



**SPARKASSE**  
CASSA DI RISPARMIO

Press release 7<sup>th</sup> August 2019

SPARKASSE RESULTS AS OF 30<sup>th</sup> JUNE 2019:

**Growing profitability, stronger balance sheet and fewer risks.**

**Consolidated net profit of 14.6 million euro and individual net profit of 14.5 million euro.**

The half-yearly results as at 30<sup>th</sup> June 2019 have been presented to the Board of Directors of Cassa di Risparmio di Bolzano, chaired by Gerhard Brandstätter, The figures confirm the positive trend of the bank in recent years. At the consolidated group level, net profit amounted to 14.6 million euro, while the bank registers a half-yearly net profit of 14.5 million euro. Of particular importance is the indicator measuring credit risk (NPL ratio), which decreases to the level of net 3%, allowing Sparkasse to reach the goal for the Italian banking system for the end of 2021 indicated by the Governor of the Bank of Italy in the report dated 31<sup>st</sup> May.

The bank continues to strengthen from a commercial standpoint and in terms of its capital ratios. The goals reached in the first half of 2019 confirm the ability of the bank in pursuing the targets of the strategic plan, reaching and in some cases exceeding the goals set out in the plan. Of particular importance are the excellent results achieved in the growth in investment product volumes and in the granting of new loans to households and enterprises.

The main results of the first half of the year at the consolidated level are as follows:

**Balance sheet items as at 30/06/19 and changes with respect to 31/12/18**

✓ Direct funding from customers represented by current accounts and deposits amounted to 6.769

billion euros, up 0.9% from 6.707 billion at the end of the year

✓ Volume of investment products, mainly represented by mutual funds, amounted to 1.519 billion

euro, up 10.5% on the 1.374 billion at the end of 2018

- ✓ Total gross loans to customers amounted to 5.814 billion euros (excluding financial assets measured at amortized cost), up 0.9% from 5.761 billion at the end of 2018
- ✓ Gross impaired loans amount to 439 million euro and are down by 12.7% compared to 503 million at the end of 2018
- ✓ New medium-term loans granted to households and businesses for a total of 543 million euro, an increase of 23.1% compared to the 441 million granted during the same period in 2018
- ✓ The balance sheet total amounts to 9.3 billion euros, up 2.5% from 9.1 billion euros at year end 2018

#### **Income statement items at 30.06.19 and changes with respect to 30.06.18**

- ✓ Revenues from services reached a record level of 41.4 million euros, up 3.3%.  
compared to 40.1 million in the same period of 2018
- ✓ Total operating costs amounted to 76.96 million euro a rise of 3,2%, net of provisions for risks and charges compared to the same period of 2018, due to the effect of investments and new projects aimed at fostering growth
- ✓ The group's consolidated net profit rose to 14.6 million euro, compared with 4.1 million in the first half of 2018
- ✓ The bank's net profit for the year amounted to 14.5 million euro compared to 14.3 million for the same period of the previous year

The improvement of the various indicators is also of particular importance.

### **Capital and liquidity indicators as at 30/06/19 and changes with respect to 31/12/18**

✓ Solidity: Cet1 Ratio\* at 12.61%, up from 12.30% at the end of 2018 (4.41 percentage points above the SREP requirements for 2019).

Total Capital Ratio\* at 14.01%, up from 13,78% at the end of 2018

✓ Liquidity: LCR Ratio at 176.0% from 182.7% in 2018, well above the minimum required level

\*IFRS 9 phased-in capital ratios

### **Risk indicators as of 30/06/19 and changes with respect to 31/12/18**

✓ Loan portfolio risk: NPL ratio - gross at 7.5% (8.7% at 31/12/18)

✓ Credit portfolio risk: NPL ratio - net at 3.0% (4.0% at 31/12/18)

✓ Level of Coverage of NPL, a measure of prudence, was

62.3% up from 56.4% at the end of 2018

✓ Texas Ratio, which compares the weight of NPL with the sum of tangible common equity capital and loan loss reserves was registered at 23.7% an improvement on 32.0% at the end of 2018

### **Efficiency indicators as of 30.06.19 and changes with respect to 31.12.18**

✓ Operating efficiency: Cost income ratio (CIR) at 70.2%, slightly higher than at the end of 2018 when it was 68.8%. The increase is due to investment costs for strategic objectives incurred in the first half of 2019

President Gerhard Brandstätter stated: "The Board of Directors is particularly satisfied with these results. The strategic plan is based on the ability of the bank to express a commercial vitality and to strengthen its capital base. The decisions taken in recent years have made it possible to achieve the goals set, year by year, and also in 2019 the bank has improves its fundamentals. We will

continue in this direction and we are convinced that the year in progress could further evolve in positive terms."

Vice President Carlo Costa adds: "The bank continues to demonstrate that it can maintain its commitments to shareholders. The financial statements as at 30<sup>th</sup> June 2019 reveal indicators representative of a bank that is sound. We believe that Sparkasse can continue to be an important reference point. In fact, the bank continues to make a significant contribution to the development of the economy of the territories in which it operates."

The Chief Executive Officer and General Manager Nicola Calabrò commented: "We present half-yearly accounts that reflects management's desire to create value for shareholders. For four years we have continued to improve profitability and strengthen capital ratios. The risks, as evidenced by the indicator of non-performing loans are now at a level that places Sparkasse among the best 5 banks in Italy. And the same applies to the level of prudence expressed by the index of coverage for these npls. In addition to this, the bank is growing its offering of services and is investing in technological innovation. The growth in volumes testifies to the satisfaction of customers and they encourage us to want to further improve our skills."