

Volksbank records growth in H1 2021 with a net profit of over Euro 50 million

The BoD has approved with satisfaction the 2021 half-yearly results of Volksbank, which confirm its role as a support to households and businesses in the North East, with volumes under administration exceeding Euro 20 billion for the first time ever. Revenues are up to over Euro 170 million, with improvement in both capital efficiency and strength. Tangible equity per share is up to Euro 16.5, compared to Euro 15.0 one year ago.

The results for the first half of 2021 regard the first period subsequent to approval of the "*Sustainable 2023*" *Business Plan*, which took place last 18 December.

Volksbank records a **net profit of over Euro 50 million**, demonstrating the success of the strategic direction that was undertaken and optimising on the excellent quality of implementation. Among the main results, mention goes to:

- **sharp growth in volumes and customers** (volumes under administration exceed Euro 20 billion for the first time), driven by **excellent quality of customer service**, further confirmed by internal and public satisfaction surveys;
- double-digit increase in fees, evidence of the Bank's improved capacity to offer **value added services** to customers, thereby increasing the value of the relationship;
- careful **management of the Bank's treasury**, leading to highly positive results which amounted to over Euro 50 million gross;
- good level of cost containment, which confirms the **good efficiency** with which the Bank is managed and its capacity to provide digital services to customers;
- **careful risk management**, particularly of the non-performing loans portfolio, with a gross NPL of below 6% and a net NPL ratio dropping down to 2.6%;
- increase in the **Bank's solidity**, with shareholders' equity up to Euro 815 million, from Euro 751 million twelve months ago;
- a **one-off benefit** of approximately Euro 14 million, following the application of a tax benefit on property.

Chairman Lukas Ladurner observed, “The results of the first half of 2021 for Volksbank are the culmination of excellent work by all employees, whom I thank personally. We will continue to support households and business in the territory to relaunch their post-pandemic activities. These results, which also benefit from the positive one-off economic effects, reassure us on the possibility of achieving the objectives set out in our Sustainable 2023 Business Plan. As already pre-announced, these results will enable us to again propose the distribution of dividends, in compliance with the guidelines of the Supervisory Authority”.

General Manager Alberto Naef added, “We are very satisfied with the results achieved in the first half of 2021 - which project the Bank towards a double-digit ROE for 2021 - and with the progress achieved in the implementation of our Sustainable 2023 Business Plan, which is proceeding in line with forecasts. This half-yearly report marks an important moment in Volksbank's relaunch activities, which are moving forward with determination, and which will allow the Bank to play an increasingly active role for the economy in the North East, to the satisfaction of all stakeholders - customers, employees, territories, suppliers and shareholders”.

Summary data

Main income statement items	30.06.2020	30.06.2021	Abs. change	% change
<i>(figures in €/000)</i>				
Net interest, fees and commission income	125,591	128,914	3,323	2.6%
Other operating income	4,141	44,883	40,742	983.9%
Net operating income	129,732	173,797	44,065	34.0%
Operating costs	(78,025)	(83,258)	(5,233)	-6.7%
Operating profit (loss)	51,707	90,539	38,832	75.1%
Profit (Loss) before taxes	8,865	49,725	40,860	460.9%
Income taxes	(2,817)	569	3,386	120.2%
Profit (loss) for the year	6,048	50,294	44,246	731.6%

Main balance sheet figures	30.06.2020	30.06.2021	Abs. change	% change
<i>(figures in € mln)</i>				
Direct funding	8,326	8,613	287	3.4%
Indirect funding by customers (excluding Volksbank shares)	3,266	3,966	700	21.4%
Gross loans to customers	7,492	7,723	232	3.1%
Volumes under administration	19,083	20,302	1,219	6.4%
Shareholders' Equity	751	815	64	8.5%

Solidity ratios	June 2020	June 2021
CET 1 ratio	13.3%	15.4%
Total Capital Ratio	15.6%	17.9%
Net NPL Ratio	3.5%	2.6%
Texas ratio	53.3%	43.4%
Degree of non-performing loan hedging	54.9%	58.0%
Degree of performing loan hedging	0.8%	1.2%
Cost-income ratio	60.1%	47.9%

Contacts:

Banca Popolare dell'Alto Adige Spa
Media Relations

Maria Santini
Tel. +39 0471 996548
Cell. +39 334 6353522
maria.santini@volksbank.it

This *price-sensitive* press release, drafted pursuant to art. 109 of the Issuers' Regulations (Consob Resolution no. 11971/1999) and art. 114 of the Consolidated Law on Finance (Legislative Decree no. 58/1998), is published on the "e-market SDIR" Regulated Information Distribution System at www.emarketstorage.com and on the corporate website www.volksbank.it.

Volksbank (founded in 1886), with registered office in Bolzano, is a regional bank in Alto Adige, its original market, and in North-East Italy in the Provinces of Trento, Belluno, Treviso, Pordenone, Vicenza, Padua and Venice. Volksbank has a total of 159 branches. The bank has approximately 1,300 employees.