021

The Board of Directors of FinecoBank S.p.A. has approved the results at 31 December 2020. Alessandro Foti, CEO and General Manager of FinecoBank, stated:

“Fineco recorded a very strong growth in 2020, confirming the soundness of its diversified business model and at the same time its great attractiveness in a context where clients are increasingly looking for efficient and quality solutions. The positive answer to new initiatives to invest liquidity, developed in collaboration with our financial advisors, has supported the growth of Investing area. At the same time, we recorded a significant enlargement of the clients’ base interested in interacting with financial markets through our platforms. Fineco’s digital DNA contributed in keeping this turning point sustainable, represents the starting point for a further development of our platform through new initiatives and supports the achievement of even more ambitious ESG targets”.

¹ Figures net of 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.

Non-recurring items recorded in 2019: €-3.0 million gross (€-2.0 million net) related to Voluntary Scheme fair value, of which: €1.4 million gross (€0.9 million net) in the fourth quarter of 2019; €0.4 million gross (€0.3 million net) in the third quarter of 2019; €-4.3 million gross (€-2.9 million net) in the second quarter of 2019; €-0.4 million gross (€-0.3 million net) in the first quarter of 2019. Patent Box: €18.1 million in 2019, of which €20.7 million in the fourth quarter of 2019; €-0.9 million in the third quarter of 2019; €-0.9 million in the second quarter of 2019; €-0.9 million in the first quarter of 2019.

FINECOBANK

 2020
HIGHLIGHTS

- Revenues¹ at €775.8 million, +17.9% y/y mainly led by Brokerage area (+72.9% 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 and the higher market volatility, and by Investing area (+7.1% a/a), thanks to the contribution of Fineco Asset Management and the increase in Asset under Management.
- Operating costs at €269.6 million, +8.0% y/y (+4.4% y/y²), mainly due to the launch of the marketing campaign in UK (€7.2 million). Cost/Income ratio¹ at 34.7%, down by 3.2 percentage points y/y confirming the Bank's operational efficiency.
- Net profit¹ at €324.5 million, +19.2% y/y, despite the higher contribution related to Systemic charges³.

 UPDATE ON
INITIATIVES

- 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.
- 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 certificates, becoming issuer, market maker and distributor through our platform).
- The Board of Directors of FinecoBank approved the binding offer for the acquisition of a 20% stake of Hi-MTF Sim SPA, for a cost of about € 1.25 million. The acquisition is aimed at increasing the Bank's ability to extract value from the vertical integration of the business thanks to clients' strong volumes, developing a flexible and modern model, with the aim to offer our customers more and more efficient and transparent products in line with our business model.
- Fineco Asset Management keeps on developing its product offer and in 2021 it will offer with new *equity* and *sustainable* products, confirming its increasing capacity to promptly and effectively respond to customer needs.

SUSTAINABILITY

- Fineco was born and has developed as a company oriented towards long-term sustainable growth, with lasting returns and satisfied stakeholders. To achieve this goal, the Bank has chosen to follow the path of transparency and fair pricing for the services offered, in line with its corporate purpose: to offer clients excellent services and products through a multi-channel system in the three integrated areas of banking, investing and brokerage, at fair pricing and leveraging on the three strategic pillars: transparency, efficiency and innovation. The Bank continued to develop its Sustainability strategy also in 2020 with actions detailed at page 7.

² Net of marketing expenses in UK in 2020 (€-7.2 million), of the decision to invest additional marketing expenses in Italy in the last part of the year (€-1.3 million) and of unexpected staff costs related to annual leaves cancelled due to the lockdown in December 2020 (€-0.5 million).

³ Systemic charges in 2020: Deposit Guarantee Scheme estimated in €25.9 million, including an estimated additional contribution of €-6.2 million to a member of Interbank Deposit Protection Fund; Single Resolution Fund and National Resolution Fund: €-0.9 million

TOTAL FINANCIAL ASSETS AND NET SALES

Total Financial Assets (TFA) at 31 December 2020 amounted to €91.7 billion, up 12.6% compared to December 2019. Stock of Assets under Management was €45.4 billion, up by 12.0% y/y, assets under custody amounted to €18.3 billion (+19.5% y/y), the balance of direct deposits amounted to €28.0 billion (+9.5% y/y).

In particular, the TFA related to Private Banking customers, i.e. with assets above €500,000, totalled €38.6 billion, up 15.5% y/y.

In 2020, total net sales amounted to €9.3 billion (+58.9% 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 €4.3 billion (+31.3% y/y), still highlighting a cautious approach by clients who are favouring conservative products. Assets under custody amounted to €2.5 billion, confirming clients' increased interest towards financial markets through Fineco brokerage platform, while direct deposits were equalled to €2.5 billion.

Since the start of the year, inflows into "*Guided products & services*" reached €4.2 billion (+12.3% y/y), confirming customer appreciation. The ratio of *Guided Products* on total AuM rose to 74%.

At 31 December 2020, the network was composed of 2,606 Personal Financial Advisors operating through 410 Fineco Centers. Inflows through the PFA network came to €8.0 billion.

At 31 December 2020, Fineco Asset Management managed €16.3 billion of assets, of which €10.5 billion were retail class (+25.6% y/y) and around €5.8 billion institutional class (+6.2% y/y).

A total of 94,105 new customers were acquired in 2020. The total number of customers at 31 December 2020 was 1,369,814.

MAIN INCOME STATEMENT RESULTS AT 31.12.20

Figures and variations in this paragraph and in the next one on quarterly results are shown net of non-recurring items¹

<i>mln</i>	1Q19 Adj. ⁽¹⁾	2Q19 Adj. ⁽¹⁾	3Q19 Adj. ⁽¹⁾	4Q19 Adj. ⁽¹⁾	1Q20 Adj. ⁽¹⁾	2Q20 Adj. ⁽¹⁾	3Q20 Adj. ⁽¹⁾	4Q20	FY19 Adj. ⁽¹⁾	FY20 Adj. ⁽¹⁾	FY20/ FY19	4Q20/ 4Q19	4Q20/ 3Q20
Net interest income	70.4	71.4	69.8	69.7	68.2	70.1	68.6	63.9	281.3	270.7	-3.8%	-8.4%	-7.0%
Net commissions	77.4	81.3	84.3	82.3	105.0	104.8	97.9	96.7	325.2	404.3	24.3%	17.5%	-1.2%
Trading profit	10.3	12.3	11.2	13.9	27.6	30.1	20.4	19.1	47.7	97.2	103.7%	37.4%	-6.5%
Other expenses/income	0.2	0.3	0.1	2.9	0.6	0.8	0.2	2.0	3.6	3.6	-1.1%	-31.3%	n.s.
Total revenues	158.2	165.4	165.4	168.8	201.3	205.8	187.1	181.6	657.8	775.8	17.9%	7.6%	-2.9%
Staff expenses	-21.7	-22.4	-22.5	-23.6	-24.0	-24.9	-24.6	-26.0	-90.2	-99.5	10.4%	10.4%	5.5%
Other admin. expenses	-38.5	-34.4	-29.4	-34.3	-36.5	-34.6	-33.4	-40.1	-136.6	-144.6	5.9%	16.9%	20.0%
Impairment/write-backs on intangible and tangible assets	-5.1	-5.4	-5.8	-6.6	-6.1	-6.2	-6.4	-6.8	-22.9	-25.4	11.3%	3.5%	6.7%
Operating expenses	-65.3	-62.3	-57.6	-64.4	-66.5	-65.7	-64.4	-72.9	-249.6	-269.6	8.0%	13.2%	13.1%
Gross operating profit	92.9	103.1	107.8	104.4	134.8	140.0	122.7	108.7	408.2	506.2	24.0%	4.2%	-11.4%
Other charges and provisions	-1.0	-2.9	-19.8	-3.5	-1.1	-6.5	-32.0	5.5	-27.2	-34.1	25.5%	n.s.	-117.3%
LLP	-1.3	1.1	-1.2	-0.6	-1.0	-2.7	0.1	0.2	-2.0	-3.3	70.1%	-129.7%	19.8%
Profit from investments	-0.7	6.5	0.4	1.1	-0.1	-3.7	-0.2	-2.3	7.4	-6.3	n.s.	n.s.	n.s.
Profit before taxes	90.0	107.8	87.2	101.4	132.6	127.1	90.7	112.2	386.4	462.5	19.7%	10.7%	23.7%
Income taxes	-26.5	-32.2	-25.6	-29.8	-40.4	-38.3	-25.3	-34.0	-114.2	-138.0	20.9%	13.9%	34.1%
Net profit adjusted	63.5	75.6	61.7	71.6	92.2	88.7	65.3	78.2	272.3	324.5	19.2%	9.3%	19.7%

Revenues totalled €775.8 million in 2020, increasing by 17.9% compared to €657.8 million of the previous year, mainly thanks to the positive contribution of net commission and trading profit.

Net interest income stood at €270.7 million, decreasing by 3.8% from €281.3 million in 2019, mainly due to the fall in market interest rates, partly offset by the higher lending activity and a more dynamic Treasury management (revenues generated by Other Treasury activities like collateral switch and unsecured lending have been recasted in the line).

The average gross margin on interest-earning assets in 2020 was 0.99% in 2020 compared to 1.20% in 2019.

Net fee and commission income amounted to €404.3 million, increasing by 24.3% compared to €325.2 million in 2019. This increase is mainly due to the higher net commissions related to the Brokerage area (+68.6% 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 (Assosim market share on equity traded volumes increased by 0.8 percentage points y/y at 27.8% as of December 31st, 2020, last available data) and the higher market volatility in the period. Investing area grew by 7.8% y/y, also thanks to the contribution of Fineco Asset Management. Banking fees grew by 45.7% y/y thanks to the contribution coming from the repricing on current accounts.

Trading profit amounted to €97.2 million in 2020 (+103.7% y/y), mainly driven by the contribution from the Brokerage area (€87.4 million, +111.5% y/y). Trading profit also includes the income components from financial instruments accounted under "Other financial instruments measured at fair value" which include the Visa INC shares, convertible *preferred*, whose fair-value measurements led to a positive result of €0.6 million⁴ in 2020 (+€2.6 million in 2019). It also includes profits coming from the sale of government bonds held in "Financial assets designated at fair value through other comprehensive income" and in "Financial assets at amortized cost" for a total value of €9.0 million⁵ (€3.5 million in 2019).

⁴ €-1.1 million in 1Q20, €+1.2 million in 2Q20 and €+0.2 million in 3Q20, €+0,4 million in 4Q20

⁵ €3.8 million in 1Q20, €5.0 million in 2Q20 and €-0.1 million in 3Q20, €0,3 million in 4Q20

Operating costs in 2020 were well under control at €269.6 million, up 8.0% y/y mainly due to the launch of the marketing campaign in UK (€7.2 million). The cost/income ratio was equal to 34.7%, down by 3.2 percentage points y/y.

Staff expenses totaled €99.5 million (+10.4% y/y) mainly due to the increase in the number of employees, which rose to 1,262 as of December 31st, 2020 from 1,225 as of December 31st, 2019 also due to the gradual internalisation of some services following the exit from the UniCredit Group.

Gross operating profit amounted to €506.2 million at 31 December 2020, up by 24.0% y/y.

Other charges and provisions totaled €-34.1 million, increasing mainly due to ordinary annual contribution to the Deposit Guarantee Schemes (DGS), equal to €-25.9 million (compared to €-18.1 million in 2019), including an additional contribution related to a member of Interbank Deposit Protection Fund.

Loan loss provisions amounted to €-3.3 million, increasing compared to the €-2.0 million recorded in 2019. In the fourth quarter €0.2 million of write-backs have been accounted. Cost of risk is down to 10 basis points from 11 basis points as of September 30th, 2020 and 12 basis points as of December 31st, 2020, confirming the quality of the loan book of the Bank.

Profit on Investments amounted to €-6.3 million mainly due to the Bank's government institutional exposures, after the update of the macroeconomic scenario under IFRS9 following the health emergency caused by the spread of COVID-10 virus, which led to €-5.5 million higher provisions.

Please note that the €7.4 million recorded in 2019 benefitted from a write-back of approximately €7.0 million thanks to the collateralization of the exposure towards the UniCredit bonds due to the Pledge Agreement agreed between FinecoBank and the UniCredit Group.

Profit before taxes stood at €462.5 million, up by 19.7% y/y.

Net profit for the period was equal to €324.5 million, increasing by 19.2% y/y.

MAIN INCOME STATEMENT RESULTS FOR THE FOURTH QUARTER 2020

Revenues in the fourth quarter totalled €181.6 million, down by 2.9% q/q and by 7.6% y/y.

Net interest income stood at €63.9 million, down by 7.0% t/t and 8.4% y/y due to the fall in base rates. The average lending rate for the investment of all deposits amounted to 0.88%, down compared to 0.98% of the previous quarter and 1.11% of the fourth quarter of 2019.

Net commissions amounted to €96.7 million, decreasing by 1.2% compared to the previous quarter and increasing by 17.5% compared to the previous year. Please note that in December 2020 the Bank refunded a cluster of clients the banking fees related to the repricing on current accounts paid from February 2020. The effect on the net profit is equal to zero as this refund was already provisioned in the previous quarters under "Provisions for risk and charges", following the communication by the Guarantor for Competition and the Market Authority (A.G.C.M.) of a proceeding to value if a commercial practice followed by the Bank in the past to promote the opening of current accounts was in accordance with Leg.Decree 206/2005. The Bank, while confirming the correctness of its actions, decided to refund the customers related to the commercial practice in question. In December 2020 the Authority has communicated to Fineco its acceptance of the Bank's commitments and closed the proceeding.

Trading profit equalled to €19.1 million, decreasing by €1.3 million q/q, and increasing by €5.2 million y/y.

Total **operating costs** came to €72.9 million, increasing by 13.1% q/q and by 13.2% y/y, due to higher staff expenses and to a different mainly due to the usual seasonality of the quarter.

Gross operating profit was equal to €108.7 million, decreasing by 11.4% q/q and increasing by 4.2% y/y.

Other charges and provisions amounted to €5.5 million. After the reimburse to a cluster of clients of the fees related to the smart repricing in 2020, €6.3 million of provisions previously recorded - following the communication received by the Guarantor for Competition and the Market Authority (A.G.C.M.) – were released.

Loan loss provisions amounted to €0.2 million, compared to €0.1 million in the previous quarter and €-0.6 million in the fourth quarter of 2019.

Profits from investments stood at €-2.3 million, mainly due to the update of the macroeconomic scenario under IFRS9 in the fourth quarter of 2020.

Profit before taxes in the quarter was equal to €112.2 million, up by 23.7% q/q and by 10.7% y/y.

Net profit in the quarter was equal to €78.2 million, up by 19.7% q/q and by 9.3% y/y.

SHAREHOLDERS' EQUITY AND CAPITAL RATIOS

Consolidated Shareholders' equity stood at €1,687.1 million, increasing by €66.7 million compared to September 30th, 2020 and by €304.6 million compared to December 31st, 2020, mainly due to the profits achieved respectively in the fourth quarter 2020 and in the year 2020, net of the coupon payment of Fineco AT1 instruments in 2020 (€-19.8 million, net of tax).

The Bank confirms its solid capital position with a CET1 ratio of 28.56% as of December 31st, 2020 (including the amount of the 2019 dividend suspended by the Board of Directors on April 6th, 2020), compared to 24.19% as of 31 December 2019 restated (18.12% was the figure reported in 2019 Financial Statements approved by the Board of Directors on February 11th, 2020).

The Tier 1 ratio and the Total Capital Ratio were equal to 41.68% as of December 31st, 2020 compared to 39.73% as of December 31st, 2019 restated (33,67% was the figure reported in the 2019 Financial Statements approved by the Board of Directors on February 11th, 2020).

Leverage ratio was 4.85% in December 2020 compared to 4.54% restated in December 2019 (3.85% reported in the 2019 Financial Statements approved by the Board of Directors on February 11th, 2020).

LOANS TO CUSTOMERS

Loans to customers, which include mortgages, personal loans and Lombard loans, stood at €4,528 million as of December 31st, 2020, increasing by 23.0% compared to December 31st, 2019 and by 4.8% compared to September 30th, 2020.

The amount of non-performing loans (loans with insolvent borrowers, unlikely to pay and non-performing loans/past due) net of impairment totaled €3.5 million (€3.7 million as of September 30th and €3.6 million as of December 31st, 2019), with an 86.1% coverage ratio. The ratio between the amount of non-

performing loans and total loans to ordinary customers equaled to 0.09% (0.10% at September 30th, 2020 and 0.11% December 31st, 2019).

SIGNIFICANT EVENTS IN THE THIRD QUARTER OF 2020 AND SUBSEQUENT EVENTS

No significant events occurred after December 31st, 2020 that would make it necessary to change any of the information given in this report.

NEW INITIATIVES MONITORING

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.

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 certificates, becoming issuer, market maker and distributor through our platform).

The Board of Directors of FinecoBank **approved the binding offer for the acquisition of a 20% stake of Hi-MTF Sim SPA**, for a cost of about € 1.25 million. The acquisition is aimed at increasing our ability to extract value from the vertical integration of the business thanks to our clients' strong volumes, developing a flexible and modern model, with the aim to offer our customers more and more efficient and transparent products in line with our business model.

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**.

SUSTAINABILITY

Fineco was born and has developed as a company always oriented towards **long-term sustainable growth**, with lasting returns and satisfied stakeholders. To achieve this goal, the Bank has chosen to follow the path of **transparency** and **fair pricing** for the services offered, in line with its **corporate purpose**: to offer clients excellent services and products through a multi-channel system in the three integrated areas of banking, investing and brokerage, at fair pricing and leveraging on the three strategic pillars: **transparency, efficiency and innovation**.

In parallel with this approach, Fineco integrated **ESG objectives in the Multi-Year Plan**, for the realization of which several activities were completed during 2020, including the **Bank's adherence** to two important voluntary initiatives of the United Nations: the **Global Compact** and the **Principles for Responsible Banking**, while Fineco Asset Management signed up to the **Principles for Responsible Investing**, also a United Nations initiative.

As a Responsible Bank, Fineco has continued to develop **market-friendly corporate governance** and expand its **ESG product offering**, strengthening the management of ESG aspects in credit and investment products, and maintaining a constant focus on **Cyber-Security** and other **ESG risks**.



B A N K

Fineco is also recognized as a sustainable bank by the major international rating agencies, having been included in the **FTSE4Good Index** in July 2020 and in the **Bloomberg Gender Equality Index** in January 2021. In 2020, **Standard Ethics raised its rating** from "EE" to "EE+", a very high investment grade rating given to sustainable companies with low reputational risk and strong long-term growth prospects; **MSCI confirmed the Bank's "A" rating** (on a scale from "CCC" to "AAA"), while **Sustainalytics rated Fineco with a "Low" ESG Risk (18.7**, a lower ESG risk compared to the banking industry average of 30.3).

CONDENSED BALANCE SHEET

(Amounts in € thousand)

ASSETS	Amounts as at		Changes	
	December 31, 2020	December 31, 2019	Amounts	%
Cash and cash balances	1,760,348	754,386	1,005,962	133.3%
Financial assets held for trading	16,997	7,933	9,064	114.3%
Loans and receivables with banks	780,473	566,033	214,440	37.9%
Loans and receivables with customers	4,527,837	3,679,829	848,008	23.0%
Financial investments	23,939,899	22,304,892	1,635,007	7.3%
Hedging instruments	74,451	64,939	9,512	14.6%
Property, plant and equipment	151,872	152,048	(176)	-0.1%
Goodwill	89,602	89,602	-	-
Other intangible assets	39,597	37,492	2,105	5.6%
Tax assets	13,314	23,444	(10,130)	-43.2%
Other assets	360,627	342,309	18,318	5.4%
Total assets	31,755,017	28,022,907	3,732,110	13.3%

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	Amounts as at		Changes	
	December 31, 2020	December 31, 2019	Amounts	%
Deposits from banks	1,064,859	154,653	910,206	588.5%
Deposits from customers	28,359,739	25,919,858	2,439,881	9.4%
Financial liabilities held for trading	5,889	3,777	2,112	55.9%
Hedging instruments	232,102	94,950	137,152	144.4%
Tax liabilities	13,954	11,437	2,517	22.0%
Other liabilities	391,349	455,748	(64,399)	-14.1%
Shareholders' equity	1,687,125	1,382,484	304,641	22.0%
- capital and reserves	1,366,387	1,093,117	273,270	25.0%
- revaluation reserves	(2,833)	1,002	(3,835)	-382.7%
- net profit	323,571	288,365	35,206	12.2%
Total liabilities and Shareholders' equity	31,755,017	28,022,907	3,732,110	13.3%

CONDENSED BALANCE SHEET – QUARTERLY FIGURES

(Amounts in € thousand)

	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
ASSETS					
Cash and cash balances	754,386	1,177,380	909,802	987,533	1,760,348
Financial assets held for trading	7,933	12,888	14,591	13,146	16,997
Loans and receivables with banks	566,033	625,247	723,189	773,653	780,473
Loans and receivables with customers	3,679,829	3,741,000	4,204,291	4,320,340	4,527,837
Financial investments	22,304,892	23,400,694	22,946,524	22,974,599	23,939,899
Hedging instruments	64,939	76,454	75,577	76,119	74,451
Property, plant and equipment	152,048	152,973	153,685	150,459	151,872
Goodwill	89,602	89,602	89,602	89,602	89,602
Other intangible assets	37,492	37,053	36,592	37,812	39,597
Tax assets	23,444	3,300	4,186	14,405	13,314
Other assets	342,309	202,426	254,169	282,998	360,627
Total assets	28,022,907	29,519,017	29,412,208	29,720,666	31,755,017

(Amounts in € thousand)

	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
LIABILITIES AND SHAREHOLDERS' EQUITY					
Deposits from banks	154,653	330,927	113,137	104,977	1,064,859
Deposits from customers	25,919,858	27,202,155	27,021,199	27,296,509	28,359,739
Financial liabilities held for trading	3,777	11,039	8,209	5,737	5,889
Hedging instruments	94,950	143,500	207,116	211,970	232,102
Tax liabilities	11,437	32,254	62,928	51,118	13,954
Other liabilities	455,748	322,068	443,965	429,953	391,349
Shareholders' equity	1,382,484	1,477,074	1,555,654	1,620,402	1,687,125
- capital and reserves	1,093,117	1,382,491	1,373,995	1,375,138	1,366,387
- revaluation reserves	1,002	3,152	1,485	(84)	(2,833)
- net profit	288,365	91,431	180,174	245,348	323,571
Total liabilities and Shareholders' equity	28,022,907	29,519,017	29,412,208	29,720,666	31,755,017

CONDENSED INCOME STATEMENT

(Amounts in € thousand)

	FY 20	FY 19	Changes	
			Amounts	%
Net interest	270.728	281.277	(10.549)	-3,8%
Net fee and commission income	404.294	325.171	79.123	24,3%
Net trading, hedging and fair value income	95.774	44.761	51.013	114,0%
Net other expenses/income	3.566	3.608	(42)	-1,2%
OPERATING INCOME	774.362	654.817	119.545	18,3%
Staff expenses	(99.546)	(90.152)	(9.394)	10,4%
Other administrative expenses	(255.112)	(240.638)	(14.474)	6,0%
Recovery of expenses	110.512	104.068	6.444	6,2%
Impairment/write-backs on intangible and tangible assets	(25.440)	(22.864)	(2.576)	11,3%
Operating costs	(269.586)	(249.586)	(20.000)	8,0%
OPERATING PROFIT (LOSS)	504.776	405.231	99.545	24,6%
Net impairment losses on loans and provisions for guarantees and commitments	(3.344)	(1.970)	(1.374)	69,7%
NET OPERATING PROFIT (LOSS)	501.432	403.261	98.171	24,3%
Other charges and provisions	(34.076)	(27.152)	(6.924)	25,5%
Net income from investments	(6.262)	7.377	(13.639)	-184,9%
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	461.094	383.486	77.608	20,2%
Income tax for the year	(137.523)	(95.121)	(42.402)	44,6%
NET PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	323.571	288.365	35.206	12,2%
PROFIT (LOSS) FOR THE YEAR	323.571	288.365	35.206	12,2%
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	323.571	288.365	35.206	12,2%

CONDENSED INCOME STATEMENT – QUARTERLY FIGURES

(Amounts in € thousand)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	2019	2019	2019	2019	2020	2020	2020	2020
Net interest	70.366	71.401	69.806	69.704	68.164	70.065	68.645	63.854
Net fee and commission income	77.361	81.282	84.253	82.275	104.954	104.785	97.874	96.681
Net trading, hedging and fair value income	9.811	8.026	11.601	15.323	26.394	30.088	20.188	19.104
Net other expenses/income	196	341	147	2.924	570	822	169	2.005
OPERATING INCOME	157.734	161.050	165.807	170.226	200.082	205.760	186.876	181.644
Staff expenses	(21.653)	(22.444)	(22.497)	(23.558)	(24.007)	(24.886)	(24.647)	(26.006)
Other administrative expenses	(65.073)	(58.669)	(56.019)	(60.877)	(60.257)	(63.081)	(61.861)	(69.913)
Recovery of expenses	26.590	24.227	26.669	26.582	23.807	28.456	28.438	29.811
Impairment/write-backs on intangible and tangible assets	(5.144)	(5.366)	(5.783)	(6.571)	(6.058)	(6.210)	(6.373)	(6.799)
Operating costs	(65.280)	(62.252)	(57.630)	(64.424)	(66.515)	(65.721)	(64.443)	(72.907)
OPERATING PROFIT (LOSS)	92.454	98.798	108.177	105.802	133.567	140.039	122.433	108.737
Net impairment losses on loans and provisions for guarantees and commitments	(1.270)	1.124	(1.227)	(597)	(963)	(2.707)	148	178
NET OPERATING PROFIT (LOSS)	91.184	99.922	106.950	105.205	132.604	137.332	122.581	108.915
Other charges and provisions	(980)	(2.856)	(19.780)	(3.536)	(1.124)	(6.512)	(31.970)	5.530
Integration costs	(2)	2	-	-	-	-	-	-
Net income from investments	(658)	6.463	450	1.122	(89)	(3.729)	(181)	(2.263)
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	89.544	103.531	87.620	102.791	131.391	127.091	90.430	112.182
Income tax for the period	(27.272)	(31.689)	(26.575)	(9.585)	(39.960)	(38.348)	(25.256)	(33.959)
NET PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	62.272	71.842	61.045	93.206	91.431	88.743	65.174	78.223
PROFIT (LOSS) FOR THE PERIOD	62.272	71.842	61.045	93.206	91.431	88.743	65.174	78.223
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	62.272	71.842	61.045	93.206	91.431	88.743	65.174	78.223

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.

FINECOBANK RATING

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

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.

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Declaration of the Nominated Official in charge of drawing up company accounts

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

DECLARES

in compliance with the provisions of the second paragraph of Article 154-bis of the "Consolidated Finance Act", that the accounting information contained in this press release corresponds to results in the Company accounts, books and records.

Milan, 09 February 2021

The Nominated Official in charge of
drawing up company 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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