



FINANZIARIA INTERNAZIONALE

Consolidated half year report

as at 30 June 2016

and Directors' Report in compliance with Art. 2381 c.c.

Meeting of the Board of Directors of 20 January 2017



Finanziaria Internazionale Holding S.p.A.



Consolidated half year report as at 30 June 2016



Finanziaria Internazionale Holding S.p.A.



The Finanziaria Internazionale Group in the first half of 2016

In the period in question, the Finanziaria Internazionale Group has confirmed its expansion in the sectors in which it operates and has continued its strategy of expanding into new markets and products.

The establishment of Banca Finint S.p.A. within the Finanziaria Internazionale Group, at the end of 2014, has marked a turning point, allowing the Group, not only to improve the services offered, but also to focus on innovative services and new products.

In the six months herein analysed, the main business areas reported positive results, in line with expectations, despite strengthening and growth costs mainly incurred in the Banca Finint area. The performance was penalised by the reporting of residual evaluation components, related to financial equity investments.

There were no significant changes in structure at the Group level, or mergers and acquisitions that could have a significant impact on the performance and/or create significant discontinuities with respect to the comparison period.



Finanziaria Internazionale Holding S.p.A.



FINANZIARIA INTERNAZIONALE Holding

JOINT-STOCK COMPANY (S.P.A.)

Head office in Conegliano Via Alfieri 1, Treviso-Belluno Companies' Register no. 01130140260

Tax code no. 01130140260 - VAT no. 00798100269

Share capital € 1,859,630.00 fully paid-up

www.finint.com

PRO-FORMA INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

PRO-FORMA BALANCE SHEET

(€' 000)

Assets

ASSET ITEMS	30/06/2016	30/06/2015	31/12/2015
10 CASH AND CASH EQUIVALENTS	208	152	302
20 RECEIVABLES DUE FROM BANKS	48,175	28,722	33,184
30 RECEIVABLES DUE FROM FINANCIAL ENTITIES	33,099	14,892	31,704
40 RECEIVABLES FROM CUSTOMERS	47,400	33,122	41,541
50 BONDS AND OTHER FIXED-INCOME DEBT SECURITIES	42,667	27,095	25,479
60 SHARES, QUOTAS AND OTHER VARIABLE-INCOME SECURITIES	21,792	47,303	31,514
70 EQUITY INVESTMENTS AND EQUITY INVESTMENTS IN GROUP COMPANIES	189,437	187,249	194,532
90 POSITIVE CONSOLIDATION DIFFERENCES	121,098	124,121	122,809
100 POSITIVE DIFFERENCES FROM EQUITY METHOD	83,488	22,513	84,413
110 INTANGIBLE FIXED ASSETS	4,088	2,007	3,900
120 TANGIBLE FIXED ASSETS	18,037	19,507	18,149
150 OTHER ASSETS	18,558	22,054	19,837
160 ACCRUED INCOME AND PREPAID EXPENSES	6,633	7,766	4,961
TOTAL ASSETS	634,680	536,503	612,325



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PRO-FORMA BALANCE SHEET

(€' 000)

Liabilities and Net Equity

LIABILITY AND NET EQUITY ITEMS	30/06/2016	30/06/2015	31/12/2015
10 PAYABLES DUE TO BANKS	383,191	322,706	380,003
20 PAYABLES DUE TO FINANCIAL INSTITUTIONS	14,304	11,221	16,373
30 PAYABLES DUE TO CUSTOMERS	21,638	3,129	21,621
40 DEBT SECURITIES	56,450	22,500	27,400
50 OTHER LIABILITIES	24,562	21,780	25,125
60 ACCRUED EXPENSES AND DEFERRED INCOME	3,218	2,038	1,818
70 RESERVE FOR TERMINATION INDEMNITIES	5,364	4,334	5,168
80 PROVISIONS FOR RISKS AND CHARGES	8,071	10,129	6,048
100 PROVISION FOR GENERAL FINANCIAL RISKS	320	300	318
120 NEGATIVE CONSOLIDATION DIFFERENCES	477	488	477
140 MINORITY INTERESTS	70,598	63,261	71,411
150 SHARE CAPITAL	1,860	1,860	1,860
160 SHARE PREMIUMS	22,770	22,770	22,770
170 RESERVES	30,588	46,234	44,795
(a) LEGAL RESERVE	372	372	372
(d) OTHER RESERVES	30,216	45,862	44,423
200 NET PROFIT (LOSS)	(8,731)	3,753	(12,862)
TOTAL LIABILITIES AND NET EQUITY	634,680	536,503	612,325
OF WHICH GROUP'S NET EQUITY	47,284	75,405	57,358
TOTAL GROUP'S AND MINORITY INTERESTS' NET EQUITY	117,882	138,666	128,769


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PRO-FORMA INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016
PRO-FORMA INCOME STATEMENT

(€'000)

Expenses

EXPENSES ITEMS	01/01/2016- 30/06/2016	01/01/2015- 30/06/2015	01/01/2015- 31/12/2015
10 INTEREST EXPENSES AND SIMILAR CHARGES	7,717	6,346	12,437
20 COMMISSION EXPENSES	602	586	1,162
30 LOSSES FROM FINANCIAL TRANSACTIONS	4,265	0	0
40 ADMINISTRATIVE EXPENSES	32,554	24,931	56,600
50 AMORTIZATION AND DEPRECIATION OF INTANG. AND TANG. FIXED ASSETS	3,598	2,815	7,121
60 OTHER OPERATING CHARGES	330	266	769
80 PROVISION FOR DOUBTFUL DEBTS	0	2	3
90 WRITE-DOWNS OF RECEIVABLES AND PROVISIONS FOR GUARANTEES	507	268	1,886
100 WRITE-DOWNS OF FINANCIAL FIXED ASSETS	5,662	0	12,630
110 LOSSES ON INVESTMENTS CARRIED AT EQUITY	1,013	933	4,471
120 EXTRAORDINARY CHARGES	920	305	8,020
140 INCOME TAXES	811	(336)	3,556
150 NET INCOME OF MINORITY INTEREST	461	6,449	6,195
160 NET INCOME	0	3,753	0
TOTAL EXPENSES	58,440	46,318	114,850

PRO-FORMA INCOME STATEMENT

(€'000)

Revenues

REVENUES ITEMS	01/01/2016- 30/06/2016	01/01/2015- 30/06/2015	01/01/2015- 31/12/2015
10 INTEREST INCOME AND SIMILAR REVENUE	1,808	1,465	3,489
20 DIVIDENDS AND OTHER INCOME	224	180	2,405
30 COMMISSION INCOME	37,792	28,720	67,261
40 PROFITS FROM FINANCIAL TRANSACTIONS	0	1,740	373
50 WRITE-BACKS OF RECEIVABLES AND PROVISIONS FOR GUARANTEES	66	65	198
60 WRITE-BACKS OF FINANCIAL FIXED ASSETS	3	0	0
70 OTHER OPERATING INCOME	237	136	3,089
80 INCOME FROM EQUITY INVESTMENTS CARRIED AT EQUITY	9,444	13,158	22,921
90 EXTRAORDINARY INCOME	135	854	2,252
130 NET LOSSES	8,731	0	12,862
TOTAL REVENUES	58,440	46,318	114,850



Finanziaria Internazionale Holding S.p.A.



REPORT pursuant to Art. 2381 Italian Civil Code on business performance and its future developments

General background

In the first half of 2016, a rather weak economic recovery took hold in the Eurozone, but, at the same time, the instability due to ongoing geopolitical and terrorism risk increased. Besides the trends already started in previous years, the outcome of the referendum on 23 June in the UK, which will lead to the exit of one of the largest European economies from the European Union, has opened another front, of which it is difficult today to assess the effect on the macroeconomic climate.

At the economic and financial level, the ECB continues to encourage the recovery of investment activity and to act as guarantor of market stability. Its latest decision, to allow the purchase of bonds not issued by member states, has further supported the supply of credit to the corporate sector, key to increased investment activity, reducing official interest rates further and taking new measures to allow banks to refinance at favourable conditions. In the Eurozone, the recovery continued in the second quarter, even if at a slower pace than in the first quarter, and consumer price inflation in June was back just in positive territory.

The Italian economy continues its gradual recovery, led by domestic demand; the wait for an increase in investment, however, is strongly influenced by the climate of uncertainty on the international stage and, certainly, the most recent international developments threaten to slow down a decision-making process started with great effort¹.

Operating performance and key operations

The Group has continued along its innovative path, on the strength of the professionalism that distinguishes it and of the experience accumulated in decades of history.

Results of the Finanziaria Internazionale Group

The reclassified consolidated income statement and the statement of assets and liabilities for the first half of 2016 are provided below, with a comparison with the same period of 2015, with the most significant data and information inferred from the income statement and the statement of assets and liabilities adopted for internal reporting purposes relating to the Group's operating performance.

We note, however, that with respect to the consolidated financial statements drafted according to the provisions of Italian Legislative Decree No. 87/92, **the results of some Group companies carrying out service activities were included in the following table with the full consolidation method rather than the equity method used in the preparation of the financial statement drafted according to the relevant accounting standards.** The adoption of this method has no impact on the Group's share of the profit for the year or on the Group's share of equity. The subsidiary SAVE S.p.A. and its group are also consolidated with the equity method in the "pro forma" financial statements, due to the significant difference of their business from the financial activities, including supervised ones, and from the services provided by the Finanziaria Internazionale Group. Compared to the consolidated

¹ Source: Bank of Italy Bulletin



financial statements, the statement of assets and liabilities that follows also includes consolidation differences and minorities' share of equity, which are not amortised.

Taking into account the purposes of the Directors' Report, the Top Management deems such representation more appropriate and complete than the one recommended by the reference accounting standards as, in financial terms, it shows the full and effective contributions by all business sectors to every cost and income item, and hence to the Group's result. Moreover, from a financial and economic perspective, by using such representation, the financial statements show the minority interests' share of equity representing the Group's minority interests in the BPO sector; the financial position also represents the Group's actual situation.

This Report is preceded by detailed side-by-side financial statements, which were used to draw up the reclassified income statement, shown below. These statements are not subject to auditing.

We also point out that, as a result of the issue of Italian Legislative Decree No. 136/2015 and Italian Legislative Decree No. 139/2015, from 2016, for the purposes of the drafting of the separated and consolidated financial statements, the Parent Company Finanziaria Internazionale Holding S.p.A. is required to adopt IAS/IFRS international accounting standards. The activities of analysis of and compliance with the new accounting standards are ongoing. Therefore, these interim financial statements were drafted to ensure continuity with the standards applied in the previous year.

Reclassified consolidated income statement

(€ '000)

	30/06/2016	30/06/2015	Change	% Change
Total commission income	37,792	28,720	9,072	31.6%
Total commission expenses	(602)	(586)	(16)	2.7%
MARGIN FROM SERVICES	37,190	28,134	9,056	32.2%
Net interest income (expenses)	(5,909)	(4,881)	(1,028)	21.1%
Net financial income (expenses)	396	1,920	(1,524)	-79.4%
FINANCIAL MARGIN	(5,513)	(2,961)	(2,552)	86.2%
TOTAL FINANCIAL AND SERVICES MARGIN	31,677	25,173	6,504	25.8%
Personell costs	(16,695)	(13,489)	(3,206)	23.8%
Other administrative expenses	(15,859)	(11,442)	(4,417)	38.6%
Other operating costs	(330)	(266)	(64)	24.1%
Amortisation, depreciation and write-downs	(1,400)	(1,025)	(375)	36.6%
Increases in provision	0	(2)	2	-100.0%
GENERAL AND ADMINISTRATIVE EXPENSES	(34,284)	(26,224)	(8,060)	30.7%
MANAGEMENT OF INVESTMENTS				
Balance of income (loss) from investments valued at equity and other operating income/charges	8,668	12,361	(3,693)	-29.9%
MARGIN FROM ORDINARY OPERATIONS	6,061	11,310	(5,249)	-46.4%
Amortisation of goodwill	(2,636)	(1,993)	(643)	32.3%
EXTRAORDINARY EXPENSES/INCOME				
Balance of extraordinary income (expenses)	37	549	(512)	-93.3%
PROFIT (LOSS) BEFORE NON-RECURRING ITEMS	3,462	9,866	(6,404)	-64.9%
Non-recurring provisions, net financial losses and write-downs	(10,921)	0	(10,921)	n.a.
PROFIT (LOSS) GROSS	(7,459)	9,866	(17,325)	-175.6%
Taxes	(811)	336	(1,147)	-341.4%
CONSOLIDATED NET PROFIT (LOSS)	(8,270)	10,202	(18,472)	-181.1%
Minority interests' profit (loss)	461	6,449	(5,988)	-92.9%
Group interest profit (loss)	(8,731)	3,753	(12,484)	-332.6%



The first half of 2016 ended with a consolidated loss of € 8,270 thousand; the loss of the Group was equal to € 8,731 thousand, the minority interests' share of profit was equal to € 461 thousand. In the period in question, performance was penalised by the recognition of residual evaluation adjustments, related to financial investments in stocks.

We analyse below the key performance indicators, derived from consolidated interim margins.

Margin from services

The margin from services, which mainly includes revenues from services of Structured Finance, Business Process Outsourcing, Corporate Finance and Wealth Management, recorded a 31.6% increase in fee revenues. In the period in question, this margin was € 37,190 thousand, against € 28,134 thousand in the first half of 2015.

Financial margin

In the first half of 2016, a negative financial margin equal to € 5,513 thousand was reported.

Net interest expenses were equal to € 5,909 thousand, against € 4,881 thousand on the first half of 2015; the change with respect to the comparison period was mainly due to increased borrowing for the acquisition of additional SAVE shares and to the refinancing carried out by the holding group headed by SAVE S.p.A..

In the first half of 2016, the financial margin was also hit by the decrease in profits on financial transactions. The 2015 comparison period had benefited from the realisation of proceeds from sale of some financial investments; this result was also affected by the decrease in the market values, recorded in the first part of the year.

Overheads expenses

General costs in the first half of the year were equal to € 34,284 thousand, against € 26,224 thousand in the comparison period, with a 30.7% increase. We note that the change in general costs is more than compensated by the increase in the services margin. In the period in question, personnel cost increased due to the increase in resource use with respect to the comparison period and to costs incurred to strengthen the structure: as at 30 June 2016, the Group had 679 employees and contract staff, against 563 in the corresponding previous period, and 661 as at 31 December 2015. The new resources were mainly placed in the Business Process Outsourcing and Banca Finint areas.

Other administrative expenses also increased with the launch of new projects, which are expected to produce increased revenues in the future.

Net profit from investments valued at net equity and other operating income/charges

In the first half of the year, equity investments measured at equity gave a positive contribution of € 8,668 thousand, down with respect to the same period of 2015, when net income of € 12,361 thousand had been recorded. Also in the period in question, the main contribution came from the equity investment in SAVE, equal to € 9,350 thousand (€ 10,535 thousand in the first half of 2015).

SAVE S.p.A., the main equity investment of the Group, continues to grow, in terms of both activity volumes and main profitability indicators. In the first half of the year, the SAVE Group recorded a consolidated profit of € 16 million, of which the minority interests' share was € 0.3 million. Revenues were € 86 million in the first half of the year, with a 16% increase with respect to the first half of 2015. EBIT was equal to € 25.3 million, against € 20.2 million in the comparison period, a 24.9% increase.

The decrease in the contribution of equity investments to the six-month performance is mainly due to the Ferak S.p.A. Group.



Margin from ordinary operations

The margin from ordinary operations was € 6,061 thousand, against € 11,310 thousand in the comparison period. This change is due to the trends already described.

Goodwill amortisation

This item recorded an increase of € 643 thousand with respect to the previous year, mainly as a result of goodwill recognised for the acquisitions carried out in 2015 on the main equity investment held, SAVE S.p.A.. Amortisation provisions on the investment in SAVE S.p.A. were € 2,193 thousand and on the equity investment in Banca Finint S.p.A. € 438 thousand.

Non-recurring provisions, net financial losses and write-downs

In the first half of the year, non-recurring charges for an amount of € 10,921 thousand were recognised. These charges included value adjustments made to the securities portfolio, for holdings of Banca Monte Paschi di Siena and Veneto Banca securities, for a total of € 10,098 thousand. In the first half of the year, losses for € 823 thousand were also recognised as a result of an increase in share capital involving one of the companies of the Group.

Taxes and net profit

After net taxes for the period of € 811 thousand, a consolidated total loss for the period of € 8,270 thousand was recognised. The loss attributable to the Group was equal to € 8,731 thousand. In the first half of 2015, a consolidated profit of € 10,202 thousand had been recognised, of which € 3,753 thousand attributable to the Group.

Key equity and financial drivers as at 30 June 2016

We describe below the main equity and financial indicators obtained from the consolidated financial statements, which include the companies of the BPO area with the full consolidation method and restore, for presentation purposes, the consolidation differences according to the provisions of Italian Legislative Decree No. 127/91, instead of deducting them from minorities' equity as laid down by Italian Legislative Decree No. 87/92.

The detailed side-by-side financial statements that were used to draw up these indicators are provided at the beginning of this Report.

(€ '000)

	JUNE 2016	JUNE 2015	DECEMBER 2015
TOTAL NET EQUITY	117,882	138,666	128,769
- of which Group's net equity	47,284	75,405	57,358
- of which Minority interests' net equity	70,598	63,261	71,411
GROSS FINANCIAL INDEBTEDNESS	(372,463)	(312,661)	(358,586)
<i>less financial assets</i>	<i>64,459</i>	<i>74,398</i>	<i>56,993</i>
Net financial indebtedness	(308,004)	(238,263)	(301,593)
TOTAL ASSETS	634,680	536,503	612,325
- of which Net investments	394,023	333,883	401,754
<i>Net financial indebtedness/total net equity</i>	<i>-2.61</i>	<i>-1.72</i>	<i>-2.34</i>
<i>Total liabilities/total net equity</i>	<i>4.38</i>	<i>2.87</i>	<i>3.76</i>

Gross debt includes the cash and cash equivalent balance, the amounts due to/receivable from banks and financial institutions, and payables represented by securities.



Total net equity went from € 138,666 thousand in the first half of 2015 to € 117,882 thousand, with a decrease of € 20,784 thousand. In the first half of 2016, the Parent Company did not distribute dividends, while dividends for € 671 thousand were distributed by companies partly owned by minority shareholders.

Gross financial indebtedness was equal to € 372,463 thousand, up with respect to the € 358,586 thousand reported at the end of 2015. As at 30/06/2015, gross debt was equal to € 312,661 thousand. The increase in the first half of 2016 with respect to the end of 2015 is mainly attributable to the Parent Company.

Total assets went from € 612,325 thousand recorded at the end of the previous year to € 634,680 thousand; of this, € 394,023 thousand were equity investments.

In the statement above, the value of investment in SAVE includes the positive consolidation differences attributable to minority interest, which, in the financial statements drawn up in accordance with Italian Legislative Decree No. 87/92, are instead deducted from the minority interests' share of equity. The book value of the stake in SAVE, considering only the equity and consolidation differences attributable to the Group, was equal as at 30 June 2016 to € 159,924 thousand (€ 166,438 thousand in 2015). Divided by the number of shares held by the Group, this corresponds to a unit value of € 9.77 per share. The market price of SAVE stock as at 30 June 2016 was equal to € 12.959 per share.

With regard to the Consolidated Pro Forma Net Equity, we report the developments in the first half of the year:

(€ '000)

Movements of the Group's Net Equity	
Group's Net Equity as of 31/12/15	57,358
Variation of the provision for general financial risks	2
Translation reserves	4
Reserve for cash flow hedge	(1,349)
Result in the six-month period	(8,731)
Total Group's Net Equity as of 30/06/16	47,284

(€ '000)

Movements of Minority Interests	
Minority Interests as of 31/12/15	71,411
Dividends distributed to Minority Interests	(671)
Subscription of increase of subsidiaries' stock capital	868
Variation of the provision for general financial risks	(2)
Reserve for cash flow hedge	(1,342)
Translation reserves	1
Changes in scope/method of consolidation	(128)
Result in the six-month period	461
Total Net Equity of Minority Interests as of 30/06/16	70,598



Operating results by Business Area

We provide below the six-month consolidated performance compared with that for the same period of the previous year, by sub-holding:

- Agenzia Italia S.p.A. for the Business Process Outsourcing area;
- Finint S.p.A. for the Investment Banking & Asset Management area;
- SAVE S.p.A. Group for the Proprietary Investments area.

Business Process Outsourcing

The performance of the Agenzia Italia Group (also BPO Group) in the first half of 2016 was as follows.

(€ '000)

BPO Business	30/06/2016	30/06/2015	31/12/2015	% Change
Operating revenues	20,152	14,931	38,968	35%
Operating expenses	(18,864)	(13,192)	(32,474)	43%
<i>of which goodwill amortization</i>	<i>(515)</i>	<i>(537)</i>	<i>(1,037)</i>	<i>-4%</i>
Operating profit	1,288	1,739	6,494	-26%
Other financial income	225	132	450	70%
Financial expenses	(214)	(203)	(608)	5%
Write-down/up of financial assets	(3)	21	2	-114%
Financial result	8	(50)	(156)	-116%
Extraordinary items	956	384	376	149%
PROFIT (LOSS) GROSS	2,252	2,073	6,714	9%
Taxes	(856)	(890)	(2,828)	-4%
Consolidated net profit (loss)	1,396	1,183	3,886	18%
Group interest profit (loss)	1,612	1,270	4,212	27%
Minority interests' profit (loss)	(216)	(87)	(326)	148%
Consolidated net equity	31,831	27,964	31,264	14%
Group's shareholders' equity	30,834	27,320	30,261	13%
Minority interests' net equity	997	644	1,003	55%

The first half of 2016 for the BPO area ended in line with expectations, with a consolidated net profit for the period of € 1,396 thousand (€ 1,183 thousand as at 30 June 2015) and consolidated net equity of € 31,831 thousand (€ 31,264 thousand in 2015).

Operating revenue was € 20,152 thousand, with a 35% increase with respect to the first half of 2015, while operating costs were up by 40%. We note however, that the figures for the first half of 2016 reflect the inclusion in the consolidation perimeter of the subsidiary CEU S.r.l. acquired in December 2015. This has contributed to the situation in question, while we wait for synergies and efficiencies to be achieved, with costs increasing faster than revenues.

Performance benefited from higher financial income on securities with respect to the comparison period, while financial charges are in line with the comparison period.

Consolidated profit before tax increased by about 9%; the Group consolidated profit increased by 27%, mainly due to extraordinary components, which include the capital gain on the sale of 10% of Finanziaria Internazionale Investments SGR S.p.A..



Investment Banking & Asset Management

The six-month performance of the companies in the Investment Banking & Asset Management area, which have Finint S.p.A. as Parent Company, was as follows.

(€ '000)

Investment Banking & Asset Management Business	01/01/2016-30/06/2016	01/01/2015-30/06/2015
NET INTEREST MARGIN	708	699
NET FEES AND COMMISSIONS INCOME	18.165	14.196
DIVIDENDS AND OTHER INCOME	23	0
GAINS (LOSSES) ON FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING	(92)	82
GAINS (LOSSES) ON DISPOSAL AND PURCHASE OF AFS FINANCIAL ASSETS	19	27
NET OPERATING INCOME	18.823	15.002
WRITE-DOWNS FOR IMPAIRMENT OF RECEIVABLES AND AFS FINANCIAL ASSETS	(354)	(182)
NET PROFIT FROM FINANCIAL ACTIVITIES	18.469	14.820
PERSONELL COSTS AND OTHER ADMINISTRATIVE EXPENSES	(14.473)	(11.305)
AMORTISATION, DEPRECIATION AND WRITE-DOWNS OF TANGIBLE ASSETS	(126)	(126)
AMORTISATION, DEPRECIATION AND WRITE-DOWNS OF INTANGIBLE ASSETS	(4)	(10)
OTHER OPERATING INCOME	(62)	(50)
OPERATING COSTS	(14.665)	(11.491)
PROFITS (LOSSES) ON INVESTMENTS IN ASSOCIATES	(23)	0
PROFITS (LOSSES) ON DISPOSAL OF INVESTMENTS	(57)	0
PROFIT (LOSS) GROSS	3.724	3.329
TAXES	(856)	(975)
CONSOLIDATED NET PROFIT (LOSS)	2.868	2.354
GROUP PROFIT (LOSS)	2.093	1.750
MINORITY INTERESTS' PROFIT (LOSS)	775	604
	AT 30/06/2016	AT 31/12/2015
CONSOLIDATED NET EQUITY	82.953	81.645
GROUP'S NET EQUITY	66.211	64.665
MINORITY INTERESTS' NET EQUITY	16.742	16.980

* This statement has been prepared applying IAS/IFRS

In the first half of 2016, the companies under the control of Finint S.p.A. continued to operate in the sectors of structured finance and securitisation services, asset & wealth management, private equity, and corporate finance. Through the Banca Finint S.p.A. subsidiary, the sub-Group operates in the private banking and wealth management.

The Banca Finint S.p.A. subsidiary has begun a process to strengthen its structure and launch the planned business lines. At the same time, on 19 August, the Bank of Italy informed Banca Finint S.p.A. of its inclusion in the register of Banking Groups pursuant to Art. 64 of Consolidated Banking Law (TUB), giving to this company the role of Parent Company.

As part of a wider reorganisation aimed at simplifying the chain of command in Banca Finint S.p.A., in the first half of the year FISG Partecipazioni S.p.A. has set up the company FISG S.r.l., to which it has transferred the business unit that provides advisory services on structured finance issues. In October, FISG S.r.l. was transferred to Banca Finint S.p.A. as part of a capital increase in kind resolved by the Bank. In the first months of the year, the Banca



attributable to the Group was € 196.5 million, against € 211.5 million at the end of 2015.

Consolidation with the equity method of the subsidiary provided a positive contribution equal to € 9,350 thousand in the consolidated income statement for the period.

Equity Investment Portfolio

Finanziaria Internazionale directly holds equity investments in companies in the service and industrial sectors, as well as in credit institutions.

Among the main equity investments, there is the investment in Ferak S.p.A., representative of 24.01% of voting rights and an 11.92% share of profit in the company. The Ferak Group gave a negative contribution to consolidated profits, € 866 thousand, due to losses on financial transactions.

Significant events after the end of the six-month period and business performance outlook

At the beginning of the second half of 2016, the Italian Government revised downwards its GDP growth estimates for 2016 and 2017, to take into account recent economic data and the weakness in the world economy.

In this context, the Group, on the strength of the experience accumulated in 30 years of activity, continues to operate and to plan for the expansion and strengthening of the business.

There were no significant events after the end of the six-month period.



Finanziaria Internazionale Holding S.p.A.



Consolidated Financial Statement as at 30 June 2016



FINANZIARIA INTERNAZIONALE
 Holding

JOINT-STOCK COMPANY (S.P.A.)

Head office in Conegliano Via Alfieri 1, Treviso-Belluno Companies' Register no. 01130140260

Tax code no. 01130140260 - VAT no. 00798100269

Share capital € 1,859,630.00 fully paid-up

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

BALANCE SHEET

(in €' 000)

Assets

ASSET ITEMS	30/06/2016	30/06/2015	AT 31/12/2015
10 CASH AND CASH EQUIVALENTS	18	20	22
20 RECEIVABLES DUE FROM BANKS	45,305	23,232	27,369
(a) RECEIVABLES ON DEMAND FROM CREDIT INSTITUTIONS	36,771	22,204	24,758
(b) OTHER RECEIVABLE FROM CREDIT INSTITUTIONS	8,534	1,028	2,611
30 RECEIVABLES DUE FROM FINANCIAL ENTITIES	33,065	14,879	31,694
(a) RECEIVABLES ON DEMAND FROM FINANCIAL ENTITIES	4,212	853	872
(b) OTHER RECEIVABLES FROM OTHER FINANCIAL ENTITIES	28,853	14,026	30,822
40 RECEIVABLES FROM CUSTOMERS	13,152	12,085	18,309
50 BONDS AND OTHER FIXED-INCOME DEBT SECURITIES	38,879	23,783	21,768
(a) GOVERNMENT	5,257	5,314	5,253
(b) BANKS	3,611	3,752	3,788
(c) FINANCIAL INSTITUTIONS	27,786	13,393	10,522
(d) OTHER SECURITIES	2,225	1,324	2,205
60 SHARES, QUOTAS AND OTHER VARIABLE-INCOME SECURITIES	21,283	46,831	31,002
70 EQUITY INVESTMENTS	72,387	74,567	68,597
80 EQUITY INVESTMENTS IN GROUP COMPANIES	124,719	117,210	132,590
90 POSITIVE CONSOLIDATION DIFFERENCES	70,066	72,559	71,630
100 POSITIVE DIFFERENCES FROM EQUITY METHOD	45,964	16,724	46,956
110 INTANGIBLE FIXED ASSETS	1,317	906	1,519
SET-UP COSTS	241	279	302
OTHER INTANGIBLE FIXED ASSETS	1,076	627	1,217
120 TANGIBLE FIXED ASSETS	17,867	19,049	18,024
150 OTHER ASSETS	19,480	21,070	19,731
160 ACCRUED INCOME AND PREPAID EXPENSES	6,045	6,671	4,399
(a) ACCRUED INCOME	4,518	5,066	3,668
(b) PREPAID EXPENSES	1,527	1,605	731
TOTAL ASSETS	509,547	449,586	493,610

**BALANCE SHEET***(in €' 000)***Liabilities and Net Equity**

LIABILITY AND NET EQUITY ITEMS	30/06/2016	30/06/2015	AT 31/12/2015
10 PAYABLES DUE TO BANKS	366,379	310,818	367,476
(a) PAYABLES ON DEMAND TO CREDIT INSTITUTIONS	62,597	28,964	25,988
(b) PAYABLES TO CREDIT INSTITUTIONS	303,782	281,854	341,488
20 PAYABLES DUE TO FINANCIAL INSTITUTIONS	13,023	10,256	15,158
(a) PAYABLES ON DEMAND TO FINANCIAL ENTITIES	2,525	260	2,229
(b) PAYABLES TO FINANCIAL ENTITIES	10,498	9,996	12,929
30 PAYABLES DUE TO CUSTOMERS	21,277	3,569	21,368
(a) DUE TO CUSTOMERS ON DEMAND	5,953	3,056	14,067
(b) DUE TO CUSTOMERS	15,324	513	7,301
40 DEBT SECURITIES	56,450	22,500	27,400
(a) BONDS	55,050	17,500	18,000
(b) OTHER SECURITIES	1,400	5,000	9,400
50 OTHER LIABILITIES	14,066	12,482	16,422
60 ACCRUED EXPENSES AND DEFERRED INCOME	2,818	1,283	1,659
(a) ACCRUED EXPENSES	2,249	1,075	1,081
(b) DEFERRED INCOME	569	208	578
70 RESERVE FOR TERMINATION INDEMNITIES	3,319	2,870	3,123
80 PROVISIONS FOR RISKS AND CHARGES	7,069	6,766	4,924
(a) PENSION AND SIMILAR PROVISIONS	0	0	0
(b) TAX PROVISIONS	4,250	6,584	4,430
(c) OTHER PROVISIONS	2,819	182	494
100 PROVISION FOR GENERAL FINANCIAL RISKS	320	300	318
120 NEGATIVE CONSOLIDATION DIFFERENCES	381	381	381
130 NEGATIVE DIFFERENCES FROM EQUITY METHOD	96	107	96
140 MINORITY INTERESTS	(22,138)	3,637	(21,278)
150 SHARE CAPITAL	1,860	1,860	1,860
160 SHARE PREMIUMS	22,770	22,770	22,770
170 RESERVES	30,588	46,234	44,795
(a) LEGAL RESERVE	372	372	372
(d) OTHER RESERVES	30,216	45,862	44,423
200 NET PROFIT (LOSS)	(8,731)	3,753	(12,862)
TOTAL LIABILITIES AND NET EQUITY	509,547	449,586	493,610
OF WHICH GROUP'S NET EQUITY	47,284	75,405	57,358



INCOME STATEMENT

(in €' 000)

Expenses

EXPENSES ITEMS	01/01/2016- 30/06/2016	01/01/2015- 30/06/2015	01/01/2015- 31/12/2015
10 INTEREST EXPENSES AND SIMILAR CHARGES	7,536	6,201	12,132
20 COMMISSION EXPENSES	543	530	1,077
30 LOSSES FROM FINANCIAL TRANSACTIONS	4,261	0	132
40 ADMINISTRATIVE EXPENSES	17,172	14,479	30,285
(a) PERSONNEL EXPENSES	9,219	7,724	15,805
- SALARIES AND WAGES	6,920	5,782	11,755
- SOCIAL SECURITY CHARGES	1,854	1,547	3,239
- TERMINATION INDEMNITY	445	395	811
(b) OTHER ADMINISTRATIVE EXPENSES	7,953	6,755	14,480
50 AMORTIZATION AND DEPRECIATION OF INTANG. AND TANG. FIXED ASSETS	3,250	2,536	6,512
AMORTIZATION, DEPREC. AND WRITE-DOWNS OF OTHER ASSETS	3,250	2,536	6,512
60 OTHER OPERATING CHARGES	153	96	198
OTHER OPERATING CHARGES	153	96	198
80 PROVISION FOR DOUBTFUL DEBTS	0	2	3
90 WRITE-DOWNS OF RECEIVABLES AND PROVISIONS FOR GUARANTEES	420	198	1,654
100 WRITE-DOWNS OF FINANCIAL FIXED ASSETS	5,662	0	12,630
110 LOSSES ON INVESTMENTS CARRIED AT EQUITY	131	956	4,470
120 EXTRAORDINARY CHARGES	913	244	7,781
140 INCOME TAXES	(45)	(1,224)	721
150 NET INCOME OF MINORITY INTEREST	67	5,786	4,206
160 NET INCOME	0	3,753	0
TOTAL EXPENSES	40,063	33,557	81,801



INCOME STATEMENT

(in €' 000)

Revenues

REVENUES ITEMS	01/01/2016- 30/06/2016	01/01/2015- 30/06/2015	01/01/2015- 31/12/2015
10 INTEREST INCOME AND SIMILAR REVENUE	1,613	1,380	3,136
(a) ON FIXED-INCOME SECURITIES	648	725	1,563
(b) OTHER INTEREST INCOME	965	655	1,573
20 DIVIDENDS AND OTHER INCOME	223	180	2,405
(a) ON SHARES AND OTHER VARIABLE-INCOME SECURITIES	223	180	189
(b) ON EQUITY INVESTMENTS	0	0	2,216
30 COMMISSIONS INCOME	19,680	15,189	33,072
40 PROFITS FROM FINANCIAL TRANSACTIONS	0	1,718	0
50 WRITE-BACKS OF RECEIVABLES AND PROVISIONS FOR GUARANTEES	66	29	161
60 WRITE-BACKS OF FINANCIAL FIXED ASSETS	3	0	0
70 OTHER OPERATING INCOME	379	333	1,676
80 INCOME FROM EQUITY INVESTMENTS CARRIED AT EQUITY	9,315	14,296	26,769
90 EXTRAORDINARY INCOME	53	432	1,720
130 NET LOSSES	8,731	0	12,862
TOTAL REVENUES	40,063	33,557	81,801



Finanziaria Internazionale Holding S.p.A.



**Separated Financial Statement of the Parent Company
Finanziaria Internazionale Holding S.p.A. as at 30 June 2016**



FINANZIARIA INTERNAZIONALE
 Holding

JOINT-STOCK COMPANY (S.P.A.)

Head office in Conegliano Via Alfieri 1, Treviso-Belluno Companies' Register no. 01130140260

Tax code no. 01130140260 - VAT no. 00798100269

Share capital € 1,859,630.00 fully paid-up

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INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2016

BALANCE SHEET

(€)

Assets

ASSET ITEMS	30/06/2016	30/06/2015	31/12/2015
10 CASH AND CASH EQUIVALENTS	3,489	3,660	3,342
20 RECEIVABLES DUE FROM BANKS	2,656,017	1,119,020	1,269,024
(a) RECEIVABLES ON DEMAND FROM CREDIT INSTITUTIONS	2,480,593	799,476	1,149,393
(b) OTHER RECEIVABLE FROM CREDIT INSTITUTIONS	175,424	319,544	119,631
30 RECEIVABLES DUE FROM FINANCIAL ENTITIES	83,551,209	83,046,284	77,989,886
(a) RECEIVABLES ON DEMAND FROM FINANCIAL ENTITIES	66,497,588	77,611,321	61,359,816
FROM PARENT COMPANY	62,285,160	76,757,942	60,487,874
FROM OTHER FINANCIAL ENTITIES	4,212,428	853,379	871,942
(b) OTHER RECEIVABLES FROM OTHER FINANCIAL ENTITIES	17,053,621	5,434,963	16,630,070
FROM PARENT COMPANY	15,335,080	4,109,244	13,963,114
FROM OTHER FINANCIAL ENTITIES	1,718,541	1,325,719	2,666,956
40 RECEIVABLES FROM CUSTOMERS	4,233,892	7,250,407	5,001,747
50 BONDS AND OTHER FIXED-INCOME DEBT SECURITIES	16,403,773	3,273,218	682,616
(c) FINANCIAL INSTITUTIONS	16,403,773	3,273,218	682,616
60 SHARES, QUOTAS AND OTHER VARIABLE-INCOME SECURITIES	7,920,777	8,987,824	7,929,180
70 EQUITY INVESTMENTS	11,071,188	7,029,051	7,025,885
80 EQUITY INVESTMENTS IN GROUP COMPANIES	132,512,781	132,395,743	132,412,781
90 INTANGIBLE FIXED ASSETS	1,066	13,520	7,311
of which:			
OTHER INTANGIBLE ASSETS	1,066	13,520	7,311
100 TANGIBLE FIXED ASSETS	32,929	137,792	39,806
of which:			
OTHER ASSETS	32,929	137,792	39,806
130 OTHER ASSETS	5,049,824	4,502,701	4,565,958
140 ACCRUED INCOME AND PREPAID EXPENSES	576,922	2,656,737	311,723
(a) ACCRUED INCOME	173,351	2,023,930	152
(b) PREPAID EXPENSES	403,571	632,807	311,571
TOTAL ASSETS	264,013,867	250,415,957	237,239,259



BALANCE SHEET

(€)
Liabilities and Net Equity

LIABILITY AND NET EQUITY ITEMS	30/06/2016	30/06/2015	31/12/2015
10 PAYABLES DUE TO BANKS	73,930,978	70,636,230	73,175,113
(a) PAYABLES ON DEMAND TO CREDIT INSTITUTIONS	12,943,604	13,112,967	13,425,206
(b) PAYABLES TO CREDIT INSTITUTIONS	60,987,374	57,523,263	59,749,907
20 PAYABLES DUE TO FINANCIAL INSTITUTIONS	13,094,091	26,795,357	10,466,829
(a) PAYABLES ON DEMAND TO FINANCIAL ENTITIES	4,121,760	19,775,522	2,727,542
DUE TO PARENT COMPANY	4,121,760	19,775,522	2,727,542
DUE TO OTHER FINANCIAL ENTITIES	0	0	0
(b) PAYABLES TO FINANCIAL ENTITIES	8,972,331	7,019,835	7,739,287
DUE TO PARENT COMPANY	8,263,953	7,017,839	7,732,618
DUE TO OTHER FINANCIAL ENTITIES	708,378	1,996	6,669
30 PAYABLES DUE TO CUSTOMERS	2,813,758	339,992	1,435,404
40 DEBT SECURITIES	61,800,000	25,000,000	31,500,000
(a) BONDS	60,000,000	20,000,000	20,000,000
(b) OTHER SECURITIES	1,800,000	5,000,000	11,500,000
50 OTHER LIABILITIES	2,817,932	3,779,708	5,011,946
60 ACCRUED EXPENSES AND DEFERRED INCOME	725,389	545,329	521,630
(a) ACCRUED EXPENSES	725,389	469,713	521,630
(b) DEFERRED INCOME	0	75,616	0
70 RESERVE FOR TERMINATION INDEMNITIES	616,053	591,444	607,006
80 PROVISIONS FOR RISKS AND CHARGES	2,510,901	4,166,887	1,504,112
(a) PENSION AND SIMILAR PROVISIONS	0	0	0
(b) TAX PROVISIONS	2,510,901	4,166,887	1,504,112
(c) OTHER PROVISIONS	0	0	0
90 PROVISION FOR DOUBTFUL DEBTS	0	0	0
100 PROVISION FOR GENERAL FINANCIAL RISKS	0	0	0
120 SHARE CAPITAL	1,859,630	1,859,630	1,859,630
130 SHARE PREMIUMS	22,769,719	22,769,719	22,769,719
140 RESERVES	88,243,777	90,252,177	88,243,777
(a) LEGAL RESERVE	371,926	371,926	371,926
(b) OWN SHARES/UNITS	0	0	0
(c) RESERVES PROVIDED BY THE ARTICLES OF ASSOCIATION	0	0	0
(d) OTHER RESERVES	87,871,851	89,880,251	87,871,851
150 REVALUATION RESERVES	0	0	0
160 PROFITS (LOSSES) BROUGHT FWD	144,093	0	0
170 NET PROFIT (LOSS)	(7,312,454)	3,679,484	144,093
TOTAL LIABILITIES AND NET EQUITY	264,013,867	250,415,957	237,239,259
OF WHICH NET EQUITY	105,704,765	118,561,010	113,017,219



INCOME STATEMENT

(€)
Expenses

EXPENSES ITEMS	30/06/2016	30/06/2015	31/12/2015
10 INTEREST EXPENSES AND SIMILAR CHARGES	2,426,216	3,017,573	5,363,414
20 COMMISSION EXPENSES	37,878	19,425	38,208
30 LOSSES FROM FINANCIAL TRANSACTIONS	8,666	56,060	543,983
40 ADMINISTRATIVE EXPENSES	3,242,744	3,284,158	6,352,013
(a) PERSONNEL EXPENSES	1,594,287	1,471,289	2,646,556
- SALARIES AND WAGES	1,132,052	1,027,318	1,952,386
- SOCIAL SECURITY CHARGES	317,984	293,183	558,327
- TERMINATION INDEMNITY	70,235	69,089	135,843
- PENSION AND SIMILAR PROVISIONS	0	0	0
- OTHER PERSONELL COSTS	74,016	81,699	0
(b) OTHER ADMINISTRATIVE EXPENSES	1,648,457	1,812,869	3,705,457
50 AMORTIZATION AND DEPRECIATION OF INTANG. AND TANG. FIXED ASSETS	7,538	28,485	28,139
AMORTIZATION, DEPREC. AND WRITE-DOWNS OF OTHER ASSETS	7,538	28,485	28,139
70 PROVISIONS FOR RISK AND CHARGES	0	0	0
90 WRITE-DOWNS OF RECEIVABLES AND PROVISIONS FOR GUARANTEES	0	0	600,860
100 WRITE-DOWNS OF FINANCIAL FIXED ASSETS	6,238,000	0	4,157,380
110 EXTRAORDINARY CHARGES	2,870	27,978	1,039
120 POSITIVE CHANGE IN THE GENERAL FINANCIAL RISK PROVISION	0	0	0
130 INCOME TAXES	(580,573)	(673,121)	(1,700,477)
140 NET INCOME	0	3,679,484	144,093
TOTAL EXPENSES	11,383,339	9,440,042	15,528,652

INCOME STATEMENT

(€)
Revenues

REVENUES ITEMS	30/06/2016	30/06/2015	31/12/2015
10 INTEREST INCOME AND SIMILAR REVENUE	1,790,107	2,608,792	3,774,352
of which:			
ON FIXED-INCOME SECURITIES	327,734	451,993	121,325
OTHER INTEREST INCOME	1,462,373	2,156,799	3,653,027
20 DIVIDENDS AND OTHER INCOME	212,583	3,080,265	6,546,924
(a) ON SHARES AND OTHER VARIABLE-INCOME SECURITIES	26,910	23,520	23,520
(b) ON EQUITY INVESTMENTS	0	19	1,732,030
(c) ON EQUITY INVESTMENTS IN GROUP COMPANIES	185,673	3,056,726	4,791,374
30 COMMISSIONS INCOME	2,012,684	945,341	2,829,352
40 PROFITS FROM FINANCIAL TRANSACTIONS	77	421,224	0
70 OTHER OPERATING INCOME	54,798	138,600	109,151
OTHER OPERATING INCOME	54,798	138,600	109,151
80 EXTRAORDINARY INCOME	636	2,245,820	2,268,873
90 NEGATIVE CHANGE IN THE GENERAL FINANCIAL RISK PROVISION	0	0	0
100 NET LOSSES OF MINORITY INTERESTS	7,312,454	0	0
TOTAL REVENUES	11,383,339	9,440,042	15,528,652



Performance of the Parent Company

In the first half of the year, Finanziaria Internazionale Holding S.p.A. reported a loss of € 7,312 thousand, against a profit of € 3,679 thousand in the comparison period.

The interest margin, represented by the balance of net charges, increased and total administration costs were in line with the previous six-month period. In the first half of 2016, there were no significant dividend payments from equity investments. A value adjustment of € 6,238 thousand was recognised on the equity investment in SIPI Investimenti S.p.A., representing losses on equity investments, as also described in the consolidated interim financial statements.

In its ordinary holding activities, the Parent Company holds investments in equity investments and grants loans to some affiliated companies to support their activities. In compliance with contractual provision and reference accounting standards, these loans are presented in these financial statements and in the previous ones, as repayable on demand. We note, however, that it is impossible to repay these loans in a short time, as the funds are used to buy assets that cannot be sold in the short term. There is, therefore, an asymmetry between the sources of funds of the Parent Company, which include short-term bank loans, and the uses of funds, to acquire equity investments, which cannot be disposed of in the short term.