



**PRESS RELEASE**

**BANCA FINNAT PRESENTS ITS FINANCIAL RESULTS  
AT 31 DECEMBER 2016  
TO THE FINANCIAL COMMUNITY**

Milan, 22 March 2017 – Today, at the “Star Conference 2017” event, Banca Finnat Euramerica S.p.A., will illustrate to the financial community the consolidated results achieved in 2016.

**Topics on the agenda**

**The event will serve to highlight the key operating figures for 2016.**

The analysis of the key consolidated income statement items shows that:

- the **Earnings Margin** increased by 8.4%, from € 61.4 million to € 66.5 million yoy, as a result of the increased **Net Commissions**, which are up by 15% (from € 44.4 million to € 51.1 million yoy) and higher earnings from **Trading activities on own account** for € 800 thousand (from € 3.9 million at 31 December 2015 to € 4.7 million at 31 December 2016), despite the falling **Interest Margin**, which dropped from € 9.6 million to € 7.7 million yoy (-19.4%);
- **Operating expenses** dropped by almost 5%, from € 48 million to € 45.7 million, determining a significant improvement of the cost/income ratio, from 78.2% to 68.7%;
- the **Gross operating profit** improved by over 50%, from € 13.7 million to € 21.2 million yoy;
- the **Profit before tax** has increased by 64% (from € 9.4 million at 31 December 2015 to € 15.4 million at 31 December 2016. Higher tax for € 9.6 million (from a positive tax component of € 4.2 million to taxes for € 5.4 million) determining a

drop of the Consolidated net profit for the year from € 8.32 million at 31 December 2015 to € 7.3 million (-12.3%).

RECLASSIFIED CONSOLIDATED PROFIT AND LOSS ACCOUNT

2016 Vs 2015 (€/000)

	2015	2016	% change
Interest margin	9.603	7.740	-19.4
Dividends	3.452	3.003	-13.0
Net commissions	44.444	51.105	15.0
Profit (loss) from trading activities on own account	3.870	4.684	21.0
<b>Earnings margin</b>	<b>61.369</b>	<b>66.532</b>	<b>8.4</b>
Administrative expenses	(50,305)	(49,414)	-1.8
Value adjustments (amortization and depreciation)	(925)	(653)	-29.4
Provisions for risks and charges	(686)	619	-
Other operating income (expenses)	3.937	3.748	-4.8
<b>Operating expenses</b>	<b>(47,979)</b>	<b>(45,700)</b>	<b>-4.7</b>
Profit (loss) on equity investments	325	375	15.4
<b>Gross operating profit</b>	<b>13.715</b>	<b>21.207</b>	<b>54.6</b>
Adjustments to value of receivables / financial assets	(4,314)	(5,842)	35.4
<b>Net operating profit</b>	<b>9.401</b>	<b>15.365</b>	<b>63.4</b>
Income tax	4.227	(5,415)	-
Minority interest profit	(5,308)	(2,654)	-
<b>Net profit for the year</b>	<b>8.320</b>	<b>7.296</b>	<b>-12.3</b>

### Group highlight figures

	2014	2015	2016
Interest margin / Earnings margin	27.8%	15.7%	11.6%
Net commissions / Earnings margin	56.9%	72.4%	76.8%
Cost / income ratio	74.8%	78.2%	68.7%
GOP / Earnings margin	25.9%	22.3%	31.9%
Net operating profit / GOP	74.1%	68.5%	72.5%
Net profit / GOP	36.2%	60.7%	34.4%

The 15% increase in the year recorded by Net commissions pushed up to 76.8% (from the previous year's 72.4%) the Commissions to the Earnings margin ratio, while the 19.4% reduction of the Interest margin caused the contribution of the Interest margin to the total Group revenues to drop to 11.6% (from the previous year's 15.7%). The reduced Operating expenses (-4.7%) caused the cost/income ratio to drop to 68.7% (from the previous year's 78.2%) and the GOP to Earnings margin ratio to increase to 31.9% (from the previous year's 22.3%). Net of the positive tax component, which in the previous year affected the consolidated net profit, the net profit to GOP ratio remains well above the 30%.

The earnings are made up as follows:

- Net commissions account for 76.8% of the earnings margin;
- The interest margin totals 11.6%;
- Trading activities on own account amount to 7%;
- Dividends total 4.5%.

Regarding the breakdown of earnings by operating divisions:

- Owned assets account for 16.3% of the earnings margin;
- Real estate funds account for 52.1%;
- The Private Banking sector accounts for 20.2%;
- Institutional Clients amount to 6.4%;

- The contribution of Trust Services stands at 3.5%;
- Advisory & Corporate Finance contribute to the overall revenues for 1.5% .

Total Assets under Management, which amount to € 13.4 billion, are made up as follows: 52.3% are real estate funds; 5.3% are discretionary managed portfolios (including delegated management activities); 38.1% are administered and trust accounts; 0.5% are third-party insurance products and 3.8% are direct deposits from clients.

\* \* \* \* \*

**The manager 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)**

#### **Availability of data and information**

All the information, data and documents presented during the event will be available in Acrobat format on the bank website ([www.bancafinnat.it](http://www.bancafinnat.it)), in the Investor Relations page, and will be forwarded to all interested parties upon request.

#### **Contacts**

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