

PRESS RELEASE

EURIZON: RESULTS AT 30 JUNE 2021

- **Merger of Pramerica SGR into Eurizon effective starting 1 July 2021**
- **Total assets under management of Eurizon increase to €425.8 billion, up by almost 8.7 billion since the beginning of the year**
- **Consolidated net profit of €393.7 million (+45% on H1 2020)**
- **Total commission margin of €595 million (+32.7% on H1 2020)**
- **Combined net inflows of €1.8 billion in H1**

Milan, 11 August 2021 - Eurizon, the Intesa Sanpaolo Group's asset management company specialising in managing products and services for retail, private and institutional customers, has approved its results as at 30 June 2021, showing increases in all the main financial indicators.

The merger of Eurizon with Pramerica SGR, the asset management company acquired by Intesa Sanpaolo following the takeover bid for the UBI Banca Group, became **effective on 1 July**.

The combined assets under management of the two companies amount to €425.8 billion, up by almost 8.7 billion since the beginning of the year thanks to the combined effect of good inflows and market performance.

The overall results for the main economic indicators since the start of the year have shown very positive figures and strong growth: **consolidated net profit** (inclusive of minority interests) of **€393.7 million (+ 45%)**, **commission income of €595 million (+ 32.7%)** and a **cost/income ratio down to 14.8%**, compared with 19.7% at the end of June 2020.

Positive inflows: **€1.8 billion in combined net flows for the half year¹**. Open-ended funds alone recorded net inflows in the six month period of €3.7 billion since the start of the year, with the largest contribution coming from balanced funds (+ €2.3 billion), followed by equity funds (+ €2 billion) and bond funds (+ €857 million).

¹ Source: Mappa Assogestioni at June 2021

In the second quarter, total inflows amounted to €167 billion mainly thanks to the contribution of open-ended funds. Inflows also picked up in the quarter in the Individual Portfolios which determined a total combined result of +€5 million, of which +€43 million for institutional mandates and -€38 million for retail Individual Portfolios.

The contribution from abroad is growing steadily, in particular the Chinese company **Penghua Fund Management** (49% owned) at the end of June reached **€120.4 billion in assets (+17.1% since the start of the year and +26.1% over 12 months)**, with **net inflows of approximately €12 billion in the first half of 2021**.

Results in Eastern Europe were positive, with inflows of €241 million in the first half of the year, including inflows to local asset management companies and the distribution of Luxembourg funds in the countries in the area. This brought total assets in Eastern Europe to €4.15 billion. In addition, the rebranding process of the companies belonging to this hub carries on: after the change of name last year of the Slovak subsidiary, since May 2021 the Hungarian CIB Investment Fund Management has taken on the brand Eurizon Asset Management Hungary.

In terms of extraordinary transactions, the acquisition from **Finanza Sud SIM**, a subsidiary of Banca Agricola Popolare di Ragusa (BAPR), of the business unit that manages retail and institutional Individual Portfolios with assets of €438 million was completed and effective 1 May, with a view to developing a commercial partnership with BAPR.

On 1 July, an **agreement** was signed **with Poste Italiane for the latter to become a shareholder of Eurizon Capital Real Asset (ECRA)**, a company specialising in alternative investments and private markets, acquiring 40% of the capital (of which 24.5% are voting shares)². In addition, starting 1 July, the two closed-end Alternative Investment Funds (AIF) Eurizon ITEя and Eurizon ITEя ELTIF³ were delegated to ECRA, whose assets reached €4.2 billion. In July, the funds Eurizon ITEя and Eurizon ITEя ELTIF signed an agreement for the acquisition of 70% of Gruppo Servizi Associati (“GSA”), a leading Italian operator in fire prevention⁴.

With reference to the new products, in April the placement of two non-reserved closed-end compliant with the “Alternative PIR” regulations was started, through the establishment of Master-Feeder structures, set up by ECRA in coordination with important private banking networks. In June, a new alternative investment fund, Eltif,

² Completion of the transaction, which is expected by the end of the year, is subject to obtaining the necessary approvals from the supervisory authorities.

³ Eurizon ITEя: reserved closed-end AIF; Eurizon ITEя ELTIF: non-reserved closed-end AIF.

⁴ Operation pending authorisation from the competent authorities.

was also launched, which also complies with the characteristics of the Alternative PIR and invests mainly in securities of Italian companies with low and medium capitalisation and growth prospects in their respective business areas. The range of products dedicated to Banca dei Territori has been enhanced, oriented towards the equity component on emerging markets, while - for third party networks - the range of products with tactical solutions has been expanded.

Finally, the range of offerings for Intesa Sanpaolo Private Banking customers has been enriched, with a new fund with increasing equity exposure that takes into account ESG characteristics.

As far as ESG investments are concerned, at 30 June Eurizon's total range of **funds** reached **155 funds classified as articles 8 and 9 of the SFDR regulation** - which therefore promote, among other aspects, environmental or social characteristics, or which have sustainable investment objectives - **corresponding to almost €100 billion of assets**, or **45%** of the company's fund assets. Furthermore, with regard to **corporate governance** activities, during the half year Eurizon alone took part in 125 shareholders' meetings of selected companies listed on the Italian Stock Exchange (62%) and on international markets (38%), voting on 1462 resolutions on the agenda. The company conducted 596 engagements with 442 issuing companies, of which 28.7% concerned ESG issues. In the same period, Pramerica participated in 38 meetings and conducted 237 engagements, of which about a third were on ESG issues.

*“A semester of important milestones has closed - said **Saverio Perissinotto, Chief Executive Officer of Eurizon** - on several projects that we are completing with great teamwork. We have formalised the merger project with Pramerica, which represents the starting point for a new reality resulting from the integration of two successful stories with strong corporate cultures.*

*The next few months - concluded **Mr Perissinotto** - will see us strongly committed to various objectives, with a constant focus on ESG investments and support for the real economy, maintaining close collaboration with our internal and external business partners to whom we owe our thanks for their work and fundamental contribution to the achievement of the final results.”*

Eurizon is a leading player in international asset management with a wide range of products. Eurizon Capital SGR is the investment company of the Asset Management Division of the Intesa Sanpaolo Group. It is present in Europe through the following subsidiaries: Eurizon Capital S.A., a Luxembourg-based asset management company focused on developing foreign markets; Epsilon SGR, a boutique specialising in structured products; the Eastern European HUB (Eurizon Asset Management Slovakia, Eurizon Asset Management Hungary and PBZ Invest); Eurizon Capital Real Asset (51%), which focuses on alternative asset classes, and Eurizon SLJ Capital LTD (65%), an asset management company based in the UK focused on macroeconomic and currency strategies. Eurizon has a presence in Asia through Eurizon Capital Asia Limited in Hong Kong and its 49% stake in the Chinese company Penghua Fund Management. Eurizon markets its Luxembourg funds in 25 countries and operates in France, Germany, Spain and Switzerland.

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