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Oggetto : BANCA IMI: RESULTS AS AT 30 JUNE
2019 APPROVED

Testo del comunicato

Vedi allegato.

PRESS RELEASE

BANCA IMI: RESULTS AS AT 30 JUNE 2019 APPROVED

- **Consolidated profit for the year of 710 million euro, up 64.2% from 433 million euro as at 30 June 2018**
- **Consolidated total income of 1,358 million euro (+45.1% on 30 June 2018)**
- **Operating profit of 1,129 million euro (+60.6% on 30 June 2018)**
- **Solid growth in net interest income (+43.7%) and profits from financial transactions (+65.1%)**
- **Total assets of more than 200 billion euro, up 23% from 165 billion euro as at 31 December 2018**
- **CET1 ratio at 10.5% and Total Capital Ratio at 15.7%, without taking account of the result of the period in any way**

Milan, 31 July 2019 - The Board of Directors of Banca IMI, the investment bank within the Intesa Sanpaolo Group, led by CEO **Mauro Micillo** and General Manager **Massimo Mocio**, has approved the separate and consolidated financial statements as at 30 June 2019 in a meeting held today and chaired by **Gaetano Miccichè**.

The half-yearly final balance shows a consolidated profit for the year of **710 million** euro. The figure shows an increase of more than 64% compared to 433 million euro as at 30 June 2018 thanks to the rise in revenues, characterised by a robust level of net interest - which has gradually increased since the start of the year (up 43.7% on the comparison period) - and by profits from financial transactions (up 65.1% from the comparison period).

The revenues recorded in 2Q19 of 841 million euro are the highest quarterly level ever achieved, bringing the **total income** for the first half of the year to **1,358 million** euro (+45.1%, an increase of 422 million euro) **Capital Markets** assets contributed **1,176 million** euro and **Investment Banking** and **Structured Finance** assets contributed **182 million** euro.

Thanks to a well-controlled operating cost structure (229 million euro, down -1.6%), the effect of higher revenues flowed entirely to **operating profit**, which rose to **1,129 million** euro (up 60.6% compared to 30 June 2018), bringing the **cost/income ratio** to **16.9%** from the previous 24.9%.

Impairment losses, provisions and other operating expenses accounted for a total of **63 million** euro. This amount includes 59 million euro for contributions paid for 2019 to the European and Italian Single Resolution Funds.

A key factor contributing to the economic performance was also the growth in **total assets**, which rose to 203 billion euro from 165 billion euro as at 31 December 2018. In addition to the organic growth of the securities portfolios in the banking book, there was also an increase in on-balance-sheet structured finance loans and investments in securities in the HFT portfolio.

The careful management of market risks brought the Risk Weighted Assets down to 31.6 billion euro from the previous 34.3 billion euro as at 31 March 2019.

Own funds for regulatory purposes as at 30 June 2019 equal **4,951 million** euro, and do not consider the financial result for the period in any way.

For the second year and in compliance with the approach adopted by the Intesa Sanpaolo Group, the calculation of own funds implements the option of mitigating the impact of first-time-adoption of the new IFRS 9 with regard to the impairment share accounted for (the “static” approach). The **Common Equity Tier 1 Ratio, Total Capital Ratio and Leverage Ratio** so calculated reached **10.52%, 15.66% and 4.12%**, respectively.

In compliance with the provisions set out in (EU) Regulation 2017/2395 of 12 December 2017, information regarding own funds for regulatory purposes and prudential ratios of Banca IMI, both with and without application of the transitional rules set out in the regulation, are provided below.

Banca IMI Group

Reclassified Income Statement

(in millions of euro)

	30/06/2019	30/06/2018	changes	
			amount	%
Net interest income	410,8	285,8	125,0	43,7
Net fee and commission income	178,7	181,7	(3,0)	-1,7
Profits from financial transactions	764,0	462,7	301,3	65,1
Core business profit	1.353,5	930,2	423,3	45,5
Net non-recurring income (expense)	4,2	5,2	(1,0)	
Total income	1.357,7	935,4	422,3	45,1
Net administrative expenses:	(225,6)	(232,7)	7,1	3,1
<i>of which: - personnel expenses</i>	<i>(76,4)</i>	<i>(79,4)</i>	<i>3,0</i>	<i>3,8</i>
<i>- other administrative expenses</i>	<i>(149,2)</i>	<i>(153,3)</i>	<i>4,1</i>	<i>-2,7</i>
Amortisation and depreciation	(3,6)	(0,2)	(3,4)	
Operating costs	(229,2)	(232,9)	3,7	-1,6
Operating profit	1.128,5	702,5	426,0	60,6
Impairment losses, provisions, other operating income (expenses)	(63,1)	(57,8)	(5,3)	9,2
Profits from continuing operations	1.065,4	644,7	420,7	65,3
Income tax expense	(355,1)	(212,2)	(142,9)	67,3
Profit for the period	710,3	432,5	277,8	64,2

Quarterly reclassified Income Statement

(in millions of euro)

	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
Net interest income	221,8	189,0	150,0	138,6	147,9	137,9
Net fee and commission income	92,0	86,7	123,8	112,1	97,5	84,2
Profits from financial transactions	522,8	241,2	78,9	137,1	251,9	210,8
Core business profit	836,6	516,9	352,7	387,8	497,3	432,9
Net non-recurring income (expense)	4,1	0,1	3,2	2,5	2,5	2,7
Total income	840,7	517,0	355,9	390,3	499,8	435,6
Net administrative expenses:	(111,0)	(114,6)	(118,9)	(113,0)	(115,7)	(117,0)
<i>of which: - personnel expenses</i>	<i>(35,1)</i>	<i>(41,3)</i>	<i>(47,7)</i>	<i>(40,6)</i>	<i>(38,2)</i>	<i>(41,2)</i>
<i>- other administrative expenses</i>	<i>(75,9)</i>	<i>(73,3)</i>	<i>(71,2)</i>	<i>(72,4)</i>	<i>(77,5)</i>	<i>(75,8)</i>
Amortisation and depreciation	(1,8)	(1,8)	(0,1)	(0,1)	(0,1)	(0,1)
Operating costs	(112,8)	(116,4)	(119,0)	(113,1)	(115,8)	(117,1)
Operating profit	727,9	400,6	236,9	277,2	384,0	318,5
Impairment losses, provisions, other operating income (expenses)	(13,6)	(49,5)	61,8	(26,7)	(15,3)	(42,5)
Profits from continuing operations	714,3	351,1	298,7	250,5	368,7	276,0
Income tax expense	(244,1)	(111,0)	(97,1)	(81,5)	(124,2)	(88,0)
Profit for the period	470,2	240,1	201,6	169,0	244,5	188,0

Quarterly reclassified statement of financial position

(in millions of euro)

ASSETS	30/06/2019	31/03/2019	31/12/2018	30/09/2018	30/06/2018	31/03/2018
1. Financial assets measured at amortised cost						
- Repurchase agreements	31.526,3	28.609,9	25.165,3	24.950,3	23.718,5	23.346,8
- Securities lending	1.725,3	1.753,8	1.833,0	1.817,8	1.789,9	2.050,6
- Fixed income securities	7.163,3	9.119,3	3.954,1	3.500,1	3.208,8	3.322,3
- Collateral deposited	16.053,1	13.753,7	11.076,0	10.333,1	10.972,9	11.007,9
- Structured finance assets	8.947,9	8.391,5	7.964,3	7.542,8	7.312,6	7.055,6
- Interbank and other accounts	50.965,5	52.493,9	50.929,3	59.054,6	56.579,4	54.890,7
2. Financial assets at FVTPL						
- Fixed income securities	23.416,9	19.040,8	11.667,0	12.955,8	10.662,0	10.913,6
- Shares, quotas and loans	1.356,6	1.217,4	1.047,9	1.212,5	1.243,8	1.131,7
- Measurement of off-balance sheet transactions	39.129,2	36.217,2	33.491,0	30.162,2	31.897,7	31.632,2
3. Investments & financial assets at FVTOCI						
- Fixed income FVTOCI securities	21.889,8	24.197,1	17.129,3	14.514,5	14.228,4	13.130,8
- FVTOCI loans	52,5	14,4	9,0	78,4	-	-
- Equity investments, FVTOCI equities	109,2	118,2	51,9	42,0	39,5	37,4
4. Other assets						
- Property, equipment and intangible assets	27,0	24,8	0,5	0,6	0,6	0,6
- Other assets	850,1	1.026,8	896,7	1.143,4	668,8	841,5
5. Assets held for sale						
- Structured finance assets	-	-	32,8	-	-	-
Total Assets	203.212,7	195.978,8	165.248,1	167.308,1	162.322,9	159.361,7

LIABILITIES	30/06/2019	31/03/2019	31/12/2018	30/09/2018	30/06/2018	31/03/2018
1. Financial liabilities measured at amortised cost						
- Repurchase agreements	49.705,6	48.384,5	31.963,6	30.478,9	28.299,2	27.191,3
- Securities lending	1.522,4	1.601,5	1.653,8	1.694,4	1.768,1	2.010,8
- Collateral received	10.095,5	8.664,4	6.592,0	5.724,1	6.252,3	5.839,4
- Loans and deposits	63.227,4	63.888,4	62.479,6	68.027,3	66.250,9	62.970,1
- Checking accounts and other accounts	2.450,6	2.234,6	1.821,0	3.063,9	1.542,9	1.398,4
2. Financial liabilities held for trading						
- Measurement of off-balance sheet transactions	51.917,6	47.858,5	43.929,0	38.711,4	39.538,2	38.902,5
- Short selling	11.164,6	10.475,4	4.816,3	6.969,7	6.340,5	7.455,2
3. Issues						
- other	6.059,1	6.364,1	6.365,8	7.324,3	7.261,5	7.415,2
4. Provisions	32,1	40,3	38,0	65,9	69,0	66,1
5. Other liabilities	1.093,1	959,2	703,3	572,6	415,0	1.000,0
6. Equity						
- Share capital and reserves	3.634,4	3.667,8	2.882,6	2.874,1	2.952,8	3.724,7
- Equity instruments	1.600,0	1.600,0	1.200,0	1.200,0	1.200,0	1.200,0
- Profit for the period	710,3	240,1	803,1	601,5	432,5	188,0
Total Liabilities and equity	203.212,7	195.978,8	165.248,1	167.308,1	162.322,9	159.361,7

OFF-BALANCE SHEET TRANSACTIONS	30/06/2019	31/03/2019	31/12/2018	30/09/2018	30/06/2018	31/03/2018
Financial derivatives	2.818.682,3	3.140.636,4	3.027.253,2	3.280.139,0	3.310.483,0	3.243.051,4
Credit derivatives	122.397,5	95.499,5	94.324,9	95.131,9	98.437,6	91.684,3
Guarantees given and commitments to lend	11.739,9	9.475,2	6.494,0	6.416,1	4.975,5	6.053,6

BANCA IMI S.p.A.

Disclosure on own funds and ratios according to Regulation (EU) no. 2017/2395 of 12 December 2017

(in accordance with EBA Guidelines on Pillar 3)

	Based on the transitional rules	Full phase in
Own funds (millions of euro)		
Common Equity Tier 1 (CET1)	3.324,2	3.282,4
Additional Tier 1 (AT1)	1.600,0	1.600,0
Tier 2 (T2)	26,4	68,1
Total capital	4.950,6	4.950,5
Capital ratios		
- Common Equity Tier 1	10,52%	10,38%
- Tier 1	15,58%	15,45%
- Total capital	15,66%	15,66%
- Leverage ratio	4,12%	4,12%

The Manager responsible for preparing the Company's financial reports, Angelo Bonfatti, declares, pursuant to Paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to what appears in the documentary entries, books and accounting entries.

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Banca IMI is the investment bank of Intesa Sanpaolo, a leading Banking Group in Italy with a strong international presence. Banca IMI has the main aim of assisting its customers - institutional investors, financial networks, corporations and public administrations - by offering products and services that aim for excellence. Backed by the professionalism and expertise of over 800 professionals, Banca IMI operates in investment banking, structured finance and capital markets on the main national and international markets via its offices in Milan, its branches in Rome and London, and the subsidiary Banca IMI Securities Corporation in New York (*). It is a leader in investment banking in Italy and M&A Advisory activities, with a strong presence in the placement of shares and bonds. Banca IMI is the historical leader in the Italian structured finance market with a solid international track record, utilising the relationships built up by the Intesa Sanpaolo Group in Italy and the rest of the world. Banca IMI is one of the most important players in the brokerage of shares and securities, and has relations with listed companies, providing an efficient Corporate Broking service and specialist advisory services to customers for the management of financial risks. Banca IMI is known for its expertise in structuring and creating investment products for retail customers and, through its Market Hub, the innovative proprietary market access platform, dynamically searches for the best execution of MiFID-compliant orders, allowing over 350 Italian and international institutional customers to access more than 70 national and international markets (equity, bond and derivatives markets).

Banca IMI has a Moody's rating of Baa1, S&P rating of BBB and Fitch rating of BBB.

* Entities operating in the United States are asked to contact Banca IMI Securities Corporation directly.

Press Information:

Intesa Sanpaolo

Media Relations Corporate & Investment Banking and International Media

Telephone: +39 02.87963851 – 02.87962489

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