

PRESS RELEASE

Mediocredito Centrale: approval of draft separate financial statements 2021

- **Net income of 86.5 million (+69% compared to 2020, equal to 51.3 million);**
- **Cet 1, Tier 1, Total Capital ratio: 22.91% (21.03% as at 31 December 2020);**
- **Guarantee Fund for SMEs (Fondo di Garanzia per le PMI): commission income equal to 154 million (107.6 million as at 31 December 2020);**
- **Loans to customers: 2,466 million (2,109 million in 2020);**

Rome, 29 March 2022 – The Board of Directors of Mediocredito Centrale today approved the results of financial year 2021, with a net income of 86.5 million, the best result since 2011, CET1, Tier1 and Total Capital ratio equal to 22.91% and RoE equal to 11.2%.

In 2021, the Bank:

- enforced, also through the win of the public tender for management of the Guarantee Fund for SMEs by the temporary joint venture led by MCC, the role of transmission of State intervention supporting the economic system in the closing phase of pandemic emergency, obtaining a further increase in net commissions (+30%) compared to the extraordinary results of 2020;
- boosted the loan activity, also operating as a second level bank, meeting especially the needs of corporate and SME customers, reaching new lending of nearly 1 billion;
- ensured good coverage level of the loan portfolio, also through a strong derisking action of non performing portfolio (-42% in terms of gross non performing exposures);
- lowered, thanks to the increase in Net banking and insurance income, the cost income, even though registering an increase in staff cost (+9%) and other administrative expenses (+12%), also due to the consolidation of the role of parent company of the new MCC Group as well as the institutional and industrial role for development of Southern Italy Financial District;
- accounted for an impairment loss of 11 million of the equity investment in Banca Popolare di Bari;
- proposed the allocation of net income to the legal reserve for 4,326 thousand and to the extraordinary reserve for 82,192 thousand.

The financial and economic position as of 31 December 2021 shows:

Balance sheet data

Financial assets measured at amortised cost, of which due from customers equal to 2,466 million (2,109 million as of 31 December 2020);

Financial assets measured at fair value through other comprehensive income equal to 925 million (950 million as of 31 December 2020);

Financial liabilities measured at amortised cost equal to 3,275 million (2,864 million as of 31 December 2020);

Shareholders' equity¹ equal to 861 million (780 million as of 31 December 2020);

Cet 1, Tier 1, Total Capital ratio equal to 22.91% (21.03% as of 31 December 2020).

Economic and performance data

Net interest income equal to 30.3 million (24.6 million as of 31 December 2020);

Net fees and commissions equal to 158.1 million (121.3 million as of 31 December 2020);

Net banking and insurance income equal to 190.9 million (154.7 million as of 31 December 2020);

Operating expenses equal to 51.7 million (64.3 million as of 31 December 2020);

Cost/income equal to 27.6% (31.5% million as of 31 December 2020).

¹ Including 2021 net income

MEDIOCREDITO
CENTRALE

INVITALIA

Representation of Manager responsible for preparing the company's financial reports

The undersigned Elena De Gennaro, in her capacity as Manager responsible for preparing the company's financial reports of Mediocredito Centrale S.p.A.

ATTESTS

in compliance with the provisions of article 154-bis, paragraphs 2, of Italian Legislative Decree no. 58 of 24 February 1998, that the financial information included in this press release corresponds with the entries in the accounting ledgers and documents.

Manager responsible for preparing the
company's financial reports

A handwritten signature in blue ink, consisting of a large, stylized 'E' followed by a vertical line and a horizontal stroke at the bottom.

Rome, 29 March 2022

For further information:

Chief Financial Officer

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The balance sheet and the income statement are hereby attached. Please consider that the external independent audit is still in progress

BALANCE SHEET

Assets	31/12/2021	31/12/2020
10. Cash and cash equivalents	342,225,274	53,493,603
20. Financial assets measured at fair value through profit and loss	25	191
a) financial assets held for trading;	-	-
b) financial liabilities measured at fair value;	-	-
c) other financial assets obligatorily measured at fair value	25	191
30. Financial assets measured at fair value through other comprehensive income	924,817,840	949,742,976
40. Financial assets measured at amortised cost	2,490,812,204	2,138,689,339
a) due from banks	25,290,098	30,042,744
b) due from customers	2,465,522,106	2,108,646,595
50. Hedging derivatives	72,271,880	90,202,451
60. Value adjustment of financial assets with macro-hedging (+/-)	-	-
70. Equity investments	419,600,001	430,600,001
80. Property, plant and equipment	15,829,879	17,066,465
90. Intangible assets	2,209,447	1,989,512
of which:		
- goodwill	-	-
100. Tax assets	28,863,321	21,198,296
a) current	-	-
b) deferred	28,863,321	21,198,296
110. Non current assets and group of assets held for sale	-	-
120. Other assets	28,412,221	5,781,948
Total assets	4,325,042,092	3,708,764,782

continued: BALANCE SHEET

Liabilities and shareholders' equity		31/12/2021	31/12/2020
10.	Financial liabilities measured at amortised cost	3,275,125,482	2,864,220,168
	a) due to banks	920,883,743	673,614,946
	b) due to customers	1,814,335,709	1,641,305,712
	c) securities issued	539,906,030	549,299,510
20.	Financial liabilities held for trading	-	-
30.	Financial liabilities measured at fair value	-	-
40.	Hedging derivatives	1,264,967	-
50.	Value adjustments of financial liabilities with macro-hedging (+/-)	-	-
60.	Tax liabilities	1,505,774	4,864,903
	a) current	1,463,518	4,020,328
	b) deferred	42,256	844,575
70.	Liabilities related to assets held for sale	-	-
80.	Other liabilities	165,267,743	33,916,715
90.	Employee severance benefits	2,608,843	2,796,721
100.	Provisions for risks and charges:	18,143,299	23,265,992
	a) commitments and guarantees given	3,357,719	3,947,461
	b) pensions and similar obligations	3,091,447	3,344,989
	c) other provisions for risks and charges	11,694,132	15,973,542
110.	Valuation reserves	(5,154,147)	(62,379)
140.	Reserves	575,253,972	523,909,338
160.	Share capital	204,508,690	204,508,690
180.	Profit (Loss) for the year (+/-)	86,517,469	51,344,634
	Total liabilities and shareholders' equity	4,325,042,092	3,708,764,782

INCOME STATEMENT

item		31/12/2021	31/12/2020
10.	Interest and similar income	55,034,952	44,916,642
20.	Interest and similar expenses	(24,745,504)	(20,324,546)
30.	Net interest income	30,289,448	24,592,096
40.	Fee and commission income	158,807,488	122,429,465
50.	Fee and commission expense	(725,121)	(1,143,448)
60.	Net fees and commissions	158,082,367	121,286,017
80.	Net gains/(losses) on trading activities	-	-
90.	Net gains/(losses) on hedging activities	221,503	26,199
100.	Gains/(losses) on disposal or repurchase of:	2,314,992	8,789,869
	a) financial assets measured at amortised cost	495,199	1,250
	b) financial assets measured at fair value through other comprehensive income	1,819,794	8,788,619
	c) financial liabilities	-	-
110.	Net gains/(losses) of other financial assets and liabilities measured at fair value through profit and loss	(167)	(253)
	a) financial assets and liabilities measured at fair value	-	-
	b) other financial assets obligatorily measured at fair value	(167)	(253)
120.	Net banking and insurance income	190,908,143	154,693,928
130.	Net value adjustments for credit risk:	(20,082,605)	(27,470,791)
	a) financial assets measured at amortised cost	(20,259,101)	(26,995,371)
	b) financial assets measured at fair value through other comprehensive income	176,496	(475,420)
140.	Gains/losses from contractual changes without derecognition	(897,399)	94,887
150.	Net gains/(losses) on financial operations	169,928,139	127,318,024
160.	Administrative expenses:	(49,085,412)	(44,705,210)
	a) personnel expenses	(31,170,309)	(28,720,947)
	b) other administrative expenses	(17,915,103)	(15,984,263)
170.	Net provisions for risks and charges	752,214	(15,496,116)
	a) commitments and guarantees given	589,742	(2,235,004)
	b) net other provisions	162,472	(13,261,112)
180.	Net value adjustments on property, plant and equipment	(1,549,406)	(1,574,551)
190.	Net value adjustments on intangible assets	(1,186,854)	(995,708)
200.	Other operating income/expenses	(651,545)	(1,513,733)
210.	Operating expenses	(51,721,004)	(64,285,318)
220.	Profit (Loss) from equity investments	(11,000,000)	-
250.	Profit (Loss) from disposal of investments	(12)	-
260.	Profit (Loss) from continuing operations before tax	107,207,123	63,032,706
270.	Income taxes for the period on continuing operations	(20,689,654)	(11,688,072)
280.	Profit (Loss) from continuing operations after tax	86,517,469	51,344,634
300.	Profit (Loss) for the year	86,517,469	51,344,634