



BANCA FINNAT

**PRESS RELEASE**

**BANCA FINNAT BOARD OF DIRECTORS APPROVES CONSOLIDATED RESULTS  
FROM FIRST NINE MONTHS OF 2021 WITH €4.3 MILLION GROUP PROFIT AND  
30.2% CET 1 CAPITAL RATIO**

- **NET FEE AND COMMISSION INCOME UP 10.2% TO 79.3% OF DEALING MARGIN FROM PREVIOUS 71.7%.**
- **DEALING MARGIN AMOUNTS TO €48.6 MILLION COMPARED TO €48.8 MILLION AT 30 SEPTEMBER 2020 (-0.4%).**
- **NET IMPAIRMENT LOSSES ON CREDIT RISK DOWN FROM €2.2 MILLION AT 30 SEPTEMBER 2020 TO €154 THOUSAND.**
- **CONSOLIDATED NET INCOME UP 3.4% TO €4.3 MILLION FROM €4.2 MILLION IN THE FIRST NINE MONTHS OF 2020.**
- **OVERALL ASSETS UNDER MANAGEMENT REACH €17.3 BILLION, WITH OVER 12% GROWTH ON THE END OF 2020 AND A 28% RISE IN INDIRECT DEPOSITS.**
- **CONSOLIDATED CET 1 CAPITAL RATIO AT 30.2%.**

**Rome, 12 November 2021** – The Banca Finnat Euramerica S.p.A. board of directors, which met today, examined and approved the Consolidated Interim Report dated 30 September 2021. The aforementioned Report will be published on the Company's corporate website [www.bancafinnat.it](http://www.bancafinnat.it) under Investor Relations/Regulated Information/Statements, on the authorised SDIR-NIS/NIS Storage platform ([www.emarketstorage.com](http://www.emarketstorage.com)) and made available on the Borsa Italiana S.p.A. website ([www.borsaitaliana.it](http://www.borsaitaliana.it)).

### Consolidated results from first nine months of 2021

- The **Dealing Margin** amounted to €48,562 thousand compared to €48,757 thousand at 30.09.2020 (-0.4%). The overall decrease, equal to €195 thousand, is attributable to:
  - A €3.56 million rise (+10.2%) in **Net fee and commission income**, from €34.95 million at 30.09.2020 to €38.5 million. The Bank accounts for €2.25 million, the subsidiary InvestiRE SGR €1.26 million, and other Group companies €50 thousand of this increase.
  - A €4.57 million drop (-36.4%) in **Net interest income** (from €12.55 million at 30.09.2020 to €8 million), attributable to the lower contribution from treasury transactions and from the banking book.
  - **Trading** income rose to €1.4 million from a €800 thousand trading expense in the first nine months of 2020.
  - Other **Financial assets mandatorily measured at fair value** recorded a net loss of €124 thousand, compared to a €529 thousand loss at 30.09.2020.
  - A €1.07 million drop in **Dividends and similar income** (from €1.79 million at 30.09.2020 to €722 thousand).
  - A €719 thousand drop in **Net gain from disposal of financial assets at amortised cost and financial assets at fair value through other comprehensive income** (€81 thousand compared to €800 thousand at 30.09.2020).

The income statement also highlights:

- **Net impairment losses for credit risk** of €154 thousand associated with impairment losses on Financial assets at amortised cost of €130 thousand and Financial assets at fair value through other comprehensive income of €24 thousand, compared to overall impairment losses of €2.2 million at 30.09.2020.
- **Operating Costs** rose by 6.2% to €39.6 million from €37.3 million at 30.09.2020. This rise was driven by a 7.8% increase in labour costs (from €25.8 million at 30.09.2020 to €27.9 million) due both to the effect of high-profile additions to the

workforce and the allocation of variable costs provided for under the incentive scheme.

- **Net income on equity investments** stood at €326 thousand compared to a €221 thousand loss at 30.09.2020.
- **Income taxes** of €2.8 million at a 30.6% tax rate, compared to 32.6% (€2.9 million in taxes) at 30.09.2020.
- **Group Net Income** rose to €4.3 million from €4.2 million at 30.09.2020.
- The **Group's Consolidated shareholders equity** rose to €223.1 million from €222.3 million at 31.12.2020, with a Regulatory capital of €185.3 million (€184.5 million at 31.12.2020) and a 30.2% CET 1 Capital Ratio (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 €184.1 million with a CET 1 capital ratio of 30%.
- **Total Group AUM** rose to €17.3 billion - a 12% rise on 31.12.2020 with a 28% increase in indirect deposits.

As of 30 September 2021 there were 28,810,640 treasury shares in the portfolio (28,810,640 on 31 December 2020), equal to 7.9% of the Bank's share capital.

**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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Annex Consolidated Balance Sheet and Income Statement at 30.09.2021



**INCOME STATEMENT**  
(in thousands of Euros)

Items	1 January 30 September 2021	1 January 30 September 2020	1 July 30 September 2021	1 July 30 September 2020
<b>10.</b> Interest and similar income	10,437	14,432	3,092	4,948
<b>20.</b> Interest and similar expense	(2,459)	(1,883)	(903)	(715)
<b>30. Net interest income</b>	<b>7,978</b>	<b>12,549</b>	<b>2,189</b>	<b>4,233</b>
<b>40.</b> Fee and commission income	40,203	36,918	13,244	12,184
<b>50.</b> Fee and commission expense	(1,698)	(1,973)	(563)	(633)
<b>60. Net fee and commission income</b>	<b>38,505</b>	<b>34,945</b>	<b>12,681</b>	<b>11,551</b>
<b>70.</b> Dividends and similar income	722	1,792	-	711
<b>80.</b> Net trading expense	1,400	(800)	219	(188)
<b>100.</b> Net gain from disposal or repurchase of:	81	800	37	46
a) financial assets at amortised cost	61	64	-	-
b) financial assets at fair value through other comprehensive income	20	736	37	46
<b>110.</b> Net losses on other financial assets and liabilities at fair value through profit and loss	(124)	(529)	205	(111)
b) other financial assets mandatorily measured at fair value	(124)	(529)	205	(111)
<b>120. Total income</b>	<b>48,562</b>	<b>48,757</b>	<b>15,331</b>	<b>16,242</b>
<b>130.</b> Net impairment losses for credit risk associated with:	(154)	(2,172)	(59)	(354)
a) financial assets at amortised cost	(130)	(2,503)	(29)	(491)
b) financial assets at fair value through other comprehensive income	(24)	331	(30)	137
<b>140.</b> Net modification gains (losses)	(161)	(185)	(1)	(35)
<b>150. Net financial income</b>	<b>48,247</b>	<b>46,400</b>	<b>15,271</b>	<b>15,853</b>
<b>190.</b> Administrative expenses:	(40,843)	(38,055)	(12,479)	(11,852)
a) personnel expenses	(27,860)	(25,834)	(8,850)	(8,337)
b) other administrative expenses	(12,983)	(12,221)	(3,629)	(3,515)
<b>200.</b> Net reversals of (accruals to) provisions for risks and charges	159	(77)	29	(10)
a) commitments and guarantees given	159	(10)	29	(10)
b) other	-	(67)	-	-
<b>210.</b> Depreciation and net impairment losses on property, equipment and investment property	(2,553)	(2,550)	(854)	(853)
<b>220.</b> Amortisation and net impairment losses on intangible assets	(140)	(181)	(49)	(63)
<b>230.</b> Other operating income, net	3,802	3,610	1,274	1,098
<b>240. Operating costs</b>	<b>(39,575)</b>	<b>(37,253)</b>	<b>(12,079)</b>	<b>(11,680)</b>
<b>250.</b> Net loss on equity investments	326	(221)	(82)	(58)
<b>290. Profit (loss) from continuing operations before taxes</b>	<b>8,998</b>	<b>8,926</b>	<b>3,110</b>	<b>4,115</b>
<b>300.</b> Income taxes	(2,753)	(2,913)	(973)	(1,333)
<b>310. Profit from continuing operations after taxes</b>	<b>6,245</b>	<b>6,013</b>	<b>2,137</b>	<b>2,782</b>
<b>330. Profit for the year</b>	<b>6,245</b>	<b>6,013</b>	<b>2,137</b>	<b>2,782</b>
<b>340.</b> Profit for the year attributable to non-controlling interests	1,901	1,811	555	643
<b>350. Profit for the year attributable to the owner of the parent</b>	<b>4,344</b>	<b>4,202</b>	<b>1,582</b>	<b>2,139</b>

**STATEMENT OF FINANCIAL POSITION**  
(in thousands of Euros)

Assets		30.09.2021	31.12.2020
<b>10.</b>	Cash and cash equivalents	903	711
<b>20.</b>	Financial assets at fair value through profit and loss	33,525	27,867
	a) financial assets held for trading	8,558	6,847
	c) other financial assets mandatorily measured at fair value	24,967	21,020
<b>30.</b>	Financial assets at fair value through other comprehensive income	313,704	341,825
<b>40.</b>	Financial assets at amortised cost	1,616,649	1,378,338
	a) loans and receivables with banks	158,442	124,563
	b) loans and receivables with customers	1,458,207	1,253,775
<b>70.</b>	Equity investments	10,986	10,694
<b>90.</b>	Property, equipment and investment property	20,600	17,899
<b>100.</b>	Intangible assets	31,138	31,170
	of which:		
	- goodwill	28,129	28,129
<b>110.</b>	Tax assets	8,930	10,319
	a) current	71	809
	b) deferred	8,859	9,510
<b>130.</b>	Other assets	15,856	23,310
<b>Total assets</b>		<b>2,052,291</b>	<b>1,842,133</b>

**STATEMENT OF FINANCIAL POSITION**  
(in thousands of Euros)

Liabilities and equity		30.09.2021	31.12.2020
<b>10.</b>	Financial liabilities at amortised cost	1,761,512	1,552,963
	a) due to banks	356	157
	b) due to customers	1,761,156	1,552,806
<b>20.</b>	Financial liabilities held for trading	1,878	40
<b>60.</b>	Tax liabilities	1,979	1,706
	a) current	556	487
	b) deferred	1,423	1,219
<b>80.</b>	Other liabilities	25,136	18,804
<b>90.</b>	Post-employment benefits	5,577	5,605
<b>100.</b>	Provisions for risks and charges:	155	313
	a) commitments and guarantees given	86	246
	c) other provisions for risks and charges	69	67
<b>120.</b>	Valuation reserves	8,051	7,627
<b>150</b>	Reserves	152,186	151,029
<b>170.</b>	Share capital	72,576	72,576
<b>180.</b>	Treasury shares (-)	(14,059)	(14,059)
<b>190.</b>	Non-controlling interests (+/-)	32,956	40,438
<b>200.</b>	Profit for the year (+/-)	4,344	5,091
<b>Total liabilities and equity</b>		<b>2,052,291</b>	<b>1,842,133</b>

**STATEMENT OF COMPREHENSIVE INCOME**  
(in thousands of Euros)

Items	1 January 30 September 2021	1 January 30 September 2020
<b>10. Profit for the year</b>	<b>6,245</b>	<b>6,013</b>
<b>Other comprehensive income after taxes that will not be reclassified to profit or loss</b>		
<b>20.</b> Equity instruments at fair value through other comprehensive income	78	(53)
<b>70.</b> Defined benefit plans	79	(68)
<b>90.</b> Share of valuation reserves of equity-accounted investments	(34)	20
<b>Other comprehensive income after taxes that will be reclassified to profit or loss</b>		
<b>140.</b> Financial assets (other than equity instruments) at fair value through other comprehensive income	379	264
<b>170. Total other comprehensive income after tax</b>	<b>502</b>	<b>163</b>
<b>180. Comprehensive income (Items 10+170)</b>	<b>6,747</b>	<b>6,176</b>
<b>190.</b> Comprehensive income attributable to non-controlling interests	1,978	1,777
<b>200. Comprehensive income attributable to owners of the parent</b>	<b>4,769</b>	<b>4,399</b>