

Bit Market Services

Informazione Regolamentata n. 1615-6-2017	Data/Ora Ricezione 07 Febbraio 2017 12:39:20	MTA
---	--	-----

Societa' : FINECOBANK
Identificativo : 84837
Informazione
Regolamentata
Nome utilizzatore : FINECOBANKN05 - Spolini
Tipologia : IRAG 01
Data/Ora Ricezione : 07 Febbraio 2017 12:39:20
Data/Ora Inizio : 07 Febbraio 2017 12:54:21
Diffusione presunta
Oggetto : PR 2016 Results

Testo del comunicato

Vedi allegato.

Results at December 31st, 2016 approved

Best year ever

- Net profit: **€211.8 million (+10.9% y/y)**
- Net profit adjusted for non-recurring items¹: **€200.7 million (+3.7% y/y), the best year ever, despite the DGS contribution of -€7.1 million**
- Operating income: **€559.1 million (+2.7% y/y)**
- Adjusted Cost/Income Ratio¹ at **42%**
- CET1 ratio at **22.9%** (transitional)
- Proposed dividend: **€0.28 per share (+9.8% y/y, pay-out ratio 80%)**
- Net sales 2016: **€5,036 million**, of which guided products **€3,877 million (+14% y/y)**. Guided Products at 56% of AuM stock (+11 p.p. y/y)
- Total financial assets: **€60.2 billion (+9% y/y)** of which private client segment: **€22.2 billion (+10% y/y)**

FIGURES AT JANUARY 31st, 2017

- January Net sales: **€265 million**, of which **€134 million in AuM, (+€305 million y/y)**
- Net sales in Guided products **€186 million (+€226 million y/y)**
- Over **11.800** new clients from the beginning of 2017, **+13% y/y**. More than **1.127.000** total clients **(+7% y/y)**

¹Non-recurring items: sale of the equity investment in Visa Europe Limited for €15.3 million gross (€10.3 million net), positive change in current taxes following the settlement of several tax disputes for €6.5 million, release of €2.3 million gross (€1.5 million net) of the provisions to the Solidarity Fund established for the loss incurred by the subordinated bondholders of the four banks subject of the resolution, the closure for €1.4 million gross (€1.0 million net) of the remaining commitment related to the action in favour of Banca Tercas, the reduction of €6.7 million gross (€4.5 million net) in the amount allocated to the exposure in equity instruments recognised as a result of the contribution paid to the Interbank Deposit Guarantee Fund - Voluntary Scheme for the subscription of the share capital increase of Cassa di Risparmio di Cesena, and €5.5 million gross (€3.7 million net) of integration costs for the Business Plan of the UniCredit group.

Milan, February 7, 2017

The Board of Directors of FinecoBank S.p.A. has approved the results at December 31st, 2016.

Alessandro Foti, CEO and General Manager of FinecoBank, stated:

"We are very satisfied with our results for 2016, our best year ever, and the second record result after 2015. These figures confirm the quality and sustainability of our business model, able to successfully face very difficult market conditions. A year that has reflected the two values that have always driven us in our growth path: transparency and respect for customers.

2017 has opened with solid figures also on the net sales front, particularly in terms of the quality of new flows in our advanced advisory services, confirming their key role in the management of our clients' assets and the appreciation of our cyborg advisory model."

TOTAL FINANCIAL ASSETS AND NET SALES

Total Financial Assets at December 31st, 2016 came to €60,195 million (+9% on December 2015) mainly due to net sales for the year of €5 billion and despite the market effect of -€0.2 billion, of which -€0.7 billion attributable to assets under custody and +€0.5 billion attributable to assets under management.

Direct deposits increased to €18,509 million, up 18% y/y, thanks to the steady growth in new clients and "transactional" deposits. Assets under management also rose by 9% compared to the end of 2015, up to €28,608 million at December 31st, 2016. Assets under custody fell slightly to €13,078 billion (-3% on the end of 2015).

The continued improvement in the quality of sales was reflected in the growth of "Guided products & services" which increased as a percentage of TFA, from 21% as of December 31st, 2015, to 27% as of December 31st, 2016, and as a percentage on Assets under Management, up from 45% of TFA at December 31st, 2015 to 56% at December 31st, 2016.

The TFA related to Private Banking clients, i.e. with assets above €500,000, totalled €22,245 billion, up 10% y/y.

As at December 31st, 2016, the network was made up of 2,628 Personal Financial Advisors (2,622 at the end of 2015) operating countrywide through 358 Fineco Centers.

In 2016 around 110,000 new customers were acquired, bringing the total number of customers to 1,117,876, up 7% compared to December 2015.

MAIN INCOME STATEMENT RESULTS AT DECEMBER 31st, 2016

Net interest income came to €249.4 million, up 3.6% on 2015, due to the increase in deposit volumes and the reduction in the cost of sales, which more than offset the fall in interest income linked to the decline in market interest rates.

Net fee and commission income came to €242.9 million and was down 3.9% on 2015, mainly due to lower securities trading and order collection commissions, as a result of the progressive shift by customers towards over-the-counter products and the lower market volatility compared to 2015, as well as the lower commissions for collection and payment services mainly relating to credit and debit card transactions. In this regard, it is worth reminding that Regulation (EU) 2015/751 of the European Parliament and of the

Council, which came into force from December 9th, 2015, set a cap on interbank commissions for transactions via debit and credit cards.

Net trading, hedging and fair value income amounted to €69 million, up 28.2% y/y on 2015, mainly due to the profit of €15.3 million on the sale of the equity investment in Visa Europe Limited.

Operating income increased to €559.1 million, a rise of 2.7% on €544.3 million reported in 2015. Revenues were well distributed across all the Bank's business areas: investing contributed 30% with €162.7 million (+3.9% y/y), brokerage 24% with €130.1 million (-10.1% y/y compared to core revenues excluding the net interest margin), and banking 46% with €249.1 million (+3.9% y).

Total operating costs came to €226.4 million, down 2.6% on €232.5 million at December 31st, 2015, mainly due to lower costs from the incentive plans for the PFA Network and lower expenditure for marketing and promotional costs. The cost/income ratio fell from 43% at December 31st, 2015 to 40% at December 31st, 2016.

Payroll costs came to €73.7 million, down 1.8% y/y.

Operating profit came to €332.7 million, up 6.7% on 2015.

Profit before tax came to €306.3 million, up 6.3% on 2015.

Net profit for the period amounted to €211.8 million, an increase of 10.9% compared to €191.1 million at December 31st, 2015, thanks mainly to an increase in net interest income and net trading, hedging and fair value income, and the reduction in costs.

Adjusted net profit came to €200.7 million, up 3.7% on the 2015 profit (adjusted for the Solidarity Fund and integration costs), despite including the contribution to the Deposit Guarantee Scheme (€10.6 million gross and €7.1 million net at December 31st, 2016 compared to €4.7 million gross and €3.1 million net at December 31st, 2015).

During 2016, Fineco maintained its solid capital position with a CET1 ratio (transitional) of 22.9% at December 31, 2016.

In the same period, shareholders' equity amounted to €681.3 million, up 7.7% compared to €632.8 million at December 31, 2015.

MAIN INCOME STATEMENT RESULTS FOR THE FOURTH QUARTER 2016

Net interest income for the fourth quarter came to €63.4 million, up 1.4% on the third quarter 2016 and 2% on the fourth quarter 2015, driven by rising volumes and a lower cost of funding.

Net fee and commission income for the fourth quarter amounted to €65.8 million, up 11% on the third quarter of 2016 and 3.5% on the third quarter of 2015, mainly due to the increase in recurring net fee and commission income from assets under management.

Net trading, hedging and fair value income came to €11.3 million, up 5.2% on the previous quarter, driven by a recovery in market volatility, and down 9.9% on the same period of 2015.

Operating income rose to €138.4 million, up 5% on the third quarter with a positive contribution from all the business areas. It was also up compared to the fourth quarter of 2015 (+1.1%), thanks of the positive contribution from the Investing and Banking areas.

Total operating costs in the fourth quarter came to €55.3 million, up 3.7% compared to €53.4 million in the third quarter 2016 and down 6.2% compared to €58.9 million for the fourth quarter 2015 (-6.2%).

Operating profit for the quarter was €83.1 million, up 5.9% on the third quarter of 2016 and 6.6% compared to the fourth quarter of 2015.

Profit before tax came to €74.1 million, up 11.6% on 2016, mainly due to the increase in operating income and the effect of the contribution to the Deposit Guarantee Scheme recorded in the third quarter. The figure was up 16.5% on the fourth quarter of 2015, which also included the contribution to the Deposit Guarantee Scheme, driven by an increase in operating income and a reduction in operating costs.

Net profit for the fourth quarter came to €49.5 million, up 10.9% on €44.6 million posted in the third quarter of 2016 and 17.2% on the fourth quarter 2015. Adjusted net profit² came to €55.1 million, up 23.5% on both the third quarter 2016 and the fourth quarter 2015.

FIGURES AT JANUARY 31st, 2017

The year started with net sales amounting to €265 million, decreasing compared to January 2016 (-47% y/y), which was still influenced by uncertainty linked to the four Italian banks rescued. Definitely improvement in the mix is highlighted: AuM net sales amounted to €134 million, +€305 million compared to the negative figure of January 2016; AuC net sales amounted to €285 million (-31% y/y) and direct deposits equalled to -€154 million.

Guided products and services continuously growing: in January net sales were €186 million, +€226 million compared to January 2016, leading penetration rate on total AuM to 57% from 45% of January 2016 and 56% of December 2016.

Net sales through the network of Personal Financial Advisors totalled €275 million (-36% y/y).

Increasing clients' acquisition: in January 2017 more than 11,800 new clients were acquired, +13% on January 2016, bringing the total number of clients at January 31st, 2017 to over 1,127,000, up 7% compared to January 31st, 2016.

Total Financial Assets were at € 60,162 million, quite aligned with December 2016 and +12% compared to January 2016.

Tables showing the figures for January 2017 are provided below.

² Non-recurring items: release of €2.3 million gross (€1.5 million net) of provisions to the Solidarity Fund established for the loss incurred by the subordinated bondholders of the four banks subject of the resolution, the closure for €1.4 million gross (€1.0 million net) of the remaining commitment related to the action in favour of Banca Tercas, the reduction of €6.7 million gross (€4.5 million net) in the amount allocated to the exposure in equity instruments recognised as a result of the contribution paid to the Interbank Deposit Guarantee Fund - Voluntary Scheme for the subscription of the share capital increase of Cassa di Risparmio di Cesena, and €5.5 million gross (€3.7 million net) of integration costs for the Business Plan of the UniCredit group.

figures in € million

TOTAL NET SALES	January 2017	January 2016
Assets under management	134.12	-171.37
Assets under custody	284.77	414.03
Direct deposits	-153.52	258.52
TOTAL NET SALES	265.36	501.19

figures in € million

PFA NETWORK NET SALES	January 2017	January 2016
Assets under management	130.40	-160.04
Assets under custody	191.94	300.04
Direct deposits	-47.40	288.88
TOTAL NET SALES PFA NETWORK	274.94	428.88

figures in € million

TOTAL FINANCIAL ASSETS	January 2017	December 2016	January 2016
Assets under management	28,600.33	28,607.92	25,085.14
Assets under custody	13,219.27	13,077.69	12,763.14
Direct deposits	18,342.49	18,509.50	15,889.54
TOTAL FINANCIAL ASSETS	60,162.08	60,195.11	53,737.81

figures in € million

PFA NETWORK TFA	January 2017	December 2016	January 2016
Assets under management	28,097.29	28,105.21	24,598.71
Assets under custody	9,828.83	9,736.10	9,408.18
Direct deposits	13,532.21	13,593.01	11,627.11
PFA NETWORK TFA	51,458.33	51,434.32	45,634.00

Attached are the Balance Sheet, Income Statement and the quarterly changes in the Income Statement and Balance Sheet.

RECLASSIFIED INCOME STATEMENT

	Year		Changes	
	2015	2016	amount	%
Net interest	240,762	249,388	8,626	3.6%
Dividends and other income from equity investments	-	6	6	n.c.
Net fee and commission income	252,610	242,881	(9,729)	-3.9%
Net trading, hedging and fair value income	53,867	69,054	15,187	28.2%
Net other expenses/income	(2,974)	(2,211)	763	-25.7%
OPERATING INCOME	544,265	559,118	14,853	2.7%
Payroll costs	(75,049)	(73,698)	1,351	-1.8%
Other administrative expenses	(232,870)	(228,119)	4,751	-2.0%
Recovery of expenses	84,347	85,395	1,048	1.2%
Value adjustments to property, plant and equipment and intangible	(8,951)	(9,952)	(1,001)	11.2%
Operating costs	(232,523)	(226,374)	6,149	-2.6%
OPERATING PROFIT (LOSS)	311,742	332,744	21,002	6.7%
Net impairment losses on loans and provisions for guarantees and commitments	(6,706)	(4,199)	2,507	-37.4%
NET OPERATING PROFIT (LOSS)	305,036	328,545	23,509	7.7%
Provisions for risks and charges	(15,714)	(9,981)	5,733	-36.5%
Integration costs	(1,246)	(5,503)	(4,257)	341.7%
Net income from investment	(1)	(6,724)	(6,723)	672300.0%
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	288,075	306,337	18,262	6.3%
Income tax for the period	(97,022)	(94,493)	2,529	-2.6%
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	191,053	211,844	20,791	10.9%
PROFIT (LOSS) FOR THE PERIOD	191,053	211,844	20,791	10.9%

(Amounts in € thousand)

As of January 1, 2016, net fee and commission income includes the income component connected to the service provided/received for the provision of securities relative to securities lending transactions collateralised by cash, previously recorded in interest expense/income. As a consequence, the corresponding figures for the previous year have been restated to enable like-for-like comparison, by an amount of €4.4 million (of which €1.1 million in 1Q15, €1.2 million in 2Q15, €1 million in 3Q15 and €1.1 million in 4Q15).

RECLASSIFIED INCOME STATEMENT – QUARTERLY DATA

	2015	2016		% Change	
	4th Quarter	3rd Quarter	4th Quarter	Y/Y	Q/Q
Net interest	62,142	62,527	63,412	2.0%	1.4%
Dividends and other income from equity investments	-	-	6	n.c.	n.c.
Net fee and commission income	63,591	59,274	65,786	3.5%	11.0%
Net trading, hedging and fair value income	12,587	10,785	11,343	-9.9%	5.2%
Net other expenses/income	(1,486)	(793)	(2,176)	46.4%	174.4%
OPERATING INCOME	136,834	131,793	138,371	1.1%	5.0%
Payroll costs	(18,883)	(19,349)	(16,633)	-11.9%	-14.0%
Other administrative expenses	(59,238)	(53,141)	(57,254)	-3.3%	7.7%
Recovery of expenses	21,728	21,747	21,311	-1.9%	-2.0%
Impairment/write-backs on intangible and intangible assets	(2,550)	(2,610)	(2,733)	7.2%	4.7%
Operating costs	(58,943)	(53,353)	(55,309)	-6.2%	3.7%
OPERATING PROFIT (LOSS)	77,891	78,440	83,062	6.6%	5.9%
Net impairment losses on loans and provisions for guarantees and commitments	(2,576)	(720)	(678)	-73.7%	-5.8%
NET OPERATING PROFIT (LOSS)	75,315	77,720	82,384	9.4%	6.0%
Provisions for risks and charges	(10,474)	(11,342)	3,914	n.c.	n.c.
Integration costs	(1,246)	(3)	(5,493)	340.9%	183000.0%
Net income from investment	(1)	-	(6,724)	672300.0%	n.c.
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	63,594	66,375	74,081	16.5%	11.6%
Income tax for the period	(21,373)	(21,784)	(24,610)	15.1%	13.0%
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	42,221	44,591	49,471	17.2%	10.9%
PROFIT (LOSS) FOR THE PERIOD	42,221	44,591	49,471	17.2%	10.9%

(Amounts in € thousand)

As of January 1, 2016, net fee and commission income includes the income component connected to the service provided/received for the provision of securities relative to securities lending transactions collateralised by cash, previously recorded in interest expense/income. As a consequence, the corresponding figures for the previous year have been restated to enable like-for-like comparison, by an amount of €4.4 million (of which €1.1 million in 1Q15, €1.2 million in 2Q15, €1 million in 3Q15 and €1.1 million in 4Q15).

RECLASSIFIED BALANCE SHEET

ASSETS	Amounts as at		Changes	
	31-dic-15	31-dic-16	amount	%
Cash and cash balances	6	5	(1)	-16.7%
Financial assets held for trading	3,983	6,044	2,061	51.7%
Loans and receivables with banks	14,648,904	15,735,540	1,086,636	7.4%
Loans and receivables with customers	922,774	1,016,798	94,024	10.2%
Financial investments flow	2,245,982	3,757,529	1,511,547	67.3%
Hedging instruments	10,573	9,211	(1,362)	-12.9%
Property, plant and equipment	12,419	14,451	2,032	16.4%
Goodwill	89,602	89,602	-	-
Other intangible assets	8,212	7,731	(481)	-5.9%
Tax assets	15,424	13,165	(2,259)	-14.6%
Other assets	370,070	336,300	(33,770)	-9.1%
Total assets	18,327,949	20,986,376	2,658,427	14.5%

(Amounts in € thousand)

LIABILITIES AND SHAREHOLDERS' EQUITY	Amounts as at		Changes	
	31-dic-15	31-dic-16	amount	%
Deposits from banks	1,423,459	1,111,106	(312,353)	-21.9%
Deposits from customers	15,822,459	18,801,073	2,978,614	18.8%
Financial liabilities held for trading	4,100	2,626	(1,474)	-36.0%
Hedging instruments	31,319	11,371	(19,948)	-63.7%
Provisions for risks and charges	120,534	111,756	(8,778)	-7.3%
Tax liabilities	37,445	10,048	(27,397)	-73.2%
Other liabilities	255,835	257,097	1,262	0.5%
Shareholders' Equity	632,798	681,299	48,501	7.7%
- capital and reserves	430,119	476,249	46,130	10.7%
- revaluation reserves (available-for-sale financial assets - actuarial gains (losses) for defined benefits plans)	11,626	(6,794)	(18,420)	-158.4%
- net profit	191,053	211,844	20,791	10.9%
Total liabilities and Shareholders' equity	18,327,949	20,986,376	2,658,427	14.5%

(Amounts in € thousand)

GLOSSARY ALTERNATIVE PERFORMANCE MEASURES (APM)

It is reported below a description of Alternative Performance Measures (APM) used in the present Press Release:

- Cost/income ratio: Operating Costs divided by Operating Income;
- Adjusted Cost/Income Ratio: Operating Costs divided by Operating Income, net of non-recurring items related to the sale of the equity investment in Visa Europe Limited (€15.3 million gross);
- Cost of Risk: is the ratio of net write-downs of loans and provisions for guarantees and commitments to loans to customers (average at period end and balance at previous period end);
- Guided Products & Services/AUM: is the ratio between Guided Products and Services³ and Asset under Management, which consists of UCITS and other investment funds, segregated accounts and insurance products;
- Guided Products & Services/TFA: is the ratio between Guided Products and Services and Total Financial Assets, which consists of Assets Under Management (UCITS and other investment funds, segregated accounts and insurance products), Assets Under Custody (Government securities, bonds and stocks), Deposits (current accounts, time deposits and repos);
- PFA Total Financial Assets/Total Financial Assets: is the ratio of the Total Financial Assets of the Network of Personal Financial Advisors and the Total Financial Assets of the Bank;
- Organic Net Sales: net sale net of sales generated by recruitment;
- Annualised Adjusted RoE: the ratio between net profit, net of non-recurring items¹ and the average book shareholders' equity for the period (excluding dividends and donations expected to be distributed and the evaluation reserves).

Declaration by the Manager charged with preparing the financial reports

The undersigned, Lorena Pellicciari, in her capacity as the Manager charged with preparing FinecoBank S.p.A.'s financial reports

DECLARES

That, pursuant to Article 154 bis, paragraph 2, of the "Consolidated Law on Financial Intermediation" the information disclosed in this document corresponds to the accounting documents, books and records.

Manager charged with preparing the financial reports



³ Bank's products and/or services developed by investing in UCITs selected from among those distributed for each asset class taking into account customers' different risk profiles and offered to the Bank's customers under the guided open architecture model. At the date of this report, the guided products category included the "Core Series" umbrella fund of funds and the "Core Unit", "Advice Unit" and "Core Multiramo" and "Advice Top Valor" unit-linked policies, while the "Fineco Advice" and "Fineco Stars" advanced advisory services (for investment) fall under the guided service category.



B A N K

FinecoBank

FinecoBank is UniCredit Group's direct multichannel bank. It has one of the largest financial advisors' network in Italy*, and is the number one broker in Italy for equity trades in terms of volume of orders**. FinecoBank offers an integrated business model combining direct banking and financial advice, with a single free-of-charge account including banking, credit, trading and investment services, also available through applications for smartphone and tablet. With its fully integrated platform, FinecoBank is the benchmark for modern investors.

*Source: Assoreti

**Source: Assosim

Contact info:

Fineco - Media Relations

Tel.: +39 02 2887 2256

mediarelations@finecobank.com

Fineco - Investor Relations

Tel. +39 335 580 5703

investors@finecobank.com

Barabino & Partners

Tel. +39 02 72023535

Emma Ascani

e.ascani@barabino.it

+39 335 390 334

Tommaso Filippi

t.filippi@barabino.it

+39 366 644 4093

Fine Comunicato n.1615-6

Numero di Pagine: 12