

Press release

FIDEURAM - INTESA SANPAOLO PRIVATE BANKING CONSOLIDATED RESULTS AS AT 31 DECEMBER 2021

NET INCOME RISES TO €1.1 BILLION (+35%): STRONG GROWTH COMPARED TO 2020

TOTAL ASSETS UNDER ADMINISTRATION REACH A RECORD LEVEL OF €341 BILLION, RANKING FIDEURAM ISPB FIRMLY AMONG THE LEADING EUROPEAN PRIVATE BANKING OPERATORS IN TERMS OF TOTAL ASSETS UNDER ADMINISTRATION

BEST EVER COMMERCIAL PERFORMANCE WITH NET INFLOWS OF OVER € 15.7 BILLION (+20%) AND INFLOWS INTO ASSET MANAGEMENT PRODUCTS NEARLY DOUBLED COMPARED TO 2020

The main results of Fideuram - Intesa Sanpaolo Private Banking as at 31 December 2021¹:

- **Total assets under administration** reached a new **all-time high of € 341.2 billion**, up 12% year-to-date
- **Total net inflows**, which **exceed € 15.7 billion** (€ 13.1 billion in 2020, +20%), with **net flows of assets under management** which **exceed € 11.5 billion** (€ 6.2 billion in 2020)
- **Net commissions** rose to **€ 2.1 million (+9%)**, showing **solid growth** compared with the same period in 2020 (€ 1.9 million)
- **Net operating costs** of **€ 829 million**, a **slight increase** compared to 2020 (€ 794 million, +4%)
- **Cost/Income ratio** at **35%**, an **improvement** on 36% in 2020
- **Consolidated net income** grows to **€ 1.1 billion**, a **significant increase (+35%)** compared to 2020
- **Capital solidity** above regulatory requirements with a **Common Equity Tier 1 ratio of 13.6%**.

Milan, XX February 2022 – The Board of Directors of Fideuram - Intesa Sanpaolo Private Banking (Intesa Sanpaolo Group), chaired by Paolo Molesini, approved the separate and

consolidated results at 31 December 2021¹.

At the end of December 2021, the **assets under administration** of the Fideuram - Intesa Sanpaolo Private Banking Group amounted to **€ 341.2 billion**, an **increase of € 37.5 billion (+12%)** compared with 31 December 2020, the **highest level recorded in the Group's history**.

The growth in assets compared with the end of 2020 was achieved thanks to both the excellent net inflows of € 15.7 billion and market performance, which had a positive impact on assets of € 21.8 billion.

An analysis by aggregate shows that **assets under management** amounted to **€ 220.7 billion** (€197.2 billion at the end of 2020, +12%), accounting for 65% of assets under administration.

In 2021, the distribution networks' business recorded its best ever **commercial performance**, achieving **net inflows of more than € 15.7 billion, up 20%** on 2020. An analysis of the components **shows that net inflows of assets under management**, equal to **€ 11.5 billion, grew strongly (+€ 5.4 billion)** on the previous year. This was also made possible by the activities of the Group's private bankers, who steered the flow of customer savings towards products with a higher advisory content. Net inflows to **assets under administration** amounted to **€ 4.2 billion** (€ 6.9 billion in 2020).

As at 31 December 2021, the distribution structure of the Fideuram - Intesa Sanpaolo Private Banking Group **had 6,594 private bankers**, with an **average per capita portfolio of € 52 million**.

An analysis of the main income statement aggregates shows that in 2021 **net commissions** amounted to **€ 2.1 billion**, an **increase of 9%** compared with the € 1.9 million balance recorded in 2020. **Net recurring commissions**, the predominant component (over 94%) of net commission income, amounted to **€ 2 billion**, showing **solid growth (+11%)** compared with 2020, driven by the increase in average assets under management.

In 2021 net commission income benefited to a limited extent (€ 35 million) from the contribution from performance fees.

Net interest income of € 212 million fell by € 39 million compared with 2020, mainly due to the lower profitability of assets resulting from the fall in market yields.

Net operating costs, at € 829 million, were **up slightly (+4%)** on 2020. A detailed analysis shows that **payroll costs** (€ 480 million) increased (+€ 16 million), while **other administrative expenses** (€ 276 million) increased (+€ 14 million) due to higher IT expenses and the increase in the cost of service with Intesa Sanpaolo. **Net adjustments to property, plant and equipment and intangible assets** amounted to € 73 million, an increase of € 5 million mainly due to higher amortisation of software.

The **cost/income ratio** is **35%**, an **improvement** from 36% in 2020.

Operating profit came in at **€ 1.5 billion (+8%)**, a solid improvement on 2020.

Consolidated net income came in **€ 1.1 billion (+35%)**, showing strong growth (+€ 284 million) compared to 2020. This increase includes the net capital gain of € 164 million realised on the sale of the Custodian and Fund Administration Branch of Fideuram Bank (Luxembourg). **Net of this non-**

¹ The figures for 2021 and the comparative periods have been restated on a consistent basis to take into account the changes in the scope of consolidation during the period.

recurring item, net income would have been **€ 937 million, up 15%** on last year, and still the best result ever.

The **consolidated capital ratios** of Fideuram - Intesa Sanpaolo Private Banking are above the minimum levels required by the regulations. Specifically, as at 31 December 2021, the **Common Equity Tier 1** ratio was **13.6%** and the **Total Capital ratio** was **13.8%**.

*"The results for 2021," commented **Tommaso Corcos, CEO and General Manager of Fideuram Intesa Sanpaolo Private Banking**, "confirm the validity of our winning service model in the world of financial advice: with €341Bn of assets under administration we are the acknowledged leader in Italy and among the top private banks in Europe. We ended the year with a net income of €1.1 billion, net inflows of over €15 billion and an increasingly significant positive contribution from managed assets, in excess of €11 billion. These figures attest, once again, to the valuable work done by our 6,500 private bankers, who are able to offer clients a careful analysis of their real needs, a range of quality products and services and in-depth, personalised asset management. Intesa Sanpaolo's new business plan focuses on the Private Banking business as one of the main engines of growth for the entire Group. Sustainability, quality of the responses to the needs of sophisticated, demanding customers, management of large portfolios, support for the real economy, digitalisation and internationalisation are the pillars on which the development strategies of our Division will be based. We have ambitious, demanding challenges ahead of us, which we will be able to meet thanks to the wealth of expertise, personal skills and knowledge of our customers, which is typical of all the people who work in our Division. My warm thanks go out to everyone for their efforts, along with my best wishes for the road ahead."*

The reclassified consolidated balance sheet and consolidated income statement are attached for information on the results achieved in 2021. The two schedules show the consolidated figures of Fideuram - Intesa Sanpaolo Private Banking as at 31 December 2021 and in the corresponding comparison period.

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Consolidated balance sheet

(reclassified and in millions of euro)

	31.12.2021	31.12.2020 (*)	VARIAZIONE	
			ASSOLUTA	%
ATTIVO				
Cassa e disponibilità liquide	3.707	3.074	633	21
Attività finanziarie valutate al fair value con impatto a conto economico	552	433	119	27
Attività finanziarie valutate al fair value con impatto sulla redditività complessiva	2.908	2.812	96	3
Titoli di debito valutati al costo ammortizzato	20.776	20.144	632	3
Finanziamenti verso banche	20.334	18.654	1.680	9
Finanziamenti verso clientela	13.833	12.138	1.695	14
Derivati di copertura	32	16	16	100
Partecipazioni	238	192	46	24
Attività materiali e immateriali	1.099	783	316	40
Attività fiscali	191	226	(35)	-15
Attività non correnti e gruppi di attività in via di dismissione	-	1.065	(1.065)	-100
Altre voci dell'attivo	1.606	1.401	205	15
TOTALE ATTIVO	65.276	60.938	4.338	7
PASSIVO				
Debiti verso banche	3.988	3.752	236	6
Debiti verso clientela	54.619	49.948	4.671	9
Passività finanziarie di negoziazione	28	64	(36)	-56
Derivati di copertura	730	954	(224)	-23
Passività fiscali	204	146	58	40
Passività associate ad attività in via di dismissione	-	1.065	(1.065)	-100
Altre voci del passivo	1.711	1.209	502	42
Fondi per rischi e oneri	648	620	28	5
Capitale sociale, riserve e strumenti di capitale	2.218	2.330	(112)	-5
Patrimonio di pertinenza di terzi	29	33	(4)	-12
Utile netto	1.101	817	284	35
TOTALE PASSIVO	65.276	60.938	4.338	7

(*) Figures restated on a consistent basis to take account of changes in the scope of consolidation.

Consolidated income statement

(reclassified and in millions of euro)

	2021 (*)	2020 (*)	VARIAZIONE	
			ASSOLUTA	%
Margine di interesse	212	251	(39)	-16
Risultato netto delle attività e passività finanziarie	46	48	(2)	-4
Commissioni nette	2.097	1.921	176	9
MARGINE DI INTERMEDIAZIONE	2.355	2.220	135	6
Risultato delle partecipazioni e altri proventi (oneri) di gestione	22	2	20	n.s.
PROVENTI OPERATIVI NETTI	2.377	2.222	155	7
Spese per il personale	(480)	(464)	(16)	3
Altre spese amministrative	(276)	(262)	(14)	5
Rettifiche di valore nette su attività materiali e immateriali	(73)	(68)	(5)	7
COSTI OPERATIVI NETTI	(829)	(794)	(35)	4
RISULTATO DELLA GESTIONE OPERATIVA	1.548	1.428	120	8
Rettifiche di valore nette su crediti	3	(14)	17	n.s.
Accantonamenti netti ai fondi rischi e rettifiche di valore nette su altre attività	(37)	(46)	9	-20
Proventi (oneri) non ricorrenti netti	219	5	214	n.s.
RISULTATO CORRENTE LORDO	1.733	1.373	360	26
Imposte sul reddito dell'esercizio per l'operatività corrente	(505)	(405)	(100)	25
Oneri di integrazione e incentivazione all'esodo (al netto delle imposte)	(38)	(70)	32	-46
Effetti economici dei costi di acquisizione (al netto delle imposte)	(22)	(48)	26	-54
Oneri riguardanti il sistema bancario (al netto delle imposte)	(32)	(23)	(9)	39
Utile (perdita) di pertinenza di terzi	(35)	(10)	(25)	n.s.
UTILE NETTO	1.101	817	284	35

n.s.: not significant

(*) Figures restated on a consistent basis to take account of changes in the scope of consolidation.