

BANCA VALSABBINA - FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

BALANCE SHEET

ASSETS (in units of Euro)

Asset items		31 December 2013	31 December 2012
10.	Cash and cash equivalents	14,579,778	14,399,719
20.	Financial assets held for trading	196,775	156,975
40.	Available-for-sale financial assets	1,012,279,616	845,164,697
60.	Amounts due from banks	114,234,196	91,273,042
70.	Amounts due from customers	2,982,169,938	3,090,821,410
100.	Equity investments	1,375,248	170,554
110.	Tangible assets	28,309,059	28,185,610
120.	Intangible assets	11,188,355	11,838,592
	of which: goodwill	8,458,447	8,458,447
130.	Tax assets	39,003,820	29,442,946
	a) current		
	b) prepaid	39,003,820	29,442,946
	b1) of which as per Italian Law No. 214/2011	35,905,477	24,774,873
150.	Other assets	35,933,708	35,044,624
Total assets		4,239,270,493	4,146,498,169

LIABILITIES AND SHAREHOLDERS' EQUITY (in units of Euro)

Liabilities and shareholders' equity items		31 December 2013	31 December 2012
10.	Amounts due to banks	585,598,221	522,492,247
20.	Amounts due to customers	1,947,122,372	1,866,068,925
30.	Securities issued	1,237,451,742	1,271,746,216
40.	Financial liabilities held for trading	400,208	96,667
80.	Tax liabilities	3,831,242	11,752,708
	a) current	3,101,636	9,257,595
	b) deferred	729,606	2,495,113
100.	Other liabilities	71,592,175	80,623,213
110.	Employee leaving indemnities	5,324,803	5,896,275
120.	Provisions for risks and charges	1,979,794	2,069,857
	b) other provisions	1,979,794	2,069,857
130.	Valuation reserves	(2,516,784)	(3,682,341)
160.	Reserves	43,670,167	50,675,597
170.	Share premium reserve	235,405,236	235,405,236
180.	Share capital	107,390,481	107,390,481
190.	Own shares (-)	(5,664,305)	(7,077,360)
200.	Profit (Loss) for the year (+/-)	7,685,141	3,040,448
Total liabilities and shareholders' equity		4,239,270,493	4,146,498,169

INCOME STATEMENT (in units of Euro)

Items		31 December 2013	31 December 2012
10.	Interest income and similar revenues	148,660,026	149,137,251
20.	Interest expense and similar charges	(83,192,452)	(82,709,871)
30.	Interest margin	65,467,574	66,427,380
40.	Commission income	25,256,374	27,130,579
50.	Commission expense	(3,740,414)	(3,973,221)
60.	Net commission	21,515,960	23,157,358
70.	Dividends and similar income	179,061	166,008
80.	Net profit (loss) from trading activities	347,289	196,643
100.	Profit (loss) from disposal or repurchase of:	24,454,984	31,739,174
	a) receivables	(2,437,334)	
	b) available-for-sale financial assets	26,423,016	31,100,955
	d) financial liabilities	469,302	638,219
120.	Net interest and other banking income	111,964,868	121,686,563
130.	Net value adjustments/write-backs for impairment of	(50,074,428)	(60,550,724)
	a) receivables	(43,221,819)	(56,612,806)
	b) available-for-sale financial assets	(6,787,922)	(3,990,098)
	d) other financial transactions	(64,687)	52,180
140.	Net profit (loss) from financial operations	61,890,440	61,135,839
150.	Administrative expenses:	(59,141,214)	(57,032,859)
	a) payroll and related costs	(32,201,163)	(30,513,741)
	b) other administrative expenses	(26,940,051)	(26,519,118)
160.	Net allocations to provisions for risks and charges	(284,346)	(650,508)
170.	Net value adjustments/writebacks on tangible assets	(1,700,401)	(1,739,762)
180.	Net value adjustments/writebacks on intangible assets	(864,253)	(789,155)
190.	Other operating income/expense	11,427,372	6,016,515
200.	Operating costs	(50,562,842)	(54,195,769)
240.	Gains (Losses) on disposal of investments	(16,457)	4,628
250.	Profit (Loss) from operations gross of taxation	11,311,141	6,944,698
260.	Income taxes for the year on current operations	(3,626,000)	(3,904,250)
270.	Profit (Loss) from operations net of taxation	7,685,141	3,040,448
290.	Profit (Loss) for the year	7,685,141	3,040,448

STATEMENT OF COMPREHENSIVE INCOME

Items		31 December 2013	31 December 2012
10.	Profit (Loss) for the year	7,685,141	3,040,448
	Other income components net of taxation without reversal to income statement	408,178	(623,741)
40.	Actuarial gains (losses) on defined-benefit plans	408,178	(623,741)
	Other income components net of taxation with reversal to income statement	757,379	11,565,266
100.	Available-for-sale financial assets	757,379	11,565,266
130.	Total other income components net of taxation	1,165,557	10,941,525
140.	Comprehensive income (Item 10+130)	8,850,698	13,981,973

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 31 DECEMBER 2013

Items	Balances as of 31 December 2012	Change in opening balances	Balances as of 1 January 2013	Allocation of result for previous year		Changes during the year								
				Reserves	Dividends and other allocations	Change in reserves	Transactions on shareholders' equity					2013 comprehensive income	Shareholders' equity as of 31 December 2013	
							Issue of new shares	Purchase of own shares	Extraordinary dividend payment	Change in capital instruments	Derivatives on own shares			Stock options
Share capital	107,390,481	-	107,390,481	-	-	-	-	-	-	-	-	-	-	107,390,481
a) ordinary shares	107,390,481	-	107,390,481	-	-	-	-	-	-	-	-	-	-	107,390,481
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	235,405,236	-	235,405,236	-	-	-	-	-	-	-	-	-	-	235,405,236
Reserves	50,675,597	-	50,675,597	2,980,448	-	(9,985,878)	-	-	-	-	-	-	-	43,670,167
a) income-related	53,767,689	-	53,767,689	2,980,448	-	(9,985,878)	-	-	-	-	-	-	-	46,762,259
b) other	(3,092,092)	-	(3,092,092)	-	-	-	-	-	-	-	-	-	-	(3,092,092)
Valuation reserves	(3,682,341)	-	(3,682,341)	-	-	-	-	-	-	-	-	1,165,557	-	(2,516,784)
Capital instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Own shares	(7,077,360)	-	(7,077,360)	-	-	9,986,004	-	(8,572,949)	-	-	-	-	-	(5,664,305)
Profit (Loss) for the year	3,040,448	-	3,040,448	(2,980,448)	(60,000)	-	-	-	-	-	-	-	7,685,141	7,685,141
Shareholders' equity	385,752,061	-	385,752,061	-	(60,000)	126.	-	(8,572,949)	-	-	-	-	8,850,698	385,969,936

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 31 DECEMBER 2012

Items	Balances as of 31 December 2011	Change in opening balances	Balances as of 1 January 2012	Allocation of result for previous year		Changes during the year								
				Reserves	Dividends and other allocations	Change in reserves	Transactions on shareholders' equity					2012 comprehensive income	Shareholders' equity as of 31 December 2012	
							Issue of new shares	Purchase of own shares	Extraordinary dividend payment	Change in capital instruments	Derivatives on own shares			Stock options
Share capital	107,390,481	-	107,390,481	-	-	-	-	-	-	-	-	-	-	107,390,481
a) ordinary shares	107,390,481	-	107,390,481	-	-	-	-	-	-	-	-	-	-	107,390,481
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	235,405,236	-	235,405,236	-	-	-	-	-	-	-	-	-	-	235,405,236
Reserves	57,297,400	-	57,317,206	4,326,390	-	(10,948,193)	-	-	-	-	-	-	-	50,675,597
a) income-related	57,297,400	-	57,317,206	4,326,390	-	(7,856,101)	-	-	-	-	-	-	-	53,767,689
b) other	-	-	-	-	-	(3,092,092)	-	-	-	-	-	-	-	(3,092,092)
Valuation reserves	(14,623,866)0	-	(14,623,866)	-	-	-	-	-	-	-	-	-	10,941,525	(3,682,341)
Capital instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Own shares	(5,288,254)	-	5,288,254)	-	-	7,720,350	-	(9,509,456)	-	-	-	-	-	(7,077,360)
Profit (Loss) for the year	7,038,007	-	7,038,007	(4,326,390)	(2,711,617)	-	-	-	-	-	-	-	3,040,448	3,040,448
Shareholders' equity	387,219,004	-	387,219,004	-	(2,711,617)	(3,227,843)	-	(9,509,456)	-	-	-	-	13,981,973	385,752,061

CASH FLOW STATEMENT

Indirect method	Amount	
	31 December	31 December
A. OPERATING ACTIVITIES		
1. Operations	74,165,443	74,792,480
-profit (loss) for the year (+/-)	7,685,141	3,040,448
-net value adjustments/writebacks for impairment (+/-)	53,538,290	59,758,121
- value adjustments/write-backs to tangible and intangible fixed assets (+/-)	2,564,654	2,528,917
- net allocations to provisions for risks and charges and other costs/revenues (+/-)	284,346	650,508
-unpaid taxes and dues (+)	3,626,000	3,904,250
-other adjustments (+/-)	6,467,012	4,910,236
2. Liquidity generated/(absorbed) by financial assets	(143,472,328)	(594,569,153)
- financial assets held for trading	(39,800)	556,588
- available-for-sale financial assets	(172,357,371)	(535,531,465)
-amounts due from banks: on demand	(3,105,682)	88,769,832
- amounts due from banks: other receivables	(20,000,000)	-
- amounts due from customers	62,516,019	(156,572,953)
- other assets	(10,485,495)	8,208,845
3. Liquidity generated/(absorbed) by financial liabilities	81,362,453	543,455,045
- amounts due to banks: on demand	(16,894,026)	(440,410)
- amounts due to banks: other payables	78,637,264	267,445,954
- amounts due to customers	80,698,375	284,703,049
- securities issued	(40,562,843)	(10,951,688)
- financial liabilities held for trading	303,541	(435,717)
- other liabilities	(20,819,858)	3,133,857
Net liquidity generated/(absorbed) by operating activities	12,055,568	23,678,372
B. INVESTMENT ACTIVITIES		
1. Liquidity generated by	-	4,628
- sales of tangible assets	-	4,628
2. Liquidity absorbed by	(3,242,560)	(10,280,819)
- purchases of equity investments	(1,204,694)	(8,802,609)
- purchases of tangible assets	(1,823,850)	(1,015,533)
- purchases of intangible assets	(214,016)	(462,677)
Net liquidity generated/(absorbed) by investment activities	(3,242,560)	(10,276,191)
C. FUNDING ACTIVITIES		
- issues/purchases of own shares	(8,572,949)	(9,509,456)
- issues/purchases of capital instruments		-
- dividends paid and other allocations	(60,000)	(2,711,617)
Net liquidity generated/(absorbed) by funding activities	(8,632,949)	(12,221,073)
NET LIQUIDITY GENERATED/(ABSORBED) DURING THE YEAR	180,059	1,181,108
<i>KEY</i> (+) generated (-) absorbed		
RECONCILIATION		
Financial statement items	31 December	31 December
Cash and cash equivalents at the beginning of the year	14,399,719	13,218,609
Total net liquidity generated/(absorbed) during the year	180,059	1,181,108
Cash and cash equivalents: effect of the change in exchange rates		-
Cash and cash equivalents at the end of the year	14,579,778	14,399,719

The undersigned, Mr. Ezio Soardi, in his capacity as Chairman and Legal Representative of Banca Valsabbina Scpa, hereby certifies the correspondence of this document with that filed with the company's deeds.

The Chairman Legal Representative
(Ezio Soardi)