



BANCA FINNAT

PRESS RELEASE

**THE BOD OF BANCA FINNAT APPROVES THE
CONSOLIDATED HALF-YEARLY REPORT AT 30.06.2018**

- **THE INTEREST MARGIN IS UP BY 19%, FROM €4.269 THOUSAND AT 30.06.2017 TO € 5.098 THOUSAND AT 30.06.2018**
- **NET COMMISSIONS TOO HAVE INCREASED BY 19%, FROM € 20.953 THOUSAND TO € 24.863 THOUSAND**
- **THE “ADJUSTED” EARNINGS MARGIN IS UP BY 14%**
- **THE CONSOLIDATED NET PROFIT AMOUNTS TO € 2.387 THOUSAND, FROM € 11.905 THOUSAND AT 30.06.2017 BENEFITED FROM THE CONSIDERABLE CAPITAL GAINS (TOTALLING € 11.650 THOUSAND BEFORE TAX) FROM THE SALE OF THE SHAREHOLDING IN LONDON STOCK EXCHANGE**
- **TOTAL GROUP ASSETS UNDER MANAGEMENT HAVE REACHED € 16.1 BILLION FROM € 15.69 BILLION AS OF 31.12.2017**
- **THE GROUP FEATURES A CET 1 CAPITAL RATIO OF 29.6%**

Rome, 02 August 2018 – At a meeting held today, the Board of Directors of Banca Finnat Euramerica S.p.A. examined and approved the interim consolidated results posted by the Group for the six months ended on 30 June 2018.

Consolidated financial highlights:

- The **Interest Margin** has grown by 19.4%, from € 4.269 thousand at 30.06.2017 to € 5.098 thousand.
- The **Net Commissions** have also increased by 18.7%, from € 20.953 thousand at 30.06.2017 to € 24.863 thousand.
- The **Earnings Margin** totals € 32.744 thousand, from € 40.266 thousand at 30.06.2017. However, net of the contribution from the sale of the shares of London Stock Exchange, the item increased by 14%.
- **Operating costs** increased by about 12%, from € 23.038 thousand to € 25.764 thousand.
- The **Group Consolidated Net Profit** amounts to € 2.387 thousand, from € 11.905 thousand at 30.06.2017 thus benefited from the considerable capital gains (totalling € 11.650 thousand before tax) from the sale of the shareholding in London Stock Exchange.

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The Financial Reporting Officer (Giulio Bastia) 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

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Attachments: Consolidated Profit and Loss Account, Balance Sheet and Consolidated Statement of Performance at 30 June 2018



CONSOLIDATED PROFIT AND LOSS ACCOUNT (in thousands of euros) Schedule 1 of 2

New Item No. 262 (Item No. 30/06/2017)	Items	1st half - 2018	1st half - 2017
10. (10.)	Interest income and similar income	5.872	3.242
20. (20.)	Interest expense and similar expense	(774)	1.027
30. (30.)	Interest margin	5.098	4.269
40. (40.)	Commission income	26.035	22.168
50. (50.)	Commission expense	(1.172)	(1.215)
60. (60.)	Net commissions	24.863	20.953
70. (70.)	Dividends and similar income	1.993	2.354
80. (80.)	Net income from trading activities	667	1.018
(100.)	Profit (loss) from the disposal or repurchase of:		
	b) available-for-sale financial assets	-	11.672
100.	Profit (loss) from the disposal or repurchase of:	816	-
	a) financial assets valued at amortised cost	96	-
	b) financial assets valued at fair value, with an impact on total earnings	720	-
110.	Net result of the other financial assets and liabilities valued at fair value, with changes to the profit and loss account	(693)	-
	b) other financial assets mandatorily valued at fair value	(693)	-
120.	Earnings margin	32.744	40.266
(130.)	Net value adjustments/write-backs for the impairment of:	-	(2.300)
	a) receivables	-	(1.476)
	b) available-for-sale financial assets	-	(824)
130.	Net value adjustments/write-backs for credit risks relating to:	(1.441)	-
	a) financial assets valued at amortised cost	(1.194)	-
	b) financial assets valued at fair value, with an impact on total earnings	(247)	-
150. (140.)	Net income from financial operations	31.303	37.966



CONSOLIDATED PROFIT AND LOSS ACCOUNT (in thousands of euros) Schedule 2 of 2

New Item No. 262 (Item No. 30/06/2017)	Items	1st half - 2018	1st half - 2017
190. (180.)	Administrative expenses	(28.415)	(25.710)
	a) staff costs	(17.701)	(16.278)
	b) other administrative expenses	(10.714)	(9.432)
200. (190)	Net appropriations to the provisions for risks and charges:	(258)	-
	a) commitments and guarantees granted	(258)	-
210. (200.)	Net value adjustments/write-backs on tangible assets	(229)	(230)
220. (210.)	Net value adjustments/write-backs on intangible assets	(85)	(82)
230. (220.)	Other operating income and expenses	3.223	2.984
240. (230.)	Operating costs	(25.764)	(23.038)
250. (240.)	Profit (loss) from equity investments	(72)	(33)
290. (280.)	Profit (loss) from current operations before taxes	5.467	14.895
300. (290.)	Income tax on current operations	(1.863)	(1.654)
310. (300.)	Profit (loss) from current operations after taxes	3.604	13.241
330. (320.)	Profit (loss) for the period	3.604	13.241
340. (330.)	(Profit) loss for the period of minority interests	(1.217)	(1.336)
350. (340.)	Profit (loss) for the period of parent company	2.387	11.905



CONSOLIDATED BALANCE SHEET (in thousands of euros)

New Item No. 262 (Item No. 30/06/2017)	Assets	30/06/2018	31/12/2017
10. (10.)	Cash and cash equivalents	533	633
(20.)	Financial assets held for trading	-	45.712
(40.)	Available-for-sale financial assets	-	1.219.533
(60.)	Due from banks	-	88.150
(70.)	Due from customers	-	370.478
20.	Financial assets valued at fair value, with changes to the profit and loss account	95.779	-
	a) financial assets held for trading	72.763	-
	c) other financial assets mandatorily valued at fair value	23.016	-
30.	Financial assets valued at fair value, with impact on total earnings	213.547	-
40.	Financial assets valued at amortised cost	1.565.551	-
	a) due from banks	155.447	-
	b) due from customers	1.410.104	-
70. (100.)	Equity investments	uity	6.457
90. (120.)	Tangible assets	4.958	5.079
100. (130.)	Intangible assets	40.969	41.012
	of which:		
	- goodwill	37.729	37.729
110. (140.)	Tax assets	16.431	13.053
	a) current tax assets	675	605
	b) deferred tax assets	15.756	12.448
130. (160.)	Other assets	18.805	20.420
	Total assets	1.963.030	1.810.527



CONSOLIDATED BALANCE SHEET (in thousands of euros)

New Item No. 262 (Item No. 30/06/2017)	Liabilities and Net Equity	30/06/2018	31/12/2017
(10.)	Due to banks	-	1.474
(20.)	Due to customers	-	1.494.547
(30.)	Outstanding securities	-	22.594
(120.)	Provisions for risks and charges	-	548
	b) other funds	-	548
10.	Financial liabilities valued at amortised costs	1.690.271	-
	a) payables to banks	1.121	-
	b) payables to customers	1.661.735	-
	c) outstanding securities	27.415	-
20. (40.)	Financial liabilities held for trading	126	143
60. (80.)	Tax liabilities	3.838	4.017
	a) current tax liabilities	3.361	2.972
	b) deferred tax liabilities	477	1.045
80. (100.)	Other liabilities	20.207	17.988
90. (110.)	Staff severance fund	5.125	4.970
100.	Provisions for risks and charges	893	-
	a) commitments and guarantees granted	345	-
	c) other provisions for risks and charges	548	-
120. (140.)	Valuation reserves	(6.169)	2.182
150. (170.)	Reserves	148.828	125.101
170. (190.)	Share capital	72.576	72.576
180. (200.)	Treasury shares (-)	(14.059)	(14.059)
190. (210)	Net equity of minority interests (+/-)	39.007	42.138
200. (220)	Net profit (loss) for the period (+/-)	2.387	36.308
Total liabilities and net equity		1.963.030	1.810.527

CONSOLIDATED STATEMENT OF PERFORMANCE
(in thousands of euros)

	Items	1st half - 2018	1st half - 2017 (*)
10.	Profit (loss) for the period	3.604	13.241
	Other income items after tax, without reversal to income statement		
20.	Capital securities designated at fair value, with impact on total earnings	(55)	(3.920)
70.	Defined benefit plans	(125)	41
90.	Portion of the valuation reserves from equity investments recorded under the shareholders' equity	-	(112)
	Other income items after tax, with reversal to income statement		
140.	Financial assets (other than capital securities) valued at fair value, with impact on total earnings	(7.597)	(1.271)
170.	Total other income items after tax	(7.777)	(5.262)
180.	Total earnings (Item 10+170)	(4.173)	7.979
190.	Total consolidated earnings of minority interests	1.173	1.280
200.	Total consolidated earnings of parent company	(5.346)	6.699

(*) The figures are shown according to the new layout by the Bank of Italy (5th Update). The changes to the valuation reserves do not include the adjustments made in connection with the first application of IFRS 9.