

## Results at September 30<sup>th</sup>, 2021 approved

**FINECO: SOLID GROWTH TREND CONTINUES,  
INCREASING PROFITS AND REVENUES**

**DIGITALIZATION REWARDS THE BUSINESS MODEL  
BOOST IN ASSET UNDER MANAGEMENT**

- Strong growth in net profit thanks to the diversified business model:  
**€257.2 million (+4.4% y/y<sup>1</sup>)**
  - Revenues: **€596.9 million (+4.1% y/y<sup>1</sup>)**
    - Cost/income ratio: **31.4%**
  - Solid Capital Position: CET1 at **18.37%**

### **FIGURES AT OCTOBER 31<sup>st</sup>, 2021**

**Net sales in the month of October at €903 million, +22.2% y/y**

**Asset Under Management at €501 million, more than 3x y/y**

**Estimated brokerage revenues in the month of October at €16 million**

**Milan, November 9<sup>th</sup>, 2021**

The Board of Directors of FinecoBank S.p.A. has approved the results as of September 30<sup>th</sup>, 2021. Alessandro Foti, CEO and General Manager of FinecoBank, stated:

*“During the first nine months of the year Fineco recorded a steady growth, confirming its solidity and once again the strength of its well diversified and sustainable business model. In a context that shows a continuous acceleration of the digitalization in all areas of society, the distinctive technological DNA of the Bank is*

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<sup>1</sup> Figures net of non-recurring items recorded in the first nine months of 2021: +32.0 million net related to the fiscal realignment of the intangible asset recorded in Financial Statement as of December 31<sup>st</sup>, 2019, under the art. 110 of the Legislative Decree 104/2020.

Figures net of non-recurring items recorded in the 2020: €-1.4 million gross (€-1.0 million net) valuation related to the Voluntary Scheme fair value in the first nine months of 2020, of which €-1.2 million gross (€-0.8 million net) in the first quarter of 2020 and €-0.2 million gross (€-0.2 million net) in the third quarter.

*positioning its integrate platform in a sweet spot to offer the most efficient answers to clients, increasingly interested in investing. Finally, total net sales in October continues the robust growth trend with a boost in Assets under Management, highlighting the ability of our financial advisors to satisfy our clients' needs thanks to advanced and innovative solutions."*

## 9M21 HIGHLIGHTS

- **Revenues<sup>1</sup> at €596.9 million, +4.1% y/y led by the Investing area (+25.1% y/y)**, thanks to the growing contribution of Fineco Asset Management, to the increase of Asset under Management, and to the increase in Investing net margins
- **Operating costs at €187.6 million, +6.7% y/y (+5.2% y/y<sup>2</sup>). Cost/Income ratio<sup>1</sup> at 31.4%**, confirming the Bank's operational efficiency
- **Net profit<sup>1</sup> reached a new record-high at €257.2 million**, up +4.4% y/y compared to the first nine months of 2020 (which was the best result ever), despite €-37.7 million contribution to systemic charges (€-28.9 in 9M20)
- **TFA at €103.6 billion, +21.8% y/y thanks** to the contribution of high quality **net sales, equal to €7.9 billion (+23.8% y/y)**. Net sales in Asset Under Management stood at €5.4 billion compared with €2.6 billion in the same period of 2020
- **Fineco Asset Management reaches €21.6 billion of TFA**, of which €13.9 billion in retail classes (+47.2% y/y), and it is proceeding with the activities related to the strategic discontinuity, which will allow FAM to take more control of the value chain
- **86,938 new customers acquired, +30.7% y/y**

## UPDATE ON INITIATIVES

- Activities continued to develop **Fineco Asset Management**. After the strong interest by clients for its FAM Target China and for the ESG Target Global Coupon, the Asset Management Company is launching the Global Inflation Responsive, a new investment solution designed to provide client with exposure to strategies focused on inflation. Furthermore, in 2021 Fineco Asset Management will widen its offer with new equity and sustainable solutions, confirming its increasing capacity to promptly and effectively respond to customer needs
- The process of **reshape of the brokerage offer is continuing** with the launch of the *leveraged certificates*, which allows the Bank to become issuer, market maker and distributor through its platform, vertically integrating the business
- Fineco keeps on developing its **UK offer**, with the launch of ISA products and the progressive widening of its Investing offer on the platform

<sup>2</sup> Net of costs strictly related to the growth of the business, mainly: FAM (-2.7 mln y/y) and marketing expenses related to UK (-0.6 mln y/y).

## TOTAL FINANCIAL ASSETS AND NET SALES

Total Financial Assets (TFA) at September 30<sup>th</sup>, 2021 amounted to €103.6 billion, up 21.8% compared to September 2020. Stock of Assets under Management was €52.6 billion, up 26.1% y/y, assets under custody amounted to €22.0 billion (+31.0% y/y), while the stock of direct deposits amounted to €28.9 billion (+9.2% y/y).

In particular, the TFA related to Private Banking customers, i.e. with assets above €500,000, totalled €45.9 billion, up by 33.4% y/y.

In the first nine months of 2021, inflows totalled €7.9 billion (+23.8% 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 €5.4 billion (+107.5% y/y). Assets under custody amounted to €1.6 billion (-43.0% y/y), while direct deposits were equal to €0.9 billion (-7.7% y/y).

Since the start of the year, inflows into "*Guided products & services*" reached €5.0 billion, confirming customer appreciation.

The ratio of Guided Products compared to total AuM rose to 75% compared to 73% in September 2020.

On September 30<sup>th</sup>, 2021 the network was composed of 2,752 personal financial advisors operating across the country through 417 Fineco Centers. Inflows in the first nine months of the year through the PFA network were €7.4 billion.

As at September 30<sup>th</sup>, 2021, Fineco Asset Management managed €21.6 billion of assets, of which €13.9 billion were retail class (+47.2% y/y) and around €7.7 billion institutional class (+42.8% y/y).

In the first nine months of 2021, 86,938 new customers were acquired, growing by 30.7% y/y. The total number of customers as at September 30<sup>th</sup>, 2021 was 1,414,788.

## MAIN INCOME STATEMENT RESULTS AT 30.09.2021

Figures and variations in this section are shown net of non-recurring items<sup>1</sup>.

<i>mln</i>	1Q20 Adj. <sup>(1)</sup>	2Q20 Adj. <sup>(1)</sup>	3Q20 Adj. <sup>(1)</sup>	1Q21 Adj. <sup>(1)</sup>	2Q21 Adj. <sup>(1)</sup>	3Q21 Adj. <sup>(1)</sup>	9M19 Adj. <sup>(1)</sup>	9M20 Adj. <sup>(1)</sup>	9M21/ 9M20	3Q21/ 2Q20	3Q21/ 2Q21
Net financial income	72.0	75.1	68.6	75.1	72.8	69.2	215.6	217.1	0.7%	1.0%	-4.9%
o/w Net interest income	68.2	70.1	68.6	61.8	62.5	61.8	206.9	186.1	-10.0%	-10.0%	-1.1%
o/w Profit from treasury	3.8	5.0	-0.1	13.2	10.3	7.4	8.7	31.0	n.s.	n.s.	-27.8%
Net commissions	95.9	98.6	92.3	108.1	106.3	110.1	286.8	324.4	13.1%	19.3%	3.6%
Trading profit	23.8	25.1	20.5	23.9	16.7	15.6	69.4	56.2	-19.0%	-23.9%	-6.4%
Other expenses/income	0.6	0.8	0.2	0.5	0.1	-1.5	1.6	-0.8	n.s.	n.s.	n.s.
<b>Total revenues</b>	<b>192.2</b>	<b>199.6</b>	<b>181.5</b>	<b>207.6</b>	<b>195.9</b>	<b>193.5</b>	<b>573.3</b>	<b>596.9</b>	<b>4.1%</b>	<b>6.6%</b>	<b>-1.2%</b>
Staff expenses	-24.0	-24.9	-24.6	-26.2	-26.7	-27.4	-73.5	-80.3	9.1%	11.0%	2.6%
Other admin.expenses	-27.4	-28.5	-27.8	-30.6	-29.9	-27.6	-83.7	-88.2	5.4%	-0.6%	-7.7%
D&A	-6.1	-6.2	-6.4	-6.3	-6.4	-6.4	-18.6	-19.1	2.5%	1.0%	0.8%
<b>Operating expenses</b>	<b>-57.5</b>	<b>-59.6</b>	<b>-58.8</b>	<b>-63.1</b>	<b>-63.0</b>	<b>-61.5</b>	<b>-175.9</b>	<b>-187.6</b>	<b>6.7%</b>	<b>4.5%</b>	<b>-2.5%</b>
<b>Gross operating profit</b>	<b>134.8</b>	<b>140.0</b>	<b>122.7</b>	<b>144.5</b>	<b>132.9</b>	<b>132.0</b>	<b>397.5</b>	<b>409.4</b>	<b>3.0%</b>	<b>7.6%</b>	<b>-0.7%</b>
Provisions	-1.1	-6.5	-32.0	-8.2	-5.8	-31.1	-39.6	-45.1	13.8%	-2.9%	n.s.
LLP	-1.0	-2.7	0.1	-0.5	-1.2	-0.4	-3.5	-2.0	-41.9%	n.s.	-70.2%
Profit from investments	-0.1	-3.7	-0.2	-0.6	1.8	0.3	-4.0	1.5	n.s.	n.s.	-84.6%
<b>Profit before taxes</b>	<b>132.6</b>	<b>127.1</b>	<b>90.7</b>	<b>135.2</b>	<b>127.7</b>	<b>100.9</b>	<b>350.3</b>	<b>363.8</b>	<b>3.8%</b>	<b>11.3%</b>	<b>-21.0%</b>
Income taxes	-40.4	-38.3	-25.3	-40.4	-37.8	-28.3	-104.0	-106.5	2.4%	11.7%	-25.2%
<b>Net profit adjusted <sup>(1)</sup></b>	<b>92.2</b>	<b>88.7</b>	<b>65.3</b>	<b>94.7</b>	<b>89.9</b>	<b>72.6</b>	<b>246.3</b>	<b>257.2</b>	<b>4.4%</b>	<b>11.1%</b>	<b>-19.3%</b>

**Revenues** for the first nine months of 2021 totalled €596.9 million, up 4.1% compared to €573.3 million in the same period of the previous year.

**Net Financial income** stood at €217.1 million, up by 0.7% compared to €215.6 million as of September 30<sup>th</sup> 2020 thanks to the profits from Treasury Management, which more than offset the decrease in Net interest income due to the fall in market interest rates.

**Net commissions** at September 30<sup>th</sup>, 2021 stood at €324.4 million, up 13.1% from €286.8 million at September 30<sup>th</sup>, 2020.

This increase is mainly due to the rise in net commissions in the Investing area (+25.2% y/y) thanks to the volume effect and to the increased contribution of Fineco Asset Management. Banking fees grew at €35.6 million (+14.8% y/y), while Brokerage net commissions stood at €95.6 million, down 6.0% y/y mainly due to the lower volatility in the period compared to the peak registered in brokerage in the first nine months of 2020.

**Trading profit** amounted to €56.2 million, decreasing (-19.0% y/y) mainly due already mentioned lower volatility compared to the peak registered in the first nine months of 2020.

**Operating costs** in the first nine months of 2021 were well under control at €187.6 million, up 6.7% y/y mainly due to expenses strictly related to the growth of the business<sup>2</sup>: net of this, the growth of operating costs is equal to 5.2% y/y.

**Staff expenses** totalled €80.3 million, increasing by €6.7 million due to the increase in the number of employees, which rose from 1,251 as of September 30<sup>th</sup>, 2020 to 1,287 as of September 30<sup>th</sup>, 2021, 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.

The cost/income ratio net of non-recurring items<sup>1</sup> was equal to 31.4%.

**Gross operating profit** came to €409.4 million, up by 3.0% y/y.

**Other charges and provisions** in the first nine months of 2021 totalled €-45.1 million compared to €-39.6 million in the same period of 2020, mainly due to the ordinary annual contribution to the Deposit Guarantee Systems (DGS), estimated at € 30.0 million compared to € 28.0 million in the same period of the previous year), and the contribution to the Single Resolution Fund (SRF € -7.7 million in the first nine months of 2021 and -0.9 million in the same period of 2020).

**Loan loss provisions** amounted to €-2.0 million, also thanks to write-backs after the improvement of the update macroeconomic scenario as requested under IFRS9. The cost of risk is 7 basis points.

**Profit on Investments** amounted to €1.5 million, after the improvement of the updated macroeconomic scenario as required under *IFRS9*, which led to write-backs in the period, mainly on the Bank's government and exposures.

**Profit before taxes** amounted to €363.8 million, up by 3.8% compared to €350.3 million in the first nine months of 2020.

**Net profit for the period** was equal to €257.2 million, up by 4.4% y/y.

## MAIN INCOME STATEMENT RESULTS FOR THE THIRD QUARTER 2021

**Revenues** are equal to €193.5 million, slightly down by 1.2% compared to the previous quarter mainly due to seasonality and increasing by 6.6% compared to the third quarter of 2020.

**Net Financial income** stood at €69.2 million, down by 4.9% compared to the previous quarter and increasing by 1.0% compared to the third quarter of 2020.

**Net commissions** stood at €110.1 million, up compared to €106.3 million in the third quarter of 2021 and increasing by 19.3% compared to the 92.3 million recorded in the third quarter of 2020, mainly thanks to the Investing commissions (€71.4 million in the quarter, +9.7% q/q and +29.9% y/y).

**Trading profit** amounted to €15.6 million, down compared to €16.7 million in the previous quarter and to €20.5 million in the third quarter of 2020, mainly due to the lower Brokerage revenues due to the lower market volatility.

**Operating costs** in the third quarter of 2021 totalled €61.5 million, down by 2.5% compared to the previous quarter, and up by 4.5% y/y mainly due to the abovementioned higher expenses strictly related to the growth of the business.

**Operating profit** was equal to €132.0 million, slightly down compared to €132.9 million in the second quarter of 2021 and increasing by 7.6% compared to €122.7 million in the third quarter of 2020.

**Other charges and provisions** in the third quarter of 2021 totalled €-31.1 million, mainly for the abovementioned ordinary annual contribution to the Deposit Guarantee Systems (DGS).

**Loan loss provisions** amounted to €-0.4 million.

**Profit on Investments** amounted to €0.3 million, thanks to the abovementioned improvement of the macroeconomic scenario.

**Profit before taxes** amounted to €100.9 million, decreasing compared to €127.7 million in the previous quarter and up by 11.3% compared to 90.7 million in the same period of 2020.

**Net profit** in the period amounted to €72.6 million, decreasing compared to the €89.9 million of the previous quarter and increasing by 11.1% compared to €65.3 million in the same period of 2020.

## SHAREHOLDERS' EQUITY AND CAPITAL RATIOS

Consolidated shareholders' equity came to €1,969.5 million, increasing by €282.3 million compared to December 31<sup>st</sup>, 2020, mainly due to the profits achieved as of September 30<sup>th</sup>, 2021, net of the amount of the AT1 coupon paid in the second half of 2021, which resulted in a decrease in shareholders' equity of €9.9 million.

The Group confirms its solid capital position with a CET1 ratio of 18.37% as of September 30<sup>th</sup>, 2021 (net of the dividend proposed on the 2019/2020 net profit, which has been approved by the Ordinary Shareholders' Meeting convened on October 21<sup>st</sup>, 2021 and that will be paid out on November 24<sup>th</sup>, 2021), compared to 18.59% as of June 30<sup>th</sup>, 2021 and to 28.56% as of December 31<sup>st</sup>, 2020.

The Tier 1 ratio and the Total Capital Ratio were equal to 29.29% as of September 30<sup>th</sup>, 2021 (net of the abovementioned distribution of the dividend proposed on the 2019/2020 net profit) compared to 29.87% as of June 30<sup>th</sup>, 2021 and to 41.68% as of December 31<sup>st</sup>, 2020.

The Leverage ratio was 4.04% as of September 30<sup>th</sup>, 2021 (net of the abovementioned distribution of the dividend proposed on the 2019/2020 net profit), compared to 4.03% as of June 30<sup>th</sup>, 2021 and to 4.85% as of December 31<sup>st</sup>, 2020. Please note that the Leverage Ratio as of September 2021 has been calculated by excluding the exposures towards Central Banks, as allowed under art-429 bis of CRR: net of this exclusion, the Leverage Ratio is equal to 3.80%.

## LOANS TO CUSTOMERS

Loans to customers at September 30<sup>th</sup>, 2021 totalled €5,624 million, up by 30.2% compared to September 30<sup>th</sup>, 2020 and by 24.2% compared to December 31<sup>st</sup>, 2020.

The amount of non-performing loans (loans with insolvent borrowers, unlikely to pay and non-performing loans/past due) net of impairment totalled €4.4 million (€3.7 million at September 30<sup>th</sup>, 2020 and €3.5 million December 31<sup>st</sup>, 2020), with an 82.1% coverage ratio. The ratio between the amount of non-performing loans and total loans to ordinary customers came to 0.09% (0.10% at September 30<sup>th</sup>, 2020 and 0.09% as of December 31<sup>st</sup>, 2020).

## SIGNIFICANT EVENTS IN Q3 2021 AND SUBSEQUENT EVENTS

With reference to the main events occurred during the third quarter of 2021, refer to the Press Release available on FinecoBank website.

No other significant events occurred after September 30<sup>th</sup>, 2021, that would make it necessary to change any of the results presented in this Consolidated Interim Management Report at September 30<sup>th</sup>, 2021 - Press Release. On October 14<sup>th</sup>, 2021 Fineco has successfully completed the placement of its first issue on the market of Senior Preferred instruments for a total amount of €500 million and a coupon equal to 0.50% for the first 5 years. The issue registered a demand equal to more than 4 times the offer, confirming the appreciation shown towards FinecoBank by the market also in the fixed-income segment. The placement allows the Bank to immediately meet the fully loaded MREL requirement on the Leverage Ratio Exposure (5.18%), which will become effective on January 1<sup>st</sup>, 2024.

## NEW INITIATIVES MONITORING

**Fineco Asset Management** keeps on developing its product offer. After the strong interest by clients for its FAM Target China and for its ESG Target Global Coupon, the Asset Management company is launching the Global Inflation Responsive, a new investment solutions designed to provide the client with exposure to strategies focused on inflation. Furthermore, in 2021 Fineco Asset Management will widen its offer with new *equity* and *sustainable* solutions, confirming its increasing capacity to promptly and effectively respond to customer needs

The process of **reshape of the brokerage offer is continuing** with the launch of *leveraged certificates*, allowing the Bank to become issuer, market maker and distributor through its platform, vertically integrating the business. The first certificates available are on FTSE MIB, DAX, EuroSTOXX50, CAC and forex (eur/usd, eur/gbp, eur/jpy, gbp/usd).

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

## CONDENSED BALANCE SHEET

(Amounts in € thousand)

ASSETS	Amounts as at		Changes	
	September 30, 2021	December 31, 2020	Amounts	%
Cash and cash balances	1,764,877	1,760,348	4,529	0.3%
Financial assets held for trading	23,589	16,997	6,592	38.8%
Loans and receivables with banks	663,907	780,473	(116,566)	-14.9%
Loans and receivables with customers	5,624,283	4,527,837	1,096,446	24.2%
Financial investments	24,421,922	23,939,899	482,023	2.0%
Hedging instruments	91,929	74,451	17,478	23.5%
Property, plant and equipment	151,866	151,872	(6)	0.0%
Goodwill	89,602	89,602	-	-
Other intangible assets	37,270	39,597	(2,327)	-5.9%
Tax assets	49,405	13,314	36,091	271.1%
Tax credit acquired	393,970	-	393,970	-
Other assets	221,546	360,627	(139,081)	-38.6%
<b>Total assets</b>	<b>33,534,166</b>	<b>31,755,017</b>	<b>1,779,149</b>	<b>5.6%</b>

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	Amounts as at		Changes	
	September 30, 2021	December 31, 2020	Amounts	%
Deposits from banks	1,168,612	1,064,859	103,753	9.7%
Deposits from customers	29,804,975	28,359,739	1,445,236	5.1%
Financial liabilities held for trading	6,234	5,889	345	5.9%
Hedging instruments	90,522	232,102	(141,580)	-61.0%
Tax liabilities	73,768	13,954	59,814	428.7%
Other liabilities	420,583	391,349	29,234	7.5%
Shareholders' equity	1,969,472	1,687,125	282,347	16.7%
- capital and reserves	1,683,389	1,366,387	317,002	23.2%
- revaluation reserves	(3,175)	(2,833)	(342)	12.1%
- net profit	289,258	323,571	(34,313)	-10.6%
<b>Total liabilities and Shareholders' equity</b>	<b>33,534,166</b>	<b>31,755,017</b>	<b>1,779,149</b>	<b>5.6%</b>



## CONDENSED BALANCE SHEET – QUARTERLY FIGURES

(Amounts in € thousand)

	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
<b>ASSETS</b>					
Cash and cash balances	1,764,877	1,562,295	1,280,542	1,760,348	987,533
Financial assets held for trading	23,589	21,393	26,233	16,997	13,146
Loans and receivables with banks	663,907	691,753	621,822	780,473	773,653
Loans and receivables with customers	5,624,283	5,269,368	4,638,732	4,527,837	4,320,340
Financial investments	24,421,922	24,626,581	25,372,229	23,939,899	22,974,599
Hedging instruments	91,929	85,051	84,464	74,451	76,119
Property, plant and equipment	151,866	153,030	148,041	151,872	150,459
Goodwill	89,602	89,602	89,602	89,602	89,602
Other intangible assets	37,270	38,189	39,048	39,597	37,812
Tax assets	49,405	38,323	7,595	13,314	14,405
Tax credit acquired	393,970	75,065	8,789	-	-
Other assets	221,546	254,110	270,943	360,627	282,998
<b>Total assets</b>	<b>33,534,166</b>	<b>32,904,760</b>	<b>32,588,040</b>	<b>31,755,017</b>	<b>29,720,666</b>

(Amounts in € thousand)

	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Deposits from banks	1,168,612	1,172,802	1,149,224	1,064,859	104,977
Deposits from customers	29,804,975	29,141,477	29,102,456	28,359,739	27,296,509
Financial liabilities held for trading	6,234	4,937	8,123	5,889	5,737
Hedging instruments	90,522	118,586	139,836	232,102	211,970
Tax liabilities	73,768	35,666	49,169	13,954	51,118
Other liabilities	420,583	534,610	355,897	391,349	429,953
Shareholders' equity	1,969,472	1,896,682	1,783,335	1,687,125	1,620,402
- capital and reserves	1,683,389	1,681,875	1,690,311	1,366,387	1,375,138
- revaluation reserves	(3,175)	(1,863)	(1,720)	(2,833)	(84)
- net profit	289,258	216,670	94,744	323,571	245,348
<b>Total liabilities and Shareholders' equity</b>	<b>33,534,166</b>	<b>32,904,760</b>	<b>32,588,040</b>	<b>31,755,017</b>	<b>29,720,666</b>

## CONDENSED INCOME STATEMENT

(Amounts in € thousand)

	9M21	9M20	Changes	
			Amounts	%
Financial margin	217,136	215,609	1,527	0.7%
of which Net interest	186,136	206,874	(20,738)	-10.0%
of which Profits from Treasury	31,000	8,735	22,265	254.9%
Net fee and commission income	324,429	286,792	37,637	13.1%
Net trading, hedging and fair value income	56,185	67,935	(11,750)	-17.3%
Net other expenses/income	(813)	1,561	(2,374)	-152.1%
<b>REVENUES</b>	<b>596,937</b>	<b>571,897</b>	<b>25,040</b>	<b>4.4%</b>
Staff expenses	(80,253)	(73,540)	(6,713)	9.1%
Other administrative expenses	(191,424)	(164,378)	(27,046)	16.5%
Recovery of expenses	103,221	80,701	22,520	27.9%
Impairment/write-backs on intangible and tangible assets	(19,099)	(18,641)	(458)	2.5%
<b>Operating costs</b>	<b>(187,555)</b>	<b>(175,858)</b>	<b>(11,697)</b>	<b>6.7%</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>409,382</b>	<b>396,039</b>	<b>13,343</b>	<b>3.4%</b>
Net impairment losses on loans and provisions for guarantees and commitments	(2,048)	(3,522)	1,474	-41.9%
<b>NET OPERATING PROFIT (LOSS)</b>	<b>407,334</b>	<b>392,517</b>	<b>14,817</b>	<b>3.8%</b>
Other charges and provisions	(45,081)	(39,606)	(5,475)	13.8%
Net income from investments	1,519	(3,999)	5,518	138.0%
<b>PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>363,772</b>	<b>348,912</b>	<b>14,860</b>	<b>4.3%</b>
Income tax for the period	(74,514)	(103,564)	29,050	-28.1%
<b>NET PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS</b>	<b>289,258</b>	<b>245,348</b>	<b>43,910</b>	<b>17.9%</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>289,258</b>	<b>245,348</b>	<b>43,910</b>	<b>17.9%</b>

## CONDENSED INCOME STATEMENT – QUARTERLY FIGURES

(Amounts in € thousand)

	Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter
	2020	2020	2020	2020	2020	2021	2021	2021
Financial margin	279,733	71,983	75,067	68,559	64,124	75,071	72,826	69,239
of which Net interest	270,728	68,164	70,065	68,645	63,854	61,823	62,515	61,798
of which Profits from Treasury	9,005	3,819	5,002	(86)	270	13,248	10,311	7,441
Net fee and commission income	379,351	95,900	98,639	92,253	92,559	108,080	106,266	110,083
Net trading, hedging and fair value income	86,769	22,575	25,086	20,274	18,834	23,888	16,683	15,614
Net other expenses/income	1,933	570	822	169	372	512	132	(1,457)
<b>REVENUES</b>	<b>747,786</b>	<b>191,028</b>	<b>199,614</b>	<b>181,255</b>	<b>175,889</b>	<b>207,551</b>	<b>195,907</b>	<b>193,479</b>
Staff expenses	(99,546)	(24,007)	(24,886)	(24,647)	(26,006)	(26,217)	(26,667)	(27,369)
Other administrative expenses	(228,536)	(51,203)	(56,935)	(56,240)	(64,158)	(62,979)	(65,049)	(63,396)
Recovery of expenses	110,512	23,807	28,456	28,438	29,811	32,367	35,103	35,751
Impairment/write-backs on intangible and tangible assets	(25,440)	(6,058)	(6,210)	(6,373)	(6,799)	(6,275)	(6,387)	(6,437)
<b>Operating costs</b>	<b>(243,010)</b>	<b>(57,461)</b>	<b>(59,575)</b>	<b>(58,822)</b>	<b>(67,152)</b>	<b>(63,104)</b>	<b>(63,000)</b>	<b>(61,451)</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>504,776</b>	<b>133,567</b>	<b>140,039</b>	<b>122,433</b>	<b>108,737</b>	<b>144,447</b>	<b>132,907</b>	<b>132,028</b>
Net impairment losses on loans and provisions for guarantees and commitments	(3,344)	(963)	(2,707)	148	178	(477)	(1,211)	(360)
<b>NET OPERATING PROFIT (LOSS)</b>	<b>501,432</b>	<b>132,604</b>	<b>137,332</b>	<b>122,581</b>	<b>108,915</b>	<b>143,970</b>	<b>131,696</b>	<b>131,668</b>
Other charges and provisions	(34,076)	(1,124)	(6,512)	(31,970)	5,530	(8,236)	(5,787)	(31,058)
Net income from investments	(6,262)	(89)	(3,729)	(181)	(2,263)	(583)	1,822	280
<b>PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>461,094</b>	<b>131,391</b>	<b>127,091</b>	<b>90,430</b>	<b>112,182</b>	<b>135,151</b>	<b>127,731</b>	<b>100,890</b>
Income tax for the period	(137,523)	(39,960)	(38,348)	(25,256)	(33,959)	(40,407)	(5,805)	(28,302)
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>323,571</b>	<b>91,431</b>	<b>88,743</b>	<b>65,174</b>	<b>78,223</b>	<b>94,744</b>	<b>121,926</b>	<b>72,588</b>
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP</b>	<b>323,571</b>	<b>91,431</b>	<b>88,743</b>	<b>65,174</b>	<b>78,223</b>	<b>94,744</b>	<b>121,926</b>	<b>72,588</b>

## SOVEREIGN, SUPRANATIONAL AND AGENCY EXPOSURES

The following table indicates the book value of Sovereign, Supranational, Agency and local Authority exposures in debt securities at 30 September 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 56.28%.

(Amounts in € thousand)

	Carrying amount as at September 30, 2021	% Financial statements item
<b>Italy</b>	<b>6,730,853</b>	
Financial assets at amortised cost	6,730,853	21.95%
<b>Spain</b>	<b>4,306,406</b>	
Financial assets at amortised cost	4,306,406	14.04%
<b>Germany</b>	<b>126,616</b>	
Financial assets at amortised cost	126,616	0.41%
<b>France</b>	<b>1,292,354</b>	
Financial assets at amortised cost	1,292,354	4.21%
<b>U.S.A.</b>	<b>715,277</b>	
Financial assets at amortised cost	715,277	2.33%
<b>Austria</b>	<b>519,207</b>	
Financial assets at amortised cost	519,207	1.69%
<b>Ireland</b>	<b>986,348</b>	
Financial assets at fair value through other comprehensive income	39,095	99.99%
Financial assets at amortised cost	947,253	3.09%
<b>United Kingdom</b>	<b>48,803</b>	
Financial assets at amortised cost	48,803	0.16%
<b>Belgium</b>	<b>557,185</b>	
Financial assets at amortised cost	557,185	1.82%
<b>Portugal</b>	<b>388,861</b>	
Financial assets at amortised cost	388,861	1.27%
<b>Switzerland</b>	<b>46,805</b>	
Financial assets at amortised cost	46,805	0.15%
<b>Saudi Arabia</b>	<b>90,152</b>	
Financial assets at amortised cost	90,152	0.29%
<b>Chile</b>	<b>215,250</b>	
Financial assets at amortised cost	215,250	0.70%
<b>China</b>	<b>165,450</b>	
Financial assets at amortised cost	165,450	0.54%
<b>Latvia</b>	<b>29,702</b>	
Financial assets at amortised cost	29,702	0.10%
<b>Qatar</b>	<b>24,486</b>	
Financial assets at amortised cost	24,486	0.08%
<b>Iceland</b>	<b>14,961</b>	
Financial assets at amortised cost	14,961	0.05%
<b>Total sovereign exposures</b>	<b>16,258,716</b>	<b>48.48%</b>

<b>Financial assets at amortised cost - Supranational</b>	<b>1,191,291</b>	<b>3.55%</b>
<b>Financial assets at amortised cost - Agencies and Local Authority exposures</b>	<b>1,424,122</b>	<b>4.25%</b>
<b>Total Supranational, Agencies and Local Authority exposures</b>	<b>2,615,413</b>	<b>7.80%</b>
<b>Total</b>	<b>18,874,129</b>	<b>56.28%</b>

## OPERATING STRUCTURE

	Data as at	
	December 31, 2020	September 30, 2021
No. Employees	1,262	1,287
No. Personal financial advisors	2,606	2,752
No. Financial shops <sup>1</sup>	410	417

<sup>1</sup> Number of Fineco Centers operational: Fineco Centers managed by the Bank and Fineco Centers managed by personal financial advisors (Fineco Centers).

## TOTAL NET SALES PER AREA AS OF SEPTEMBER 30TH, 2021 (IN THOUSANDS €)

Area	Total Net Sales 9M21	Total Net Sales 9M20	AuM Net Sales 9M21	AuM Net Sales 9M20
Lombardia	2,524,659	1,851,188	1,734,182	642,547
Lazio	781,606	712,979	572,299	302,173
Veneto	620,159	501,000	430,931	270,081
Toscana	594,117	377,234	436,175	166,604
Emilia Romagna	559,365	545,633	373,517	218,742
Piemonte	511,497	490,806	393,743	230,183
Campania	484,440	378,663	314,430	152,525
Liguria	293,480	160,888	185,926	61,609
Sicilia	264,888	263,814	198,430	105,751
Puglia	221,028	236,570	148,229	90,706
Other	1,009,528	832,122	614,032	363,008
<b>Total</b>	<b>7,864,766</b>	<b>6,350,897</b>	<b>5,401,894</b>	<b>2,603,930</b>

## BASIS OF PREPARATION

This Consolidated Interim Financial Report as at 30 September 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 30 September 2021 – Press Release, as well as the press releases on significant events during the period, the market presentation on Q3 2021 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 Consolidated Interim Financial Report at June 30th 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 Consolidated Interim Financial Report at June 30<sup>th</sup>, 2021, 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 30 September 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 30 September 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, it 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.

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 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 30 September 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 reference to contribution obligations pursuant to Directive 2014/49/EU (Deposit Guarantee Schemes - DGS), the contributions shown in the item “Other charges and provisions” represent an estimate of the annual contribution to be paid to the Italian Interbank Deposit Protection Fund based on information available at September 30th, 2021.

With regard to the contribution obligations under Directive 2014/59/EU (Single Resolution Fund), the Bank recognized in item “Other charges and provisions” the amount of the annual ordinary contribution for the financial year 2021 requested at FinecoBank.

This Consolidated Interim Financial Report as at 30 September 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 lastly, with Resolution no. 21624 of 10 December 2020, in force from 1 July 2021), please note that in the third 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.*

#### **Declaration of Financial Reporting Officer**

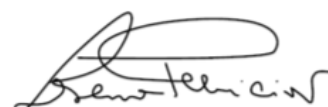
The undersigned Lorena Pelliciarì, as Nominated Official in charge of drawing up Company Accounts of FinecoBank S.p.A.,

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 30 September 2021 corresponds to the documentary records, ledgers and accounting data.

Milan, 9 November 2021

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





## TOTAL NET SALES - OCTOBER 2021

In October Fineco recorded particularly strong and robust net sales above € 903 million (+22% compared to € 739 million a year ago), confirming once again a new dimension of growth of the Bank. The asset mix shows a strong improvement of Asset under Management at € 501 million (compared to € 151 million in October 2020). Asset under Custody stood at € -21 million while deposits were € 423 million.

Estimated brokerage revenues equalled to around € 16 million in October, +9% compared to October 2020, confirming the structural growth thanks to the enlargement of our base of active clients and to the continuous update of our offer. The comparison with average revenues for 2017-2019 shows a growth around 42%. Since the beginning of the year, estimated revenues reached around € 177 million (-9% y/y).

figures in € million

TOTAL NET SALES	OCT 2021	OCT 2020	JAN-OCT '21	JAN-OCT '20
Assets under management	500.6	151.4	5,902.5	2,755.4
Assets under custody	-20.8	22.8	1,589.1	2,846.0
Direct deposits	423.3	564.7	1,276.3	1,488.5
<b>TOTAL NET SALES</b>	<b>903.0</b>	<b>738.9</b>	<b>8,767.8</b>	<b>7,089.8</b>

TOTAL FINANCIAL ASSETS	OCT 2021	DEC 2020	OCT 2020
Assets under management	53,617.8	45,381.5	41,855.8
Assets under custody	22,598.2	18,313.7	16,346.9
Direct deposits	29,290.3	28,014.0	26,996.8
<b>TOTAL FINANCIAL ASSETS</b>	<b>105,506.2</b>	<b>91,709.1</b>	<b>85,199.5</b>

### **Total Financial Assets above € 105 billion, Private Banking above € 47 billion**

Total Financial Assets were equal to € 105.5 billion (+24% y/y). In particular, TFA related to Private Banking were at € 47.3 billion, increasing by 38% compared to € 34.4 billion in October 2020.

Net sales in Guided Products & Services stood at € 490 million in October, compared to € 160 million in the same period of 2020. The penetration rate of Guided Products reached 76% on total Asset under Management compared to 73% in October 2020.

### **FAM, retail net sales YTD at € 3.3 billion**

Fineco Asset Management retail net sales in October amounted to € 259 million, bringing the total since the beginning of the year at € 3.3 billion. As of October 31<sup>st</sup>, 2021 FAM managed € 22.6 billion of assets, of which € 14.3 billion retail class (+49% y/y) and € 8.3 billion institutional class (+56% y/y).

### **About 95,000 new clients YTD, more than in FY20**

In October, 7,804 new clients were acquired, totalling 94,742 new clients acquired since the beginning of the year and overcoming the number of clients acquired in the whole 2020. Confirmed the improvement of the client base, which is more interested in investing, and the increase in average Total Financial Assets of new current accounts. Total number of clients reached 1,418,851 as of October 31<sup>st</sup>, 2021.

figures in € million

PFA NETWORK NET SALES	OCT 2021	OCT 2020	JAN-OCT '21	JAN-OCT '20
Assets under management	497.4	154.1	5,845.8	2,770.0
Assets under custody	-48.6	30.1	931.3	2,036.2
Direct deposits	375.2	480.9	1,434.9	1,375.2
<b>TOTAL NET SALES</b>	<b>824.0</b>	<b>665.2</b>	<b>8,212.1</b>	<b>6,181.5</b>
PFA NETWORK TFA	OCT 2021	DEC 2020	OCT 2020	
Assets under management	53,067.9	44,893.8	41,409.4	
Assets under custody	16,814.9	13,622.9	12,193.2	
Direct deposits	22,562.2	21,127.2	20,501.6	
<b>TOTAL FINANCIAL ASSETS</b>	<b>92,445.0</b>	<b>79,644.0</b>	<b>74,104.2</b>	

### ***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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