



BANCA FINNAT

PRESS RELEASE

**BANCA FINNAT BOARD OF DIRECTORS APPROVES
CONSOLIDATED RESULTS OF FIRST QUARTER 2022**

- **NET FEE AND COMMISSION INCOME UP 5.8% ON SAME PERIOD 2021**
- **ASSETS UNDER MANAGEMENT REACH €17.9 BILLION, UP 9.5% ON THE SAME PERIOD OF THE PREVIOUS YEAR**
- **TOTAL INCOME DOWN 4.1% TO €16.2 MILLION FROM €16.9 MILLION AT 31.03.2021 AS A RESULT OF NET INTEREST INCOME DOWN TO €2 MILLION FROM €3 MILLION IN THE FIRST QUARTER 2021**
- **CONSOLIDATED NET PROFIT DOWN 32.6% TO €1.3 MILLION FROM €1.95 MILLION AT 31.03.2021**
- **CET 1 CAPITAL RATIO AT 34.73%**

Rome, 12 May 2022 – The Banca Finnat Euramerica S.p.A. board of directors, which met today, examined and approved the Consolidated Interim Report dated 31 March 2022. The aforementioned Consolidated Interim Report will be published on the company website www.bancafinnat.it under Investor Relations/Regulated Information, as well as on the authorised SDIR/NIS Storage platform (www.emarketstorage.com) and made available on the Borsa Italiana S.p.A. website (www.borsaitaliana.it).

Consolidated Results as for as 31.03.2022

- **Total Income** fell 4.1% to €16.2 million from €16.9 million at 31.03.2021. This figure benefited from 5.8% growth in consolidated Net Fee and Commission Income (from €12.79 million at 31.03.2021 to €13.53 million) as well as €848 thousand higher profits from the disposal of financial assets at fair value through other comprehensive income (from €29 thousand in the negative at 31.03.2021 to €819 thousand in the positive at 31.03.2022). However, it was negatively impacted by a 32.1% drop in Net Interest Income (from €2.98 million at 31.03.2021 to €2.02

million), €505 thousand lower Dividends and similar income, €644 thousand lower profits from net trading expense (from €764 thousand at 31.03.2021 to €120 thousand at 31.03.2022), and €183 thousand higher losses from other financial assets mandatorily measured at fair value (from €75 thousand in the negative at 31.03.2021 to €258 thousand in the negative at 31.03.2022).

- **Net Impairment Losses** on credit risk from financial assets fell overall to €351 thousand from €501 thousand at 31.03.2021.
- **Operating Costs** rose 3.75% to €13.06 million from €12.6 million.
- **Group Net Profit** fell to €1.3 million from €1.95 million at 31.03.2021.
- Group consolidated **Shareholders Equity** at 31.03.2022 stands at €224.3 million (€227.2 million at 31.12.2021), while own funds are equal to €184.7 million (€189.4 million at 31.12.2021), with Total capital ratio, CET 1 capital ratio and Tier 1 ratio at 34.73% (31.1% at 31.12.2021). To mitigate the impact arising from application of the new reporting standard on own funds, the bank opted to adhere to the transitional arrangements. Without this application, own funds would have been equal to €184.1 million with a Total capital ratio, CET 1 capital ratio and Tier 1 ratio of 34.66%.

Foreseeable business evolution

Expected results enable us to confirm interesting targets in terms of profitability and equity for 2022. Considering the uncertainty around the duration and outcome of the war between Russia and Ukraine, the Bank will provide updates on the effects that the ongoing conflict may have on the performance of the company's business activities in the periodic reports foreseen during the financial year.

As of 31 March 2022 there were 28,810,640 treasury shares in the portfolio, unchanged compared to 31 December 2021, 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 31.03.2022

INCOME STATEMENT
(in thousands of Euros)

Items	1 January 31 March 2022	1 January 31 March 2021
10. Interest and similar income	3,143	3,641
20. Interest and similar expense	(1,123)	(665)
30. Net interest income	2,020	2,976
40. Fee and commission income	14,259	13,391
50. Fee and commission expense	(728)	(605)
60. Net fee and commission income	13,531	12,786
70. Dividends and similar income	1	506
80. Net trading expense	120	764
100. Net gain from disposal or repurchase of:	819	(24)
a) financial assets at amortised cost	-	5
b) financial assets at fair value through other comprehensive income	819	(29)
110. Net losses on other financial assets and liabilities at fair value through profit and loss	(258)	(75)
b) other financial assets mandatorily measured at fair value	(258)	(75)
120. Total income	16,233	16,933
130. Net impairment losses for credit risk associated with:	(351)	(501)
a) financial assets at amortised cost	(252)	(537)
b) financial assets at fair value through other comprehensive income	(99)	36
140. Net modification gains (losses)	-	(160)
150. Net financial income	15,882	16,272
190. Administrative expenses:	(13,869)	(13,434)
a) personnel expenses	(9,290)	(9,358)
b) other administrative expenses	(4,579)	(4,076)
200. Net reversals of (accruals to) provisions for risks and charges	(7)	(27)
a) commitments and guarantees given	(7)	91
b) other	-	(118)
210. Depreciation and net impairment losses on property, equipment and investment property	(850)	(849)
220. Amortisation and net impairment losses on intangible assets	(30)	(45)
230. Other operating income, net	1,697	1,768
240. Operating costs	(13,059)	(12,587)
250. Net loss on equity investments	(54)	(51)
290. Profit from continuing operations before taxes	2,769	3,634
300. Income taxes	(886)	(1,111)
310. Profit from continuing operations after taxes	1,883	2,523
330. Profit for the year	1,883	2,523
340. Profit for the year attributable to non-controlling interests	569	574
350. Profit for the year attributable to the owner of the parent	1,314	1,949

STATEMENT OF FINANCIAL POSITION
(in thousands of Euros)

Assets		31.03.2022	31.12.2021
10.	Cash and cash equivalents	106,900	115,367
20.	Financial assets at fair value through profit and loss	35,268	35,459
	a) financial assets held for trading	9,441	9,327
	c) other financial assets mandatorily measured at fair value	25,827	26,132
30.	Financial assets at fair value through other comprehensive income	312,896	345,869
40.	Financial assets at amortised cost	1,468,287	1,339,422
	a) loans and receivables with banks	17,775	54,372
	b) loans and receivables with customers	1,450,512	1,285,050
70.	Equity investments	10,330	10,385
90.	Property, equipment and investment property	19,159	19,896
100.	Intangible assets	31,076	31,089
	of which:		
	- goodwill	28,129	28,129
110.	Tax assets	10,640	9,993
	a) current	16	74
	b) deferred	10,624	9,919
130.	Other assets	22,508	38,408
Total assets		2,017,064	1,945,888

STATEMENT OF FINANCIAL POSITION
(in thousands of Euros)

Liabilities and equity		31.03.2022	31.12.2021
10.	Financial liabilities at amortised cost	1,723,497	1,651,310
	a) due to banks	403	394
	b) due to customers	1,723,094	1,650,916
20.	Financial liabilities held for trading	2,162	2,065
60.	Tax liabilities	2,999	2,490
	a) current	1,732	911
	b) deferred	1,267	1,579
80.	Other liabilities	24,226	23,375
90.	Post-employment benefits	5,492	5,752
100.	Provisions for risks and charges:	131	124
	a) commitments and guarantees given	62	55
	c) other provisions for risks and charges	69	69
120.	Valuation reserves	6,080	10,292
150	Reserves	158,402	152,261
170.	Capital	72,576	72,576
180.	Treasury shares (-)	(14,059)	(14,059)
190.	Non-controlling interests (+/-)	34,244	33,572
200.	Profit for the year (+/-)	1,314	6,130
Total liabilities and equity		2,017,064	1,945,888

STATEMENT OF COMPREHENSIVE INCOME
(in thousands of Euros)

Items	1 January 31 March 2022	1 January 31 March 2021
10. Profit for the year	1,883	2,523
Other comprehensive income after taxes that will not be reclassified to profit or loss		
20. Equity instruments at fair value through other comprehensive income	(2,378)	23
70. Defined benefit plans	276	96
90. Share of valuation reserves of equity-accounted investments	-	(34)
Other comprehensive income after taxes that will be reclassified to profit or loss		
140. Financial assets (other than equity instruments) at fair value through other comprehensive income	(2,012)	16
170. Total other comprehensive income after tax	(4,114)	101
180. Comprehensive income (Items 10+170)	(2,231)	2,624
190. Comprehensive income attributable to non-controlling interests	667	650
200. Comprehensive income attributable to owners of the parent	(2,898)	1,974