

Press release

FIDEURAM – INTESA SANPAOLO PRIVATE BANKING CONSOLIDATED RESULTS AT 30 SEPTEMBER 2021¹

NET PROFIT RISES TO €882 MILLION (+42%): STRONG GROWTH COMPARED TO THE FIRST NINE MONTHS OF 2020

TOTAL ASSETS UNDER ADMINISTRATION REACH A RECORD LEVEL OF €331 BILLION, RANKING FIDEURAM ISPB FIRMLY AMONG THE LEADING EUROPEAN PRIVATE BANKING OPERATORS IN TERMS OF TOTAL ASSETS UNDER ADMINISTRATION

BEST EVER COMMERCIAL PERFORMANCE IN THE FIRST NINE MONTHS, WITH NET INFLOWS OF OVER €11.9 BILLION (+35%) AND INFLOWS INTO ASSET MANAGEMENT PRODUCTS TRIPLED COMPARED TO THE FIRST NINE MONTHS OF 2020

STRONG CAPITALISATION, WELL ABOVE REGULATORY REQUIREMENTS: COMMON EQUITY TIER 1 RATIO OF 17.0%.

The main results of Fideuram - Intesa Sanpaolo Private Banking as at 30 September 2021¹:

- **Total assets under administration** reached a new **all-time high of €330.9 billion**, up 9% year-to-date
- **It was the best first nine months ever for net inflows**, which **exceeded €11.9 billion** (€8.8 billion in the first nine months of 2020, +35%), with **net flows of assets under management of nearly €8.5 billion** (€2.8 billion in the first nine months of 2020)
- **Net commissions** rose to **€1,558 million (+11%)**, showing **solid growth** compared with the same period in 2020 (€1,408 million)
- **Net operating costs** amounted to **€593 million, essentially in line with** with the first nine months of 2020 (€585 million, +1%), confirming strong discipline in expense management.
- **The cost/income ratio fell to 33%**, an **improvement of three percentage points** over the same period in 2020.

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

- **Consolidated net profit grew to €882 million, a significant increase (+42%)** compared to the first nine months of 2020.
- **Capital solidity** was well above regulatory requirements with a **Common Equity Tier 1 ratio of 17.0%**.

Milan, 8 November 2021 - The Board of Directors of Fideuram - Intesa Sanpaolo Private Banking (Intesa Sanpaolo Group), chaired by Paolo Molesini, approved the Interim Report as at 30 September 2021².

At the end of September 2021, the **assets under administration** of the Fideuram - Intesa Sanpaolo Private Banking Group amounted to **€330.9 billion**, an **increase of €27.2 billion (+9%)** 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 €11.9 billion and market performance, which had a positive impact on assets of €15.3 billion.

An analysis by aggregate shows that **assets under management** amounted to **€213.6 billion** (€197.2 billion at the end of 2020, +8%), accounting for 65% of assets under administration.

In the first nine months of 2021, the distribution networks' business recorded its best ever **commercial performance**, achieving **net inflows of more than €11.9 billion, up 35%** on the same period in 2020. An analysis of the components **shows that net inflows of assets under management**, equal to **€8.5 billion, grew strongly (+€5.6 billion)** on the same period last 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 **approximately €3.5 billion** (€6.0 billion in the first nine months of 2020).

As at 30 September 2021, the distribution structure of the Fideuram - Intesa Sanpaolo Private Banking Group had **6,626 private bankers**, with an **average per capita portfolio of €50 million**.

An analysis of the main income statement aggregates shows that in the first nine months of 2021 **net commissions** amounted to **€1,558 million**, an **increase of 11%** compared with the €1,408 million balance recorded in the same period of 2020. **Net recurring commissions**, the predominant component (almost 95%) of net commission income, **amounted to €1,473 million**, showing **solid growth (+13%)** compared with the first nine months of 2020, substantially in line with the percentage growth in average assets under management.

The contribution from performance fees remained entirely immaterial (€2 million) in the first nine months of 2021.

Net interest income of €161 million fell by €34 million compared with the same period of 2020, mainly due to the lower profitability of financial assets resulting from the fall in market yields.

Net operating costs, at €593 million, were essentially in line (+1%) with those incurred in the first nine months of 2020. A detailed analysis shows that **payroll costs** (€341 million) decreased marginally (-€1 million), while **other administrative expenses** (€198 million) increased slightly (+€6 million) due to higher IT expenses and services provided by third parties. **Net adjustments to**

² The figures for the first nine months of 2021 and the related comparative periods have been restated on a consistent basis to take into account the changes in the scope of consolidation during the period.

property, plant and equipment and intangible assets amounted to €54 million, an increase of €3 million mainly due to higher amortisation of software.

The **cost/income ratio fell to 33%**, an **improvement of three percentage points** on the first nine months of last year.

The **operating profit** came in at **€1,188 million (+12%)**, showing a solid improvement on the same period in 2020.

Consolidated net profit came in at **€882 million (+42%)**, showing strong growth (+€259 million) compared to the first nine months of 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-recurring item**, net profit would have been **€718 million, up 15%** on the same period last year, and still the best result for the first nine months ever.

The **consolidated capital ratios** of Fideuram - Intesa Sanpaolo Private Banking are well above the minimum levels required by the regulations. Specifically, as at 30 September 2021, the **Common Equity Tier 1 ratio** was **17.0%** and the **Total Capital ratio** was **17.2%**.

Tommaso Corcos, Chief Executive Officer and General Manager of Fideuram – Intesa Sanpaolo Private Banking, commented: *"The results presented today testify, once again, to the great work done. In fact, we reached a new all-time high of more than €330 billion in assets under administration, confirming our position as the leading private bank in Italy and one of the largest in Europe. With net inflows of more than €11.9 billion in the first nine months of the year, we posted our best performance ever. The important component of asset management contributed to this result, thanks to the activity of our professionals, able to guide savers towards products and services with a high strategic content, offering balanced, differentiated and personalised management of their assets. Moreover, our capital strength remains well above regulatory requirements. Our extraordinary results demonstrate that ours is a sustainable service model capable of generating continuous value over time, thanks to the expertise and strength of our networks in Italy and abroad."*

The reclassified consolidated balance sheet and consolidated income statement are attached for information on the results achieved in the first nine months of 2021. The two schedules show the consolidated figures of Fideuram - Intesa Sanpaolo Private Banking as at 30 September 2021 and in the corresponding comparison period.

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Consolidated balance sheet

(reclassified and in millions of euro)

	30.9.2021	31.12.2020 (*)	VARIAZIONE	
			ASSOLUTA	%
ATTIVO				
Attività finanziarie valutate al fair value con impatto a conto economico	564	433	131	30
Attività finanziarie valutate al fair value con impatto sulla redditività complessiva	2.968	2.812	156	6
Titoli di debito valutati al costo ammortizzato	20.574	20.144	430	2
Finanziamenti verso banche	23.543	21.071	2.472	12
Finanziamenti verso clientela	13.181	12.138	1.043	9
Derivati di copertura	20	16	4	25
Partecipazioni	211	192	19	10
Attività materiali e immateriali	1.055	783	272	35
Attività fiscali	201	226	(25)	-11
Attività non correnti e gruppi di attività in via di dismissione	-	1.065	(1.065)	-100
Altre voci dell'attivo	2.151	2.058	93	5
TOTALE ATTIVO	64.468	60.938	3.530	6
PASSIVO				
Debiti verso banche	4.993	3.752	1.241	33
Debiti verso clientela	52.375	49.948	2.427	5
Passività finanziarie di negoziazione	67	64	3	5
Derivati di copertura	822	954	(132)	-14
Passività fiscali	232	146	86	59
Passività associate ad attività in via di dismissione	-	1.065	(1.065)	-100
Altre voci del passivo	1.679	1.209	470	39
Fondi per rischi e oneri	623	620	3	-
Capitale sociale, riserve e strumenti di capitale	2.695	2.330	365	16
Patrimonio di pertinenza di terzi	100	33	67	n.s.
Utile netto	882	817	65	8
TOTALE PASSIVO	64.468	60.938	3.530	6

n.s.: not significant

(*) 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)

	9 MESI 2021 (*)	9 MESI 2020 (*)	VARIAZIONE	
			ASSOLUTA	%
Margine di interesse	161	195	(34)	-17
Risultato netto delle attività e passività finanziarie	41	36	5	14
Commissioni nette	1.558	1.408	150	11
MARGINE DI INTERMEDIAZIONE	1.760	1.639	121	7
Risultato delle partecipazioni e altri proventi (oneri) di gestione	21	5	16	n.s.
PROVENTI OPERATIVI NETTI	1.781	1.644	137	8
Spese per il personale	(341)	(342)	1	-
Altre spese amministrative	(198)	(192)	(6)	3
Rettifiche di valore nette su attività materiali e immateriali	(54)	(51)	(3)	6
COSTI OPERATIVI NETTI	(593)	(585)	(8)	1
RISULTATO DELLA GESTIONE OPERATIVA	1.188	1.059	129	12
Rettifiche di valore nette su crediti	-	(18)	18	-100
Accantonamenti netti ai fondi rischi e rettifiche di valore nette su altre attività	(28)	(36)	8	-22
Proventi (oneri) non ricorrenti netti	219	6	213	n.s.
RISULTATO CORRENTE LORDO	1.379	1.011	368	36
Imposte sul reddito del periodo per l'operatività corrente	(409)	(312)	(97)	31
Oneri di integrazione e incentivazione all'esodo (al netto delle imposte)	(13)	(11)	(2)	18
Effetti economici dei costi di acquisizione (al netto delle imposte)	(16)	(40)	24	-60
Oneri riguardanti il sistema bancario (al netto delle imposte)	(28)	(24)	(4)	17
Utile (perdita) di pertinenza di terzi	(31)	(1)	(30)	n.s.
UTILE NETTO	882	623	259	42

n.s.: not significant

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