

# BANCA VALSABBINA - FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

## BALANCE SHEET

### ASSETS (in EUR)

Asset items		31/12/2014	31/12/2013
<b>10.</b>	Cash and cash equivalents	13,512,990	14,579,778
<b>20.</b>	Financial assets held for trading	180,596	192,298
<b>40.</b>	Available-for-sale financial assets	1,183,203,314	1,012,279,616
<b>60.</b>	Loans and receivables with banks	108,265,669	114,234,196
<b>70.</b>	Loans and receivables with customers	2,960,577,817	2,982,169,938
<b>100.</b>	Equity investments	1,375,248	1,375,248
<b>110.</b>	Tangible assets	27,837,184	28,309,059
<b>120.</b>	Intangible assets	10,715,465	11,188,355
	of which: goodwill	8,458,447	8,458,447
<b>130.</b>	Tax assets	53,061,568	39,003,820
	a) current	-	-
	b) prepaid	53,061,568	39,003,820
	b1) of which as per Italian Law No. 214/2011	50,496,231	35,905,477
<b>150.</b>	Other assets	36,461,165	35,938,185
<b>Total assets</b>		<b>4,395,191,016</b>	<b>4,239,270,493</b>

### LIABILITIES AND SHAREHOLDERS' EQUITY (in EUR)

Liabilities and shareholders' equity items		31/12/2014	31/12/2013
<b>10.</b>	Due to banks	652,259,958	585,598,221
<b>20.</b>	Due to customers	2,033,694,907	1,947,122,372
<b>30.</b>	Securities issued	1,221,046,620	1,237,451,742
<b>40.</b>	Financial liabilities held for trading	214,737	397,708
<b>80.</b>	Tax liabilities	13,399,256	3,831,242
	a) current	11,578,458	3,101,636
	b) deferred	1,820,798	729,606
<b>100.</b>	Other liabilities	68,116,274	72,481,900
<b>110.</b>	Post-employment benefits	5,961,818	5,324,803
<b>120.</b>	Provisions for risks and charges	1,318,078	1,092,569
	b) other provisions	1,318,078	1,092,569
<b>130.</b>	Valuation reserves	2,709,246	(2,516,784)
<b>160.</b>	Reserves	47,060,415	43,670,167
<b>170.</b>	Share premium reserve	235,405,236	235,405,236
<b>180.</b>	Share capital	107,390,481	107,390,481
<b>190.</b>	Own shares (-)	(7,392,904)	(5,664,305)
<b>200.</b>	Profit (Loss) for the year (+/-)	14,006,894	7,685,141
<b>Total Liabilities and shareholders' equity</b>		<b>4,395,191,016</b>	<b>4,239,270,493</b>

## INCOME STATEMENT (in EUR)

Items		31/12/2014	31/12/2013
10.	Interest income and similar revenues	132,701,023	148,660,026
20.	Interest expense and similar charges	(72,164,558)	(83,192,452)
30.	<b>Net interest income</b>	<b>60,536,465</b>	<b>65,467,574</b>
40.	Fee and commission income	27,103,834	25,256,374
50.	Fee and commission expense	(3,370,712)	(3,740,414)
60.	<b>Net fee and commission income</b>	<b>23,733,122</b>	<b>21,515,960</b>
70.	Dividends and similar income	717,200	179,061
80.	Net profit (loss) from trading activities	628,837	347,289
100.	Profit (loss) on sale or repurchase of:	67,629,713	24,454,984
	a) loans and receivables	-	(2,437,334)
	b) available-for-sale financial assets	69,338,539	26,423,016
	d) financial liabilities	(1,708,826)	469,302
120.	<b>Net interest and other banking income</b>	<b>153,245,337</b>	<b>111,964,868</b>
130.	Net impairment losses on:	(76,408,641)	(50,074,428)
	a) loans and receivables	(71,345,698)	(43,221,819)
	b) available-for-sale financial assets	(3,211,093)	(6,787,922)
	d) other financial transactions	(1,851,850)	(64,687)
140.	<b>Net profit (loss) from financial operations</b>	<b>76,836,696</b>	<b>61,890,440</b>
150.	Administrative expenses:	(63,653,446)	(59,141,214)
	a) labour costs	(33,369,707)	(32,201,163)
	b) other administrative expenses	(30,283,739)	(26,940,051)
160.	Net allocations to provisions for risks and charges	(562,000)	(284,346)
170.	Depreciation and net impairment losses on tangible assets	(1,697,261)	(1,700,401)
180.	Amortisation and net impairment losses on intangible assets	(817,304)	(864,253)
190.	Other operating income/expense	13,748,023	11,427,372
200.	<b>Operating costs</b>	<b>(52,981,988)</b>	<b>(50,562,842)</b>
210.	Net gains (losses) on equity investments	59,623	-
240.	Net gains (losses) on sales of investments	7,563	(16,457)
250.	<b>Profit (Loss) from operations gross of taxation</b>	<b>23,921,894</b>	<b>11,311,141</b>
260.	Income taxes	(9,915,000)	(3,626,000)
270.	<b>Profit (Loss) from operations net of taxation</b>	<b>14,006,894</b>	<b>7,685,141</b>
290.	<b>Profit (Loss) for the year</b>	<b>14,006,894</b>	<b>7,685,141</b>

## STATEMENT OF COMPREHENSIVE INCOME

Items		31/12/2014	31/12/2013
<b>10.</b>	<b>Profit (Loss) for the year</b>	14,006,894	7,685,141
	<b>Other income components net of taxation without reversal to income statement</b>	(503,849)	408,178
<b>40.</b>	Actuarial gains (losses) on defined-benefit plans	(503,849)	408,178
	<b>Other income components net of taxation with reversal to income statement</b>	5,729,879	757,379
<b>100.</b>	Available-for-sale financial assets	5,729,879	757,379
<b>130.</b>	<b>Total other income components net of taxation</b>	5,226,030	1,165,557
<b>140.</b>	<b>Comprehensive income (Item 10+130)</b>	<b>19,232,924</b>	<b>8,850,698</b>

## STATEMENT OF CHANGES IN EQUITY AS AT 31/12/2014

Items	Balances as at 31 December 2013	Change in opening balances	Balances as at 1 December 2014	Allocation of previous year result		Changes during the year							Shareholders' equity as at 31/12/2014	
				Reserves	Dividends and other allocations	Change in reserves	Equity transactions					2014 comprehensive income		
							Issue of new shares	Purchase of own shares	Extraordinary dividend distribution	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:	43,670,167	-	43,670,167	3,389,973	-	275	-	-	-	-	-	-	-	47,060,415
a) income-related	46,762,259	-	46,762,259	3,389,973	-	275	-	-	-	-	-	-	-	50,152,507
b) other	(3,092,092)	-	(3,092,092)	-	-	-	-	-	-	-	-	-	-	(3,092,092)
Valuation reserves	(2,516,784)	-	(2,516,784)	-	-	-	-	-	-	-	-	5,226,030	-	2,709,246
Capital instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Own shares	(5,664,305)	-	(5,664,305)	-	-	-	-	(1,728,599)	-	-	-	-	-	(7,392,904)
Profit (Loss) for the year	7,685,141	-	7,685,141	(3,389,973)	(4,295,168)	-	-	-	-	-	-	14,006,894	-	14,006,894
<b>Shareholders' equity</b>	<b>385,969,936</b>	-	<b>385,969,936</b>	-	<b>(4,295,168)</b>	<b>275</b>	-	<b>(1,728,599)</b>	-	-	-	<b>19,232,924</b>	-	<b>399,179,368</b>

## STATEMENT OF CHANGES IN EQUITY AS AT 31/12/2013

Items	Balances as at 31 December 2012	Change in opening balances	Balances as at 1 January 2013	Allocation of previous year result		Changes during the year						Shareholders' equity as at 31/12/2013	
				Reserves	Dividends and other allocations	Change in reserves	Equity transactions						2013 comprehensive income
							Issue of new shares	Purchase of own shares	Extraordinary dividend distribution	Change in capital instruments	Derivatives on own shares		
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
<b>Shareholders' equity</b>	<b>385,752,061</b>	-	<b>385,752,061</b>	-	<b>(60,000)</b>	<b>126</b>	<b>(8,572,949)</b>	-	-	-	-	<b>8,850,698</b>	<b>385,969,936</b>

## CASH FLOW STATEMENT

Indirect method	Amount	
	31/12/2014	31/12/2013
<b>A. OPERATING ACTIVITIES</b>		
<b>1. Cash flow from operating activities</b>	<b>101,070,504</b>	<b>74,165,443</b>
- profit (loss) for the year (+/-)	14,006,894	7,685,141
- net impairment losses (+/-)	76,408,642	53,538,290
- depreciation/amortisation and net impairment losses on tangible and intangible	2,514,565	2,564,654
- net allocations to provisions for risks and charges and other costs/revenues (+/-)	562,000	284,346
- unpaid taxes (+)	9,915,000	3,626,000
- other adjustments (+/-)	(2,336,597)	6,467,012
<b>2. Cash flow generated/used by financial assets</b>	<b>(214,905,536)</b>	<b>(143,472,328)</b>
- financial assets held for trading	11,702	(39,800)
- available-for-sale financial assets	(172,174,631)	(172,357,371)
- loans and receivables with banks: on demand	5,973,477	(3,105,682)
- loans and receivables with banks: other receivables	226,609	(20,000,000)
- loans and receivables with customers	(49,753,577)	62,516,019
- other assets	810,884	(10,485,495)
<b>3. Cash flow generated/used by financial liabilities</b>	<b>120,361,811</b>	<b>81,362,453</b>
- due to banks: on demand	(3,338,263)	(16,894,026)
- due to banks: other	72,932,844	78,637,264
- due to customers	88,749,557	80,698,375
- securities issued	(12,896,115)	(40,562,843)
- financial liabilities held for trading	(182,971)	303,541
- other liabilities	(24,903,241)	(20,819,858)
<b>Cash flow from (used in) operating activities</b>	<b>6,526,779</b>	<b>12,055,568</b>
<b>B. INVESTING ACTIVITIES</b>		
<b>1. Cash flow generated by</b>	-	-
- sales of tangible assets	-	-
<b>2. Cash flow used for</b>	<b>(1,569,800)</b>	<b>(3,242,560)</b>
- purchases of equity investments	-	(1,204,694)
- purchase of tangible assets	(1,225,386)	(1,823,850)
- purchases of intangible assets	(344,414)	(214,016)
<b>Cash flow from (used in) investing activities</b>	<b>(1,569,800)</b>	<b>(3,242,560)</b>
<b>C. FINANCING ACTIVITIES</b>		
- issues/purchases of own shares	(1,728,599)	(8,572,949)
- issues/purchases of capital instruments	-	-
- dividend distribution and other purposes	(4,295,168)	(60,000)
<b>Cash flow from (used in) financing activities</b>	<b>(6,023,767)</b>	<b>(8,632,949)</b>
<b>CASH FLOW GENERATED/USED DURING THE YEAR</b>	<b>(1,066,788)</b>	<b>180,059</b>
<i>KEY: (+) generated (-) used</i>		
<b>RECONCILIATION</b>		
<b>Financial statement items</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Cash and cash equivalents at the beginning of the year	14,579,778	14,399,719
Total cash flow generated/used during the year	(1,066,788)	180,059
Cash and cash equivalents: effect of change in exchange rates	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>13,512,990</b>	<b>14,579,778</b>