



SPAFID CONNECT

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Societa' : BANCA FINNAT EURAMERICA

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Informazione
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Oggetto : THE BOD OF BANCA FINNAT
APPROVES THE RESULTS FOR THE
FIRST NINE MONTHS OF 2019 WITH A
PROFIT OF € 3.596 THOUSAND AND A
CET 1 RATIO OF 30.4%

Testo del comunicato

Vedi allegato.



PRESS RELEASE

THE BOD OF BANCA FINNAT APPROVES THE RESULTS FOR THE FIRST NINE MONTHS OF 2019 WITH A PROFIT OF € 3.596 THOUSAND AND A CET 1 RATIO OF 30.4%

- **THE INTEREST MARGIN IS UP BY 41.2% FROM €8.581 THOUSAND AT 30.09.2018 TO € 12.117 THOUSAND AT 30.09.2019**
- **NET COMMISSIONS TOTAL € 38.721 THOUSAND, UP FROM € 36.419 THOUSAND AT 30.09.2018 (+6.3%)**
- **THE EARNINGS MARGIN HAS INCREASED BY 8.9%, TO € 52.143 THOUSAND FROM € 47.893 THOUSAND AT 30.09.2018**
- **THE CONSOLIDATED NET PROFIT IS DOWN BY 9.6% AND TOTALS € 3.596 THOUSAND COMPARED TO € 3.977 THOUSAND AT 30.09.2018**
- **GROUP ASSETS UNDER MANAGEMENT HAVE INCREASED TO 16.9 BILLION COMPARED TO € 16.4 BILLION AT 31.12.2018 (+3%)**
- **THE GROUP'S CET 1 CAPITAL RATIO TOTALS 30.4% COMPARED TO 28.6% AT 30.09.2018**

Rome, 14 November 2019 – 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 2019. The Interim Report will be posted on the Company's website at www.bancafinnat.it, in the Investor Relations/Regulated Information/Financial Statements page, 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 key highlights at the end of the first nine months of 2019

- The **Earnings Margin** totals € 52.143 thousand, up by 8.9% from € 47.893 thousand at 30.09.2018. The € 4.250 thousand increase is primarily the result of the increased **Interest Margin** (+41.2%) and **Net Fees and Commissions** (+6.3%).
 - The **Interest Margin** is up by € 3.536 thousand - from € 8.581 thousand at 30.09.2018 to € 12.117 thousand - mostly due to the positive contribution of the own portfolio transactions and the increased interest rate on customer loans.
 - The **Net Fees and Commissions** are up by € 2.302 thousand - from € 36.419 thousand at 30.09.2018 to € 38.721 thousand - primarily due to the increased commissions from real estate investment funds management, financial advisory services and insurance products placement.
 - The item **Dividend and similar income** is up from € 2.350 thousand at 30.09.2018 to € 3.013 thousand at 30.09.2019, while the **Profit (losses) on other financial assets mandatorily valued at fair value** feature a negative balance of € 1.047 thousand compared to an equally negative balance of € 777 thousand at 30.09.2018.
 - Finally, the **Profit (losses) on trading** dropped by € 1.361 thousand, especially as a result of losses on shares and the drop in **Profit (losses) on disposal or repurchase of financial assets** totalling € 620 thousand.

The consolidated income statement features the following results as well:

- **Net losses/recoveries on credit risk** totalling € 4.528 thousand, relative to impairment losses on financial assets designated at amortised cost (totalling € 4.702 thousand) and value recoveries on assets designated at fair value through other comprehensive income (totalling € 174 thousand). At 30 September 2018, instead, impairment losses on financial assets designated at amortised cost and on assets designated at fair value through other comprehensive income were recorded totalling € 1.477 thousand and € 416 thousand, respectively.

- **Administrative expenses** (Personnel expenses and Other administrative expenses) dropped from € 40.692 thousand at 30.09.2018 to € 40.510 thousand (-0.5%). However, the application of the new IFRS 16 accounting standard provides for the recording of leased property rents not among the items in question but in the charges for the depreciation of user rights totalling € 2.248 thousand and in the interest payable on the debt totalling € 196 thousand; consequently, the **Net impairment losses on tangible and intangible fixed assets** have spiralled from € 478 thousand at 30.09.2018 to € 2.714 thousand. In particular, the Impairment losses on tangible fixed assets total €2.560 thousand (€ 348 thousand at 30.09.2018) and include the depreciation rates applied to user rights on leased assets, which were not present in the comparison period, totalling € 2.248 thousand.
- Other **Operating Revenues** total €4.296 thousand compared to € 4.225 thousand period-over-period.
- **Income Tax** totals € 2.895 thousand compared to € 2.810 thousand at 30.09.2018.
- The **Net Group Profit** totals € 3.596 thousand, down from € 3.977 thousand period-over-period and the management guidance for the whole year 2019 offers expectations of a lower profit than achieved in the previous year.

It should be noted that the Bank's profit for the first nine months of 2019 is € 381 thousand lower, compared to the same period of the previous year (-9.6%), despite the impairment losses totalling € 4.848 thousand in relation to a € 15 million loan granted to Bio-On Corporation . On this matter, we must point out that the recent events involving Bio-On and its management, and likewise the discovery of certain facts that were unknown to the Bank, have prompted the Board of Directors to instruct the Bank's legal advisors to verify whether there are grounds for seeking legal remedies to protect its interests.

The consolidated Supervisory Capital at 30 September 2019 is equal to € 174.8 million, with a consolidated CET 1 Capital Ratio of 30.4%, 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 30.2%.

At 30 September 2019, the company owned 28,810,640 treasury shares, unchanged compared to 31 December 2018, and amounting to 7.9% of the Bank's share capital.

The Bank's 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)

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CONSOLIDATED INCOME STATEMENT (in KEuros)

	Items	1 January 30 September 2019	1 January 30 September 2018	1 July 30 September 2019	1 July 30 September 2018
10.	Interest receivable and similar income	13.912	9.671	4.920	3.799
20.	Interest payable and similar expenses	(1.795)	(1.090)	(625)	(316)
30.	Interest margin	12.117	8.581	4.295	3.483
40.	Fees and commission income	40.166	38.277	13.438	12.242
50.	Fees and commission expense	(1.445)	(1.858)	(454)	(686)
60.	Net fees and commissions	38.721	36.419	12.984	11.556
70.	Dividend and similar income	3.013	2.350	709	357
80.	Profit (losses) on trading	(857)	504	(1.291)	(163)
100.	Profit (losses) on disposal or repurchase of:	196	816	6	-
	a) financial assets designated at amortised cost	154	96	-	-
	b) financial assets designated at fair value through other comprehensive income	42	720	6	-
110.	Profit (losses) on other financial assets and liabilities designated at fair value through profit and loss	(1.047)	(777)	203	(84)
	b) other financial assets mandatorily at fair value	(1.047)	(777)	203	(84)
120.	Earnings margin	52.143	47.893	16.906	15.149
130.	Net losses/recoveries on credit risk relating to:	(4.528)	(1.893)	(5.229)	(452)
	a) financial assets designated at amortised cost	(4.702)	(1.477)	(5.182)	(283)
	b) financial assets designated at fair value through other comprehensive income	174	(416)	(47)	(169)
140.	Profit (losses) from contract amendments without cancellations	7	-	8	-
150.	Profit (losses) from financial management	47.622	46.000	11.685	14.697
190.	Administrative expenses:	(40.510)	(40.692)	(11.856)	(12.277)
	a) personnel expenses	(27.210)	(25.704)	(7.991)	(8.003)
	b) other administrative costs	(13.300)	(14.988)	(3.865)	(4.274)
200.	Net provisions for risks and charges	273	(374)	26	(116)
	a) commitments and guarantees given	39	(280)	26	(22)
	b) other net provisions	234	(94)	-	(94)
210.	Net impairment losses/value recoveries on tangible assets	(2.560)	(348)	(887)	(119)
220.	Net impairment losses/value recoveries on intangible assets	(154)	(130)	(54)	(45)
230.	Other operating expenses/income	4.296	4.225	1.055	1.002
240.	Operating costs	(38.655)	(37.319)	(11.716)	(11.555)
250.	Profit (losses) from shareholdings	(223)	(72)	(4)	-
290.	Profit (losses) from current operations before tax	8.744	8.609	(35)	3.142
300.	Income tax on current operations in the year	(2.895)	(2.810)	54	(947)
310.	Profit (losses) from current operations after tax	5.849	5.799	19	2.195
330.	Profit (loss) for the year	5.849	5.799	19	2.195
340.	(Profit) Losses relating to minority interests	(2.253)	(1.822)	(736)	(605)
350.	Profit (losses) for the year relating to the parent company	3.596	3.977	(717)	1.590

CONSOLIDATED BALANCE SHEET (in KEuros)

	Assets	30/09/2019	31/12/2018
10.	Cash and cash equivalents	565	665
20.	Financial assets designated at fair value through profit and loss	80.348	60.170
	a) financial assets held for sale	58.595	37.410
	c) other financial assets mandatorily at fair value	21.753	22.760
30.	Financial assets designated at fair value through other comprehensive income	366.743	298.665
40.	Financial assets designated at amortised cost	1.521.318	1.464.034
	a) receivables from banks	73.494	88.863
	b) receivables from customers	1.447.824	1.375.171
70.	Equity investments	8.638	6.400
90.	Tangible assets	21.111	4.781
100.	Intangible assets	40.857	40.974
	of which:		
	- goodwill	37.729	37.729
110.	Tax assets	14.173	19.266
	a) current tax assets	1.864	2.231
	b) deferred tax assets	12.309	17.035
130.	Other assets	16.700	24.772
	Total assets	2.070.453	1.919.727

CONSOLIDATED BALANCE SHEET (in KEuros)

	Liabilities and Shareholders' equity	30/09/2019	31/12/2018
10.	Financial liabilities designated at amortised cost	1.779.939	1.641.991
	a) payables to banks	1.537	271
	b) payables to customers	1.753.346	1.613.470
	c) securities issued	25.056	28.250
20.	Financial liabilities held for trading	619	323
60.	Tax liabilities	1.184	1.117
	a) current tax liabilities	483	581
	b) deferred tax liabilities	701	536
80.	Other liabilities	24.418	20.370
90.	Employee severance indemnity fund	5.907	5.317
100.	Provisions for risks and charges:	511	783
	a) commitments and guarantees given	63	101
	c) other provisions for risks and charges	448	682
120.	Valuation reserves	5.148	(3.592)
150.	Reserves	150.630	148.870
170.	Capital	72.576	72.576
180.	Treasury shares (-)	(14.059)	(14.059)
190.	Minority interests (+/-)	39.984	40.688
200.	Profit (losses) for the year (+/-)	3.596	5.343
Total liabilities and net equity		2.070.453	1.919.727

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(in KEuros)

	Items	1 January 30 September 2019	1 January 30 September 2018
10.	Profit (losses) for the year	5.849	5.799
	Other comprehensive income that may not be reclassified to the income statement		
20.	Equity designated at fair value through other comprehensive income	115	(182)
70.	Defined benefit plans	(371)	(239)
90.	Share of valuation reserves connected with investments carried at equity	78	72
	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	8.771	(10.823)
170.	Total other comprehensive income after tax	8.593	(11.172)
180.	Comprehensive return (Item 10+170)	14.442	(5.373)
190.	Comprehensive consolidated return relating to minority interests	2.106	1.740
200.	Comprehensive consolidated return relating to parent company	12.336	(7.113)

Fine Comunicato n.0259-41

Numero di Pagine: 10