

Sella: very positive results for 2023 as growth continues

*The good performance was supported by all business components, confirmation of the effectiveness of the development strategy.
Banking income exceeds €1 billion*

- **Group net profit:** €107.5 million
 - **Consolidated net profit including minority interests:** €149 million
 - **Banking income:** €1 billion
 - **Net inflows:** €5.3 billion
 - **Direct inflows:** €18 billion
 - **Global inflows:** €56.5 billion
 - **Total lending:** €11 billion
 - **ROE:** 10.8%
 - **Team Sella:** over 6,300 people
-
- **Banca Sella: CET1 19.27% - Total Capital Ratio 21.78%**
 - **Banca Patrimoni Sella & C.: CET1 13.57% - Total Capital Ratio 13.57%**
 - **Sella group: CET1: 13.36% - Total Capital Ratio 15.47%**

Sella group closed 2023 with very positive and steadily growing results in its various business sectors, attesting to the effectiveness of the diversification of its revenue sources and development strategy, based on the quality of consultancy services and on technological innovation, and the fostering of an open financial ecosystem aimed at best serving the clientele and generating a positive impact on the economy and society as a whole. Despite a global economic context that is uncertain and marked by ongoing international unrest, the group in fact recorded increased banking income (+18.2%), global deposits (+16.1%), loans (+4.9%), and all business volumes. Contributing to the achievement of these results were, in particular, the group banks - Banca Sella and Banca Patrimoni Sella & C. - which reported improved profits, increased deposits, as well as a consolidated capital position.

Consolidated results of Sella group

The results as at 31 December 2023 approved today by the Board of Directors of the Parent Company Banca Sella Holding closed with a consolidated net profit of €107.5 million, up from €91.9 million in the same period last year. Consolidated profit including the component attributable to minority interests, which are present in the shareholding structure of several group companies also to support the strategic development of their business activities, stood at €149 million (it was €109.5 million at the end of 2022). Gross operating income, reflecting the significant improvement at industry level, stood at €314.6 million (+30%) owing to the growth in net banking income that was significantly higher than that of costs. Compared to last year, there was a higher credit risk cost (up from 37 bps at year-end 2022 to 39 bps) and some write-downs on equity investments.



Inflows and lending

Customer confidence led to an excellent result in global net inflows, positive by €5.3 billion. Global deposits at market value were up 16.1% year-on-year and reached €56.5 billion. This growth was also driven by the €2.5 billion increase in the total value of customer investments from indirect inflows due to market price performance. Direct inflows grew by 8.5% to €18 billion. Lending also grew by 4.9% to €11 billion, reflecting a high capacity to support the activities of households and businesses.

Margins and revenues

Significant growth in net banking income to over 1 billion euros for the first time, up 18.2% from the previous year-end and reaching €1.015 billion. This enabled the group to continue investment, development initiatives and employment growth. Net revenues from services increased by 6.5% to €434.6 million and net interest income by 49% to €534.3 million, mainly driven by the commercial component and interest rate dynamics. The good performance is also underscored by the steady increase in market share. Net income from financial activities decreased to €46.6 million (-49.7 percent due to last year's nonrecurring transactions involving the sale of securities and tax receivables to third parties).

All the sectors the group is engaged in and the good balancing and diversification of revenue sources contributed to the positive results in 2023. Investment services generated revenues totaling €186.9 million (+3.7%). Significant growth was achieved in payment systems: total transacted volumes related to acquiring and issuing services increased by 19.2% reaching €109.3 million, with a 7.8% rise in net banking income. These volumes were realized also thanks to the increase in POS (+22.6%) and e-commerce (+7.3%) transactions. Margins related to the development of open finance platforms, open payments and the offering to third parties of technology services generated revenues of €46.4 million (+6.5%). Finance recorded a positive margin performance equal to €74.9 million, down from the same period in the previous year (-54.9%), which had been characterized by very favorable conditions such as high market volatility and the contribution of inflation to the return on the securities portfolio, as well as capital gains from the sale of securities. Revenues from new business grew 13.6% to €82.8 million, largely driven by corporate and investment banking services, whose revenues increased by 48.1% to reach €12.9 million, and to end-to-end payment platforms for corporates and merchants, in addition to embedded finance solutions. The group's total net revenues in open finance increased by 14.5% from the previous year to €54.7 million.

Credit quality

Credit quality remains at optimal levels. Net NPL Ratio decreased to 1.6% (it was 1.8%), while gross NPL Ratio decreased to 3% (it was 3.5%). Credit risk cost stood at 39 bps (it was 37 bps at the end of 2022). The coverage ratio on non-performing loans stood at 64.8% (it was 65.7%), and that on impaired loans at 48.8% (it was 49.5%) with a slight decrease due mainly to divestment in high-coverage, non-performing loans and a greater presence of secured loans. The Texas Ratio stood at 22.7% (it was 27.2%).

Solidity and liquidity

The group has further strengthened its excellent capital solidity, which is well above the required standards. CET1 was 13.36% and Total Capital Ratio was 15.47% (they were 13.21% and 15.12% respectively at the end of 2022). Liquidity ratios also improved and were well above the required minimum thresholds, with LCR at 230.83% and NSFR at 142.90% (they were 166.72% and 132.76% at the end of 2022, the required threshold for both is 100%).



Customers and workforce

By the end of 2023, the total number of the group's customers had further grown to over 3 million. More specifically, there was an increase of 7.1% to 3.003 million, including Hype, the joint venture with illimity. The number grew by 8.3% reaching 1.326 million customers not including Hype, thus strengthening a business development capacity that has resulted in a threefold net growth of customers in the last three years (+231,000) compared to the previous three years, also in the more traditional business sectors, thanks to the strategy based on consultancy services and technological innovation.

Team Sella, consisting of employees and consultants, also grew stronger and exceeded 6,300. During the year new employees' hires were 675, of which 439 in Italy and 236 abroad.

Investments

Investments totaled €104 million, not including the real estate component. Operating costs grew by 13.8% due to the increase in the workforce and the pay raises provided for by the renewal of the national collective bargaining agreement for banking personnel. Despite these major investments, Cost-to-Income improved and fell to 68% (it was 71.6% at the end of 2022).

Sustainability

The group's growth and development strategy has also been dedicated to its commitment to sustainability aimed at generating a positive impact. The amount of deposits, lending, and investments complying with stringent ESG criteria grew. Over the course of the year, the group supported customers in their transition to an economy with lower environmental impact by increasing its range of ESG products and services and successfully issued its first €100 million green bond. In addition, various initiatives have contributed to reducing the group's gross CO₂ emissions on an ongoing basis, such as the installation of a solar-powered system over the new parking lot at the Biella headquarters. Charitable initiatives providing contributions to various national and international associations and to support scientific research also continued through Sella Sgr's TFS iCare investment fund, which financed a new project of the Umberto Veronesi Foundation relating to Acute Myeloid Leukemia in children.

Banca Sella results

Banca Sella closed 2023 with very positive results, reporting a net profit of €157.3 million, representing a significant increase from the €73.3 million in the previous year. The bank's ROE stood at 18.4% compared to 9.1% at year-end 2022. It further strengthened its historical financial soundness, with CET1 at 19.27% and Total Capital Ratio at 21.78% (they were 18.63% and 21.16% respectively). Also very positive are the liquidity indicators, which are well above the required thresholds: the LCR index is 265.17%, while the NSFR index is 159.79% (for both the minimum required threshold is 100%).

In the framework of its growth strategy, Banca Sella has further strengthened its service model based on consultancy and customer relationships, while continuing to provide families, entrepreneurs and corporates with complete and effective solutions through the development of high-tech innovative products and services. In line with its objective of developing sustainable banking activities, Banca Sella has also expanded its dedicated offering of ESG-oriented financial solutions, such as lending to businesses aimed at supporting their transition to sustainable processes, and a payment card for the blind and visually impaired made from recycled plastic.



Particularly worthy of note was the progress in net banking income (+30.2% to €644 million) thanks to the increase in both net interest income (+68.3% to €392.3 million) and net income from services (+3.3% to €250.7 million). In detail, net interest shows a significant margin growth from commercial lending, driven by increased volumes and market rate dynamics, as well as profitability of the proprietary securities portfolio. The dynamics of income from services is driven by payment systems, both digital and traditional, good performance in the banking segment and in loan ancillary fees. Income from investment services also increased due to the greater contribution from trading and consultancy services. Thanks to the excellent banking income performance, Cost-to-Income improved significantly to 58.2% (it was 67.6%), despite operating costs increasing by 11.1%. Gross operating income, up 64.8% and reaching €261 million, is evidence of the bank's very strong performance.

Global inflows at market value stood at €35.4 billion, up 12.2%, while global net inflows were positive by €2.6 billion. Direct inflows grew by 13% to €14.9 billion. Lending to support household and business activities increased by 3.7% reaching €9.4 billion. Credit quality indexes were still at excellent levels: credit risk cost was 26 bps (previously 22 bps). The net NPL Ratio fell to 1.5% (it was 1.7%) and the gross NPL Ratio to 2.7% (it was 3.1%). The Texas Ratio improved and is now at 23.7% (it was 30.8%).

The Board of Directors shall propose to the Shareholders' Meeting the distribution of a dividend of 7.06 cents per share, up 60.82% from 2022, for a total amount of €47.193 million, corresponding to a 30% payout ratio.

Banca Patrimoni Sella & C.

Banca Patrimoni Sella & C., which specializes in the management and administration of the assets of private and institutional customers, closed 2023 achieving outstanding results - net profit, in fact, was €25.5 million, up from €14.1 million in 2022 (+81%).

The significant increase in assets under management to €22.2 billion (up 21.7% compared to the end of 2022) is proof of the bank's sound progress and performance. In 2023, total global net inflows were, in fact, €2.7 billion. Growing customer interest in asset management products and consultancy services led to an increase in qualified net deposits, which exceeded €1.2 billion, with the concurrent positive performance of commission income, which came in at €154.6 million (+23%). Noteworthy is the increase in net interest income, which stood at €47.8 million (+148%), driven by the results of the lending segment and assets allocated in the treasury portfolio. The CET1 and Total Capital Ratio were both 13.57% (they were 11.88% at the end of 2022).

Fabrick and the fintech ecosystem

Sella group's development and growth in open finance continues through the activity of the specialist company Fabrick and its subsidiaries (Axerve, Codd&Date, dpixel, Fabrick Iberica, and Judopay, the latter acquired in May 2023), which closed 2023 with total net revenues of €54.7 million, up 14.5% from the previous year. The number of customers also increased: the connected counterparties at the end of 2023 totaled 450, generating a significant increase in platform API calls to over 490 million per month. A partnership agreement was signed with Mastercard last year, which also joined Fabrick's shareholding with a minority stake. The aim of the partnership is to develop Embedded Finance solutions for enterprises and financial institutions throughout Europe.



Axerve, the company specializing in payment acceptance on all physical and digital channels with more than 100,000 active domestic and international customers, reported net revenues of €29.6 million (+19%). Also significant was the growth in POS and e-commerce transactions amounting to €25.5 billion (+20.2%).

The Fintech District community, within the scope of which open innovation projects are developed, with the arrival of 50 new companies counted 287 fintech associates at the end of 2023. In addition, there were more than 30 corporates with whom collaborations have been established over the years.

Biella (Italy), 9th February 2024



**CONSOLIDATED ACCOUNTING DATA OF THE BANKING GROUP
AS OF DECEMBER 31, 2023
CIVIL PERIMETER - PARENT COMPANY BANCA SELLA HOLDING**

CONSOLIDATED BALANCE SHEET ASSETS

(amounts in €)

ASSETS	31/12/2023	31/12/2022
10. Cash and cash equivalents	3.526.247.717	2.360.725.964
20. Financial assets measured at fair value through profit and loss	1.073.280.545	1.068.180.104
a) Financial assets held for trading	348.615.599	386.117.827
c) Other financial assets necessarily measured at fair value	724.664.946	682.062.277
30. Financial assets measured at fair value through other comprehensive income	879.033.039	784.436.765
40. Financial assets measured at amortised cost	14.317.802.076	14.376.539.425
a) Due from banks	592.879.524	554.939.472
b) Due from customers	13.724.922.552	13.821.599.953
50. Hedging derivatives	6.337.054	10.285.743
60. Value adjustment of financial assets subject to macro hedging (+/-)	10.790.392	2.884.553
70. Equity investments	83.372.851	101.084.260
90. Tangible assets	466.233.015	382.243.362
100. Intangible assets	245.945.214	203.644.824
of which:		
- goodwill	71.113.637	66.353.310
110. Tax assets	224.861.199	219.427.776
a) current	81.187.888	45.603.144
b) deferred	143.673.311	173.824.632
120. Non-current assets and asset groups held for sale	674.394	586.094
130. Other assets	997.188.670	825.485.858
Total assets	21.831.766.166	20.335.524.728

CONSOLIDATED BALANCE SHEET LIABILITIES

(amounts in €)

LIABILITIES AND SHAREHOLDERS' EQUITY		31/12/2023	31/12/2022
10.	Financial liabilities measured at amortised cost	19.240.312.702	18.094.188.508
	a) Due to banks	1.103.764.158	1.385.146.832
	b) Due to customers	17.320.137.859	16.523.984.127
	c) Securities in issue	816.410.685	185.057.549
20.	Financial liabilities held for trading	122.458.697	136.986.429
40.	Hedging derivatives	16.553.545	13.711.827
60.	Tax liabilities	91.232.477	77.066.358
	a) current	75.426.458	61.477.537
	b) deferred	15.806.019	15.588.821
80.	Other liabilities	642.796.504	477.883.679
90.	Provision for severance indemnities	30.194.767	30.137.933
100.	Provisions for risks and charges	109.663.391	97.931.371
	a) commitments and guarantees given	5.709.735	6.353.832
	b) quiescence and similar obligations	10.000	10.000
	c) other provisions for risks and charges	103.943.656	91.567.539
120.	Valuation reserves	46.862.759	50.238.699
150.	Reserves	932.518.814	817.740.589
160.	Share premiums	105.550.912	105.550.912
170.	Capital	107.311.312	107.311.312
190.	Equity pertaining to third parties (+/-)	278.816.710	234.834.427
200.	Profit (Loss) for the year (+/-)	107.493.576	91.942.684
	Total liabilities and shareholders' equity	21.831.766.166	20.335.524.728

CONSOLIDATED RECLASSIFIED INCOME STATEMENT

(figures in thousands of €)

ITEMS	31/12/2023	31/12/2022	Change	%
10. Interest receivable and similar income	707.050,1	408.612,5	298.437,6	73,0%
20. Interest payable and similar expenses	(183.977,6)	(57.782,5)	(126.195,1)	218,4%
70. Dividends and similar income	11.204,9	7.757,1	3.447,8	44,4%
NET INTEREST INCOME AND DIVIDENDS	534.277,4	358.587,1	175.690,3	49,0%
40. Fee income	656.501,1	575.684,1	80.817,0	14,0%
Other operating income - recovery of expenses and other services (1)	75.798,6	72.723,9	3.074,8	4,2%
50. Fee expenses	(215.994,2)	(175.765,6)	(40.228,6)	22,9%
Variable administrative expenses (1)	(81.683,1)	(64.707,6)	(16.975,5)	26,2%
NET REVENUES FROM SERVICES	434.622,4	407.934,7	26.687,7	6,5%
80. Net gains/(losses) on trading activities	47.522,8	77.011,3	(29.488,5)	-38,3%
90. Net gains/(losses) on hedging activities	(171,3)	(172,6)	1,3	-0,7%
100. Income (losses) from sale or repurchase of:				
a) Financial assets measured at amortised cost	(13.863,8)	16.511,6	(30.375,4)	-184,0%
b) <i>Financial assets measured at fair value through other comprehensive income</i>	152,0	(1.142,0)	1.294,0	-113,3%
c) <i>Financial liabilities</i>	(51,3)	-	(51,3)	-
110. Net gains/(losses) on other financial assets and liabilities measured at fair value through profit and loss	13.032,4	426,2	12.606,3	2958,2%
NET REVENUES FROM TRADING	46.620,9	92.634,4	(46.013,5)	-49,7%
NET BANKING INCOME	1.015.520,6	859.156,2	156.364,4	18,2%
190. Administrative Expenses:				
a) personnel expenses	(395.379,3)	(345.562,2)	(49.817,1)	14,4%
IRAP on net personnel and seconded personnel expenses (1)	(672,3)	(623,1)	(49,2)	7,9%
Total personnel and IRAP expenses	(396.051,6)	(346.185,3)	(49.866,3)	14,4%
b) Other administrative expenses (other variable expenses deducted)	(275.677,0)	(247.452,9)	(28.224,1)	11,4%
Recovery of stamp duty and other taxes (1)	77.463,2	66.269,0	11.194,1	16,9%
Total administrative expenses and recovery of taxes	(198.213,8)	(181.183,9)	(17.029,9)	9,4%
210. Net value adjustments on tangible assets	(41.442,0)	(37.206,3)	(4.235,7)	11,4%
220. Net value adjustments on intangible assets	(45.712,8)	(41.379,4)	(4.333,4)	10,5%
230. Other operating expenses/income (after deducting "Recovery of stamp duty and other taxes" and recovery of expenses and other services)	(12.745,0)	(15.314,9)	2.569,9	-16,8%
Operating expenses	(694.165,1)	(621.269,8)	(72.895,3)	11,7%
OPERATING PROFIT (LOSS)	321.355,5	237.886,4	83.469,1	35,1%

ITEMS	31/12/2023	31/12/2022	Change	%
130. Net value adjustments for credit risk relative to Financial assets measured at amortised cost	(34.049,0)	(28.085,1)	(5.963,9)	21,2%
100. Income (losses) from sale or repurchase of Financial assets measured at amortised cost	(8.280,8)	(9.281,2)	1.000,4	-10,8%
140. Profit/loss from contractual changes without write-offs	(1.243,8)	(272,3)	(971,5)	-
200. Net allocations to provisions for risks and charges about credit risk	483,1	(1.344,6)	1.827,7	135,9%
Total Net value adjustments for credit risk	(43.090,5)	(38.983,2)	(4.107,3)	10,5%
130. Net value adjustments for credit risk relative to <i>debt securities and due from banks</i>	(2.166,4)	(75,4)	(2.091,0)	2773,2%
130. Net value adjustments for credit risk relative to <i>Financial assets measured at fair value through other comprehensive income</i>	(41,3)	83,7	(125,1)	-
200. Net allocations to provisions for risks and charges	(23.296,9)	(28.277,3)	4.980,4	-17,6%
250. Income/(losses) from equity investments	(36.847,1)	(37,8)	(36.809,3)	97343,1%
Profit (loss) from goodwill, investments and measurements of tangible and intangible assets	(137,2)	(1.877,1)	1.739,9	-92,7%
PROFIT FROM CONTINUING OPERATIONS BEFORE NON-RECURRING EFFECTS	215.776,0	168.719,3	47.056,7	27,9%
Reclassifications from non-recurring effects ⁽¹⁾				
230. Other operating income	20.000,0	-	20.000,0	-
PROFIT FROM CONTINUING OPERATIONS BEFORE TAXES	235.776,0	168.719,3	67.056,7	39,7%
300. Income taxes for the period on continuing operations (after deducting "IRAP on net personnel and seconded personnel expenses")	(86.782,7)	(59.173,9)	(27.608,7)	46,7%
PROFIT FROM CONTINUING OPERATIONS NET OF TAXES	148.993,3	109.545,4	39.447,9	36,0%
PROFIT (LOSS) FOR THE YEAR	148.993,3	109.545,4	39.447,9	36,0%
340. PROFIT (LOSS) FOR THE PERIOD PERTAINING TO MINORITY INTERESTS	41.499,7	17.602,7	23.897,0	135,8%
350. PROFIT/(LOSS) FOR THE PERIOD PERTAINING TO PARENT COMPANY	107.493,6	91.942,7	15.550,9	16,9%

(1) The items affected were reclassified base on more appropriate recognition criteria to represent the content of the items based on principles of management homogeneity. For a better presentation of the data, some reclassified items have been revised in the calculation method, consequently the comparison period has also been adjusted.

CONSOLIDATED SUMMARY DATA

(amounts in thousand of €)

BALANCE SHEET DATA	31/12/2023	31/12/2022	Changes	
			absolute	%
Total assets	21.831.766,2	20.335.524,7	1.496.241,4	7,4%
Financial assets (1)	4.938.177,4	5.305.446,0	(367.268,6)	-6,9%
Cash loans, exclusive of repurchase agreements receivable	11.036.531,2	10.520.406,0	516.125,2	4,9%
<i>repurchase agreements receivables</i>	<i>119.603,0</i>	<i>113.336,6</i>	<i>6.266,4</i>	<i>5,5%</i>
Total cash loans (2)	11.156.134,2	10.633.742,6	522.391,6	4,9%
Equity investments	83.372,9	101.084,3	(17.711,4)	-17,5%
Tangible and intangible fixed assets	712.178,2	585.888,2	126.290,0	21,6%
Direct deposits, exclusive of repurchase agreements payable	18.093.849,4	16.678.292,3	1.415.557,1	8,5%
<i>repurchase agreements payable</i>	<i>42.699,1</i>	<i>30.749,3</i>	<i>11.949,8</i>	<i>38,9%</i>
Total direct deposits (3)	18.061.416,8	16.643.147,5	1.418.269,3	8,5%
Direct deposits from credit institutions	45.113,6	19.783,0	25.330,6	128,0%
Indirect deposits from credit institutions	38.373.390,3	31.995.276,9	6.378.113,4	19,9%
Global deposits valued at market prices (4)	56.479.920,7	48.658.207,4	7.821.713,3	16,1%
Global deposits valued at market prices exclusive of repurchase agreements payable (4)	56.437.221,6	48.627.458,1	7.809.763,5	16,1%
Net assets	1.578.554,1	1.407.618,6	170.935,5	12,1%
Common Equity Tier 1 (CET 1)	1.212.100,1	1.086.868,8	125.231,3	11,5%
Additional Tier 1 capital (AT 1)	22.489,0	19.940,2	2.548,8	12,8%
Tier 2 (T2)	168.810,7	137.122,7	31.688,0	23,1%
Total own funds	1.403.399,8	1.243.931,8	159.468,1	12,8%

- (1) Represents the sum of item 20. Financial assets measured at fair value through profit and loss, excluding loans classified under financial assets necessarily measured at fair value, item 30. Financial assets measured at fair value through other comprehensive income and item 40. Financial assets measured at amortised cost only debt securities, in the Balance Sheet Assets;
- (2) Represents item 40 b) Financial assets measured at amortised cost - Due from customers of the Balance Sheet Assets, excluding debt securities; the item also includes loans classified under financial assets necessarily measured at fair value; The significant growth in reverse repurchase agreements is related to the parent company's market making activities; active repurchase agreements are, in almost all cases, traded with Cassa di Compensazione e Garanzia.
- (3) Obtained from the sum of items 10 b) Financial liabilities measured at amortised cost - Due to customers and 10 c) Financial liabilities measured at amortised cost - Securities in issue of the Balance Sheet Liabilities; the total direct deposits, excluding Debts for leasing;
- (4) The aggregate, assessed at market prices, includes administered securities, funds, reverse repurchase agreements and the component for insurance funding.

CONSOLIDATED ECONOMIC DATA

(amounts in thousand of euro)

RECLASSIFIED ECONOMIC DATA (5)	31/12/2023	31/12/2022	Changes	
			absolute	%
Net interest income	534.277,4	358.587,1	175.690,3	49,0%
Net revenues from services (6)	434.622,4	407.934,7	26.687,7	6,5%
Of witch fee income	656.501,1	575.684,1	80.817,0	14,0%
Of witch fee expenses	(215.994,2)	(175.765,6)	(40.228,6)	22,9%
Net revenues from trading (7)	46.620,9	92.634,4	(46.013,5)	-49,7%
Net banking income	1.015.520,6	859.156,2	156.364,4	18,2%
Operating expenses net of recovery of stamp duties and other taxes (8)	(694.165,1)	(621.269,8)	(72.895,3)	11,7%
Operating profit (loss)	321.355,5	237.886,4	83.469,1	35,1%
Net value adjustments for credit risk (9)	(43.090,5)	(38.983,2)	(4.107,3)	10,5%
Other income statement items (10)	(129.271,6)	(89.357,9)	(39.913,8)	44,7%
Profit (loss) for the period pertaining to Parent Company	107.493,6	91.942,7	15.550,9	16,9%
Profit (loss) for the period pertaining to minority interests	41.499,7	17.602,7	23.897,0	135,8%

(5) Items from the Reclassified Income Statement;

(6) The aggregate represents the sum of the following items from the Reclassified Income Statement: 40. Fee income, 50. Fee expenses, Other operating income - recovery of expenses and other services and Variable administrative expenses;

(7) The aggregate represents the sum of the following items from the Reclassified Income Statement: net fees and items 80. Net gains/(losses) on trading activities, 90. Net gains/(losses) on hedging activities, 100. Income (losses) from sale or repurchase and 110. Net gains/(losses) on other financial assets and liabilities measured at fair value through profit and loss;

(8) Obtained from the sum of the following items: 190. Administrative expenses, 210. Writedowns on tangible fixed assets, 220. Writedowns on intangible fixed assets and 230. Other operating expenses/income of the Reclassified Income Statement;

(9) Obtained from the sum of the following items: 130 a) Net value adjustments for credit risk relative to Financial assets measured at amortised cost, 140. Profit/loss from contractual changes without write-offs, the sole component relating to the sale of receivables of item 100 a) Income (losses) from sale or repurchase of Financial assets measured at amortized cost and the sole component relating to credit risk of item 200. Net provisions for risks and charges about credit risk of the Reclassified Income Statement.

(10) Obtained from the sum of the following items: 200. Net provisions for risks and charges, 130. Net value adjustments for credit risk relative to financial assets measured at fair value through other comprehensive income, 250. profit (loss) from equity investments, Profit (loss) from goodwill, investments and measurements of tangible and intangible assets and 300. Income taxes for the period on continuing operations.

PERFORMANCE ALTERNATIVE INDICATORS

PROFITABILITY RATIOS (%)	31/12/2023	31/12/2022
R.O.E. (return on equity) (11)	10,8%	8,8%
R.O.E. (return on equity) before corporate events	9,5%	8,9%
R.O.A. (return on assets) (12)	0,7%	0,5%
R.O.A. (return on assets) before corporate events	0,6%	0,5%
Net interest income (13) / Net banking income (13)	52,6%	41,7%
Net income from services (13) / Net banking income (13)	42,8%	47,5%
Net income from trading (13) / Net banking income (13)	4,6%	10,8%
Cost to income (14)	68,0%	71,6%
EQUITY AND LIQUIDITY RATIOS (%)	31/12/2023	31/12/2022
Cash loans (15) / Direct deposits	61,0%	63,1%
Cash loans / Total assets	50,6%	51,7%
Direct deposits / Total assets	82,9%	82,0%
Leverage ratio (16)	5,43%	5,30%
Liquidity Coverage Ratio (LCR) (17)	230,83%	166,72%
Net Stable Funding Ratio (NSFR) (18)	142,90%	132,76%
CREDIT RISK RATIOS (%)	31/12/2023	31/12/2022
Net non-performing loans / Cash loans - (net non-performing loans ratio)	1,6%	1,8%
Gross non-performing loans / Cash loans - (gross non-performing loans ratio)	3,0%	3,5%
Gross non-performing loans / total gross loans (Non Performing Loans ratio EBA) (19)	2,3%	2,8%
Net bad loans / Cash loans	0,5%	0,6%
Gross bad loans / Gross Cash loans	1,3%	1,6%
Net loans provisions (20) / Cash loans - (Cost of credit %)	0,39%	0,37%
Non-performing loans coverage ratio	48,8%	49,5%
Coverage rate for bad loans	64,8%	65,7%
Texas ratio (21)	22,7%	27,2%
SOLVENCY RATIOS (%)	31/12/2023	31/12/2022
CET1 ratio	13,36%	13,21%
Tier 1 ratio	13,61%	13,45%
Total capital ratio	15,47%	15,12%

(11) Ratio of "Net income (loss) for the year," calculated by annualizing the current year's final statement without non-recurring events and adding the impact of non-recurring events already recorded in the period, to the sum of items 150. Reserves, 160. Additional paid-in capital, 170. Capital 190. Shareholders' equity attributable to minority interests (+/-) and the minority interest profit component of Balance Sheet Liabilities;

(12) Ratio of "Net income (loss) for the year" calculated as in Note 12 to "Total assets";

(13) As shown in the Reclassified Income Statement;

(14) Ratio of operating costs, after deducting IRAP on personnel costs and net of losses related to operating risks, to net interest and other banking income;

(15) Loans are all net of reverse repurchase agreements;

(16) Leverage ratio is calculated as the ratio of Regulatory Capital (Tier 1) to Total non-risk-weighted assets (Total exposure) of the Banking Group, taking into account specific treatments for Derivatives and PCTs as required by relevant regulations, 3% minimum limit.

(17) LCR: 100% minimum limit;

(18) NSFR: 100% minimum limit;

(19) "Gross Non-Performing Loans ratio" is calculated as The ratio of gross impaired loans to customers to gross cash loans to customers. The "EBA Non Performing Loans ratio," an indicator recently included by the European and National Supervisory Authorities, is calculated as The ratio of gross impaired loans to customers to Total Gross Loans, where the denominator includes in addition to loans to customers, loans to credit intermediaries and Central Banks;

(20) Corresponds to "Total adjustments/reversals for credit risk" in the Reclassified Income Statement;

(21) Ratio of gross impaired assets to tangible shareholders' equity, understood as the sum of shareholders' equity and adjustments to impaired assets, and net of intangible assets (item 90. Tangible assets in the balance sheet assets);

BANCA SELLA – ACCOUNTING STATEMENTS AS OF DECEMBER 31, 2023

BALANCE SHEET ASSETS

(€ units)

ASSETS		31-12-2023	31-12-2022
10.	Cash and cash equivalents	4.344.857.809	2.940.540.718
20.	Financial assets measured at fair value through profit and loss	180.277.177	202.710.361
	a) financial assets held for trading	16.791.210	26.000.687
	c) other financial assets necessarily measured at fair value	163.485.967	176.709.674
30.	Financial assets measured at fair value through other comprehensive income	599.958.523	479.917.970
40.	Financial assets measured at amortised cost	11.301.243.401	11.281.983.626
	a) Due from banks	342.692.555	256.243.221
	b) Due from customers	10.958.550.846	11.025.740.405
50.	Hedging derivatives	6.321.903	10.193.578
60.	Value adjustment of financial assets subject to macro hedging (+/-)	10.494.169	2.684.111
70.	Equity investments	187.330.875	133.127.159
80.	Tangible assets	128.277.520	118.054.250
90.	Intangible assets	55.165.408	98.262.814
	of which:		
	- goodwill	11.370.566	11.370.566
100.	Tax assets	114.026.151	118.166.438
	a) current	39.376.001	19.397.183
	b) deferred	74.650.150	98.769.255
120.	Other assets	681.500.651	592.453.196
	Total assets	17.609.453.587	15.978.094.221

BALANCE SHEET LIABILITIES

(euro units)

LIABILITIES AND SHAREHOLDERS' EQUITY		31-12-2023	31-12-2022
10.	Financial liabilities measured at amortised cost	16.031.204.109	14.657.883.490
	a) Due to banks	1.029.443.929	1.376.017.642
	b) Due to customers	14.577.332.140	13.173.691.802
	c) Securities in issue	424.428.040	108.174.046
20.	Financial liabilities held for trading	12.407.960	18.770.652
40.	Hedging derivatives	16.306.258	13.449.510
60.	Tax liabilities	58.247.008	38.973.435
	a) current	53.388.900	34.314.888
	b) deferred	4.858.108	4.658.547
80.	Other liabilities	394.347.978	282.841.675
90.	Provision for severance indemnities	16.951.340	17.060.937
100.	Provisions for risks and charges	48.595.184	48.533.018
	a) commitments and guarantees given	5.039.711	5.469.566
	c) other provisions for risks and charges	43.555.473	43.063.452
110.	Valuation reserves	20.971.256	19.164.447
140.	Reserves	152.776.945	107.749.778
150.	Share premiums	366.090.483	366.090.483
160.	Capital	334.228.084	334.228.084
180.	Profit (Loss) for the year (+/-)	157.326.982	73.348.712
	Total liabilities and shareholders' equity	17.609.453.587	15.978.094.221

RECLASSIFIED INCOME STATEMENT

(figures in thousands of €)

ITEMS	31-12-2023	31-12-2022	Change	Change %
10. Interest receivable and similar income	511.409,6	249.946,1	261.463,5	104,6%
20. Interest payable and similar expenses	(124.042,1)	(20.193,4)	(103.848,6)	514,3%
70. Dividends and similar income	4.953,2	3.366,1	1.587,1	47,1%
NET INTEREST INCOME AND DIVIDENDS	392.320,8	233.118,8	159.201,9	68,3%
40. Fee income	449.784,2	406.139,8	43.644,4	10,7%
50. Fee expenses	(130.372,6)	(111.005,0)	(19.367,6)	17,4%
Other operating income - recovery of expenses and other services (1)	8.543,2	9.227,5	(684,3)	-7,4%
Variable administrative expenses (1)	(77.300,9)	(61.624,3)	(15.676,6)	25,4%
Net revenues from services	250.654,0	242.738,0	7.916,0	3,3%
80. Net gains/(losses) on trading activities	6.836,6	10.283,3	(3.446,7)	-33,5%
90. Net gains/(losses) on hedging activities	(156,9)	(224,3)	67,4	-30,1%
100. Income (losses) from sale or repurchase of:			-	
<i>a) Financial assets measured at amortized cost</i>	(11.182,7)	18.389,2	(29.571,8)	-160,8%
<i>b) Financial assets measured at fair value through other comprehensive income</i>	200,1	380,8	(180,7)	-47,5%
110. Net gains/(losses) on other financial assets and liabilities measured at fair value through profit and loss	5.281,8	(9.972,1)	15.253,9	-153,0%
Net revenues from trading	979,0	18.856,9	(17.877,9)	-94,8%
NET BANKING INCOME	643.953,7	494.713,7	149.240,0	30,2%
160. Administrative expenses				
a) personnel expenses	(192.467,7)	(167.227,5)	(25.240,2)	15,1%
IRAP on net personnel and seconded personnel expenses (1)	(234,8)	(154,6)	(80,2)	51,9%
Total personnel and IRAP expenses	(192.702,5)	(167.382,1)	(25.320,4)	15,1%
b) Other administrative expenses (other variable expenses deducted)	(186.625,9)	(162.576,5)	(24.049,5)	14,8%
Recovery of stamp duty and other taxes (1)	43.858,3	39.359,1	4.499,2	11,4%
Total administrative expenses and recovery of taxes	(142.767,6)	(123.217,3)	(19.550,3)	15,9%
180. Writedowns on tangible fixed assets	(23.478,6)	(20.534,5)	(2.944,2)	14,3%
190. Writedowns on intangible fixed assets	(16.764,4)	(25.029,0)	8.264,6	-33,0%
200. Other operating expenses/income (after deducting "Recovery of stamp duty and other taxes")	(1.722,7)	(3.465,0)	1.742,3	-50,3%
Operating expenses	(377.435,8)	(339.627,9)	(37.807,8)	11,1%
OPERATING PROFIT (LOSS)	266.517,9	155.085,7	111.432,2	71,9%

ITEMS	31-12-2023	31-12-2022	Change	Change %
130. Net value adjustments for credit risk relative to <i>Financial assets measured at amortised cost</i>	(22.606,7)	(16.387,2)	(6.219,5)	38,0%
100. Income (losses) from sale or repurchase of <i>Financial assets measured at amortized cost</i>	(1.356,6)	(2.118,9)	762,3	-36,0%
140. Profit/loss from contractual changes without write-offs	(1.245,4)	(83,0)	(1.162,4)	1401,3%
170. Net provisions for risks and charges about credit risk	429,9	(1.286,0)	1.715,9	-133,4%
Total net value adjustments for credit risk	(24.778,8)	(19.875,1)	(4.903,7)	24,7%
130. Net value adjustments for credit risk relative to <i>debt securities and due from banks</i>	(2.331,3)	(110,4)	(2.220,9)	2011,7%
130. Net value adjustments for credit risk relative to <i>Financial assets measured at fair value through other comprehensive income</i>	8,6	(3,0)	11,6	-392,5%
170. Net allocations to provisions for risks and charges	(9.800,4)	(22.647,6)	12.847,2	-56,7%
220. profit (loss) from equity investments	2.806,0	(911,5)	3.717,5	-407,8%
Profit (loss) from goodwill, investments and measurements of tangible and intangible assets	530,8	(252,3)	783,1	-310,4%
PROFIT FROM CONTINUING OPERATIONS BEFORE NON-RECURRING EFFECTS	232.952,8	111.285,9	121.667,0	109,3%
270. Income taxes for the period on continuing operations (after deducting "IRAP on net personnel and seconded personnel expenses")	(75.625,9)	(37.937,2)	(37.688,7)	99,3%
PROFIT FROM CONTINUING OPERATIONS NET OF TAXES	157.327,0	73.348,7	83.978,3	114,5%
PROFIT (LOSS) FOR THE YEAR	157.327,0	73.348,7	83.978,3	114,5%

(1) *The items affected were reclassified base on more appropriate recognition criteria to represent the content of the items based on principles of management homogeneity. For a better presentation of the data, some reclassified items have been revised in the calculation method, consequently the comparison period has also been adjusted.*

EQUITY SUMMARY DATA

(figures in thousands of €)

BALANCE SHEET DATA	31-12-2023	31-12-2022	Changes	
			absolute	%
Total assets	17.609.453,6	15.978.094,2	1.631.359,4	10,2%
Financial assets (1)	2.489.261,0	2.732.443,5	(243.182,5)	-8,9%
Total Cash loans (2)	9.415.799,6	9.081.988,8	333.810,8	3,7%
Sureties issued	293.702,3	269.605,1	24.097,2	8,9%
Equity investments	187.330,9	133.127,2	54.203,7	40,7%
Tangible and intangible fixed assets	183.442,9	216.317,1	(32.874,1)	-15,2%
Direct deposits, excluding repurchase agreements payable	14.998.633,6	13.280.339,7	1.718.293,9	12,9%
repurchase agreements payable	3.126,6	1.526,1	1.600,4	104,9%
Total direct deposits (3)	14.939.236,3	13.224.078,6	1.715.157,7	13,0%
Direct deposits from credit institutions	5.087,8	3.003,7	2.084,1	69,4%
Indirect deposits valued at market prices	20.438.337,7	18.311.674,9	2.126.662,8	11,6%
Global deposits valued at market prices (4)	35.382.661,8	31.538.757,2	3.843.904,6	12,2%
Shareholders' equity	1.031.393,8	900.581,5	130.812,2	14,5%
Common Equity Tier 1 (CET1)	911.930,1	774.424,6	137.505,5	17,8%
Tier 2 Capital (T2)	119.200,0	105.000,0	14.200,0	13,5%
Total own funds	1.031.130,1	879.424,6	151.705,5	17,3%

- (1) Represents the sum of item 20. Financial assets measured at fair value through profit and loss, excluding loans classified under financial assets necessarily measured at fair value, item 30. Financial assets measured at fair value through other comprehensive income and item 40. Financial assets measured at amortised cost only debt securities, in the Balance Sheet Assets;
- (2) Represents item 40 b) Financial assets measured at amortised cost - Due from customers of the Balance Sheet Assets, excluding debt securities; the item also includes loans classified under financial assets necessarily measured at fair value;
- (3) Obtained from the sum of items 10 b) Financial liabilities measured at amortised cost - Due to customers and 10 c) Financial liabilities measured at amortised cost - Securities in issue of the Balance Sheet Liabilities;
- (4) The aggregate, assessed at market prices, includes administered securities, funds, reverse repurchase agreements and the component for insurance funding.

ECONOMIC SUMMARY DATA

(figures in thousands of €)

RECLASSIFIED ECONOMIC DATA ⁽⁵⁾	31-12-2023	31-12-2022	Changes	
			absolute	%
Net interest income	392.320,8	233.118,8	159.201,9	68,3%
Net revenues from services ⁽⁶⁾	250.654,0	242.738,0	7.916,0	3,3%
Of witch Fee income	449.784,2	406.139,8	43.644,4	10,7%
Of witch Fee expenses	(130.372,6)	(111.005,0)	(19.367,6)	17,4%
Net revenues from trading ⁽⁷⁾	979,0	18.856,9	(17.877,9)	-94,8%
Net banking income	643.953,7	494.713,7	149.240,0	30,2%
Operating expenses net of recovery of stamp duties and other taxes ⁽⁸⁾	(377.435,8)	(339.627,9)	(37.807,8)	11,1%
Operating profit (loss)	266.517,9	155.085,7	111.432,2	71,9%
Net value adjustments for credit risk ⁽⁹⁾	(24.778,8)	(19.875,1)	(4.903,7)	24,7%
Other income statement items ⁽¹⁰⁾	(8.786,2)	(23.924,8)	15.138,5	-63,3%
Income taxes	(75.625,9)	(37.937,2)	(37.688,7)	99,3%
Profit (Loss) for the period	157.327,0	73.348,7	83.978,3	114,5%

(5) Items from the Reclassified Income Statement;

(6) The aggregate represents the sum of the following items from the Reclassified Income Statement: 40. Fee income, 50. Fee expenses, Other operating income - recovery of expenses and other services and Variable administrative expenses;

(7) The aggregate represents the sum of the following items from the Reclassified Income Statement: net fees and items 80. Net gains/(losses) on trading activities, 90. Net gains/(losses) on hedging activities, 100. Income (losses) from sale or repurchase and 110. Net gains/(losses) on other financial assets and liabilities measured at fair value through profit and loss;

(8) Obtained from the sum of the following items: 160. Administrative expenses, 180. Writedowns on tangible fixed assets, 190. Writedowns on intangible fixed assets and 200. Other operating expenses/income of the Reclassified Income Statement;

(9) Obtained from the sum of the following items: 130 a) Net value adjustments for credit risk relative to Financial assets measured at amortised cost, 140. Profit/loss from contractual changes without write-offs, the sole component relating to the sale of receivables of item 100 a) Income (losses) from sale or repurchase of Financial assets measured at amortized cost and the sole component relating to credit risk of item 170. Net provisions for risks and charges about credit risk of the Reclassified Income Statement.

(10) Obtained from the sum of the following items: 170. Net provisions for risks and charges, 130. Net value adjustments for credit risk relative to financial assets measured at fair value through other comprehensive income, 220. profit (loss) from equity investments, Profit (loss) from goodwill, investments and measurements of tangible and intangible assets and 270. Income taxes for the period on continuing operations.

PERFORMANCE INDICATORS

(figures expressed as %)

PROFITABILITY RATIOS (%)	31/12/2023	31/12/2022
R.O.E. (return on equity) ⁽¹¹⁾	18,4%	9,1%
R.O.A. (return on assets) ⁽¹²⁾	0,9%	0,5%
Net interest income ⁽¹³⁾ / Net banking income ⁽¹³⁾	60,9%	47,1%
Net income from services ⁽¹³⁾ / Net banking income ⁽¹³⁾	38,9%	49,1%
Net income from trading ⁽¹³⁾ / Net banking income ⁽¹³⁾	0,2%	3,8%
Cost to income ⁽¹⁴⁾	58,2%	67,6%
EQUITY AND LIQUIDITY RATIOS (%)	31/12/2023	31/12/2022
Cash loans / Direct deposits ⁽¹⁵⁾	62,8%	68,4%
Cash loans / Total assets	53,5%	56,8%
Direct deposits / Total assets	85,2%	83,1%
Leverage ratio ⁽¹⁶⁾	7,93%	6,85%
Liquidity Coverage Ratio (LCR) ⁽¹⁷⁾	265,17%	179,77%
Net stable funding ratio (NSFR) ⁽¹⁸⁾	159,79%	145,67%
CREDIT RISK RATIOS (%)	31/12/2023	31/12/2022
Net non-performing loans / Cash loans - (net non-performing loans ratio)	1,5%	1,7%
Gross non-performing loans / Cash loans - (gross non-performing loans ratio)	2,7%	3,1%
Gross non-performing loans / total gross loans (Non Performing Loans ratio EBA) ⁽¹⁹⁾	1,9%	2,4%
Net bad loans / Cash loans	0,5%	0,6%
Gross bad loans / Gross Cash loans	1,2%	1,5%
Net loan loss provisions ⁽²⁰⁾ / Cash Loans - (Cost of credit %)	0,26%	0,22%
Non-performing loans coverage ratio	46,2%	47,2%
Coverage rate for bad loans	60,6%	62,6%
Texas ratio ⁽²¹⁾	23,7%	30,8%
SOLVENCY RATIOS (%)	31/12/2023	31/12/2022
CET1 ratio	19,27%	18,63%
Tier 1 ratio	19,27%	18,63%
Total capital ratio	21,78%	21,16%

(11) Ratio between "Profit for the year" and the sum of items 140. Reserves, 150. Share premiums, 160. Capital of the Balance Sheet Liabilities.

(12) Ratio between "Net profit" and "Total assets".

(13) As in the reclassified Income Statement.

(14) Ratio between operating expenses, after deducting IRAP on personnel costs and net of losses connected to operating risks and net banking income.

(15) Cash loans and Direct deposits are all net of repurchase and reverse repurchase agreements.

(16) Leverage ratio is calculated as the ratio of Regulatory Capital (Tier 1) to Total non-risk-weighted assets (Total exposure) of the Banking, taking into account specific treatments for Derivatives and PCTs as required by relevant regulations, 3% minimum limit.

(17) LCR (liquidity coverage ratio): minimum limit 100%.

(18) NSFR (net stable funding ratio): minimum limit of 100%.

(19) The "Non Performing Loans ratio EBA", an indicator recently inserted by the European and National Supervisory Authorities, is calculated as the ratio of gross impaired loans to customers on Total gross loans, where the denominator includes, in addition to loans to customers, the loans towards credit intermediaries and central banks. The "Gross Non-Performing Loans ratio" is calculated as the ratio of gross impaired loans to customers to gross cash loans to customers.

(20) Obtained from the sum of items 130 a) Net value adjustments for credit risk relative to Financial assets measured at amortised cost, 140. Profit/loss from contractual changes without write-offs, the sole component relating to the sale of receivables of item 100 a) Income (losses) from sale or repurchase of Financial assets measured at amortised cost and the sole component relating to credit risk of item 170. Net provisions for risks and charges about credit risk of the Reclassified Income Statement.

(21) Ratio between gross non-performing exposures and tangible shareholders' equity, understood as the sum of shareholders' equity and writedowns of non-performing exposures, and net of intangible assets (item 90 of balance sheet assets).