

## **Preliminary results as of 31st December 2022.**

**Profit continued to grow at both the individual and consolidated group level. Results also benefit from non-recurring items. Consolidated net income EUR 175.4 mln  
Individual profit Sparkasse 74.7 mln. EUR.**

At today's meeting the Board of Directors of Cassa di Risparmio di Bolzano, chaired by Gerhard Brandstätter, approved the preliminary individual and consolidated balance sheets and profit and loss accounts as of 31<sup>st</sup> December 2022 in order to determine the regulatory equity capital.

**Profit at the consolidated level** reached **EUR 175.4 million** (mln) and at the Parent Company's **individual level EUR 74.7 mln**. Individual net income tops the record results achieved the previous year **(+4,7%)** and represents the best result in the bank's history. Group net income in turn shows, in absolute value, the best performance ever achieved.

Influencing the 2022 results, at the consolidated level, were the positive effects of the acquisition of CiviBank and, more generally, the increase in net interest income, to which the income from the treasury portfolio also contributed significantly.

## **Individual Profit and Loss account of Sparkasse**

Going into the details of the **parent company's profit and loss account**, the excellent result can be attributed, first and foremost, to a significant growth in **revenues**.

**Net interest income** amounted to **EUR 202.3 mln** and increased by **36.8%** compared to 2021, due to the change of interests rates linked to the ECB's monetary policy decisions and to the excellent performance of the coupon component of the securities portfolio.

**Revenues from services** amounted to **EUR 94.1 million** and grew by **0.1%** compared to the record result of the previous year, confirming the trend of increasing diversification in 2022.

**Financial Income** amounted to **EUR 8.9 mln**. The comparison with the 2021 figure is negative, due to the presence of significant extraordinary items last year.

**Operating expenses** amounted to **EUR 205.1 mln**, an increase of **21.9%**, and were influenced not only by the launch on an early retirement manoeuvre that costs **EUR 12.2 mln**, but also by higher costs related to energy price increases as well as an increase in

depreciation, in the face of significant investments made in recent years and aimed at strengthening and innovating the bank.

As a result of the above-mentioned dynamics of revenues and costs with a balanced growth of the two components, the level of efficiency remained good, measured by the “cost income ratio” indicator, which, net of the non-recurring cost/revenue components linked to the aggregation transaction, stood at **55.91%**, basically in line with the previous year’s value (55.23%). It should also be noted in this regard that the contribution made by the record amount of 2022 revenues, to which the growth in interest margin component in particular contributed (coupon yield of the securities portfolio and still positive remuneration of ECB loans), will be difficult to repeat in the financial year of 2023.

## Principal dimensional data of the new group

- ✓ The new group’s stock of **gross loans to customers**, including CiviBank, amounted to **EUR 10.3 billion**
- ✓ **Direct customer deposits** amounted to **EUR 12.3 billion**
- ✓ Total **assets under management** amounted to **EUR 2.9 billion**
- ✓ Total group assets amounted to **EUR 17.5 billion**
- ✓ The new group has **more than 300,000 customers** and the whole distribution network comprises **170 branches**.

New medium-/long-term **credit disbursements** during the year amounted to **EUR 1,920 million**, of which EUR 1,369 million to businesses and EUR 552 million to households.

New inflows to **managed investment products** amounted to **266 million EUR** and were affected by the period of uncertainty and high volatility of the financial markets, which led investors to favour temporary solutions for depositing their liquidity. On the other hand, this dynamic was positively reflected in direct deposits, which grew by EUR 633 million (including MTS repos) thanks to the increase in deposits and current accounts.

Principal ratios of the new Group				
	Sparkasse	CiviBank	Group	
<b>Capital Ratios*</b>				
CET 1	13.7%	14.6%	12.6%	
TIER 1	14.5%	14.6%	13.3%	
TCR	15.5%	14.9%	14.2%	
	Sparkasse	CiviBank	Sparkasse + CiviBank**	Consolidated***
<b>NPL ratios</b>				
NPL gross	3.4%	6.9%	4.6%	3.6%
NPL net	1.2%	3.6%	2.0%	1.9%
Coverage of NPL	66.3%	50.4%	58.1%	47.2%
<i>* phased in</i>				
<i>** weighted average of sum of individual data (without PPA corrections)</i>				
<i>*** CiviBank NPL stated at fair value</i>				

In the consolidated view, **NPL ratios settled at excellent values: gross ratio at 3.6% and net ratio at 1.9%**, benefiting from the significant increase in value adjustments for credit risk realised with reference to CiviBank, also as a result of the PPA. Coverage for impaired loans reached **47.2%**. This indicator was adversely affected by the application of the accounting standard envisaged with reference to aggregation transactions, which envisages accounting for the acquired bank's loans at their fair value.

2022 was a year of particular complexity due to the acquisition of CiviBank, as well as to changed conditions of the macroeconomic framework and the instability of the financial markets. The acquisition of control of the Friulian bank, following the launch of a very successful takeover bid, resulted in a 79.1% share of the capital. This operation immediately entailed a significant capital absorption at group level. The integration plan and the new industrial plan, to be launched in 2023, will aim to improve all indicators in order to characterise the new group with values of excellence and, as regards risk, to harmonise values between the two banks.

The potential for development and revenue generation will also allow the creation of a group that will be able to stand out for its capacity for growth and its role as a leading institution in the territories in which it operates. The important synergies that can be realised between the two banks will allow administrative and personnel costs to be reduced over the next three years, thanks to the efficiency that the new strategic plan will be able to express.

The instability of the second half of 2022, which generated a framework of uncertainty, will hopefully be overcome in the course of 2023. Despite the tensions in the financial markets, the bank was nevertheless able to successfully provide its advice and support, confirming even in a difficult year, its role as a savings Bank close to its customers, especially at times when they need guidance and reassurance.

President **Gerhard Bandstätter** commented: *"2022 is a year of important achievements and changes. The record results are very satisfying and the growth of the group with the acquisition of CiviBank is the result of a strategic choice strongly desired by the Board of Directors. The first three years will be dedicated to the integration plan that aims to equip CiviBank with the credit policies that have made Sparkasse the bank with the lowest level of non-performing loans in the Italian banking system. We are convinced of the important opportunity offered by this operation that positions our bank as the most important territorial reality in the North East. Dividends can also be distributed this year and in this sense in March the Board of Directors will formulate a proposal that we trust will be of great satisfaction to shareholders."*

Vice President **Carlo Costa** adds: *"When we decided to grow through the acquisition, we aimed to create the conditions for greater sustainability in the future. In the medium to long term the group will be stronger and more able to maintain its presence in the market to the benefit of customers and shareholders."*

CEO and General Manager **Nicola Calabrò** concludes: “2022 was a year of great challenges. Our bank was able to execute the extraordinary transaction and at the same time also to reach its commercial targets. The context in which we operated was complex, but the preparation and expertise of the Sparkasse team allowed us to gain the trust of our customers in 2022 who increasingly choose our bank for their savings management or insurance needs or to finance their projects. We are convinced that, in the coming years the new group will be able to achieve important goals also thanks to the synergies with the new bank CiviBank.”

### Preliminary Results : individual and consolidated Profit & Loss accounts

Sparkasse				
(in thousands €)	2022	2021	Δ vs LY	Δ % vs LY
Interest margin	203,302	148,573	54,729	36.8%
Net fee and commission income	94,240	94,137	103	0.1%
Financial margin	8,897	38,899	-30,003	-77.1%
Total earnings (A)	306,439	281,609	24,830	8.8%
Personnel expenses	-112,893	-90,118	-22,776	25.3%
Administrative expenses	-63,958	-60,097	-3,860	6.4%
Amortization (IFRS 16)	-12,549	-12,058	-491	4.1%
Amortization	-9,899	-7,961	-1,938	24.3%
Other income	11,349	14,608	-3,259	-22.3%
Extraordinary contribution National Deposit Protection + National Resolution	-13,225	-12,439	-786	6.3%
Total costs (B)	-201,174	-168,064	-33,110	19.7%
Gross income - Costs (A-B)	105,264	113,544	-8,280	-7.3%
Provisions for credit risk	3,588	-10,439	14,027	-134.4%
Risk Fund other items	-2,548	-2,698	149	-5.5%
Gross result	106,303	100,407	5,896	5.9%
Taxes	-31,620	-29,088	-2,532	8.7%
Net result	74,683	71,319	3,364	4.7%

## Sparkasse Group

(in thousands €)	2022	2021	Δ vs LY	Δ % vs LY
Interest margin	266,400	149,363	117,036	78.4%
Net fee and commission income	114,866	94,001	20,864	22.2%
Financial margin	3,076	27,953	-24,878	-89.0%
Total earnings (A)	384,342	271,318	113,023	41.7%
Personnel expenses	-143,500	-91,791	-51,709	56.3%
Administrative expenses	-76,762	-62,840	-13,923	22.2%
Amortization (IFRS 16)	-6,706	-4,304	-2,402	55.8%
Amortization	-14,759	-11,609	-3,150	27.1%
Other income	121,201	17,611	103,589	588.2%
Extraordinary contribution National Deposit Protection + National Resolution	-18,896	-12,439	-6,457	51.9%
Total costs (B)	-139,422	-165,371	25,949	-15.7%
Gross income - Costs (A-B)	244,919	105,947	138,972	131.2%
Provisions for credit risk	-46,538	-10,730	-35,808	333.7%
Risk Fund other items	1,542	-2,320	3,862	-166.5%
Gross result	199,924	92,898	107,026	115.2%
Taxes	-27,783	-20,289	-7,494	36.9%
Third party FY loss/profit	3,242	0	3,242	na
Net result	175,384	72,609	102,775	141.5%

**For information:**

Cassa di Risparmio di Bolzano SpA - [sparkasse.it](http://sparkasse.it)

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