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Societa' : BANCA FINNAT EURAMERICA

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Informazione
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Oggetto : THE BOARD OF DIRECTORS OF BANCA
FINNAT APPROVES THE RESULTS FOR
THE FIRST NINE MONTHS OF 2020
WITH PROFITS UP 16.9% AND A CET1
CAPITAL RATIO OF 33%

Testo del comunicato

Vedi allegato.

PRESS RELEASE

**THE BOARD OF DIRECTORS OF BANCA FINNAT APPROVES THE RESULTS FOR
THE FIRST NINE MONTHS OF 2020 WITH PROFITS UP 16.9% AND A CET1
CAPITAL RATIO OF 33%**

- **INTEREST MARGIN UP 3.6% FROM 12.1 MILLION EUROS AT 30.09.2019 TO 12.5 MILLION EUROS AT 30.09.2020, INCREASING FROM 23.2% TO 25.7% AS A PERCENTAGE OF NET BANKING INCOME**
- **NET FEES AND COMMISSIONS AT 34.9 MILLION EUROS, FROM 38.7 MILLION EUROS AT 30.09.2019 (-9.8%), IMPACTED BY A 2.1 MILLION EURO DECLINE IN FEES AND COMMISSIONS DUE TO THE TRANSFER OF THE BUSINESS UNIT BY THE SUBSIDIARY INVESTIRE SGR TO REDO SGR.**
- **NET BANKING INCOME AT 48.8 MILLION EUROS, FROM 52.1 MILLION EUROS AT 30.09.2019 (-6.5%).**
- **CONSOLIDATED NET PROFIT UP 16.9% TO 4.2 MILLION EUROS, FROM 3.6 MILLION EUROS AT 30.09.2019.**
- **CONSOLIDATED CET1 CAPITAL RATIO AT 33%.**

Rome, 12 November 2020 - The Board of Directors of Banca Finnat Euramerica S.p.A. met today and reviewed and approved the Consolidated Interim Report on Operations at 30 September 2020. The Report will be published on the Company's institutional website www.bancafinnat.it in the Investor Relations/Regulated Information/Balance Sheets section and on the authorised storage mechanism SDIR-NIS/NIS Storage (www.emarketstorage.com), as well as made available on the website of Borsa Italiana S.p.A. (www.borsaitaliana.it).

Consolidated results for the first nine months of 2020

- **Net banking income** amounted to 48.8 million euros, compared to 52.1 million euros at 30.09.2019 (-6.5%). The overall decrease of 3.4 million euros can be attributed to:
 - A decline in **Net fees and commissions** of 3.8 million euros, from 38.7 million euros at 30.09.2019 to 34.9 million euros, also deriving from the 2.1 million euro decline in fees and commissions due to the transfer of the business unit by the subsidiary Investire SGR to Redo SGR.
 - An increase in **Interest margin** of 432 thousand euros (from 12.1 million euros at 30.09.2019 to 12.5 million euros).
 - Lower **Dividend and similar income** by 1.2 million euros (from 3 million euros at 30.09.2019 to 1.8 million euros).
 - A decline of 57 thousand euros in losses in **Profit (losses) on trading**, the negative balance of which amounted to 800 thousand euros, against an also negative balance of 857 thousand euros at 30.09.2019.
 - An increase of 604 thousand euros in **Profit on disposal of financial assets** (from 196 thousand euros at 30.09.2019 to 800 thousand euros).
 - A decrease of 518 thousand euros in losses in **Profits (losses) on other financial assets mandatorily at fair value** (a negative balance of 529 thousand euros compared to an also negative balance of 1.05 million euros at 30.09.2019).

Furthermore, the consolidated income statement includes:

- **Net losses on credit risk** for a total of 2.2 million euros, relating to losses on Financial assets designated at amortised cost for 2.5 million euros and recoveries on Financial assets designated at fair value through other comprehensive income for 331 thousand euros, against total losses of 4.5 million euros at 30.09.2019.
- **Operating Costs** down 3.6% to 37.3 million euros from 38.7 million euros at 30.09.2019.
- **Taxes** on income totalling 2.9 million euros, for a tax rate of 32.6%, compared to 33.1% at 30.09.2019.

- **Net profit for the Group** up 16.9% compared to the same period of 2019, reaching 4.2 million euros from 3.6 million euros at 30.09.2019.
- **The Total AUM** came to 14.8 billion euros, a drop of 12.8% over the end of the previous year. This decrease is essentially attributable to the significant correction of the markets at global level, brought about in the first half of the year by the Covid-19 pandemic.

The Group's capital strength was confirmed by Shareholders' equity of 219.5 million euros, compared to 215.1 million euros at 31.12.2019. Consolidated regulatory capital amounted to 182.9 million euros (180.4 million euros at 31.12.2019), with a consolidated CET1 Capital Ratio of 33% (31.6% at 31.12.2019) calculated on the basis of the transitional provisions established following the entry into force of the new IFRS 9 and opting for the exemption provided under EU Regulation 2020/873 (art. 473 bis, paragraph 7 bis). Net of these transitional provisions, the consolidated CET1 Capital Ratio would be 32.7%.

The Banca Finnat Group immediately began monitoring the evolution of the global and then national situation caused by the spread of the Covid-19 pandemic, promptly preparing measures to ensure the normal continuation of company activities with a view to business continuity. The measures undertaken concerning the organisation of work, work safety, information and support for customers ensured business continuity with respect to counterparties and the market, while always guaranteeing the service offered to customers with the utmost efficiency, both in the branch and via remote channels, during the emergency isolation period in the first half of the year as well as in the current phase characterised by the introduction of different restrictive measures depending on the risk of the various geographical areas of our country. Recourse to smart working in the branches and in the Group's other operating offices has been adjusted as the pandemic evolves. The most significant economic impacts of the Covid-19 pandemic on the expected result for the year 2020 could be seen, as already shown in the result for the first nine months of the year, in higher provisions against the increase in the credit risk of financial assets. In any event, the Banca Finnat Group expects to be able to achieve a consolidated profit in 2020 higher than that recorded in 2019.

At 30 September 2020 there were 28,810,640 treasury shares in the portfolio (28,810,640 at 31 December 2019), amounting to 7.9% of the Bank's share capital.

The Manager in charge of preparing the accounting documents (Giulio Bastia) declares, pursuant to paragraph 2, article 154 bis of the Consolidated Financial Law, that the accounting disclosure contained in this press release corresponds to the documentary results and the accounting books and entries.

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

For Information

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

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Annex Consolidated Balance Sheet and Income Statement at 30.09.2020

CONSOLIDATED BALANCE SHEET (in thousands of euros)

	Asset items	30/09/2020	31/12/2019
10.	Cash and cash equivalents	785	699
20.	Financial assets designated at fair value through profit or loss	77,933	79,537
	a) financial assets held for trading	57,053	57,696
	c) other financial assets mandatorily at fair value	20,880	21,841
30.	Financial assets designated at fair value through other comprehensive income	296,275	366,666
40.	Financial assets designated at amortised cost	1,681,848	1,548,092
	a) due from banks	135,514	92,968
	b) loans to customers	1,546,334	1,455,124
70.	Equity investments	10,972	11,173
90.	Property and equipment	18,590	20,588
100.	Intangible assets	31,200	31,296
	of which:		
	- goodwill	28,129	28,129
110.	Tax assets	11,703	14,131
	a) <i>current</i>	2,015	3,483
	b) <i>deferred</i>	9,688	10,648
130.	Other assets	19,929	24,970
	Total assets	2,149,235	2,097,152

CONSOLIDATED BALANCE SHEET (in thousands of euros)

	Liabilities and shareholders' equity	30/09/2020	31/12/2019
10.	Financial liabilities designated at amortised cost	1,866,676	1,815,357
	a) due to banks	114	369
	b) due to customers	1,856,149	1,790,075
	c) debt securities issued	10,413	24,913
20.	Financial liabilities held for trading	26	152
60.	Tax liabilities	1,142	818
	a) <i>current</i>	414	136
	b) <i>deferred</i>	728	682
80.	Other liabilities	16,468	18,858
90.	Provisions for termination indemnities	5,713	5,920
100.	Provisions for risks and charges:	178	102
	a) commitments and guarantees given	111	102
	c) other provisions for risks and charges	67	-
120.	Valuation reserves	5,795	5,597
150.	Reserves	151,029	150,586
170.	Share capital	72,576	72,576
180.	Treasury shares (-)	(14,059)	(14,059)
190.	Minority interests (+/-)	39,489	40,811
200.	Profit (Loss) for the year (+/-)	4,202	434
	Total liabilities and shareholders' equity	2,149,235	2,097,152

CONSOLIDATED INCOME STATEMENT (in thousands of euros)

	Items	1 January 30 September 2020	1 January 30 September 2019	1 July 30 September 2020	1 July 30 September 2019
10.	Interest income and similar income	14,432	13,912	4,948	4,920
20.	Interest expense and similar expense	(1,883)	(1,795)	(715)	(625)
30.	Interest margin	12,549	12,117	4,233	4,295
40.	Fee and commission income	36,918	40,166	12,184	13,438
50.	Fee and commission expense	(1,973)	(1,445)	(633)	(454)
60.	Net fees and commissions	34,945	38,721	11,551	12,984
70.	Dividend and similar income	1,792	3,013	711	709
80.	Profit (losses) on trading	(800)	(857)	(188)	(1,291)
100.	Profit (losses) on disposal or repurchase of:	800	196	46	6
	a) financial assets designated at amortised cost	64	154	-	-
	b) financial assets designated at fair value through other comprehensive income	736	42	46	6
110.	Profits (losses) on other financial assets and liabilities designated at fair value through profit or loss	(529)	(1,047)	(111)	203
	b) other financial assets mandatorily at fair value	(529)	(1,047)	(111)	203
120.	Net banking income	48,757	52,143	16,242	16,906
130.	Net losses/recoveries on credit risk relating to:	(2,172)	(4,528)	(354)	(5,229)
	a) financial assets designated at amortised cost	(2,503)	(4,702)	(491)	(5,182)
	b) financial assets designated at fair value through other comprehensive income	331	174	137	(47)
140.	Gains/losses from contractual changes without derecognition	(185)	7	(35)	8
150.	Net income from financial operations	46,400	47,622	15,853	11,685
190.	Administrative expenses:	(38,055)	(40,510)	(11,852)	(11,856)
	a) personnel expenses	(25,834)	(27,210)	(8,337)	(7,991)
	b) other administrative expenses	(12,221)	(13,300)	(3,515)	(3,865)
200.	Net provisions for risks and charges	(77)	273	(10)	26
	a) commitments and guarantees given	(10)	39	(10)	26
	b) other net allocations	(67)	234	-	-
210.	Net losses/recoveries on property and equipment	(2,550)	(2,560)	(853)	(887)
220.	Net losses/recoveries on intangible assets	(181)	(154)	(63)	(54)
230.	Other operating income/expenses	3,610	4,296	1,098	1,055
240.	Operating costs	(37,253)	(38,655)	(11,680)	(11,716)
250.	Profit (loss) from equity investments	(221)	(223)	(58)	(4)
290.	Profit (loss) from continuing operations before taxes	8,926	8,744	4,115	(35)
300.	Taxes on income from continuing operations	(2,913)	(2,895)	(1,333)	54
310.	Profit (loss) from continuing operations after taxes	6,013	5,849	2,782	19
330.	Profit (loss) for the year	6,013	5,849	2,782	19
340.	Profit (loss) for the year of minority interests	(1,811)	(2,253)	(643)	(736)
350.	Net profit (loss) for the year pertaining to the Parent Company	4,202	3,596	2,139	(717)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 (in thousands of euros)

	Items	1 January 30 September 2020	1 January 30 September 2019
10.	Profit (loss) for the year	6,013	5,849
	Other comprehensive income after taxes that may not be reclassified to the income statement		
20.	Equity designated at fair value through other comprehensive income	(53)	115
70.	Defined benefit plans	(68)	(371)
90.	Share of valuation reserves connected with investments carried at equity	20	78
	Other comprehensive income after taxes that may be reclassified to the income statement		
140.	Financial assets (other than equity) designated at fair value through other comprehensive income	264	8,771
170.	Total other comprehensive income after tax	163	8,593
180.	Comprehensive income (Item 10+170)	6,176	14,442
190.	Consolidated comprehensive income pertaining to minority interests	1,777	2,106
200.	Consolidated comprehensive income pertaining to the Parent Company	4,399	12,336

Fine Comunicato n.0259-36

Numero di Pagine: 10