

Sparkasse approves preliminary results as of 30/06/23. The financial statement for the new group, which includes CiviBank, also benefits from the subsidiary's positive results. Consolidated profit amounts to EUR 50.4 million.

The Board of Directors of Cassa di Risparmio di Bolzano, chaired by Gerhard Brandstätter, today approved the results at bank and group level as of 30th June 2023. This half year marks the first time that the figures reflect the scale of the new group, which includes the two banks, without being influenced by the extraordinary items that characterised the previous year.

Consolidated financial statement:

- ✓ There was an increase in **direct deposits from customers**, which net of repurchase agreements rose from EUR 11.24 to **EUR 11.31 billion**, with **growth of 0.6%** reflecting the excellent level of customer confidence in the Group's banks and despite strong competition.
- ✓ Investment advisory services continued to expand, with net flows of new investments from customers into investment products reaching **EUR 98.6 million**. Given positive subscription flows and good financial market performance, investment products increased **by 6.8%**, for a total of **EUR 3.1 billion** underpinning the positive long-term trend.
- ✓ Total **loans to customers** recorded a slight contraction, declining from EUR 10.27 to **EUR 10.09 billion (-1.8%)** as a result of the system-wide decline in demand for loans in recent months.

Consolidated income statement:

- ✓ **Net interest income amounted to EUR 154.0 million**, higher than the pro forma figure of 30 June 2022, which was EUR 139.7 million **(+10.3%)**. The general rise in interest rates has also led to a better performance of coupon products within the securities portfolio.
- ✓ **Net commissions amounted to EUR 64.4 million**, unchanged from the corresponding period the previous year.
- ✓ **The net financial result** amounted to **EUR 1.6 million**, in line with the normalised figure the previous year of EUR 1.7 million.
- ✓ **Credit risk provisions totalled EUR 23.1 million** , significantly lower than the EUR 45 million recorded in the first half of 2022.
- ✓ Normalised **operating costs** amounted to **EUR 128.1 million, slightly higher than the pro forma figure for the corresponding period the previous year (+1.9%)**. In detail, personnel expenses amounted to EUR 72.0 million, while other administrative expenses amounted to EUR 54.4 million.
- ✓ **Net allocations to provisions for risks and charges** amounted to **EUR 2.3 million**.
- ✓ **Consolidated profit amounted to EUR 50.4 million** of which the parent company's share amounted to EUR 47.9 million.

Main consolidated group ratios and indices

- ✓ The indicators relating to credit quality demonstrate excellent values. **The non-performing loans indicator (NPL ratio) stood at 3.7%, while the net level was 1.9%**. Impaired loan coverage stood at **49.1%**.
- ✓ Improved capital ratios: **the CET1 Ratio (phased in) reached 13.0%** , compared with 12.6% as of 31/12/2022, with **a capital surplus of more than 400 basis points** compared with regulatory minimums (SREP limits).
- ✓ Operational efficiency improved, with the **Cost Income Ratio** falling to **55.2%** from 56.9% at the end of the first half of 2022 (excluding non-recurring items)
- ✓ In terms of **liquidity**, the relevant indicator, the **Liquidity Coverage Ratio (LCR)**, showed strong growth, increasing from 188% at the end of 2022 to **233%** as of 30th June 2023.

Volume trends and main income statement data for Sparkasse

- ✓ There was also an increase in **direct deposits from customers**, which net of repurchase agreements rose from EUR 8.05 to **EUR 8.16 billion**, with **growth of 1.3%** reflecting the excellent level of customer confidence in the bank.
- ✓ Savings advisory services continue to grow, with net flows of new investments from customers into investment products reaching **EUR 82.6 million**, an increase of **7.2%** due to positive subscription flows and good financial market performance. **Total investment products** amounted to **EUR 2.23 billion** underpinning the positive long-term trend.
- ✓ **Total loans to customers** were essentially unchanged, going from EUR 6.75 to **EUR 6.71 billion (- 0.5%)**, confirming Sparkasse's ability to support the economy of the region in which it operates.
- ✓ In terms of income, **net interest income amounted to EUR 98.5 million**, up from EUR 93.4 million as of 30 June 2022 (**+ 5.4%**). The effects of the general rise in interest rates and the good performance of coupon bearing instruments within the securities portfolio contributed to this result. **Net commissions amounted to EUR 47.0 million** and were higher than in the corresponding period of the previous year (**+3.1%**). **The net financial result** amounted to **EUR 1.4 million**.
- ✓ **Operating costs** amounted to **EUR 88.9 million**. In detail, personnel expenses amounted to EUR 46.9 million, while other administrative expenses amounted to EUR 36.4 million. Net value adjustments for tangible and intangible assets stood at EUR 12.4 million.
- ✓ **Credit risk costs** stood at **EUR 5.9 million**. This amount proves and confirms that Sparkasse has taken the right path, applying the same careful and proactive policy for risk monitoring and management as it has done for several years now.
- ✓ **Net profit for the period** amounted to **EUR 36.0 million**. The figure for 2022 was positively affected by the "extraordinary" result of the item relating to credit risk (a positive EUR 5.5 million), following the significant write-backs recorded in the period.

Volume trends and main income statement data for the CiviBank subsidiary

- ✓ There was an increase in **direct deposits from customers**, which net of repurchase agreements rose from EUR 3.27 to **EUR 3.31 billion**, with **growth of 1.4%** reflecting the excellent level of customer confidence in the bank.

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- ✓ The savings advisory services continue to grow, with net flows of new investments from customers into investment products of **EUR 16.0 million**. Overall the positive subscription flows and good financial market performance led to an increase in investment products of **5.7%** reaching a total of **EUR 882 million**, underpinning the highly positive long-term trend.
 - ✓ Total **loans to customers** slightly decreased from EUR 3.52 to **EUR 3.37 billion (-4.2%)**, confirming CiviBank's ability to support the economy of the region in which it operates, even at a time of reduced credit demand.
 - ✓ In terms of income, **net interest income amounted to EUR 49.0 million**, up from EUR 45.9 million as of 30 June 2022 (**+ 6.7%**). The effects of the general rise in interest rates and the good performance of coupon paying instruments in the securities portfolio contributed to this result. **Net commissions amounted to EUR 17.4 million** and were lower than in the corresponding period of the previous year (**-7.6%**). **The net financial result** amounted to **EUR 0.5 million**.
 - ✓ **Operating costs** amounted to **EUR 35.8 million**. In detail, personnel expenses amounted to EUR 19.2 million, while other administrative expenses amounted to EUR 17.2 million. Net value adjustments for tangible and intangible assets stood at EUR 2.1 million.
 - ✓ **Credit risk costs** stood at **EUR 16.6 million**, as the bank pursued a careful policy of risk monitoring and management after joining Sparkasse Group.
 - ✓ **Net profit for the period** reached **EUR 8.4 million**, a marked improvement compared with the loss of the corresponding period the previous year (-EUR 19.6 million). The half-year figure for 2022 was affected by the "extraordinary" effects of some items as a result of the alignment to the bank's new policies.

"The first half of 2023 is representative of the scale of the new group. After the acquisition of CiviBank in 2022, which had an impact on the balance sheet last year as a result of several extraordinary items, the first positive effects of the Group's new subsidiary can be seen this year as it contributed to the consolidated first-half result with a profit of EUR 8.4 million. More generally, the positive trend, characteristic of Sparkasse's results in recent years, continues and this year is marked yet again by solidity, low risk exposure and good commercial dynamics," said Chairman **Gerhard Brandstätter**.

"After last year's acquisition, Sparkasse group is now one of the main banking players in northeast Italy, while at the same time confirming its leading role in supporting the historical region of the province of Bolzano," added Vice President **Carlo Costa**.

"The key elements of this half-year period are the confirmation of a good earnings capacity and the growth of advisory services. Despite some uncertainty and volatility in the first half of the year, the growth of direct and indirect deposits is a sign of customers' growing trust in the bank and the group," concluded CEO and General Manager **Nicola Calabrò**.

Financial highlights and performance indicators – half year 2023

Financial data (consolidated)		30/06/2023	31/12/2022
Direct deposits (1)	EUR bln	11.3	11.2
Investment products	EUR bln	3.1	2.9
Gross lending	EUR bln	10.1	10.3

Income data (consolidated) (2)		30/06/2023	31/12/2022
Net interest income	EUR mln	154.0	139.7
Net services income	EUR mln	64.4	64.4
Net financial income	EUR mln	1.6	1.7
Net banking income	EUR mln	220.0	205.8
Personnel expenses	EUR mln	-72.0	-69.0
Administrative expenses	EUR mln	-54.4	-52.7
Credit risk cost	EUR mln	-23.1	-45.5
Normalised net profit	EUR mln	45.0	31.1
Balance sheet net profit	EUR mln	50.4	154.8

Note

(1) Direct deposits from customers net of repurchase agreements "MTS Repo".

(2) The income data are normalised for non-recurring items. The results as of 30.06.2022 are also attributable to the pro forma items, taking into consideration the first-half contribution to income of the CiviBank subsidiary.

Dati di sintesi e indicatori di performance - semestrale 2023

Dati patrimoniali (consolidato)		30/06/2023	31/12/2022
Raccolta diretta ⁽¹⁾	€ mrd	11,3	11,2
Raccolta gestita	€ mrd	3,1	2,9
Impieghi lordi	€ mrd	10,1	10,3

Dati economici (consolidato) ⁽²⁾		30/06/2023	30/06/2022
Margine da interessi	€ mio	154,0	139,7
Margine da servizi	€ mio	64,4	64,4
Margine finanziario	€ mio	1,6	1,7
Margine di intermediazione	€ mio	220,0	205,8
Spese del personale	€ mio	-72,0	-69,0
Spese amministrative	€ mio	-54,4	-52,7
Costo del rischio credito	€ mio	-23,1	-45,5
Utile netto normalizzato	€ mio	45,0	31,1
Utile netto a bilancio	€ mio	50,4	154,8

Note

(1) Raccolta diretta da clientela al netto delle operazioni pronti contro termine "MTS Repo".

(2) I dati economici sono normalizzati delle componenti non ricorrenti. I risultati al 30.06.2022 sono inoltre riconducibili alle voci pro-forma, considerando il contributo economico del primo semestre della controllata CiviBank.

For further information:

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