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Oggetto : THE BOD OF BANCA FINNAT
APPROVES THE COMPANY AND
CONSOLIDATED FINANCIAL
STATEMENTS FOR 2019

Testo del comunicato

Vedi allegato.



PRESS RELEASE

**THE BOD OF BANCA FINNAT APPROVES
THE COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR 2019**

- **THE GROUP CONFIRMS ITS CAPITAL STRENGTH, WITH A SUPERVISORY CAPITAL OF €180.4 MILLION AND A CONSOLIDATED CET 1 CAPITAL RATIO OF 31.6% (UP FROM 29.8% AT 31.12.2018)**
- **THE INTEREST AND EARNINGS MARGINS ARE BOTH UP (+30%, COMPARED TO 2018 AND +3.3%, RESPECTIVELY)**
- **NET COMMISSIONS ARE STABLE, AT €52.982 THOUSAND (+1%)**
- **THE CONSOLIDATED NET PROFIT IS POSITIVE, AT € 434 THOUSAND, DESPITE THE ADJUSTMENTS FOR CREDIT RISKS AND IMPAIRMENT LOSSES ON EQUITY INVESTMENTS, BEFORE TAX, TOTTALLING € 13.652 THOUSAND**
- **TOTAL GROUP AUM ARE UP TO €17 BILLION (+5.8%)**

Rome, 19 March 2020 – Meeting today, the Board of Directors of Banca Finnat Euramerica S.p.A. examined and approved the Consolidated and Company Financial Statements relating to 2019 and prepared according to the international IAS/IFRS standards. The data are substantially in line with which approved by the board of directors on 10.02.2020 and disclosed to the media through the usual required channels. The Board also examined and approved the Report on the Company's governance and its ownership structure, pursuant to article 123bis of Legislative Decree 58/1998, the Remuneration Report pursuant to article 123ter of Legislative Decree 58/1998 and article 84quater of the CONSOB Regulation no. 11971/1999. The Board has also approved the Incentive Scheme for 2020 and Remunerations Policies for the Directors, Employees and Collaborators of the Company not engaged under subordinate employment contracts. All the above documents will be made available to the public, in accordance with the law, at the Company's head office at Piazza del Gesù 49, Rome; as well as on the authorised storage mechanism SDIR-

NIS/NIS-Storage (www.emarketstorage.com) and in the relevant sections of the Company's website (www.bancafinnat.it), namely Investor Relations/Corporate Governance and Investor Relations/Regulated Information. The Company and Consolidated Financial Statements will also be posted on the website of Borsa Italiana S.p.A. (www.borsaitaliana.it).

Consolidated key highlights at 31.12.2019

- The **Earnings Margin** totals €70.324 thousand, up to 3,3% from €68.080 thousand at 31.12.2018. The €2.244 thousand increase is primarily the result of the increased **Interest Margin** (+30%).
 - **Interest Margin** is up by € 3.755 thousand, from € 12.531 thousand at 31.12.2018 to € 16.286 thousand, mostly due to the positive contribution of the own portfolio transactions and the increased interest rate on customer loans.
 - **Net Commissions** (+1%) are up by € 541 thousand, from € 52.441 thousand at 31.12.2018 to € 52.982 thousand, primarily due to increased commissions from individual portfolio management, financial advisory services and insurance product placement.
 - **Dividends and similar proceeds** are up from €2.350 thousand at 31.12.2018 to € 3.013 thousand at 31.12.2019, while the **Net Result on other financial assets mandatorily valued at fair value** feature a negative balance of € 926 thousand, compared to an equally negative balance of € 389 thousand at 31.12.2018.
 - **Net Results on trading** featured a negative balance of € 1.737 thousand, compared to the prior negative balance of € 170 thousand at 31.12.2018, due to capital losses on shares, while a drop in **Profit on disposal of financial assets** totalling €611 thousand also emerged.

The consolidated income statement features the following results:

- **Administrative expenses** (Personnel expenses and Other administrative expenses) dropped from € 56.181 thousand at 31.12.2018 to € 54.000 thousand (- 3.9%). However, the application of the new IFRS 16 accounting standard foresees

the recordings of leasing expenses in the charges for amortisation of user rights (totalling € 2.997 thousand) and in the interest payable on debt (totalling € 263 thousand); therefore, the **Net impairment losses on tangible and intangible fixed assets** have spiralled from € 646 thousand at 31.12.2018 to € 3.656 thousand. In particular, the Impairment losses on tangible fixed assets total € 3.445 thousand (€ 469 thousand at 31.12.2018) and include the amortisation rates applied to user rights on leased assets, which were not present in the comparison period, totalling € 2.997 thousand.

- Other **Operating revenue** totals € 5.430 thousand, compared to € 5.534 thousand year-over-year.
- **Income Tax** totals € 3.094 thousand compared to € 4.027 thousand at 31.12.2018, with a tax rate on the gross income of 46.9%, up from the previous year's 32.6%.
- **Impairment losses on credit risk** total € 12.016 thousand, compared to € 4.003 thousand at 31.12.2018.
- **Profit on equity investments** which at 31.12.2018 featured a negative balance of € 296 thousand, at 31 December 2019 feature an equally negative balance of € 175 thousand which includes impairment losses on equity investments, by the bank, for € 1.636 thousand.
- The **Net Group Profit** totals € 434 thousand, down from € 5.343 thousand year-over-year, due to the negative extraordinary elements represented by credit losses and impairment losses on equity investments.

The Bank's financial soundness is confirmed by the Group's net equity, which stands at € 215.13 million, while the consolidated Supervisory Capital at 31 December 2019 is equal to € 180.4 million, with a consolidated CET 1 Capital Ratio of 31.6%, 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 have been equal to 31.3%.

Total Group Assets under Management amount to € 17 bn and are up by 5.8%, compared to the previous year's figure for comparison purposes.

At 31 December 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.

In a context of greater uncertainty and volatility linked to the Covid-19 health emergency, whose medium-term impacts are currently not reasonably estimated taking into consideration the various determinants that are still unknown, the Bank has immediately monitored the international and national evolution of the situation. A special crisis management committee was thus set up and started various initiatives, including the setting-up of a technological framework to encourage corporate smart working. The initiative has the primary objective of safeguarding the health of employees, while ensuring the continuity of operations and the services offered to customers. A possible impact of Covid-19 will be considered in the accounting estimates during 2020.

Allocation of the year's profit

The Board of Directors proposes that the General Meeting of Shareholders should allocate the profit made in 2019 to the reserve.

Calling the Ordinary General Meeting

Finally, the Board of Directors has conferred mandate on the Chairman to call the Ordinary General Meeting of Shareholders at single call, at the Company's registered office on 29 April 2019, as indicated in the calendar of corporate events for 2020.

The notice calling a General Meeting and related documents shall be published in accordance with the applicable laws and regulations.

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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Attachments: Consolidated and Company Income Statement, Balance Sheet and Statement of Comprehensive Income at 31.12.2019

CONSOLIDATED BALANCE SHEET (in KEuros)

	Assets	31/12/2019	31/12/2018
10.	Cash and cash equivalents	699	665
20.	Financial assets designated at fair value through profit and loss	79.537	60.170
	a) financial assets available for sale	57.696	37.410
	c) other financial assets mandatorily at fair value	21.841	22.760
30.	Financial assets designated at fair value through other comprehensive income	366.666	298.665
40.	Financial assets designated at amortised cost	1.548.092	1.464.034
	a) due from banks	92.968	88.863
	b) loans to customers	1.455.124	1.375.171
70.	Equity investments	11.173	6.400
90.	Tangible assets	20.588	4.781
100.	Intangible assets	31.296	40.974
	of which:		
	- goodwill	28.129	37.729
110.	Tax assets	14.131	19.266
	a) current tax assets	3.483	2.231
	b) deferred tax assets	10.648	17.035
130.	Other assets	24.970	24.772
	Total assets	2.097.152	1.919.727

CONSOLIDATED BALANCE SHEET (in KEuros)

	Liabilities and shareholders' equity	31/12/2019	31/12/2018
10.	Financial liabilities designated at amortised cost	1.815.357	1.641.991
	a) due to banks	369	271
	b) due to customers	1.790.075	1.613.470
	c) securities issued	24.913	28.250
20.	Financial liabilities held for trading	152	323
60.	Tax liabilities	818	1.117
	<i>a) current tax liabilities</i>	136	581
	<i>b) deferred tax liabilities</i>	682	536
80.	Other liabilities	18.858	20.370
90.	Employee severance indemnity fund	5.920	5.317
100.	Provisions for risks and charges:	102	783
	a) commitments and guarantees given	102	101
	c) other provisions for risks and charges	-	682
120.	Valuation reserves	5.597	(3.592)
150.	Reserves	150.586	148.870
170.	Capital	72.576	72.576
180.	Treasury shares (-)	(14.059)	(14.059)
190.	Minority interests (+/-)	40.811	40.688
200.	Profits (losses) for the year (+/-)	434	5.343
	Total liabilities and shareholders' equity	2.097.152	1.919.727

CONSOLIDATED INCOME STATEMENT (in KEuros)

	Items	31/12/2019	31/12/2018
10.	Interest receivable and similar income of which: interest receivable calculated according to the effective interest method	18.742 1.872	14.061 (940)
20.	Interest payable and similar expenses	(2.456)	(1.530)
30.	Interest margin	16.286	12.531
40.	Commissions receivable	54.954	54.857
50.	Commissions payable	(1.972)	(2.416)
60.	Net commissions	52.982	52.441
70.	Dividends and similar revenue	3.013	2.350
80.	Profit (losses) on trading	(1.737)	(170)
100.	Profit (losses) on disposal or repurchase of:	706	1.317
	a) financial assets designated at amortised cost	464	377
	b) financial assets designated at fair value through other comprehensive income	242	940
110.	Profit (losses) on the other financial assets and liabilities designated at fair value through profit and loss	(926)	(389)
	b) other financial assets mandatorily at fair value	(926)	(389)
120.	Earnings margin	70.324	68.080
130.	Net losses/recoveries on credit risk relating to:	(12.016)	(4.003)
	a) financial assets designated at amortised cost	(12.167)	(3.228)
	b) financial assets designated at fair value through other comprehensive income	151	(775)
140.	Profit (losses) from contract changes without cancellations	7	-
150.	Profit (losses) from financial management	58.315	64.077
190.	Administrative expenses:	(54.000)	(56.181)
	a) personnel expenses	(36.227)	(36.189)
	b) other administrative expenses	(17.773)	(19.992)
200.	Net provisions for risks and charges	682	(148)
	a) commitments and guarantees given	-	(14)
	b) other net provisions	682	(134)
210.	Net losses/Recoveries on property and equipment	(3.445)	(469)
220.	Net losses/Recoveries on intangible assets	(211)	(177)
230.	Other operating income and expense	5.430	5.534
240.	Operating costs	(51.544)	(51.441)
250.	Profit (losses) from equity investments	(175)	(296)
290.	Profit (losses) from current operations before tax	6.596	12.340
300.	Income tax on current operations in the year	(3.094)	(4.027)
310.	Profit (losses) from current operations after tax	3.502	8.313
330.	Profit (losses) for the year	3.502	8.313
340.	(Profit) losses relating to minority interests	(3.068)	(2.970)
350.	Profit (losses) for the year relating to the parent company	434	5.343

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 (in KEuros)

	Items	Year 2019	Year 2018
10.	Profit (losses) for the year	3.502	8.313
	Other comprehensive income - after tax - that may not be reclassified to the income statement		
20.	Equity designated at fair value through other comprehensive income	1.196	3.053
70.	Defined benefit plans	(346)	(142)
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	8.126	(8.189)
170.	Total other comprehensive income after tax	9.054	(5.206)
180.	Comprehensive return (Item 10+170)	12.556	3.107
190.	Comprehensive consolidated return relating to minority interests	2.934	2.920
200.	Comprehensive consolidated return relating to parent company	9.622	187

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

	Assets	31/12/2019	31/12/2018
10.	Cash and cash equivalents	696.020	658.718
20.	Financial assets designated at fair value through profit and loss	78.623.764	59.247.913
	a) financial assets held for trading	57.695.998	37.410.303
	c) other financial assets mandatorily at fair value	20.927.766	21.837.610
30.	Financial assets designated at fair value through other comprehensive income	365.397.528	297.412.930
40.	Financial assets designated at amortised cost	1.499.680.157	1.423.634.017
	a) due from banks	71.316.976	78.405.353
	b) loans to customers	1.428.363.181	1.345.228.664
70.	Equity investments	77.109.495	72.463.384
80.	Property and equipment	13.569.520	4.668.807
90.	Intangible assets	507.399	475.249
	of which:		
	- goodwill	300.000	300.000
100.	Tax assets	5.402.651	8.117.868
	a) <i>current tax assets</i>	3.407.940	2.226.555
	b) <i>deferred tax assets</i>	1.994.711	5.891.313
120.	Other assets	25.675.019	26.314.991
	Total assets	2.066.661.553	1.892.993.877

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

	Liabilities and Shareholders' Equity	31/12/2019	31/12/2018
10.	Financial liabilities designated at amortised cost	1.815.922.407	1.649.542.660
	a) due to banks	368.647	271.441
	b) due to customers	1.790.640.770	1.621.021.252
	c) debt securities issued	24.912.990	28.249.967
20.	Financial liabilities held for trading	151.767	322.737
60.	Tax liabilities	1.390.824	1.595.919
	a) <i>current tax liabilities</i>	14.450	420.614
	b) <i>deferred tax liabilities</i>	1.376.374	1.175.305
80.	Other liabilities	9.414.828	11.494.376
90.	Employee severance indemnity fund	1.982.853	2.014.245
100.	Provisions for risks and charges:	101.624	783.622
	a) commitments and guarantees given	101.624	101.376
	c) other provisions for risks and charges	-	682.246
110.	Valuation reserves	57.122.316	43.770.278
140.	Reserves	121.280.592	118.855.745
160.	Capital	72.576.000	72.576.000
170.	Treasury shares (-)	(14.059.346)	(14.059.346)
180.	Profits (losses) for the year (+/-)	777.688	6.097.641
	Total liabilities and shareholders' equity	2.066.661.553	1.892.993.877

INCOME STATEMENT OF BANCA FINNAT EURAMERICA S.P.A.
 (in KEuros)

	Items	Year 2019	Year 2018
10.	Interest receivable and similar income of which: interest receivable calculated according to the effective interest method	18.713.241 1.871.717	14.035.114 (940.200)
20.	Interest payable and similar expenses	(2.335.605)	(1.581.917)
30.	Interest margin	16.377.636	12.453.197
40.	Commissions receivable	22.733.207	21.547.257
50.	Commissions payable	(1.444.629)	(1.560.749)
60.	Net commissions	21.288.578	19.986.508
70.	Dividends and similar revenue	6.903.723	7.184.018
80.	Profit (losses) on trading	(1.737.055)	(170.035)
100.	Profit (losses) on disposal or repurchase of:	706.157	1.298.104
	a) financial assets designated at amortised cost	464.258	377.122
	b) financial assets designated at fair value through other comprehensive income	241.899	920.982
110.	Profits (losses) on other financial assets and liabilities designated at fair value through profit and loss	(1.229.087)	(404.349)
	b) other financial assets mandatorily at fair value	(1.229.087)	(404.349)
120.	Earnings margin	42.309.952	40.347.443
130.	Net losses/Recoveries on credit risk relating to:	(12.003.599)	(4.139.319)
	a) financial assets designated at amortised cost	(12.160.510)	(3.407.641)
	b) financial assets designated at fair value through other comprehensive income	156.911	(731.678)
140.	Profit (losses) from contract changes without cancellations	6.771	-
150.	Profit (losses) from financial management	30.313.124	36.208.124
160.	Administrative expenses:	(32.283.954)	(33.541.378)
	a) personnel expenses	(19.189.744)	(19.154.302)
	b) other administrative expenses	(13.094.210)	(14.387.076)
170.	Net provisions for risks and charges	681.998	(147.850)
	a) commitments and guarantees given	(248)	(13.984)
	b) other net provisions	682.246	(133.866)
180.	Net losses/Recoveries on property and equipment	(2.317.875)	(335.573)
190.	Net losses/Recoveries on intangible assets	(59.080)	(27.258)
200.	Other operating income and expense	5.012.720	5.122.543
210.	Operating costs	(28.966.191)	(28.929.516)
220.	Profit (losses) from equity investments	(1.558.024)	(224.057)
260.	Profit (losses) from current operations before tax	(211.091)	7.054.551
270.	Income tax on current operations in the year	988.779	(956.910)
280.	Profit (losses) from current operations after tax	777.688	6.097.641
300.	Profit (losses) for the year	777.688	6.097.641

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

	Items	Year 2019	Year 2018
10.	Profit (losses) for the year	777.688	6.097.641
	Other comprehensive income - after tax - that may not be reclassified to the income statement		
20.	Equity designated at fair value through other comprehensive income	5.292.833	(368.361)
70.	Defined benefit plans	(52.877)	(29.245)
	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	8.112.082	(8.176.025)
170.	Total other comprehensive income after tax	13.352.038	(8.573.631)
180.	Comprehensive return (Item 10+170)	14.129.726	(2.475.990)

Item 20 also includes the changes in fair value of the equity held in subsidiary companies.

Fine Comunicato n.0259-8

Numero di Pagine: 15