



Sella Group: positive results for the first nine months of 2023

*Good performance confirmed in all business sectors.
The banks of the Group - Banca Sella and Banca Patrimoni Sella & C. - closed the period
with a further increase in their already strong capital position
and growth in loans and deposits*

- **Net profit:** EUR 105.1 million
 - **Net interest and other banking income:** EUR 746.8 million (+20.4%)
 - **Net banking income:** EUR 311 million (+7.1%)
 - **Net inflows:** EUR 3.6 billion
 - **Global collection:** EUR 53 billion (+9%)
 - **Lending:** EUR 10.9 billion (+3.4%)
 - **ROE:** 13.5%
 - **Customers** (including Hype): 2.96 million
 - **Team Sella:** over 6,000 people
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- **Banca Sella: CET1 19.31% - Total Capital Ratio 21.64%**
 - **Banca Patrimoni Sella & C.: CET1 13.64% - Total Capital Ratio 13.64%**
 - **Sella Group: CET1: 13.53% - Total Capital Ratio: 15.40%**

The Sella Group closed the first nine months of 2023 with positive results underscoring sound performance in all business sectors and the effectiveness of its growth strategy based on a diversified business model.

Group results as at 30 September 2023, approved today by the Board of Directors of the parent company Banca Sella Holding, recorded a net profit of EUR 105.1 million, up from EUR 88.9 million in the same period of the previous year. Without taking into account the non-recurring component arising from the strategic partnership with the Sesa Group, which led to the establishment of Nivola, controlled by Sella through Centrico, and BDY, 49% owned by Centrico and to which a business unit was transferred, the net profit was EUR 88.9 million. Compared to the same period last year, there was a higher cost of credit risk and some prudential write-downs on equity investments. On the industrial side, performance was in any case up, as demonstrated by an operating profit of EUR 251.7 million (+41.3%).

Global net inflows at market value stood at EUR 53 billion (+9% compared to the end of 2022), with positive global net inflows of EUR 3.6 billion, confirming customer confidence. Lending to support household and corporate activities, net of repos, increased to EUR 10.9bn (+3.4%).

Net banking income was up by 7.1% to EUR 311 million and interest margin rose by 60.3% to EUR 396.7 million, mainly due to the commercial component and interest rate dynamics. Net interest and other banking income grew to EUR 746.8 million (+20.4% compared to the same period last year), allowing the Group to ensure continuity of investments, development initiatives and employment growth, consistent with the Strategic Plan. The net income from financial activities decreased to EUR 39 million (-52.7% due to last year's non-recurring transactions involving the sale of securities and tax receivables to third parties).



The positive trend was supported by all business segments. In particular, revenues from investment services amounted to EUR 136.1 million (+0.7%). The total transacted volumes of acquiring and issuing services grew by 20.8%, with net banking income up 10.2% to EUR 79.8 million. Corporate & Investment Banking revenues rose by 65.4% to EUR 9.6 million. Finance posted a sound margin performance of EUR 69.7 million, down from the same period last year (-48.5%), characterised by very favourable conditions such as high volatility, low interest rates and the contribution of inflation to the return on securities portfolios, as well as capital gains from the sale of securities. Revenues from new business grew by 12.1% to EUR 62.7 million, mainly due to Corporate & Investment Banking, open payment and platform services.

Credit quality remained at an optimal level. The annualised cost of credit risk stood at 32 bps (it was 37 bps at the end of 2022). The net NPL ratio stood at 1.7% (previously 1.8%) and the gross NPL ratio at 3.1% (previously 3.5%). The coverage ratio on impaired loans stood at 45.5% (previously 49.5%), the coverage ratio on non-performing loans at 63.7% (previously 65.7%), mainly due to a number of sales of non-performing loans with a high degree of coverage and an increased presence of secured credit. The Texas ratio was 22.9% (previously 27.2%).

The sound capital position, well above the required standards, grew further with a CET1 ratio of 13.53% and total capital ratio of 15.40% (they were 13.21% and 15.12% respectively at the end of 2022). Liquidity ratios were also well above the minimum limits: LCR at 218.95% and NSFR at 137.29% (the required threshold is 100% for both).

Further growth of 5.5% in the number of customers to 1.29 million net of Hype (the number rises 5.4% to 2.96 million when including Hype). The Cost-to-Income showed steady improvement at 65.9% (it was 70.5% in September 2022).

In light of Legislative Decree no. 104 of 10 August 2023, converted with amendments by Law no. 136 of 9 October 2023, whose Article 26 governs the so-called “Windfall tax on banks”, the Board of Directors of the parent company Banca Sella Holding noted that, based on the figures as at September 30, and year-end estimates, the tax payable by Banca Sella Holding itself will be equal to zero. Furthermore, the Board resolved that the Group banks would propose to their respective Shareholders' Meetings, at the time of approval of their own financial statements, and pursuant to the option provided in subsection 5-bis of the same regulation, the allocation of a portion of their profit to a non-distributable reserve for an amount equal to 2.5 times the tax, aiming at further strengthening their assets. This solution does not entail the payment of the tax and has no effect on the overall and individual bank results as of 30 September 2023. Strengthening the capital allows the Group banks to further expand financial support to households and businesses.

The results of Banca Sella

Banca Sella reported, as at 30 September 2023, a net profit of EUR 132.5 million, up from EUR 69.1m for the same period last year. The bank's ROE stood at 20.7% (it was 11.4% in September 2022). The long-established capital solidity found confirmation with the CET1 ratio at 19.31% and the total capital ratio at 21.64% (they were 18.63% and 21.16% respectively at the end of 2022). Liquidity ratios were well above the required limits: LCR at 260.4%, NSFR at 156.3% (the required threshold is 100% for both).

The evolution of the net interest and other banking income was especially significant. It grew by 35.2% to EUR 477.5 million, due to the rise in loans and the dynamics of market rates. The



increase in the net interest income (+85.2% to EUR 288.6m) and the rise in net revenues from services (+3.9% to EUR 185m, consequent to the growth in the income from payment systems and ancillary credit commissions) contributed to this result. Net income from financial activities decreased (-79.7% to EUR 4 million, as last year's figure included impacts of transactions involving the sale of securities and tax credits to third parties).

Global inflows at market value stood at EUR 33.8 billion, up 7.3 per cent, while global net inflows were positive at EUR 1.9 billion. Direct deposits grew by 6.8% to EUR 14.1 billion. Lending grew by 2% to EUR 9.3bn. Credit quality ratios remained at optimal levels: the annualised cost of credit risk was 19 bps (it was 14 bps in September 2022 and 22 bps at the end of 2022); the net NPL ratio was 1.6% (it was 1.7% at the end of 2022), and the gross NPL ratio 2.7% (it was 3.1%). The Texas ratio stood at 24.2% (it was 30.8%).

The Board of Directors of Banca Sella, pursuant to provisions of the so-called "Windfall tax on banks", acknowledging the indications of the Parent Company, resolved to propose to its Shareholders' Meeting, at the time of approval of its financial statements for the current year, the allocation of a portion of the profit to a non-distributable reserve for an amount of EUR 27 million, aiming at further strengthening its capital.

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 nine months of the year with a net profit of 21.8 million euros, up from 11.4 million in the same period last year. Assets under management totalled 20.4 billion euros, up 11.6% from the end of 2022. Qualified net inflows amounted to EUR 940 million, demonstrating the growing interest of customers in asset management products and advisory services. The results reflected the good performance of income on fees, 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. The CET1 and total capital ratio were both 13.64% (they were 11.88% at the end of 2022).

The Board of Directors of Banca Patrimoni Sella & C., pursuant to provisions of the so-called "Windfall tax on banks" acknowledging the indications of the Parent Company resolved to propose to its Shareholders' Meeting, at the time of approval of its financial statements for the current year, the allocation of a portion of the profit to a non-distributable reserve for an amount of EUR 5.8 million, aiming at further strengthening its capital.

Fabrick and the fintech ecosystem

Fabrick, the Sella Group company specialising in open finance, alongside its subsidiaries (Axerve, dpixel, Codd&Date, Vipera Iberica and Judopay) and the management of the Fintech District community, recorded total net profits of EUR 39.4 million (+18% compared to the same period last year). The number of customers rose with 405 connected counterparties as of 30 September 2023, generating a significant increase in API calls on the platform to 551 million per month. The Fintech District community further expanded to include 280 fintech members and 26 corporate and professional members.

Biella, 10 November 2023