

Results at September 30th, 2023 approved

BEST NET PROFIT IN THE FIRST NINE MONTHS

ROBUST GROWTH THANKS TO NET SALES AND NEW CLIENTS

- Strong growth in net profit: **€454.2 million** (+50.1% y/y¹)
 - Revenues: **€916.7 million** (+34.0% y/y¹)
 - Cost/income ratio: **23.5%**
- Solid Capital and Liquidity Ratio: CET1 **24.7%**, LR **4.96%**, LCR² **>800%**

FIGURES AT OCTOBER 31st, 2023

Net sales in the month of October at around €500 million, €7.3 bn YTD

Estimated brokerage revenues in the month of October at €17 million, +27% y/y

Around 12.000 new clients in the month, +31.1% y/y

Milan, November 7th, 2023

The Board of Directors of FinecoBank S.p.A. has approved the results as of September 30th, 2023. Alessandro Foti, CEO and General Manager of FinecoBank, stated:

“We’re very satisfied with Fineco’s results for the first nine months, which confirm the Bank’s ability to generate solid results in all market phases, and to pursue our growth path, thanks to a sustainable and diversified business model. In these months, we’ve been focused in reviewing our range of solutions, able to face the new scenario and to stimulate customers with innovative, efficient and long term financial planning strategies. A context which highlights a powerful boost in investments by our customers, together with an increasing request of advisory. This represents for us an incentive to keep on investing in the development of new technologies and in the strengthening of our advanced advisory services, which will have a crucial role in the next months. All this allows us to look with optimism to the last months of the year and to the Bank’s growth prospects”.

¹ Figures net of non-recurring items recorded in the first nine months of 2022: €-0.5 million gross (€-0.3 million net) valuation related to the Voluntary Scheme fair value and write-off, of which €-0.2 million gross (€-0.1 million net) in 1Q22 and €-0.3 million gross (€-0.2 million net) in 3Q22.

² 12 months average

**9M23
HIGHLIGHTS**

- **Revenues¹ at €916.7 million, +34.0% y/y led by the Investing area (+5.6% y/y)**, thanks to the growing contribution of Fineco Asset Management and to the increase in Investing net margins, and by the positive contribution of the **Net Financial Income (+95.1% y/y)**
- **Operating costs at €215.8 million, +5.9% y/y (+4.8% y/y³ net of costs strictly related to the growth of the business). Cost/Income ratio¹ at 23.5%**, confirming the Bank's operational efficiency
- **Net profit¹ at €454.2 million**, up +50.1% y/y compared to the same period of 2022
- **TFA at €116.3 billion**, up 13.0% compared to the same period of 2022 thanks to the contribution of **net sales equal to €6.8 billion**, which confirmed the soundness of the Bank's growth even in a particularly complex market phase. Net sales in Asset Under Management stood at €2.3 billion
- **Fineco Asset Management reaches €29.1 billion of TFA**, of which **€18.6 billion in retail classes (+25.7% y/y)**, and **€10.6 billion in funds underlyings of wrappers** (institutional classes, +8,6% y/y). FAM is proceeding with the activities related to its strategic discontinuity, which allow it to take more control of the value chain
- **86,257 new customers** acquired in the first nine months of 2023, bringing the total to 1,540,864

**UPDATE ON
INITIATIVES**

- **Fineco Asset Management** is further expanding its range of investments solutions focusing on the combination of protection and performance. In particular, the company has just released a new solution within the Smart Defence Multi- Strategy family.
- Fineco is further improving its platform and the quality of its offering. In this context, the launch of the advanced advisory service, **Advice+**, stands out for its high level of customization. This service will allow customers to receive comprehensive advice on their assets, and to have access to an advanced reporting in terms of look through, multichannel approach and look & feel.
- The Bank also released the **brokerage account**, a new zero-fee current account designed for customers who are only interested in independently trading on the markets through the Fineco platform. This new account stands out for its competitive costs, targeting even those customers who invest smaller tickets thanks to a pricing proportional to the value of each individual transaction.

³FAM (-0.8 mln y/y) and marketing expenses (-1.1 mln y/y).

TOTAL FINANCIAL ASSETS AND NET SALES

Total Financial Assets as of September 30th, 2023 amounted to €116.3 billion, up (+13% y/y) compared to September 2022. Stock of Assets under Management was €55,4 billion, increasing (9.3% y/y); assets under custody amounted to €33.2 billion (+54.1% y/y), while the stock of direct deposits amounted to €27.7 billion (-9.7% y/y).

In particular, the TFA related to Private Banking customers (with assets above €500,000) totalled €51.6 billion (+19.7% y/y).

In the first nine months of 2023, total net sales amounted to €6.8 billion, compared with the 7.5 billion in the same period of 2022, proving to be once again solid even in a particularly complex market phase. Asset under management net sales amounted to €2.3 billion. Assets under custody amounted to €7.4 billion, while direct deposits were equal to €-2.9 billion.

As of September 30th, 2023, the network was composed of 2,968 Personal Financial Advisors operating through 426 Fineco Centers. Inflows through the PFA network were equal to €5.5 billion in the first nine months of 2023.

As of September 30th, 2023, Fineco Asset Management managed €29.1 billion of assets, of which €18.6 billion were retail class (+25.7% y/y) and €10.6 billion institutional class (+8.6% y/y).

A total of 86,257 new customers were acquired in the first nine months of 2023. The total number of customers as of September 30th, 2023 was 1,540,864.

MAIN INCOME STATEMENT RESULTS AT 30.09.2023

Figures and variations in this section are shown net of non-recurring items¹.

<i>m/ln</i>	1Q22 Adj. ⁽¹⁾	2Q22 Adj. ⁽¹⁾	3Q22 Adj. ⁽¹⁾	1Q23 Adj. ⁽¹⁾	2Q23 Adj. ⁽¹⁾	3Q23 Adj. ⁽¹⁾	9M22 Adj. ⁽¹⁾	9M23 Adj. ⁽¹⁾	9M23/ 9M22	3Q23/ 3Q22	3Q23/ 2Q23
Net financial income	107.5	68.9	84.2	157.4	170.8	180.2	260.6	508.5	95.1%	113.9%	5.5%
o/w Net interest income	59.3	67.6	84.3	157.4	170.8	180.0	211.2	508.2	140.6%	113.7%	5.4%
o/w Profit from treasury	48.1	1.3	0.0	0.0	0.1	0.1	49.4	0.2	-99.6%	n.s.	66.3%
Dividends	0.0	-0.1	0.0	0.0	0.0	0.0	-0.2	0.0	n.s.	n.s.	n.s.
Net commissions	118.6	113.9	114.1	120.9	121.3	120.1	346.6	362.2	4.5%	5.2%	-1.0%
Trading profit	29.2	25.9	21.4	15.1	15.0	16.2	76.5	46.3	-39.5%	-24.0%	8.6%
Other expenses/income	0.4	0.1	0.1	0.2	0.0	-0.5	0.6	-0.3	-147.1%	n.s.	n.s.
Total revenues	255.7	208.6	219.8	293.7	307.0	316.0	684.1	916.7	34.0%	43.7%	2.9%
Staff expenses	-28.3	-29.2	-29.0	-29.8	-30.6	-31.1	-86.5	-91.5	5.8%	7.5%	1.8%
Other admin.expenses	-34.0	-31.3	-32.2	-37.0	-33.9	-33.2	-97.5	-104.1	6.8%	3.2%	-1.9%
D&A	-6.6	-6.6	-6.6	-6.6	-6.6	-6.9	-19.8	-20.1	1.5%	3.8%	3.6%
Operating expenses	-69.0	-67.1	-67.8	-73.4	-71.1	-71.3	-203.9	-215.8	5.9%	5.1%	0.2%
Gross operating profit	186.7	141.6	152.0	220.3	235.9	244.7	480.3	700.9	45.9%	61.0%	3.7%
Provisions	-10.2	-2.3	-41.6	-9.3	-2.7	-40.0	-54.1	-52.0	-3.9%	-3.9%	n.s.
LLP	-0.8	-0.4	-0.3	-0.7	-1.4	0.1	-1.5	-2.0	31.9%	n.s.	n.s.
Profit from investments	-0.6	-0.2	-0.3	-0.7	0.1	0.7	-1.1	0.1	n.s.	n.s.	n.s.
Profit before taxes	175.1	138.7	109.8	209.6	231.9	205.5	423.6	647.0	52.8%	87.2%	-11.4%
Income taxes	-51.5	-39.8	-29.6	-62.4	-70.3	-60.2	-120.9	-192.8	59.5%	103.2%	-14.3%
Net profit adjusted ⁽¹⁾	123.6	98.9	80.2	147.3	161.6	145.3	302.7	454.2	50.1%	81.3%	-10.1%

Revenues totalled €916.7 million in the first nine months of 2023, increasing by 34.0% compared to €684.1 million of the same period of the previous year.

Net Financial Income soared at €508.5 million, up by 95.1% compared to the same period of 2022. Net Interest Income increased by 140.6% y/y.

Net commissions amounted to €362.2 million in the first nine months of 2023, increasing by 4.5% compared to €346.6 million in the first nine months of 2022.

This increase is mainly due to the higher net commissions related to the Investing area (+5.7% y/y) thanks to the volume effect and the higher contribution of Fineco Asset Management. Banking fees grew at €42.1 million (+3.2% y/y), Brokerage net commissions stood at €79 million (slightly up compared to €77.8 million in the same period of 2022).

Trading profit amounted to €46.3 million, down compared to €76.5 million in the same period of 2022.

Operating costs in the first nine months of 2023 were well under control at €215.8 million, up 5.9% y/y mainly due for expenses strictly connected to the growth of the business³, net of which the increase in operating costs is equal to 4.8% y/y.

Staff expenses totaled €91.5 million, increasing by 5,8% mainly due to the increase in the number of employees, which rose from 1,316 as of September 30th, 2022 to 1,361 as of September 30th, 2023 due to the growth of the business in Italy and to the Irish subsidiary Fineco Asset Management, which is further improving the efficiency of the value chain in the Investing area.

The **cost/income ratio** net of non-recurring items¹ was 23.5%.

Gross operating profit amounted to €700.9 million as of September 30th, 2023, up by 45.9% y/y.

Other charges and provisions totaled €-52.0 million compared to €-54.1 million in the same period of 2022, mainly due to the ordinary annual contribution to the Deposit Guarantee Systems (FITD, estimated at €-37.0 million compared to €-39.0 million in the same period of the previous year), and the contribution to the Single Resolution Fund (SRF, €-6.6 million in the first nine months of 2023 and €-7.6 million in the same period of 2022).

Loan loss provisions amounted to €-2.0 million. The **cost of risk** is equal to 5 basis points.

Profit on Investments amounted to €0.1 million.

Profit before taxes stood at €647.0 million, up by 52.8% y/y compared to €423,6 million in the first nine months of 2022.

Net profit for the period was equal to €454.2 million, increasing by 50.1% y/y.

MAIN INCOME STATEMENT RESULTS FOR THE THIRD QUARTER 2023

Revenues in the third quarter totalled €316.0 million, up by 2.9% compared to the previous quarter and by 43.7% compared to the same quarter of 2022.

Net Financial Income stood at €180.2 million, up by 5.5% q/q and by 113.9% y/y.

Net commissions amounted to €120.1 million, comparable to €121.3 million in the previous quarter, as the increase in Investing commissions has counterbalanced the lower Banking commissions, due to a new pricing on current accounts. Net commissions are increasing by 5.2% compared to €114.1 million in the third quarter of 2022, mainly thanks to higher Investing and Brokerage commissions.

Trading profit equalled to €16.2 million, up compared to €15.0 million of the previous quarter but lower compared to €21.4 million in the third quarter of 2022.

Total **operating costs** came to €71.3 million, up by 0.2% q/q and by 5.1% y/y.

Gross operating profit was equal to €244.7 million, up by 3.7% q/q and by 61.0% y/y.

Other charges and provisions amounted to €-40.0 million, mainly for the abovementioned ordinary annual contribution to the Deposit Guarantee Systems (FITD).

Loan loss provisions amounted to €0.1 million.

Profits from investments stood at €0.7 million.

Profit before taxes in the quarter was equal to €205.5 million, down by 11.4% q/q and up by 87.2% y/y.

Net profit in the quarter was equal to €145.3 million, down by 10.1% q/q and up by 81.3% y/y.

SHAREHOLDERS' EQUITY AND CAPITAL RATIOS

Consolidated shareholders' equity came to €2,056.0 million, increasing by €145.6 million compared to December 31st, 2022, mainly thanks to the profits achieved as of September 30th, 2023 (€454.2 million), which balanced the main reductions observed over the period, due to the payment of dividends relating to the year 2022 (€299.2 million) and net of the amount of the AT1 coupon paid (which resulted in a decrease in shareholders' equity of the first nine months of 2023 of €9.9 million).

The Group confirms its solid capital position with a CET1 ratio of 24.73% as of September 30th, 2023, compared to 23.20% as of June 30th, 2023 and to 20.82% as of December 31st, 2022.

The Tier 1 ratio and the Total Capital Ratio were equal to 35.90% as of September 30th, 2023 compared to 34.04% as of June 30th, 2023 and to 31.37% as of December 31st, 2022.

Leverage ratio stood at 4.96% as of September 30th, 2023 compared to 4.68% in June 30th, 2023 and to 4.03% as of December 31st, 2022.

The Group's liquidity indicators are very solid, placing Fineco at the highest level among European banks: LCR stood at 808%² as of September 30th, 2023 significantly above the 100% regulatory limit, and NSFR equal to 389% as of September 30th, 2023 also well above the 100% regulatory limit.

LOANS TO CUSTOMERS

Loans to customers at September 30th, 2023 totalled €6,058 million, down by 4.1% compared to September 30th, 2022 and by 6% compared to December 31st, 2022.

The amount of non-performing loans (loans with insolvent borrowers, unlikely to pay and non-performing loans/past due) net of impairment totalled € 4.1 million (€4.2 million at September 30th, 2022 and €3.5 million December 31st, 2022), with an 83.3% coverage ratio. The ratio between the amount of non-performing loans and total loans to ordinary customers came to 0.07% (0.07% at September 30th, 2022 and 0.06% as of December 31st, 2022).

SIGNIFICANT EVENTS IN Q3 2023 AND SUBSEQUENT EVENTS

With reference to the main events that took place in the third quarter of 2023, please refer to the press releases published on the FinecoBank website.

No significant events occurred after September 30th, 2023 that would make it necessary to change any of the results presented in this Consolidated Interim Management Report at September 30th, 2023 - Press Release.

NEW INITIATIVES MONITORING

Fineco Asset Management is further expanding its range of investments solutions focusing on the combination of protection and performance. In particular, the company has just released a new solution within the Smart Defence Multi- Strategy family.

Fineco is further improving its platform and the quality of its offering. In this context, the launch of the advanced advisory service, **Advice+**, stands out for its high level of customization. This service will allow customers to receive comprehensive advice on their assets: Fineco's financial advisors will have access not only to mutual funds from over 70 different asset managers but also to 1,200 bonds, over 500 stocks, and more than 2,200 ETFs and ETCs to determine the most suitable asset allocation for each individual customer. Customers will also have access to advanced reporting in terms of look through, multichannel approach and look & feel.

Additionally, the bank has introduced the **Brokerage Account**, a new zero-fee current account designed for customers who are only interested in independently trading on the markets through the Fineco platform. This new account stands out for its competitive costs, targeting even those customers who invest smaller tickets thanks to a pricing proportional to the value of each individual transaction. The Brokerage Account allows to send and receive bank transfers but does not include the use of payment cards or access to banking services. It is always possible to convert the Brokerage Account into a traditional account, thereby gaining access to all the features offered by Fineco, including the new FinecoX platform, PowerDesk, multicurrency services, and futures/options contracts available in currencies other than the euro.

SUSTAINABILITY

During the third quarter of 2023 Fineco continued its sustainability journey in the various areas outlined in the ESG 2020-2023 Plan.

Specifically, in the area of **responsible finance**, as at September 30th, 2023, 59% of the funds distributed on the Fineco platform were classified under SFDR Article 8⁴, while 4% were classified under SFDR Article 9⁵. In particular, **Fineco AM**'s funds classified under SFDR Article 8 are 43%, while 1% is related to funds under SFDR Article 9.

With reference to the 3Q23 **ESG rating** agency's updates: **S&P** published Fineco's **Global ESG Score 2023**⁶ equal to 68/100; **MSCI** confirmed both its "AA" (leading) ESG rating in the "diversified financials" sector and its Implied Temperature Rise rating at 1.3°C (1.5°C Aligned), indicating that FinecoBank is in line with the Paris Agreement's maximum goal of maintaining the global average temperature increase within 1.5°C; **Sustainalytics** upgraded its ESG risk rating to 13.4 (Low risk), confirming its position among the best banks internationally; **Standard Ethics** improved its Outlook to Positive and confirmed Fineco's rating at the "EE+" level; while **Refinitiv** upgraded its ESG rating to 83 points out of 100. The **ISS ESG Corporate Rating** was confirmed at C (prime status).

Finally, the Bank is also included in **Euronext's MIB ESG Index**, **FTSE4Good**, **Bloomberg Gender Equality Index (GEI) 2023**, **Standard Ethics Italian Banks Index**, **Standard Ethics Italian Index** and **S&P Global 1200 ESG Index**.

⁴ An Article 8 fund under SFDR is defined as a fund which promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices

⁵ An Article 9 fund under SFDR is defined as a fund that has sustainable investment as its objective and an index has been designated as a reference benchmark.

⁶ The S&P Global ESG Score is a new score resulting from the combination of the CSA Score used until now with an additional score based on the public disclosure, made on a voluntary basis, of information for which publication under the CSA is not strictly required.

GUIDANCE

BANKING REVENUES EXPECTATIONS:

Net financial income (net interest income and Profit from Treasury management) expectations (assumptions based with forward rate curve as of November 2nd 2023):

- FY23: Net Financial Income expected to increase by at least +70% vs FY22
- FY24: Net Financial Income in potential slight decline, with a progressive stabilization of deposits.

Banking fees:

- FY23: stable vs FY22.
- FY24: stable vs FY23.

INVESTING REVENUES EXPECTATIONS:

- FY23:
 - Revenues increase high-single digit y/y, including the market effect up to the end of October 2023, with higher after tax management fees margins y/y, with different assumptions on volumes and a better mix: FAM retail net sales expected at around €3 billion, and overall AUM net sales at around €3 billion
- FY24: Revenues increase high-single digit y/y (with neutral market effect)

BROKERAGE REVENUES EXPECTATIONS: countercyclical business, expected to remain strong with a floor - in relative terms with respect to the market context - definitely higher than in the pre-Covid period.

OPERATING COSTS expectations:

- FY23: growth of around 6% y/y, not including additional costs for: FAM (~€2 million) and additional marketing expenses (at least ~€3 million).
- FY24: growth of around 6% y/y, not including additional costs for both FAM and marketing expenses.

COST / INCOME: in FY24 below 30% thanks to the scalability of our platform and to the strong operating gearing we have.

SYSTEMIC CHARGES: around €-50 million of Deposit Guarantee Scheme and Single Resolution Fund are expected.

CAPITAL RATIOS: growing CET1 and Leverage Ratio.

DPS: for FY24 expected an increasing dividend per share.

COST OF RISK: in a range between 5-9 basis points in 2023 thanks to the quality of our portfolio.

The one-off windfall tax will be allocated as non-distributable reserve (equal to € 30.5 million, equal to 2.5x the windfall tax amount equal to €12.2 million)

NET SALES: robust, high quality and with a priority on keeping the mix mainly skewed towards AUM.

The reclassified consolidated balance sheet and the reclassified income statement approved by the Board of Directors are attached here below.

CONDENSED BALANCE SHEET

(Amounts in € thousand)

ASSETS	Amounts as at		Changes	
	September 30, 2023	December 31, 2022	Amounts	%
Cash and cash balances	1,797,852	1,469,713	328,139	22.3%
Financial assets held for trading	21,354	16,926	4,428	26.2%
Loans and receivables to banks	425,899	426,696	(797)	-0.2%
Loans and receivables to customers	6,058,003	6,445,713	(387,710)	-6.0%
Financial investments	21,626,742	24,634,034	(3,007,292)	-12.2%
Hedging instruments	1,028,424	1,424,704	(396,280)	-27.8%
Property, plant and equipment	141,156	146,208	(5,052)	-3.5%
Goodwill	89,602	89,602	-	n.a.
Other intangible assets	34,841	36,787	(1,946)	-5.3%
Tax assets	60,133	46,577	13,556	29.1%
Tax credit acquired	1,456,572	1,093,255	363,317	33.2%
Other assets	346,201	438,670	(92,469)	-21.1%
Total assets	33,086,779	36,268,885	(3,182,106)	-8.8%

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	Amounts as at		Changes	
	September 30, 2023	December 31, 2022	Amounts	%
Deposits from banks	1,385,130	1,677,235	(292,105)	-17.4%
Deposits from customers	28,212,892	31,695,647	(3,482,755)	-11.0%
Debt securities in issue	807,409	497,926	309,483	62.2%
Financial liabilities held for trading	7,554	4,574	2,980	65.2%
Hedging instruments	(16,363)	(3,180)	(13,183)	n.a.
Tax liabilities	137,320	42,627	94,693	222.1%
Other liabilities	496,840	443,659	53,181	12.0%
Shareholders' equity	2,055,997	1,910,397	145,600	7.6%
- capital and reserves	1,602,736	1,479,771	122,965	8.3%
- revaluation reserves	(939)	2,121	(3,060)	n.a.
- net profit	454,200	428,505	25,695	6.0%
Total liabilities and Shareholders' equity	33,086,779	36,268,885	(3,182,106)	-8.8%

CONDENSED BALANCE SHEET – QUARTERLY FIGURES

(Amounts in € thousand)

	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023
ASSETS					
Cash and cash balances	1,681,556	1,469,713	1,414,068	1,518,628	1,797,852
Financial assets held for trading	22,285	16,926	15,730	16,868	21,354
Loans and receivables to banks	458,028	426,696	445,895	415,627	425,899
Loans and receivables to customers	6,318,315	6,445,713	6,311,901	6,184,498	6,058,003
Financial investments	25,068,513	24,634,034	24,350,662	22,613,241	21,626,742
Hedging instruments	1,390,127	1,424,704	1,300,265	1,028,822	1,028,424
Property, plant and equipment	143,333	146,208	142,637	143,799	141,156
Goodwill	89,602	89,602	89,602	89,602	89,602
Other intangible assets	36,601	36,787	35,875	35,788	34,841
Tax assets	58,048	46,577	46,987	46,100	60,133
Tax credit acquired	902,259	1,093,255	1,313,546	1,341,774	1,456,572
Other assets	382,040	438,670	413,399	381,175	346,201
Total assets	36,550,707	36,268,885	35,880,567	33,815,922	33,086,779

(Amounts in € thousand)

	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023
LIABILITIES AND SHAREHOLDERS' EQUITY					
Deposits from banks	2,791,259	1,677,235	1,605,506	1,299,539	1,385,130
Deposits from customers	30,945,493	31,695,647	30,877,798	29,187,761	28,212,892
Debt securities in issue	499,629	497,926	798,748	803,054	807,409
Financial liabilities held for trading	8,976	4,574	7,208	8,538	7,554
Hedging instruments	(3,584)	(3,180)	(7,885)	(13,438)	(16,363)
Tax liabilities	82,923	42,627	105,386	65,017	137,320
Other liabilities	432,744	443,659	435,390	553,994	496,840
Shareholders' equity	1,793,267	1,910,397	2,058,416	1,911,457	2,055,997
- capital and reserves	1,488,223	1,479,771	1,909,094	1,601,514	1,602,736
- revaluation reserves	2,651	2,121	2,070	1,063	(939)
- net profit	302,393	428,505	147,252	308,880	454,200
Total liabilities and Shareholders' equity	36,550,707	36,268,885	35,880,567	33,815,922	33,086,779

CONDENSED INCOME STATEMENT

(Amounts in € thousand)

	9M 23	9M 22	Changes	
			Amounts	%
Financial margin	508,462	260,626	247,836	95.1%
of which Net interest	508,243	211,222	297,021	140.6%
of which Profits from Treasury	219	49,404	(49,185)	-99.6%
Dividends and other income from equity investments	(34)	(168)	134	-79.8%
Net fee and commission income	362,199	346,619	15,580	4.5%
Net trading, hedging and fair value income	46,328	76,055	(29,727)	-39.1%
Net other expenses/income	(263)	555	(818)	n.a.
REVENUES	916,692	683,687	233,005	34.1%
Staff expenses	(91,523)	(86,496)	(5,027)	5.8%
Other administrative expenses	(223,970)	(199,841)	(24,129)	12.1%
Recovery of expenses	119,823	102,313	17,510	17.1%
Impairment/write-backs on intangible and tangible assets	(20,121)	(19,827)	(294)	1.5%
Operating costs	(215,791)	(203,851)	(11,940)	5.9%
OPERATING PROFIT (LOSS)	700,901	479,836	221,065	46.1%
Net impairment losses on loans and provisions for guarantees and commitments	(2,001)	(1,517)	(484)	31.9%
NET OPERATING PROFIT (LOSS)	698,900	478,319	220,581	46.1%
Other charges and provisions	(51,980)	(54,115)	2,135	-3.9%
Net income from investments	111	(1,079)	1,190	n.a.
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	647,031	423,125	223,906	52.9%
Income tax for the period	(192,831)	(120,732)	(72,099)	59.7%
NET PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	454,200	302,393	151,807	50.2%
PROFIT (LOSS) FOR THE PERIOD	454,200	302,393	151,807	50.2%
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	454,200	302,393	151,807	50.2%

CONDENSED INCOME STATEMENT – QUARTERLY FIGURES

(Amounts in € thousand)

	FY	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	1 st Quarter	2 nd Quarter	3 rd Quarter
	2022	2022	2022	2022	2022	2023	2023	2023
Financial margin	392,200	107,461	68,946	84,219	131,574	157,431	170,847	180,184
of which Net interest	342,796	59,347	67,614	84,261	131,574	157,431	170,765	180,047
of which Profits from Treasury	49,404	48,114	1,332	(42)	-	-	82	137
Dividends and other income from equity investments	(276)	(45)	(103)	(20)	(108)	-	(6)	(28)
Net fee and commission income	465,627	118,637	113,877	114,105	119,008	120,871	121,254	120,074
Net trading, hedging and fair value income	89,899	28,989	25,854	21,212	13,844	15,123	14,956	16,249
Net other expenses/income	156	365	51	139	(399)	235	(19)	(479)
REVENUES	947,606	255,407	208,625	219,655	263,919	293,660	307,032	316,000
Staff expenses	(117,294)	(28,348)	(29,190)	(28,958)	(30,798)	(29,795)	(30,583)	(31,145)
Other administrative expenses	(273,486)	(69,366)	(64,998)	(65,477)	(73,645)	(74,630)	(72,727)	(76,613)
Recovery of expenses	136,830	36,335	33,728	33,250	34,517	37,625	38,832	43,366
Impairment/write-backs on intangible and tangible assets	(26,865)	(6,590)	(6,601)	(6,636)	(7,038)	(6,587)	(6,650)	(6,884)
Operating costs	(280,815)	(68,969)	(67,061)	(67,821)	(76,964)	(73,387)	(71,128)	(71,276)
OPERATING PROFIT (LOSS)	666,791	186,438	141,564	151,834	186,955	220,273	235,904	244,724
Net impairment losses on loans and provisions for guarantees and commitments	(3,115)	(801)	(424)	(292)	(1,598)	(664)	(1,415)	78
NET OPERATING PROFIT (LOSS)	663,676	185,637	141,140	151,542	185,357	219,609	234,489	244,802
Other charges and provisions	(57,762)	(10,239)	(2,259)	(41,617)	(3,647)	(9,269)	(2,737)	(39,974)
Net income from investments	(1,552)	(553)	(201)	(325)	(473)	(723)	142	692
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	604,362	174,845	138,680	109,600	181,237	209,617	231,894	205,520
Income tax for the period	(175,857)	(51,385)	(39,777)	(29,570)	(55,125)	(62,365)	(70,266)	(60,200)
NET PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	428,505	123,460	98,903	80,030	126,112	147,252	161,628	145,320
PROFIT (LOSS) FOR THE PERIOD	428,505	123,460	98,903	80,030	126,112	147,252	161,628	145,320
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	428,505	123,460	98,903	80,030	126,112	147,252	161,628	145,320

EXPOSURES IN SECURITIES ISSUED BY SOVEREIGN STATES, SUPRANATIONAL INSTITUTIONS AND AGENCIES

The following table indicates the book value of the exposures in debt securities issued by sovereign States, Supranational institutions, Agencies and local Authorities at 30 September 2023 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 59.58%.

(Amounts in € thousand)

	Carrying amount as at September 30, 2023	% Financial statements item
Italy	5,141,175	
Financial assets at amortised cost	5,141,175	18.31%
Spain	4,532,586	
Financial assets at amortised cost	4,532,586	16.14%
Germany	171,563	
Financial assets at amortised cost	171,563	0.61%
France	1,482,973	
Financial assets at fair value through other comprehensive income	26,924	99.97%
Financial assets at amortised cost	1,456,049	5.19%
U.S.A.	601,644	
Financial assets at amortised cost	601,644	2.14%
Austria	664,862	
Financial assets at amortised cost	664,862	2.37%
Ireland	911,100	
Financial assets at amortised cost	911,100	3.25%
United Kingdom	22,764	
Financial assets at amortised cost	22,764	0.08%
Belgium	715,913	
Financial assets at amortised cost	715,913	2.55%
Portugal	373,962	
Financial assets at amortised cost	373,962	1.33%
Switzerland	20,733	
Financial assets at amortised cost	20,733	0.07%
Saudi Arabia	90,190	
Financial assets at amortised cost	90,190	0.32%
Chile	212,695	
Financial assets at amortised cost	212,695	0.76%
China	165,572	
Financial assets at amortised cost	165,572	0.59%
Latvia	29,764	
Financial assets at amortised cost	29,764	0.11%
Iceland	14,971	
Financial assets at amortised cost	14,971	0.05%
Total sovereign exposures	15,152,467	45.80%
Financial assets at amortised cost - Supranational	2,781,349	8.41%
Financial assets at amortised cost - Agencies and Local Authority exposures	1,780,652	5.38%
Total Supranational, Agencies and Local Authority exposures	4,562,001	13.79%
Total	19,714,468	59.58%

OPERATING STRUCTURE

	Data as at	
	September 30, 2023	December 31, 2022
No. Employees	1,361	1,336
No. Personal financial advisors	2,968	2,918
No. Financial shops ¹	426	426

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	Stable

BASIS OF PREPARATION

This Consolidated Interim Financial Report as at 30 September 2023 - 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 2023 – Press Release, as well as the press releases on significant events during the period, the market presentation of the first nine months of 2023 and the Database are also available on FinecoBank’s website.

This Consolidated Interim Financial Report as at 30 September 2023 – Press Release was not audited by the External Auditors.

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 First Half Financial Report as at June 30th 2023.

In order to provide additional information on the Group’s performance, several alternative performance indicators have been used - APM (such as Cost/income ratio and Cost of Risk), whose description is found in “Glossary of technical terminology and acronyms used” of the Consolidated First Half Financial Report as at June 30th, 2023, in line with the guidelines published by the European Securities and Markets Authority (ESMA/2015/1415) on 5 October 2015.

The Consolidated Interim Financial Report at 30 September 2023 - Press Release, shown in reclassified format, was prepared on the basis of the IAS/IFRS in force today. The information contained in this Consolidated Interim Financial Report as at 30 September 2023 – Press Release was not prepared in accordance with the international accounting standard applicable to interim financial reports (IAS 34).

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. In the presentation of the Consolidated Interim Financial Report at 30 September 2023 - Press Release, estimates have been used to support the carrying amount of some of the valuation-based items, as required by the accounting standards and regulations. These estimates are largely based, as regards assets, on calculations of future recoverability of the values recognised in the accounts and as regards liabilities, on estimates of the probability of using resources to meet the obligations and on the amount of resources necessary to that end, according to the rules laid down in current legislation and standards. They have been made on the assumption of a going concern, on, i.e. without contemplating the possibility of the forced sale of the estimated items. For some of the above items, the valuation is particularly complex given the uncertainty of the macroeconomic and market situation, characterised by significant levels of volatility in the financial parameters determining the valuation. For other items, the complexity and subjectivity of estimates is influenced by the intricacy of the underlying assumptions, the amount and variability of available information and the uncertainties connected with possible future outcomes of proceedings, disputes and litigation. The parameters and information used to determine the above-mentioned values are therefore significantly affected by multiple factors, which could change rapidly in ways that are currently unforeseeable and, as a result, future effects on the estimated carrying amounts cannot be ruled out.

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, the Group uses specific models that adopt risk parameters (Probability of Default "PD" and Loss Given Default "LGD") by forward-looking analysis through specific scenarios developed by the external provider Moody's Analytics. These scenarios incorporate forward-looking information that considers different possible developments in the pandemic crisis and the military conflict in Ukraine.. Specifically, 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 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 2023 the Bank assessed that the reasonably estimated changes in the forecast data used as at 31 December 2022 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 Interbank Deposit Protection Fund based on information available at September 30th, 2023.

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 2023 requested at FinecoBank.

The scope of consolidation includes the parent company FinecoBank and the fully consolidated subsidiary Fineco Asset Management DAC. Vorvel SIM S.p.A., the only investment subject to significant influence, was consolidated using the equity method. Finally, it should be noted that Fineco International Ltd, a wholly-owned subsidiary of FinecoBank S.p.A., was not operational as at 30 September 2023 and has been excluded from the scope of consolidation as it does not exceed the materiality thresholds defined in the Group's policy. In this regard, it should also be noted that the Board of Directors of FinecoBank on 12 September 2023 resolved to close the Company.

Article 26 of Decree-Law No. 104 of 10 August 2023 provides for an extraordinary tax to be imposed on banks for the year 2023 in connection with the increase in interest rates and the cost of credit. The tax is determined by applying a rate of 40% on the amount of the interest margin included in item 30 of the income statement for the year 2023 that exceeds the same margin recognised in the year 2021 by at least 10%.

The amount of the extraordinary tax may not exceed a portion equal to 0.26% of the total amount of the Risk Weighted Assets on an individual basis of the financial year 2022. In lieu of payment, an amount not less than 2.5 times the amount of the tax due may be allocated to a non-distributable reserve identified for this purpose upon approval of the financial statements for the financial year 2023.

The Board of Directors of the Bank held on 10 October 2023 resolved to propose in the explanatory report to the 2023 financial statements, in the 2024 Annual General Meeting, the allocation of the portion of profit to the aforementioned reserve.

Considering the characteristics of the law and the decision of the Board of Directors not to settle the tax and to constitute the specific unavailable reserve, no charge and obligation to pay the tax was recognized in the Consolidated Interim Financial Report as at 30 September 2023 – Press Release.

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), please note that in the third quarter of 2023 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 bis, second paragraph of the “Testo Unico della Finanza” (the “Single Financial Services Act”) that this Consolidated Interim Report as at 30 September 2023 corresponds to the documentary records, ledgers and accounting data.

Milan, 7 November 2023

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



TOTAL NET SALES - OCTOBER 2023

In October net sales were robust at € 496 million, confirming both the soundness of the Fineco growth path thanks to new clients acquisition (close to 12,000 in the month, +31% y/y, at the highest level since March 2021) and to the tendency of customers to continue their investments also in a complex market phase.

This result confirms the improvement of both the Bank's growth and the quality of the client base, considering that Fineco has not changed its clients' acquisition strategy and that the competitive environment is crowded with short term aggressive commercial offers on rates.

The asset mix shows Asset Under Custody close to € 1.4 bn, also thanks to the issuance of the BTP Valore, and Asset Under Management at € 13 million, due to outflows from insurance products (€ -216 million). Deposits is equal to € -909 million due to: (i) a one-off effect due to the subscription for 620 million of BTP Valore by our clients in the recent auction (equal to a 3.5% market share of the overall amount issued); (ii) liquidity being temporarily used by short-term traders to buy on the dips both equity and govies given the market correction in the month.

Estimated brokerage revenues equalled € 17million in October: over 50% more than the monthly average in 2017/19 and over 25% more compared to October 2022. Since the beginning of the year, estimated revenues reached around € 157 million.

figures in € million

TOTAL NET SALES	OCT 2023	OCT 2022	JAN-OCT '23	JAN-OCT '22
Assets under management	13.1	96.9	2,264.3	2,615.4
Assets under custody	1,391.7	305.7	8,804.5	4,105.9
<i>o/w Third party deposit current accounts</i>	25.3	26.9	313.9	101.5
Direct deposits	-909.2	305.8	-3,789.1	1,468.9
TOTAL NET SALES	495.5	708.5	7,279.7	8,190.2
TOTAL FINANCIAL ASSETS	OCT 2023	DEC 2022	OCT 2022	
Assets under management	54,408.0	52,072.6	51,200.0	
Assets under custody	33,956.0	23,915.4	22,772.0	
<i>o/w Third party deposit current accounts</i>	675.1	361.2	193.1	
Direct deposits	26,780.8	30,569.9	30,964.2	
TOTAL FINANCIAL ASSETS	115,144.8	106,557.9	104,936.2	

FAM, retail net sales at € 47 million, TFA at € 28.5 billion

Fineco Asset Management retail net sales in October amounted to € 47 million, with a strong interest by clients for new products aimed at conservative investors and characterized by a strong protection. Since the beginning of the year retail net sales were equal to € 2.7 billion, leading FAM assets as of October 31st, 2023 at € 28.5 billion, of which € 18.3 billion retail class (+21% y/y) and € 10.2 billion institutional class (+3% y/y). The penetration rate of FAM retail classes on the Bank's Asset Under Management reached 33.6% compared to 29.5% in October 2022.

Total Financial Assets at € 115 billion

Total Financial Assets were equal to € 115.2 billion, increasing by 10% compared to October 2022. In particular, TFA related to Private Banking were at € 50.6 billion, 13% higher y/y.

98,000 new clients YTD

In October, 11,794 new clients were acquired (+31% y/y), the highest level since March 2021, leading to 98,051 new clients acquired since the beginning of the year. This result confirms the improvement of the growth and the quality of the client base, even more remarkable considering that the Bank has not changed its clients' acquisition strategy and that the competitive environment is crowded with short term aggressive commercial offers on rates. Total number of clients reached 1,548,685 as of October 31st, 2023.

dati in milioni di €

RACCOLTA NETTA RETE CONSULENTI	OTT 2023	OTT 2022	GEN-OTT '23	GEN-OTT '22
Raccolta gestita	17,4	97,3	2.272,4	2.621,3
Raccolta amministrata	1.041,5	214,0	6.621,9	2.937,2
<i>di cui conti deposito presso terzi</i>	13,8	13,0	190,3	43,8
Raccolta diretta	-652,0	273,6	-2.967,9	1.542,2
TOTALE RACCOLTA NETTA	406,9	584,8	5.926,4	7.100,7
PATRIMONIO RETE CONSULENTI	OTT 2023	DIC 2022	OTT 2022	
Raccolta gestita	53.971,0	51.622,6	50.749,1	
Raccolta amministrata	25.398,6	17.712,8	16.830,1	
<i>di cui conti deposito presso terzi</i>	367,2	176,9	88,4	
Raccolta diretta	20.908,9	23.876,8	24.231,5	
PATRIMONIO TOTALE	100.278,4	93.212,2	91.810,7	

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