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Informazione Regolamentata n. 0259-4-2019	Data/Ora Ricezione 08 Febbraio 2019 13:07:43	MTA - Star
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Societa' : BANCA FINNAT EURAMERICA

Identificativo : 113836

Informazione
Regolamentata

Nome utilizzatore : FINNATN06 - Ascani

Tipologia : 1.1

Data/Ora Ricezione : 08 Febbraio 2019 13:07:43

Data/Ora Inizio : 08 Febbraio 2019 13:07:44

Diffusione presunta

Oggetto : THE BOD OF BANCA FINNAT
APPROVES THE PRELIMINARY
CONSOLIDATED FIGURES AT
31.12.2018

Testo del comunicato

Vedi allegato.

PRESS RELEASE

**THE BOD OF BANCA FINNAT APPROVES
THE PRELIMINARY CONSOLIDATED FIGURES AT 31.12.2018**

- **THE INTEREST MARGIN IS UP BY 39% FROM € 9 MILLION AT 31.12.2017 TO € 12.5 MILLION AT 31.12.2018**
- **NET COMMISSIONS INCREASED BY ABOUT 4% FROM € 50.6 MILLION AT 31.12.2017 TO € 52.4 MILLION AT 31.12.2018**
- **THE “ADJUSTED” EARNINGS MARGIN IS UP BY 3%**
- **THE CONSOLIDATED NET PROFIT TOTALS € 5.3 MILLION FROM € 36.3 MILLION AT 31.12.2017, WHICH FIGURE, HOWEVER, HAD BEEN AFFECTED (FOR € 36.2 MILLION BEFORE TAX) BY THE CONSIDERABLE CAPITAL GAINS FROM THE SALE OF SHARES HELD IN AVAILABLE-FOR-SALE PORTFOLIO**
- **TOTAL ASSETS UNDER MANAGEMENT ARE € 16.4 BN FROM € 15,7 BN**
- **THE CONSOLIDATED CET1 RATIO IS 29,7%**

Rome, 08 February 2019 – At the meeting held today, the Board of Directors of Banca Finnat Euramerica S.p.A. approved the preliminary accounting schedules relating to the Consolidated Financial Statements at 31 December 2018 prepared in connection with the new common reporting (COREP) and financial reporting (FINREP) frameworks, for supervisory purposes, to be transmitted to the Bank of Italy within the deadline of 11 February 2019.

Consolidated financial highlights for 2018

- The **Earnings Margin** is equal to € 68.1 million compared to € 102.3 million at 31 December 2017. Net of the large capital gains recorded in the previous year, totalling € 36.2 million, from the sale of shares classified in the AFS portfolio, the earnings margin is up by € 2 million (+3%), primarily as a result of the increased interest margin (+39%) and net commissions (+4%).

- The increased **Net Commissions** reflect, in particular, the positive performance recorded by the Bank's core operations thanks to the contribution of the capital markets activities and consultancy services provided to businesses in the IPO stage as well as insurance product placement and financial management and advisory services.
- The **Interest Margin** totals € 12.5 million, up by € 3.5 million compared to the previous year; the € 1.3 million increase is primarily the result of increased loans to customers which, while maintaining a low risk profile – consistently with the guidelines set out in the Business Plan – increased from a balance of € 312 million at 31 December 2017 to € 374 million at 31 December 2018; furthermore, the interest margin on investments in Italian Government bonds, due to funding from repurchase agreements, increased by € 1.8 million also as a result of transactions concluded in the fourth quarter and generating a margin of € 488 thousand.
- **Net losses/Recoveries on credit risk** relating to financial assets designated at amortised cost are equal to € 3.2 million, compared to impairment losses on receivables in the same period of 2017 totalling € 2.3 million. The item includes the net effects, in the period of the impairment of the securities included among the financial assets designated at amortised cost, totalling € 1.3 million, consistently with the new IFRS9 standard. Furthermore, impairment losses on loans, particularly conservative, have determined an increase of the coverage of the Bank's impaired loans from 54.6% at 31 December 2017 to 56.1% at 31 December 2018; the consolidated value totals 58.4%.
- **Operating Costs** total € 51.4 million, up by € 2.1 million compared to € 49.3 million at 31 December 2017 (+4%). The increase was primarily affected by higher personnel expenses, equal to € 36.2 million, up by € 1.5 million (+4%) attributable to the Bank for € 1.2 million due to the growth in the staffing complement of commercial consultants at the end of 2017. The other operating cost items, totalling € 15.2 million, are up by € 655 thousand compared to the previous year (+4%), a figure that takes into account the € 414 thousand increase of the additional contribution required by the National Resolution Fund.
- Tax expenses amounts to € 4 million, with a tax rate of 32.6%.

The Group's total AUM amounts to **€ 16.4 billion** compared to € 15.7 billion at 31 December 2017. In particular, with regard to the Bank, indirect, administered and managed deposits total € 6.2 billion while direct deposits total € 677 million, up by € 612 million and € 204 million respectively compared to the end of the previous year. New quality deposits from Private Banking customers is equal to € 230 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 keep 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 in capital market operations thanks to the completion of 6 listing operations on the AIM Italia market (Fervi, Archimede SPAC, Grifal, Askoll, SOS Travel and Powersoft), 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 10 new engagements and developing and extending its research activities and post-listing services for SMEs.

Regarding real estate funds, the number of administered funds rose from 43 at 31 December 2017 to the current 44; Investire ranks second among the Italian-based Sgr (savings management company) with assets totalling € 7.3 billion and representing over 200 national and international institutional investors including insurance companies, pension funds, private equity real estate funds and banks. In 2018, despite the slowdown in investments in Italy by international investors, Investire posted higher than expected results, albeit lower than in 2017, while at the same time restraining other administrative expenditure by 3% and, despite the higher costs incurred to strengthen its staffing complement, in order to adequately meet the needs of a complex and highly competitive market.

The Group maintains a high level of capitalisation and its financial solidity is among the best on the market. The consolidated Supervisory Capital at 31 December 2018 is equal to € 166,3 million, with a consolidated CET 1 Capital Ratio of 29,7 % 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 29,3%.

The next meeting of the Board of Directors is scheduled for 19 March 2019 to approve the draft company and consolidated financial statements at 31 December 2018.

At 31 December 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)

Contacts

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Attachments: Consolidated Income Statement, Balance Sheet and Statement of Comprehensive Income at 31.12.2018

CONSOLIDATED BALANCE SHEET (in KEuros)

New item no. 262 (Item no. at 31/12/2017)	Assets	31/12/2018	31/12/2017
10. (10.)	Cash and cash equivalents	665	633
(20.)	Financial assets held for trading	-	45.712
(40.)	Financial assets available for sale	-	1.219.533
(60.)	Due from banks	-	88.150
(70.)	Loans to customers	-	370.478
20.	Financial assets designated at fair value through profit and loss	60.170	-
	a) financial assets held for trading	37.410	-
	c) other financial assets mandatorily at fair value	22.760	-
30.	Financial assets designated at fair value through other comprehensive income	298.665	-
40.	Financial assets designated at amortised cost	1.477.737	-
	a) due from banks	102.566	-
	b) loans to customers	1.375.171	-
70. (100.)	Equity investments	6.400	6.457
90. (120.)	Property and equipment	4.781	5.079
100. (130.)	Intangible assets	40.974	41.012
	of which:		
	- goodwill	37.729	37.729
110. (140.)	Tax assets	19.266	13.053
	a) current tax assets	2.231	605
	b) deferred tax assets	17.035	12.448
130. (160.)	Other assets	24.772	20.420
Total assets		1.933.430	1.810.527

CONSOLIDATED BALANCE SHEET (in KEuros)

New item no. 262 (Item no. at 31/12/2017)	Liabilities and Shareholders' Equity	31/12/2018	31/12/2017
(10.)	Due to banks	-	1.474
(20.)	Due to customers	-	1.494.547
(30.)	Debt securities issued	-	22.594
(120.)	Provisions for risks and charges	-	548
	b) other funds	-	548
10.	Financial liabilities designated at amortised cost	1.655.694	-
	a) due to banks	13.974	-
	b) due to customers	1.613.470	-
	c) debt securities issued	28.250	-
20. (40.)	Financial liabilities held for trading	323	143
60. (80.)	Tax liabilities	1.117	4.017
	<i>a) current tax liabilities</i>	581	2.972
	<i>b) deferred tax liabilities</i>	536	1.045
80. (100.)	Other liabilities	20.370	17.988
90. (110.)	Employee severance indemnity fund	5.317	4.970
100.	Provisions for risks and charges:	783	-
	a) commitments and guarantees given	101	-
	c) other provisions for risks and charges	682	-
120. (140.)	Valuation reserves	(3.592)	2.182
150. (170.)	Reserves	148.870	125.101
170. (190.)	Capital	72.576	72.576
180. (200.)	Treasury shares (-)	(14.059)	(14.059)
190. (210)	Minority interests (+/-)	40.688	42.138
200. (220)	Profits (losses) for the year (+/-)	5.343	36.308
	Total liabilities and shareholders' equity	1.933.430	1.810.527

CONSOLIDATED INCOME STATEMENT (in KEuros) Schedule 1 of 2

New item no. 262 (Item no. at 31/12/2017)	Items	Esercizio 2018	Esercizio 2017
10. (10.)	Interest receivable and similar income	14.061	6.737
20. (20.)	Interest payable and similar expenses	(1.530)	2.297
30. (30.)	Interest margin	12.531	9.034
40. (40.)	Commissions receivable	54.857	53.116
50. (50.)	Commissions payable	(2.416)	(2.536)
60. (60.)	Net commissions	52.441	50.580
70. (70.)	Dividends and similar revenue	2.350	2.806
80. (80.)	Profit (losses) on trading	(170)	1.726
(100.)	Profit (losses) on disposal or repurchase of:		
	b) financial assets available for sale	-	38.178
100.	Profit (losses) on disposal or repurchase of:	1.317	-
	a) financial assets designated at amortised cost	377	-
	b) financial assets designated at fair value through other comprehensive income	940	-
110.	Profits (losses) on other financial assets and liabilities designated at fair value through profit and loss	(389)	-
	b) other financial assets mandatorily at fair value	(389)	-
120. (120.)	Earnings margin	68.080	102.324
(130.)	Net losses/Recoveries on impairment of:	-	(6.119)
	a) receivables	-	(2.340)
	b) financial assets available for sale	-	(3.777)
	d) other transactions		(2)
130.	Net losses/Recoveries on credit risk relating to:	(4.003)	-
	a) financial assets designated at amortised cost	(3.228)	-
	b) financial assets designated at fair value through other comprehensive income	(775)	-
150. (140.)	Profit (losses) from financial management	64.077	96.205

CONSOLIDATED INCOME STATEMENT (in KEuros) Schedule 2
of 2

New item no. 262 (Item no. at 30/06/2017)	Items	Esercizio 2018	Esercizio 2017
190. (180.)	Administrative expenses:	(56.181)	(54.062)
	a) personnel expenses	(36.189)	(34.698)
	b) other administrative expenses	(19.992)	(19.364)
200. (190)	Net provisions for risks and charges	(148)	(100)
	a) commitments and guarantees given	(14)	-
	b) other net provisions	(134)	(100)
210. (200.)	Net losses/Recoveries on property and equipment	(469)	(475)
220. (210.)	Net losses/Recoveries on intangible assets	(177)	(168)
230. (220.)	Other operating income and expense	5.534	5.510
240. (230.)	Operating costs	(51.441)	(49.295)
250. (240.)	Profit (losses) from equity investments	(296)	(1.708)
290. (280.)	Profit (losses) from current operations before tax	12.340	45.202
300. (290.)	Income tax on current operations in the year	(4.027)	(5.015)
310. (300.)	Profit (losses) from current operations after tax	8.313	40.187
330. (320.)	Profit (losses) for the year	8.313	40.187
340. (330.)	(Profit) losses relating to minority interests	(2.970)	(3.879)
350. (340.)	Profit (losses) for the year relating to the parent company	5.343	36.308

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 (in KEuros)

	Items	Esercizio 2018	Esercizio 2017
10.	Profit (losses) for the year	8.313	40.187
	Other comprehensive income - after tax - that may not be reclassified to the income statement		
20.	Equity designated at fair value through other comprehensive income	3.053	
70. (40.)	Defined benefit plans	(142)	(23)
90. (60.)	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		
(100.)	Financial assets available for sale		(28.101)
140.	Financial assets (other than equity) designated at fair value through other comprehensive income	(8.188)	
170. (130.)	Total other comprehensive income after tax	(5.205)	(28.222)
180. (140.)	Comprehensive return (Item 10+170)	3.108	11.965
190. (150.)	Comprehensive consolidated return relating to minority interests	2.920	3.898
200. (160.)	Comprehensive consolidated return relating to parent company	188	8.067

Fine Comunicato n.0259-4

Numero di Pagine: 11