

Part B - Information on the Balance Sheet

Assets

Section 1 - Cash and cash equivalents - Item 10

The balances of currencies in legal tender and unrestricted deposits with the Bank of Italy are reported in this section.

1.1 Cash and cash equivalents: breakdown

Item/Amounts	Total 31/12/2014	Total 31/12/2013
a) Cash	13,513	14,580
b) Unrestricted deposits with Central Banks	-	-
Total	13,513	14,580

The item "Cash" includes the balances of coins and banknotes at the branch accounts, cash point machines and the centralised account. Foreign banknotes amount to Euro 406 thousand. At year end, there were no unrestricted deposits with the Bank of Italy. The Compulsory Reserve is recorded in item "60 Due from banks".

Section 2 - Financial assets held for trading - item 20

All the financial assets (debt securities, equities, UCIT units, derivatives) used for trading with the aim of generating profits from the change in the related prices or availing of the related liquidity over the short-term, are classified in this item.

2.1 Financial assets held for trading: breakdown by type

Item/Amounts	Total 31/12/2014			Total 31/12/2013		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A. On-balance sheet assets						
1. Debt securities	-	-	-	-	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	-	-	-	-
2. Equity securities	-	-	2	-	-	2
3. UCIT units	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total A	-	-	2	-	-	2
B. Derivatives						
1. Financial derivatives	-	179	-	-	190	-
1.1 trading	-	179	-	-	190	-
1.2 related to the fair value option	-	-	-	-	-	-
1.3 other	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 trading	-	-	-	-	-	-
2.2 Related to the fair value option	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
Total B	-	179	-	-	190	-
Total (A+B)	-	179	2	-	190	2

“Derivative instrument” financial assets for trading are made up of:

- with regard to level 2, Euro 170 thousand in foreign currency forward transactions, whose value is offset by the liability item 40 “Financial liabilities held for trading”. The book amount (intrinsic value) is the expression of a notional value of the transactions equating to Euro 5,889 thousand.
- again with regard to level 2, Euro 9 thousand being the intrinsic value referring to hedges of foreign currency transactions carried out by the Bank, with a notional value of Euro 509 thousand

The term “level”, in the heading of the various columns, represents the different method of measurement of the financial assets with the use for level 1 of market values, for level 2 of different external sources either direct (prices) or indirect (derived from prices), and for level 3 of internal measurements or the cost.

Complete disclosure on the fair value level is provided at the end of the accounting standards: “Fair value disclosure”.

2.2 Financial assets held for trading: breakdown by debtor/issuer

Item/Amounts	Total 31/12/2014	Total 31/12/2013
A. On-balance sheet assets		
1. Debt securities	-	-
a) Governments and Central Banks	-	-
b) Other public bodies	-	-
c) Banks	-	-
d) Other issuers	-	-
2. Equity securities	2	2
a) Banks	-	-
b) Other issuers:	2	2
- insurance companies	-	-
- financial companies	-	-
- Non-financial companies	2	2
- other	-	-
3. UCIT units	-	-
4. Loans	-	-
a) Governments and Central Banks	-	-
b) Other public bodies	-	-
c) Banks	-	-
d) Other parties	-	-
Total A	2	2
B. Derivatives		
a) Banks	130	128
b) Customers	49	62
Total B	179	190
Total (A+B)	181	192

2.3 Financial assets held for trading: annual changes

Item/Amounts	Debt securities	Equity securities	UCIT units	Loans	Total
A. Opening balances	-	2	-	-	2
B. Increases	1,406	183	-	-	1,589
B1. Purchases	1,403	182	-	-	1,585
B2. Positive fair value changes	-	-	-	-	-
B3. Other changes	3	1	-	-	4
C. Decreases	1,406	183	-	-	1,589
C1. Sales	1,403	183	-	-	1,586
C2. Redemptions	-	-	-	-	-
C3. Negative fair value changes	-	-	-	-	-
C4. Transfers to other portfolios	-	-	-	-	-
C5. Other changes	3	-	-	-	3
D. Closing balances	-	2	-	-	2

Section 3 - Financial assets measured at fair value - Item 30

This section, intended to recognise financial assets designated at fair value with the valuation results recorded in the income statement on the basis of the faculty acknowledged by IAS 39 (so-called “fair value option”), is not drawn up since the Bank does not hold financial assets classified as such.

Section 4 - Available-for-sale financial assets - Item 40

Available-for-sale financial assets (debt securities, equities, units of mutual investment funds - UCIT - etc.), valued at year end using the fair value offset by shareholders' equity valuation reserves, are classified in this item.

4.1 Available-for-sale financial assets: breakdown by type

Item/Amounts	Total 31/12/2014			Total 31/12/2013		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	1,040,388	2,055	98	978,744	3,966	471
1.1 Structured securities	-	-	-	-	1,955	-
1.2 Other debt securities	1,040,388	2,055	98	978,744	2,011	471
2. Equity securities	-	4,030	9,758	910	4,869	9,644
2.1 Measured at fair value	-	4,030	6,100	910	4,869	6,519
2.2 Measured at cost	-	-	3,658	-	-	3,125
3. UCIT units	121,796	-	5,078	10,007	3,669	-
4. Loans	-	-	-	-	-	-
Total	1,162,184	6,085	14,934	989,661	12,504	10,115

The portfolio of available-for-sale financial assets includes:

- government securities and bonds (banking book) not intended for trading;
- units of mutual investment funds (UCIT);
- equity securities including the interests held for long-term investment, a list of which is included in the report on operations.

FV level 3 includes Euro 3,658 thousand in unlisted shares maintained at cost, in the absence of manifestations of risk that require a different measurement.

The term “level”, in the heading of the various columns, represents the different method of measurement of the financial assets with the use for level 1 of market values, for level 2 of different external sources either direct (prices) or indirect (derived from prices), and for level 3 of internal measurements or the cost.

Complete disclosure on the fair value level is provided at the end of the accounting standards: “Fair value disclosure”.

4.2 Available-for-sale financial assets: breakdown by debtor/issuer

Item/Amounts	Total 31/12/2014	Total 31/12/2013
1. Debt securities	1,042,541	983,181
a) Governments and Central Banks	1,040,389	978,744
b) Other public bodies	-	-
c) Banks	2,152	4,437
d) Other issuers	-	-
2. Equity securities	13,788	15,423
a) Banks	6,134	10,165
b) Other issuers	7,654	5,258
- insurance companies	-	-
- financial companies	3,864	2,449
- Non-financial companies	3,790	2,809
- other	-	-
3. UCIT units	126,874	13,676
4. Loans	-	-
a) Governments and Central Banks	-	-
b) Other public bodies	-	-
c) Banks	-	-
d) Other parties	-	-
Total	1,183,203	1,012,280

With regard to the distribution of the financial assets by economic sector the issuers belong to, the classification criteria envisaged by the Bank of Italy have been used.

Table “4.3 Available-for-sale assets: subject to micro hedging” is not drawn up since no micro hedges have been made.

4.4 Available-for-sale financial assets: annual changes

Item/Amounts		Debt securities	Equity securities	UCIT units	Loans	Total
A.	Opening balances	983,181	15,423	13,676	-	1,012,280
B.	Increases	8,046,565	3,527	281,815	-	8,331,907
	B.1 Purchases	7,943,288	1,230	277,926	-	8,222,444
	B.2 Positive FV changes	1,200	1,522	1,206	-	3,928
	B.3 Reversals of impairment losses	-	-	-	-	-
	- recognised in the income statement	-	-	-	-	-
	- recognised in shareholders' equity	-	-	-	-	-
	B.4 Transfers from other portfolios	-	-	-	-	-
	B.5 Other changes	102,077	775	2,683	-	105,535
C.	Decreases	7,987,205	5,162	168,617	-	8,160,984
	C.1 Sales	7,706,840	1,685	167,210	-	7,875,735
	C.2 Redemptions	234,791	-	-	-	234,791
	C.3 Negative FV changes	575	474	464	-	1,513
	C.4 Impairment losses	-	3,002	133	-	3,135
	- recognised in the income statement	-	3,002	133	-	3,135
	- recognised in shareholders' equity	-	-	-	-	-
	C.5 Transfers to other portfolios	-	-	-	-	-
	C.6 Other changes	44,999	1	810	-	45,810
D.	Closing balances	1,042,541	13,788	126,874	-	1,183,203

The amount of the impairment losses booked to the income statement under item “130. B” amounts to Euro 3,211 thousand. The difference with respect to Euro 3,135 thousand shown in the table corresponds to the amount reversed from the valuation reserves due to the capital losses present at the end of last year.

Section 5 - Held-to-maturity financial assets - item 50

This section is not drawn up because the Bank does not hold any financial assets classified as thus.

Section 6 - Loans and receivables with banks - Item 60

This item includes the unlisted financial assets due from banks, classified in the “loans/receivables” book including the deposit with the Bank of Italy for the Compulsory Reserve.

6.1 Loans and receivables with banks: breakdown by type

Type of transaction/Amounts	Total 31/12/2014				Total 31/12/2013			
	BV	FV Level 1	FV Level 2	FV Level 3	BV	FV Level 1	FV Level 2	FV Level 3
A. Loans and Receivables with Central Banks	13,789	-	-	-	20,844	-	-	-
1. Time deposits	-	-	-	-	-	-	-	-
2. Compulsory reserve	13,789	-	-	-	20,844	-	-	-
3. Repurchase agreements	-	-	-	-	-	-	-	-
4. Other	-	-	-	-	-	-	-	-
B. Loans and receivables with banks	94,477	-	-	-	93,390	-	-	-
1. Loans	56,690	-	-	-	63,338	-	-	-
1.1. Current accounts and unrestricted deposits	7,822	-	-	-	23,224	-	-	-
1.2. Time deposits	48,245	-	-	-	40,000	-	-	-
1.3. Other loans:	623	-	-	-	114	-	-	-
- Reverse repurchase agreements	-	-	-	-	-	-	-	-
- Finance leases	-	-	-	-	-	-	-	-
- Other	623	-	-	-	114	-	-	-
2. Debt securities	37,787	-	-	-	30,052	-	-	-
2.1. Structured securities	-	-	-	-	-	-	-	-
2.2. Other debt securities	37,787	-	-	-	30,052	-	-	-
Total	108,266	-	-	108,266	114,234	-	-	114,234

The balances recorded in this item have not been subject to impairment because they are deemed to be fully recoverable considering the duration of the investment and the quality of the counterparts.

Just the balance of the Compulsory reserve, amounting to Euro 13,789 thousand, is recorded under loans and receivables with Central banks.

The aggregate of loans and receivables with banks is made up as follows:

- current accounts and unrestricted deposits, held with both Italian and foreign banks, for amounts in Euro of Euro 6,274 thousand and amounts in currency of Euro 1,548 thousand;
- time deposits, held with Italian banks of Euro 40,000 thousand and foreign of Euro 8,245 thousand;
- other loans of Euro 623 thousand;
- debt securities, issued by banking counterparts of Euro 37,787 thousand.

The tables “6.2 Loans and Receivables with banks: subject to micro hedge” and “6.3 Financial leases” are not drawn up due to the absence of such transactions.

Section 7 - Loans and receivables with customers - Item 70

This section includes unlisted financial assets due from customers classified in the “loans/receivables” book.

7.1 Loans and receivables with customers: breakdown by type

Type of transaction/Amounts	Total 31/12/2014						Total 31/12/2013					
	Book value			Fair value			Book value			Fair value		
	Performing	Impaired		L1	L2	L3	Performing	Impaired		L1	L2	L3
		Purchased	Other					Purchased	Other			
Loans	2,577,141	-	383,437	-	-	-	2,578,643	-	403,527	-	-	-
1. Current accounts	544,851	-	87,783	-	-	-	610,894	-	98,207	-	-	-
2. Reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
3. Mortgages	1,641,173	-	282,421	-	-	-	1,675,305	-	289,578	-	-	-
4. Credit cards, personal loans and salary-backed loans	2,893	-	600	-	-	-	3,644	-	863	-	-	-
5. Finance leases	-	-	-	-	-	-	-	-	-	-	-	-
6. Factoring	-	-	-	-	-	-	-	-	-	-	-	-
7. Other loans	388,224	-	12,633	-	-	-	288,800	-	14,879	-	-	-
Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
8. Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
9. Other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Total	2,577,141	-	383,437	-	-	3,140,820	2,578,643	-	403,527	-	-	3,136,391

Loans and receivables with customers are stated net of impairment.

Financial statement regulations envisage that loans and receivables with customers are stated in separate columns with distinction between performing and impaired, on the basis of their technical form; no impaired loans were purchased, not even in the past.

The impaired loans include non-performing, substandard, restructured and past due and/or overdue loans, as more fully illustrated in part E of these explanatory notes: Section 1- Credit risk. The Fair Value column measures the exposures on the basis of the rates applied to the individual transactions and the duration of the loans, discounted back on the basis of the existing market rate curve.

Other loans include treasury operations with central counterparts of Euro 120 million.

The greater value assigned to loans and receivables from the merged Credito Veronese, originally of Euro 5,612 thousand, amounts as at 31 December 2014 to Euro 3,213 thousand, after amortisation for the year of Euro 555 thousand (charged to the decrease in interest income).

7.2 Loans and receivables with customers: breakdown by borrower/issuer

Type of transaction/Amounts	Total 31/12/2014			Total 31/12/2013		
	Performing	Impaired		Performing	Impaired	
		Purchased	Other		Purchased	Other
1. Debt securities:	-	-	-	-	-	-
a) Governments	-	-	-	-	-	-
b) Other public bodies	-	-	-	-	-	-
c) Other issuers	-	-	-	-	-	-
- Non-financial	-	-	-	-	-	-
- financial companies	-	-	-	-	-	-
- insurance companies	-	-	-	-	-	-
- other	-	-	-	-	-	-
2. Loans to:	2,577,141	-	383,437	2,578,643	-	403,526
a) Governments	-	-	-	-	-	-
b) Other public bodies	21,837	-	-	22,923	-	-
c) Other parties	2,555,304	-	383,437	2,555,720	-	403,526
- Non-financial	1,722,633	-	307,574	1,827,198	-	314,595
- financial companies	199,301	-	5,953	92,172	-	5,977
- insurance companies	-	-	-	-	-	-
- other	633,370	-	69,910	636,350	-	82,954
Total	2,577,141	-	383,437	2,578,643	-	403,526

The distribution of loans and receivables by debtor/issuer is obtained using the classification criteria envisaged by the Bank of Italy.

The tables “7.3 Loans and receivables with customers: subject to micro hedge” and “7.4 Financial leases” are not drawn up due to the absence of such transactions.

Section 8 - Hedging derivatives - Item 80

This section is not drawn up because as at 31 December 2014 the Bank did not have any transactions of this type, as in the previous year.

Section 9 - Value adjustment to financial assets subject to macro-hedging - Item 90

This section is not drawn up because the Bank does not hold any financial assets classified as thus.

Section 10 - Equity investments - Item 100

This section includes the equity investments in subsidiary companies, jointly controlled companies and equity investments in companies subject to significant influence.

10.1 Equity investments: information on investment relationships

Name	Registered office	Operating office	% equity investment	% voting rights available
A. Fully-controlled companies				
1. Valsabbina Real Estate S.R.L.	Brescia	Brescia	100.00%	-
B. Jointly controlled companies				
C. Companies subject to significant influence				
1. Polis Fondi Immobiliare di Banche popolari SGR p.A.	Milan	Milan	9.80%	-

10.2 Significant equity investments: book value, fair value and dividends received

Name	Book value	Fair value	Dividends received
A. Fully-controlled companies			
1. Valsabbina Real Estate S.R.L.	170	-	-
B. Jointly controlled companies			
C. Companies subject to significant influence			
Total	170	-	-

Valsabbina Real Estate is fully owned; the consolidated financial statements are not drawn up due to the scant significance and relevance of the balances of the subsidiary with respect to those of the parent company, in application of the “Framework for the Preparation and Presentation of financial statements”, which represents the conceptual model underlying the IAS standards.

The financial statement total of the subsidiary (Euro 8.965 million) is lower than the limits envisaged by the Supervisory instructions for the consolidated indications (financial statement assets less than Euro 10 million).

The reporting format of the Company is enclosed with the financial statements of the Bank.

10.3 Significant equity investments: accounting information

Name	Cash and cash equivalents	Financial assets	Non-financial assets	Financial liabilities	Non-financial liabilities	Total revenues	Net interest income	Depreciation/amortisation and net impairment losses on tangible and intangible assets	Profit (Loss) from operations gross of taxation	Profit (Loss) from operations net of taxation	Pre-tax profit (loss) from discontinued operations	Profit (loss) for the year (1)	Other income components net of income taxes (2)	Comprehensive income (3) = (1) + (2)
A. Fully-controlled companies	-	-	8,965	8,784	87	3,266	-	-	(19)	(37)	-	(37)	-	(37)
1. Valsabbina Real Estate s.r.l.	-	-	8,965	8,784	87	3,266	-	-	(19)	(37)	-	(37)	-	(37)
B. Jointly controlled companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C. Companies subject to significant influence	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The figures indicated in the table are related to the financial statements as at 31 December 2014; the shareholders' equity of the subsidiary, inclusive of the profit (loss) for the year, amounts to Euro 94 thousand.

10.4 Significant equity investments: accounting information

Name	Book value of equity investments	Total assets	Total liabilities	Total revenues	Profit (Loss) from operations net of taxation	Profit (loss) from discontinued operations net of taxation	Profit (loss) for the year (1)	Other income components net of taxation (2)	Comprehensive income (3) = (1) + (2)
A. Fully-controlled companies	-	-	-	-	-	-	-	-	-
B. Jointly controlled companies	-	-	-	-	-	-	-	-	-
C. Companies subject to significant influence	1,205	11,717	2,546	6,291	645	-	645	262	907

The figures shown refer to the financial statements as at 31 December 2013.

The line of Companies subject to significant influence includes the equity investment held by the Bank in the company Polis S.G.R.; the equity investment was acquired during 2013 (50,960 Polis Fondi Immobiliare S.G.R. shares, equal to 9.8% of the share capital), for Euro 1,205 thousand with the principal aim of taking part in the management of the closed-end real estate funds that have been assigned properties by the subsidiary Valsabbina Real Estate and in view of further contributions by the subsidiary.

By virtue of the shareholders' agreements, the holding has been classified under equity investments subject to significant influence.

10.5 Equity investments: annual changes

Items	Total 31/12/2014	Total 31/12/2013
A. Opening balances	1,375	171
B. Increases	-	1,204
B.1 Purchases	-	1,204
B.2 Reversals of impairment losses	-	-
B.3 Revaluations	-	-
B.4 Other changes	-	-
C. Decreases	-	-
C.1 Sales	-	-
C.2 Impairment losses	-	-
C.3 Other changes	-	-
D. Closing balances	1,375	1,375
E. Total revaluations	-	-
F. Total impairment losses	-	-

During the financial year, there were changes in equity investments.

10.6 Commitments referred to equity investments in jointly controlled companies

There are no equity investments in jointly controlled companies

10.7 Commitments referred to equity investments in companies subject to significant influence

There is the commitment to subscribe 24 units with a nominal value of Euro 250,000 each of the closed-end real estate mutual investment fund reserved for qualified investors called “Asset Bancari IV”, which will be subscribed in the next two years and settled with the contribution of properties by the real estate itself.

10.8 Significant restrictions

There are no significant restrictions indicated in IFRS 12 paragraph 22 b) and c).

10.9 Other information

A credit facility for Euro 15 million was made available to Valsabbina Real Estate; this facility was used at year end by Euro 8,784 thousand, for possible transactions falling within the cases for which the company was established.

Section 11 - Tangible assets - Item 110

This item includes the tangible assets (properties, plant, machinery, furniture and other tangible assets for operational use) owned or acquired under finance lease.

11.1 Property, Plant and Equipment for operational use: breakdown of assets valued at cost

Asset/Amounts	Total 31/12/2014	Total 31/12/2013
1 Owned assets	27,346	27,805
a) land	2,111	2,111
b) buildings	22,916	23,502
c) furniture	586	834
d) electronic systems	546	352
e) other	1,187	1,006
2 acquired under finance lease	491	504
a) land	108	108
b) buildings	383	396
c) furniture	-	-
d) electronic systems	-	-
e) other	-	-
Total	27,837	28,309

At the time of the first adoption of the IAS standards, the properties were valued at *deemed cost* offset, net of taxation, in the specific revaluation reserve “Special revaluation laws” of Euro 8,934 thousand. At the end of the year, the reserve has a residual balance of Euro 979 thousand; the amount of Euro 7,955 thousand was reversed to the share capital to service the bonus portion of the share capital increase carried out in 2011.

Owned properties have been used almost entirely during the year for banking activities.

11.2 Investment property: breakdown of assets measured at cost

11.3 Assets used in the business: breakdown of revalued assets

11.4 Investment property: breakdown of assets measured at fair value

There are no assets held for investment purposes or revalued assets used in the business.

11.5 Tangible assets used in the business: annual changes

Items	Land	Buildings	Furniture	Electronic systems	Other	Total
A. Opening balances, gross	2,219	28,675	7,222	6,398	8,322	52,836
A.1 Net total impairment	-	4,777	6,388	6,046	7,316	24,527
A.2 Opening balances, net	2,219	23,898	834	352	1,006	28,309
B. Increases	-	73	60	408	689	1,230
B.1 Purchases	-	73	60	408	689	1,230
B.2 Capitalised improvement costs	-	-	-	-	-	-
B.3 Reversals of impairment losses	-	-	-	-	-	-
B.4 Positive fair value changes recognised in:	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
B.5 Exchange rate gains	-	-	-	-	-	-
B.6 Transfers from investment property	-	-	-	-	-	-
B.7 Other changes	-	-	-	-	-	-
C. Decreases	-	672	308	214	508	1,702
C.1 Sales	-	-	1	-	4	5
C.2 Depreciation	-	672	307	214	504	1,697
C.3 Impairment losses recognised in:	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.4 Negative fair value changes recognised in:	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.5 Exchange rate losses	-	-	-	-	-	-
C.6 Transfers to:	-	-	-	-	-	-
a) investment property	-	-	-	-	-	-
b) assets held for sale and discontinued operations	-	-	-	-	-	-
C.7 Other changes	-	-	-	-	-	-
D. Closing balances, net	2,219	23,299	586	546	1,187	27,837
D.1 Net total impairment	-	5,449	6,658	5,606	7,616	25,329
D.2 Closing balances, gross	2,219	28,748	7,244	6,152	8,803	53,166
E. Measured at cost	-	-	-	-	-	-

The item tangible assets amounts to Euro 27,837 thousand, with a decrease of Euro 472 thousand with respect to the previous year, as the imbalance between purchases of Euro 1,230 thousand, depreciation of Euro 1,697 thousand and net disposals of Euro 5 thousand.

During the year, renovation works - the amount of which was not considerable - were carried out at some branches.

The purchases recorded in the table columns called “furniture, electronic system and other assets” concern the purchase of furniture, plant, electronic machines for the office, alarm systems and other minor categories, both for the head offices and the branches.

The depreciation has been calculated on all the tangible assets, with the exclusion of land, in relation to the estimated useful life of the same as indicated below:

Properties 33 - 50 years

Furniture and furnishing 7 years

Vehicles 4 years

Armoured counters 5 years

Electronic systems 4 years

Sundry machinery and equipment 5 years

In the event of the purchase of properties, without indication in the deed of the separate value pertaining to the underlying land, steps are taken to assign this category 20% of the initial cost and the remaining 80% to the item property.

11.6 Investment property: annual changes

There are no assets held for investment purposes and therefore steps have not been taken to draw up the related tables.

Section 12 - Intangible assets - Item 120

This section comprises the intangible assets as defined by IAS 38.

12.1 Intangible assets: breakdown by type of asset

Asset/Amounts		Total 31/12/2014		Total 31/12/2013	
		Definite duration	Indefinite duration	Definite duration	Indefinite duration
A.1	Goodwill	-	8,458	-	8,458
A.2	Other intangible assets	2,257	-	2,730	-
A.2.1	Assets measured at cost:	2,257	-	2,730	-
	a) internally generated intangible assets	-	-	-	-
	b) other assets	2,257	-	2,730	-
A.2.2	Assets measured at fair value:	-	-	-	-
	a) internally generated intangible assets	-	-	-	-
	b) other assets	-	-	-	-
	Total	2,257	-	2,730	-

Intangible assets with a definite duration include:

- Euro 399 thousand relating to the costs incurred for the purchase of EDP programmes inclusive of those supplied with specific invoicing by our outsourcer; these costs are each year on the basis of the useful life, as a rule 3 years. All the classes of intangible assets are measured at cost.
- Euro 1,858 thousand relating to intangible assets linked to the relationship with the customer and identified as “Core Deposits” emerging from the incorporation of Credito Veronese. This item was recorded on a consistent basis with that valorised in the consolidated financial statements as at 31 December 2011 and relates to the additional value acknowledged to the “stable deposits” of the merged company. IFRS 3 in fact envisages that the acquisition of a “Business Combination” (such as the acquisition of Credito Veronese represents) must be recorded using the purchase method and that the price paid must be allocated to the assets acquired and the liabilities undertaken measured at their respective fair values. Amortisation over 96 years is envisaged. The initial amount

was Euro 3,428 thousand, the portion pertaining to the 2014 income statement comes to Euro 428 thousand.

Intangible assets with an indefinite duration comprise:

- Euro 6,476 thousand for the goodwill relating to the acquisition of Credito Veronese;
- Euro 1,982 thousand for the residual goodwill, recorded for Euro 4,220 thousand with the incorporation of Cassa Rurale di Storo in 2000, less the amortisation of Euro 2,238 made between 2000 and 2004.

On the basis of the IAS international accounting standards, annual systematic amortisation is no longer applied, but it is necessary at least once a year to check whether the goodwill assigned to a specific CGU (Cash Generating Unit) has suffered an impairment loss (impairment test). Pursuant to IAS 36, an asset has undergone impairment when its book value exceeds its recoverable amount understood as the higher between its fair value less selling costs and its value in use.

By means of the incorporation which took place in December 2012, the CGU made up of the branches of Credito Veronese lost its legal status. During 2013, the Board of Directors approved:

- a new geographic reorganisation in which a new “Verona Area” was defined, which has also been assigned the branches of Desenzano and Rivoltella;
- the 2014-2016 Strategic plan on which the specific contribution of the new “Verona Area” is envisaged and to which the Bank’s management, control, planning and reporting systems will make reference.

Since:

- the goodwill paid for the purchase of Credito Veronese represents the premium paid for entry and development in the reference area. The purchase of Credito Veronese in fact is one of the actions undertaken within the sphere of the overall strategy which envisaged the development of the Bank’s operations eastwards;
- the creation of the Verona Area consequent to the absorption of the former Credito Veronese branches led to a reorganisation of the organisational structure with an exchange of resources and contracts with the customers between some of the Bank’s branches and the branches acquired. This, on the one hand, indicates the complete re-arrangement of all the original structure acquired and, on the other, the transfer of know-how to the benefit of the entire Bank;

it was deemed appropriate to consider the entire “Verona Area” as the Cash Generating Unit to which the goodwill deriving from Credit Veronese should be assigned; it should be noted that in the year 2014 a new branch in Verona, via Milano, was opened; therefore, the perimeter of the CGU expanded.

Therefore, on the basis of IAS 36, the recoverable amount of the Verona Cash Generating Unit (CGU) corresponds to the additional value between the fair value and the value in use of the same CGU.

The estimate of the recoverable amount, both of the goodwill and the core deposits net of the tax effect, was carried out, with the support of a specialised firm of consultants, using the forecasts contained in the Strategic Plan approved on 27 November 2013, in the 2015 budget and the economic/financial/cash-flow forecasts prepared by the management for the period from 2015 to 2019.

The value in use of the CGU was established by discounting back the forecast cash flows, which in the case of banking concerns correspond to the values of capital available after the capitalisation requirements laid down by sector regulations (Excess Capital Method or Dividend Discount Method - DDM) have been met .

The development of the DDM envisages the estimate of the projections of the available cash flows, the discounting back rate and the long-term growth rate (g).

The discount rate was estimated as equal to the cost of the capital on the basis of the Capital Asset Pricing Model (CAPM) from which a rate of 8.63% emerges. The model expresses a linear relationship, under conditions of balance of the markets, between the return of an investment and its systematic risk. The return on an investment is calculated as the sum of the risk free rate and the premium for the risk assigned to it according to the following formula:

$Ke = rf + \beta \times (rm - rf)$ where:

- rf is the return of an asset with no risk (free risk rate);
- β is the volatility index of the investment;
- $(rm - rf)$ is the premium for the risk.

The parameters used were:

- Risk free rate: 2.35% (average value of the returns on 10-year Government securities recorded during 2014 to average out the volatility registered in the markets);
- Beta: 1.14 average of the betas revealed by Bloomberg for a sample of listed small-medium sized banks. The ratio expresses the correlation between the returns of an individual risk investment and the returns of the market portfolio.
- Premium at risk: 5.50% estimate of the market premium provided by the difference between the return of a diversified portfolio made up of all the risk investments available on the market and the return of a security lacking risk.

The growth rate (g) has been adopted as 2%, essentially in line with the expected rate of inflation. The valuation led to an estimate for the Verona Area of a value in use of Euro 35.7 million with respect to operating capital - minimum shareholders' equity requirement - referring to all 10 branches of Euro 26.2 million, corresponding to goodwill of Euro 9.5 million, higher than the Euro 7.7 million of the book value of the intangible assets recorded (goodwill Euro 6.5 million + core deposits net of taxation Euro 1.2 million).

For the purpose of checking the measurement of the change in the values obtained with respect to the parameter used, subsequent sensitivity analysis was carried out, including analysis developed considering changes in the "Ke" discount rate and the medium/long-term growth rate "g" of ± 25 bps.

The analysis provided a range of estimates of the value of the goodwill attributable to the CGU ranging between Euro 7.6 million and Euro 11.6 million; therefore, also varying the parameters used, it is indicated that the book value of the intangible assets is confirmed.

Finally, it was decided to focus on the estimate of the value in use and fair value in the estimated recoverable amount; due to its characteristics, the value in use is an evaluation method that is well suited to the characteristics of the banking sector, as well as being aligned with the practice that has developed in this field. Moreover, the need to calculate both the value in use and the fair value is no longer required when one of the two is greater than the book value of the asset, since this condition excludes that it has been impaired.

With regard to the 4 former CR Storo branches, having considered the minor complexity in carrying out the valuation, since these are matured and well-established branches that do not require a development plan and guaranteed adequate profitability over the last few years, with the exception of 2014 that reached break-even, the value in use was calculated.

The value in use, applying inertial projections to the current amounts and profitability, estimates goodwill amounting to Euro 2.9 million, higher than the book value by Euro 1.9 million.

On the basis of the results of the analysis carried out, additional amounts were not booked to the income statement as impairment losses on intangible assets with an indefinite duration.

12.2 Intangible assets: annual changes

Items		Goodwill	Other intangible assets: internally generated		Other intangible assets: other		Total
			Def.	Indef.	Def.	Indef.	
A.	Gross opening balances	8,458	-	-	4,566	-	13,024
A.1	Net total impairment	-	-	-	1,836	-	1,836
A.2	Net opening balances	8,458	-	-	2,730	-	11,188
B.	Increases	-	-	-	344	-	344
B.1	Purchases	-	-	-	344	-	344
B.2	Increases in internally generated intangible assets	-	-	-	-	-	-
B.3	Reversals of impairment losses	-	-	-	-	-	-
B.4	Positive fair value changes	-	-	-	-	-	-
	- shareholders' equity	-	-	-	-	-	-
	- income statement	-	-	-	-	-	-
B.5	Exchange rate gains	-	-	-	-	-	-
B.6	Other changes	-	-	-	-	-	-
C.	Decreases	-	-	-	817	-	817
C.1	Sales	-	-	-	-	-	-
C.2	Impairment losses	-	-	-	817	-	817
	- Amortisation	-	-	-	817	-	817
	- Impairment	-	-	-	-	-	-
	+ shareholders' equity	-	-	-	-	-	-
	+ income statement	-	-	-	-	-	-
C.3	Negative fair value changes	-	-	-	-	-	-
	- shareholders' equity	-	-	-	-	-	-
	- income statement	-	-	-	-	-	-
C.4	Transfers to non-current assets held for sale and discontinued operations	-	-	-	-	-	-
C.5	Exchange rate losses	-	-	-	-	-	-
C.6	Other changes	-	-	-	-	-	-
D.	Net closing balances	8,458	-	-	2,257	-	10,715
D.1	Total net impairment losses	-	-	-	1,859	-	1,859
E.	Gross closing balances	8,458	-	-	4,116	-	12,574
F.	Measured at cost	-	-	-	-	-	-

Key Def: with definite duration Indef: with indefinite duration

12.3 Other information

With regard to intangible fixed assets (IAS 38, sections 122 and 124), it is hereby specified that:

- there are no intangible assets pledged as collateral for the Bank's liabilities;
- there are no commitments to purchase intangible assets;
- there are no intangible assets acquired under financial or operating lease agreement or via government concession;
- there are no revalued intangible assets recorded at fair value.

Section 13 – Tax assets and tax liabilities

This section includes the tax assets (current and prepaid) and tax liabilities (current and deferred), without offsetting between the prepaid tax assets and deferred tax liabilities, stated respectively in items 130 of the assets and 80 of the liabilities.

Asset item 130 and Liability item 80

Prepaid taxes are recorded on the basis of the probability of sufficient taxable income in the future. The rates used for the recognition of the prepaid and deferred taxes are 27.5% for IRES (company earnings' tax) and 5.57% for IRAP (regional business tax).

IRES on 5% of any capital gains and IRAP according to the normal rate is reckoned on the shares subject to participation exemption, on the basis of current legislation.

Compared to last year, there were no significant changes on the determination of taxable income for IRES and IRAP.

Italian law 190 of 23 December 2014 (2015 Stability Law) provides for the deductibility of costs of permanent personnel from taxable IRAP of companies as from the 2015 financial year.

Current liabilities of Euro 11,578 thousand represent: the IRES and IRAP payable of Euro 11,204 thousand net of advances paid of Euro 14,608 thousand; the residual instalment of Euro 374 thousand of the substitute tax on the tax exemption of goodwill and other intangible assets.

Current taxes of Euro 24,963 thousand together with the positive effect of the prepaid taxes recognised and cancelled during the financial year of Euro 15,278 thousand and the negative effect of deferred taxes of Euro 230 thousand, are recorded in the income statement item "260 income taxes for the year from continuing operations" of Euro 9,915 thousand.

13.1 Deferred tax assets: breakdown

Items	Total 31/12/2014		Total 31/12/2013	
	Law No. 214/2011	Other	Law No. 214/2011	Other
through the income statement:				
Impairment of loans and receivables deductible	45,330	-	30,595	-
- from previous years	26,455	-	19,160	-
- from current year	18,875	-	11,435	-
Exemption of goodwill and other elements from incorporation	2,229	-	2,374	-
Exemption of goodwill from consolidation	2,937	-	2,937	-
Provision for risks and charges	-	449	-	372
Provision for guarantees given	-	550	-	77
Tangible assets	-	-	-	3
Administrative expenses	-	834	-	694
Total through the income statement	50,496	1,833	35,906	1,146
Through shareholders' equity:				
AFS securities	-	367	-	1,871
- bonds	-	190	-	1,607
- shares	-	23	-	255
- mutual funds	-	154	-	9
Actuarial effect on employee benefits	-	365	-	81
Total through shareholders' equity	-	732	-	1,952
Total	50,496	2,565	35,906	3,098

Prepaid taxes “as per Italian law No. 214/2011” are those recorded in relation to the impairment of loans and receivables not yet deducted and the value of the goodwill and other intangible assets whose negative components are deductible in subsequent tax periods. In the event of the recording of a statutory or tax loss, they permit transformation into a tax credit that can be used immediately, with benefits, including supervisory.

On the basis of Stability Law No. 147/2013, in the same circumstances, the same possibility has been extended to the IRAP, in the presence of financial statements closing with a loss or a negative net production value (IRAP declaration with a loss).

These amount to Euro 50,496 thousand compared with Euro 35,906 thousand in the previous year.

They concern:

- Euro 18,875 thousand in relation to the prepaid taxes on the impairment losses on loans and receivables made this year. By means of the regulatory changes established by means of Italian Law No. 147/2013, their recovery is envisaged by the end of 2018, in four straight-line portions.
- Euro 26,455 thousand in relation to impairment of residual loans and receivables in previous years; Euro 8,576 thousand concern 2013 impairments and therefore will be recovered no later than 2017. The deductibility regimes in force before the coming into force of Italian Law 147/2013, with deduction envisaged for just IRES purposes and division into 18 parts according to the year of recognition are confirmed for the residual amount;
- Euro 2,229 thousand in relation to the exemption of the elements resulting from the incorporation of Credito Veronese of which Euro 1,904 thousand concerns the goodwill originating from the financial statements as at 31 December 2012, as envisaged by Article 186 of the ITCA (with regard to this case, taxes for 1/18th were recovered in 2014, for Euro 119 thousand) and Euro 325 thousand referring to “other elements from incorporation” and in other

- words to the Core Deposits and the Loans/Receivables Fair Value, for which a temporary misalignment of one year exists between the time of booking to the financial statements and the year of recovery for tax purposes;
- Euro 2,937 thousand in relation to the misalignment for tax purposes of the goodwill and the other intangible assets recorded autonomously in the 2011 consolidated financial statements as envisaged by Article 23 of Italian Decree Law No. 98/2011 and Article 20 of Italian Decree Law No. 201/2011. By means of the amendments made by Italian Law No. 228 dated 24 December 2012, the recovery in 10 annual portions will take place by the end of 2020.

Prepaid taxes through shareholders' equity amount to Euro 732 thousand; of this, Euro 367 thousand refers to the capital losses booked to the negative valuation reserves (the amount derives from the application of the rate envisaged on total gross negative reserves for Euro 1,453 thousand), and Euro 365 thousand refers to the actuarial differences registered on post-employment benefits.

13.2 Deferred tax liabilities: breakdown

Items	Total 31/12/2014	Total 31/12/2013
Through the income statement:		
- on sundry capital gains	10	3
- on valuation of properties at revalued cost	60	60
- on accumulated depreciation of land	181	181
- on default interest	242	97
- on amortisation of goodwill	404	324
- on leasehold improvements/long-term charges	-	2
Total through the income statement	897	667
Through shareholders' equity:		
Available-for-sale financial assets		
- bonds	397	35
- shares	129	27
- mutual funds	398	1
Total through shareholders' equity	924	63
Total	1,821	730

The amount of deferred tax liabilities with an offsetting entry in the income statement is substantially in line with the current financial year and justified by the cases listed in the table.

Deferred taxes with an offsetting entry in shareholders' equity amount to Euro 924 thousand and relate to the positive reserves from valuation of available-for-sale securities amounting to positive gross reserves of Euro 4,250 thousand.

Deferred tax liabilities on monetary revaluation reserves subject to deferred taxation have not been recognised, since it is deemed that the possibility that the taxation pre-requisite will apply (distribution of the same) is very remote.

13.3 Changes in prepaid taxes (through the income statement)

	Total 31/12/2014	Total 31/12/2013
1. Opening balance	37,052	27,149
2. Increases	20,601	14,475
2.1 Prepaid taxes recognised in the financial year	20,601	14,475
a) relating to previous financial years	54	1,997
b) due to changes in accounting policies	-	-
c) reversals of impairment losses	-	-
d) other	20,547	12,478
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	5,324	4,572
3.1 Prepaid taxes cancelled during the financial year	5,324	4,572
a) reversals	5,257	2,539
b) impairment losses due to non-recoverability	-	-
c) changes in accounting standards	-	-
d) other	67	2,033
3.2 Reductions in tax rates	-	-
3.3 Other decreases:	-	-
a) conversion into tax assets set forth in Italian Law 214/2011	-	-
b) other	-	-
4. Closing balance	52,329	37,052

The increase in prepaid taxes is due to the high volume of impairment on loans and receivables recognised in this financial year, which will be recovered in equal instalments over the next four years.

13.3.1 Changes in prepaid taxes set forth in Italian Law 214/2011 (through the income statement)

	Total 31/12/2014	Total 31/12/2013
1. Opening balance	35,905	24,775
2. Increases	19,255	13,706
3. Decreases	4,664	2,576
3.1 Reversals	4,601	1,791
3.2 Transformations into tax credits	-	-
a) deriving from losses for the year	-	-
b) deriving from tax losses	-	-
3.3 Other decreases	63	785
4. Closing balance	50,496	35,905

13.4 Changes in deferred taxes (through the income statement)

	Total 31/12/2014	Total 31/12/2013
1. Opening balance	667	2,421
2. Increases	250	78
2.1 Deferred taxes recognised in the financial year	250	78
a) relating to previous financial years	-	-
b) due to changes in accounting policies	-	-
c) other	250	78
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	20	1,832
3.1 Deferred taxes cancelled during the financial year	20	1,832
a) reversals	20	969
b) due to changes in accounting policies	-	-
c) other	-	863
3.2 Reductions in tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	897	667

13.5 Changes in prepaid taxes (through shareholders' equity)

Items		Total 31/12/2014	Total 31/12/2013
1.	Opening balance	1,952	2,294
2.	Increases	650	1,722
2.1	Prepaid taxes recognised in the financial year	650	1,722
	a) relating to previous financial years	-	-
	b) due to changes in accounting policies	-	-
	c) other	650	1,722
2.2	New taxes or increases in tax rates	-	-
2.3	Other increases	-	-
3.	Decreases	1,870	2,064
3.1	Prepaid taxes cancelled during the financial year	1,858	1,982
	a) reversals	1,858	1,676
	b) impairment losses due to non-recoverability	-	-
	c) due to changes in accounting policies	-	-
	d) other	-	306
3.2	Reduction in tax rates	-	7
3.3	Other decreases	12	75
4.	Closing balance	732	1,952

13.6 Changes in deferred taxes (through shareholders' equity)

Items		Total 31/12/2014	Total 31/12/2013
1.	Opening balance	63	74
2.	Increases	901	58
2.1	Prepaid taxes recognised in the financial year	901	36
	a) relating to previous financial years	-	-
	b) due to changes in accounting policies	-	-
	c) other	901	36
2.2	New taxes or increases in tax rates	-	22
2.3	Other increases	-	-
3.	Decreases	40	69
3.1	Prepaid taxes cancelled during the financial year	40	69
	a) reversals	36	65
	b) due to changes in accounting policies	-	-
	c) other	4	4
3.2	Reduction in tax rates	-	-
3.3	Other decreases	-	-
4.	Closing balance	924	63

Section 14 - Non-current assets held for sale and disposal groups and associated liabilities - Item 140 under assets and item 90 under liabilities

At the end of the reporting period, there are no non-current assets and liabilities held for sale and discontinued operations

Section 15 - Other assets - Item 150

15.1 Other assets: breakdown

Items	Total 31/12/2014	Total 31/12/2013
Credits for direct taxes relating to previous financial years and accrued interest	1,532	1,532
Withholdings	632	161
Amounts due from tax authorities for advances paid	10,743	7,713
Current account cheques and foreign currency drawn on banks and third parties	36	257
Guarantee deposits on behalf of the Bank	37	36
Securities transactions pending final allocation	1	99
Cheques being processed	5,035	5,759
Sundry utilities to be debited/SDD/Other items	14,299	15,455
Cheques returned unpaid	101	115
Credit cards and Cashline card withdrawals	400	508
Credit transfers and debits to be made	2,138	2,795
Prepaid expenses	840	726
Costs for leasehold improvements	667	782
Total	36,461	35,938

The amounts due from tax authorities for advances paid refer to the advances paid for stamp duty, for substitute tax on mortgage loans and on the capital gain.

Liabilities and shareholders' equity

Section 1 - Due to banks - Item 10

1.1 Due to banks: breakdown by type

Type of transaction/Amounts	Total 31/12/2014	Total 31/12/2013
1. Due to central banks	652,260	585,192
2. Due to banks	-	406
2.1 Current accounts and unrestricted deposits	-	406
2.2 Time deposits	-	-
2.3 Loans	-	-
2.3.1 Repurchase agreements	-	-
2.3.2 Other	-	-
2.4 Payables for commitments to repurchase own equity instruments	-	-
2.5 Other payables	-	-
Total	652,260	585,598
Fair value - level 1	-	-
Fair value - level 2	-	-
Fair value - level 3	652,260	585,598
Total fair value	652,260	585,598

Deposits with Central Banks are made up of the following loans taken out with the ECB for the total nominal amount of Euro 650 million:

- LTRO, residual amount of Euro 150 million of the original amount of Euro 500 million taken out in 2012 with maturity 26/02/2015,
- Loan transaction taken out on 30 December 2014 and maturity date 6 January 2015, Euro 100 million,
- Loan transaction taken out on 27 December 2014 and maturity date 26 February 2015, Euro 100 million,
- Loan transaction taken out on 18 December 2014 and maturity date 26 March 2015, Euro 130 million,
- TLTRO, taken out on 24 September 2014 and maturity date 26 September 2018, Euro 170 million.

The book value also includes the interest accrued.

The following tables are not prepared: 1.2 Breakdown of item 10 "Due to banks: subordinate debt" structured debt", 1.3 Breakdown of item 10 "Due to banks": structured debts", 1.4 "Deposits from banks subject to micro-hedging" and 1.5 "Finance lease payables", in that these types of transactions are not present.

Section 2 - Due to customers - Item 20

2.1 Due to customers: breakdown by type

Type of transaction/Amounts	Total 31/12/2014	Total 31/12/2013
1. Current accounts and unrestricted deposits	1,726,187	1,576,145
2. Time deposits	246,492	370,285
3. Loans	60,149	165
3.1 Repurchase agreements	-	-
3.2 Other	60,149	165
4. Payables for commitments to repurchase own equity instruments	-	-
5. Other payables	867	527
Total	2,033,695	1,947,122
Fair value - level 1	-	-
Fair value - level 2	-	-
Fair value - level 3	2,033,695	1,947,122
Total fair value	2,033,695	1,947,122

The current accounts and unrestricted deposits comprise:

	Total 31/12/2014	Total 31/12/2013
Euro current accounts	1,673,796	1,488,749
Savings deposits	39,473	44,446
Foreign currency current accounts	12,918	42,950
	1,726,187	1,576,145

Time deposits are restricted deposits with a maximum maturity of 24 months.

The item "Loans: other" includes Euro 60 million of loans obtained on the Collateralised interbank market (NewMic, maturity 05/01/15) in addition to payables for leased properties of Euro 146 thousand, set forth in section 2.5

The following tables are not prepared: 2.2 Breakdown of item 20 "Due to customers: subordinate debts", 2.3 Breakdown of item 20 "Due to customers": structured debts" and 2.4 "Due to customers: payables subject to micro hedging", in that these types of transactions are not present.

2.5 Finance lease payables

The amount due to finance lease companies amounts in total to Euro 146 thousand and concerns the contract for the Leno branch, expiring in 2016 for an original amount of Euro 216 thousand. The residual life of the payable is as follows:

	Total 31/12/2014
within 1 year	19
between 1 and 5 years	127
beyond 5 years	-
Total	146

Section 3 - Securities issued - Item 30

3.1 Securities issued: breakdown by type

Type of security/Amounts	Total 31/12/2014				Total 31/12/2013			
	Book value	Fair value			Book value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Securities								
1. Bonds	1,194,540	-	-	1,194,540	1,228,742	-	-	1,228,742
1.1 structured	-	-	-	-	-	-	-	-
1.2 other	1,194,540	-	-	1,194,540	1,228,742	-	-	1,228,742
2. Other securities	26,507	-	-	26,507	8,710	-	-	8,710
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	26,507	-	-	26,507	8,710	-	-	8,710
Total	1,221,047	-	-	1,221,047	1,237,452	-	-	1,237,452

The bonds outstanding are inclusive of the current accrued coupon and are net of the bonds repurchased, which on the basis of the IAS accounting standards must be eliminated.

They include subordinated bonds for a book value of Euro 86,242 thousand (Euro 85,432 thousand in nominal value).

The bonds issued by the Bank are unlisted; the fair value level assigned corresponds to the amortised cost approach.

Medium/long-term certificates of deposit are recorded under other securities.

3.2 Breakdown of Item 30 "Securities issued": subordinated securities

Items	Book value	
	Total 31/12/2014	Total 31/12/2013
Subordinated securities issued and in issue	86,242	25,003
Total	86,242	25,003

Subordinated bonds include the following securities:

- IT0004982481 security issued on 30 December 2013 of Euro 25 million, fixed rate of 4.50% and maturity 30 December 2019, with repayment of 20% per annum as from 30 December 2015,
- IT0004987456 security issued on 3 February 2014 of Euro 35 million, fixed rate of 4.50% and maturity 3 February 2021, with repayment of 20% per annum as from 3 February 2017,
- IT0005014706 security issued on 02 May 2014 of Euro 25,432 thousand, fixed rate of 4.00% and maturity 2 May 2022, with repayment of 20% per annum as from 2 May 2018.

3.3 Securities issued: securities subject to micro hedging

This table is not drawn up since these types of transactions are not present.

Section 4 - Financial liabilities held for trading - Item 40

4.1 Financial liabilities held for trading: breakdown by type

Type of transaction/Amounts	Total 31/12/2014					Total 31/12/2013				
	NV	FV			FV *	NV	FV			FV *
		L1	L2	L3			L1	L2	L3	
A. On-balance sheet liabilities										
1. Due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	-	-	-	-	-	-
3.1 Bonds	-	-	-	-	-	-	-	-	-	-
3.1.1 Structured	-	-	-	-	-	-	-	-	-	-
3.1.2 Other bonds	-	-	-	-	-	-	-	-	-	-
3.2 Other securities	-	-	-	-	-	-	-	-	-	-
3.2.1 Structured	-	-	-	-	-	-	-	-	-	-
3.2.2 Other	-	-	-	-	-	-	-	-	-	-
Total A	-	-	-	-	-	-	-	-	-	-
B. Derivatives										
1. Financial derivatives	-	-	215	-	-	-	-	398	-	-
1.1 trading	-	-	215	-	-	-	-	398	-	-
1.2 Related to the fair value option	-	-	-	-	-	-	-	-	-	-
1.3 Other	-	-	-	-	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-	-	-	-	-
2.1 Trading	-	-	-	-	-	-	-	-	-	-
2.2 Related to the fair value option	-	-	-	-	-	-	-	-	-	-
2.3 Other	-	-	-	-	-	-	-	-	-	-
Total B	-	-	215	-	-	-	-	398	-	-
Total (A+B)	-	-	215	-	-	-	-	398	-	-
Key										
FV = fair value		NV = nominal or notional value		L1= Level 1		L2= Level 2		L3 = Level 3		
FV* = fair value calculated by excluding changes in value due to the change in creditworthiness										

The amount of Euro 215 thousand (level 2) comprises:

- Euro 163 thousand in foreign currency forward transactions, whose value is offset by asset item 20 "Financial assets held for trading". The book amount (intrinsic value) is the expression of a notional value of the transactions equating to Euro 5,889 thousand;
- Euro 52 thousand being the intrinsic value referring to hedges of foreign currency transactions carried out by the Bank, with a notional value of Euro 2,322 thousand.

In the absence of transactions, the following tables are not drawn up: 4.2 Breakdown of item 40 "Financial liabilities held for trading: subordinated liabilities, 4.3 Breakdown of item 40 "Financial liabilities held for trading": structured debts, and 4.4 On-statement of final positions liabilities (excluding "uncovered short positions") held for trading: annual changes.

Section 5 - Financial liabilities measured at fair value - Item 50

The Bank does not have any financial liabilities designated at fair value with the valuation results recorded in the income statement on the basis of the right acknowledged by the IAS standards. Therefore, the following tables are not drawn up:

5.1 Financial liabilities measured at fair value: breakdown by type,

5.2 Breakdown of item 50 "Financial liabilities measured at fair value: subordinated liabilities,

5.3 Financial liabilities measured at fair value: annual changes.

Section 6 - Hedging derivatives - Item 60

As at 31 December 2014 and 31 December 2013 the bank did not have any hedging derivatives outstanding. The following tables are not drawn up:

6.1 Hedging derivatives: breakdown by type of hedge and by hierarchical levels

6.2 Hedging derivatives: breakdown by hedged portfolios and by type of hedging.

Section 7 - Adjustment to financial assets subject to macro-hedging - Item 70

The Bank has not established any liability subject to macro hedging from the interest rate risk. The related tables 7.1 and 7.2 are not drawn up.

Section 8 - Tax liabilities - Item 80

The breakdown as well as the changes in liabilities for current and deferred taxes are illustrated in part B - Asset Section 13 of these explanatory notes.

With reference to the tax situation of the Bank, it is hereby specified that the years up to 2009 have been settled for tax purposes.

Section 9 - Liabilities associated with assets held for sale and discontinued operations - Item 90

At the end of the reporting period, there were no liabilities associated with assets held for sale and discontinued operations.

Section 10 - Other liabilities - Item 100

10.1 Other liabilities: breakdown

Items	Total 31/12/2014	Total 31/12/2013
Tax withholdings and contributions relating to staff	2,222	2,083
Amounts to be paid to staff and related contributions	3,744	2,992
Taxes to be paid to the tax authorities	2,418	3,795
Taxes to be paid to the tax authorities on behalf of third parties	5,552	1,657
Dividends not yet collected	1	1
Credit transfers to be carried out	9,795	8,190
Credit cards and Cashline card withdrawals	410	461
Companies being formed due to payment of the share capital	91	93
Amount paid for withdrawal of bills and cheques and payment by advice collections	738	1,228
Currency spreads on portfolio transactions	31,911	40,729
Provision for guarantees and commitments	1,998	278
Due to suppliers	4,949	4,871
Deferred income	525	767
Charity fund	128	87
Other items	3,634	5,250
Total	68.116	72.482

The “amounts to be paid to staff, inclusive of related contributions” also include the productivity bonuses to be paid to staff in the following year.

“Currency spreads on portfolio transactions” represent the imbalance between the “debit adjustments” and the “credit adjustments” of the portfolio subject to due reserve and after collection, whose breakdown is indicated in the specific table Other information in part B of these explanatory notes.

Section 11 - Post-employment benefits - Item 110

11.1 Post-employment benefits: annual changes

Items	Total 31/12/2014	Total 31/12/2013
A. Opening balances	5,325	5,896
B. Increases	2,207	1,390
B.1 Provision for the year	1,420	1,390
B.2 Other changes	787	-
C. Decreases	1,570	1,961
C.1 Benefits paid	299	156
C.2 Other changes	1,271	1,805
D. Closing balances	5,962	5,325
TOTAL	5,962	5,325

"Increases" in the line provisions include the costs of the indemnities attributable to the revaluation of the provision present in the company, in as far as the Treasury Fund and the

Supplementary Funds are competent; IAS actuarial changes (that have an impact on shareholders' equity reserves) are recognised in the line other changes.

With regard to other decreases, the main items are represented by the amounts paid to the Treasury Funds and the Supplementary Funds.

11.2 Other information

The balance of post-employment benefits as at 31 December 2014 calculated on the basis of Italian legislation amounts to Euro 5,468 thousand, Euro 494 thousand lower than the book value; in 2013, the same came to Euro 5,693 thousand, Euro 368 thousand more with respect to the book value. The difference is due to the discounting back rate used of 1.49% compared to 3.17% for 2013, leading to an actuarial gain of Euro 787 thousand, compared with a profit of Euro 563 thousand in 2013.

The Bank applies the amendments to IAS 19 "Employee benefits", in force since 1 January 2013, as described in part "A Accounting standards".

The accounting standard, in its current version, enforces the recognition of the actuarial changes offset by shareholders' equity and the recognition in the income statement is no longer allowed.

The actuary carried out the calculation on the basis of the following financial hypotheses:

- annual discount rate of 1.49% (determined, on a consistent basis with section 83 of IAS 19, with reference to the average returns curve that derives from the IBOXX Eurozone Corporates AA index with a duration of 10+ struck on 31 December 2014, rate considered as the best expression of returns of businesses of primary standing)
- , annual rate of inflation 1.50% for 2017 and 2018, 2.00% from 2019 onwards,
- annual rate of inflation: 1.95% for 2015, 2.40% for 2016, 2.625% for 2017 and 2018, 3.00% from 2019 onwards.

The actuarial loss is illustrated in part "D - Comprehensive income".

Section 12 - Provisions for risks and charges - Item 120

12.1 Provisions for risks and charges - provisions

Item/Amounts	Total 31/12/2014	Total 31/12/2013
1. Company pension funds	-	-
2. Other provisions for risks and charges	1,318	1,093
2.1 legal disputes	1,265	1,036
2.2 labour costs	-	-
2.3 other	53	57
Total	1,318	1,093

12.2 Provisions for risks and charges: annual changes

Items	Pension funds	Other funds	Total
A. Opening balances	-	1,093	1,093
B. Increases	-	572	572
B.1 Provision for the year	-	572	572
B.2 Changes due to the passing of time	-	-	-
B.3 Changes due to discount rate fluctuations	-	-	-
B.4 Other changes	-	-	-
C. Decreases	-	347	347
C.1 Uses in the year	-	337	337
C.2 Changes due to discount rate fluctuations	-	-	-
C.3 Other changes	-	10	10
D. Closing balances	-	1,318	1,318

12.3 Defined benefit company pension funds

The Bank has no funds of this kind recorded in the financial statements.

12.4 Provisions for risks and charges - other provisions

The provision for legal disputes includes the amounts set aside for disputes relating to revocatory action on non-performing positions or those already written off or for other disputes that arise during the performance of the ordinary activities. The Bank makes provisions for such reasons when, in agreement with its legal advisors, it believes it probable that it will have to make a payment and the amounts of the same can be reasonably estimated.

Section 13 - Redeemable shares - Item 140

The Bank has not issued any redeemable shares. The related tables are not drawn up.

Section 14 – Company equity - Items 130, 150, 160, 170, 180, 190, and 200

14.1 “Share capital” and “Own shares: breakdown

The fully paid-in and subscribed share capital is made up of 35,796,827 shares with a par value of Euro 3.00 each for a total of Euro 107,390 thousand.

14.2 Share capital - Number of shares: annual changes

Items/Types	Ordinary	Other
A. Shares at the beginning of the year	35,796,827	-
- fully paid-up	35,796,827	-
- not fully paid-up	-	-
A.1 Own shares (-)	313,747	-
A.2 Outstanding shares: opening balances	35,483,080	-
B. Increases	-	-
B.1 New issues	-	-
- against payment:	-	-
- business combinations	-	-
- conversion of bonds	-	-
- exercise of warrants	-	-
- other	-	-
- free:	-	-
- on behalf of employees	-	-
- on behalf of directors	-	-
- other	-	-
B.2 Sale of own shares	-	-
B.3 Other changes	-	-
C. Decreases	96,440	-
C.1 Cancellation	-	-
C.2 Repurchase of own shares	96,440	-
C.3 Disposals of companies	-	-
C.4 Other decreases	-	-
D. Outstanding shares: closing balances	35,386,640	-
D.1 Own shares (+)	410,187	-
D.2 Shares outstanding at the end of the year	35,796,827	-
- fully paid-up	35,796,827	-
- not fully paid-up	-	-

14.3 Share Capital - Other information

The following revaluation reserves have been transferred over time to the share capital:
Italian Law No. 576 dated 2 December 1975 for Euro 88 thousand, reserve from monetary revaluation

Italian Law No.72 dated 19 March 1983 for Euro 2,067 thousand, reserve from monetary revaluation

Italian Law No.413 dated 30 December 1991 for Euro 1,375 thousand, reserve from monetary revaluation

Italian Legislative Decree No. 38 dated 28 February 2005 (application of the IAS principles in Italy) for Euro 7,955 thousand.

14.4 Other income-related reserves: other information

The reserves as per liability item 160 amount to Euro 47,060 thousand; Euro 50,152 refers to provisions of income, while the “other” reserves includes the negative reserves from the merger of Credito Veronese of Euro 3,092 thousand.

Additional information relating to their changes can be found in the statement of changes in shareholders' equity and in part F of these explanatory notes.

Pursuant to Article 2427.7 bis of the Italian Civil Code, the composition of Shareholders' equity, according to the origin and the degree of availability and distributable nature of the various items, is as follows:

Items	Amount	Possibility of use	Portion available	Tax restriction	Uses during the three prior years	
					to cover losses	for other reasons
A) SHARE CAPITAL						
- Share capital (1)	107,390		91,371	16,019	no use	no use
B) CAPITAL RESERVES:						
- Share premium reserve (2)	235,405	ABC	235,405	-	no use	no use
C) INCOME-RELATED						
- Legal reserve (3)	21,574	B		-	no use	no use
- Extraordinary reserve	15,980	ABC	15,980	-	no use	no use
- Reserve for purchase of own shares	12,014	ABC	4,621	-	no use	no use
- Other reserves	585	ABC	585	-	no use	no use
D) OTHER RESERVES						
- Merger differences	(3,092)			-	no use	no use
- IAS valuation reserves (5)	2,709	AB		-	no use	no use
C) OWN SHARES						
- Own shares	(7,393)					
TOTAL	385,172					
- 2014 profit for the year	14,007					
TOTAL EQUITY	399,179					

Key:

A: for increase in portion; B: to cover losses; C: for distribution to Shareholders

Notes:

- 1) In the event of distribution, the share capital is subject to a tax restriction equal to the booking of monetary revaluation reserves of Euro 11,485 thousand as specified in point 14.3 plus Euro 4,534 equal to the difference between the amount tax sheltered in 2013 of the additional values acknowledged to the properties for Euro 5,398 thousand and the substitute tax of 16% for Euro 864 thousand.
- 2) On the basis of Article 2431 of the Italian Civil Code, the “share premium reserve” cannot be distributed until the legal reserve has reached a fifth of the share capital, equal to Euro 21,478 thousand.
- 3) On the basis of Article 24 of the Banking Consolidation Act, Italian Legislative Decree No. 385 dated 1 September 1993, industrial co-operative banks must allocate at least ten percent of the annual net profits to the legal reserve.
- 4) The reserve is available for the surplus with respect to the amount of own shares in the portfolio, which amounted to Euro 7,393 thousand as at 31 December 2014.
- 5) The reserve is restricted in accordance with Article 6 of Italian Legislative Decree No. 38/2005 (introduction of the IAS accounting standards) and in any event negative.

14.5 Equity instruments: breakdown and annual changes

The Bank has not issued the capital instruments indicated in section 80.A and 136.A of IAS 1.

14.6 Other information

The Board of Directors proposes the payment of a dividend equal to Euro 0.20 per share, amounting in total to Euro 7,159 thousand.

Other information

1. Guarantees given and commitments

Transactions	Amount 31/12/2014	Amount 31/12/2013
1) Financial guarantees given	18,855	20,793
a) Banks	3,328	3,334
b) Customers	15,527	17,459
2) Commercial guarantees given	103,912	114,826
a) Banks	292	241
b) Customers	103,620	114,585
3) Irrevocable commitments to grant finance	45,759	53,355
a) Banks	-	-
i) certain to be called on	-	-
ii) not certain to be called on	-	-
b) Customers	45,759	53,355
i) certain to be called on	858	21
ii) not certain to be called on	44,901	53,334
4) Commitments underlying credit derivatives: protection sales	-	-
5) Assets pledged as guarantee for third-party commitments	-	7,510
6) Other commitments	-	-
Total	168,526	196,484

Item “1) Financial guarantees given - a) banks” amounting to Euro 3,328 thousand refers to the commitment to the Interbank Guarantee Fund. Neither the timing nor the amounts of the possible payments is certain with regard to this commitment.

2. Assets pledged as guarantee for the Bank's liabilities and commitments

Portfolios	Amount 31/12/2014	Amount 31/12/2013
1. Financial assets held for trading	-	-
2. Financial assets measured at fair value	-	-
3. Available-for-sale financial assets	986,494	561,089
4. Held-to-maturity financial assets	-	-
5. Loans and receivables with banks	30,052	-
6. Loans and receivables with customers	-	-
7. Tangible assets	-	-

The above amounts refer to owned securities granted to third parties as collateral; each amount refers to the specific portfolio used.

4. Management and trading on behalf of third parties

Type of service	Amount
1. Execution of orders on behalf of customers	
a) Purchases	-
1. settled	-
2. unsettled	-
b) Sales	-
1. settled	-
2. unsettled	-
2. Portfolio management	-
a) individual	-
b) collective	-
3. Custody and administration of securities	3,327,275
a) third-party securities held on deposit: when acting as custodian bank (excluding portfolio management)	-
1. securities issued by the reporting bank	-
2. other securities	-
b) other third-party securities held on deposit (excluding portfolio management): others	2,030,420
1. securities issued by the reporting bank	1,295,213
2. other securities	735,207
c) third-party securities deposited with third parties	1,342,833
d) portfolio securities deposited with third parties	1,296,855
4. Other transactions	-

5. Receivables collected on behalf of third parties: credit and debit adjustments

The table provides a breakdown of the differences deriving from the elimination of the asset items relating to the portfolio received subject to due reserve and after collection with those of the liabilities relating to transferors with settlement date subsequent to the end of the reporting period. According to the Supervisory instructions, in the annual financial statements the “other assets” or the “other liabilities” will have to contain, according to the value of the sign, only the imbalance of the items relating to the portfolio, indicating the individual components in the Explanatory notes.

The imbalance between the sum of the “debit adjustments” represented by the asset items for bank collection order, bills of exchange, direct debits, etc. accepted subject to due reserve and after collection by customers and banks and the sum of the “credit adjustments” represented by the liability items of the transferors, is equal to Euro 31,911 thousand and is recorded in the financial statement liability item 100 “other liabilities”.

Points a.1 and b.1 include the amount of the items, with settlement date in 2015, flowing to the current accounts of the correspondent banks already during 2014 and related to remittances of bills for collection. These items have been reversed from the individual pertinent accounts and booked to the original portfolio items (bills received on collection from banks or rather bills sent for collection to banks).

Items	Total 31/12/2014	Total 31/12/2013
a) “Debit” adjustments	513,741	557,050
1. Current accounts	1,975	2,952
2. Portfolio	506,743	542,695
3. Cash	562	1,914
4. Other accounts	4,461	9,489
b) “Credit” adjustments	545,652	597,779
1. Current accounts	1,282	2,694
2. Transferors’ bills and documents	539,314	584,725
3. Other accounts	5,056	10,360
Currency spreads on portfolio transactions	31,911	40,729

Part C - information on the income statement

Section 1 - Interest - items 10 and 20

This section comprises the interest income and expense, the similar income and charges relating, respectively, to financial assets held for trading, available-for-sale financial assets, financial assets held until maturity, loans, receivables, financial assets measured at fair value (asset items 10, 20, 30, 40, 50, 60 and 70) and to payables, securities issued, financial liabilities held for trading, financial liabilities measured at fair value (liability items 10, 20, 30, 40, and 50), as well as any interest accrued during the year on other transactions.

The interest income and expense also includes the differentials or margins, positive or negative, accrued until the end of the reporting period or expired or closed by the reference date relating to the derivative contracts.

1.1 Interest income and similar revenues: breakdown

Items/Technical forms	Debt securities	Loans	Other transactions	Total 31/12/2014	Total 31/12/2013
1. Financial assets held for trading	-	-	-	-	-
2. Available-for-sale financial assets	16,343	-	-	16,343	25,559
3. Held-to-maturity financial assets	-	-	-	-	-
4. Loans and receivables with banks	759	130	-	889	1,130
5. Loans and receivables with customers	-	115,468	-	115,468	121,959
6. Financial assets measured at fair value	-	-	-	-	-
7. Hedging derivatives	-	-	-	-	-
8. Other assets	-	-	1	1	12
Total	17,102	115,598	1	132,701	148,660

The sub-item 4 “Loans and receivables with banks” includes:

Interest income on loans and receivables with banks due to:	Total 31/12/2014	Total 31/12/2013
- deposit tied to compulsory reserve	31	104
- current accounts for services rendered	17	6
- deposits	82	82
- debt securities	759	938
TOTAL	889	1,130

The sub-item 5 “Due from customers” includes:

Interest income on due from customers due to:	Total 31/12/2014	Total 31/12/2013
- current accounts	47,034	54,755
- mortgage and personal loans	38,941	37,653
- import - export advances	3,048	3,179
- other credit transactions	24,703	24,446
- default interest	1,742	1,926
TOTAL	115,468	121,959

During the financial year, default interest of Euro 1,336 thousand accrued on non-performing positions, fully written down; item 10 comprises the default interest collected of Euro 855 thousand.

With regard to the other performing and impaired positions other than non-performing, default interest was recorded in the income statement for a total of Euro 886 thousand.

With regard to the positions that were impaired as at 31 December 2014, interest was recorded in the income statement other than default interest, accrued throughout the year to the following extent:

- past due Euro 1,398 thousand
- restructured Euro 1,072 thousand
- substandard Euro 8,584 thousand

1.3 Interest income and similar revenues: other information

1.3.1 Interest income on foreign currency financial assets

Item/Amounts	Total 31/12/2014	Total 31/12/2013
Total	905	990

1.4 Interest expense and similar charges: breakdown

	Items/Technical forms	Payables	Securities	Other transactions	Total 31/12/2014	Total 31/12/2013
1.	Due to central banks	(1,046)	-	-	(1,046)	(2,449)
2.	Due to banks	(5)	-	-	(5)	(239)
3.	Due to customers	(25,989)	-	-	(25,989)	(35,494)
4.	Securities issued	-	(45,108)	-	(45,108)	(45,008)
5.	Financial liabilities held for trading	-	-	-	-	-
6.	Financial liabilities measured at fair value	-	-	-	-	-
7.	Other liabilities and provisions	-	-	(17)	(17)	(2)
8.	Hedging derivatives	-	-	-	-	-
	Total	(27,040)	(45,108)	(17)	(72,165)	(83,192)

The sub-item 2 “Due to banks”, “Payables” column includes:

Interest expense for due to banks:	Total 31/12/2014	Total 31/12/2013
- current accounts	-	(13)
- loans received	(5)	(226)
TOTAL	(5)	(239)

The sub-item 3 “Due to customers”, “Payables” column includes:

Interest expense on due to customers:	Total 31/12/2014	Total 31/12/2013
- current accounts	(18,320)	(20,240)
- savings deposits and time deposits	(7,541)	(14,982)
- NewMIC market loans	(50)	(189)
- deposits and accounts in foreign currency	(78)	(83)
TOTAL	(25,989)	(35,494)

The decrease in interest expense on time deposits is significant in relation to the trend of market rates.

Sub-item 4 “Securities issued” includes the amount of Euro 45,108 thousand that comprises interest expense on bonds issued of Euro 44,735 thousand and on certificates of deposit of Euro 373 thousand.

1.6 Interest expense and similar charges: other information

1.6.1 Interest expense on foreign currency financial liabilities

Item/Amounts	Total 31/12/2014	Total 31/12/2013
Total	(78)	(83)

1.6.2 Interest expense on liabilities for finance lease transactions

Item/Amounts	Total 31/12/2014	Total 31/12/2013
Total	(4)	(2)

Section 2 - Fees and commissions - Items 40 and 50

These items include the income and expense relating to the services that the bank provides to its customers and those received from third parties. These items do not comprise the costs recharged within the sphere of other operating income.

2.1 Fee and commission income: breakdown

Type of services/Amounts	Total 31/12/2014	Total 31/12/2013
a) guarantees given	1,190	1,174
b) credit derivatives	-	-
c) management, trading and consulting services:	8,335	7,145
1. trading of financial instruments	-	-
2. currency trading	326	301
3. portfolio management	-	-
3.1 individual	-	-
3.2 collective	-	-
4. custody and administration of securities	97	94
5. custodian bank	-	-
6. placement of securities	2,737	2,098
7. collection of order acceptance and transmission	1,442	1,329
8. consulting services	-	-
8.1 on investments	-	-
8.2 on financial structure	-	-
9. distribution of third party services	3,733	3,323
9.1 portfolio management	-	-
9.1.1. individual	-	-
9.1.2. collective	-	-
9.2 insurance products	3,733	3,323
9.3 other products	-	-
d) collection and payment services	5,866	5,549
e) servicing for securitisation transactions	116	130
f) factoring transaction services	-	-
g) tax collection services	-	-
h) management of multilateral trading facilities	-	-
i) current account management	8,625	8,265
j) other services	2,972	2,993
Total	27,104	25,256

Item j) other services includes the commission relating to credit cards, the use of Cashline and POS cards for around Euro 1,230 thousand, current accounts loans and related services for the residual amount.

2.2 Fee and commission income: distribution channels of products and services

Channels/Amounts	Total 31/12/2014	Total 31/12/2013
a) at Bank branches:	6,470	5,422
1. portfolio management	-	-
2. placement of securities	2,737	2,098
3. third party products and services	3,733	3,324
b) out-of-branch offer:	-	-
1. portfolio management	-	-
2. placement of securities	-	-
3. third party products and services	-	-
c) other distribution channels:	-	-
1. portfolio management	-	-
2. placement of securities	-	-
3. third party products and services	-	-

2.3 Fee and commission expense: breakdown

Services/Amounts	Total 31/12/2014	Total 31/12/2013
a) guarantees received	(907)	(1,580)
b) credit derivatives	-	-
c) management and trading services:	(401)	(120)
1. trading of financial instruments	-	-
2. currency trading	-	-
3. portfolio management	(263)	-
3.1 own account	(263)	-
3.2 for third parties	-	-
4. custody and administration of securities	(138)	(120)
5. placement of financial instruments	-	-
6. out-of-branch offer of financial instruments, products and services	-	-
d) collection and payment services	(1,360)	(1,443)
e) other services	(703)	(597)
TOTAL	(3,371)	(3,740)

Commission for guarantees received includes the amounts acknowledged by the Ministry of the Economy and Finance for the guarantee granted on securities issued by the bank and used as collateral for the purpose of accessing the ECB loans pursuant to Article 8 of Italian Decree Law No. 201 dated 6 December 2011; the guarantee was discharged at the end of July and so the amount of commissions is reduced.

Section 3 - Dividends and similar income - Item 70

3.1 Dividends and similar income: breakdown

	Items/Income	Total 31/12/2014		Total 31/12/2013	
		dividends	income from UCIT units	dividends	income from UCIT units
A.	Financial assets held for trading	-	-	-	-
B.	Available-for-sale financial assets	146	571	179	-
C.	Financial assets measured at fair value	-	-	-	-
D.	Equity Investments	-	-	-	-
	Total	146	571	179	-

These are dividends collected on available-for-sale financial assets, both on equity securities and on UCITS. .

Section 4 - Net profit (loss) from trading activities - Item 80

The item includes:

- a) the balance between the profits and losses on transactions classified under “financial assets held for trading” and “financial liabilities held for trading”, including the results of the valuations of these transactions;
- a) the balance between gains and losses on financial transactions, other than those designated at fair value and those for hedging, denominated in foreign currency, including the results of the valuations of these transactions.

4.1 Net profit (loss) from trading activities: breakdown

Transactions / Income components	Capital gains (A)	Trading income (B)	Losses (C)	Trading losses(D)	Net (gain) loss [(A+B) - (C+D)]
1. Financial assets held for trading	-	456	-	(3)	453
1.1 Debt securities	-	3	-	(3)	-
1.2 Equity securities	-	1	-	-	1
1.3 UCIT units	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Other	-	452	-	-	452
2. Financial liabilities held for trading	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Financial assets and liabilities: exchange differences	-	-	-	-	176
4. Derivatives	-	-	-	-	-
4.1 Financial derivatives:	-	-	-	-	-
- On debt securities and interest rates	-	-	-	-	-
- On equity securities and stock market share indices	-	-	-	-	-
- On currencies and gold	-	-	-	-	-
- Other	-	-	-	-	-
4.2 Credit derivatives	-	-	-	-	-
Total	-	456	-	(3)	629

The sub-item “financial assets held for trading: other” includes the gains and losses deriving from foreign currency trading.

Section 5 - Net hedging expense - Item 90

5.1 Net hedging expense: breakdown

The Bank has not carried out any hedging transactions over the last few years; therefore, the table belonging to the section is not drawn up.

Section 6 - Profit (Losses) on sale/repurchase - item 100

This section includes the positive and negative balances of the gains and losses generated by means of the sale of financial assets and liabilities other than those relating to trading and those designated at fair value.

6.1 Profit (loss) on sale/repurchase: breakdown

Items/Income components	Total 31/12/2014			Total 31/12/2013		
	Profit	Losses	Net profit (losses)	Profit	Losses	Net gains (losses)
Financial assets						
1. Loans and receivables with banks	-	-	-	-	-	-
2. Loans and receivables with customers	-	-	-	627	(3,064)	(2,437)
3. Available-for-sale financial assets	69,819	(480)	69,339	26,661	(238)	26,423
3.1 Debt securities	67,793	(75)	67,718	25,859	(42)	25,817
3.2 Equity securities	-	(79)	(79)	412	(196)	216
3.3 UCIT units	2,026	(326)	1,700	390	-	390
3.4 Loans	-	-	-	-	-	-
4. Held-to-maturity financial assets	-	-	-	-	-	-
Total assets	69,819	(480)	69,339	27,288	(3,302)	23,986
Financial liabilities						
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Securities issued	122	(1,831)	(1,709)	648	(179)	469
Total liabilities	122	(1,831)	(1,709)	648	(179)	469

The positive overall result from sale/repurchase activities amounted to Euro 67,630 thousand compared with Euro 24,455 thousand in 2013. It includes the overall profit of Euro 69,339 thousand deriving from the sale of the securities included in the portfolio of available-for-sale financial assets, mainly Government securities, and the loss of Euro 1,709 thousand from the repurchase of Bank bonds at a price higher on average than that recognised in the accounts at amortised cost. Both the considerable amount of profits made in the sale of securities (mainly government securities) and the average prices paid for the repurchase of Bank bonds were affected by the trend in market rates recorded during the year.

Section 7 - Profits (Losses) on financial assets and liabilities measured at fair value - Item 110

The table is not drawn up since the Bank does not hold financial assets and liabilities classified in the specific “measured at fair value” portfolio.

Section 8 - Net impairment losses - Item 130

The balances of impairment losses and reversals of impairment losses related to loans and receivables with customers and with banks, of available-for-sale financial assets, of financial assets held until maturity and other financial transactions are presented in this item.

8.1 Net impairment losses on loans and receivables: breakdown

Net impairment losses on loans and receivables is broken down as follows:

Transactions/Income components	Impairment losses (1)			Reversals of impairment losses (2)				(1-2) Total 31/12/2014	Total 31/12/2013
	Individual			Individual		Collective			
	Derecognitions	Other	Collective	A	B	A	B		
A. Loans and receivables with banks	-	-	-	-	-	-	-	-	-
- Loans	-	-	-	-	-	-	-	-	-
- Debt securities	-	-	-	-	-	-	-	-	-
B. Loans and receivables with customers	(689)	(82,190)	(2,054)	7,259	6,328	-	-	(71,346)	(43,222)
Purchased impaired loans and receivables	-	-	-	-	-	-	-	-	-
- Loans	-	-	-	-	-	-	-	-	-
- Debt securities	-	-	-	-	-	-	-	-	-
Other loans and receivables	(689)	(82,190)	(2,054)	7,259	6,328	-	-	(71,346)	(43,222)
- Loans	(689)	(82,190)	(2,054)	7,259	6,328	-	-	(71,346)	(43,222)
- Debt securities	-	-	-	-	-	-	-	-	-
C. Total	(689)	(82,190)	(2,054)	7,259	6,328	-	-	(71,346)	(43,222)

Key

A = from interest

B = other reversals

Impairment losses, in correspondence to the “Individual - Derecognitions” column, are those pertaining to the year that derive from discharging events, while those corresponding to the “Individual - Other” column correspond to the amount booked to the income statement as a consequence of the analytical write-downs of impaired loans and receivables, impairment inclusive of the discounting back of the estimated future cash flows that populate the specific allowance for impairment.

The impairment losses recorded in the “collective” columns represent the adjustment of the measurement of the overall risk on performing loans and receivables and their accounting counterpart is the allowance for impairment of performing loans and receivables (collective impairment in the tables of part E).

The reversals of impairment losses shown in the “Individual - A” column refer to the reversals of impairment losses deriving from the discounting back and corresponding to the interest accrued in the financial year on the basis of the original interest rate used previously to calculate the impairment losses.

The individual reversals of impairment losses shown in column B by contrast refer to all the reversals of impairment losses (also for return to performing status) and collection of impaired loans and receivables, as well as the recovery of receivables and loans by now amortised.

8.2 Net impairment losses on available-for-sale financial assets: breakdown

Transactions/Income components	Impairment losses		Reversals of impairment losses		Total 31/12/2014	Total 31/12/2013
	Individual		Individual			
	Derecognitions	Other	A	B		
A. Debt securities	-	-	-	-	-	-
B. Equity securities	-	(3,052)	-	-	(3,052)	(6,788)
C. UCIT units	-	(159)	-	-	(159)	-
D. Loans and receivables with banks	-	-	-	-	-	-
E. Loans and receivables with customers	-	-	-	-	-	-
F. Total	-	(3,211)	-	-	(3,211)	(6,788)

Key

A = from interest

B = other reversals

The amount refers to:

- the alignment of the book value expressed in the last half-yearly report of the Asset Bancari UCIT fund (Euro 159 thousand),
- the impairment down of the shares held in Ca.Ri.Fe. of Euro 2,895 thousand, taking the unit book price from Euro 9.21 to Euro 3.13; this latter value is supported by an estimate made by an external consulting firm;
- the impairment of the equity investment UBI Leasing for Euro 107 thousand, aligning the value recorded in the financial statements to shareholders' equity of the investee company as at 30 September 2014,
- the realignment of the book price of the shares of Banca Popolare di Cividale of Euro 50 thousand.

The impairment was made in compliance with the classification and measurement policies adopted by the Bank during the financial year.

8.3 Net impairment losses on held-to-maturity financial assets: breakdown

The table is not drawn up because there are no financial assets classified as thus.

8.4 Net impairment losses on other financial transactions: breakdown

Transactions/Income components	Impairment losses (1)			Reversals of impairment losses (2)				(1-2) Total 31/12/2014	Total 31/12/2013
	Individual			Individual		Portfolio			
	Derecognitions	Other	Portfolio	Individual		Portfolio			
				A	B	A	B		
A. Guarantees given	-	(1,974)	-	-	122	-	-	(1,852)	(65)
B. Credit derivatives	-	-	-	-	-	-	-	-	-
C. Commitments to grant finance	-	-	-	-	-	-	-	-	-
D. Other transactions	-	-	-	-	-	-	-	-	-
E. Total	-	(1,974)	-	-	122	-	-	(1,852)	(65)

Key

A = from interest

B = other reversals

The table shows the impairment losses and reversals of impairment losses on endorsement credits to customers that are impaired.

Section 9 - Administrative expenses - Item 150

This section provides analysis of the “labour costs” and “other administrative expenses” recorded during the year.

9.1 Labour costs: breakdown

Type of expense/Amounts	Total 31/12/2014	Total 31/12/2013
1) Employees	(32,367)	(31,284)
a) wages and salaries	(22,996)	(21,770)
b) social security charges	(6,105)	(5,759)
c) post-employment benefits	(368)	(331)
d) pension expenses	-	-
e) accrual for post-employment benefits	(157)	(160)
f) accruals for pension and similar provisions:	-	-
- defined contribution	-	-
- defined benefit	-	-
g) payments to external supplementary pension funds:	(1,683)	(1,622)
- defined contribution	(1,683)	(1,622)
- defined benefit	-	-
h) costs of share-based payment plans	-	-
i) other employee benefits	(1,058)	(1,642)
2) Other personnel in service	(182)	(169)
3) Directors and statutory auditors	(845)	(846)
4) Retired personnel	-	-
5) Cost recoveries for employees seconded to other companies	24	98
6) Cost reimbursement for third party employees seconded to the bank	-	-
Total	(33,370)	(32,201)

The overall amount of labour costs increased in relation to the salary and wage trends and contractual rises, as well as to the change in the workforce.

The items “wages and salaries” and “social securities charges” also include the provision for the 2014 results bonus, which will be paid during 2015.

The sub-item “c) post-employment benefits” includes the amounts intended for the INPS Treasury Fund, in accordance with the provisions introduced by the welfare reform as per Italian Legislative Decree No. 252/2005 and Italian Law No. 296/2006.

The sub-item “e) accrual for post-employment benefits - employees” includes the revaluation of the Post-employment benefits that has remained in-house (post-employment benefit fund) and the non-actuarial components of the IAS measurements.

The sub-item g) includes the portions relating to the supplementary pension fund paid by the Bank to the Supplementary Funds on a compulsory (portion relating to the post-employment benefits) and optional basis.

The sub-item 2) “other personnel” includes Euro 182 thousand relating to costs for atypical employment contracts, including those for “temp work” contracts for Euro 152 thousand.

The item 3) “Directors and statutory auditors”, the amount of which is equal to that of the previous year, includes:

- the fee, inclusive of VAT and contributions, for the Board of Statutory Auditors totalling Euro 178 thousand;
- the fee, inclusive of VAT and contributions, if due, for the members of the Board of Directors totalling Euro 668 thousand.

9.2 Average number of employees by category

Items		Total 31/12/2014	Total 31/12/2013
°	Employees:	468	457
	a) executives	9	9
	b) middle managers	171	161
	c) other employees	288	287
°	Other personnel	14	13

The exact number of employees at year end was by contrast the following:

Exact number of employees	Total 31/12/2014	Total 31/12/2013
Employees	483	467
of which part time	16	12
Under staff leasing	2	5
Other personnel	14	14

The exact number is indicated without weighting by 50% the part-time employees. Other personnel include the 11 directors and 3 external co-workers.

9.3 Defined benefit company pension funds: costs and revenues

There are no defined benefit company pension funds.

9.4 Other employee benefits

This item includes various types of expense, as broken down below:

Type of expense/Amounts	Total 31/12/2014	Total 31/12/2013
Luncheon vouchers	(533)	(520)
Insurance premiums	(408)	(426)
Training expenses	(79)	(158)
Redundancy incentives	-	(514)
Other	(38)	(24)
TOTAL	(1,058)	(1,642)

9.5 Other administrative expenses: breakdown

Administrative expenses other than labour costs amounted to Euro 30,284 thousand at year end.

Within “Indirect taxes”, the main amount concerns the stamp duty paid on behalf of customers (Euro 8,105 thousand compared to Euro 7,324 thousand of 2013); the revenue for the recovery of costs is recorded in item “190 Other operating income and expense”.

The overall increase of administrative expenses is justified by indirect taxes (which also includes taxes for the bank, such as IMU, TASI, TARI, in addition to those relating to legal actions for the collection of non-performing loans) as well as by specific projects, approved by the Board of Directors, of consultancy in the preparation of corporate policies, mandated by the regulations contained in Circular no. 263 of the Bank of Italy and by the obligations related to the entry into force of "Basel 3" regulations, to some advertising campaigns for strengthening the image of the bank, to the service centre and to third party processing.

Type of expense/Amounts	Total 31/12/2014	Total 31/12/2013
Telephone, postal and data transmission expense	(2,121)	(1,960)
Intangible fixed asset maintenance expenses	(1,445)	(1,397)
Rentals payable on properties	(1,527)	(1,577)
Security, transportation and custody of valuables expenses	(652)	(716)
Transportation expenses	(215)	(206)
Fees paid to professionals	(1,346)	(959)
Costs for office materials and supplies	(661)	(618)
Electricity and heating costs	(722)	(770)
Advertising and entertainment expenses	(560)	(259)
Legal costs	(1,484)	(1,350)
Insurance premiums	(1,749)	(1,421)
Costs for information and searches	(1,765)	(1,463)
Data processing centre	(4,302)	(4,072)
Indirect taxes	(9,255)	(7,937)
Cleaning services	(426)	(422)
Membership fees	(497)	(429)
Contributions for Treasury Service and sundry associations	(64)	(69)
Processing of bills, cheques and documents with third parties	(482)	(402)
Rented property maintenance and condo charges	(102)	(107)
Subscriptions and ads for newspapers and magazines	(88)	(97)
Purchase of promotional materials	(128)	(78)
Cost of the staff leasing contracts service	(16)	(12)
Expenses for travel and business trips involving personnel in service	(327)	(339)
Securitisation administrative expenses	(29)	-
Sundry minor costs and expenses for general meetings	(321)	(280)
Total	(30,284)	(26,940)

Section 10 - Net accruals to provisions for risks and charges - item 160

This item includes the balance, positive or negative, between the allocations and any re-assignments to the income statement of provisions deemed in excess, relating to the provisions as per sub-item b) “other provisions” in item 120 “provisions for risks and charges” under the liability items of the balance sheet.

10.1 - Net accruals to provisions for risks and charges: breakdown

Items	Total 31/12/2014	Total 31/12/2013
Provision for legal disputes, compound interest and securities as well as for bankruptcy revocatory action	(572)	(368)
Return to income statement for settlement of disputes arising during core business activities	10	84
Total	(562)	(284)

Section 11 - Depreciation and net impairment losses on tangible assets - Item 170

The item comprises the balance between the depreciation and net impairment losses on operational tangible assets, including those relating to activities acquired through finance lease.

11.1 Depreciation and net impairment losses on tangible assets

Assets/Income items	Depreciation (a)	Impairment losses (b)	Reversals of impairment losses (c)	Net result (a + b - c)
A. Tangible assets				
A.1 Owned	(1,684)	-	-	(1,684)
- Operational property and equipment	(1,684)	-	-	(1,684)
- Investment property	-	-	-	-
A.2 Acquired through a finance lease	(13)	-	-	(13)
- Operational property and equipment	(13)	-	-	(13)
- Investment property	-	-	-	-
Total	(1,697)	-	-	(1,697)

The depreciation for 2014 amounts in total to Euro 1,697 thousand. Reference is made to table 11.3 in Section 11 of the Balance Sheet - Assets “Tangible assets”.

In detail, the depreciation is broken down as follows:

- on properties Euro 672 thousand;
- on furniture and furnishings Euro 307 thousand;
- on electronic installations Euro 214 thousand;
- on the remaining assets Euro 504 thousand.

As at 31 December 2014, there were no assets held for sale and discontinued operations as per IFRS 5.

Section 12 - Amortisation and impairment losses on intangible assets - Item 180

This section comprises the balance between amortisation and impairment losses on intangible assets, other than goodwill, including those relating to assets acquired through finance lease assets provided under operating lease.

12.1 Amortisation and net impairment losses on intangible assets: breakdown

Assets/Income items	Amortisation (a)	Impairment losses (b)	Reversals of impairment losses (c)	Net result (a + b - c)
A. Intangible assets				
A.1 Owned	(817)	-	-	(817)
- Generated internally	-	-	-	-
- Other	(817)	-	-	(817)
A.2 Acquired through a finance lease	-	-	-	-
Total	(817)	-	-	(817)

The impairment losses refer to the amortisation of intangible assets with a definite useful life acquired externally.

Intangible assets are more fully described in Section 12 of the Balance Sheet - Assets “Intangible assets” in these explanatory notes

Section 13 - Other operating income/expense - Item 190

The costs and revenues not attributable to other items, which contribute to the formation of item 270 “Profit (Loss) from operations net of taxation” are illustrated in this section.

13.1 Other operating expenses: breakdown

The breakdown of other operating expense is provided below.

Type of expense/Amounts	Total 31/12/2014	Total 31/12/2013
Extraordinary expense	(104)	(207)
Costs for leasehold improvements	(150)	(212)
Interbank Guarantee Fund	-	(576)
Other	(168)	(347)
Total	(422)	(1,342)

The item “costs for leasehold improvements” includes the amortisation of improvements made to third party assets, in detail structural work necessary for the setting up of new branches in rented properties.

The item “Other” mainly comprises costs of legal and similar transactions pertaining to the year.

13.2 Other operating income: breakdown

The breakdown of other operating income is provided below.

Type of income/Amounts	Total 31/12/2014	Total 31/12/2013
Rent receivable on properties	57	102
Recovery of taxes from customers	8,096	7,318
Recovery of insurance premiums from customers	1,052	872
Recovery of expenses on deposits and current accounts	135	116
Services provided to other Group companies	20	15
Recoveries on legal costs	1,502	1,022
Extraordinary income	291	65
Fast-track loan approval process commissions	3,016	3,260
Recovery of expenses from employees	1	-
Total	14,170	12,770

The recovery of taxes of Euro 8,096 thousand concerns the stamp duty on current accounts and securities deposits; this recovery is related to the amount recorded under administrative expenses (see table “9.5 Other administrative expenses”).

The item “Recoveries on legal costs” includes the recovery of legal costs concerning specific recovery activities vis-à-vis non-performing positions and recharged to the same (both expenses professional consulting expenses and tax expenses).

Fast-track loan approval process commissions are classified here as requested by the financial statement regulations of the Bank of Italy.

Services provided to Group companies includes service activities with Valsabbina Real Estate.

Section 14 - Net gains (losses) on equity investments - item 210

14.1 Net gains (losses) on equity investments: breakdown

Income components/Amounts	Total 31/12/2014	Total 31/12/2013
A. Income	60	-
1. Revaluations	-	-
2. Gains on sale	-	-
3. Reversals of impairment losses	-	-
4. Other income	60	-
B. Expense	-	-
1. Impairment	-	-
2. Impairment losses	-	-
3. Losses on sale	-	-
4. Other expenses	-	-
Net gains (losses)	60	-

The item includes the dividend received by equity investment in Polis Fondi Immobiliari S.g.r.

Section 15 – Net profit (loss) from the fair value valuation of tangible and intangible assets - Item 220

Section 16 - Goodwill impairment losses - Item 230

These tables have not been drawn up since there have been no transactions that would require indication in these sections.

Section 17 - Net gains (losses) on sales of investments - Item 240

17.1 Net gains (losses) on sales of investments: breakdown

Income components/Amounts	Total 31/12/2014	Total 31/12/2013
A. Property	-	-
- Gains on sale	-	-
- Losses on sale	-	-
B. Other assets	8	(16)
- Gains on sale	9	-
- Losses on sale	(1)	(16)
Net gains (losses)	8	(16)

Section 18 - Income taxes - Item 260

This item discloses the tax liability - equal to the balance between the current taxation and the deferred taxation - relating to the profit for the year.

18.1 Income taxes: breakdown

The breakdown of taxation for the year is provided below.

Income components/Amounts		Total 31/12/2014	Total 31/12/2013
1.	Current taxes (-)	(24,963)	(15,747)
2.	Changes in current taxes of prior years (+/-)	-	-
3.	Reduction in current taxes for the year (+)	-	-
3.bis	Reduction in current taxes for the year for credit taxes set forth in Italian Law no. 214/2011 (+)	-	-
4.	Change in prepaid taxes (+/-)	15,278	9,990
5.	Change in deferred taxes (+/-)	(230)	2,131
6.	Income taxes for the year (-) (-1+/-2+3+3bis+/-4+/-5)	(9,915)	(3,626)

Current taxes were recognised on the basis of current tax regulations and tax rates (27.5% for IRES, 5.57% for IRAP) and correspond to when they actually occur for 2014. Current taxes of 2013 included the additional Ires of 8.5% for Euro 1,003 thousand.

Changes in prepaid taxes (prepaid occurred less prepaid cancelled in the financial year) amounted to Euro 15,278 thousand as shown in table 13.3 of assets. The amount is related to the tax deduction of impairment losses on loans and receivables, allowed on a straight-line basis over five years (including the current financial year).

The change in deferred taxes is shown in table 13.5 of assets.

2013 taxes benefited from the extraordinary effect of the recovery of deferred taxes (Euro 885 thousand) for the alignment of the tax values of properties in addition to Euro 376 thousand for the integration of tax sheltering of goodwill and of other intangible assets to declarations submitted and a smaller IRAP tax burden.

18.2 Reconciliation between theoretical tax expense and actual tax expense

The following table shows the reconciliation of the effective tax expense (41.45%) with respect to the theoretical one calculated on the profit from continuing operations gross of taxation (income statement item 250).

IRES	Taxable amount	Ires 27.5%	% effect
Profit gross of taxation (theoretical taxation)	23,922	(6,579)	(27.50%)
Permanent increases			
- 4% non-deductible interest expense	2,887	(794)	(3.32%)
- non-deductibility of impairment of investment securities	3,161	(869)	(3.63%)
- other non-deductible expense	459	(126)	(0.53%)
Permanent decreases			
-10% IRAP deduction and labour costs	(1,419)	390	1.63%
- dividends	(195)	54	0.23%
- equity increase (a.c.e.)	(3,477)	956	4.00%
- other changes	(50)	14	0.06%
Effective IRES tax expense		(6,954)	(29.07%)
IRAP	Taxable amount	IRAP 5.57%	%
Profit gross of taxation (theoretical taxes)	23,922	(1,332)	(5.57%)
Permanent increases			
- 4% non-deductible interest expense	2,887	(161)	(0.67%)
- non-deductible labour costs	33,370	(1,859)	(7.77%)
- other changes (10% general and other expenses)	4,453	(248)	(1.04%)
Permanent decreases			
- dividends	(103)	6	0.03%
- tax wedge	(11,277)	628	2.63%
- other changes	(95)	5	0.02%
Effective IRAP tax expense		(2,961)	(12.38%)
Total effective IRES and IRAP tax expense		(9,915)	(41.45%)

Section 19 - Profit (loss) from discontinued operations net of taxation - Item 280

The table is not drawn up because there are no assets classified as thus.

Section 20 – Other information

This section is not drawn up since it is deemed that the information provided previously is complete.

Section 21 - Earnings per share

The new international standards (IAS 33) require the returns indicator to be published on a mandatory basis: “earnings per share” (commonly known as “EPS”), in the two versions:

- “Basic EPS”, calculated by dividing the net profit by the weighted average of the ordinary shares in circulation;
- “Diluted EPS”, calculated by dividing the net profit by the weighted average of the ordinary shares in circulation, also taking into account the classes of instruments with diluting effects.

21.1 Average number of ordinary shares with diluted share capital

There are no ordinary shares that will be issued in the future with diluting effects on the capital.

21.2 Other information

Items	Total 31/12/2014	Total 31/12/2013
Profit for the year	14,007	7,685
Ordinary shares (weighted average)	35,429,592	35,534,048
Earnings per share	0.395	0.216

On the basis of sections 19 - 20 of IAS 33, with regard to the calculation of the basic earnings per share, the number of the ordinary shares in circulation must be equal to the weighted average for the number of days the shares have been in circulation, therefore net of the own shares repurchased.

Part D – Statement of Comprehensive Income

This additional disclosure is required for presenting the not only the profit for the year but also the other income components that are not recognised in the income statement (basically those recorded as a change in the shareholders' equity valuation reserves).

In addition to the statement of comprehensive income shown after the financial statements, the following additional details are provided.

<i>Analytical statement of comprehensive income</i>				
Items		Gross amount	Income tax	Net amount
10.	Profit (loss) for the year	X	X	14,007
	Other comprehensive income without reversal to income statement	(787)	283	(504)
40.	Defined benefit plans	(787)	283	(504)
	Other comprehensive income with reversal to income statement	8,094	(2,364)	5,730
100.	Available-for-sale financial assets:	8,094	(2,364)	5,730
	a) fair value changes	2,415	(531)	1,884
	b) reversal to income statement	5,679	(1,834)	3,845
	- impairment losses	76	(12)	64
	- gains (losses) on sales	5,603	(1,822)	3,781
	c) other changes	-	1	1
130.	Total other comprehensive income	7,307	(2,081)	5,226
140.	Comprehensive income (Item 10+130)	7,307	(2,081)	19,233

With regard to item 100, the breakdown of the fair value changes and the reversal to income statement of the impairment losses recognised in 2014 is as follows:

	Gross amount	Income tax	Net amount
a) fair value changes	2,415	(531)	1,884
Debt securities	625	(207)	418
Equity securities	1,049	(79)	970
UCIT units	741	(245)	496
b) reversal to income statement - impairment losses	76	(12)	64
Equity securities	50	(3)	47
UCIT units	26	(9)	17
b) reversal to income statement - gains (losses) on sales	5,603	(1,822)	3,781
Debt securities	4,751	(1,571)	3,180
Equity securities	854	(252)	602
UCIT units	(2)	1	(1)
c) other changes	-	1	1
previous years' tax adjustment on equities partially under PEX	-	1	1

Item 40 is equal, as already indicated in the comment to liability item 110, to the actuarial change for the year in the post-employment benefit fund, a change that was registered against shareholders' equity reserve as from the 2012 financial statements.

The amount of the income tax for Euro -2,081 thousand, is also indicated in the tables 13.5 and 13.6 of the “Tax assets”, as follows:

13.5 Changes in prepaid taxes (through shareholders' equity)	
Increases	650
Decreases	(1,870)
13.6 Changes in deferred taxes (through shareholders' equity)	
Increases	(901)
Decreases	40
Effect of the income taxes on comprehensive income	(2,081)