



PRESS RELEASE

Sella Group: positive first-half results for 2023

The Group closed the period with a € 76.2 million net profit recording a growth in margins and leading business components. Deposits and loans increased

- **Net profit:** € 76.2 million
- **Net banking income:** € 500.2 million
- **Net inflows:** € 2.6 billion
- **Global deposits:** € 52.4 billion
- **Loans:** € 10.9 billion
- **Cet 1:** 13.41% - **Total Capital Ratio:** 15.24%.
- **LCR:** 197.75% - **NSFR:** 127.72%.
- **Cost to Income:** 65.3%.
- **Roe:** 14.2%.
- **Customers** (gross of Hype): 2.9 million
- **Team Sella:** over 6,000 people

The Sella group closed the first half of 2023 with positive and growing results in the various business segments, confirming the effectiveness of its strategy and the good diversification of its revenue sources. In a general economic scenario still marked by traits of uncertainty and the consequences of international tensions, the Group recorded further growth in net banking income, due to increase in global funding, loans and almost all volumes. The positive performance, also witnessed by the rise in the number of customers and increase in the leading market shares, confirms the Group's ability to support families and businesses with effective banking and financial solutions, thus providing answers to their advisory and asset management needs. The Group also continued to consolidate new business areas based on technological and digital innovation while fostering an open and sustainable financial ecosystem.

Group results

Overall results as of 30 June 2023, approved today by the Board of Directors of the parent company Banca Sella Holding, closed with a net profit worth € 76.2 million, up from € 61.5 million in the same period last year.

In addition to the high-grade overall performance, the result also mirrored the non-recurring component arising from the strategic partnership with Sesa Group in open finance services, which led to the creation of two companies: Nivola, controlled through Centrico and BDY, and 49% owned by Centrico itself, resulting from the transfer of a business unit. Without taking this transaction into account, net profit was € 60 million, which is, from an industrial perspective, higher than last year's, as evidenced by the growth in operating income of around € 172.4 million (+38% compared to the same period in 2022) thanks to a rise in the net banking income exceeding that of costs. Compared to the first half of 2022, higher cost of credit risk and some prudential write-downs on equity investments took place, despite the positive results they achieved last year.



Results as of 30th June 2023 do not take into account any potential impacts of the Legislative Decree approved by the Council of Ministers on Monday, August 7th, as the final text has not yet been published in the Official Gazette, and must be converted into law to become effective. Effects of the same will be considered in the 2023 Annual Report.

Significant growth in net banking income, which increased by 19.2% to €500.2 million, allowing the Group to continue its investments, development initiatives and employment growth, consistent with its Strategic Plan. The net interest income increased by 65%, mainly due to the commercial component and interest rate dynamics, while the net revenues from services rose by 7.6%. The Net income from financial activities reduced by 61.2%, mainly due to last year's non-recurring transactions involving the sale of securities and tax receivables to third parties.

Global net inflows at market value as of 30 June 2023 stood at € 52.4 billion, up 7.8% from 48.6 billion euros at the end of 2022. Customer confidence reflects in the excellent result of global net inflows standing at the positive value of € 2.6 billion. The half-year was characterised by strong growth in indirect deposits, which reached € 36.1 billion (+12.8%), coming from yields expressed by the bond market, while direct deposits slightly fell to € 16.4 billion (-1.6%). Loans in support of household and corporate activities, net of repos, amounted to € 10.9 billion (+3.4%).

Credit quality remained at an optimal level. The annualised cost of credit risk is 35 bps (was 37 bps at the end of 2022). The net Npl ratio is 1.9% (was 1.8%), and the gross Npl ratio is 3.3% (was 3.5%). The coverage ratio on impaired loans is 44% (was 49.5%), while the coverage ratio on non-performing loans is 62.8% (was 65.7%), mainly due to some sales of non-performing loans with a high coverage ratio. The Texas Ratio improved to 24.7% (was 27.2%).

Soundness and liquidity

In the first six months of the year, the Sella Group also confirmed its sound capital position, well above the required standards, with further growth in ratios: the Cet1 ratio stood at 13.41%, and the Total Capital Ratio at 15.24% (they were 13.21% and 15.12% at the end of 2022). Well above the required limits also performed Liquidity ratios: the LCR ratio nearly approached 200% at 197.75%, while the NSFR ratio was 127.72% (the minimum required level for both is 100%).

Trends in business sectors

The high-grade quality half-year result was supported by all the leading sectors in which the Group is engaged and diversification of revenue sources. In particular, investment services made a significant contribution, generating revenue of € 91.8 million (essentially in line with June 2022, -0.4%), confirming the quality of advisory activities and the offer of a complete range of asset management solutions. Concerning payment systems, total transacted volumes of acquiring and issuing services grew by 22.5%, with a net banking income up 12% to € 52.6 million, also due to an increase in POS (+26.2%) and e-commerce (+12%) transactions. Corporate & Investment Banking revenues grew by 112% to € 6.5 million. Finance recorded a significant margin performance of € 56 million, down, however, from the same period last year (-43%), characterised by very favourable conditions, such as high volatility, lower interest rates, the significant contribution of inflation to the return on securities portfolios and capital gains from the sale of securities. Revenues from new business rose by 10% to € 40 million, mainly due to corporate and investment banking, open payment and platform services.



Sustainability

In the first half of 2023, the Group successfully issued its first green bond, which attracted a total demand of € 100 million, double the initial offer, and introduced a series of ESG products and services, including financing aimed at supporting the sustainable transition processes of companies, thus rewarding them for achieving specific goals. The Group relentlessly pursued its commitment to environmental sustainability: a car park equipped with a photovoltaic system for a total of 632 panels was built at the Group headquarters in Biella, with the total systems standing at 20, and also installed new charging stations for electric vehicles, bringing to 33 the total charging points at its headquarters throughout Italy.

Customers and Employees

The Group's total number of customers further surged by 7% to 1.27 million, net of those from the fintech Hype held in a joint venture with illimity bank. The number saw a staggering 8% increase to 2.9 million, gross of Hype customers. The Sella Team, which includes both employees and partners, boasts a headcount of over 6,000 individuals.

Investments

Investments to support the strategic plan amounted to € 45.6 million, net of the real estate component. To effectively support the several development initiatives and the increase in staff, operating costs rose by 11%. Despite these significant investments, the cost-to-income ratio improved to 65.3% (it was 75.2% at the end of 2022).

The results of Banca Sella

The high-grade overall results encompass the performance of Banca Sella. As of June 30th, the bank recorded a net profit of € 89 million, compared to € 48.1 million in the same period last year. This further validates, even compared to the complex scenario, Banca Sella's service model based on specialised advisory and financial asset management, and products and services with a high grade of innovation and positive impact, to provide appropriate responses to the needs of families and businesses thus supporting the economy of the areas in which it operates. As said, results are not inclusive of any potential impacts deriving from the Legislative Decree recently approved by the Council of Ministers on Monday, August 7th.

In the first half of the year, the Roe stood at 20.9% (was 11.9% in June 2022). The accustomed capital soundness of Banca Sella: the group's commercial bank, which holds the majority of customer deposits, further strengthened with a Cet1 ratio of 19.12% and a Total Capital Ratio of 21.49%. (They were 18.63% and 21.16% at the end of 2022). Liquidity ratios are well above the required limits, with an LCR of 225% and NSFR of 146.2% (the required threshold is 100% for both).

Net banking income was significant, growing by 32.5% to € 320 million, thanks to increased lending and market rate dynamics. Concerning net revenues from services, income from payment systems, both traditional and electronic, foreign, and in ancillary credit fees significantly grew. Income from investment services remained noteworthy, in line with last year's result. Net income from financial activities decreased (-76.1% as last year's figure was largely affected by specific transactions involving the sale of securities and tax credits to third parties).



Compared to the end of 2022, loans to support household and corporate activities increased by 2.5% to € 9.3 billion. Credit quality remained at outstanding levels, as shown by the relevant ratios: the annualised cost of credit risk was 29 bps (was 19 bps in the first half of 2022 and 22 bps at year-end). The bank's Net Npl Ratio was 1.8% (was 1.7% at end-2022), and Gross Npl Ratio was 2.9% (was 3.1%). The Texas Ratio index is 27.1% (was 30.8%).

Global inflows at market value grew by 5.9 % year-on-year to € 33.4 billion. Direct deposits grew by 2% to € 13.5 billion, while the cumulative global net inflows for the half-year were positive at € 1.3 billion.

Banca Patrimoni Sella & C.

Banca Patrimoni Sella & C., which specialises in the management and administration of the assets of private and institutional customers, closed the first half of 2023 with a net profit worth € 14.7 million, up 65.2% from € 8.9 million in the same period last year. Assets under management stood at € 20.2 billion, up 10.7% compared to the end of 2022. Also worth highlighting is the positive performance of progressive net inflows of € 1.3 billion in the first half of the year, thanks in particular to the significant increase in qualified net inflows of more than € 750 million, which testifies to the growing interest of customers in advisory and asset management products and services. Results were affected by both the positive trend of fee income, following the bank's further growth in size, and the positive contribution of net interest income and profits from trading in the proprietary securities portfolio.

Cet 1 and Total Capital Ratio were both 13.06% (they were both 11.88% at the end of 2022).

Fabrick and the fintech ecosystem

The Sella group development in open finance and fintech continues, propelled by the activities of its specialised company Fabrick, its subsidiaries (Axerve, dpixel, Codd&Date) and the management of the Fintech District community, which rounded the first half of 2023 with total net revenues of worth € 25.3 million, up 17.5% compared to the same period last year. The number of customers also increased, to 364 connected counterparties leading to a rise in API calls on the platform to 365 million per month. Over the period, Fabrick completed three strategic transactions with Mastercard, Reale Group and Judopay to boost its growth and boost its growth in the international market. The Fintech District community continues to thrive to over 270 fintech companies. Axerve, the payment acceptance expert for all physical and digital channels, achieved a net revenue of € 13.9 million (+19%) In H1 2023, Compared to the same period in 2022, the volume of POS and e-commerce transactions grew by 25.4% to €11.9 billion.

Biella, 10 August 2023



**CONSOLIDATED ACCOUNTING DATA OF THE BANKING GROUP
AS OF JUNE 30, 2023
CIVIL PERIMETER - PARENT COMPANY BANCA SELLA HOLDING**

CONSOLIDATED BALANCE SHEET ASSETS

(amounts in euro)

ASSETS	30/06/2023	31/12/2022
10. Cash and cash equivalents	2.073.090.722	2.360.725.964
20. Financial assets measured at fair value through profit and loss	1.452.928.212	1.068.180.104
a) Financial assets held for trading	781.543.139	386.117.827
c) Other financial assets necessarily measured at fair value	671.385.073	682.062.277
30. Financial assets measured at fair value through other comprehensive income	732.869.535	784.436.765
40. Financial assets measured at amortised cost	15.343.336.129	14.376.539.425
a) Due from banks	796.100.008	554.939.472
b) Due from customers	14.547.236.121	13.821.599.953
50. Hedging derivatives	9.263.660	10.285.743
60. Value adjustment of financial assets subject to macro hedging (+/-)	2.288.024	2.884.553
70. Equity investments	101.868.375	101.084.260
90. Tangible assets	448.778.813	382.243.362
100. Intangible assets	222.040.746	203.644.824
of which:		
- goodwill	66.353.310	66.353.310
110. Tax assets	191.636.665	219.427.776
a) current	35.697.069	45.603.144
b) deferred	155.939.596	173.824.632
120. Non-current assets and asset groups held for sale	586.094	586.094
130. Other assets	802.292.487	825.485.858
Total assets	21.380.979.462	20.335.524.728

CONSOLIDATED BALANCE SHEET LIABILITIES

(amounts in euro)

LIABILITIES AND SHAREHOLDERS' EQUITY	30/06/2023	31/12/2022
10. Financial liabilities measured at amortised cost	18.145.284.959	18.094.188.508
a) Due to banks	1.467.917.557	1.385.146.832
b) Due to customers	16.188.938.697	16.523.984.127
c) Securities in issue	488.428.705	185.057.549
20. Financial liabilities held for trading	658.637.389	136.986.429
40. Hedging derivatives	11.646.910	13.711.827
60. Tax liabilities	56.590.896	77.066.358
a) current	40.755.745	61.477.537
b) deferred	15.835.151	15.588.821
80. Other liabilities	859.202.285	477.883.679
90. Provision for severance indemnities	28.833.325	30.137.933
100. Provisions for risks and charges	91.241.884	97.931.371
a) commitments and guarantees given	5.629.256	6.353.832
b) quiescence and similar obligations	10.000	10.000
c) other provisions for risks and charges	85.602.628	91.567.539
120. Valuation reserves	57.021.105	50.238.699
150. Reserves	922.724.874	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 (+/-)	260.755.095	234.834.427
200. Profit (Loss) for the year (+/-)	76.178.516	91.942.684
Total liabilities and shareholders' equity	21.380.979.462	20.335.524.728

CONSOLIDATED RECLASSIFIED INCOME STATEMENT

(figures in thousands of euro)

ITEMS	30/06/2023	30/06/2022	Change	%
10. Interest receivable and similar income	331.580,8	183.966,6	147.614,2	80,2%
20. Interest payable and similar expenses	(71.477,0)	(27.163,0)	(44.314,1)	163,1%
70. Dividends and similar income	6.919,8	4.984,8	1.935,0	38,8%
NET INTEREST INCOME AND DIVIDENDS	267.023,6	161.788,5	105.235,1	65,0%
40. Fee income	315.081,9	275.882,4	39.199,5	14,2%
Other operating income - recovery of expenses and other services (1)	32.200,0	29.282,0	2.917,9	10,0%
50. Fee expenses	(101.891,0)	(82.580,5)	(19.310,4)	23,4%
Variable administrative expenses (1)	(37.291,5)	(29.212,4)	(8.079,0)	27,7%
NET REVENUES FROM SERVICES	208.099,4	193.371,4	14.727,9	7,6%
80. Net gains/(losses) on trading activities	20.009,0	36.615,7	(16.606,7)	-45,4%
90. Net gains/(losses) on hedging activities	(502,8)	(179,2)	(323,6)	180,6%
100. Income (losses) from sale or repurchase of:				
a) Financial assets measured at amortised cost	571,9	18.208,1	(17.636,3)	-96,9%
b) <i>Financial assets measured at fair value through other comprehensive income</i>	199,4	389,1	(189,6)	-48,7%
110. Net gains/(losses) on other financial assets and liabilities measured at fair value through profit and loss	4.799,6	9.519,9	(4.720,3)	-49,6%
NET REVENUES FROM TRADING	25.077,1	64.553,6	(39.476,5)	-61,2%
NET BANKING INCOME	500.200,1	419.713,6	80.486,5	19,2%
190. Administrative Expenses:				
a) personnel expenses	(194.930,0)	(174.926,2)	(20.003,8)	11,4%
IRAP on net personnel and seconded personnel expenses (1)	(311,6)	(269,3)	(42,3)	15,7%
Total personnel and IRAP expenses	(195.241,6)	(175.195,5)	(20.046,1)	11,4%
b) Other administrative expenses (other variable expenses deducted)	(127.699,9)	(112.346,1)	(15.353,8)	13,7%
Recovery of stamp duty and other taxes (1)	37.393,0	33.648,0	3.745,0	11,1%
Total administrative expenses and recovery of taxes	(90.307,0)	(78.698,2)	(11.608,8)	14,8%
210. Net value adjustments on tangible assets	(19.839,3)	(18.063,5)	(1.775,8)	9,8%
220. Net value adjustments on intangible assets	(21.330,1)	(18.974,3)	(2.355,7)	12,4%
230. Other operating expenses/income (after deducting "Recovery of stamp duty and other taxes" and recovery of expenses and other services)	(1.076,0)	(3.820,7)	2.744,7	-71,8%
Operating expenses	(327.793,9)	(294.752,1)	(33.041,8)	11,2%
OPERATING PROFIT (LOSS)	172.406,2	124.961,4	47.444,7	38,0%

130. Net value adjustments for credit risk relative to Financial assets measured at amortised cost	(17.275,7)	(13.538,6)	(3.737,2)	27,6%
100. Income (losses) from sale or repurchase of Financial assets measured at amortised cost	(2.535,9)	(2.165,7)	(370,2)	17,1%
140. Profit/loss from contractual changes without write-offs	(74,8)	(200,5)	125,7	-100,0%
200. Net allocations to provisions for risks and charges about credit risk	664,2	(203,1)	867,3	-427,0%
Total Net value adjustments for credit risk	(19.222,3)	(16.107,9)	(3.114,4)	19,3%
130. Net value adjustments for credit risk relative to <i>Financial assets measured at fair value through other comprehensive income</i>	(54,4)	(122,9)	68,5	-55,7%
200. Net allocations to provisions for risks and charges	(3.117,8)	1.098,0	(4.215,8)	-383,9%
250. Income/(losses) from equity investments	(16.756,9)	(54,7)	(16.702,2)	30541,5%
Profit (loss) from goodwill, investments and measurements of tangible and intangible assets	3,1	(76,2)	79,3	-104,0%
PROFIT FROM CONTINUING OPERATIONS BEFORE NON-RECURRING EFFECTS	133.257,9	109.697,7	23.560,2	21,5%
Reclassifications from non-recurring effects ⁽¹⁾				
230. Other operating income	20.000,0	-	20.000,0	-
PROFIT FROM CONTINUING OPERATIONS BEFORE TAXES	153.257,9	109.697,7	43.560,2	39,7%
300. Income taxes for the period on continuing operations (after deducting "IRAP on net personnel and seconded personnel expenses")	(52.391,6)	(36.845,1)	(15.546,5)	42,2%
PROFIT FROM CONTINUING OPERATIONS NET OF TAXES	100.866,3	72.852,7	28.013,7	38,5%
320. Profit (loss) from asset groups held for sale net of taxes	-	(130,2)	130,2	-100,0%
PROFIT (LOSS) FOR THE YEAR	100.866,3	72.722,5	28.143,9	38,7%
340. PROFIT (LOSS) FOR THE PERIOD PERTAINING TO MINORITY INTERESTS	24.687,8	11.243,8	13.444,0	119,6%
350. PROFIT/(LOSS) FOR THE PERIOD PERTAINING TO PARENT COMPANY	76.178,5	61.478,6	14.699,9	23,9%

(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 euro)

BALANCE SHEET DATA	30/06/2023	31/12/2022	Changes	
			absolute	%
Total assets	21.380.979,5	20.335.524,7	1.045.454,7	5,1%
Financial assets (1)	5.605.049,2	5.305.446,0	299.603,2	5,6%
Cash loans, exclusive of repurchase agreements receivable	10.879.325,4	10.520.406,0	358.919,4	3,4%
<i>repurchase agreements receivables</i>	<i>617.840,4</i>	<i>113.336,6</i>	<i>504.503,9</i>	<i>445,1%</i>
Total cash loans (2)	11.497.165,9	10.633.742,6	863.423,3	8,1%
Equity investments	101.868,4	101.084,3	784,1	0,8%
Tangible and intangible fixed assets	670.819,6	585.888,2	84.931,4	14,5%
Direct deposits, exclusive of repurchase agreements payable	16.409.930,6	16.678.292,3	(268.361,8)	-1,6%
<i>repurchase agreements payable</i>	<i>267.436,8</i>	<i>30.749,3</i>	<i>236.687,5</i>	<i>769,7%</i>
Total direct deposits (3)	16.606.842,5	16.643.147,5	(36.305,1)	-0,2%
Direct deposits from credit institutions	14.753,1	19.783,0	(5.029,9)	-25,4%
Indirect deposits from credit institutions	36.079.548,1	31.995.276,9	4.084.271,2	12,8%
Global deposits valued at market prices (4)	52.701.143,7	48.658.207,4	4.042.936,3	8,3%
Global deposits valued at market prices exclusive of repurchase agreements payable (4)	52.433.706,8	48.627.458,1	3.806.248,8	7,8%
Net assets	1.529.541,8	1.407.618,6	121.923,2	8,7%
Common Equity Tier 1 (CET 1)	1.173.044,1	1.086.868,8	86.175,3	7,9%
Additional Tier 1 capital (AT 1)	21.367,7	19.940,2	1.427,4	7,2%
Tier 2 (T2)	138.577,4	137.122,7	1.454,7	1,1%
Total own funds	1.332.989,2	1.243.931,8	89.057,5	7,2%

(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)	30/06/2023	30/06/2022	Changes	
			absolute	%
Net interest income	267.023,6	161.788,5	105.235,1	65,0%
Net revenues from services (6)	208.099,4	193.371,4	14.727,9	7,6%
Of witch fee income	315.081,9	275.882,4	39.199,5	14,2%
Of witch fee expenses	(101.891,0)	(82.580,5)	(19.310,4)	23,4%
Net revenues from trading (7)	25.077,1	64.553,6	(39.476,5)	-61,2%
Net banking income	500.200,1	419.713,6	80.486,5	19,2%
Operating expenses net of recovery of stamp duties and other taxes (8)	(327.793,9)	(294.752,1)	(33.041,8)	11,2%
Operating profit (loss)	172.406,2	124.961,4	47.444,7	38,0%
Net value adjustments for credit risk (9)	(19.222,3)	(16.107,9)	(3.114,4)	19,3%
Other income statement items (10)	(52.317,6)	(36.000,9)	(16.316,7)	45,3%
Profit (loss) for the period pertaining to Parent Company	76.178,5	61.478,6	14.699,9	23,9%
Profit (loss) for the period pertaining to minority interests	24.687,8	11.243,8	13.444,0	119,6%

(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 (%)	30/06/2023	31/12/2022
R.O.E. (return on equity) (11)	14,2%	8,8%
R.O.E. (return on equity) before corporate events	12,8%	8,9%
R.O.A. (return on assets) (12)	0,9%	0,5%
R.O.A. (return on assets) before corporate events	0,8%	0,5%
PROFITABILITY RATIOS (%)	30/06/2023	30/06/2022
Net interest income (13) / Net banking income (13)	53,4%	38,5%
Net income from services (13) / Net banking income (13)	41,6%	46,1%
Net income from trading (13) / Net banking income (13)	5,0%	15,4%
Cost to income (14)	65,3%	69,4%
EQUITY AND LIQUIDITY RATIOS (%)	30/06/2023	31/12/2022
Cash loans (15) / Direct deposits	65,5%	63,1%
Cash loans / Total assets	50,9%	51,7%
Direct deposits / Total assets	77,7%	82,0%
Leverage ratio (21)	5,4%	5,3%
Liquidity Coverage Ratio (LCR) (16)	197,8%	166,7%
Net Stable Funding Ratio (NSFR) (17)	127,7%	132,8%
CREDIT RISK RATIOS (%)	30/06/2023	31/12/2022
Net non-performing loans / Cash loans - (net non-performing loans ratio)	1,9%	1,8%
Gross non-performing loans / Cash loans - (gross non-performing loans ratio)	3,3%	3,5%
Gross non-performing loans / total gross loans (Non Performing Loans ratio EBA) (18)	2,6%	2,8%
Net bad loans / Cash loans	0,4%	0,6%
Gross bad loans / Gross Cash loans	1,2%	1,6%
Net loans provisions (19) / Cash loans - (Cost of credit % annualized)	0,35%	0,37%
Non-performing loans coverage ratio	44,0%	49,5%
Coverage rate for bad loans	62,8%	65,7%
Texas ratio (20)	24,7%	27,2%
SOLVENCY RATIOS (%)	30/06/2023	31/12/2022
CET1 ratio	13,41%	13,21%
Tier 1 ratio	13,66%	13,45%
Total capital ratio	15,24%	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) LCR: 100% minimum limit;

(17) NSFR: 100% minimum limit;

(18) "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;

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

(20) 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);

(21) 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.

BANCA SELLA – ACCOUNTING STATEMENTS AS OF JUNE 30, 2023

BALANCE SHEET ASSETS

(euro units)

ASSETS	30-06-2023	31-12-2022
10. Cash and cash equivalents	3.466.862.698	2.940.540.718
20. Financial assets measured at fair value through profit and loss	187.538.197	202.710.361
a) financial assets held for trading	23.470.244	26.000.687
c) other financial assets necessarily measured at fair value	164.067.953	176.709.674
30. Financial assets measured at fair value through other comprehensive income	434.609.759	479.917.970
40. Financial assets measured at amortised cost	11.549.143.689	11.281.983.626
a) Due from banks	319.178.579	256.243.221
b) Due from customers	11.229.965.110	11.025.740.405
50. Hedging derivatives	9.135.557	10.193.578
60. Value adjustment of financial assets subject to macro hedging (+/-)	2.202.530	2.684.111
70. Equity investments	187.782.629	133.127.159
80. Tangible assets	121.253.198	118.054.250
90. Intangible assets	48.722.325	98.262.814
of which:		
- goodwill	11.370.566	11.370.566
100. Tax assets	103.256.090	118.166.438
a) current	18.185.497	19.397.183
b) deferred	85.070.593	98.769.255
120. Other assets	508.461.773	592.453.196
Total assets	16.618.968.445	15.978.094.221

BALANCE SHEET LIABILITIES

(euro units)

LIABILITIES AND SHAREHOLDERS' EQUITY		30-06-2023	31-12-2022
10.	Financial liabilities measured at amortised cost	15.114.283.813	14.657.883.490
	a) Due to banks	1.570.033.266	1.376.017.642
	b) Due to customers	13.132.688.211	13.173.691.802
	c) Securities in issue	411.562.336	108.174.046
20.	Financial liabilities held for trading	15.958.367	18.770.652
40.	Hedging derivatives	11.510.095	13.449.510
60.	Tax liabilities	32.668.293	38.973.435
	a) current	27.975.304	34.314.888
	b) deferred	4.692.989	4.658.547
80.	Other liabilities	427.080.331	282.841.675
90.	Provision for severance indemnities	16.334.840	17.060.937
100.	Provisions for risks and charges	40.573.972	48.533.018
	a) commitments and guarantees given	5.099.539	5.469.566
	c) other provisions for risks and charges	35.474.433	43.063.452
110.	Valuation reserves	18.981.997	19.164.447
140.	Reserves	152.292.256	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 (+/-)	88.965.914	73.348.712
	Total liabilities and shareholders' equity	16.618.968.445	15.978.094.221

RECLASSIFIED INCOME STATEMENT

(figures in thousands of euro)

ITEMS	30-06-2023	30-06-2022	Change %
10. Interest receivable and similar income	226.636,9	114.857,1	97,3%
20. Interest payable and similar expenses	(40.829,9)	(16.563,5)	146,5%
70. Dividends and similar income	4.544,6	3.013,0	50,8%
NET INTEREST INCOME AND DIVIDENDS	190.351,6	101.306,6	87,9%
40. Fee income	215.658,2	193.658,0	11,4%
50. Fee expenses	(60.635,1)	(51.942,1)	16,7%
Other operating income - recovery of expenses and other services (1)	4.361,3	4.383,6	-0,5%
Variable administrative expenses (1)	(34.906,4)	(27.508,0)	26,9%
Net revenues from services	124.478,0	118.591,5	5,0%
80. Net gains/(losses) on trading activities	2.766,6	6.312,3	-56,2%
90. Net gains/(losses) on hedging activities	(505,5)	(170,5)	196,6%
100. Income (losses) from sale or repurchase of:			
a) <i>Financial assets measured at amortized cost</i>	570,6	19.172,4	-97,0%
b) <i>Financial assets measured at fair value through other comprehensive income</i>	194,7	382,4	-49,1%
110. Net gains/(losses) on other financial assets and liabilities measured at fair value through profit and loss	2.120,9	(4.125,3)	-151,4%
Net revenues from trading	5.147,3	21.571,5	-76,1%
NET BANKING INCOME	319.976,8	241.469,5	32,5%
160. Administrative expenses			
a) personnel expenses	(95.128,4)	(83.275,0)	(11.853,5)
IRAP on net personnel and seconded personnel expenses (1)	(86,8)	(78,3)	(8,5)
Total personnel and IRAP expenses	(95.215,2)	(83.353,2)	(11.862,0)
b) Other administrative expenses (other variable expenses deducted)	(81.370,9)	(73.274,4)	(8.096,5)
Recovery of stamp duty and other taxes (1)	20.832,8	20.366,9	465,9
Total administrative expenses and recovery of taxes	(60.538,2)	(52.907,5)	(7.630,7)
180. Writedowns on tangible fixed assets	(11.062,4)	(10.049,5)	(1.012,8)
190. Writedowns on intangible fixed assets	(10.778,3)	(11.671,5)	893,3
200. Other operating expenses/income (after deducting "Recovery of stamp duty and other taxes")	(232,7)	(2.315,5)	2.082,8
Operating expenses	(177.826,6)	(160.297,2)	(17.529,4)
OPERATING PROFIT (LOSS)	142.150,2	81.172,3	60.977,9

130. Net value adjustments for credit risk relative to <i>Financial assets measured at amortised cost</i>	(12.193,0)	(8.201,4)	48,7%
100. Income (losses) from sale or repurchase of <i>Financial assets measured at amortized cost</i>	(1.713,3)	10,3	-
140. Profit/loss from contractual changes without write-offs	(67,0)	(74,7)	-10,4%
170. Net provisions for risks and charges about credit risk	370,0	(191,5)	-293,3%
Total net value adjustments for credit risk	(13.603,3)	(8.457,3)	60,9%
170. Net provisions for risks and charges	(1.346,5)	(813,6)	65,5%
130. Net value adjustments for credit risk relative to <i>financial assets measured at fair value through other comprehensive income</i>	5,2	(60,8)	-108,6%
220. profit (loss) from equity investments	2.611,2	-	-
Profit (loss) from goodwill, investments and measurements of tangible and intangible assets	588,7	0,8	-
PROFIT FROM CONTINUING OPERATIONS BEFORE NON-RECURRING EFFECTS	130.405,5	71.841,4	81,5%
270. Income taxes for the period on continuing operations (after deducting "IRAP on net personnel and seconded personnel expenses")	(41.439,5)	(23.692,2)	74,9%
PROFIT FROM CONTINUING OPERATIONS NET OF TAXES	88.965,9	48.149,2	84,8%
PROFIT (LOSS) FOR THE YEAR	88.965,9	48.149,2	84,8%

(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 euro)

BALANCE SHEET DATA	30-06-2023	31-12-2022	Changes	
			absolute	%
Total assets	16.618.968,5	15.978.094,2	640.874,2	4,0%
Financial assets ⁽¹⁾	2.697.491,6	2.732.443,5	(34.951,9)	-1,3%
Total Cash loans ⁽²⁾	9.312.957,2	9.081.988,8	230.968,3	2,5%
Sureties issued	282.670,0	269.605,1	13.064,9	4,9%
Equity investments	187.782,6	133.127,2	54.655,5	41,1%
Tangible and intangible fixed assets	169.975,5	216.317,1	(46.341,5)	-21,4%
Direct deposits, excluding repurchase agreements payable	13.539.481,2	13.280.339,7	259.141,5	2,0%
repurchase agreements payable	4.769,3	1.526,1	3.243,2	212,5%
Total direct deposits ⁽³⁾	13.484.018,0	13.224.078,6	259.939,4	2,0%
Direct deposits from credit institutions	3.467,4	3.003,7	463,7	15,4%
Indirect deposits valued at market prices	19.924.126,4	18.311.674,9	1.612.451,5	8,8%
Global deposits valued at market prices ⁽⁴⁾	33.411.611,8	31.538.757,2	1.872.854,6	5,9%
Shareholders' equity	960.558,7	900.581,5	59.977,2	6,7%
Common Equity Tier 1 (CET1)	848.714,2	774.424,6	74.289,7	9,6%
Tier 2 Capital (T2)	105.000,0	105.000,0	-	0,0%
Total own funds	953.714,2	879.424,6	74.289,7	8,5%

(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 euro)

RECLASSIFIED ECONOMIC DATA ⁽⁵⁾	30-06-2023	30-06-2022	Changes	
			absolute	%
Net interest income	190.351,6	101.306,6	89.045,0	87,9%
Net revenues from services ⁽⁶⁾	124.478,0	118.591,5	5.886,5	5,0%
Of witch Fee income	215.658,2	193.658,0	22.000,1	11,4%
Of witch Fee expenses	(60.635,1)	(51.942,1)	(8.692,9)	16,7%
Net revenues from trading ⁽⁷⁾	5.147,3	21.571,5	(16.424,2)	-76,1%
Net banking income	319.976,8	241.469,5	78.507,3	32,5%
Operating expenses net of recovery of stamp duties and other taxes ⁽⁸⁾	(177.826,6)	(160.297,2)	(17.529,4)	10,9%
Operating profit (loss)	142.150,2	81.172,3	60.977,9	75,1%
Net value adjustments for credit risk ⁽⁹⁾	(13.603,3)	(8.457,3)	(5.146,0)	60,9%
Other income statement items ⁽¹⁰⁾	1.858,5	(873,6)	2.732,1	-312,8%
Income taxes	(41.439,5)	(23.692,2)	(17.747,4)	74,9%
Profit (Loss) for the period	88.965,9	48.149,2	40.816,7	84,8%

(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: 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 (%)	30-06-2023	30-06-2022
R.O.E. (return on equity) ⁽¹¹⁾ ⁽²²⁾	20,9%	11,9%
R.O.A. (return on assets) ⁽¹²⁾ ⁽²²⁾	1,1%	0,6%
Net interest income ⁽¹³⁾ / Net banking income ⁽¹³⁾	59,5%	42,0%
Net income from services ⁽¹³⁾ / Net banking income ⁽¹³⁾	38,9%	49,1%
Net income from trading ⁽¹³⁾ / Net banking income ⁽¹³⁾	1,6%	8,9%
Cost to income ⁽¹⁴⁾	55,3%	65,1%
EQUITY AND LIQUIDITY RATIOS (%)	30-06-2023	31-12-2022
Cash loans / Direct deposits ⁽¹⁵⁾	68,8%	68,4%
Cash loans / Total assets	56,0%	56,8%
Direct deposits / Total assets	81,5%	83,1%
Leverage ratio ⁽²¹⁾	7,45%	6,85%
Liquidity Coverage Ratio (LCR) ⁽¹⁶⁾	225,0%	179,8%
Net stable funding ratio (NSFR) ⁽¹⁷⁾	146,2%	145,7%
CREDIT RISK RATIOS (%)	30-06-2023	31-12-2022
Net non-performing loans / Cash loans - (net non-performing loans ratio)	1,8%	1,7%
Gross non-performing loans / Cash loans - (gross non-performing loans ratio)	2,9%	3,1%
Gross non-performing loans / total gross loans (Non Performing Loans ratio EBA) ⁽¹⁸⁾	2,2%	2,4%
Net bad loans / Cash loans	0,5%	0,6%
Gross bad loans / Gross Cash loans	1,1%	1,5%
Net loan loss provisions ⁽¹⁹⁾ / Cash Loans - (Cost of credit %) ⁽²²⁾	0,29%	0,22%
Non-performing loans coverage ratio	41,4%	47,2%
Coverage rate for bad loans	58,1%	62,6%
Texas ratio ⁽²⁰⁾	27,1%	30,8%
SOLVENCY RATIOS (%)	30-06-2023	31-12-2022
CET1 ratio	19,12%	18,63%
Tier 1 ratio	19,12%	18,63%
Total capital ratio	21,49%	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) LCR (liquidity coverage ratio): minimum limit 100%.

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

(18) 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.

(19) 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 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.

(20) 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).

(21) 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.

(22) Indicator annualized.