

BANCA VALSABBINA: THE SHAREHOLDERS' MEETING APPROVES THE 2020 FINANCIAL STATEMENTS

Net profit of Euro 24.3 million, up 20%. A unit dividend of Euro 0.13 per share was approved The Board of Statutory Auditors and Directors Fiori and Niboli were confirmed

Brescia, 31 March 2021 - During today's meeting, which was held exclusively through the Appointed Representative and therefore without the attendance in person of the shareholders, the Shareholders' Meeting of Banca Valsabbina approved by a very large majority the Financial Statements for the year ended 31 December 2020. In order to ensure the ban of gathering and to prevent any possibility of infection, the continuation of the health emergency has made it necessary also for this year to resort to a method of carrying out the Shareholders' Meeting that would protect the health of shareholders, employees, consultants and others usually involved in the Meeting. Therefore, based on the provisions of the "Cura Italia" Decree and subsequent regulatory updates, the Bank carried out the meeting works behind closed doors at its General Management, with the attendance of shareholders through an appointed representative who collected proxies and voting instructions for each item on the agenda, pursuant to Article 135-undecies of Italian Legislative Decree no. 58/98 (known as T.U.F. (Consolidated Law on Finance)).

In addition to the approval of the Financial Statements for the year 2020, the Shareholders' Meeting also appointed two Directors due to expiry of their term of office, one of whom replaced a Director who had resigned pursuant to Article 31 of the Articles of Association. Board members Eliana Fiori and Pier Andreino Niboli were confirmed.

The other items on the agenda were also approved by a very large majority, accepting the proposals made by the Board of Directors concerning:

- the appointment of the Board of Statutory Auditors, its Chairman and the determination of the annual emolument due to the Statutory Auditors for the three-year period from 2021 to 2023.
- the approval of the new document on Remuneration Policies;
- the determination of the annual remuneration to be paid to the Board of Directors;
- the authorisation to purchase and sell own shares, in accordance with the law, through the use of the Provision for purchase of own shares.

The Shareholders' Meeting - in compliance with the provisions of the Bank of Italy - also approved the distribution of a **unit dividend of Euro 0.13 per share**, which will be payable on the value date of 14 April 2021.

The financial statements just approved show a **profit before taxes of Euro 33.7 million** (+31% compared to 2019) and a **net profit of Euro 24.3 million, up 20%** compared to last year. This figure confirms the good performance of the Bank that, despite the context affected by the crisis caused by the pandemic, was still able to generate value for shareholders. This is further confirmed by the **ratio of profit to average shareholders' equity ("ROE")**, the main indicator of company profitability, which is 6.8%, one of the best among so-called traditional banks.

We would like to thank our customers and our shareholders for the trust they have placed in the Bank that, together with the commitment of all the Bank's employees, have made it possible to achieve the best result in the Bank's history, despite the extremely difficult situation that characterised 2020, said Renato Barbieri, Chairman of Banca Valsabbina. The figures that emerge from the Financial Statements confirm the solidity and reliability of our Bank and allow us to look to the future with greater serenity, a future in which we want to continue to make the Bank more efficient and give stability to the results obtained so far, but in which, above all, we want to continue to support local families and businesses, to overcome this difficult time together".

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The table below shows the main balance sheet values as at 31 December 2020 and the comparison with the previous year.

<i>Figures in thousands of Euro</i>	December 2020	December 2019	% change
Direct deposits	4,300,554	3,829,808	12.29%
Indirect deposits	2,145,273	2,110,635	1.64%
<i>of which: managed</i>	<i>1,456,401</i>	<i>1,280,773</i>	<i>13.71%</i>
Total deposits	6,445,827	5,940,443	8.51%
Loans to customers	3,414,683	3,136,303	8.88%
<i>of which: performing</i>	<i>3,274,966</i>	<i>2,959,693</i>	<i>10.65%</i>
<i>of which: non-performing</i>	<i>139,717</i>	<i>176,610</i>	<i>-20.89%</i>
Net non-performing loans/net loans	4.09%	5.63%	
<i>of which: bad loans/net loans</i>	<i>2.39%</i>	<i>3.06%</i>	
Own Funds phased-in	407,446	401,675	1.44%
CET 1 Ratio phased-in	15.92%	14.43%	
TIER TOTAL Ratio phased-in	17.11%	15.77%	
Shareholders' equity	373,636	346,737	7.76%
Net profit	24,339	20,303	19.88%

In 2020, **direct deposits** rose to Euro 4,301 million, up 12% on 2019. This positive trend is due both to the results of commercial activity and to the prudent and conservative attitude of savers in the face of the uncertainty caused by the pandemic. In fact, deposits on current accounts increased (+21%), although the contribution of time deposits - which include the well-established online Twist deposit account - and bonds remains important.

Indirect deposits amounted to Euro 2,145 million, up 1.6% despite the market trend being affected by the uncertain performance of stock prices. Indirect deposits relating to mutual funds and insurance policies increased by 14% to Euro 1,456 million, confirming the effectiveness of the Bank's commercial policy, which is characterised by a wide range of products and the support of a constantly growing network of "Private Bankers". Therefore, **total deposits** stood at Euro 6,446 million (+8.5%).

Loans to customers amounted to Euro 3,415 million, up 9% on 2019. These included performing loans to customers amounting to Euro 3,275 million (+10.7%). During 2020, the Bank made available to customers the legal or ABI interbank moratory instruments, as well as the liquidity instruments provided for by government decrees. In this respect, some 6,000 moratoria on loans were approved in 2020, accepting almost all the requests received, in order to enable customers to overcome this difficult time.

At the same time, **new medium-term disbursements** reached record levels, with around 7,200 new loans granted for a total amount of over Euro 970 million (+ 64% compared to Euro 594 million in 2019), of which around 4,500 backed by the Guarantee Fund (ex 1,330) for a total financed amount of Euro 570 million (Euro 238 million in 2019).

With regard to the **regulatory capital ratios** (*phased in*), an increase was recorded with the Common Equity Tier 1 Ratio (Cet 1) at 15.9% and the Tier Total Ratio at 17.1%, up compared to 2019 (Cet 1 Ratio at 14.4% and Tier Total Ratio at 15.8%). The increase in capital ratios took into account both regulatory changes and the allocation of the 2019 profit for the year, in compliance with the directives issued by the Bank of Italy in the context of the pandemic emergency.

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Capital ratios remain high and well above those required by the Supervisory Authority.

The number of **current accounts** opened at the Bank's seventy branches increased by 3%, from 87,653 in 2019 to 90,619 in 2020, confirming the effectiveness of the strategy adopted, which aims to best develop the services offered in the territories in which the Bank operates by presiding over the main provincial capitals in Northern Italy. It is worth mentioning the opening of the second branch in Milan last October and the expectation of a new branch in another provincial capital by the end of the year.

The rapid and forced development of the banking market requires a clear strategy for commercial and marketing development, renewing the range of products and services and also creating new business segments. Among the various initiatives, it should be noted that the procedures for supporting customers in the realisation of **Superbonus 110%** interventions have been defined, making available dedicated credit lines and structuring an effective process for the sale and purchase of these loans, which has already made it possible to formalise the purchase of some portfolios.

In synergy with its subsidiary **Integrae SIM**, it is also continuing to support companies that intend to list on the AIM market of Borsa Italiana in order to sustain their growth. In order to seize new opportunities and offer further services to its customers, Banca Valsabbina continues to focus on the **Fintech** world, where it continues to collaborate with its subsidiary **Satispay**, and is evaluating further partnerships with companies operating in this sector, also as part of the updating of its strategic guidelines.

Finally, with reference to the results for the first three months of 2021, it should be noted that the figures are in line with last year's performance.

Banca Valsabbina S.C.p.A.
Chairman of the Board of Directors
Renato Barbieri

(*) Communication of privileged information pursuant to current regulations, sent today to the press agencies Adnkronos, Ansa and Radiocor at 11:30 a.m.

Banca Valsabbina is a joint-stock cooperative company founded in 1898. It is the main Cooperative Bank of Brescia and for over one hundred and twenty years it has supported the growth and economic development of the territory, acting both for households and for artisans, small businesses and SMEs. It operates through a network of 70 branches: 46 in the province of Brescia, 8 in the province of Verona and 16 in the provinces of Bergamo, Bologna, Mantua, Milan, Modena, Monza-Brianza, Padua, Reggio Emilia, Turin, Trento, Treviso, Vicenza and Cesena. It employs around 690 people, manages assets of almost Euro 10 billion and has a solid capital base, with a *CET 1 ratio* of around 16%.

Press Office: Marco Albanesi - +39 329 3987262 - marco@albanesipr.com