BANCA FINNAT

PRESS RELEASE

BANCA FINNAT PRESENTS ITS FINANCIAL RESULTS
AS OF 31 DECEMBER 2015
TO THE FINANCIAL COMMUNITY

Milan, 16 March 2016 – Today, at the "Star Conference 2016" event, Banca Finnat Euramerica S.p.A., will illustrate to the financial community the consolidated results achieved in 2015.

"*We are pleased to present to the financial community our consolidated financial results, of which we are very proud* – said Mr. **Arturo Nattino**, CEO of Banca Finnat – *which feature a significant growth of all the Bank's assets.*
We are particularly proud of our CET 1 RATIO of 31.4%, which sets us out as one of the top performing banks in Italy, up from 29.5% at the end of 2014."

Topics on the agenda

The event will serve to highlight the key operating figures for 2015.
The analysis of the key consolidated income statement items shows that:

- the **Earnings Margin** increased by 35.6%, to € 61.4 million from € 45.3 million yoy, as a result of the increased **Net Commissions**, which are up by 72.5% (from € 25.8 million to € 44.4 million yoy) and higher earnings from **Trading activities on own account** for € 760 thousand (from € 3.11 million at 31 December 2014 to € 3.87 million at 31 December 2015), despite the falling **Interest Margin** which dropped from € 12.6 million to € 9.6 million yoy (-23.8%);
- **Operating expenses** increased by 41.7%, from € 33.85 million to € 48 million, thanks, primarily, to the subsidiary Investire SGR as a result of its merger with Beni Stabili Gestioni SGR and Polaris Real Estate SGR;

- the **Gross operating profit** improved by 16.9%, from € 11.73 million to € 13.7 million;
- the **Group consolidated net profit** stands at € 8.3 million, up from € 4.25 million at 31 December 2014 (+96%). The net profit result was affected by a positive tax component, amounting to € 3.2 million at Group level, as a result of the franking for tax purposes by the subsidiary Investire SGR of the goodwill recorded following the merger effective from 1 January 2015.

RECLASSIFIED CONSOLIDATED PROFIT AND LOSS ACCOUNT

2015 Vs 2014 (€/000)

	2014	2015	% change
Interest margin	12.597	9.603	-23.8
Dividends	3.786	3.452	-8.8
Net commissions	25.770	44.444	72.5
Profit (loss) from trading activities on own account	3.111	3.870	24.4
Earnings margin	**45.264**	**61.369**	**35.6**
Administrative expenses	-35.530	-50.305	41.6
Value adjustments (amortization and depreciation)	-511	-925	81.0
Provisions for risks and charges		-686	
Other operating income (expenses)	2.191	3.937	79.7
Operating expenses	**-33.850**	**-47.979**	**41.7**
Profit (loss) on equity investments	315	325	3.2
Gross operating profit	**11.729**	**13.715**	**16.9**
Adjustments to value of receivables / financial assets	-3.041	-4.314	41.9
Net operating profit	**8.688**	**9.401**	**8.2**
Income tax	-3.704	4.227	-
Minority interest profit	-736	-5.308	-
Net profit for the year	**4.248**	**8.320**	**96**

Group highlights

	2013	2014	2015
Interest margin / Earnings margin	36%	27.8%	15.6%
Net commissions / Earnings margin	59.2%	56.9%	72.4%
Cost / income ratio	75.6%	74.8%	78.2%
Gross Operating Profit / Earnings margin	26%	25.9%	22.3%
Net operating profit / Gross Operating Profit	93%	74.1%	68.5%
Net profit / Gross Operating Profit	45.7%	36.2%	60.7%

The 72,5% yearly increase recorded by Net commissions pushed up to 72.4% (from the previous year's 56.9%) the Commissions to the Earnings margin ratio, while the 23.8% reduction of the Interest margin caused the Interest margin to the Earnings margin ratio to drop to 15.6% (from the previous year's 27.8%). The increased Operating expenses (+41.7%) drove up the cost/income ratio to 78.2% (from the previous year's 74.8%) and reduced the GOP to Earnings margin ratio to 22.3% (from the previous year's 25.9%). A positive tax component increased to 60.7% (from the previous year's 36.2%) the Net profit to GOP ratio.

The earnings are made up as follows:

- Net commissions 72.4%;
- Interest margin 15.7%;
- Trading activities on own account 6.3%;
- Dividends 5.6%.

Regarding the breakdown of revenues by operating business:

- Own activities produce 19.3% of the earnings margin;
- Real estate funds account for 45.6%;
- The Private Banking sector accounts for 22.8%;
- Institutional Clients amount to 6.9%;
- The contribution of Trust Services stands at 4.1%;
- Advisory & Corporate Finance contribute to the overall revenues for 1.3% .

Total Assets under Management, which amount to € 13.2 billion and are up by 28.2% yoy, are made up as follows: 51.3% are real estate funds; 5.6% are discretionary managed portfolios (including delegated management activities); 39.7% are administered and trust accounts; 0.3% are third-party insurance products and 3.1% are direct deposits from clients. The increase recorded by Real Estate funds (+64%), from € 4.13 billion at 31 December 2014 to € 6.8 billion at 31 December 2015, is also a result of the merger of Beni Stabili Gestioni SGR and Polaris Real Estate SGR effective from 1 January 2015.

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The manager in charge of preparing the corporate reports and accounting documents (Paolo Collettini) 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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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), in the Investor Relations page, and will be forwarded to all interested parties upon request.

Contacts

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