



BANCA FINNAT

PRESS RELEASE

BANCA FINNAT PRESENTS ITS FINANCIAL RESULTS AS OF 31 DECEMBER 2014 TO THE FINANCIAL COMMUNITY

Milan, 25 March 2015 – Today, at 12.05 pm, at the "Star Conference 2015" event, Banca Finnat Euramerica S.p.A. will illustrate to the financial community the consolidated results achieved in 2014.

Topics on the agenda

The event will serve to highlight the key operating figures for 2014.

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

- the **Earnings Margin** increased by 11% yoy, from € 40.8 million to € 45,3 million, as a result of the combined effect of the rise in **Net Commissions** by 6.5% (from € 24.2 million to € 25.8 million), of higher **Dividends** for € 950 thousand (+33.4%), and of higher earnings from **Trading activities on own account** for € 4 million (from a negative balance of € 894 thousand at 31.12.2013 to a positive balance of € 3.1 million at 31.12.2014), despite the falling **Interest margin**, from € 14.7 million to € 12.6 million yoy, due, primarily, to dropping rates of return on investments.
- **Operating expenses** increased by 9.7%, from € 30.9 million to € 33.85 million.
- the **Gross operating profit** rose by 10.5%, from € 10.6 million to € 11.7 million.
- higher **Loan provisions and Impairment of Financial assets** for € 2.3 million have determined a slight yearly drop in the **Group consolidated net profit** from € 4.85 million to € 4.25 million.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT
2014 VS.2013 (€/000)

	2013	2014	% change
Interest margin	14,699	12,597	-14,3
Dividends	2,839	3,786	33,4
Net commissions	24,199	25,770	6,5
Profit (loss) from trading activities on own account	-894	3,111	n.s.
Earnings margin	40,843	45,264	10,8
Administrative expenses	-33,392	-35,530	6,4
Value adjustments (amortization and depreciation)	-524	-511	-2,5
Other operating income (expenses)	3,051	2,191	-28,2
Operating expenses	-30,865	-33,850	9,7
Profit (loss) on equity investments	635	315	-50,4
Gross operating profit	10,613	11,729	10,5
Loan provisions & impairment of financial assets	-739	-3,041	311,5
Net operating profit	9,874	8,688	-12
Taxes	-4,302	-3,704	-13,9
Minorities	-724	-736	1,7
Net profit for the year	4,848	4,248	-12,4

Group highlights

	2012	2013	2014
Interest margin / Earnings margin	28.8%	36%	27.8%
Net commissions / Earnings margin	60.8%	59.2%	56.9%
Cost / Income ratio	75.9%	75.6%	74.8%
Gross operating profit / Earnings margin	24.3%	26%	25.9%
Net operating profit / Gross operating profit	89.8%	93%	74.1%
Net profit / Gross operating profit	56%	45.7%	36.2%

Despite the increased Net commissions, up by 6.5%, the increased percentage weight of Dividends, up by 33.4%, and the higher contribution from Trading activities on own account, have determined a drop - from 59.2% to 56.9% - of the weight of Commissions on the Earnings Margin. The non-proportional increase of operating expenses (+9.7%), compared to the increased Earnings Margin (+10.8%), has improved the cost/income ratio from 75.6% to 74.8%, while the weight of the increased provisions on loans and impairment on financial assets by € 2.3 million has determined a drop in the share of GOP available as Net Profit, from 45.7% to 36,2%.

The main constituents of earnings margin are:

- Net commissions 56.9%;
- Interest margin 27.8%;
- Trading activities on own account 6.9%;
- Dividends 8.4%.

Regarding the breakdown of revenues by operating business:

- Own activities produce 32.7% of the earnings margin;
- Real estate funds account for 24.6%;
- The weight of the Private Banking sector is equal to 25.4%;
- The weight of Institutional Clients is equal to 9.3%;
- The contribution of Trust Services stands at 5.5%;
- Advisory & Corporate Finance contribute to the overall revenues for 2.5% .

Total Assets under Management (AUM), which amount to € 9.3 billion, up yoy by 6.9%, may be broken down as follows: 28.4% consist of real estate funds; 7.2% are discretionary managed portfolios (including delegated management activities); 7.6% are assets placed in the Luxembourg-based SICAV, of which Banca Finnat Euramerica is the "Promoter", and 56.8% are administered and trust accounts.

The Road Show will also be an opportunity to present, to investors, the *brand new* Investire Immobiliare SGR, resulting from the recent merger with Beni Stabili Gestioni and Polaris RE. This new *aggregate* entity has become the number two operator in Italy for amount of managed assets (7 billion euros), with a 14.8% share of the market, 33 managed funds, gross revenues approaching 29 million and profits before tax of almost 9 million.

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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