

Banca Finnat Euramerica

Operating Results at 31.12.2016

Milan, 22.03.2017

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Real Estate activities

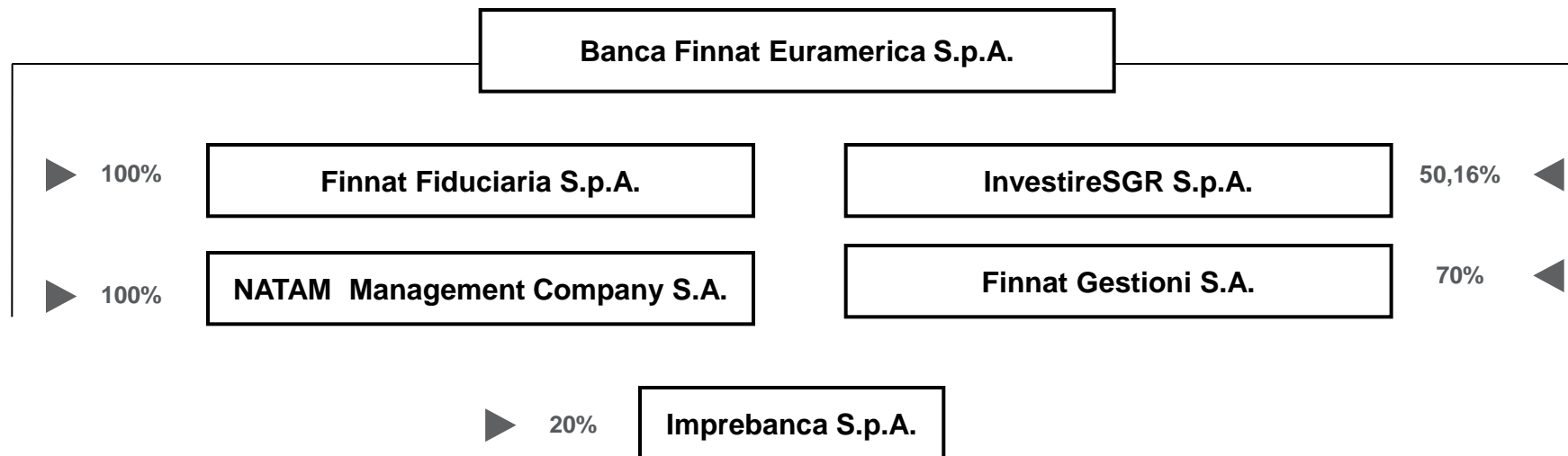
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Banca Finnat Group



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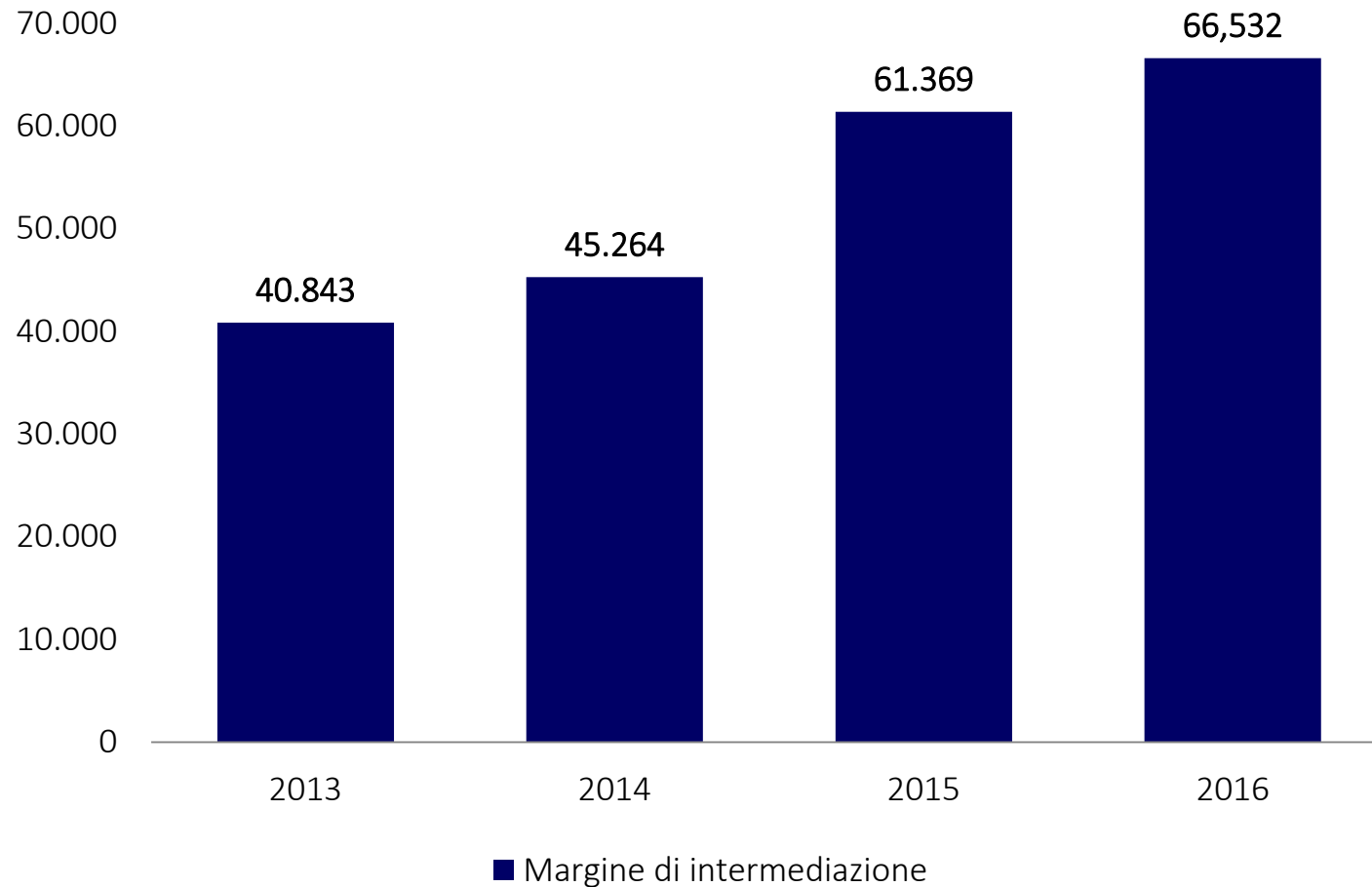
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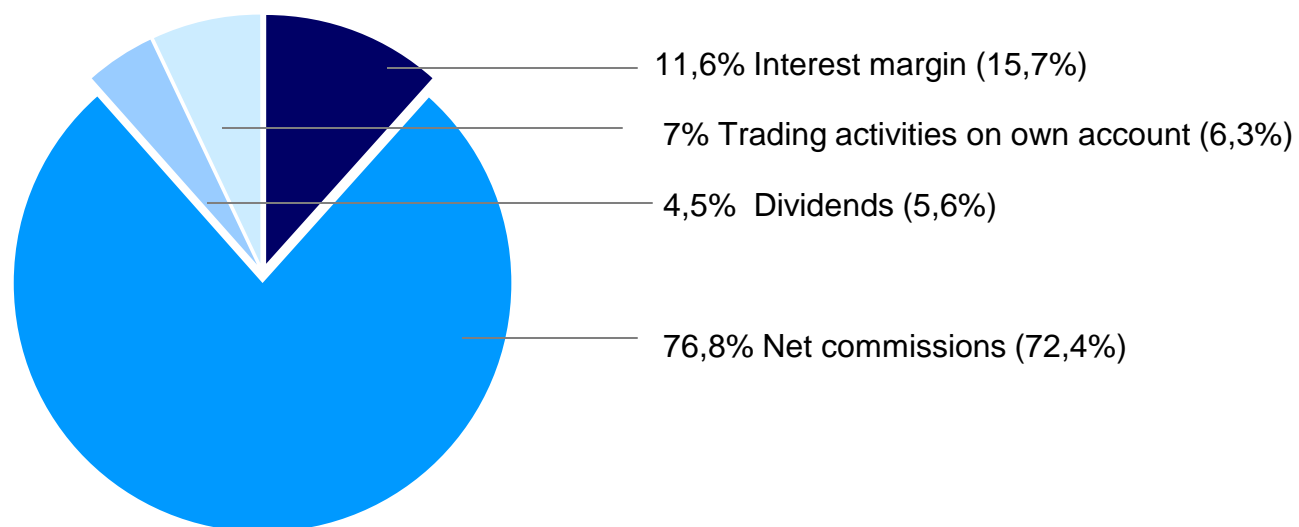
Strategic guidelines

Trend of earnings margin



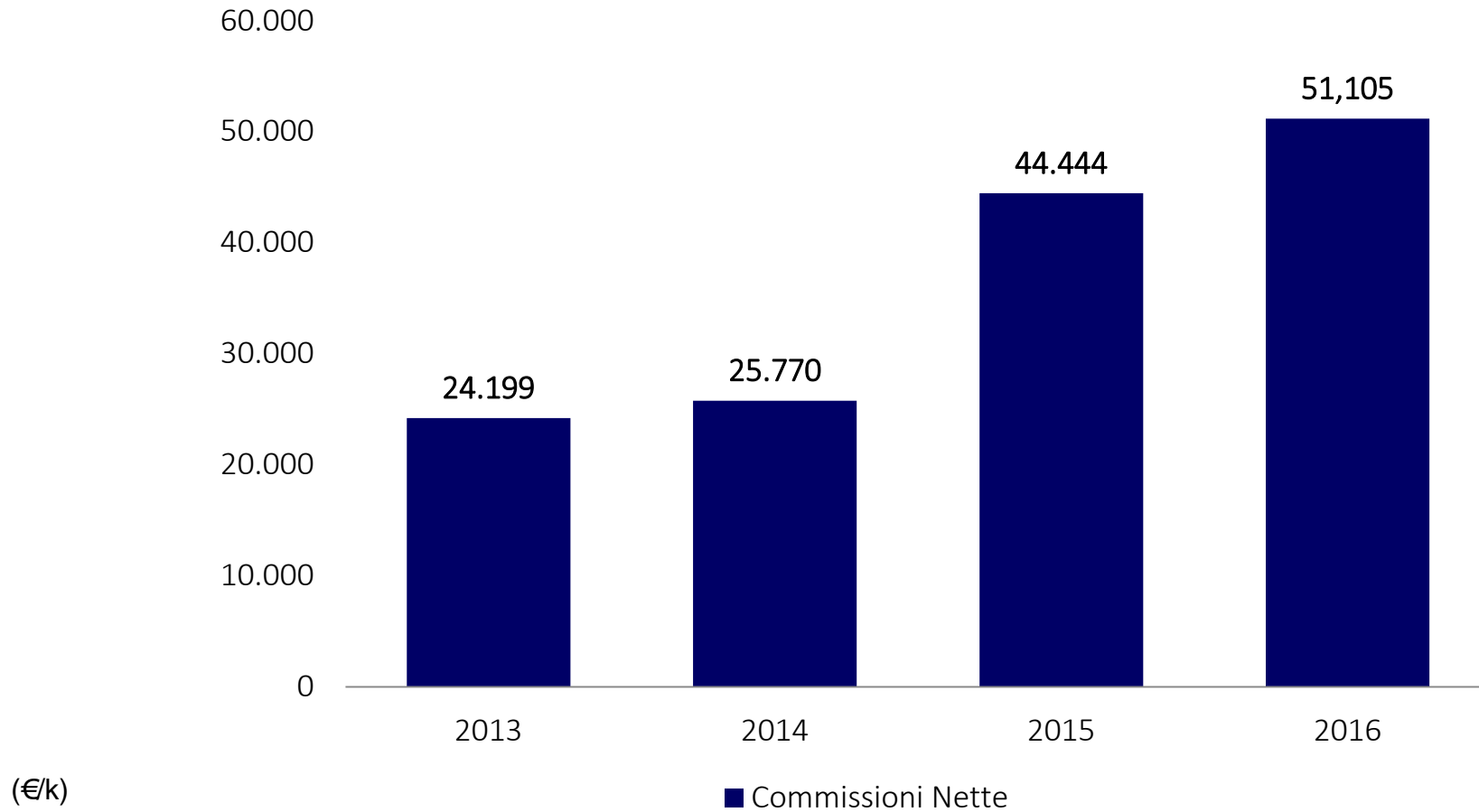
(€/k)

Revenue classification (Earnings margin)

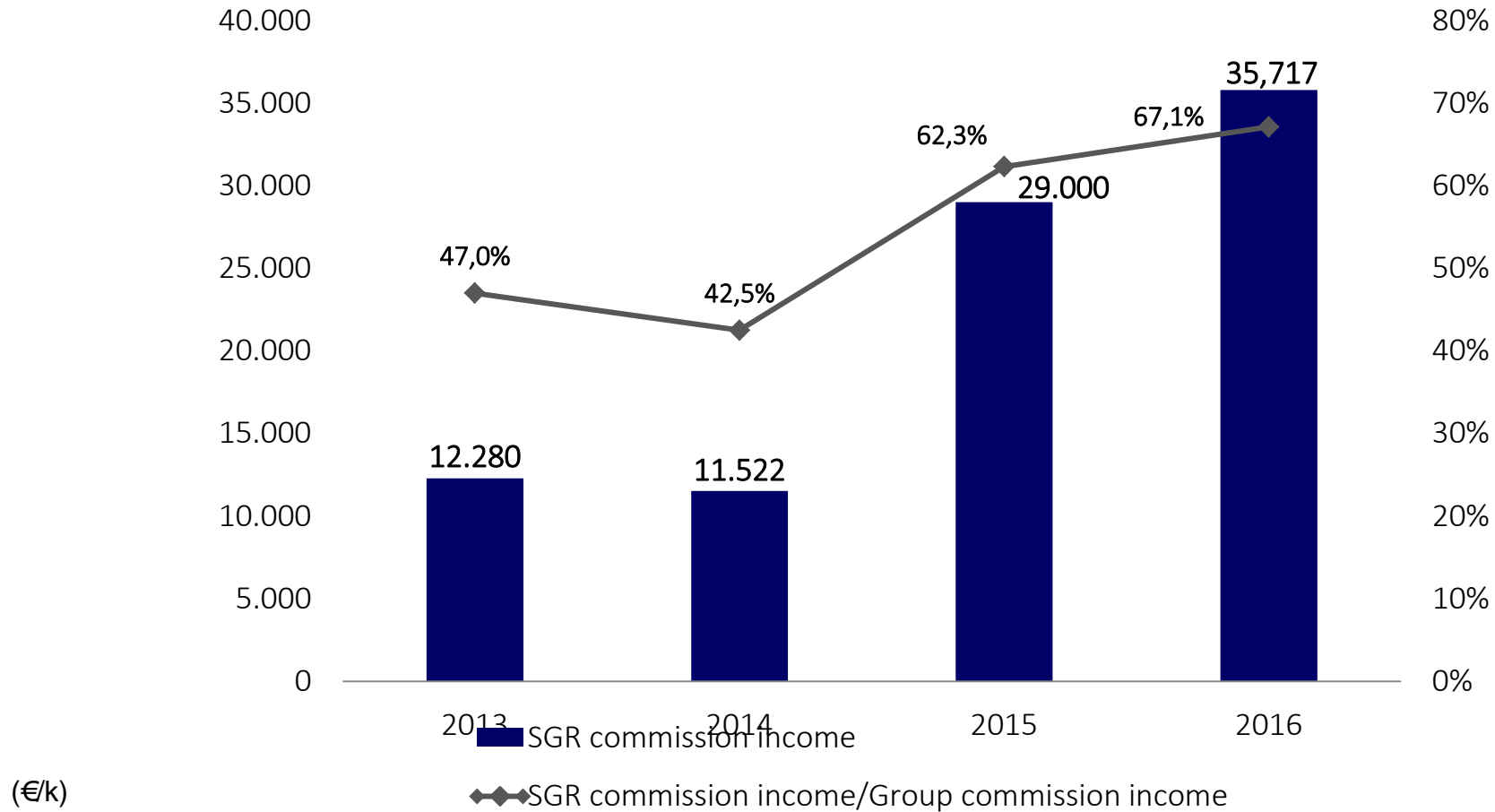


Ricavi (€000)	2015	2016	Var %
Margine di interesse	9,603	7,740	-19.4%
Commissioni nette	44,444	51,105	15.0%
Dividendi	3,452	3,003	-13.0%
Attività di negoziazione in conto proprio	3,870	4,684	21.0%

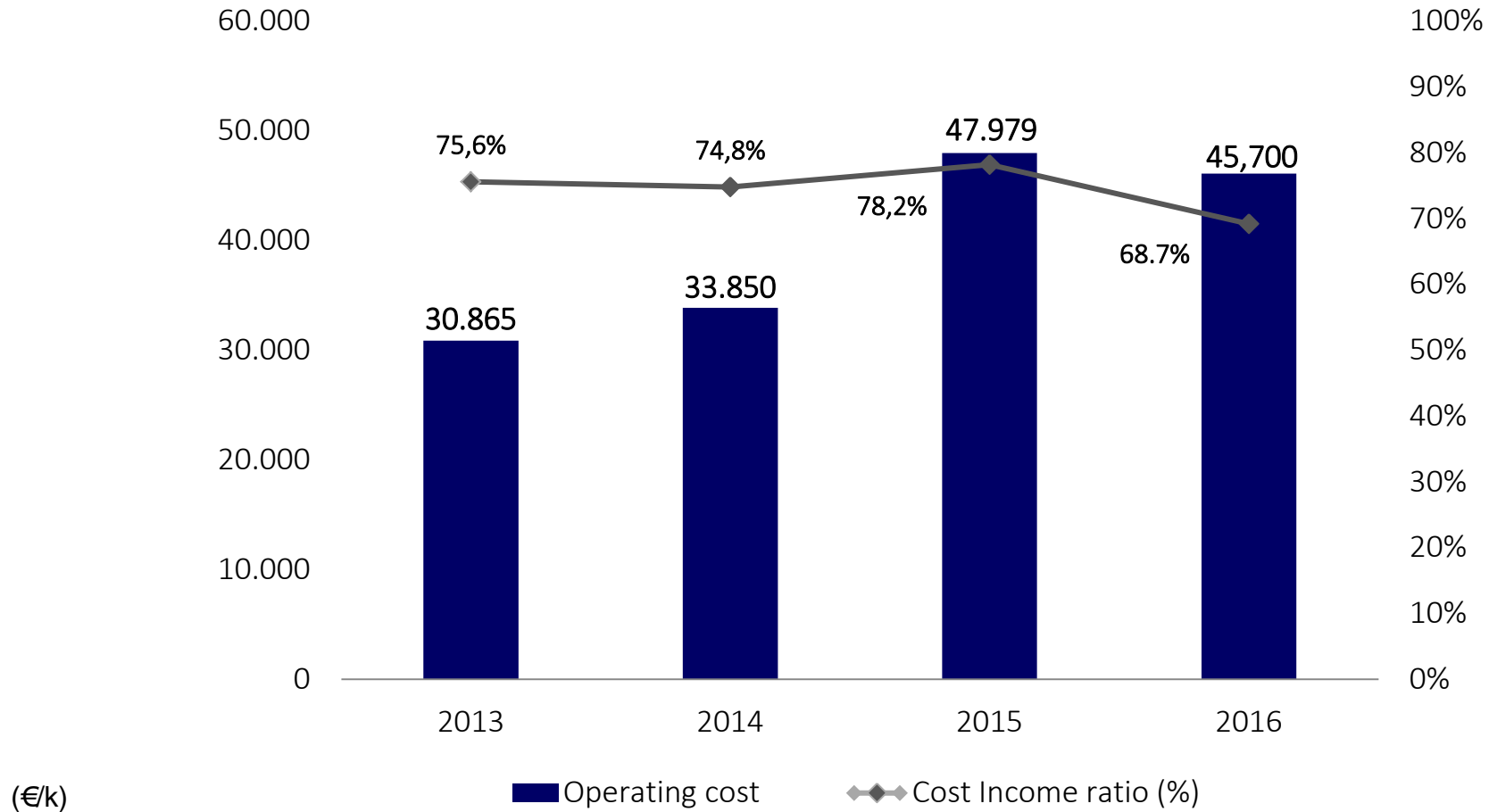
Trend of consolidated net commissions



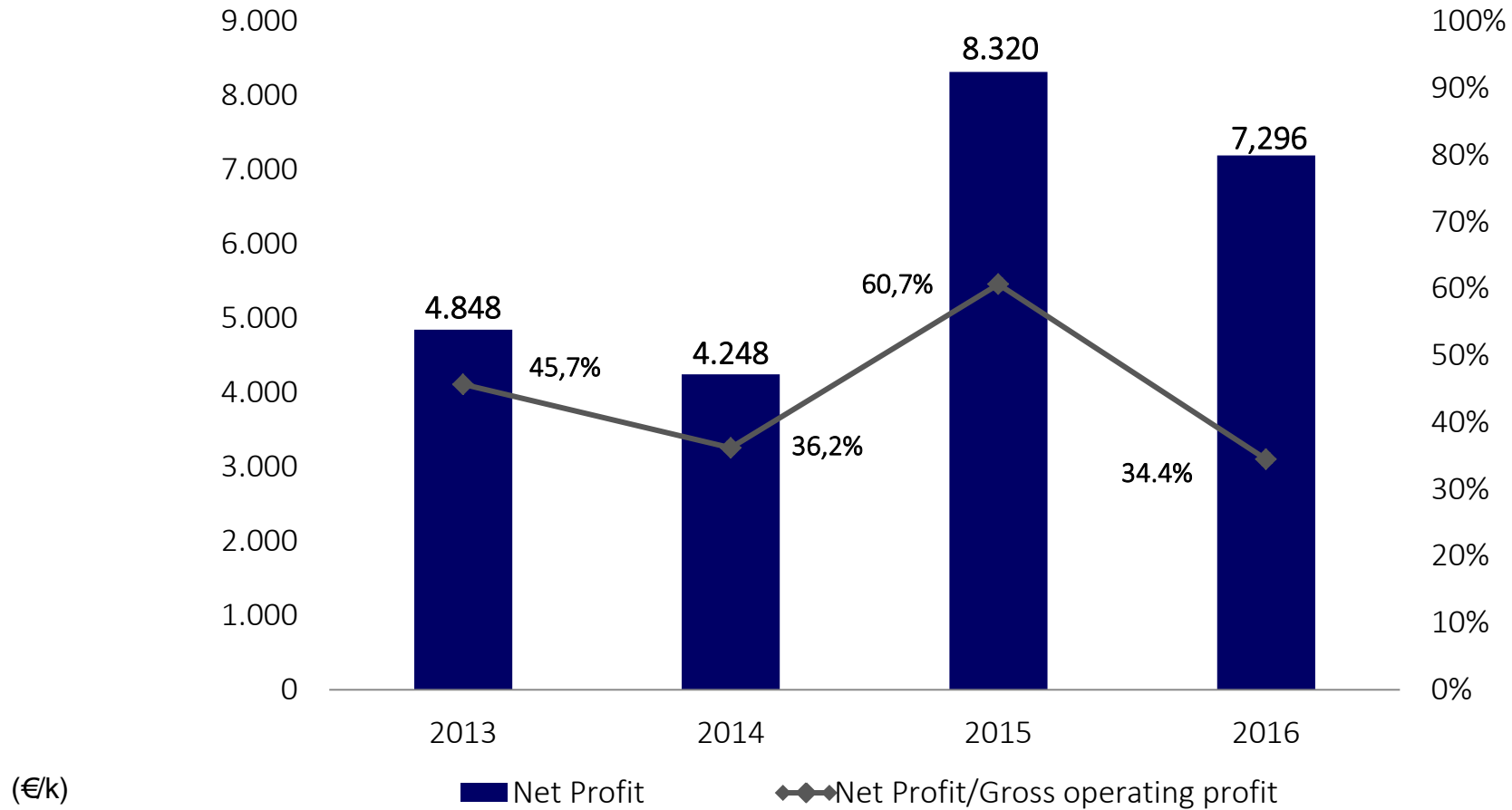
Trend of Investire SGR commissions



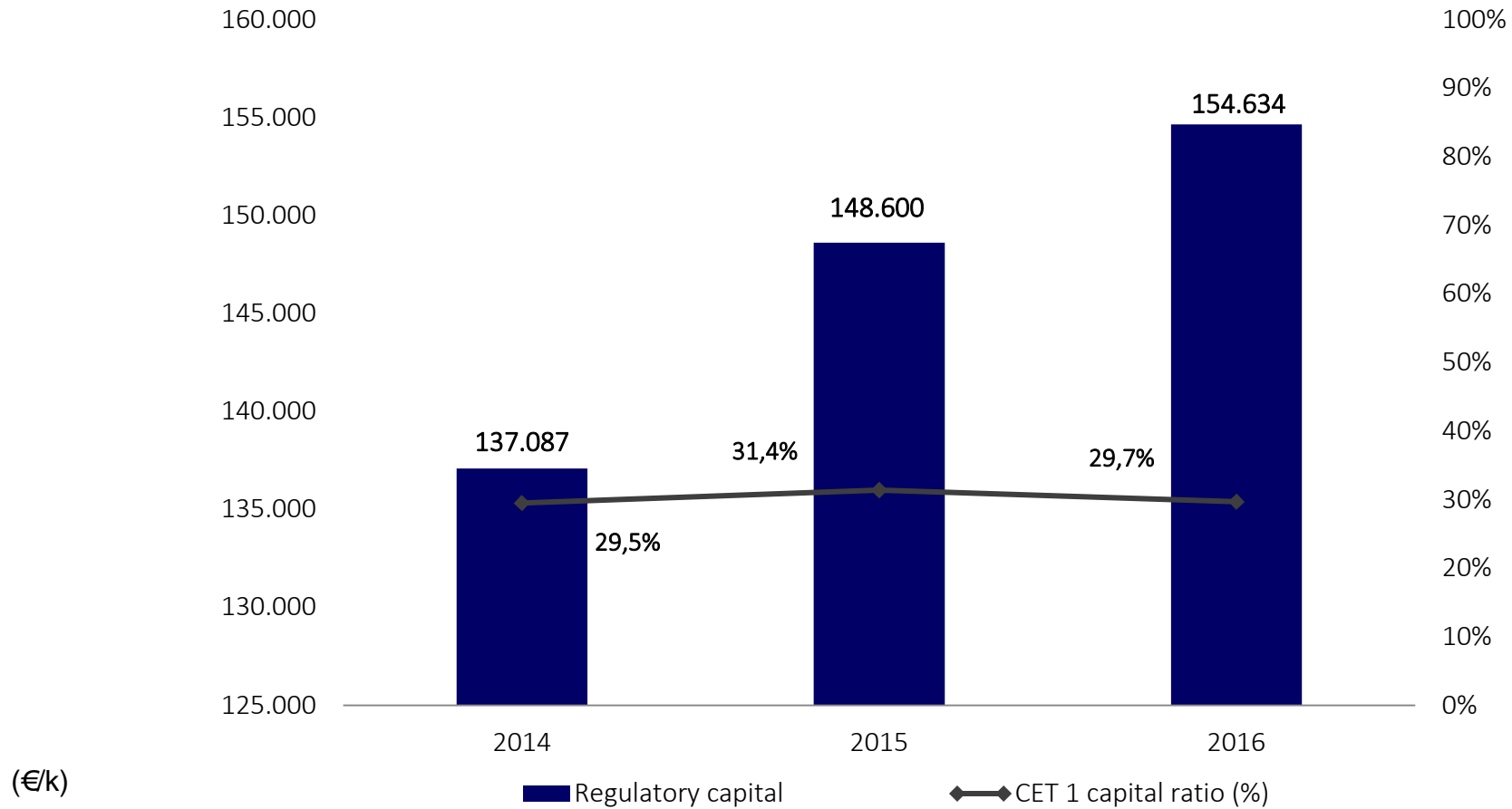
Trend of operating costs / cost income ratio



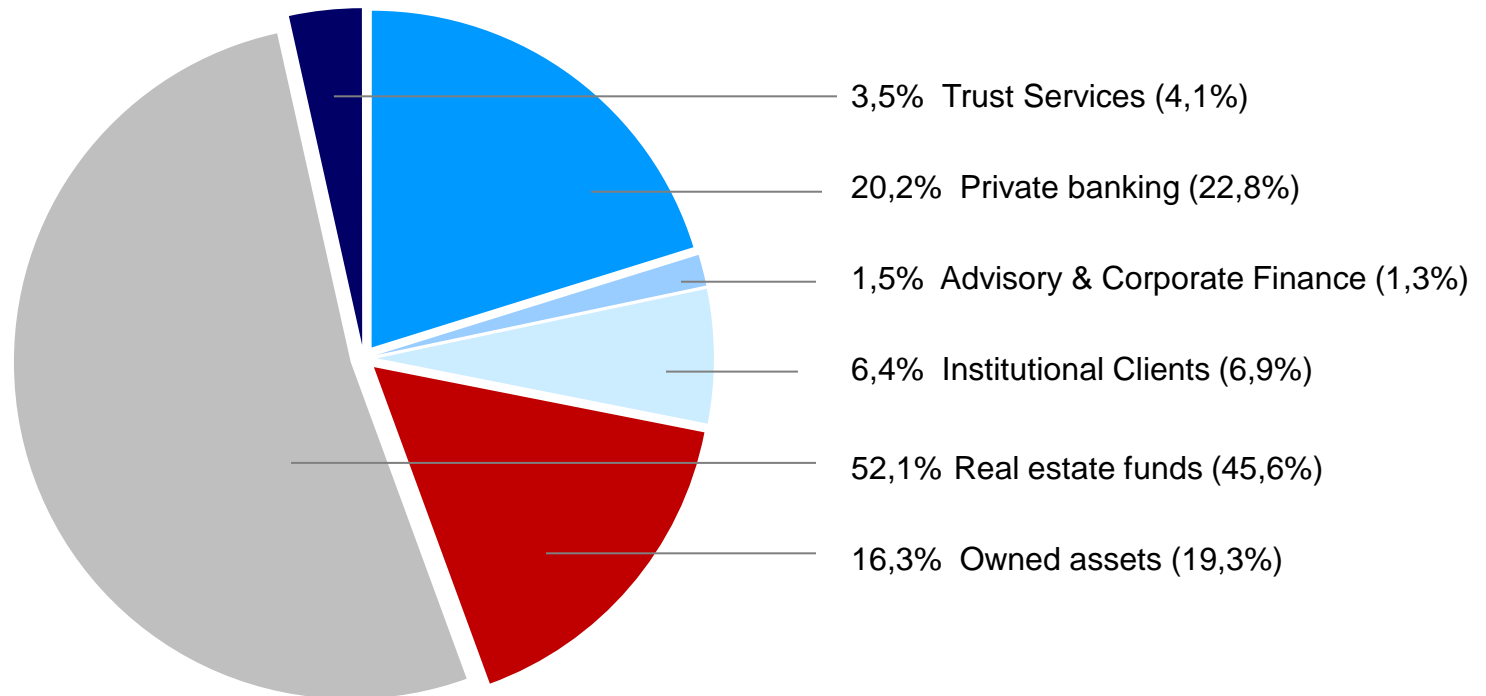
Trend of net profit



Trend of regulatory capital and Cet 1 capital ratio

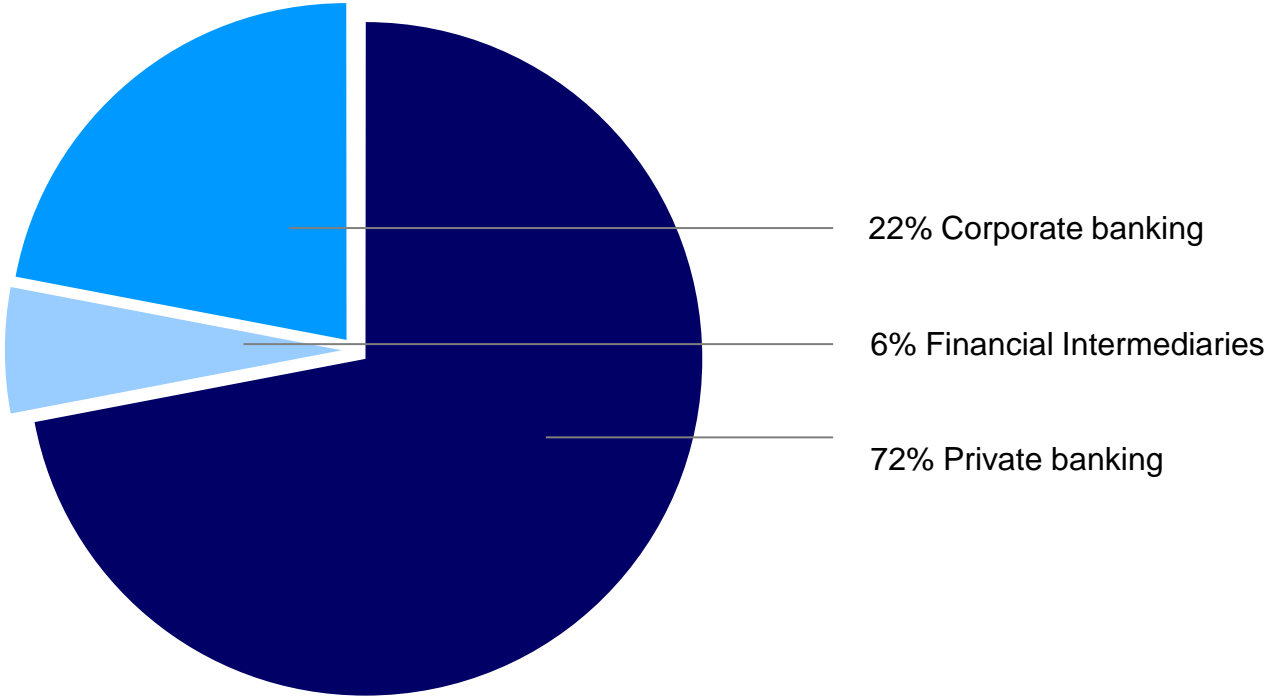


Incidence of operating divisions on the earnings margin



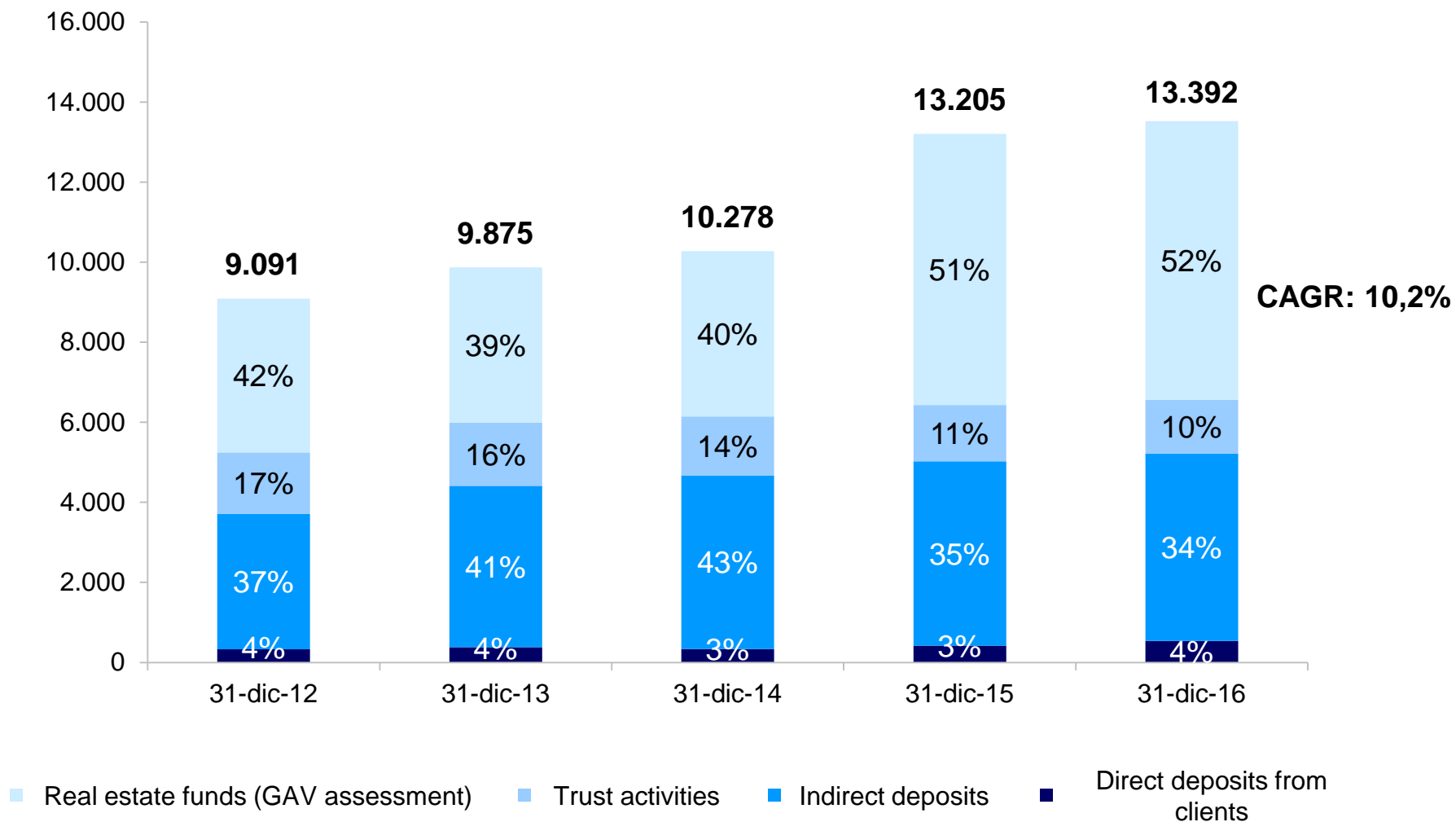
At 31.12.2016

Breakdown of earnings margin from retail banking by type of client

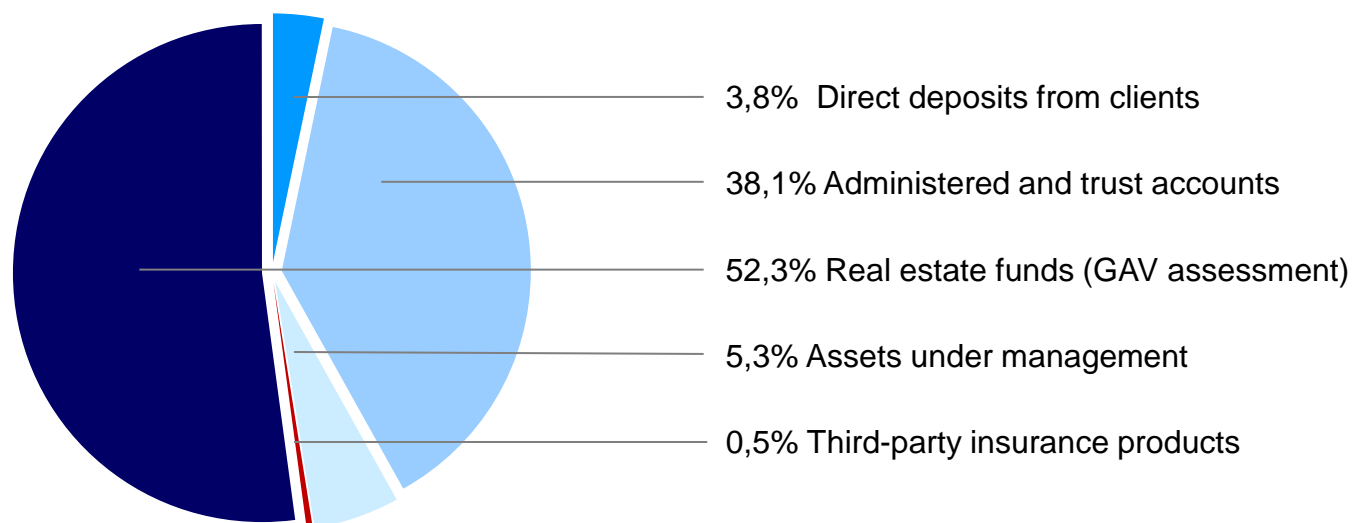


At 31.12.2016

Trend of Group deposits (€/M)



Breakdown and trend of total deposits



Composizione della raccolta (€'000)	2015	2016	Var %
Raccolta diretta clientela	417,760	510,686	22.2%
Amministrata e Fiduciaria	5,241,907	5,102,362	-2.7%
Gestita *	733,399	710,836	-3.1%
Prodotti assicurativi di terzi	42,633	66,936	57.0%
Fondi Immobiliari (valutati a GAV)	6,769,365	7,001,357	3.4%

* Including management under delegation

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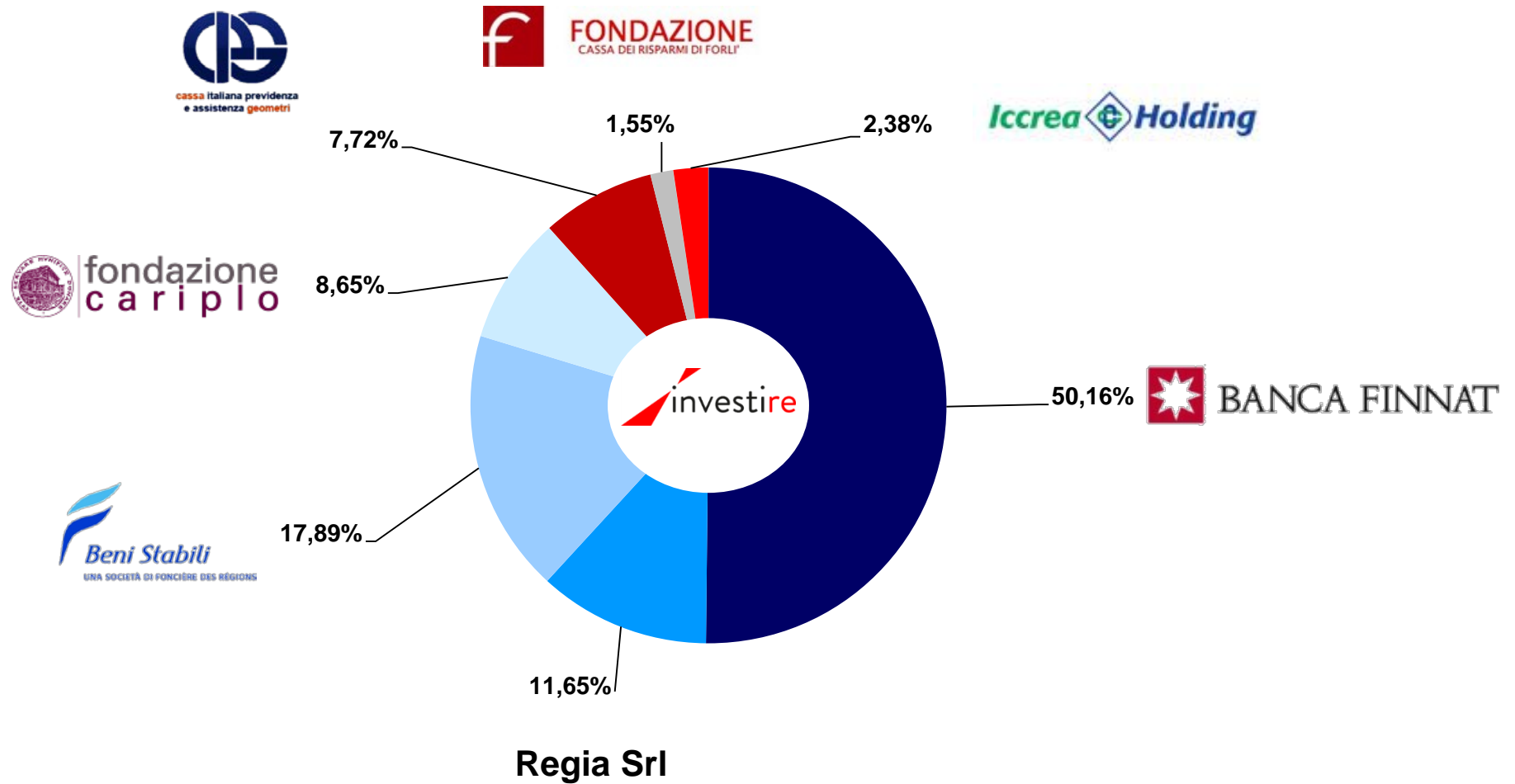
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Shareholding structure of Investire SGR



Key highlights of Investire SGR (1)

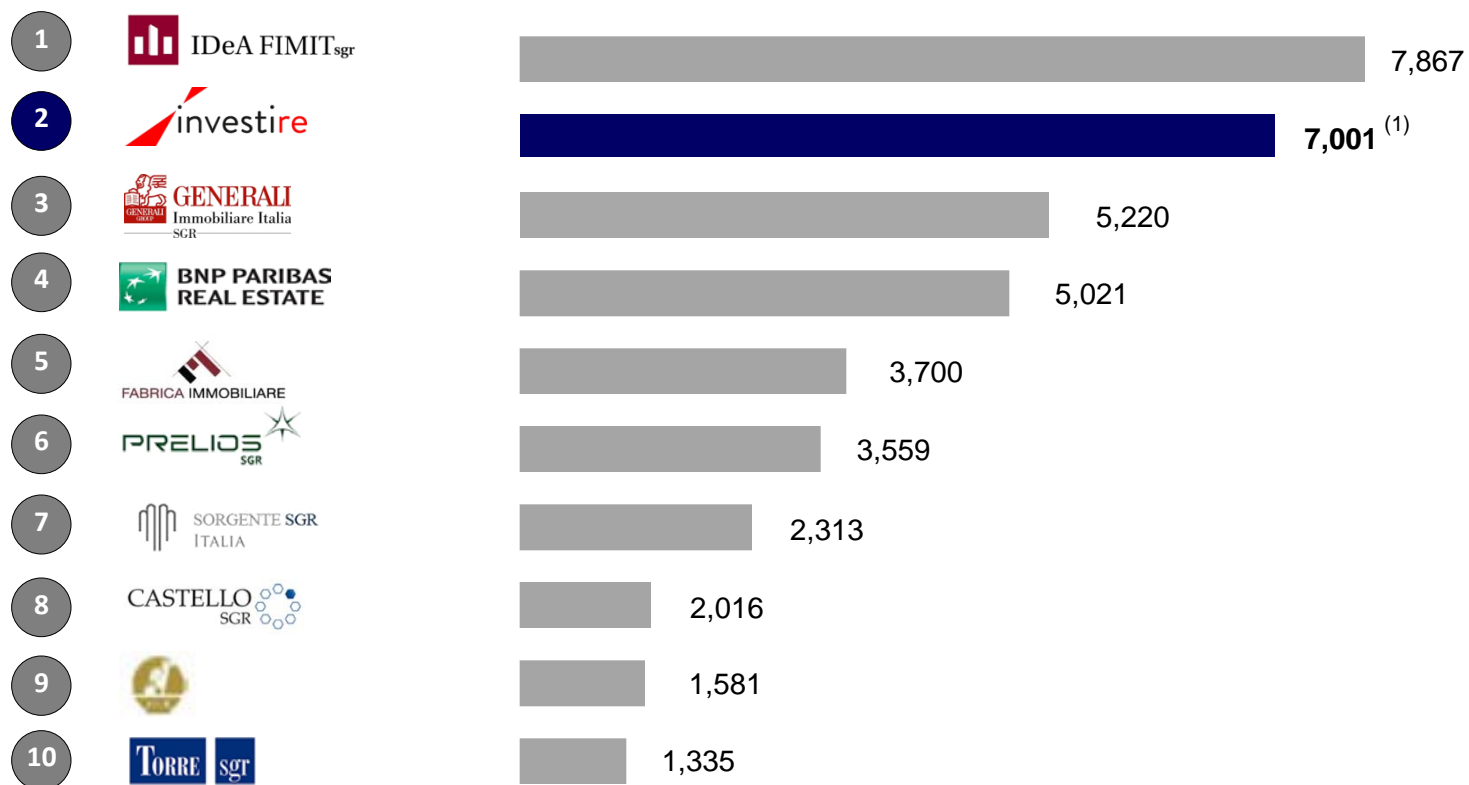


- 35 Real estate funds, 3 of which are listed
- AUM totalling over € 7 billion
- Gross revenue of over € 36 million and EBIT of approx. € 12 million
- Over 135 professional staff members based in Rome and Milan
- About 1,400 real estate properties nationwide
- Over 200 national and international institutional investors, including insurance companies, pension funds, real estate private equity funds and banks



(1) Figures at 31/12/2016

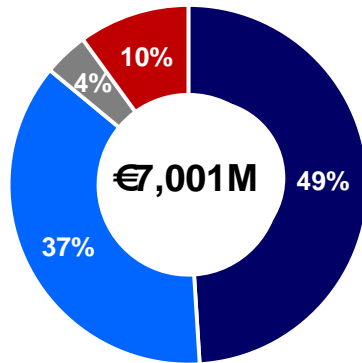
Italian RE SGR companies – Assogestioni Ranking 1H 2016



(1) Figures at 31/12/2016, including asset management advisory mandate for a pension fund amounting to approx. €300 m

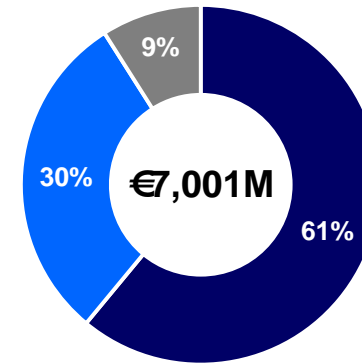
Investire SGR – Breakdown of AUM

Use



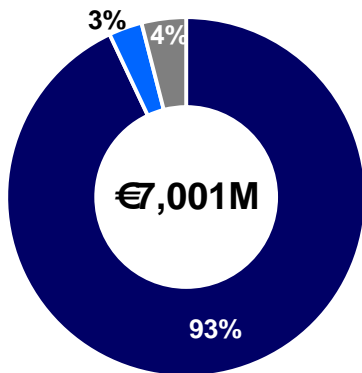
■ Office ■ Residential ■ Retail ■ Other

Type of fund



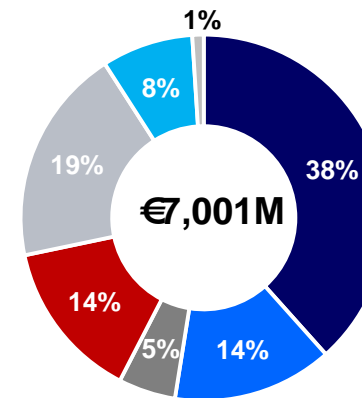
■ Core/Core+ ■ Value Added ■ Opportunistic

Type of investment



■ Earmarked funds ■ Listed funds ■ Management mandates

Type of investor

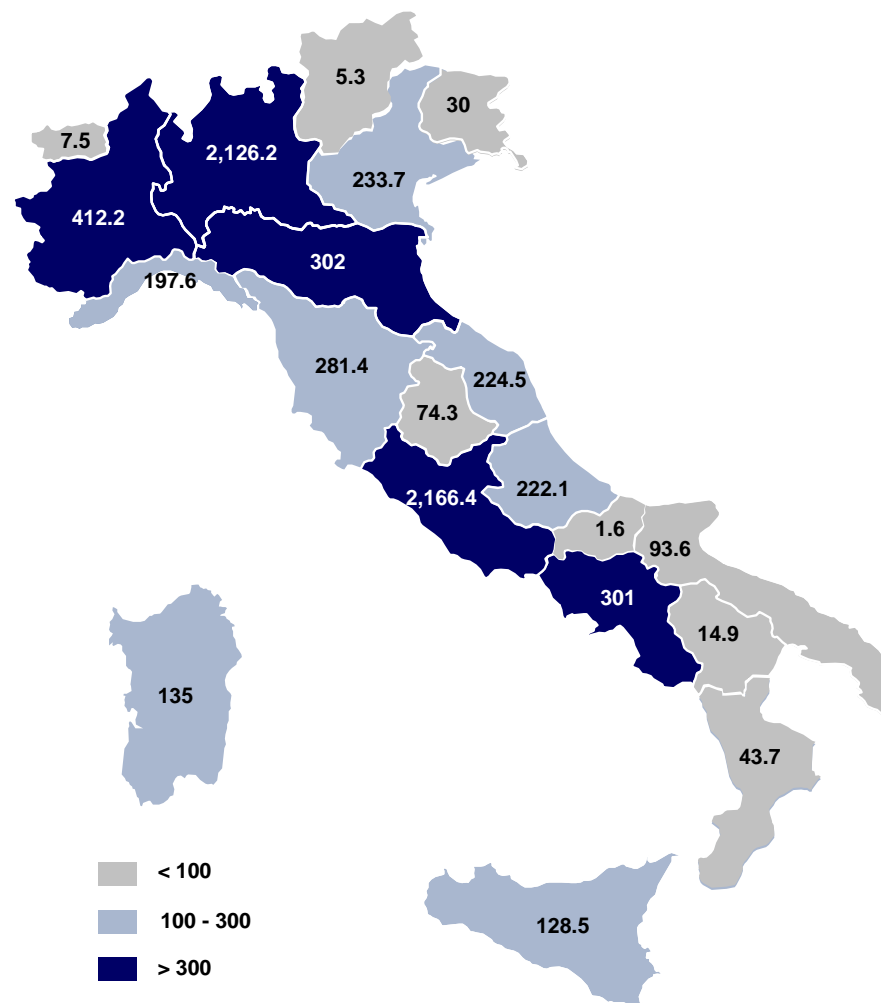
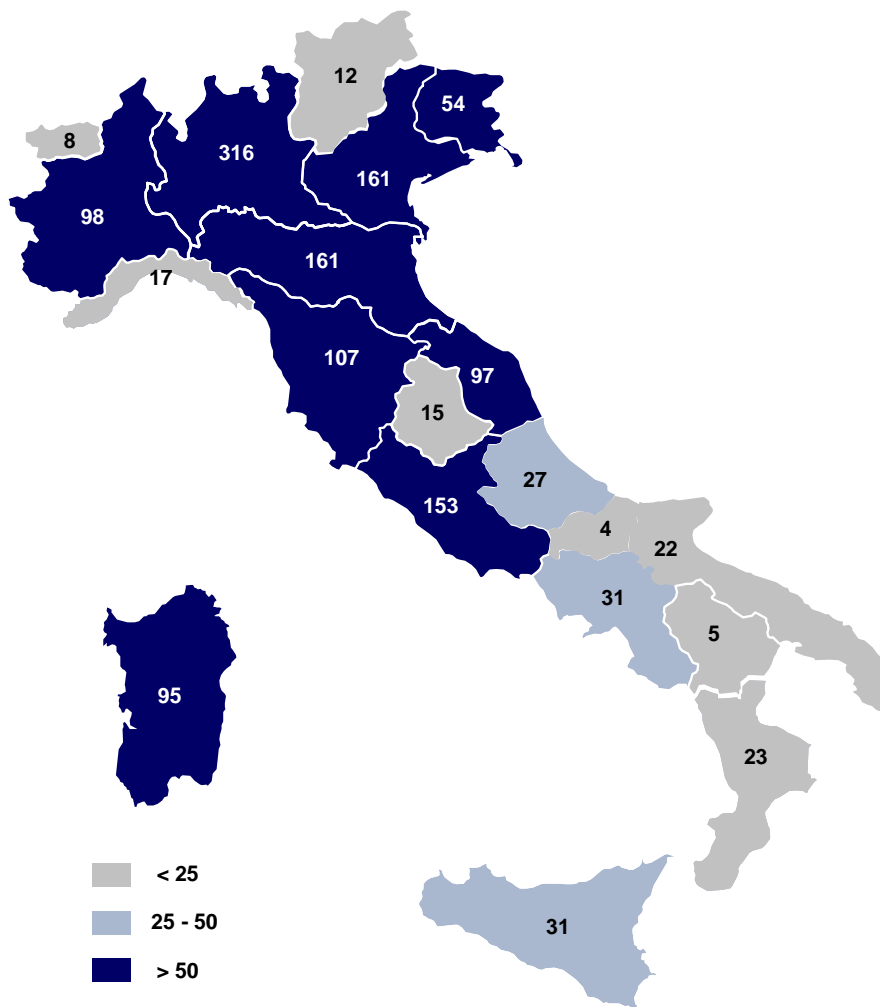


■ Pension funds
 ■ Banks
 ■ Foundations&NGOs
 ■ Private investors
 ■ Insurance companies
 ■ RE funds
 ■ Government institutions

Investire SGR – Geographical breakdown of AUM

Breakdown by asset (#) - Tot. 1.437 properties

Breakdown by value (€Mln) – €7,001.0 m



Investire SGR – Key features

Shareholder base consisting entirely of institutional entities with a long-term outlook

Gradually increasing assets with a high residual life for a majority of funds

Nationwide multidisciplinary operating capacity:

- Development, value enhancement and repositioning of properties;
- Leading position in the social housing segment (internal Project Management team);
- Traditional active management;
- Project management integrated with value added services also in non-conventional segments (e.g. social housing, RSA, distressed assets, etc.).

Capacity to establish ad hoc *partnerships with international investors in dedicated projects*

Nationwide track record with operations completed / under way in over 200 Italian municipalities

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Reclassified consolidated profit and loss account

Consolidated profit and loss account (€000)	2015	2016	% change
Interest margin	9.603	7.740	-19,4%
Dividends	3.452	3.003	-13,0%
Net commissions	44.444	51.105	15,0%
Profit (loss) from trading activities on own account	3.870	4.684	21,0%
Earnings margin	61.369	66.532	8,4%
Administrative expenses	(50.305)	(49.414)	-1,8%
Value adjustments (amortization and depreciation)	(925)	(653)	-29,4%
Provisions for risks and charges	(686)	619	-
Other operating income (expenses)	3.937	3.748	-4,8%
Operating expenses	(47.979)	(45.700)	-4,7%
Profit (loss) on equity investments	325	375	15,4%
Gross operating profit	13.715	21.207	54,6%
Adjustments to value of receivables / financial assets	(4.314)	(5.842)	35,4%
Net operating profit	9.401	15.365	63,4%
Income tax	4.227	(5.415)	-
Minority interest profit	(5.308)	(2.654)	-
Net profit for the year	8.320	7.296	-12,3%

Group highlights

Group highlights	2014	2015	2016
Interest margin / Earnings margin	27.8%	15.7%	11.6%
Net commissions / Earnings margin	56.9%	72.4%	76.8%
Cost / Income ratio	74.8%	78.2%	68.7%
GOP / Earnings margin	25.9%	22.3%	31.9%
Net operating profit / GOP	74.1%	68.5%	72.5%
Net profit / GOP	36.2%	60.7%	34,4%

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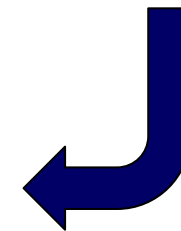
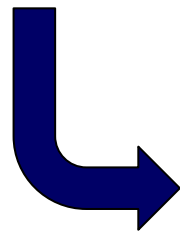
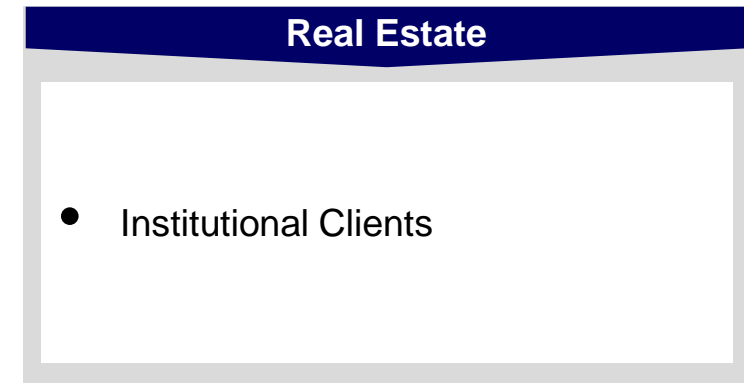
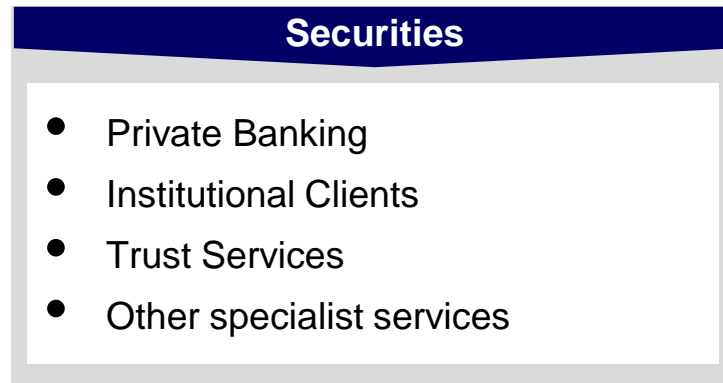
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Group objectives



Strategic guidelines (1/3)

Strategic guidelines	Action lines
<p data-bbox="78 394 111 425">1</p> <p data-bbox="99 408 505 494">Lending to clients</p> <ul data-bbox="126 511 868 668" style="list-style-type: none">• Consolidating the interest margin also as a result of the increased average turnover, such as to support private banking growth and maintain a low risk profile	<ul data-bbox="948 448 1968 674" style="list-style-type: none">• Increasing medium / long term investments through new disbursements with spread values in line with those applied in recent years• Increasing short-term disbursements in the form of guaranteed current account credit facilities
<p data-bbox="78 765 111 796">2</p> <p data-bbox="99 779 505 865">Indirect deposits</p> <ul data-bbox="126 925 868 1082" style="list-style-type: none">• Increasing revenue from indirect deposits, with larger customer base and development of managed products and remunerated advisory services	<ul data-bbox="948 796 1968 1139" style="list-style-type: none">• Securing new clients and increasing assets, primarily by recruiting new advisory staff and improving development in areas where BFE's presence is less significant• Increasing assets under remunerated private advisory arrangements• Consolidating and developing our portfolio of products / services for Institutional Clients

Strategic guidelines (2/3)

Strategic guidelines

3

SME services

- Broadening our services portfolio
- Developing and consolidating corporate advisory activities
- Developing services for listed issuers (SMEs and AIM companies) and companies in the process of being listed, for the purpose of consolidating their market leadership

4

Altri servizi clienti istituzionali

- Developing the activities of the Luxembourg-based third-party management company (ManCo)
- Exploiting the opportunities offered by cross selling

Action lines

- Extending and consolidating the marketing plan targeting Italian SMEs, also through the network of professional advisors and funds relating to minibonds or mezzanine capital
- Implementing business synergies with other banking sectors to exploit the cross-selling opportunities and securing new potential clients
- Acquiring mandates on the AIM Italia and MTA markets for listing, transactions on the secondary market and translisting transactions.
- Analysing and developing potential financial advisory activities in financial sectors and innovative sources of financing (e.g. *minibond, mezzanine*)
- Offering administrative, supervisory, governance and management services to hetero-managed SICAV companies, under both UCITS and AIFMD
- Partnerships with third-party managers for providing administrative and brokerage services
- Consolidating the customer base and institutional relations for fostering the adoption of the BFE service proposals in the various Group operating sectors

Strategic guidelines (3/3)

Strategic guidelines	Action lines
<p data-bbox="99 396 134 428">5</p> <p data-bbox="107 402 534 502">RE SGR</p> <ul data-bbox="134 554 777 664" style="list-style-type: none">• Valorising the managed assets• Consolidating turnover and profitability	<ul data-bbox="948 454 1968 768" style="list-style-type: none">• Identifying new products / opportunistic funds by exploiting the existing structure and know how• Developing new projects in the following sectors: pension schemes/insurance, private equity real estate, banking, logistics, large corporate, shopping malls and hotels• Natural growth of currently managed funds and strengthening the existing business lines
<p data-bbox="99 868 134 899">6</p> <p data-bbox="107 873 555 973">Property</p> <ul data-bbox="134 1025 818 1120" style="list-style-type: none">• Searching for potential new opportunities• Valorising equity investments	<ul data-bbox="948 953 1968 1096" style="list-style-type: none">• Maintaining high volumes of treasury transactions• Acquiring new equity investments and/or disposing of equity investments already held

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