



PRESS RELEASE

## **Sella, positive results for the first Quarter of 2022**

*Confirmed the soundness and good performance of the Group despite the complex external scenario. The growth and development strategy based on the quality of relationships with customers, innovation and sustainability at the service of households and businesses continues*

The Sella group closed the first quarter of 2022 with good and further growing results, thanks to the remarkable performance of its business in all sectors. Consolidated results as at March 31, 2022, approved today by the Board of Directors of the parent company Banca Sella Holding, in fact, recorded a net profit of € 35 million, up compared to the equivalent result of the same period of the previous year worth € 17.6 million, net of non-recurrent items. Gross of the capital gain obtained from the peer joint venture in Hype, which led to the acquisition by Banca Sella Holding and Fabrick of a total stake of 10% in illimity Bank, the net profit at March 31, 2021, was worth € 68 million.

Faced with the complex scenario at the beginning of the year, characterized by the tensions and uncertainties of the war in Ukraine, the Sella group – which has no direct exposure to the risks associated with the countries involved in the conflict – reacted with the traditional spirit of sound and prudent management, defining a detailed and accurate Contingency Plan. The Group continued to carry out its activities in total working order and foster the development of an innovative and sustainable ecosystem to provide worthwhile responses to the financial needs of households and businesses.

Particularly outstanding was the Net Banking Income, which grew by € 42.3 million, (+24%), reaching € 218.4 million. The net interest income and net revenues from services rose by 42%, to € 81.2 million, and by 9%, worth € 96.4 million, respectively. The net income from financial activities increased by 33.8%, to € 40.8 million (due to capital gains from the sale of securities and the sale of tax receivables).

The Total Deposits at market value figure was worth € 49 billion, slightly down by 0.5%, compared to € 49.2 billion at the end of 2021. The above is due to the decrease by € 1.5 billion in the value of securities prices, resulting from the decline in markets as a result of the general external scenario marked in particular by the war events and the persisting high inflation, despite a remarkable overall net inflow of € 841 million. Loans, including repurchase agreements to support the activities of households and businesses increased by 10.3%, to reach € 10.8 billion; net of repurchase agreements loans rose by 3.3%, valued at €10 billion.

Results also show a good performance of credit quality indexes. The yearly cost of credit risk fell to 24 bps (was 58 bps at the end of 2021). Compared to the end of the previous year the net Npl Ratio figure is slightly down to 2.1%, (was 2.2%), same happened to the gross Npl figure standing at 4.1% (was 4.2%). The Texas Ratio index is up and stood at 30.8% (was 31.7%).

The outstanding performance of the period ensued the performance of all its activity sectors and the high-grade quality balance of revenue sources. In particular, weighed against the same period of the previous year, finance and investment banking recorded an increase in margins worth 65.7%. Revenues from investment services, especially private banking, grew by 6.7%, to € 46.2 million. Qualified deposits, represented by assets managed and investment consultancy, reached € 21.5



billion. Results obtained by the consolidated acquiring and issuing Payment Systems transacted volumes, increased by 37.6%, worth an overall growth in margins by 28.1%.

To further confirm the good quality of the Group growth and development strategy, revenues from new businesses rose by 14.5% to € 17.7 million, in particular due to the results of open payment services, technology solutions provided to third party companies and corporate and investment banking.

The accustomed high level of capital soundness, well above the required standards, found confirmation through a Cet1 consolidated figure standing at 11.99%, and a Total Capital Ratio figure of 14.28% (they were respectively 12.28% and 14.19% with a slight decrease in the Cet1 figure mainly due to the removals associated with the significant growth in loans). Liquidity indicators are also performing. The LCR index at the Group level stood at 200.8%, while the NSFR index stood at 135.1% (the minimum threshold is 100% for both indexes).

### **The results of Banca Sella**

Within the scope of the positive performance of the Group, Banca Sella, a company issuing financial instruments widely distributed among the public closed the quarter with a net profit of € 29.2 million, compared to €14.7 million in the same period of the previous year.

Against the end of 2021, the Total Deposits at market value figure of the bank stood at € 32.8 billion (-1,9%) due to the decrease by € 927 million in the value of securities prices, resulting from the decline in markets as a result of the general external scenario marked in particular by the war events and the persisting high inflation, despite a good performance of the total net inflows worth € 321 million. Loans to support the activities of families and businesses rose by 2.9%, to reach € 8.7 billion.

Results also show a good performance of credit quality indexes. The net Npl Ratio figure is 2% and remained steady since the end of 2021. The gross Npl figure is slightly down to 3.7% (was 3.8 at the end of 2021). The Texas Ratio bank index stood at 35.1% (was 36.2%, at the end of 2021). The yearly cost of credit risk stood at 12 bps (was 36 bps in 2021).

The diversification of revenue sources and the validity of the development strategy based on the enhancement of consultancy and personal relationships, combined with digital innovation and open finance, played their part to the growth of the Net Banking Income (+27.9%, to € 129 million) and of its main components: the net interest income (+41.2% to € 51.2 million) and the net revenues from services (+11.4% to 57.8 million). The component related to the net result of the financial activity also rose (+57.4% to € 19.9 million due to capital gains from the sale of securities and the sale of tax receivables).

The accustomed high level of capital soundness was confirmed by the Cet1 of Banca Sella standing at 15.43%, and the Total Capital Ratio at 19.36% (were 15.88% and 19.95% respectively, at the end of 2021), with a slight decrease mainly due to the removals associated with the significant growth in loans. Liquidity indicators were also performing: the LCR index of the bank was worth 225.2%, while the NSFR index was equal to 147.7%, (the minimum threshold is 100% for both indexes).

Biella, May 10th 2022