



BANCA FINNAT

PRESS RELEASE

**BANCA FINNAT BOARD OF DIRECTORS APPROVES PRELIMINARY
CONSOLIDATED RESULTS AS OF 30 JUNE 2021
ENDING WITH NET INCOME UP APPROXIMATELY 34%**

- **NET COMMISSIONS UP 10.4% TO APPROXIMATELY 78% OF DEALING MARGIN FROM PREVIOUS 72%**
- **DEALING MARGIN UP TO €33.2 MILLION FROM €32.5 MILLION AT 30 JUNE 2020**
- **NET IMPAIRMENT LOSSES ON CREDIT RISK DOWN TO €5 THOUSAND FROM €1.8 MILLION AT 30 JUNE 2020**
- **GROSS PROFIT UP TO €5.9 MILLION FROM €4.8 MILLION**
- **GROUP NET INCOME UP TO €2.76 MILLION FROM €2.06 MILLION IN CORRESPONDING PERIOD 2020, AN ALMOST 34% INCREASE**
- **CET 1 CAPITAL RATIO AT 31,4%**

Rome, 05 August 2021 – The Banca Finnat Euramerica S.p.A. board of directors, which met today, examined and approved the Group's preliminary consolidated results as at 30 June 2021.

Preliminary consolidated results as at 30.06.2021

- The **Dealing Margin** rose to €33.2 million from €32.5 million at 30 June 2020. The performance was positively impacted by net commissions up by 10.4% on the corresponding period of 2020, from €23.4 million to €25.8 million (accounting for almost 78% of the dealing margin from the previous 72%); an interest margin at €5.8 million compared to €8.3 million at 30 June 2020; dividend and similar income of €722 thousand (compared to €1.1 million previously); profit on trading of €1.18 million compared to the €612 thousand loss recorded on 30 June 2020; profits on

disposal or repurchase of financial assets equal to €44 thousand from €754 thousand at 30 June 2020. The dealing margin was negatively impacted by negative net income of €329 thousand (compared to negative €418 thousand at 30 June 2020) from other financial assets mandatorily valued at fair value.

- **Net Impairment Losses** on credit risk from financial assets fell to €95 thousand compared to €1.8 million at 30 June 2020.
- **Operating Costs** rose by 7.5%, from €25.6 million on 30 June 2020 to €27.5 million; **Profit from holdings** rose to €408 thousand from a €163 thousand loss on 30 June 2020.
- **Gross Profit** rose to €5.9 million from €4.8 million on 30 June 2020.
- €1.78 million in taxes (up from €1.58 million) and €1.35 million in minorities, up from €1.17 million, led to **Group Net Income** rising to €2.76 million from €2.06 million at 30 June 2020, an almost 34% increase.
- Group shareholders equity stands at €221.2 million compared to €222.3 million at 31 December 2020. The consolidated regulatory capital stands at €185,0 million (184.5 million at 31.12.2020), with a consolidated CET 1 Capital Ratio of 31,4% (34.9% at 31.12.2020) calculated based on the transitional arrangements envisaged following the entry into force of the new reporting standard IFRS 9 and in compliance with the waiver granted by EU Regulation 2020/873 (art. 473bis, section 7bis). Without these transitional arrangements, the consolidated CET 1 Capital Ratio would be equal to 31,3%.

Impact of the pandemic on Group strategies and on period results

The industrial strategies of the Banca Finnat Group have not changed as a result of the pandemic. All Group companies have ensured continuity of services to counterparties and the market, guaranteeing maximum efficiency for customers in branch and via remote channels. No Group activities were even temporarily interrupted, particularly when it came to services to customers.

The final consolidated results for the first half of 2021, as well as the main lines of action implemented as part of the Group's industrial plan 2021/2023, will be presented to the financial community at ISMO-Italian Stock Market Opportunities organised as an online event by Intesa San Paolo on 29 September 2021.

As of 30 June 2021 there were 28,810,640 treasury shares in the portfolio, unchanged compared to 31 December 2020, corresponding to 7.9% of share capital.

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The financial reporting manager in charge of drawing up corporate accounts (Giulio Bastia) declares, pursuant to article 154 bis(2) of the T.U.F., that the accounting information given in this press release complies with the accounting records, books and entries.

(PURSUANT TO ART. 66 OF CONSOB RESOLUTION NO. 11971 OF 14 MAY 1999)

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Encl. Income Statement, Statement of Financial Position, Statement of Comprehensive Income consolidated to 30.06.2021

CONSOLIDATED INCOME STATEMENT
(in thousand Euro)

	Items	H1 2021	H1 2020
10.	Interest received and similar income	7,345	9,484
20.	Interest paid and similar charges	(1,556)	(1,168)
30.	Interest margin	5,789	8,316
40.	Fee and commission income	26,959	24,734
50.	Fee and commission expense	(1,135)	(1,340)
60.	Net commissions	25,824	23,394
70.	Dividends and similar income	722	1,081
80.	Profit (losses) on trading	1,181	(612)
100.	Profits (losses) on disposal or repurchase of:	44	754
	a) financial assets designated at amortised cost	61	64
	b) financial assets designated at fair value through other comprehensive income	(17)	690
110.	Profits (losses) on other financial assets and liabilities designated at fair value through profit and loss	(329)	(418)
	b) other financial assets mandatorily at fair value	(329)	(418)
120.	Dealing margin	33,231	32,515
130.	Net losses/recoveries on credit risk relating to:	(95)	(1,818)
	a) financial assets designated at amortised cost	(101)	(2,012)
	b) financial assets designated at fair value through other comprehensive income	6	194
140.	Profits/losses on contract changes without cancellations	(160)	(150)
150.	Profit (losses) on financial management	32,976	30,547
190.	Administrative expenses:	(28,364)	(26,203)
	a) personnel expenses	(19,010)	(17,497)
	b) other administrative expenses	(9,354)	(8,706)
200.	Net provisions for risks and charges	130	(67)
	a) commitments and guarantees given	130	-
	b) other net provisions	-	(67)
210.	Net losses/recoveries on property and equipment	(1,699)	(1,697)
220.	Net losses/recoveries on intangible assets	(91)	(118)
230.	Other operating expense/income	2,528	2,512
240.	Operating costs	(27,496)	(25,573)
250.	Profits (losses) on equity investments	408	(163)
290.	Profits (losses) on continuing operations before tax	5,888	4,811
300.	Taxes on income from continuing operations	(1,780)	(1,580)
310.	Profits (losses) on continuing operations after tax	4,108	3,231
330.	Profits (losses) of the reporting period	4,108	3,231
340.	Profits (Losses) of the reporting period attributable to minority interests	1,346	1,168
350.	Profits (losses) of the reporting period attributable to the parent company	2,762	2,063

STATEMENT OF CONSOLIDATED FINANCIAL POSITION
(in thousand Euro)

	Asset items	30.06.2021	31.12.2020
10.	Cash and cash equivalents	867	711
20.	Financial assets designated at fair value through profit and loss	33,154	27,867
	a) financial assets held for trading	8,331	6,847
	c) other financial assets mandatorily at fair value	24,823	21,020
30.	Financial assets designated at fair value through other comprehensive income	291,531	341,825
40.	Financial assets designated at amortised cost	1,515,133	1,378,338
	a) due from banks	147,285	124,563
	b) loans to customers	1,367,848	1,253,775
70.	Equity investments	11,068	10,694
90.	Property and equipment	19,946	17,899
100.	Intangible assets	31,168	31,170
	including:		
	- goodwill	28,129	28,129
110.	Tax assets	9,716	10,319
	a) current	651	809
	b) deferred	9,065	9,510
130.	Other assets	20,937	23,310
	Total assets	1,933,520	1,842,133

STATEMENT OF CONSOLIDATED FINANCIAL POSITION
(in thousand Euro)

Liabilities and shareholders equity items		30.06.2021	31.12.2020
10.	Financial liabilities designated at amortised cost	1,639,047	1,552,963
	a) due to banks	348	157
	b) due to customers	1,638,699	1,552,806
20.	Financial liabilities for trading	1,835	40
60.	Tax liabilities	1,733	1,706
	a) current	477	487
	b) deferred	1,256	1,219
80.	Other liabilities	31,705	18,804
90.	Personnel termination indemnities	5,426	5,605
100.	Provisions for risks and charges:	185	313
	a) commitments and guarantees given	116	246
	c) other provisions for risks and charges	69	67
120.	Valuation reserves	7,715	7,627
150	Reserves	152,192	151,029
170.	Capital	72,576	72,576
180.	Treasury shares (-)	(14,059)	(14,059)
190.	Minority interests (+/-)	32,403	40,438
200.	Profits (losses) of the reporting period (+/-)	2,762	5,091
Total liabilities and shareholders equity		1,933,520	1,842,133

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME
(in thousand Euro)

Items	H1 2021	H1 2020
10. Profits (Losses) of the reporting period	4,108	3,231
Other comprehensive income after tax that is not reclassified to the income statement		
20. Equity designated at fair value through other comprehensive income	40	(89)
70. Defined benefit plans	119	(48)
90. Share of valuation reserves connected with investments carried at equity	(34)	20
Other comprehensive income after tax that may be reclassified to the income statement		
140. Financial assets (other than equity) designated at fair value through other comprehensive income	51	(819)
170. Total other comprehensive income after tax	176	(936)
180. Comprehensive income (Item 10+170)	4,284	2,295
190. Consolidated comprehensive income attributable to minority interests	1,434	1,143
200. Consolidated comprehensive income attributable to parent company	2,850	1,152