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Societa' : BANCA FINNAT EURAMERICA

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Oggetto : THE BOD OF BANCA FINNAT
APPROVES THE RESULTS FOR THE
FIRST NINE MONTHS OF 2018

Testo del comunicato

Vedi allegato.



PRESS RELEASE

THE BOD OF BANCA FINNAT APPROVES THE RESULTS FOR THE FIRST NINE MONTHS OF 2018

- **THE INTEREST MARGIN IS UP BY 32% FROM € 6,504 THOUSAND AT 30.09.2017 TO € 8,581 THOUSAND AT 30.09.2018**
- **NET COMMISSIONS ARE UP BY 8% FROM € 33.660 THOUSAND AT 30.09.2017 TO € 36.419 THOUSAND AT 30.09.2018**
- **THE “ADJUSTED” EARNINGS MARGIN HAS INCREASED BY 6%**
- **THE CONSOLIDATED NET PROFIT REACHED € 3,977 THOUSAND FROM € 27,579 THOUSAND AT 30.09.2017, FIGURE AFFECTED (FOR € 24,765 THOUSAND BEFORE TAX) BY THE CONSIDERABLE CAPITAL GAIN FROM THE DISPOSAL OF SHARES HELD IN THE AVAILABLE-FOR-SALE PORTFOLIO**
- **GROUP AUM TOTAL € 16.1 BILLION, WITH AN ANNUAL GROWTH IN EXCESS OF 10%**
- **THE GROUP’S CET 1 CAPITAL RATIO IS 28.6%**

Rome, 09 November 2018 – At its meeting today, the Board of Directors of Banca Finnat Euramerica S.p.A. examined and approved the Group’s Consolidated Interim Report at 30 September 2018. The said Interim Report will be posted on the Company’s website at www.bancafinnat.it, in the Investor Relations/Regulated Information/Financial Statements page, and will also be available on the authorised storage device SDIR-NIS/NIS Storage (www.emarketstorage.com) and the website of Borsa Italiana S.p.A. (www.borsaitaliana.it).

Consolidated highlights at the end of the first nine months of 2018

- The **Earnings Margin** at 30 September 2018 is equal to € 47.9 million compared to € 70 million in the same period of the previous year. Net of the large capital gain made in the previous year, from the disposal of shares classified in the AFS portfolio amounting to € 24,8 million, the earnings margin is up by € 2.6 million (+6%), primarily as a result of the increased net commissions (+8%) and interest margin (+32%).
- The increased **Net Commissions** reflect, in particular, the positive performance of the Bank's core operations; the Bank's net commissions stand at € 14.7 million, up by € 4.3 million (+41.9%) compared to the same period of the previous year, thanks to the contribution of the capital market operations and consultancy services provided to businesses in the IPO stage, as well as insurance product placement, financial advisory services and securities custody and administration services. The net commissions of the subsidiary Investire Sgr are down by € 1.9 million, which, however, in the first nine months of 2017 had accumulated performance commissions on its assets' sales; regardless of these commissions, the net revenues from real estate fund management operations are up by 3.1% compared to 30 September 2017. The other Group companies' commissions are up, overall, by € 300 thousand (+11.9%).
- The **Interest Margin** totals € 8.6 million, up by € 2.1 million compared to the same period of the previous year; the increase is primarily the result of the increased loans to clients (up by € 1 million), which, while maintaining a limited risk profile, consistently with the guidelines set out in the Business Plan, have increased from a balance of € 275 million at 30 September 2017 to € 371 million at 30 September 2018.
- The **Net Losses/Recoveries on Credit Risk**, relating to financial assets designated at amortised cost, total € 1.5 million compared to € 1.2 million in the same period of 2017. The item includes the net effects, in the period, of the impairment of financial assets designated at amortised cost, consistently with the new IFRS9 standard. Total bad loans (net of write-offs) amount to less than 1% of total loans to customers.

- **Operating Costs** total € 37.3 million, up by € 2.5 million compared to € 34.8 million at 30 September 2017 (+7%). The increase was primarily affected by higher personnel expenses, equal to € 25.7 million, up by € 1.1 million (+4%), primarily due to the Bank for € 1.1 million, due to the growth in the staffing complement of commercial consultants. The other operating cost items, equal to € 11.6 million, are up by € 1.4 million, compared to the first nine months of 2017 (+14%), a figure that takes into account the € 414 thousand increase of the additional contribution required by the National Resolution Fund.
- Taxes on income for the period amounts to € 2.8 million, for a tax rate of 32.6%.

The Group's Assets under Management amount to € 16.1 billion, up compared to € 15.7 billion at 31 December 2017. In particular, with regard to the Bank, indirect, administered and managed deposits total € 6.1 billion while direct deposits total € 618 million, up by € 592 million and € 146 million, respectively, compared to the end of the previous year. New quality deposits from Private Banking customers is equal to € 200 million, as a result not just of the development of the existing business organisation but also thanks to the engagement of new consultants in the fourth quarter of 2017.

Banca Finnat continues to maintain a good competitive edge in the sector of listed and IPO-stage SMEs; during the year, the Bank increased its role as Nomad and Global or Lead manager, thanks to the completion of 5 listing operations on the AIM Italia market (Fervi, Archimede SPAC, Grifal, Askoll and SOS Travel), and of 1 trans-listing operation as Sponsor, leading to the listing of Giglio Group on the MTA. Here, the Bank also consolidated its leadership position as a specialised operator, acquiring 9 new engagements and developing and extending its research activities and post-listing services for SMEs.

Regarding real estate funds business, the number of managed funds rose from 40 at 30 September 2017 to the current 44, and the foundations have been laid for new operations that will materialise in the last quarter of the year.

The Group maintains a high level of capitalisation and its financial solidity is among the best on the market. The consolidated Supervisory Capital at 30 September 2018 is equal to € 160.7 million, with a consolidated CET 1 Capital Ratio of 28.6%, determined on the

basis of the transitional provisions provided following the entry into force of the new IFRS 9 standard. Net of the said transitional provisions, therefore, the consolidated CET 1 Capital Ratio would be equal to 28.1%.

At 30 September 2018, the company owned 28,810,640 treasury shares, unchanged compared to 31 December 2017, and amounting to 7.9% of the Bank's share capital.

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

(PURSUANT TO ARTICLE 66 OF CONSOB RESOLUTION NO.11971 OF 14 MAY 1999)

The relevant documents will be made available on the bank website (www.bancafinnat.it), in the Investor Relations page, and, in any case, will be forwarded to all interested parties upon request.

Contacts

BANCA FINNAT EURAMERICA S.p.A. (www.bancafinnat.it)

IR Manager: Gian Franco Traverso Guicciardi – Tel. +39 06 699 331 E-mail: g.traverso@finnat.it

SEC – Press Office – Marco Fraquelli – Tel. +39 02 6249 9979 E-mail: fraquelli@segrp.it

Attachments: Consolidated Income Statement, Balance Sheet and Statement of Comprehensive Income at 30.09.2018

CONSOLIDATED INCOME STATEMENT (in KEuros)

	Items	1 January 30 September 2018	1 January 30 September 2017(*)	1 July 30 September 2018	1 July 30 September 2017(*)
10.	Interest receivable and similar income	9.671	4.906	3.799	1.664
20.	Interest payable and similar expenses	(1.090)	1.598	(316)	571
30.	Interest margin	8.581	6.504	3.483	2.235
40.	Commissions receivable	38.277	35.527	12.242	13.359
50.	Commissions payable	(1.858)	(1.867)	(686)	(652)
60.	Net commissions	36.419	33.660	11.556	12.707
70.	Dividends and similar revenue	2.350	2.806	357	452
80.	Profit (losses) on trading	504	1.729	(163)	711
100.	Profits (losses) on disposal or repurchase of:	816	25.472	-	13.800
	a) financial assets designated at amortised cost	96	-	-	-
	b) financial assets designated at fair value through other comprehensive income	720	25.472	-	13.800
110.	Profit (losses) on other financial assets and liabilities designated at fair value through profit and loss	(777)	(143)	(84)	16
	b) other financial assets mandatorily at fair value	(777)	(143)	(84)	16
120.	Earnings margin	47.893	70.028	15.149	29.921
130.	Net losses/recoveries on credit risk relating to:	(1.893)	(1.884)	(452)	257
	a) financial assets designated at amortised cost	(1.477)	(1.190)	(283)	286
	b) financial assets designated at fair value through other comprehensive income	(416)	(694)	(169)	(29)
150.	Profit (losses) from financial management	46.000	68.144	14.697	30.178
190.	Administrative expenses:	(40.692)	(37.721)	(12.277)	(12.011)
	a) personnel expenses	(25.704)	(24.641)	(8.003)	(8.363)
	b) other administrative costs	(14.988)	(13.080)	(4.274)	(3.648)
200.	Net provisions for risks and charges	(374)	-	(116)	-
	a) commitments and guarantees given	(280)	-	(22)	-
	b) other net provisions	(94)	-	(94)	-
210.	Net impairment losses/value recoveries on tangible assets	(348)	(351)	(119)	(121)
220.	Net impairment losses/value recoveries on intangible assets	(130)	(126)	(45)	(44)
230.	Other operating expenses/income	4.225	3.406	1.002	422
240.	Operating costs	(37.319)	(34.792)	(11.555)	(11.754)
250.	Profit (losses) from shareholdings	(72)	(80)	-	(47)
290.	Profit (losses) from current operations before tax	8.609	33.272	3.142	18.377
300.	Income tax on current operations in the year	(2.810)	(3.201)	(947)	(1.547)
310.	Profit (losses) from current operations after tax	5.799	30.071	2.195	16.830
330.	Profit (loss) for the year	5.799	30.071	2.195	16.830
340.	(Profit) Losses relating to minority interests	(1.822)	(2.492)	(605)	(1.156)
350.	Profit (losses) for the year relating to the parent company	3.977	27.579	1.590	15.674

(*) The figures have been restated according to the new formats required by the Bank of Italy (5th updated).

CONSOLIDATED BALANCE SHEET (in KEuros)

CONSOLIDATED BALANCE SHEET - ASSETS (in KEuros)		30/09/2018	01/01/2018 (*)
10.	Cash and cash equivalents	482	633
20.	Financial assets designated at fair value through profit and loss	81.779	70.306
	a) financial assets held for sale	58.971	45.712
	c) other financial assets mandatorily at fair value	22.808	24.594
30.	Financial assets designated at fair value through other comprehensive income	238.224	202.016
40.	Financial assets designated at amortised cost	1.688.527	1.447.431
	a) due from banks	144.039	88.070
	b) loans to customers	1.544.488	1.359.361
70.	Equity investments	6.457	6.457
90.	Tangible assets	4.853	5.079
100.	Intangible assets	40.936	41.012
	of which:		
	- goodwill	37.729	37.729
110.	Tax assets	18.707	13.858
	a) current tax assets	1.795	605
	b) deferred tax assets	16.912	13.253
130.	Other assets	10.490	20.420
Total assets		2.090.455	1.807.212

(*) Figures at 31 December 2017 after adjustment FTA IFRS9 restated at 1 January 2018 according to the new formats required by the Bank of Italy (5th update).

CONSOLIDATED BALANCE SHEET (in KEuros)

CONSOLIDATED BALANCE SHEET - LIABILITIES (in KEuros)		30/09/2018	01/01/2018 (*)
10.	Financial liabilities designated at amortised cost	1.823.051	1.518.615
	a) due to banks	5.454	1.474
	b) due to customers	1.789.345	1.494.547
	c) securities issued	28.252	22.594
20.	Financial liabilities held for trading	696	143
60.	Tax liabilities	1.006	3.652
	a) current tax liabilities	567	2.972
	b) deferred tax liabilities	439	680
80.	Other liabilities	18.041	17.986
90.	Employee severance indemnity fund	5.315	4.970
100.	Provisions for risks and charges:	1.010	635
	a) commitments and guarantees given	368	87
	c) other provisions for risks and charges	642	548
120.	Valuation reserves	(9.527)	1.563
150.	Reserves	148.864	123.382
170.	Share Capital	72.576	72.576
180.	Treasury shares (-)	(14.059)	(14.059)
190.	Minority interests (+/-)	39.505	41.441
200.	Profit (losses) for the year (+/-)	3.977	36.308
Total liabilities and shareholders' equity		2.090.455	1.807.212

(*) Figures at 31 December 2017 after FTA IFRS9 restated at 1 January 2018 according to the new formats required by the Bank of Italy (5th update).

(in KEuros)

	Items	1 January 30 September 2018	1 January 30 September 2017 (*)
10.	Profit (losses) for the year	5.799	30.071
	Other comprehensive income that may not be reclassified to the income statement		
20.	Equity designated at fair value through other comprehensive income	(182)	(15.896)
70.	Defined benefit plans	(239)	(8)
90.	Share of valuation reserves connected with investments carried at equity	72	(98)
	Other comprehensive income, after tax, that may be reclassified to the income statement		
140.	Financial assets (other than equity) designated at fair value through other comprehensive income	(10.823)	(177)
170.	Total other comprehensive income after tax	(11.172)	(16.179)
180.	Comprehensive return (Item 10+170)	(5.373)	13.892
190.	Comprehensive consolidated return relating to minority interests	1.740	2.429
200.	Comprehensive consolidated return relating to parent company	(7.113)	11.463

(*) Figures are restated according to the new formats required by the Bank of Italy (5th update). The changes in the valuation reserves do not include the adjustments at first-time adoption of IFRS 9.

Fine Comunicato n.0259-48

Numero di Pagine: 10