



BANCA FINNAT

PRESS RELEASE

BANCA FINNAT BOARD OF DIRECTORS APPROVES CONSOLIDATED RESULTS OF FIRST QUARTER 2021

- **CONSOLIDATED NET INCOME UP 11% TO €1.95 MILLION FROM €1.76 MILLION AT 31.03.2020.**
- **NET COMMISSIONS UP 7.1% ON CORRESPONDING PERIOD 2020.**
- **EARNINGS MARGIN UP 3.9% AND COST/INCOME RATIO UP FROM 77.1% TO 74.3%.**
- **TOTAL AUM €16.3 BILLION, UP 5% ON THE FIRST QUARTER OF 2020 AND 5.8% ON 31.12.2020.**
- **CET 1 CAPITAL RATIO AT 32.4%.**

Rome, 14 May 2021 – The Banca Finnat Euramerica S.p.A. board of directors, which met today, examined and approved the Consolidated Interim Report dated 31 March 2021. 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).

Results consolidated to 31.03.2021

- The **Earnings Margin** rose by 3.9%, compared to the corresponding period of the previous year, to €16.9 million from €16.3 million at 31.03.2020. This growth was positively affected by 7.1% higher net commissions (from €11.9 million at 31.03.2020 to €12.8 million), and in particular the 12% rise in net commissions of the Bank and the 5% rise in net commissions of InvestiRE SGR; the net result of trading activity was up by approximately €1.7 million (from €925 thousand in the negative at 31.03.2020 to €764 thousand in the positive), and a net result of other

financial assets mandatorily valued at fair value (€75 thousand in the negative compared to €431 thousand in the negative in the same period of 2020). Negative impacts on the earnings margin derived from an interest margin that, at the end of the first quarter 2021, stood at €2.98 million compared to €4.1 million at 31.03.2020, dividends down by €375 thousand, and profits down by €772 thousand due to the sale of financial assets designated at amortised cost and financial assets designated at fair value through other comprehensive income (€24 thousand in the negative at 31.03.2021 compared to €748 thousand in the positive in the same period of 2020).

- **Net losses/recoveries** on credit risk amounted overall to €501 thousand and relate to impairment losses of €537 thousand on financial assets designated at amortised cost and value recoveries of €36 thousand on financial assets designated at fair value through other comprehensive income. At 31.03.2020 impairment losses of €355 thousand were made on financial assets designated at amortised cost and value recoveries of €287 thousand on financial assets designated at fair value through other comprehensive income.
- **Operating Costs** were stable at €12.6 million and, due to the rise in earnings margin, the cost/income ratio rose from 77.1% to 74.3%.
- **Group Net Income** rose to €1.95 million from €1.76 million recorded at 31.03.2020 - an 11% improvement.
- Group consolidated **Shareholders Equity** at 31.03.2021 rose to €224.7 million (€222.3 million at 31.12.2020), while own funds rose to €184.6 million, with Total capital ratio, CET 1 capital ratio and Tier 1 ratio at 32.4% (34.9% at 31.12.2020). 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 €183.3 million with a Total capital ratio, CET 1 capital ratio and Tier 1 ratio of 32.3%.

COVID-19

The Bank and the other companies in the Group continue to deal with the pandemic in line with new government measures issued at national and local level to combat and contain the spread of the virus. Measures implemented in work organisation, information and customer support have ensured continuity of services to counterparties and the market, guaranteeing maximum efficiency for customers in branch and via remote channels.

Foreseeable evolution of management

The current year forecasts, drawn up at the start of the year by the Bank and the other companies in the Group, were made while taking account of the continuing health emergency but also the benefits of the economic policy measures adopted nationally and internationally and a consequent resolution of the pandemic-related crisis starting from the end of the current financial year.

For the 2021 financial year we expect to confirm, at Group level, similar levels of profitability and capitalisation to those recorded in 2020.

As of 31 March 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. Consolidated Income Statement, Consolidated Balance Sheet, Consolidated Statement of Comprehensive Income as of 31.03.2021

CONSOLIDATED INCOME STATEMENT
(in thousand Euro)

Items	1 January 31 March 2021	1 January 31 March 2020
10. Interest received and similar income	3.641	4.701
20. Interest paid and similar charges	(665)	(617)
30. Interest margin	2.976	4.084
40. Fee and commission income	13.391	12.767
50. Fee and commission expense	(605)	(827)
60. Net commissions	12.786	11.940
70. Dividends and similar income	506	881
80. Profit (losses) on trading	764	(925)
100. Profits (losses) on disposal or repurchase of:	(24)	748
a) financial assets designated at amortised cost	5	64
b) financial assets designated at fair value through other comprehensive income	(29)	684
110. Profits (losses) on other financial assets and liabilities designated at fair value through profit and loss	(75)	(431)
b) other financial assets mandatorily at fair value	(75)	(431)
120. Earning margin	16.933	16.297
130. Net losses/recoveries on credit risk relating to:	(501)	(68)
a) financial assets designated at amortised cost	(537)	(355)
b) financial assets designated at fair value through other comprehensive income	36	287
140. Profits/losses on contract changes without cancellations	(160)	(88)
150. Profit (losses) on financial management	16.272	16.141
190. Administrative expenses:	(13.434)	(12.891)
a) personnel expenses	(9.358)	(8.717)
b) other administrative expenses	(4.076)	(4.174)
200. Net provisions for risks and charges	(27)	(14)
a) commitments and guarantees given	91	(14)
b) other net provisions	(118)	-
210. Net losses/recoveries on property and equipment	(849)	(846)
220. Net losses/recoveries on intangible assets	(45)	(57)
230. Other operating expense/income	1.768	1.244
240. Operating costs	(12.587)	(12.564)
250. Profits (losses) on equity investments	(51)	6
290. Profits (losses) on continuing operations before tax	3.634	3.583
300. Taxes on income from continuing operations	(1.111)	(1.207)
310. Profits (losses) on continuing operations after tax	2.523	2.376
330. Profits (losses) of the reporting period	2.523	2.376
340. Profits (Losses) of the reporting period attributable to minority interests	574	620
350. Profits (losses) of the reporting period attributable to the parent company	1.949	1.756

CONSOLIDATED BALANCE SHEET
(in thousand Euro)

	Asset items	31.03.2021	31.12.2020
10.	Cash and cash equivalents	743	711
20.	Financial assets designated at fair value through profit and loss	34.477	27.867
	a) financial assets held for trading	9.405	6.847
	c) other financial assets mandatorily at fair value	25.072	21.020
30.	Financial assets designated at fair value through other comprehensive income	349.709	341.825
40.	Financial assets designated at amortised cost	1.575.200	1.378.338
	a) due from banks	142.874	124.563
	b) loans to customers	1.432.326	1.253.775
70.	Equity investments	10.609	10.694
90.	Property and equipment	20.253	17.899
100.	Intangible assets	31.134	31.170
	including:		
	- goodwill	28.129	28.129
110.	Tax assets	9.291	10.319
	a) current	63	809
	b) deferred	9.228	9.510
130.	Other assets	18.413	23.310
	Total assets	2.049.829	1.842.133

CONSOLIDATED BALANCE SHEET
(in thousand Euro)

Liabilities and shareholders equity items		31.03.2021	31.12.2020
10.	Financial liabilities designated at amortised cost	1.750.323	1.552.963
	a) due to banks	182	157
	b) due to customers	1.750.141	1.552.806
20.	Financial liabilities for trading	1.842	40
60.	Tax liabilities	2.477	1.706
	a) current	1.239	487
	b) deferred	1.238	1.219
80.	Other liabilities	30.652	18.804
90.	Personnel termination indemnities	5.608	5.605
100.	Provisions for risks and charges:	340	313
	a) commitments and guarantees given	155	246
	c) other provisions for risks and charges	185	67
120.	Valuation reserves	7.652	7.627
150.	Reserves	156.614	151.029
170.	Capital	72.576	72.576
180.	Treasury shares (-)	(14.059)	(14.059)
190.	Minority interests (+/-)	33.855	40.438
200.	Profits (losses) of the reporting period (+/-)	1.949	5.091
Total liabilities and shareholders equity		2.049.829	1.842.133

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(in thousand Euro)

Items	1° gennaio 31 marzo 2021	1° gennaio 31 marzo 2020
10. Profits (Losses) of the reporting period	2.523	2.376
Other comprehensive income after tax that is not reclassified to the income statement		
20. Equity designated at fair value through other comprehensive income	23	(50)
70. Defined benefit plans	96	(27)
90. Share of valuation reserves connected with investments carried at equity	(34)	64
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	16	(1.938)
170. Total other comprehensive income after tax	101	(1.951)
180. Comprehensive income (Item 10+170)	2.624	425
190. Consolidated comprehensive income attributable to minority interests	650	615
200. Consolidated comprehensive income attributable to parent company	1.974	(190)