



PRESS RELEASE

BANCA FINNAT BOARD OF DIRECTORS APPROVES PRELIMINARY CONSOLIDATED DATA TO 31 DECEMBER 2021 WITH 20% RISE IN NET INCOME

- **GROUP PROFIT RISES SIGNIFICANTLY FROM €5.1 MILLION AT 31.12.2020 TO €6.1 MILLION**
- **TOTAL INCOME STANDS AT €67.5 MILLION COMPARED TO €68.2 MILLION AT 31.12.2020 BENEFITING FROM AN 11% RISE IN CONSOLIDATED NET FEE AND COMMISSION INCOME AGAINST A 37% DROP IN NET INTEREST INCOME**
- **IMPAIRMENT LOSSES ON FINANCIAL ASSETS DROP FROM €5.2 MILLION TO €1.1 MILLION**
- **CET 1 CAPITAL RATIO AT 31.1%**

Roma, 10 February 2022 – The Banca Finnat Euramerica S.p.A. board of directors, which met today, examined and approved the preliminary Financial Statements relating to Consolidated Data to 31 December 2021 drawn up in compliance with that set out in the new common (COREP) and financial (FINREP) reporting standards to be forwarded to Banca d'Italia by 11 February 2022.

Consolidated results 2021

- **Total Income** fell to €67.5 million from €68.2 million at 31.12.2020 (down 1%); this was positively impacted by an 11% rise in Net fee and commission income (from €49.4 million at 31.12.2020 to €54.9 million), in particular due to the 17% rise in Net fee and commission income related to Banca Finnat thanks to the contribution of financial advisory, brokerage and corporate finance services, plus a 7% growth in revenues from InvestiRE Sgr. The Total Income was also positively affected by Net Trading Income, which grew from negative €253 thousand at 31.12.2020 to €1.5 million in the positive, as well as Net Income from Financial assets at fair value up to €17 thousand from negative €399 thousand at 31.12.2020, despite the €1.07

million drop in Dividends and similar income (from €1.8 million at 31.12.2020 to €722 thousand) and €1.27 million lower Profit on disposal of Financial assets (from €1.45 million at 31.12.2020 to €179 thousand). Net interest income fell by 37%, from €16.2 million at 31.12.2020 to €10.2 million, mainly due to a drop in the contribution of transactions on the reverse repurchase agreements portfolio.

- **Net Impairment Losses** on credit risk from financial assets fell to €1.1 million from €5.2 million at 31.12.2020. This change is mainly caused by lower analytical adjustments on non-performing positions carried out by the Bank while maintaining the coverage rate of non-performing receivables unchanged.
- **Operating Costs** rose to €53.9 million from €51.1 million at 31.12.2020; the increase is mainly due to personnel costs, up from €36 million at 31.12.2020 to €38 million as a result of rising fixed and variable compensations.
- **Taxes** reflected a tax rate of 28.9%, down from the previous 32.75%.
- **Group Net Income** rose significantly from €5.1 million at 31.12.2020 to €6.1 million, a 20.4% increase.

The Group's capital strength is confirmed by shareholders equity of €227.2 million, up from €222.3 million at 31.12.2020. The consolidated regulatory capital stands at €189.4 million (184.5 million at 31.12.2020), with a consolidated CET 1 Capital Ratio of 31.1% (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%.

As of 31 December 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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Encl. Preliminary Financial Statements relating to Statement of Financial Position, Income Statement and Statement of Comprehensive Income consolidated to 31.12.2021

STATEMENT OF FINANCIAL POSITION
(in thousands of Euros)

	Assets	31.12.2021	31.12.2020
10.	Cash and cash equivalents	115,367	77,267
20.	Financial assets at fair value through profit and loss	35,459	27,867
	a) financial assets held for trading	9,327	6,847
	c) other financial assets mandatorily measured at fair value	26,132	21,020
30.	Financial assets at fair value through other comprehensive income	345,869	341,825
40.	Financial assets at amortised cost	1,339,422	1,301,782
	a) loans and receivables with banks	54,372	48,007
	b) loans and receivables with customers	1,285,050	1,253,775
70.	Equity investments	10,385	10,694
90.	Property, equipment and investment property	19,896	17,899
100.	Intangible assets	31,089	31,170
	of which:		
	- goodwill	28,129	28,129
110.	Tax assets	9,993	10,319
	a) current	74	809
	b) deferred	9,919	9,510
130.	Other assets	38,408	23,310
	Total assets	1,945,888	1,842,133

STATEMENT OF FINANCIAL POSITION
(in thousands of Euros)

Liabilities and equity		31.12.2021	31.12.2020
10.	Financial liabilities at amortised cost	1,651,310	1,552,963
	a) due to banks	394	157
	b) due to customers	1,650,916	1,552,806
20.	Financial liabilities held for trading	2,065	40
60.	Tax liabilities	2,490	1,706
	a) current	911	487
	b) deferred	1,579	1,219
80.	Other liabilities	23,375	18,804
90.	Post-employment benefits	5,752	5,605
100.	Provisions for risks and charges:	124	313
	a) commitments and guarantees given	55	246
	c) other provisions for risks and charges	69	67
120.	Valuation reserves	10,292	7,627
150	Reserves	152,261	151,029
170.	Share capital	72,576	72,576
180.	Treasury shares (-)	(14,059)	(14,059)
190.	Non-controlling interests (+/-)	33,572	40,438
200.	Profit for the year (+/-)	6,130	5,091
Total liabilities and equity		1,945,888	1,842,133

INCOME STATEMENT
(in thousands of Euros)

Items	Year of operations 2021	Year of operations 2020
10. Interest and similar income	13,683	18,428
20. Interest and similar expense	(3,494)	(2,270)
30. Net interest income	10,189	16,158
40. Fee and commission income	57,419	51,971
50. Fee and commission expense	(2,523)	(2,527)
60. Net fee and commission income	54,896	49,444
70. Dividends and similar income	722	1,792
80. Net trading expense	1,521	(253)
100. Net gain from disposal or repurchase of:	179	1,448
a) financial assets at amortised cost	155	278
b) financial assets at fair value through other comprehensive income	24	1,170
110. Net losses on other financial assets and liabilities at fair value through profit and loss	17	(399)
b) other financial assets mandatorily measured at fair value	17	(399)
120. Total income	67,524	68,190
130. Net impairment losses for credit risk associated with:	(1,057)	(5,162)
a) financial assets at amortised cost	(1,034)	(5,561)
b) financial assets at fair value through other comprehensive income	(23)	399
140. Net modification gains (losses)	(157)	(185)
150. Net financial income	66,310	62,843
190. Administrative expenses:	(55,947)	(52,190)
a) personnel expenses	(38,061)	(36,025)
b) other administrative expenses	(17,886)	(16,165)
200. Net reversals of (accruals to) provisions for risks and charges	190	(211)
a) commitments and guarantees given	190	(144)
b) other	-	(67)
210. Depreciation and net impairment losses on property, equipment and investment property	(3,413)	(3,423)
220. Amortisation and net impairment losses on intangible assets	(205)	(245)
230. Other operating income, net	5,447	4,990
240. Operating costs	(53,928)	(51,079)
250. Net loss on equity investments	(242)	(199)
290. Profit (loss) from continuing operations before taxes	12,140	11,565
300. Income taxes	(3,508)	(3,787)
310. Profit from continuing operations after taxes	8,632	7,778
330. Profit for the year	8,632	7,778
340. Profit for the year attributable to non-controlling interests	2,502	2,687
350. Profit for the year attributable to the owner of the parent	6,130	5,091

STATEMENT OF COMPREHENSIVE INCOME
(in thousands of Euros)

Items	Year of operations 2021	Year of operations 2020
10. Profit for the year	8,632	7,778
Other comprehensive income after taxes that will not be reclassified to profit or loss		
20. Equity instruments at fair value through other comprehensive income	3,390	906
70. Defined benefit plans	15	110
90. Share of valuation reserves of equity-accounted investments	(34)	20
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	(645)	1,033
170. Total other comprehensive income after tax	2,726	2,069
180. Comprehensive income (Items 10+170)	11,358	9,847
190. Comprehensive income attributable to non-controlling interests	2,563	2,726
200. Comprehensive income attributable to owners of the parent	8,795	7,121