



BANCA FINNAT

PRESS RELEASE

THE BOD OF BANCA FINNAT APPROVES ITS PRELIMINARY CONSOLIDATED RESULTS AT 31.12.2016

- **PROFIT BEFORE TAX GROWS BY 60%**
- **EARNINGS MARGIN GROWS BY 8.5%**
- **NET COMMISSIONS INCREASE BY 15.3%**
- **COST/INCOME RATIO IMPROVES FROM 78.2% TO 69.2%**
- **CET 1 CAPITAL RATIO TOTALS 29.6%**

Rome, 9 February 2017 – Meeting today, the Board of Directors of Banca Finnat Euramerica S.p.A. approved the preliminary accounting schedules relating to the Consolidated Financial Statements at 31 December 2016, prepared in connection with the new supervisory reporting frameworks of common (COREP) and financial (FINREP) reporting, to be transmitted to the Bank of Italy within the deadline of 11 February 2017.

The highlights feature:

- An 8.5% growth of the **Earnings Margin**, rising to € 66.6 million from € 61.4 million at 31 December 2015.
- A 15.3% growth of **Net Commissions**, rising to € 51.2 million from € 44.4 million at 31.12.2015.
- Increased profit from **own Trading Activities** totalling € 800 thousand (from € 3.9 million at 31.12.2015 to € 4.7 million at 31.12.2016).
- A decreasing **Interest Margin** dropping to € 7.7 million from € 9.6 million at 31.12.2015.

- An improved **Cost Income Ratio** now standing at 69.2%, previously 78.2%, as a result of increased Earnings Margin and decreased Operating Costs, down by 4% (from € 48 million at 31.12.2015 to € 46.1 million at 31.12.2016).
- An increased **Profit before tax** by almost 60% (from € 9.4 million at 31.12.2015 to € 15 million at 31.12.2016). Higher taxes for € 9.5 million (rising from a positive tax component of € 4.2 million at 31.12.2015 to total taxes of € 5.3 million at 31.12.2016) have caused the **Consolidated Net Profit** to drop from € 8.32 million at 31 December 2015 to € 7.2 million.

The Board of Directors also resolved to appoint the current Deputy General Manager, Mr. Giulio Bastia to the position of Joint General Manager and Executive in charge of financial reporting. Mr. Bastia will replace Mr. Paolo Collettini, who has retired, but who will, nonetheless, continue to collaborate with the Bank. Giulio Bastia's resumé will be available on the Management's Directory Section of our institutional website www.bancafinnat.it

The Board of Directors is scheduled to meet again on 10 March 2017 to approve the draft company and consolidated financial statements at 31 December 2016.

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The manager in charge of preparing corporate reports and accounting documents (Paolo Collettini) declares, pursuant to paragraph 2 of article 154 bis of the Consolidated Law on Finance, that the accounting information disclosed in this press release is consistent with the company's accounting records, books and entries.

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

For further information

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

IR Manager: Gian Franco Traverso Guicciardi – Tel. +39 06 699 331 E-mail: g.traverso@finnat.it

SEC – Ufficio Stampa – Marco Fraquelli – Tel. +39 02 6249 9979 E-mail: fraquelli@secrp.it

Attachments: non-certified preliminary accounting schedules relating to the Consolidated Financial Statements at 31.12.2016

CONSOLIDATED BALANCE SHEET (in thousands of euros)

	Asset items	31/12/2016	31/12/2015
10.	Cash and cash equivalents	475	469
20.	Financial assets held for trading	40.489	56.578
40.	Available-for-sale financial assets	1.172.947	831.421
50.	Financial assets held to maturity	1.999	1.959
60.	Due from banks	170.728	98.386
70.	Due from customers	335.832	292.644
80.	Hedging derivatives	391	215
100.	Equity investments	8.264	10.549
120.	Tangible assets	5.304	5.501
130.	Intangible assets	41.022	41.957
	of which:		
	- goodwill	37.729	37.729
140.	Tax assets	16.098	21.265
	a) current	1.897	2.992
	b) deferred tax assets	14.201	18.273
	of which, pursuant to Law 214/2011	12.594	14.329
160.	Other assets	18.195	18.680
Total assets		1.811.744	1.379.624

CONSOLIDATED BALANCE SHEET (in thousands of euros)

	Liability and net equity items	31/12/2016	31/12/2015
10.	Due to banks	1.203	11.496
20.	Due to customers	1.496.319	1.045.816
30.	Outstanding securities	23.825	26.122
40.	Financial liabilities held for trading	10.772	9.733
80.	Tax liabilities	3.582	10.228
	a) current	545	6.302
	b) deferred tax liabilities	3.037	3.926
100.	Other liabilities	12.497	13.177
110.	Staff severance fund	4.839	4.405
120.	Provisions for risks and charges		
	b) other funds	448	1.067
140.	Valuation reserves	30.423	34.399
170.	Reserves	121.601	117.203
190.	Capital	72.576	72.576
200.	Own shares (-)	(14.392)	(13.949)
210.	Minority equity share (+/-)	40.855	39.031
220.	Net profit (loss) for the year (+/-)	7.196	8.320
Total liabilities and net equity		1.811.744	1.379.624

CONSOLIDATED INCOME STATEMENT (in thousands of euros)

	Items	31/12/2016	31/12/2015
10.	Interest income and similar income	6.394	11.110
20.	Interest expense and similar expense	1.346	(1.507)
30.	Interest margin	7.740	9.603
40.	Commission income	53.318	46.525
50.	Commission expense	(2.147)	(2.081)
60.	Net commissions	51.171	44.444
70.	Dividends and similar income	3.003	3.452
80.	Net income from trading activities	1.896	(1.711)
90.	Net results from hedging activities	-	-
100.	Net profit (loss) from the transfer or repurchase of: b) available-for-sale financial assets	2.788	5.581
120.	Earnings margin	66.598	61.369
130.	Net value adjustments/write-backs for the impairment of: a) <i>receivables</i> b) <i>available-for-sale financial assets</i>	(185) (5.657)	(1.816) (2.498)
140.	Net income from financial operations	60.756	57.055
180.	Administrative expenses: a) <i>staff costs</i> b) <i>other administrative expenses</i>	(31.497) (18.313)	(30.984) (19.321)
190.	Net appropriations to the provisions for risks and charges	619	(686)
200.	Net value adjustments/write-backs on tangible assets	(499)	(492)
210.	Net value adjustments/write-backs on intangible assets	(154)	(433)
220.	Other operating income/charges	3.749	3.937
230.	Operating costs	(46.095)	(47.979)
240.	Net profit (loss) of equity investments	375	325
280.	Profit (loss) from current operations before taxes	15.036	9.401
290.	Income tax on current operations	(5.301)	4.227
300.	Profit (loss) from current operations after taxes	9.735	13.628
320.	Profit (loss) for the year	9.735	13.628
330.	(Profit) loss for the year for minority interests	(2.539)	(5.308)
340.	Profit (loss) for the year for parent company	7.196	8.320

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME
(in thousands of euros)

	Items	31/12/2016	31/12/2015
10.	Profit (loss) for the year	9.735	13.628
	Other income items after tax without reversal to income statement		
40.	Defined benefit plans	(191)	210
60.	Portion of the valuation reserves of the equity investments valued according to the net equity method	27	(184)
	Other income items after tax with reversal to the income statement		
100.	Available-for-sale financial assets	(2.871)	4.476
130.	Total other income items after tax	(3.035)	4.502
140.	Comprehensive income (Item 10+130)	6.700	18.130
150.	Consolidated comprehensive income of minority interests	3.480	4.110
160.	Consolidated comprehensive income of parent company	3.220	14.020