

## **Sella announces positive results for the first six months of 2021**

*The Sella Group confirms its customer support and commitment to developing an ecosystem with a positive ESG impact. The results of Banca Sella were also approved: profits, deposits and loans grow.*

The Board of Directors of Banca Sella Holding, the Parent company of the Sella group and those of the companies of the Group, approved results at June 30 2021, which recorded growth confirming support for customers and the economy in the complex pandemic scenario, and the commitment to foster an innovative and sustainable ecosystem with a positive ESG impact for the benefit of the community and stakeholders.

The Group consolidated net profit, excluding extraordinary items, is 36.4 million euros against 17,2 million euros in the same period of the previous year. Considering the capital gain obtained from the peer joint venture in Hype, which led to the acquisition by Banca Sella Holding and the open-finance specialized group company Fabrick of a total stake of 10% in illimity Bank, the net profit is worth 89.4 million euros.

The confirmation of customer confidence vouched for one of the best results ever concerning Deposits. Compared to the end of the previous year, Total Deposits at market value grew by 9.6%, worth 46.9 billion euros, and Direct Deposits grew by 8.7%, worth 15.3 billion euros. The total figure for Net Deposits is 2.7 billion euros.

Loans are also on the rise to support the activities of families and companies. Loans, including repurchase agreements, grew by 10.7%, worth 10 billion euros, while the figure net of repurchase agreements grew by 7.5%, worth 9.4 billion euros.

Results also show an amelioration of credit quality indexes. The net NPL ratio fell to 2.6% (was 2.9% at the end of 2020). The Texas Ratio, which measures the soundness of assets and provisions to credit risks, further improved by reaching to 36.5% (it was 40.4% at the end of 2020). The yearly cost of credit risk at June 30 2021, is 33 bps (was 85 bps at the end of 2020).

The net banking income grew by 11.9% to 353.7 million euros. Its two main components, namely the interest income and the net revenues from services respectively, increased by 0.9%, to 119 million euros and 13.4%, worth 182.7 million euros.

The positive performance in the first six months at a consolidated level came from the contribution paid by all sectors in which the Group is engaged and the diversification of revenue sources. Specifically, against the same period of the previous year, revenues from investment services grew by 15.9% and qualified deposits, represented by assets managed and assets under consultancy rose by 11.5%, worth 20.5 billion euros, against the end of 2020. Investment banking and finance recorded growth in earnings by 45%. Consolidated acquiring and issuing Payment Systems transaction volumes grew by 33%, which vouched for a total increase in profits by 27%. This is a particularly positive result given the unfavourable effects of lockdown periods on specific product sectors.

The total number of customers of the Group further increased by 2.2%, without considering the fintech challenger Hype held in joint-venture with illimity bank, which exceeded 1.4 million customers, with a further growth by 7%, and which in the coming months, will evolve into a constantly enriching financial suite platform.



The Group continued to develop its strategic and growth plans, investing a total of 30 million euros. Operating costs rose by 10%, mainly due to the numerous initiatives linked to the development of fintech and open banking and new hires. The Sella team, made up of employees and partners, exceeded 5,300 people. The cost to income amounts to 76%, against 77.5% in the same period of the previous year.

The accustomed high level of capital soundness, which is well above the required standards, has been confirmed. The consolidated Cet1 of the Group is 12.29%, and the Total Capital Ratio 14.22% (were 12.29% and 14.18% at the end of 2020). The liquidity indicators are also performing. The LCR index at a Group level is 210.4%, while the NSFR index is 133.8% (the minimum limit is 100% for both indexes).

During the first half of 2021, the commitment of the Group to sustainability issues continued, with various initiatives to constantly improve social and environmental performance. In particular, an assessment took place concerning CO2 emissions followed by an action plan to eradicate its impact shortly. In addition, the Group underwent a standardized evaluation of its ESG impact profile, followed by an activity plan to improve its initial results.

### **Banca Sella**

Financial results of Banca Sella at June 30 2021, a company issuing Financial instruments widely distributed among the public, were also approved, which recorded a Net Profit worth 31.1 million euros, up against 15.5 million euros in the same period of 2020.

Compared to the previous year, total deposits at market values grew by 6.5%, worth 32 billion euros, while Direct Deposits rose by 3.6%, worth 12.4 billion euros. Total Net Deposits were worth 1.4 billion euros, of which the qualified component, that is to say, that of Asset and Wealth Management, was worth 0.7 billion euros.

Loans to support households and businesses grew by 6%, worth 8.2 billion euros. To stimulate and support business investments with a positive impact on sustainability, Banca Sella also allocated a new ceiling of one billion euros to finance projects, specifically by SMEs, with a tangible influence on the 17 Sustainable Development goals of the United Nations 2030 Agenda.

Results show an amelioration of credit quality indexes. The Net NPL Ratio figure of the bank fell to 2.4% (was 2.7% at the end of 2020). The Texas Ratio index, measuring the soundness of assets and provisions to credit risks, bettered by reaching 41.9% (was 44.6% at the end of 2020). The yearly cost of credit risk is 21 bps (was 65 bps at the end of 2020). At the end of 2021, the awaited cost of credit risk should grow to 58 bps: still lower than in 2020.

Against the same period of the previous year, the net banking income grew by 8%, worth 199.4 million euros, with its two main components namely: the interest income and the net revenues from services respectively, increasing by 3.9%, worth 77.2 million euros and by 9.1%, worth 108.3 million euros.

The CET1 figure for Banca Sella is 16.08%, while the Total Capital Ratio is 20.29% (were 16.34% and 20.13% at the end of 2020).

### **Banca Patrimoni Sella & C.**

Banca Patrimoni Sella & C., the bank of the Group specializing in the asset management of private and institutional clients, ended the first six months with a Net Banking income of 5.8 million euros, growing against 3.4 million euros recorded in the same period of the previous year. Assets under management rose by 10.2%, compared to the end of 2020, to reach 17 billion euros. Net deposits in the six months



were worth 1 billion euros. The CET1 figure of Banca Patrimoni Sella & C. is 12.31%, while the Total Capital Ratio stands at 12.31% (were 13.21%, and 13.21% at the end of 2020).

### **Fabrick**

The Group's commitment to developing an open, innovative financial ecosystem and platform model also contributed to diversifying revenue sources. The Fabrick company, specialized in open-finance, has strengthened its presence in Italy and abroad, developing open-banking projects with customers from different sectors and sizes, recording growth in API calls to 538 million, against 146 million in the same period of the previous year. During the first half of 2021, Fabrick and the subsidiaries (Axerve, dpixel, Codd&Date and Fintech District) recorded a turnover of 23.1 million euros, up 4.9%, compared to the often period of the previous year, while the total number of customers increased to 260. The Fintech District community, developing open innovation projects, further expanded to include 180 fintech companies and 16 corporate members.

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