



PRESS RELEASE

THE BOD OF BANCA FINNAT APPROVES THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2017

- **NET PROFIT IS UP FROM € 7.3 MILLION AS OF 31.12.2016 TO € 36.3 MILLION**
- **THE EARNINGS MARGIN IS UP BY 54%**
- **THE INTEREST MARGIN HAS IMPROVED BY 17%**
- **CONSOLIDATED ASSETS UNDER MANAGEMENT NOW STAND AT € 15.7 BN**
- **THE CET 1 CAPITAL RATIO TOTALS 32.6%**
- **THE PROPOSED DIVIDEND TOTAL € 10.9 M, UP THREEFOLD COMPARED TO 2016**

Rome, 16 March 2018 – At a meeting held today, the Board of Directors of Banca Finnat Euramerica S.p.A. examined and approved both the Group's consolidated and the Bank's individual financial statements for 2017, prepared according to the applicable IAS/IFRS standards, as well as the Report on corporate governance and ownership structure pursuant to Article 123bis of Legislative Decree 58/1998, the Remuneration Report prepared pursuant to Article 123ter of Legislative Decree 58/1998 and Article 84quater of the CONSOB Regulation, and the 2018 Incentives System and Remuneration policies for the Directors, Employees and Freelance Collaborators of the Bank. All the documents will be made available to the general public, within the requisite deadline, at the headquarters of Banca Finnat, at Piazza del Gesù 49, Rome; on the authorised storage mechanism SDIR-NIS/NIS Storage (www.emarketstorage.com); and posted on the Bank's website www.bancafinnat.it, in the Investor Relations page; and will also be available on the website of Borsa Italiana S.p.A. (www.borsaitaliana.it).

Following is an overview of the key highlights of the consolidated financial statements:

- The **Earnings Margin** is up by 54%, to € 102.3 million from € 66.5 million at 31 December 2016. The earnings margin has increased, primarily, as a result of higher profits recorded in connection with the disposal of available-for-sale financial assets.
- The **Interest Margin** also increased by 17% (from € 7.7 million at 31 December 2016 to € 9 million).
- **Net Commissions** are stable at € 50.6 million, compared to € 51.1 million at 31.12.2016.
- **Own Trading Activities** (which include the disposal of the available-for-sale financial assets) feature a positive balance of € 39.9 million, from € 4.7 million at 31.12.2016.
- The Group's **Net Consolidated Profit** totals € 36.3 million from € 7.3 million at 31.12.2016.
- **Total Assets under Management** stand at € 15.7 billion, the highest figure ever recorded, up by 20%, compared to 31.12.2016, with an increase in all sectors.

At 31 December 2017, the treasury shares held by the Bank amounted to 28,810,640 (from 29,492,710 at 31 December 2016), corresponding to 7.9% of the Bank's capital.

Dividend

The Board of Directors decided to propose to the forthcoming Shareholders' General Meeting the distribution of a dividend of € 0.03 per share, due for payment on 16 May 2018 (coupon 34 detachment date: 14 May 2018). The proposed dividend is significantly higher than in the previous years, due to the excellent result recorded in 2017.

Notice of Ordinary General Meeting

Finally, the Board of Directors authorised the Chairman to call a Shareholders' Ordinary General Meeting, scheduled to be held on 27 April 2018, at the Bank's headquarters, as indicated in the calendar of corporate events for 2018. The notice calling the General Meeting, and the relevant documents, shall be published within the deadline and according to the procedures set out in the applicable regulations.

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The financial reporting officer (Giulio Bastia) hereby declares, pursuant to paragraph 2 of article 154bis of the Consolidated Law on Financial Intermediaries, that the disclosure provided in this press release is consistent with the company's accounting records, books and entries.

(PURSUANT TO ART. 66 OF CONSOB RESOLUTION 11971 OF 14 MAY 1999)

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Encl.

Consolidated and Individual Income Statements, Balance Sheets and Statements of Comprehensive Income at 31.12.2017

CONSOLIDATED INCOME STATEMENT (in thousands of euros)

	Items	Period 2017	Period 2016
10.	Interest income and similar income	6.737	6.394
20.	Interest expense and similar expense	2.297	1.346
30.	Interest margin	9.034	7.740
40.	Commission income	53.116	53.252
50.	Commission expense	(2.536)	(2.147)
60.	Net commissions	50.580	51.105
70.	Dividends and similar income	2.806	3.003
80.	Net income from trading activities	1.726	1.896
90.	Net income from hedging activities	-	-
100.	Net profit (loss) from the transfer or repurchase of:		
	b) available-for-sale financial assets	38.178	2.788
120.	Earnings margin	102.324	66.532
130.	Net value adjustments/write-backs for the impairment of:		
	a) receivables	(2.340)	(185)
	b) available-for-sale financial assets	(3.777)	(5.657)
	d) other financial transactions	(2)	-
140.	Net income from financial operations	96.205	60.690
180.	Administrative expenses:		
	a) staff costs	(34.698)	(31.096)
	b) other administrative expenses	(19.364)	(18.318)
190.	Net appropriations to the provisions for risks and charges	(100)	619
200.	Net value adjustments/write-backs on tangible assets	(475)	(499)
210.	Net value adjustments/write-backs on intangible assets	(168)	(154)
220.	Other operating income/charges	5.510	3.748
230.	Operating costs	(49.295)	(45.700)
240.	Net profit (loss) of equity investments	(1.708)	375
280.	Profit (loss) from current operations before tax	45.202	15.365
290.	Income tax on current operations	(5.015)	(5.415)
300.	Profit (loss) from current operations after tax	40.187	9.950
320.	Profit (loss) for the year	40.187	9.950
330.	(Profit) loss for the year for minority interests	(3.879)	(2.654)
340.	Profit (loss) for the year for parent company	36.308	7.296

CONSOLIDATED BALANCE SHEET (in thousands of euros)

	Assets	31/12/2017	31/12/2016
10.	Cash and cash equivalents	633	475
20.	Financial assets held for trading	45.712	40.489
40.	Available-for-sale financial assets	1.219.533	1.172.947
50.	Financial assets held to maturity	-	1.999
60.	Due from banks	88.150	170.728
70.	Due from customers	370.478	335.765
80.	Hedging derivatives	-	391
100.	Equity investments	6.457	8.264
120.	Tangible assets	5.079	5.304
130.	Intangible assets	41.012	41.022
	of which:		
	- goodwill	37.729	37.729
140.	Tax assets	13.053	16.003
	a) current	605	1.802
	b) deferred tax assets	12.448	14.201
	of which pursuant to Law.214/2011	11.044	12.594
160.	Other assets	20.420	18.196
	Total assets	1.810.527	1.811.583

CONSOLIDATED BALANCE SHEET (in thousands of euros)

	Liabilities and net equity	31/12/2017	31/12/2016
10.	Due to banks	1.474	1.203
20.	Due to customers	1.494.547	1.496.319
30.	Outstanding securities	22.594	23.825
40.	Financial liabilities held for training	143	10.772
80.	Tax liabilities	4.017	3.602
	a) current	2.972	565
	b) deferred tax liabilities	1.045	3.037
100.	Other liabilities	17.988	12.101
110.	Staff severance fund	4.970	4.839
120.	Provisions for risks and charges		
	b) other funds	548	448
140.	Valuation reserves	2.182	30.423
170.	Reserves	125.101	121.601
190.	Capital	72.576	72.576
200.	Own shares (-)	(14.059)	(14.392)
210.	Minority equity share (+/-)	42.138	40.970
220.	Net profit (loss) for the year (+/-)	36.308	7.296
	Total liabilities and net equity	1.810.527	1.811.583

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

(in thousands of euros)

	Items	Period 2017	Period 2016
10.	Profit (loss) for the year	40.187	9.950
	Other income items after tax without reversal to income statement		
40.	Defined benefit plans	(23)	(191)
60.	Portion of the valuation reserves of the equity investments valued according to the net equity method	(98)	27
	Other income items after tax with reversal to the income statement		
100.	Available-for-sale financial assets	(28.101)	(2.871)
130.	Total other income items after tax	(28.222)	(3.035)
140.	Comprehensive income (Items 10+130)	11.965	6.915
150.	Consolidated comprehensive income of minority interests	3.898	3.595
160.	Consolidated comprehensive income of parent company	8.067	3.320

INCOME STATEMENT OF BANCA FINNAT EURAMERICA S.P.A.

(figures in euros)

	Items	Period 2017	Period 2016
10.	Interest income and similar income	6.700.989	6.328.813
20.	Interest expense and similar expense	2.190.419	1.241.403
30.	Interest margin	8.891.408	7.570.216
40.	Commission income	17.379.477	15.262.660
50.	Commission expense	(1.286.040)	(1.098.674)
60.	Net commissions	16.093.437	14.163.986
70.	Dividends and similar income	8.049.969	5.673.022
80.	Net income from trading activities	1.725.975	1.896.481
90.	Net income from hedging activities	-	-
100.	Net profit (loss) from the transfer or repurchase of:		
	b) available-for-sale financial assets	38.185.401	2.998.891
120.	Earnings margin	72.946.190	32.302.596
130.	Net value adjustments/write-backs for the impairment of:		
	a) receivables	(2.330.649)	(122.506)
	b) available-for-sale financial assets	(3.656.190)	(1.532.893)
	d) other financial transactions	(2.423)	-
140.	Net income from financial operations	66.956.928	30.647.197
150.	Administrative expenses:		
	a) staff costs	(17.923.053)	(16.498.266)
	b) other administrative expenses	(13.598.654)	(12.545.313)
160.	Net appropriations to the provisions for risks and charges	(100.000)	618.750
170.	Net value adjustments/write-backs on tangible assets	(327.350)	(368.533)
180.	Net value adjustments/write-backs on intangible assets	(22.057)	(29.911)
190.	Other operating income/charges	4.290.501	3.867.942
200.	Operating costs	(27.680.613)	(24.955.331)
210	Net profit (loss) of equity investments	(1.842.576)	(1.425.815)
250.	Profit (loss) from current operations before tax	37.433.739	4.266.051
260.	Income tax on current operations	(1.159.258)	(275.951)
270.	Profit (loss) from current operations after tax	36.274.481	3.990.100
290.	Profit (loss) for the year	36.274.481	3.990.100

BALANCE SHEET OF BANCA FINNAT EURAMERICA S.P.A.
(figures in euros)

	Assets	31/12/2017	31/12/2016
10.	Cash and cash equivalents	629.375	469.526
20.	Financial assets held for trading	45.712.094	40.489.180
40.	Available-for-sale financial assets	1.216.762.196	1.170.360.720
50.	Financial assets held to maturity	-	1.998.648
60.	Due from banks	76.352.947	163.339.270
70.	Due from customers	342.014.481	310.020.304
80.	Hedging derivatives	-	390.767
100.	Equity investments	76.156.865	75.131.900
110.	Tangible assets	4.870.448	5.010.372
120.	Intangible assets	374.198	384.934
	of which:		
	- goodwill	300.000	300.000
130.	Tax assets	1.532.490	3.836.117
	a) current	92.476	1.777.491
	b) deferred tax assets	1.440.014	2.058.626
	of which pursuant to Law.214/2011	1.083.021	1.526.506
150.	Other assets	20.844.532	15.899.677
	Total assets	1.785.249.626	1.787.331.415

CONSOLIDATED BALANCE SHEET OF BANCA FINNAT EURAMERICA S.P.A.
(figures in euros)

	Liabilities and net equity	31/12/2017	31/12/2016
10.	Due to banks	1.473.793	1.203.432
20.	Due to customers	1.501.891.245	1.503.642.843
30.	Outstanding securities	22.594.170	23.824.517
40.	Financial liabilities held for training	142.651	10.771.500
80.	Tax liabilities	4.542.088	3.665.582
	<i>a)</i> current	2.894.202	182.580
	<i>b)</i> deferred tax liabilities	1.647.886	3.483.002
100.	Other liabilities	9.672.643	6.896.145
110.	Staff severance fund	2.157.317	2.225.343
120.	Provisions for risks and charges		
	<i>b)</i> other funds	548.380	448.380
130.	Valuation reserves	53.488.826	78.834.039
160.	Reserves	93.947.378	93.645.724
180.	Capital	72.576.000	72.576.000
190.	Own shares (-)	(14.059.346)	(14.392.190)
200.	Net profit (loss) for the year (+/-)	36.274.481	3.990.100
	Total liabilities and net equity	1.785.249.626	1.787.331.415

STATEMENT OF COMPREHENSIVE INCOME OF BANCA FINNAT EURAMERICA S.P.A.
(figures in euros)

	Items	Period 2017	Period 2016
10.	Profit (loss) for the year	36.274.481	3.990.100
	Other income items after tax without reversal to income statement		
40.	Defined benefit plans	(19.774)	(37.296)
	Other income items after tax with reversal to the income statement		
100.	Available-for-sale financial assets	(25.325.439)	(7.176.086)
130.	Total other income items after tax	(25.345.213)	(7.213.382)
140.	Comprehensive income (Items 10+130)	10.929.268	(3.223.282)

Item 100. includes the changes in fair value of the equity investments in subsidiaries.

Fine Comunicato n.0259-7

Numero di Pagine: 14