

Banca Finnat Euramerica
Financial Results as of 30.06.2015
Business Plan 2015 - 2017

Milan, 15.09.2015

Agenda

I

The Group's Profile

II

Business trends

III

Financial Results as of 30.06.2015

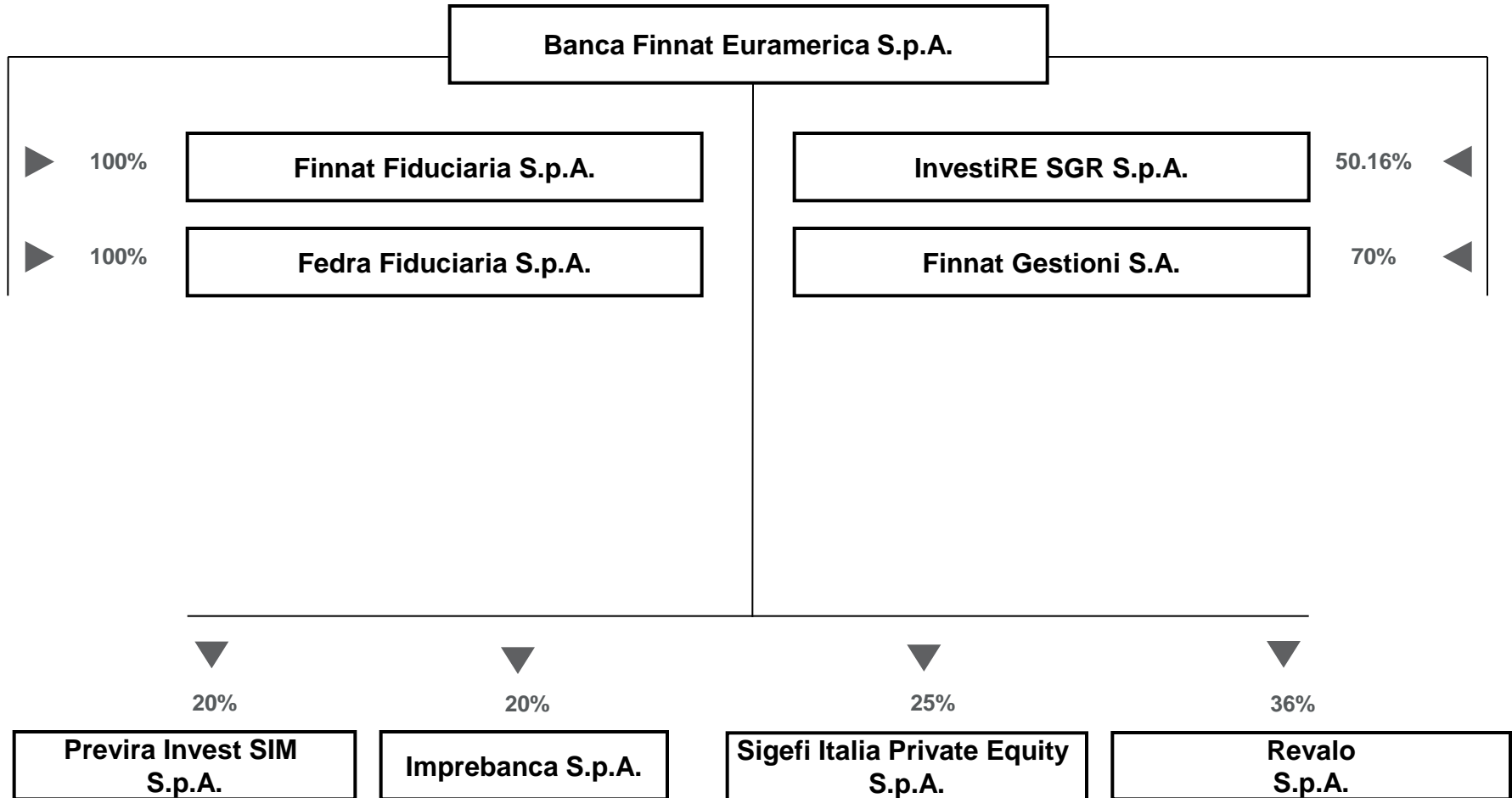
IV

Strategic guidelines

V

Group's Business Plan 2015 – 2017

The Banca Finnat Group



Agenda

I

The Group's Profile

II

Business trends

III

Financial Results as of 30.06.2015

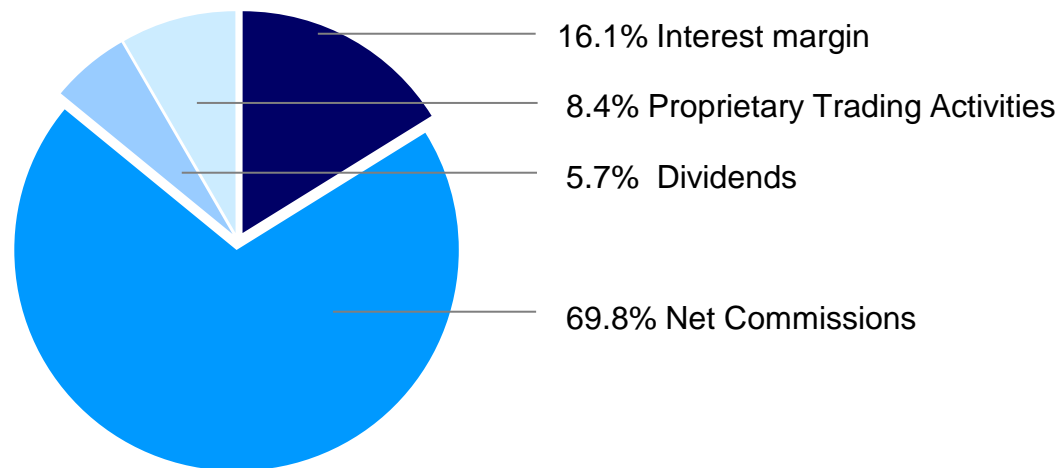
IV

Strategic guidelines

V

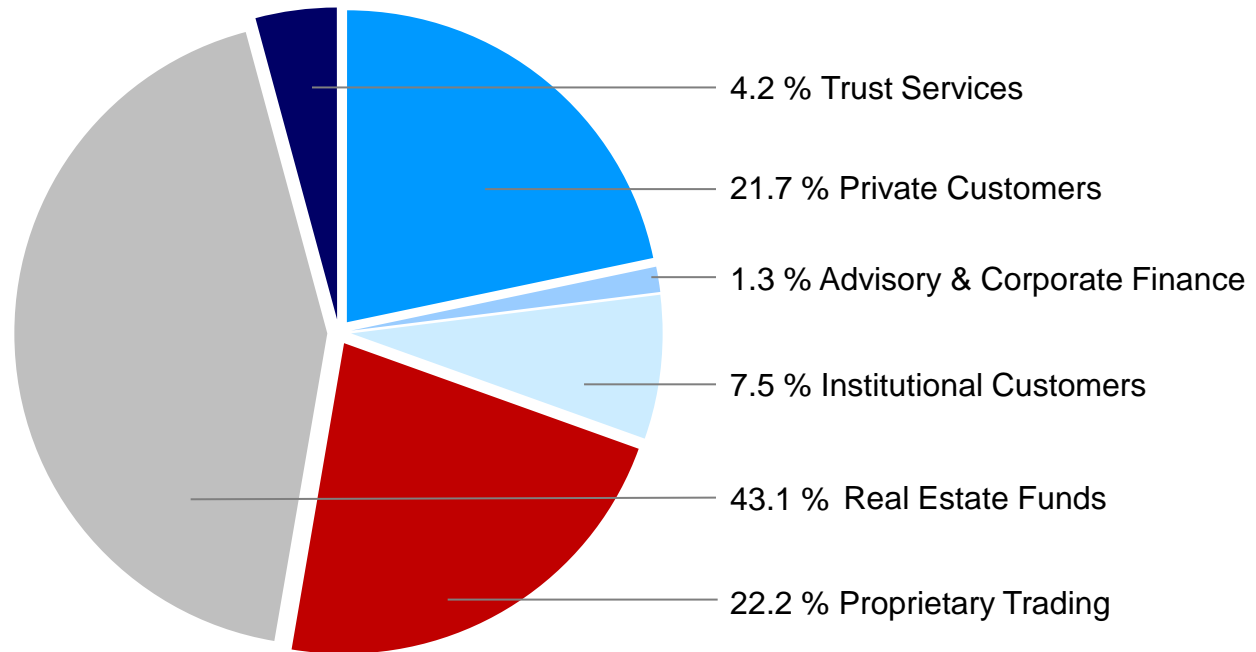
Group's Business Plan 2015 – 2017

Revenues (earnings margin) breakdown

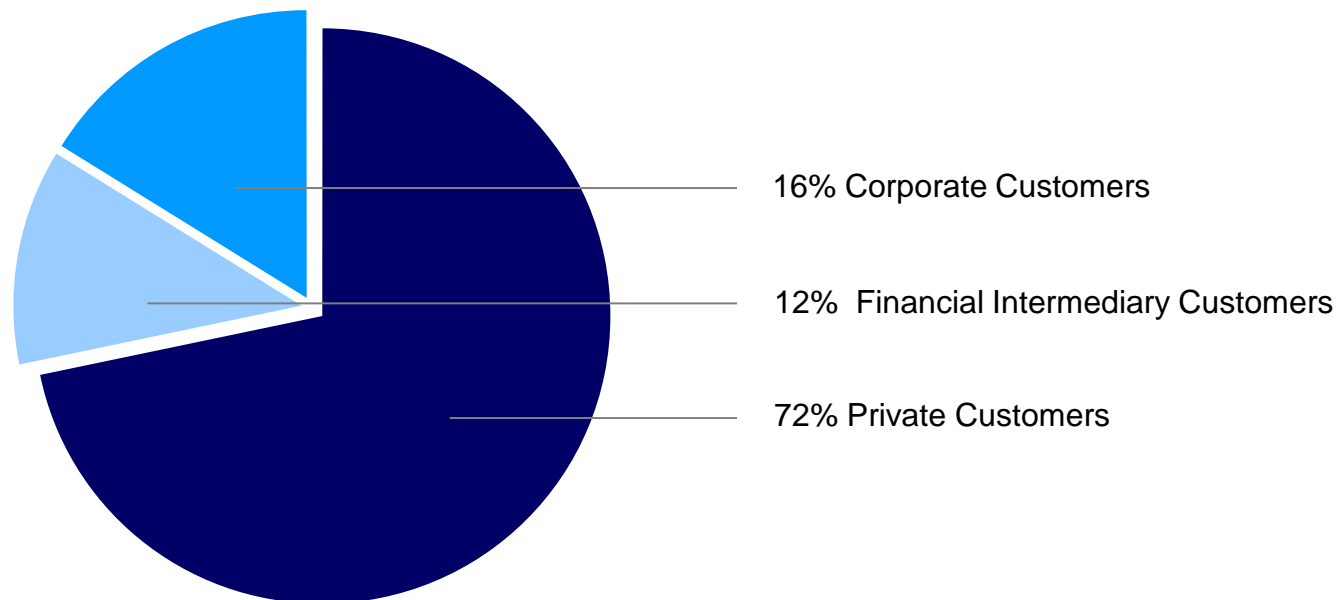


Revenues (€'000)	30-giu-14	30-giu-15	Var %
Interest Margin	7,007	4,995	-28.7%
Net Commissions	11,153	21,591	93.6%
Dividends	1,558	1,766	13.4%
Proprietary Trading Activities	1,566	2,585	65.1%

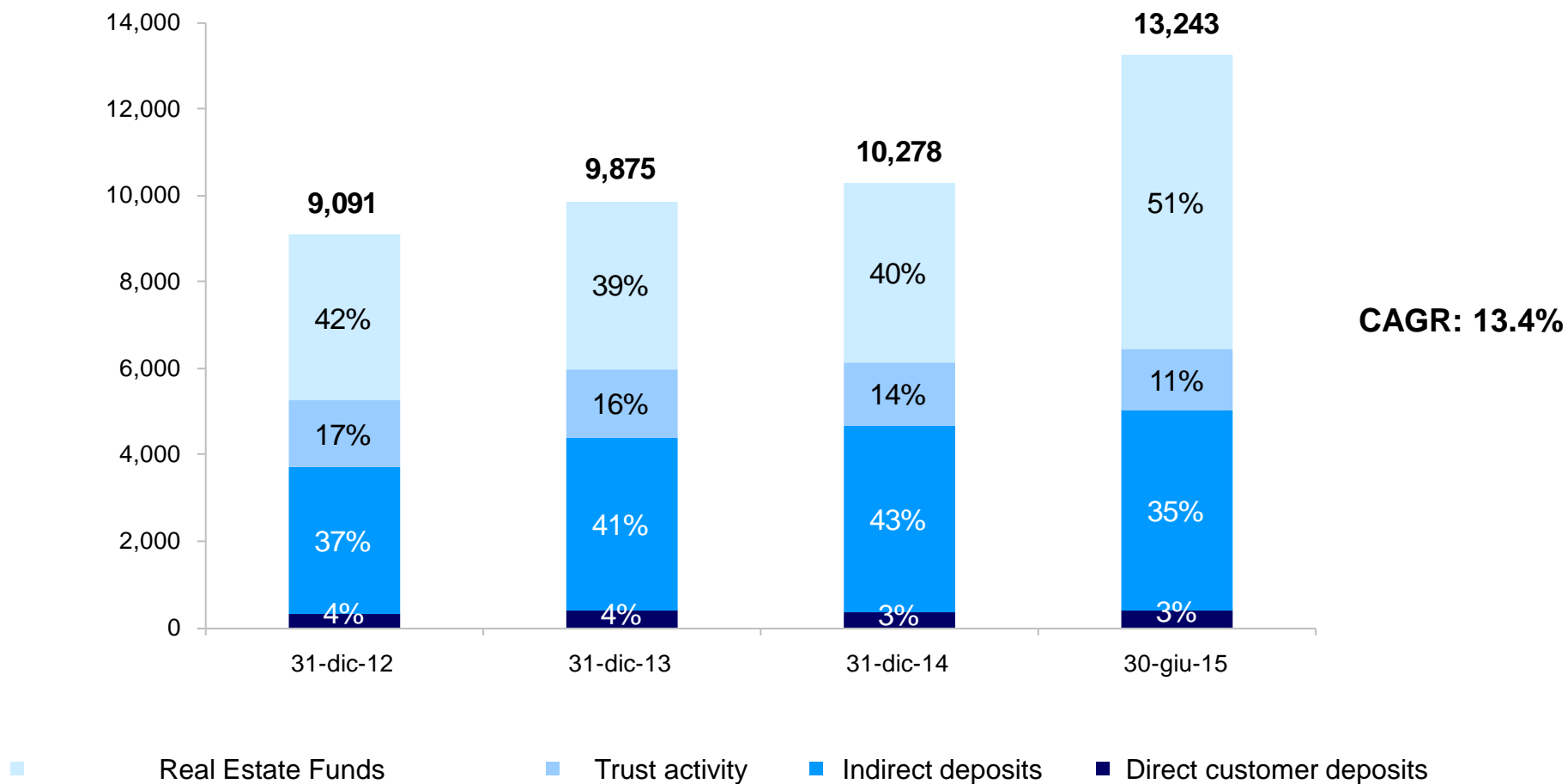
Business Segment Revenues



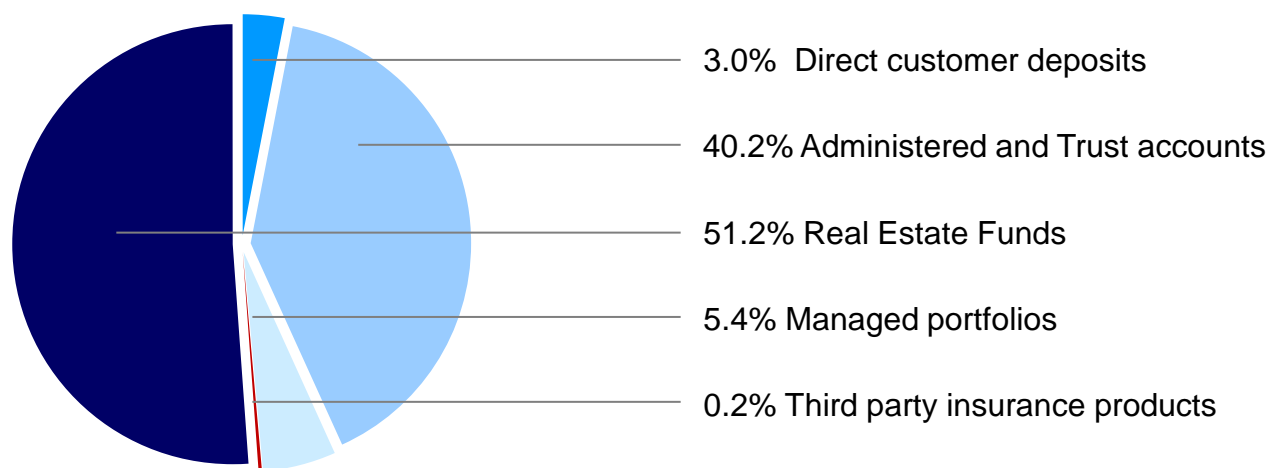
Banking activity broken down by customer type



Total Assets Under Management (€/M)



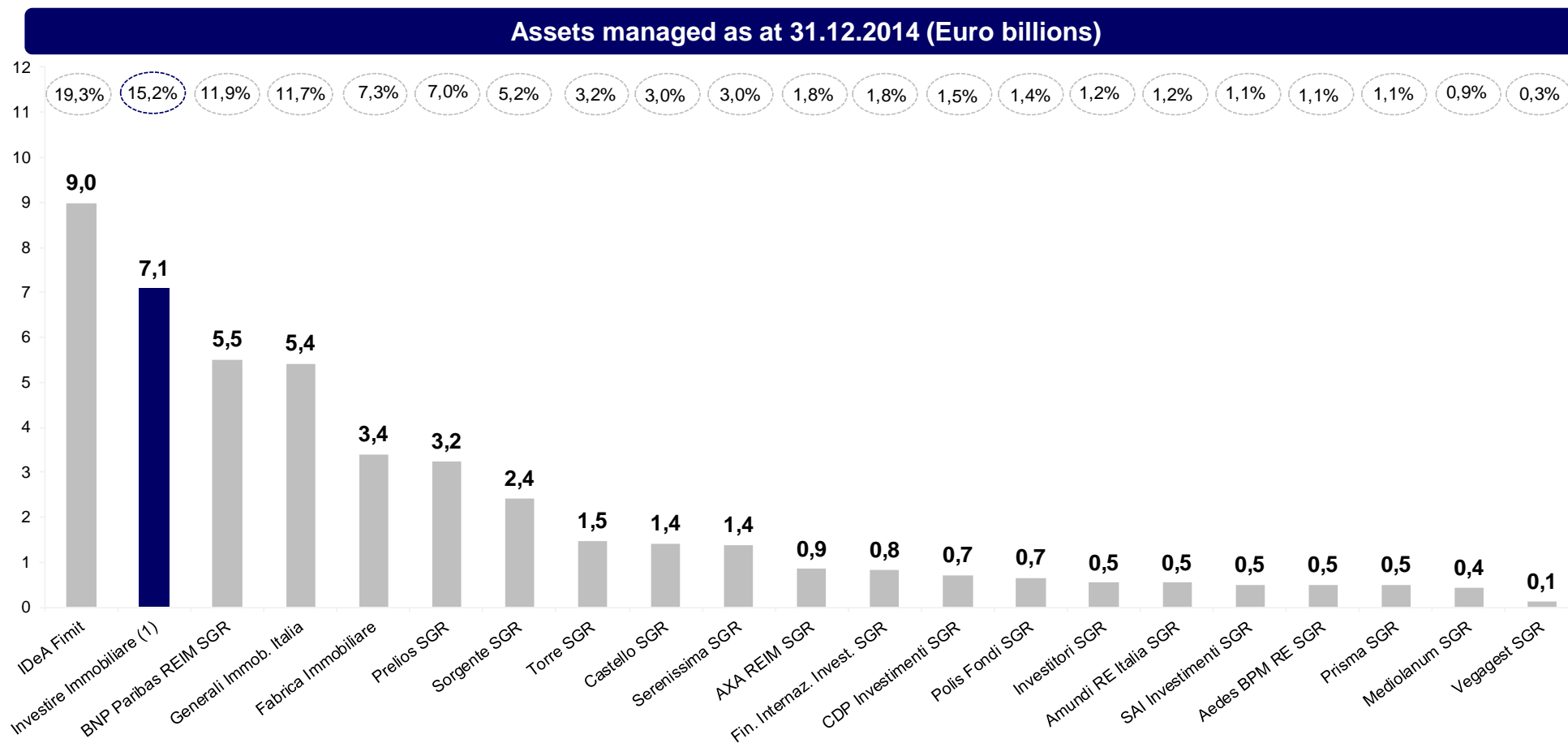
Total AUM breakdown and performance



AUM Breakdown (€'000)	31-dic-14	30-giu-15	Var %
Direct customer deposits	336,854	402,681	19.5%
Administered and Trust accounts	5,107,552	5,321,923	4.2%
Managed portfolios *	671,942	711,667	5.9%
Third party insurance products	30,597	32,448	6.0%
Real Estate Funds	4,130,632	6,773,977	64.0%

* Including delegated management

Real Estate Asset Management Companies – Asset Ranking



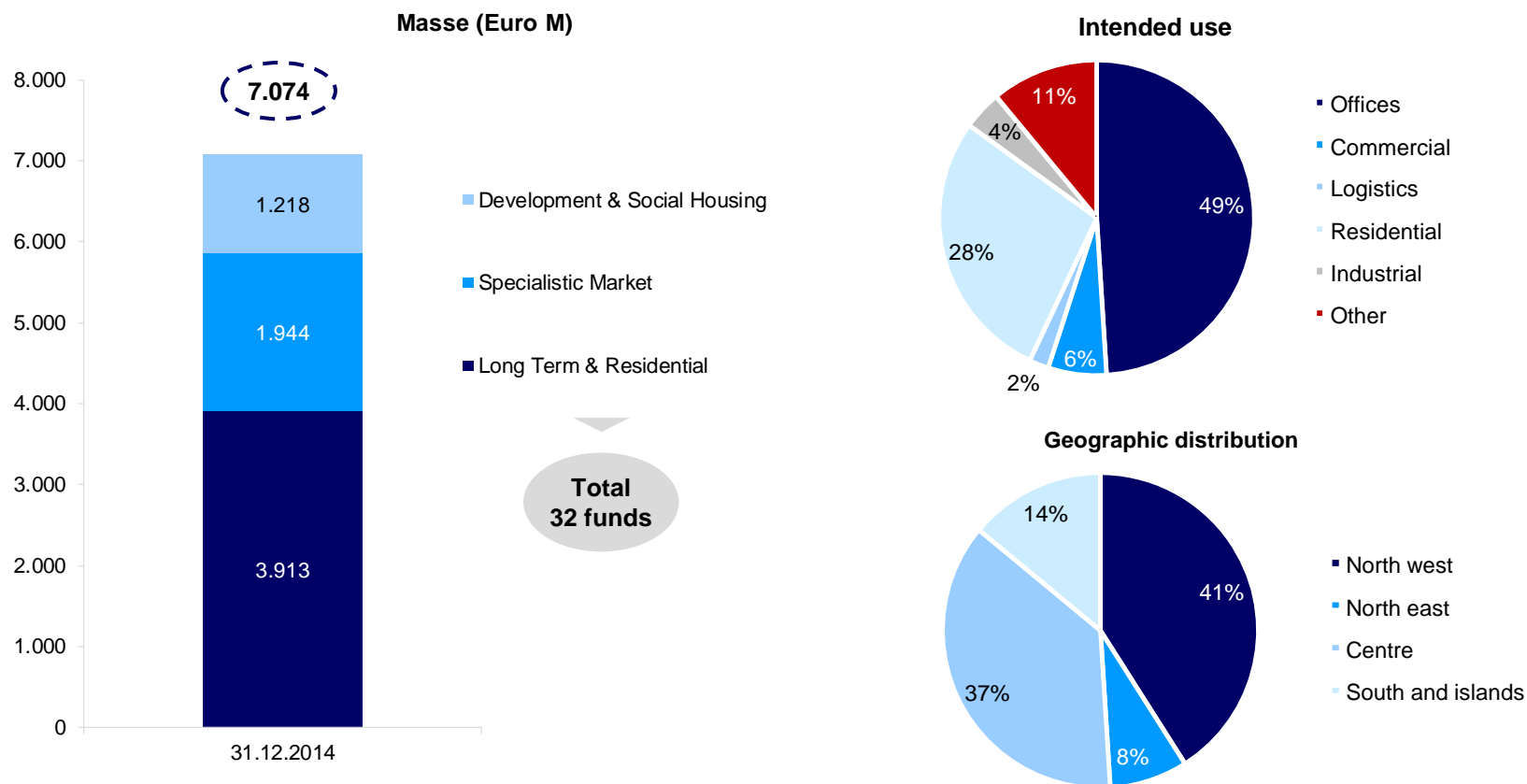
○ Market share

Source: Assogestioni – Half-yearly report on Italian real estate funds 2nd half of 2014

(1) Investire Immobiliare pro forma post merger figures.

Post merger Real Estate Asset Management Company – Highlights

Assets managed (proforma data 2014) ⁽¹⁾



(1) Asset management mandates not included (Euro 360M in 2014).

Agenda

I

The Group's Profile

II

Business trends

III

Financial Results as of 30.06.2015

IV

Strategic guidelines

V

Group's Business Plan 2015 – 2017

Consolidated reclassified income statement

Consolidated income statement (€'000)	30-giu-14	30-giu-15	Var %
Interest margin	7,007	4,995	-28.7%
Dividends	1,558	1,766	13.4%
Net Commissions	11,153	21,591	93.6%
Profit (loss) on proprietary trading activities	1,566	2,585	65.1%
Earning margin	21,284	30,937	45.4%
Administrative expenses	(17,186)	(24,377)	41.8%
Value adjustments (amortisation/depreciation)	(252)	(293)	16.3%
Other operating income (expense)	1,027	2,092	103.7%
Operating cost	(16,411)	(22,578)	37.6%
Profit (loss) from holdings	165	91	-44.8%
Gross operating profit	5,038	8,450	67.7%
Value adjustments on receivables/financial assets	(834)	(1,488)	78.4%
Net operating profit	4,204	6,962	65.6%
Income tax for the year	(1,708)	(1,409)	-17.5%
Third-party income	(306)	(1,417)	363.1%
Net income for the year	2,190	4,136	88.9%

Highlights of the Group

Highlights of the Group	30-giu-13	30-giu-14	30-giu-15
Interest margin/ Earnings margin	37.0%	32.9%	16.1%
Net commissions / Earnings margin	57.7%	52.4%	69.8%
Cost / Income ratio	79.3%	77.1%	73.0%
Gross operating profit / Earnings margin	22.5%	23.7%	27.3%
Net operating profit / Gross operating margin	88.6%	83.4%	82.4%
Net profit / Gross operating margin	44.7%	43.5%	48.9%

Agenda

I

The Group's Profile

II

Business trends

III

Financial Results as of 30.06.2015

IV

Strategic guidelines

V

Group's Business Plan 2015 – 2017

Main actions taken

- The BFE Group aims to develop and consolidate its presence as an excellent financial and real-estate manager in the Italian market.
- Reported below are the main actions taken between 2014 and the first half of 2015, consistently with the guidelines identified in the Plan.

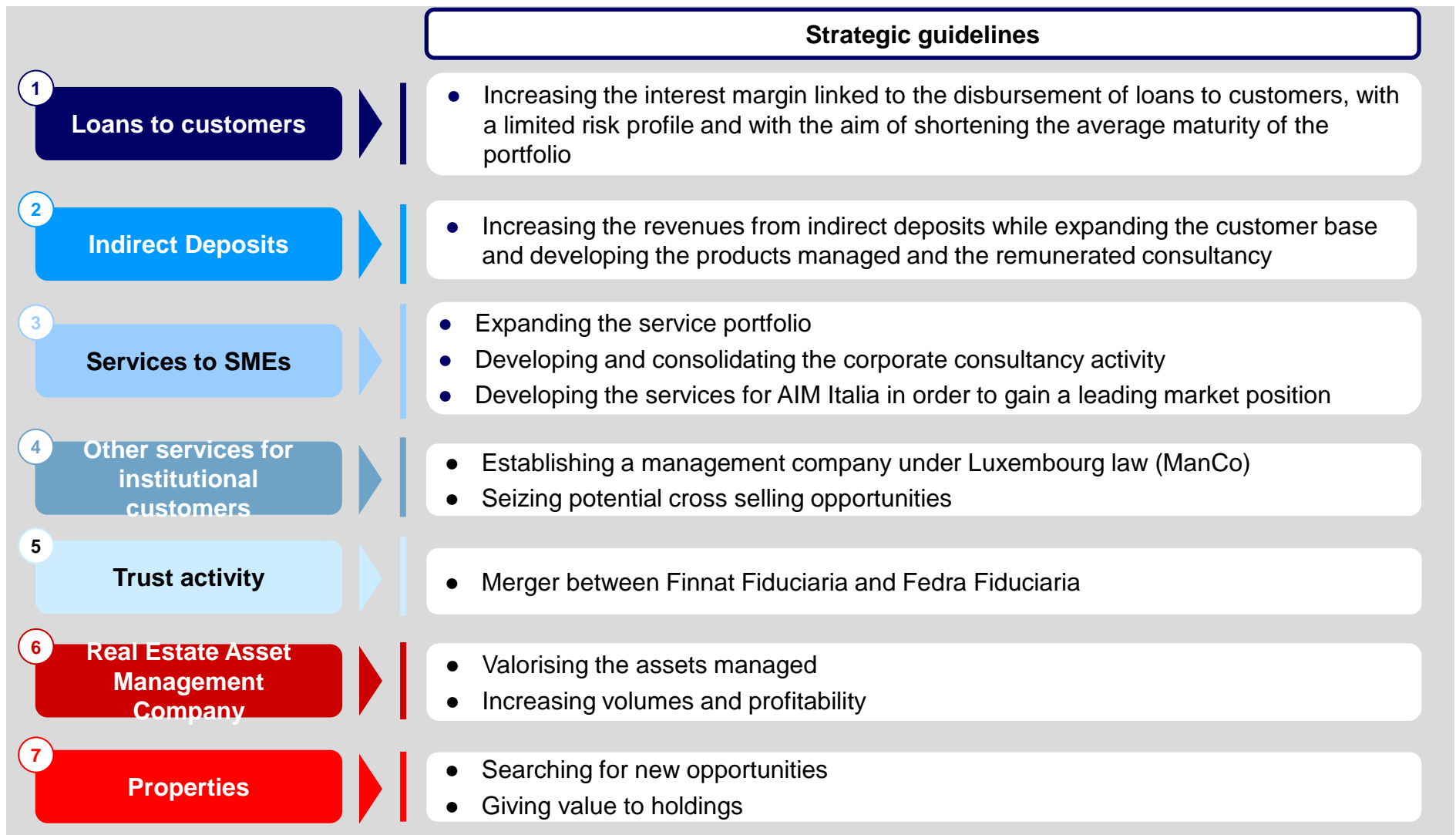
1 Financial

- Developing existing funding and acquiring new assets through the current commercial workforce and by adding new consultants.
- Start and development of the evolved financial consultancy service.
- Scouting and assessment of growth opportunities for external lines through the acquisition of competitors. In particular the Bank took part in the procedure aimed at the potential acquisition of Banca Cesare Ponti, which was not successful.

2 Real Estate

- Finalisation of the merger with the subsidiary Investire Immobiliare, Beni Stabili Gestioni SGR and Polaris Real Estate SGR.
- This transaction allowed the Group to consolidate its presence in the sector of Real Estate Asset Management Companies by becoming the majority shareholder of the second operator in the Italian market without committing any capital.

Strategic guidelines



Lines of action (1/3)

Strategic guidelines	Lines of action
<p>1</p> <p>Loans to customers</p> <ul style="list-style-type: none">Increasing the interest margin linked to the disbursement of loans to customers, with a limited risk profile	<ul style="list-style-type: none">Increasing the average return of medium/long-term investments through an amount of new gross grants (with spreads in line with those applied in the last few years) that allow the progressive replacement of maturing loans and a slight rise in volumesIncreasing short-term disbursements in the form of guaranteed current account credit opening
<p>2</p> <p>Indirect Deposits</p> <ul style="list-style-type: none">Increasing the revenues from indirect deposits while expanding the customer base and developing the products managed and the remunerated consultancy	<ul style="list-style-type: none">Acquiring new customers and increasing the assets through the current commercial workforce and by adding new consultantsDeveloping remunerated private consultingPursing any growth strategies for external lines (e.g. acquisition of competitors)Consolidating and developing the portfolio of products / services offered to institutional customers
<p>3</p> <p>Services to SMEs</p> <ul style="list-style-type: none">Expanding the service portfolioDeveloping and consolidating the corporate consultancy activityDeveloping the services for AIM Italia in order to gain a leading market position	<ul style="list-style-type: none">Expanding and consolidating the market plan addressing Italian SMEs, also by networking with professional practices and funds connected to minibonds or mezzanine capitalImplementing commercial synergies with other sectors of the bank for the acquisition of new potential customers

Lines of action (2/3)

Strategic guidelines	Lines of action
<p>3</p> <p>Services to SMEs</p> <ul style="list-style-type: none">• Expanding the service portfolio• Developing and consolidating the corporate consultancy activity• Developing the services for AIM Italia in order to gain a leading market position	<ul style="list-style-type: none">• Acquiring mandates on the AIM Italia market through the leading position BFE is acquiring on the market, also in light of the transactions carried out in the last few years• Analysing and developing potential financial advisory activities in financial sectors and innovative lending sources (minibonds, mezzanine, non-performing loans)
<p>4</p> <p>Other services for institutional customers</p> <ul style="list-style-type: none">• Establishing a management company under Luxembourg law (ManCo)• Seizing potential cross selling opportunities	<ul style="list-style-type: none">• Offering administrative, control and governance services to foreign managed Luxembourg SICAVs• Consolidating the customers base and institutional relations to encourage adhesion to BFE service proposals in the Group's various business sectors
<p>5</p> <p>Trust activity</p> <ul style="list-style-type: none">• Merger between Finnat Fiduciaria and Fedra Fiduciaria	<ul style="list-style-type: none">• Rationalising the trust activity for operating and strategic requirements deriving from both the industry regulations and the objective of optimising costs for greater operating efficiency

Lines of action (3/3)

Strategic guidelines	Lines of action
<p data-bbox="87 408 120 444">6</p> <p data-bbox="99 419 524 515">Real Estate Asset Management Company</p> <ul data-bbox="120 582 669 686" style="list-style-type: none">• Valorising the assets managed• Increasing volumes and profitability	<ul data-bbox="938 444 1949 808" style="list-style-type: none">• Disposing of the existing real estate assets, with special reference to the FIP fund• Physiological growth of the currently managed funds and development of existing asset class products• Developing new initiatives by identifying potential business opportunities in sectors such as: corporate real estate, nursing homes and protected residences, non-performing bank loans, hotel industry, social housing, spin-offs of non strategic portfolios of public entities
<p data-bbox="87 872 120 908">7</p> <p data-bbox="99 891 540 979">Properties</p> <ul data-bbox="120 1029 623 1115" style="list-style-type: none">• Searching for new opportunities• Giving value to holdings	<ul data-bbox="938 908 1939 1158" style="list-style-type: none">• Pursuing any growth strategies for external lines (e.g. acquisition of competitors)• Acquiring new holdings and/or disposing of the holdings currently in the portfolio• Increasing and developing treasury operations

Agenda

I

The Group's Profile

II

Business trends

III

Financial Results as of 30.06.2015

IV

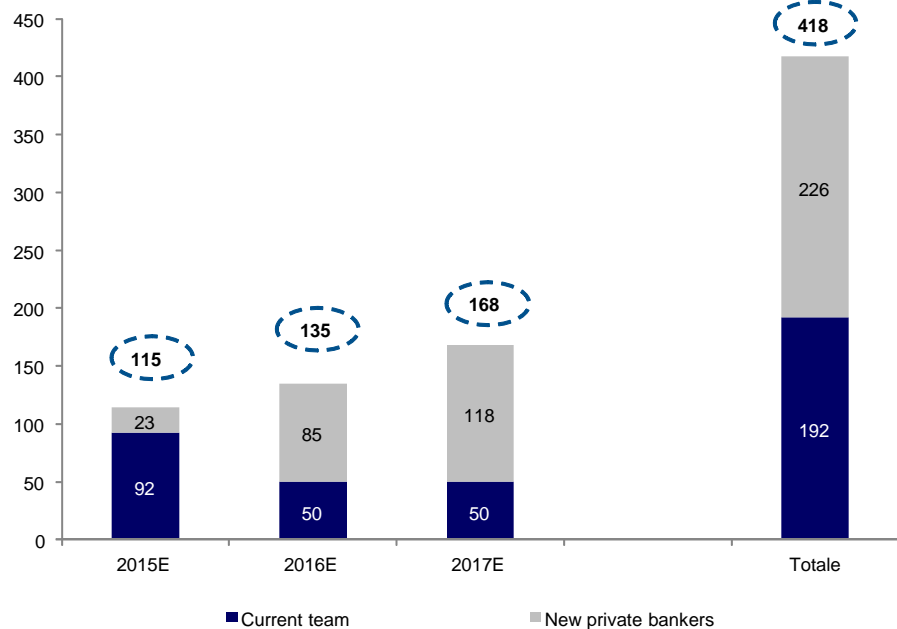
Strategic guidelines

V

Group's Business Plan 2015 – 2017

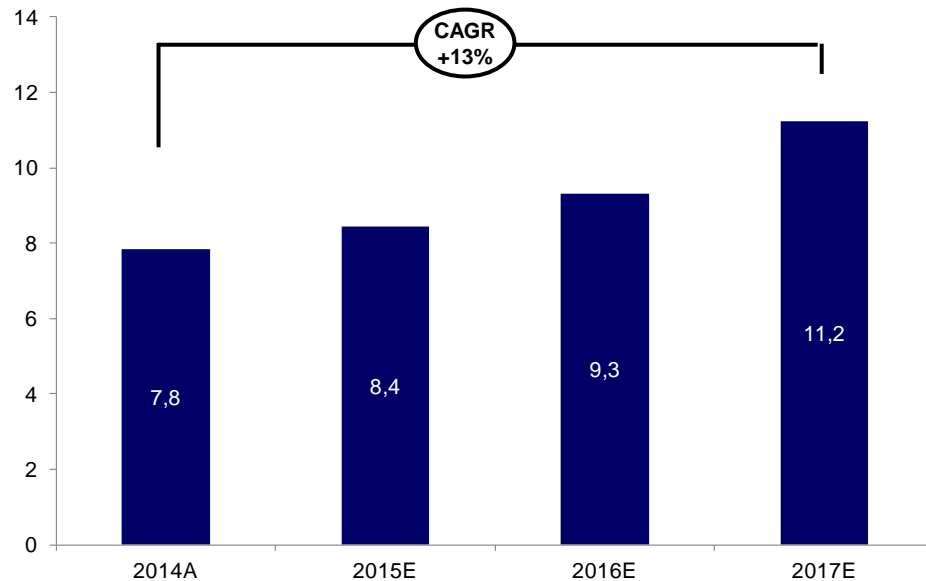
Indirect deposits

New indirect deposits from private customers (Euro M)



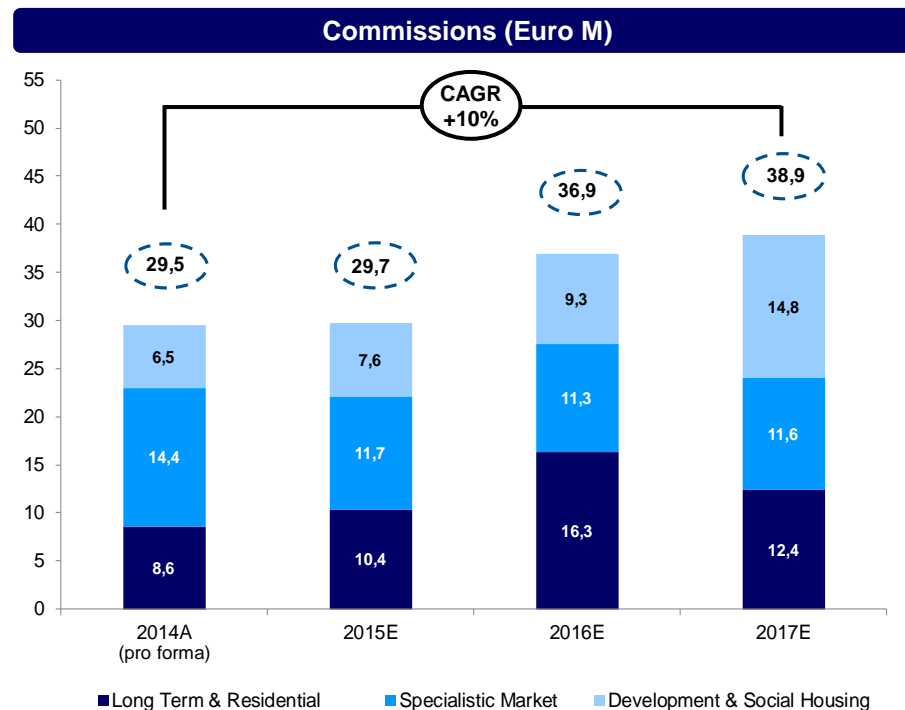
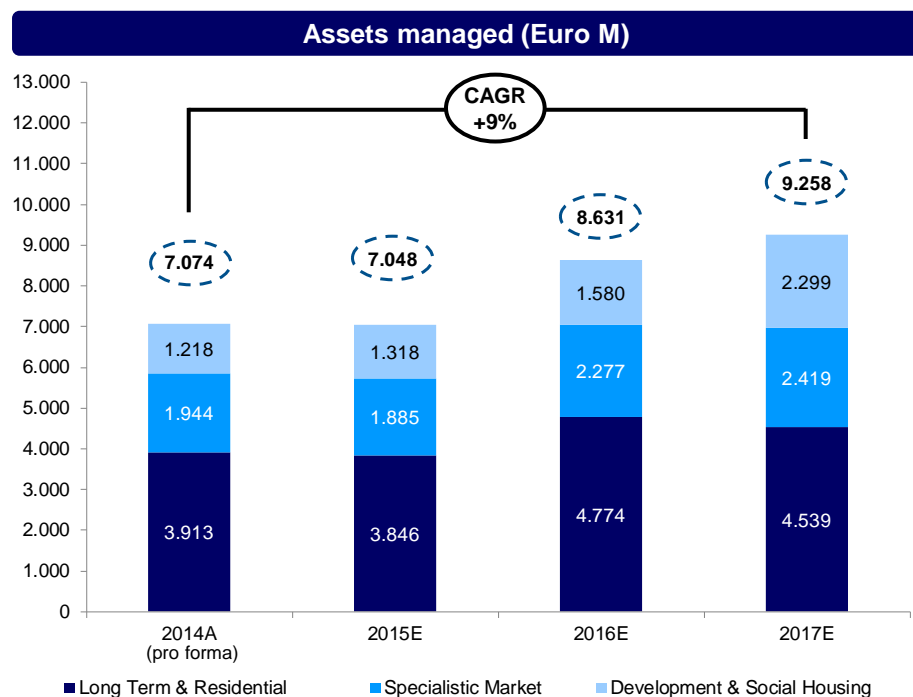
- Indirect deposits from private customers are expected to grow more than Euro 400M by the year 2017, also thanks to the addition of 19 new private bankers to the current team of 31.

Commissions from indirect deposits (Euro M)



- Commissions are expected to rise from Euro 7.8M in 2014 to Euro 11.2M in 2017, recording a CAGR equal to 13%.
- The increase is attributable to a larger customer base and the development of managed products and remunerated consultancy activities.

Real Estate Asset Management Company



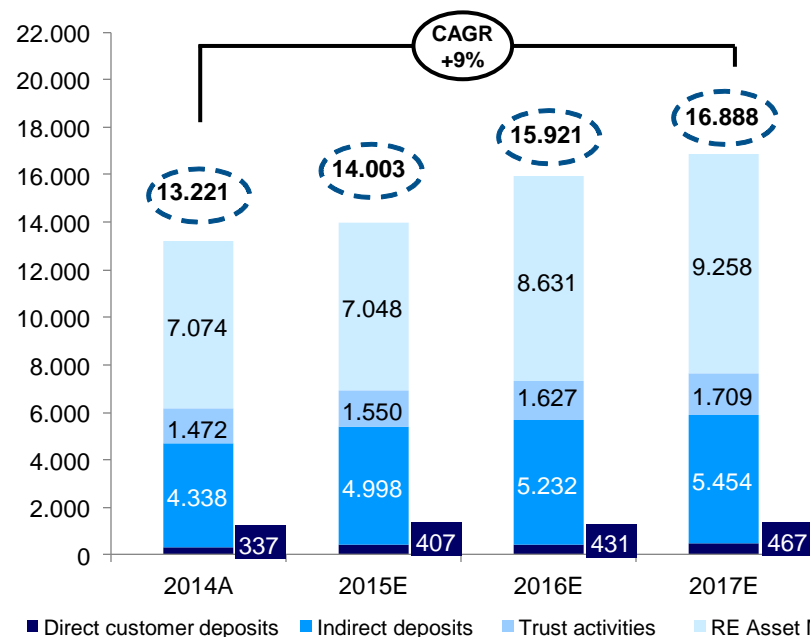
- The graph shows how the assets managed have evolved in terms of Long Term & Residential, Specialistic Market and Development & Social Housing.
- In 2017 total assets should reach Euro 9.3B, recording a rise of Euro 2.2B, while the number of funds managed should rise from the current 35 to 43.

- Commissions include management fees, development fees, other variable fees and commissions for consultancy services.
- In 2017 commissions should total Euro 38.9M, recording a CAGR of 10%.

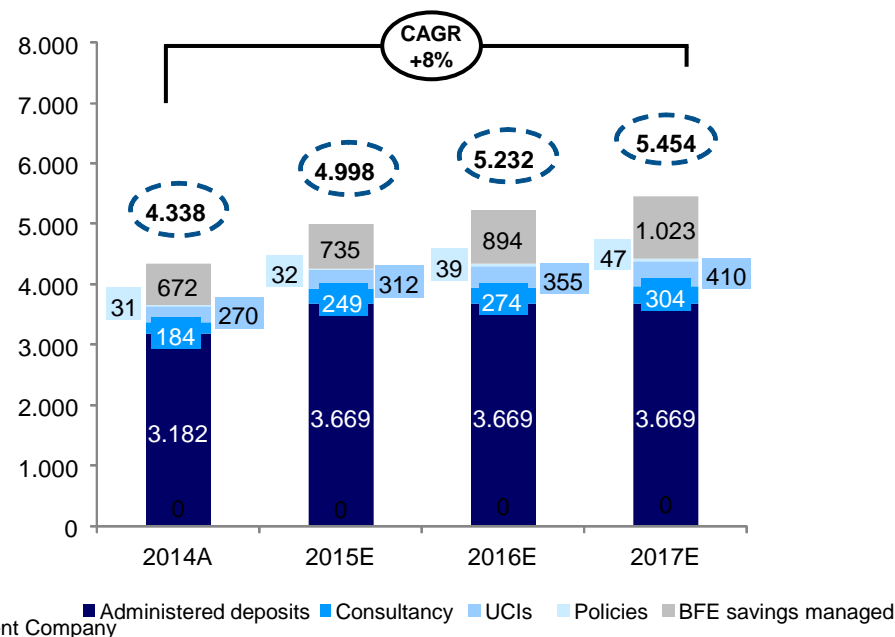
Evolution of Group's assets

- The Group's assets are broken down below by direct deposits, indirect deposits (administered deposits, consultancy, UCIs, BFE managed savings and policies), trust activity and Real Estate Asset Management Company.
- Real estate assets are expressed in terms of market value of the assets managed and do not include the asset management mandates. The proforma data of the post-merger asset management company was considered for the year 2014.
- Total assets are predicted to record a CAGR of 9%, increasing from Euro 13.2B in 2014 to Euro 16.9B in 2017. Indirect deposits should rise from Euro 4.3B in 2014 to Euro 5.5B in 2017 due to the development of managed products.

Total assets at year end (Euro M)

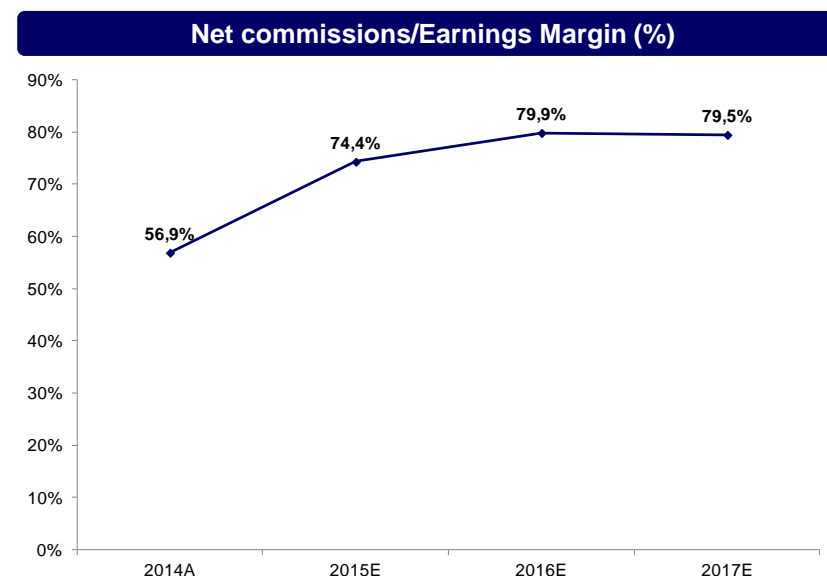
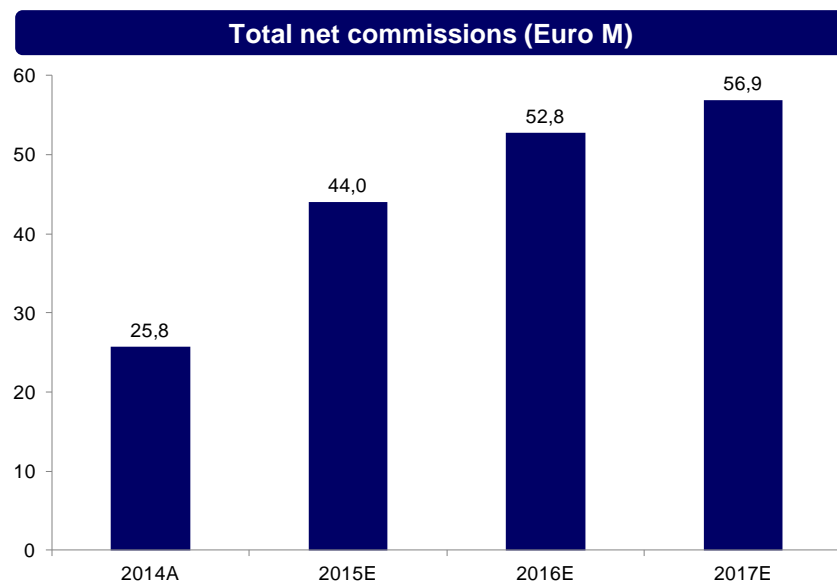


Breakdown of indirect deposits (Euro M)



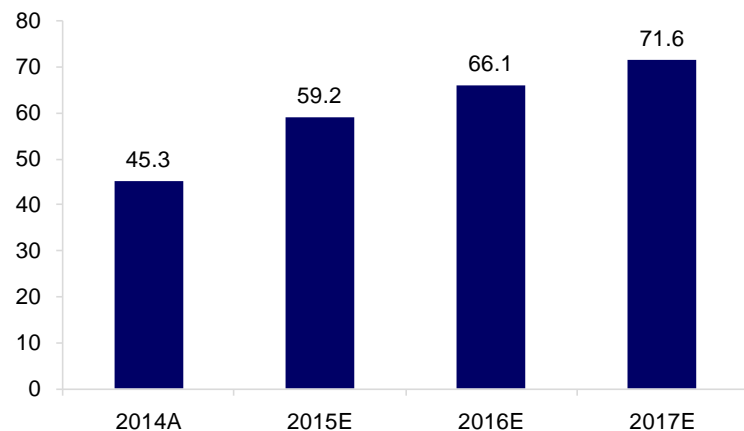
Net commissions trend

- Net commissions are expected to rise from Euro 25.8M in 2014 to Euro 56.9M in 2017.
- A growing incidence of net commissions on the earnings margin up to about 80% in the two-year period 2016/2017 is highlighted compared to 57% in 2014.
- Such performance will be mainly attributable to the development of the commercial plan arranged for the private banking area and the hypotheses of development, valorisation and disposal of the portfolio managed by the real estate asset management company.

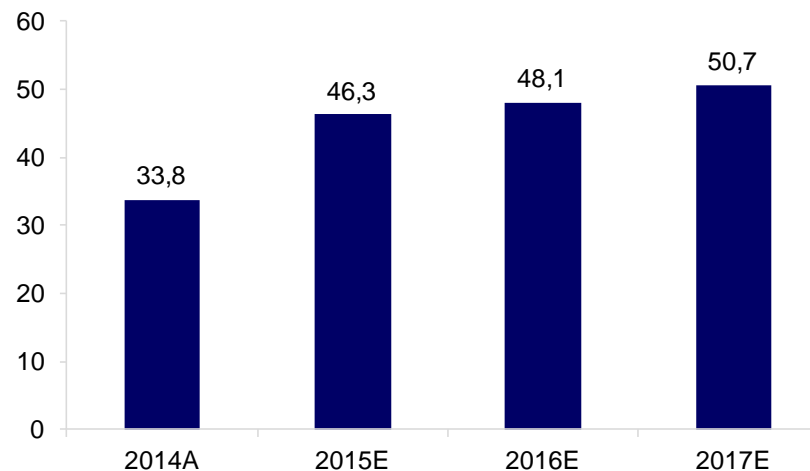


Plan Targets – Main financial data

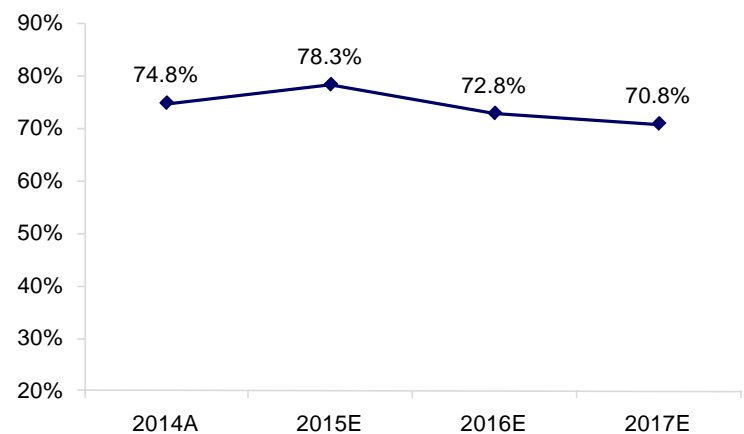
Earnings margin (Euro M)



Operating costs (Euro M)



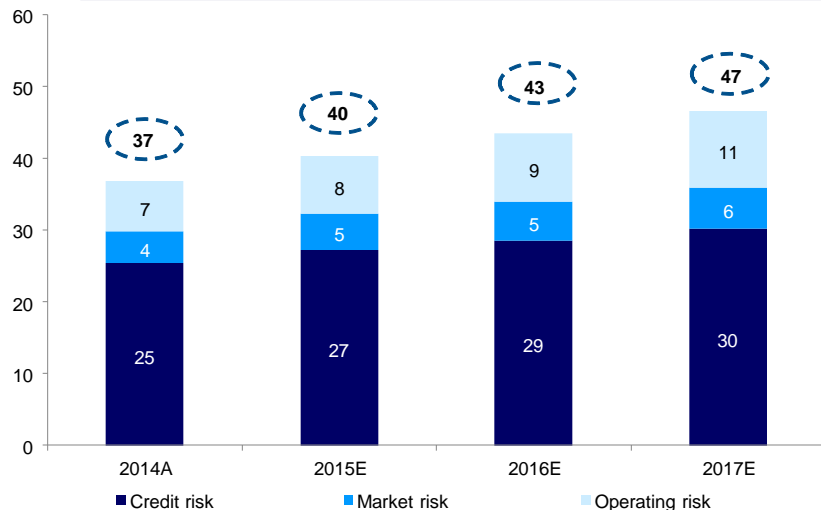
Cost / Income ratio (%)



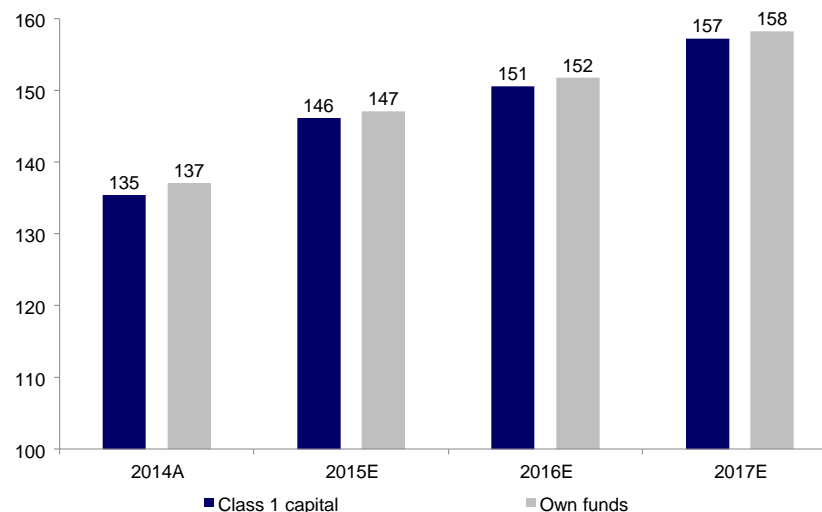
- In 2017 the earnings margin and the operating costs should reach Euro 71.6M and Euro 50.7M, respectively.
- The rise in revenues is mainly attributable to the rising net commissions.
- The trend of operating costs reflects the hiring plans of the parent company and the subsidiaries.
- A decrease in the cost / income ratio is predicted, from 74.8% in 2014 to 70.8% in 2017.

Plan Targets – Capital soundness

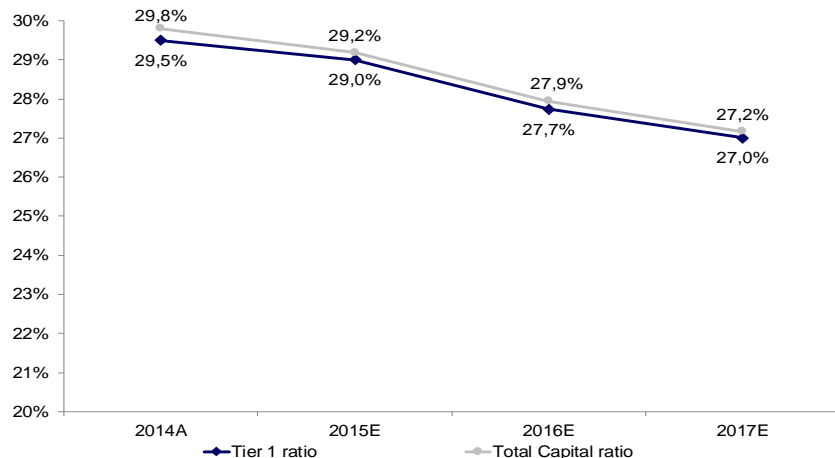
RWA first pillar risks (Euro M)



Tier 1 capital and Own funds (Euro M)



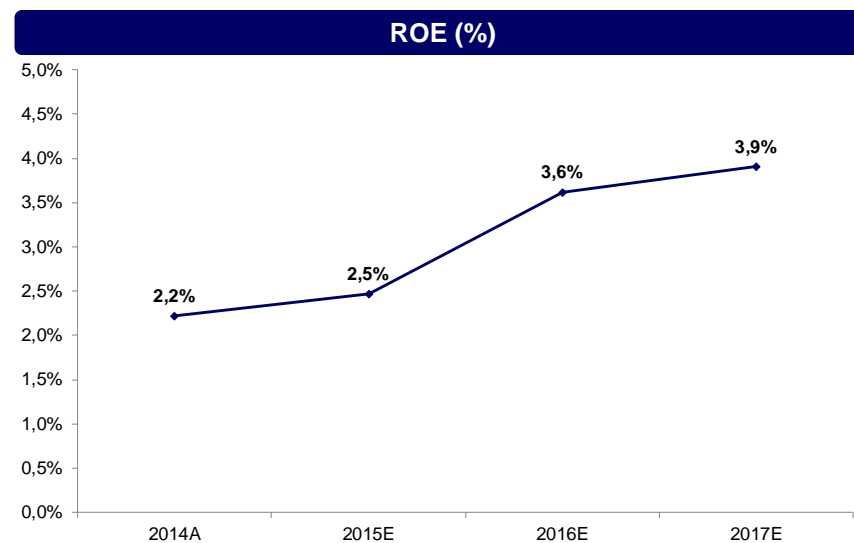
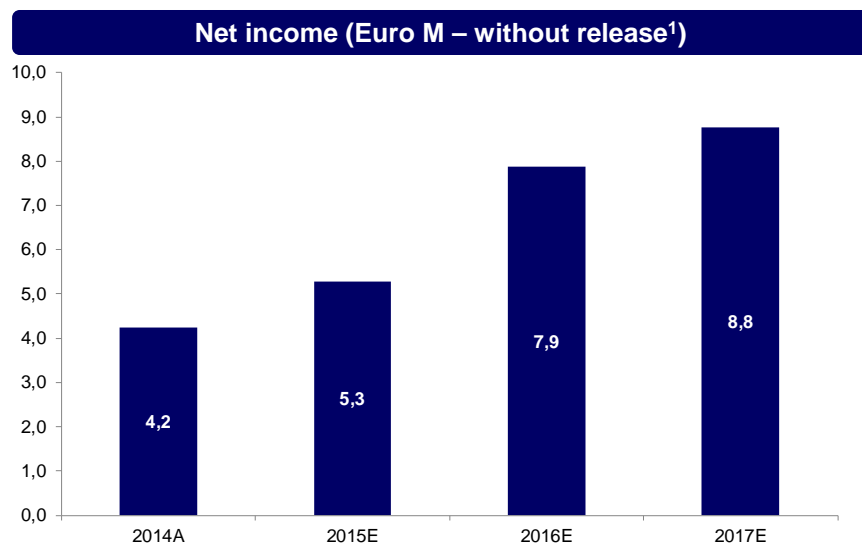
Tier 1 ratio and Total Capital ratio (%)



- At the end of the plan timeframe, the persistence of a high capital soundness is highlighted, which is accompanied by a risk profile that remains essentially unchanged.
- In 2017 Tier 1 Capital and Own funds will equal Euro 157M and Euro 158M, respectively, compared to first pillar risks of Euro 47M.
- The Tier 1 ratio and the Total Capital ratio will stand at high levels in the whole period of the Plan, both reaching about 27.0% in 2017.

Plan Targets – Return on equity

- In the period of the plan, a recovery in profitability is highlighted, in terms of ROE, which will equal 3.9% in 2017 with a net income of Euro 8.8M.
- The increase in ROE is significant also when considering that a high capital soundness has been maintained.



(1) It does not include the accounting effects deriving from releasing the goodwill recorded after the merger of the real estate asset management company, whose impact on the income statement is estimated to equal Euro +3.2M in 2015.

DISCLAIMER:

THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS (PAOLO COLLETTINI) DECLARES, PURSUANT TO PARAGRAPH 2 OF ARTICLE 154 BIS OF THE ITALIAN CONSOLIDATED LAW ON FINANCE, THAT THE ACCOUNTING INFORMATION CONTAINED IN THIS DOCUMENT CORRESPONDS TO THE RESULTS FROM THE DOCUMENTS, THE LEDGERS AND THE ACCOUNTING ENTRIES.

THIS PRESENTATION DOES NOT CONSTITUTE AN OFFER TO SELL OR TO DEMAND THE OFFER TO PURCHASE SHARES OF BANCA FINNAT.

THE INFORMATION IN THIS DOCUMENT, AND IN PARTICULAR THE INFORMATION PERTAINING TO THE FUTURE PERFORMANCE OF BANCA FINNAT, REFERS TO FORECASTS AND ESTIMATES THAT REFLECT THE CURRENT OPINION OF BANCA FINNAT'S MANAGEMENT REGARDING FUTURE EVENTS AND, AS SUCH, IS SUBJECT TO RISKS AND UNCERTAINTIES. BANCA FINNAT'S ABILITY TO ATTAIN THE PREDICTED RESULTS DEPENDS ON SEVERAL FACTORS THAT ARE OUTSIDE THE MANAGEMENT'S CONTROL. THE ACTUAL RESULTS MAY DIFFER SIGNIFICANTLY (AND ALSO BE NEGATIVE) FROM THOSE PREDICTED OR IMPLICIT IN THE FORECAST MODELS. ANY REFERENCE TO THE GROUP'S PAST PERFORMANCE MUST NOT BE CONSTRUED AS AN INDICATION OF FUTURE PERFORMANCE. THE PRESENTATION, WHICH WILL NOT BE SUBJECT TO SUBSEQUENT REVIEW OR UPDATED, CANNOT BE REPRODUCED, REDISTRIBUTED OR FORWARDED, ENTIRELY OR PARTLY, TO ANY OTHER PERSON.

Contacts

INVESTOR RELATIONS MANAGER

Gian Franco Traverso Guicciardi

Tel. +39 06 69933440

E-mail: g.traverso@finnat.it

PRESS OFFICE

SEC

Marco Fraquelli

Tel. +39 02 62499979

E-mail: fraquelli@segrp.it