



# Financial Statements 2014

***“tieni gli occhi sulle stelle***

***ma i piedi per terra”***



# 13th YEAR

BANCA SIMETICA S.p.A.

Share Capital and Reserves at 31/12/2014 € 28,805,628

Biella Register of Companies No. 02071270025 - R.E.A. (Economic Administrative Index) No. 179386 at the Biella Chamber of Commerce for Industry, Agriculture and Handicraft

Tax code/VAT No. 02071270025

Registered Bank, registration No. 5713 - ABI code No. 3398.5

Member of the Fondo Nazionale di Garanzia (National Guarantee Fund) and of the Fondo Interbancario di Tutela dei Depositi (Interbank Deposit Protection Fund)

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## Company boards

### Board of Directors

|                     |                         |
|---------------------|-------------------------|
| PIER LUIGI BARBERA  | Chairman                |
| GIORGIO MELLO RELLA | Chief Executive Officer |
| MAURO BRUNIERA      | Executive Director      |
| ANDREA PERINI       | Independent Director    |

#### **Pier Luigi BARBERA**

##### **Chairman**

Appointed Chairman on 26 April 2012, he is responsible for the proper functioning of the corporate governance system and for guaranteeing the balance of powers. He acts as a point of contact between the internal supervisory bodies and committees.

He is authorised to sign severally on behalf of the company in dealings with third parties and before the courts of law.

#### **Giorgio MELLO RELLA**

##### **Chief Executive Officer**

Appointed Chief Executive Officer on 26 April 2012, he is vested with powers as regards ordinary and extraordinary administration with the exception of the powers pertaining exclusively to the Board of Directors:

- to define the company's market operations, products and operating limits;
- to approve new markets or products;
- to approve the list of counterparties for off-market trading and operating limits (within the limits established by the Risk control procedure manual);
- to conduct periodic reviews of operating limits;
- to approve risk management policies and strategies;
- to approve the organisational structure;
- to acquire and dispose of major stakes;
- to approve and amend the main internal regulations;
- to appoint committees within corporate boards;
- to appoint the heads of Internal Audit, Compliance and Risk Management.

#### **Mauro BRUNIERA**

##### **Executive Director**

With powers, granted on 26 April 2012, as regards the provision of portfolio management services:

- to perform analyses and issue forecasts to be used as the basis for general investment strategies;
- to carry on investment activities;
- to manage the business organisation;
- to manage personnel.

#### **Andrea PERINI**

##### **Independent Director**

Appointed on 26 April 2012:

- acquires information about how the company is managed and organised from its managers, the internal audit and other control functions;
- takes part in the appointment and dismissal of the heads of the internal control and risk management functions



From left: Mauro Bruniera, Andrea Perini, Giorgio Mello Rella e Pier Luigi Barbera.

## **Board of Statutory Auditors**

|                       |                   |
|-----------------------|-------------------|
| MARIO ROVETTI         | Chairman          |
| ENZO MARIO NAPOLITANO | Statutory Auditor |
| GIOVANNI SPOLA        | Statutory Auditor |
| FILIPPO MARIA BAU'    | Alternate Auditor |
| FABIO DANIELE         | Alternate Auditor |



From left: Mario Rovetti, Giovanni Spola e Enzo Mario Napolitano.

## **Independent Auditors**

Deloitte & Touche S.p.A.



## Distinguishing factors

The main distinguishing factors of BANCA SIMETICA S.p.A. are set out in articles 3, 19, 20 and 21 of the BYLAWS:

### Art. 3) Ethical objectives

The activities of the company are inspired by the following principles of Ethical Finance:

- ethically oriented finance is sensitive to the non-economic consequences of economic actions;
- lending in its various forms, securities intermediation and more specifically arbitrage trading, are not only a human right but also socially useful;
- efficiency and sobriety are components of ethical responsibility;
- profit obtained from the possession and exchange of securities must be a consequence of activities carried on with a view to the common interest and must be equally distributed among all parties that contribute to its realisation, including employees and partners;
- maximum transparency of all operations is a fundamental requisite of any ethical financial activity;
- the participation not only of shareholders, but also of investors, in the company's decision making process must be encouraged;
- all activities of an institution which accepts the principles of Ethical Finance should be guided by these criteria.

The company has been set up to manage the financial resources of families, women, men, organisations, companies of any kind and entities, by using their savings and liquid assets for their own interest provided that is not in conflict with the common interest.

The company shall not enter into financial relations with economic activities that, even indirectly, obstruct human development and contribute to any violation of fundamental human rights. The company shall have an educational role in helping investors and borrowers to take an interest in how their money is allocated and used and encouraging the latter to develop their autonomy and entrepreneurship by implementing responsible planning strategies.

### Art. 19) Financial statements and profits

The financial year shall end on 31 December each year, when the financial statements shall be drawn up in accordance with the law.

Net profits shall be allocated as follows:

- initially, an amount of not less than 5% (five per cent) to the legal reserve, until this amounts to one fifth of the share capital;
- a portion, to be defined by the Meeting and in any case not less than 10% (ten per cent), for social purposes, in accordance with the provisions of art. 3 above, to non-profit-making organisations engaged in socially useful work and the other entities listed under art. 100, para. 2 of Presidential Decree 917/86 and subsequent amendments. Any conflicts of interest shall be made known in advance and be governed by the provisions of the law. Said portion shall be determined by taking into consideration any donations made during the corporate year and recorded in the profit and loss account. The Meeting shall also define the criteria for selecting beneficiaries, the maximum limits and methods of allocation, which must be observed by the Board of Directors operating under the supervision of the Ethics Committee;
- the difference shall be allocated to the shareholders, unless otherwise agreed upon by the Meeting.

**Art. 20) Ethics Committee**

The General Meeting shall appoint the members of an Ethics Committee. Said Committee shall consist of three members chosen for their ethical standards and who are active in the fields of solidarity, cooperation and scientific research.

The members of the Ethics Committee shall hold office for three years. They shall not receive any remuneration and may only be re-elected once.

The Ethics Committee shall act as an advisory body on ethical matters, overseeing the company's compliance with the principles of ethical conduct as set forth in these bylaws.

The Committee shall elect a chairman. It shall report on its work to the Shareholders' Meeting at least once a year. Said report shall coincide with the approval of the social or sustainability report.

The organisation and operation of the Committee shall be governed by specific regulations to be approved by the Board of Directors and endorsed by the Shareholders' Meeting.

**Art. 21) Social or sustainability report**

In addition to the provisions of articles 2423 et seq of the Italian Civil Code, the Board of Directors shall prepare a social or sustainability report, to be drawn up in compliance with national and international standards, accounting principles and current legislation.

The social or sustainability report shall explain the company's effective pursuit of the corporate purpose as defined under art. 3 of these bylaws and the social, environmental and cultural impacts of its business activities. Specific reference shall be made to allocations of funds for social purposes and donations by the company during the year.

The social or sustainability report shall be accompanied by a report by the Ethics Committee, in which the latter shall express its opinion as regards the company's compliance with the bylaws and the decisions of the Meetings, and a report by the Board of Statutory Auditors with its opinion concerning the compatibility of the information provided with that contained in the accounts.

The social or sustainability report shall be submitted to the Shareholders' Meeting for approval on the basis of the same terms and conditions applicable for the approval of the financial statements. It shall thus be made an integral part of the financial statements, along with the accompanying reports.

## The three “pillars” of Banca Simetica

At a time of profound upheaval and continuous change throughout the financial world, we decided that the best legal form to remain a viable and competitive player in the marketplace was that of a bank.

Our key objective is to enhance the reputation of the new bank, on the basis of three distinctive “pillars”:

- High ideals
- High professional standards
- Irreproachable conduct

We believe our transformation should not undermine the continuity of projects and values:

- continuing to be inspired by the main principles of Ethical Finance;
- working with a strong sense of social responsibility;
- continuing to pay the greatest attention to risk control issues;
- continuing to focus on all items of expense in the profit and loss account;
- continuing to put our clients’ interests first and foremost;
- continuous and gradual development of all sources of income and prudential and gradual approach to other bank services.

The company has always upheld the principles of Corporate Social Responsibility; for this reason it adheres to the guidelines set forth in the ISO 26000 standard, which was approved in 2010.

While remaining focused on its mission, creating and fostering a profitable relationship with all the local players that share its values continues to rank as a priority for the bank.

This concern for the community is also reflected in the fact that the company supports a number of associations involved in socially useful work, in line with article 19 of the bylaws.

Details of all the projects supported in 2014 are contained in the Social Report.



## Directors' Report

Dear Shareholders,

2014, our thirteenth year of business, was another positive year for us.

From a general perspective, it was another difficult year for the European economy and for the Italian economy in particular, as borne out by weak GDP growth and the continual decrease in the rate of inflation. It was also a year of turmoil, marked by geopolitical crises (Russia - Ukraine), bank bailouts (Banco Espírito Santo), sovereign defaults (Argentina), concern over developments in Greece and plummeting oil prices.

All this made bond markets particularly volatile, and staff at our Operations Centre worked with their usual professionalism to attain good results while keeping risks under control.

I should also like to highlight the commitment of our business and control units in supporting management in light of a number of important changes in the regulatory environment.

Once again, clients of Banca Simetica lodged no claims whatsoever.

Total assets under management stabilised and at the end of the year amounted to more than € 170 million.

Despite the overall decline in interest rates as a consequence of the ECB's expansionary monetary policy, gross income from asset management stood at 3% (weighted average). This excellent result underpins our first-rate professional reputation.

In line with our commitment to allocate 10% of profits to social development, as set forth in the bylaws, the company focused on a number of local schemes, details of which are contained in the accompanying Social Report.

The financial statements for the year ended at 31 December 2014 which you are invited to approve, reflect a net income of € 2,140,488, after depreciation and amortisation for € 411,795 and income tax for € 1,078,266.

The Board of Directors  
Chairman  
Pier Luigi Barbera

## Changes in the main balance sheet and profit and loss account items

The following statements illustrate the changes to the main items in the balance sheet and profit and loss account.

### ASSETS

| AMOUNTS IN EUR                    | 31/12/2014        | 31/12/2013        | CHANGE           |
|-----------------------------------|-------------------|-------------------|------------------|
| CASH AND RECEIVABLES              | 31,570,614        | 21,910,664        | 9,659,950        |
| FINANCIAL ASSETS HELD FOR TRADING | 14,997,996        | 10,170,317        | 4,827,679        |
| INTANGIBLE AND TANGIBLE ASSETS    | 2,973,115         | 3,317,805         | -344,690         |
| OTHER ASSETS                      | 4,486,737         | 8,651,150         | -4,164,413       |
| <b>TOTAL ASSETS</b>               | <b>54,028,462</b> | <b>44,049,936</b> | <b>9,978,526</b> |

### LIABILITIES

| AMOUNTS IN EUR                                    | 31/12/2014        | 31/12/2013        | CHANGE           |
|---|-------------------|-------------------|------------------|
| DUE TO CLIENTS                                    | 18,371,590        | 8,137,486         | 10,234,104       |
| SEVERANCE INDEMNITY FUND                          | 578,580           | 358,828           | 219,752          |
| OTHER LIABILITIES                                 | 6,272,664         | 8,205,940         | -1,933,276       |
| SHAREHOLDERS' EQUITY                              | 28,805,628        | 27,347,682        | 1,457,946        |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> | <b>54,028,462</b> | <b>44,049,936</b> | <b>9,978,526</b> |

### PROFIT AND LOSS ACCOUNT

| AMOUNTS IN EUR             | 31/12/2014       | 31/12/2013     | CHANGE           |
|----------------------------|------------------|----------------|------------------|
| INTEREST MARGIN            | 752,449          | 579,607        | 172,842          |
| NET FEES AND COMMISSIONS   | 934,131          | 958,587        | -24,456          |
| EARNING MARGIN             | 7,607,569        | 5,021,989      | 2,585,580        |
| OPERATING COSTS            | -4,388,815       | -3,880,386     | -508,429         |
| INCOME TAX                 | -1,078,266       | -456,884       | -621,382         |
| <b>PROFIT FOR THE YEAR</b> | <b>2,140,488</b> | <b>684,719</b> | <b>1,455,769</b> |

## Operational highlights

### FINANCIAL INDICATORS

|  | 2014             | 2013           | CHANGE %      |
|--|------------------|----------------|---------------|
| TOTAL ASSETS   | 54,028,462       | 44,049,936     | 22.65         |
| TOTAL FUNDS USED AND INVESTED<br>(CLIENTS AND BANKS) | 31,558,300       | 19,411,587     | 62.57         |
| TOTAL ASSETS UNDER MANAGEMENT                        | 170,074,626      | 170,904,468    | -0.49         |
| SHAREHOLDERS' EQUITY                                 | 28,805,628       | 27,347,682     | 5.33          |
| INTEREST MARGIN                                      | 752,449          | 579,607        | 29.82         |
| EARNING MARGIN                                       | 7,607,569        | 5,021,989      | 51.49         |
| ADMINISTRATIVE EXPENSES AND PERSONNEL COSTS          | -4,115,497       | -3,670,794     | 12.11         |
| GROSS PROFIT FOR THE YEAR                            | 3,631,706        | 1,574,209      | 130.70        |
| <b>NET RESULT</b>                                    | <b>2,140,488</b> | <b>684,719</b> | <b>212.61</b> |

Data expressed in units of EUR

### EFFICIENCY INDEXES

|  | 2014   | 2013   |
|--|--------|--------|
| ROE                                    | 7.43%  | 2.50%  |
| ROA                                    | 3.96%  | 1.55%  |
| ADMINISTRATIVE EXPENSES/EARNING MARGIN | 54.10% | 73.09% |

## The general situation

The first half of 2014 was characterised by the unevenness of global economic growth: in the euro zone Spain and Portugal enjoyed the most pronounced growth, the German economy contracted, France stagnated and Italy reported a dip in growth; the US economy picked up speed again after slowing in the first quarter and the Japanese economy contracted in the second quarter.

Among the emerging markets, India and China recorded buoyant growth while Brazil's economy shrank. Russia's decision to take military action against Ukraine led to a further weakening of the economy which also had repercussions on European markets.

Business activity in the euro zone continued to contract from July onwards. Added to this were the Banco Espírito Santo bailout, Argentina's sovereign debt default and escalating tensions in the Middle East. The combination of these factors resulted in a downturn in the main equity and corporate bond markets at the beginning of August, at a time of heightened risk aversion that pushed long-term interest rates down.

In the third quarter of 2014 economic expansion continued at a healthy pace in the US and UK (as well as in China and India), but economic activity remained stationary in Europe and in a number of emerging countries, while weakening further in Japan.

In the last quarter economic growth in the US and China showed some signs of a slowdown whereas the European and Japanese economies began to stabilise.

| <i>GROWTH IN REAL GDP IN 2014 <sup>(1)</sup></i> | <i>1Q</i> | <i>2Q</i> | <i>3Q</i> | <i>4Q</i> |
|--|-----------|-----------|-----------|-----------|
| Italy  | -0.1%     | -0.2%     | -0.1%     | 0         |
| Germany  | 0.8%      | -0.1%     | 0.1%      | 0.7%      |
| UK   | 0.7%      | 0.8%      | 0.7%      | 0.6%      |
| US   | -2.1%     | 4.6%      | 5%        | 2.2%      |
| Japan  | 1.3%      | -1.6%     | -0.7%     | 0.4%      |
| China  | 1.6%      | 2.0%      | 1.9%      | 1.5%      |
| India  | 1.8%      | 1.7%      | 2.2%      | 1.6%      |
| Russia   | -0.16%    | 0.24%     | 0         | -0.02%    |
| Brazil   | 0.63%     | -1.37%    | 0.2%      | 0.3%      |

(1) quarter-over-quarter percentage change

Source: Bloomberg

In October financial markets experienced renewed volatility, resulting in portfolio shifts towards safer assets such as German government bonds.

Meanwhile, the price of crude oil, which had started to fall at the beginning of July triggered by shocks in the oil market that affected supply (e.g. new extraction technology) and demand, collapsed by around 50 per cent in the second half of 2014. This contributed to a downturn in inflation in most of the advanced countries. In several European countries, and in Italy in particular, the fall in inflation also reflected a drop in domestic demand, with a looming risk of deflation.

| <i>INFLATION RATE IN 2014 <sup>(1)</sup></i> | <i>Mar.</i> | <i>June</i> | <i>Sept.</i> | <i>Dec.</i> |
|--|-------------|-------------|--------------|-------------|
| Italy  | 0.37%       | 0.28%       | -0.2%        | 0           |
| Germany                                      | 1.04%       | 1.04%       | 0.8%         | 0.2%        |
| UK   | 1.6%        | 1.9%        | 1.2%         | 0.5%        |
| US   | 1.5%        | 2.0%        | 1.6%         | 0.7%        |
| Japan  | 1.6%        | 3.6%        | 3.2%         | 2.4%        |
| China  | 2.4%        | 2.3%        | 1.6%         | 1.5%        |
| India  | 8.25%       | 6.77%       | 5.63%        | 4.28%       |
| Russia                                       | 6.9%        | 7.8%        | 8%           | 11.4%       |
| Brazil                                       | 6.15%       | 6.52%       | 6.75%        | 6.41%       |

(1) Annualised change in the CPI as a percentage

Source: Bloomberg

In response, the ECB sought ways to ease monetary conditions and increase lending.

At a conference in Frankfurt in mid-November ECB chief Mario Draghi said the central bank was prepared to respond with all its available tools to combat deflation.

Accordingly, at the meeting of 22 January 2015 the Governing Council of the ECB announced, among other things, an expanded asset purchase programme including the purchase of good quality (investment grade) euro-denominated bonds issued by euro area central governments, agencies and European institutions in the secondary market.

The ECB's expansionary policy resulted in a marked reduction in interest rates, with short and long-term rates falling to an all-time low in the euro area, including the peripheral countries. At the same time, share prices in the euro area increased. The exchange rate of the euro depreciated further against the currencies of most of the EMU's trading partners.

| <i>INTEREST RATES IN 2014</i>  | <i>Mar.</i> | <i>June</i> | <i>Sept.</i> | <i>Dec.</i> |
|--------------------------------|-------------|-------------|--------------|-------------|
| 12-month BOT                   | 0.59%       | 0.50%       | 0.27%        | 0.42%       |
| 5-year BTP                     | 2.07%       | 1.46%       | 1.07%        | 1.05%       |
| 10-year BTP                    | 3.40%       | 2.92%       | 2.40%        | 1.99%       |
| 10-year BUND                   | 1.65%       | 1.31%       | 0.99%        | 0.60%       |
| 10-year T-NOTE                 | 2.73%       | 2.53%       | 2.52%        | 2.17%       |
| ITA-GER spread in basis points | 175         | 161         | 141          | 139         |

Source: Banca d'Italia, Deutsche Bundesbank, FED

| <i>EQUITY MARKET TRENDS</i> | <i>2013</i> | <i>2014</i> |
|-----------------------------|-------------|-------------|
| FTSE MIB (Italy)            | 16.56%      | 0.23%       |
| DAX (Germany)               | 25.48%      | 2.65%       |
| S&P500 (USA)                | 29.60%      | 11.39%      |
| Nikkei 225 (Japan)          | 56.72%      | 7.12%       |
| Shanghai Composite (China)  | -6.75%      | 52.84%      |
| Sensex (India)              | 8.98%       | 29.89%      |
| Micex (Russia)              | 1.99%       | -7.15%      |
| Bovespa (Brazil)            | -15.50%     | -2.91%      |

Source: Bloomberg



| <i>STRENGTH OF THE EURO AGAINST OTHER CURRENCIES</i> | 2013   | 2014    |
|--|--------|---------|
| Euro/Dollar  | 4.27%  | -12.06% |
| Euro/Pound Sterling                                  | 2.30%  | -6.50%  |
| Euro/Yen   | 26.50% | -0.02%  |
| Euro/Chinese Yuan                                    | 1.25%  | -9.78%  |
| Euro/Indian Rupee                                    | 17.09% | -10.24% |
| Euro/Russian Rouble                                  | 12.12% | 55.31%  |
| Brazilian Real                                       | 20.08% | -0.97%  |

Source: Bloomberg

The political and financial situation in Greece remains critical and the government is locked in negotiations with euro zone finance ministers to try to secure a bailout deal.

Another critical factor is the Chinese economy. In the latter part of 2014 there was a slowdown in domestic demand, industrial production and investments. The situation was made worse by the high level of indebtedness, over half of which is linked to the property market.

At the geopolitical level, tensions in the Middle East continue to dominate the headlines while Russia and Ukraine have agreed on a ceasefire.

Regarding the situation in Italy, there has been modest growth in consumption in recent quarters, mirroring trends in disposable income sustained by government measures. However, its contribution to the growth of the economy has been offset by the decline in investment, which is being held back by large margins of idle capacity, considerable uncertainty over the outlook for demand and difficulties in the construction industry. According to Banca d'Italia, the outlook is for moderate growth of the Italian economy in 2015, picking up speed in 2016.

GDP is expected to benefit from falling oil prices and the expansionary stance of monetary policy (also reflected in the depreciation of the euro), as well as the measures enacted by the Stability Law to reduce the tax wedge.

However, risks for economic activity could derive from a rekindling of international financial market tensions, deterioration of the situation in Greece and the cyclical slowdown in the emerging economies.

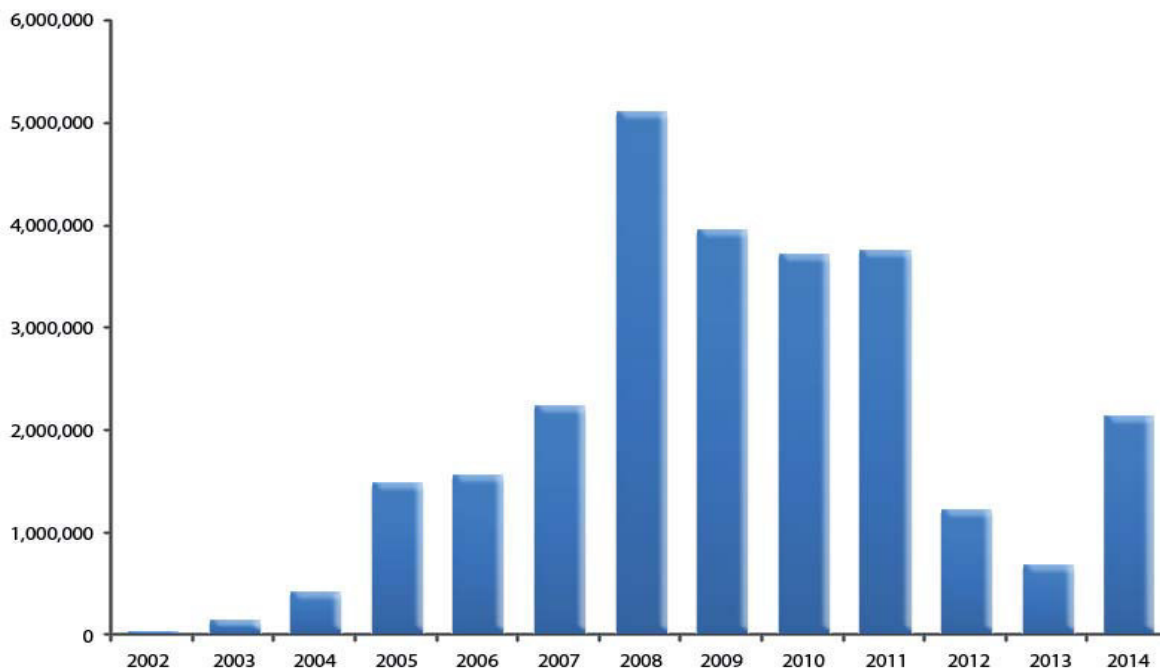
## Profit for the period

Net profit at 31 December 2014, for € 2,140,488, increased compared with the previous year, when it stood at € 684,719, and also exceeded that posted at 31 December 2012 (€ 1,186,041).

This good result reflects the significant increase in revenues from arbitrage and market making activities made possible thanks to the use of an efficient business model and favourable market conditions.

The company also has an effective cost management system in place.

## Net profit from 2002 to 2014

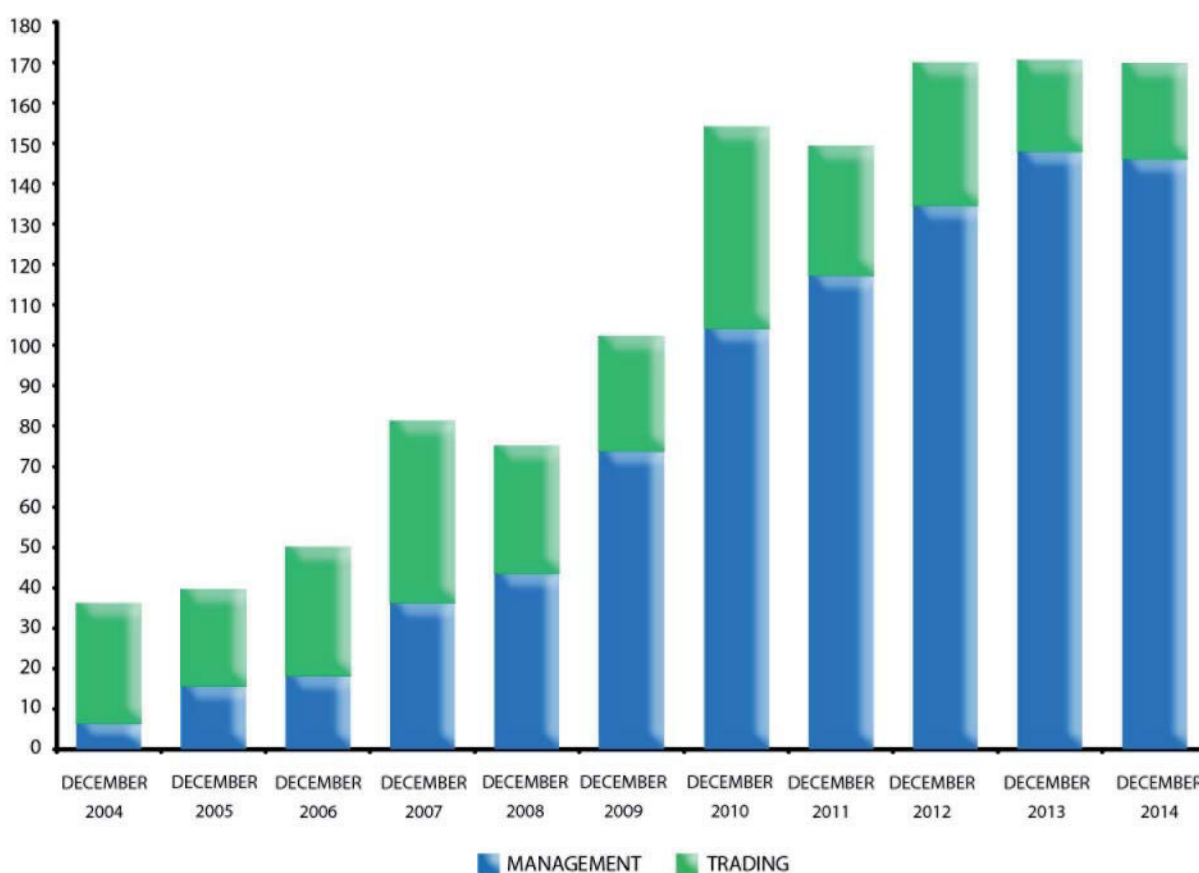


Amounts in euros

## Client services

As at 31 December 2014 clients' total equity remained practically unchanged, at € 170.08 million. Aggregate assets under management decreased slightly to € 146.29 million (€ 148 million at the end of 2013). This did not depend on returns on the lines managed (all of which were positive, as illustrated in the following section), but rather on the slight drop in net funds, which amounted to € 5.2 million. Assets under management increased by € 23.79 million, (+ 5 percent compared with the end of 2013). A detailed analysis of client characteristics is provided in the specific section of the Social Report.

### Clients' total equity 2004 - 2014

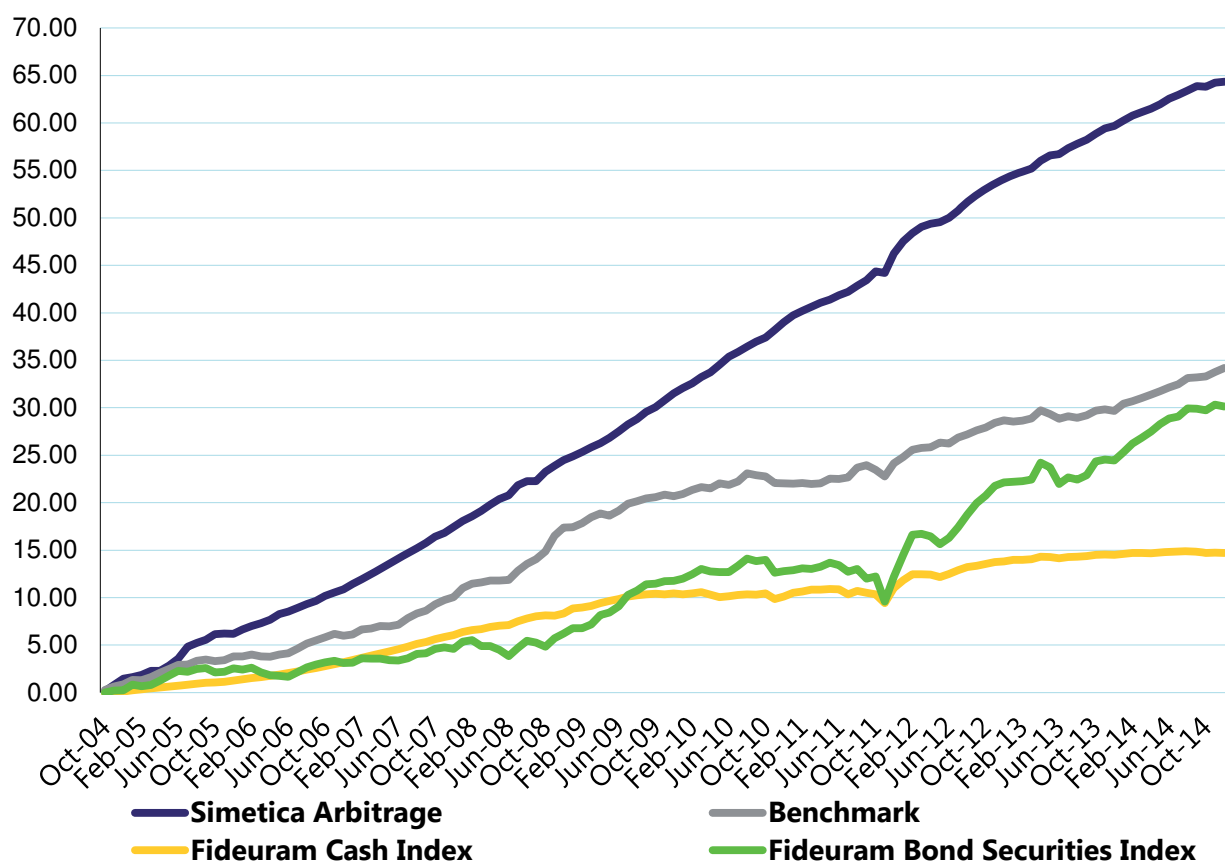


Data in € millions

## Analysis of performance at 31/12/2014 (1)

### Simetica Arbitrage

#### PERFORMANCES AT 31/12/2014



#### **SIMETICA ARBITRAGE**

|   |        |
|---|--------|
| Performance in last 12 months                         | 2.93%  |
| Performance in last 12 months Fideuram Cash Index     | 0.17%  |
| Performance in last 12 months Fideuram Security Index | 4.58%  |
| Benchmark performance in last 12 months               | 3.50%  |
| Performance from 01/10/2004                           | 64.36% |
| Performance from 01/10/2004 Fideuram Cash Index       | 14.70% |
| Performance from 01/10/2004 Fideuram Security index   | 30.32% |
| Benchmark performance from 01/10/2004                 | 34.19% |

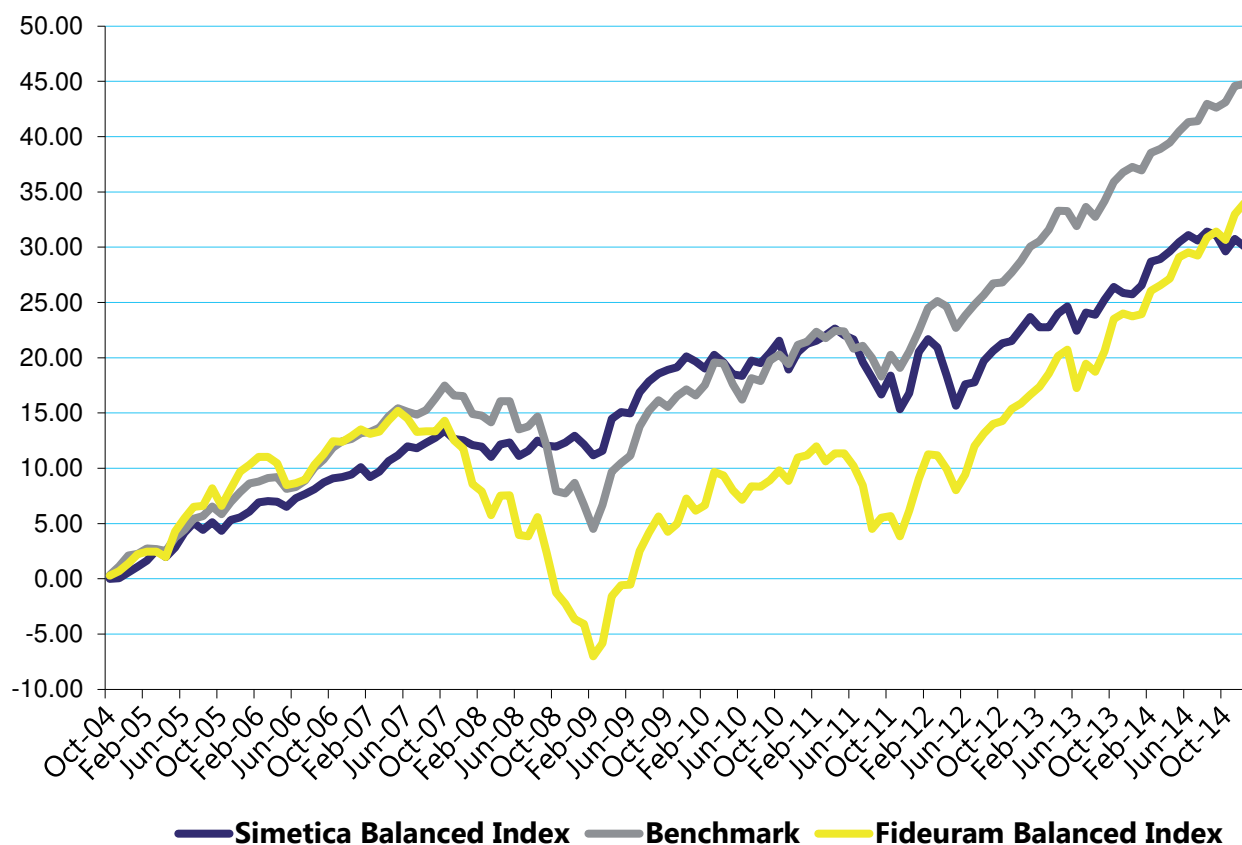
#### **BREAKDOWN OF BENCHMARK PERFORMANCE: ARBITRAGE**

| Description           | Weight |
|-----------------------|--------|
| JP Morgan EMU 3 Month | 75     |
| JP Morgan EMU         | 25     |

(1) Performance is net of fees and gross of tax

**Simetica Balanced**

**PERFORMANCE AT 31/12/2014**

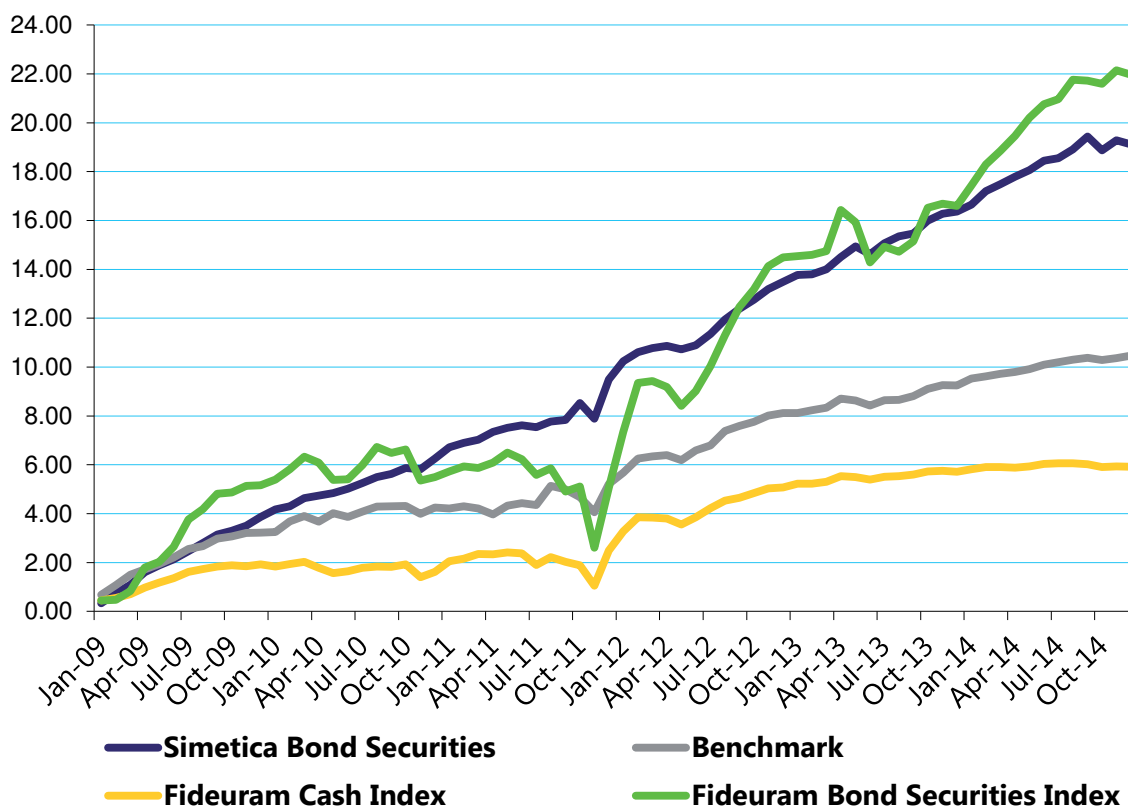


**SIMETICA BALANCED**

|   |        |
|---|--------|
| Performance in last 12 months                         | 3.49%  |
| Performance in last 12 months Fideuram Balanced Index | 8.27%  |
| Benchmark performance in last 12 months               | 5.42%  |
| Performance from 01/10/2004                           | 30.08% |
| Performance from 01/10/2004 Fideuram Balanced Index   | 33.95% |
| Benchmark performance from 01/10/2004                 | 44.75% |

**BREAKDOWN OF BENCHMARK PERFORMANCE: BALANCED**

| Description           | Weight |
|-----------------------|--------|
| JP Morgan EMU 3 Month | 50     |
| JP Morgan EMU         | 25     |
| MSCI WORLD EURO       | 25     |

**Simetica Bond Securities**
**PERFORMANCE AT 31/12/2014**

**SIMETICA BOND SECURITIES**

|   |        |
|---|--------|
| Performance in last 12 months                     | 2.38%  |
| Performance in last 12 months Fideuram Cash Index | 0.18%  |
| Benchmark performance in last 12 months           | 1.13%  |
| Performance from 01/01/2009                       | 19.12% |
| Performance from 01/01/2009 Fideuram Cash Index   | 5.92%  |
| Benchmark performance from 01/01/2009             | 10.47% |

**BREAKDOWN OF BENCHMARK PERFORMANCE: BOND SECURITIES**

| <i>Description</i>      | <i>Weight</i> |
|-------------------------|---------------|
| JP Morgan EMU 1-3 Years | 50            |
| JP Morgan EMU 3 Month   | 50            |

The new Simetica Equity Asset Management line, launched on 27 March 2014, pursues an active investment strategy over a medium to long-term timeframe.

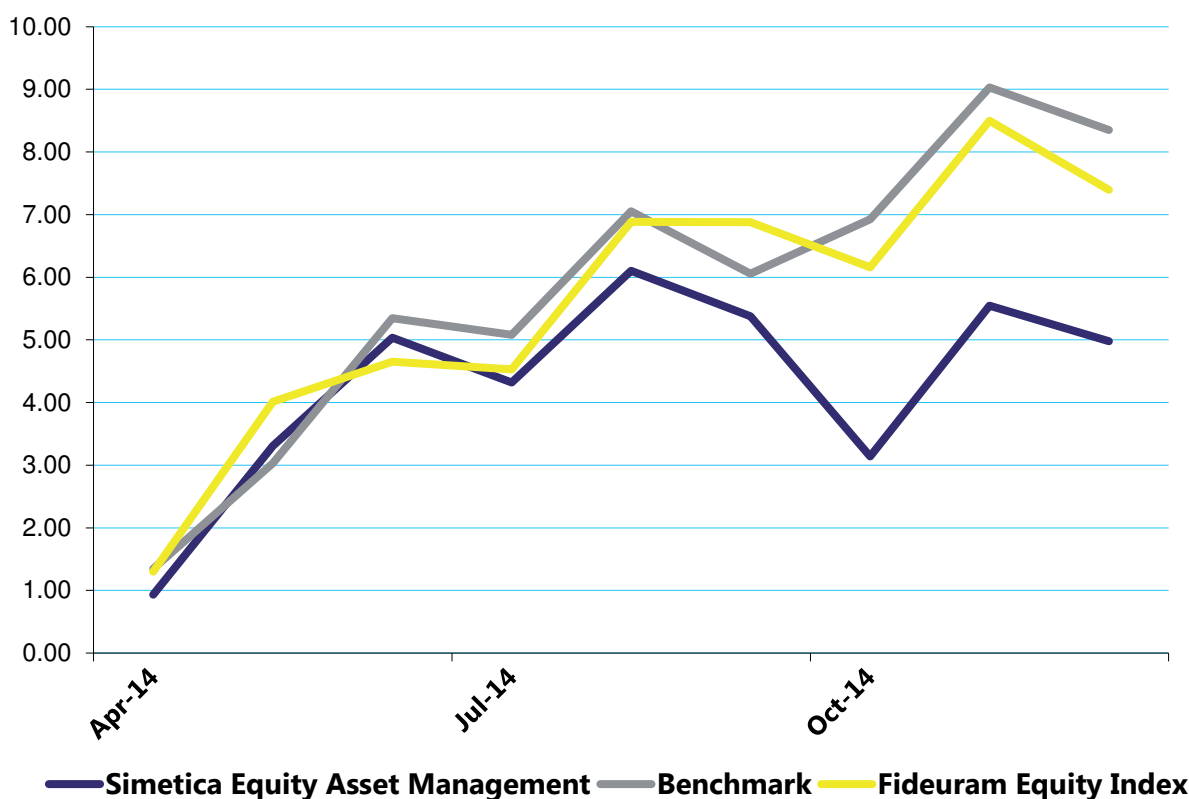
Portfolio composition and asset allocation are determined to take advantage of opportunities in national and international equity markets.

This line, like all the others, is based on principles of ethical finance and subject to compliance with the ethical standards specified in the contract.

Details of performance in the first months of activity and the breakdown of benchmark performance are provided below.

### Simetica Equity Asset Management

#### PERFORMANCE AT 31/12/2014



#### **SIMETICA EQUITY ASSET MANAGEMENT**

|   |       |
|---|-------|
| Performance from 27/03/2014                       | 5.09% |
| Performance from 27/03/2014 Fideuram Equity Index | 7.39% |
| Benchmark performance from 27/03/2014             | 8.29% |

#### **BREAKDOWN OF BENCHMARK PERFORMANCE: EQUITY ASSETS**

| Description                         | Weight |
|-------------------------------------|--------|
| MSCI WORLD All country total return | 70     |
| JP Morgan EMU 1-3 Years             | 30     |

## Management fees and commissions

The application of low management fees in relation to the assets under management reflects our specific commitment to safeguarding the actual performance of clients' investments, especially when short-term interest rates are so low.

We believe that building an honest, open relationship with our clients is the best way of earning their trust over the longer term. That is why we do not apply any additional charges, such as per-line fees, account or security deposit charges, etc.

Management fees amounted to € 588,704 in 2014 (compared to € 573,141 in 2013), reflecting the stability of assets managed.

## Capital structure

Banca Simefica is an independent bank. The share capital amounts to € 7,600,000 and consists of 7,600 ordinary shares each with a nominal value of € 1.00.

Details of the share structure are set out in Annex 2.

At 31/12/2014 shareholders' equity amounted to € 28,805,628.

## Corporate Governance

Corporate governance is based on a traditional system of administration and control.

The main provisions regarding corporate governance are set out in the bylaws, which have been drawn up in accordance with current legislation.

The Board of Directors is responsible for strategic supervision and management of the company. It is vested with full powers as regards the ordinary and extraordinary administration of the company and is empowered to carry out all the acts considered necessary or appropriate in order to implement and achieve the corporate purposes, with the sole exception of those powers pertaining exclusively to the General Meeting under the provisions of the law and the corporate bylaws.

The Board is the only body empowered to define, formalise and, if necessary, revise the operating limits and internal control systems.

The Chairman of the Board is responsible for the proper functioning of the corporate governance system and acts as a point of contact between the internal supervisory bodies.

The Chief Executive Officer represents the head of the company's internal structure and as such is vested with powers of management except for those powers that by law cannot be delegated.

The bylaws also provide for the presence of an Independent Director who, as a non-executive member:

- acquires information about how the company is managed and organised from its managers, the internal audit and other control functions;
- takes part in the appointment and dismissal of the heads of the internal control and risk management functions.

The Board of Statutory Auditors is the controlling body responsible for overseeing compliance with the law, regulations and bylaws, the principles of correct administration and, in particular, the adequacy of the company's organisational, administrative and accounting system and its correct functioning.

The Supervisory Body is responsible for overseeing operations of the overall internal control system. It monitors the efficiency of all structures and functions involved in the control system and their proper



coordination and promotes corrective measures when any shortcomings or irregularities are detected. It works with the company's internal control structures and functions to carry out the necessary tests and checks and the latter provide it with the appropriate information at regular intervals or in relation to specific circumstances or results.

## Internal codes

The company has implemented an Organisational, Management and Control Model, in accordance with Italian Legislative Decree No. 231/2001. The document provides a detailed set of guidelines, the purpose of which is to prevent the offences for which the company would be held administratively liable under said law.

A specific Supervisory Body has been set up to oversee the efficiency and adequacy of the organisational model, guarantee its implementation within the company and verify and investigate any violations of the rules. This body must report its findings to the Board of Directors.

The company has also approved a Code of Conduct which has been prepared on the basis of the Self-Regulatory Rules issued by the Italian Banking Association - ABI, and a detailed set of specific procedures aimed at regulating all aspects in connection with conflicts of interest, market abuse, personal transactions by anyone having access to privileged information and anti-money-laundering laws.

The Board of Directors has also approved a Code of Ethics. This document contains a series of rules of conduct (in addition to those concerning compliance with statutory, regulatory and contractual requirements and internal procedures) with which all those operating on behalf of the company are required to comply. These rules are designed to ensure that the company operates in accordance with universally accepted rules of professional conduct and ethics.

## Control environment

The control environment is a fundamental aspect of Banca Simetica's corporate culture, as it influences the degree to which members of staff are aware of the importance of control. It forms the basis for all other aspects of the internal control system, including its regulatory and organisational framework.

The control environment reflects the integrity, the ethical standards and expertise of all members of staff, the philosophy and style of management with regard to accepted risk levels, methods and procedures for delegating responsibility, organisational and staff involvement policies, as well as the dedication of the Board of Directors and its ability to set clearly defined objectives.

## Internal audits

In 2014 the internal audit system was reviewed to bring it into line with the 15th update of circular 263/2006 issued by Banca d'Italia aimed at rationalising the regulatory framework governing internal audits in view of implementation of Directive 2013/36/EU (CRD IV) which contains the so-called "Basel III" accord.

Some of the main changes are listed below:

- The central role of the body responsible for strategic management in defining the business model and risk appetite framework (RAF), which is a statement of the organisation's overall risk appetite and categories of risk according to the kind of business mix and expected returns, as well as the risk tolerance and risk management policies. identification of the management body in charge of the risk management system. The decisions of this body must follow the strategies and guidelines of the Board of Directors within the scope of the qualitative and quantitative limits defined within the RAF.

The Bank has several permanent and independent control functions. These functions are appointed by the Board to perform strategic supervision under the guidance of the control body, and are responsible for:

- risk management;
- compliance;
- internal audit.

There is also an Anti-money laundering function, in accordance with anti-laundering regulations.

These functions operate within a system of internal controls structured on three levels.

1. Level one (line controls)

These consist of assessments by the heads of the various operational areas.

2. Level two controls

Performed by the Risk Management, Compliance and Anti-money laundering functions. The Risk Management function assists with the definition and implementation of the RAF and of the relevant risk management policies. It is responsible for the development, validation and maintenance of the risk measurement and control systems.

The Compliance function, which is outsourced, is responsible for the ongoing identification of the applicable regulations and appropriate risk prevention procedures. It also verifies the efficacy of planned organisational changes in order to prevent the risk of non-compliance. Its tasks are graduated according to the presence of specialist areas concerning specific regulations (e.g. tax laws, occupational health and safety, privacy, etc.).

The Anti-Money Laundering function, which is also outsourced, has the task of identifying the applicable laws, collaborating to define the appropriate procedures, preparing a training programme and defining the information flows to the corporate bodies.

3. Level three controls

These are performed by the Internal Audit function.

The duties of this function, with regard to level three controls, are to verify the correct performance of operations and evolution of risks. It also evaluates the completeness, adequacy, functionality and reliability of the organisational structure and of the other components of the system of internal controls. It makes recommendations to the company bodies on the basis of its findings and verifies compliance of the initiatives undertaken.

## Risk management

The risks to which Banca Simetica is potentially exposed have been grouped and classified in the "Risk mapping manual". These risks include market risk, counterparty risk, settlement risk and liquidity risk in addition to operational, reputational and strategic risks.

The manual also contains a summary of the measurement techniques for the different types of regulatory and supervisory risks that are identified.

The regulatory guidelines are those set forth in the prudential supervisory standards issued by Banca d'Italia implementing European agreements. From the management perspective, reference is made to the specific "Risk control procedure manual" which defines the limits approved by the competent company bodies and the respective control mechanisms.

The system of internal operating limits is structured on three levels of importance for each area of activity:

- level I limits represent an initial critical threshold for the various kinds of risk;
- level II limits, if exceeded, could potentially give rise to a higher risk of loss;
- level III limits are those defined by the Board according to the Risk Appetite Framework.

See part E of the notes and the Disclosure document prepared in accordance with pillar 3 of Basel II for a more detailed description of each type of risk and the relative procedures in place for monitoring and controlling these. The Disclosure document also sets out the main results obtained with regard to the internal procedures for calculating capital adequacy (ICAAP). Its purpose is to provide transparent information to the public about the risks to which the Bank is exposed, the procedures it adopts to control and manage these and its financial stability.

## Capital requirements to cover risks

Risks are measured and the relative capital requirement is calculated according to the regulations for prudential supervision that implement EU law containing the reforms of the agreements of the Basel Committee ("Basel III").

The Own Funds of Banca Simetica consist entirely of common equity tier 1 (CET 1) capital, comprising the share capital, retained earnings (except the statutory reserve) and income for the period (net of dividends paid and amounts allocated to the statutory reserve) as positive items and intangible assets as the negative items.

Banca Simetica does not hold innovative capital instruments and the prime quality constituents of its Own Funds derive from its own means.

The bank's individual solvency (total capital ratio) is well above the 8% limit required by law and stood at 101.41% at 31 December 2014.

This ratio is high due to the fact that Banca Simetica performs proprietary trading activities through arbitrage (a low risk operation by definition), has not yet commenced lending activities and its high net worth.

## The information system

In accordance with the provisions set forth in the 15th update of circular 263/2006, Banca Simefica has put in place organisational and procedural controls covering: the governance and organisation of the information system, ICT security, data management, continuity of operations and ICT risk management.

The roles and tasks in connection with the management and control of the information system have been defined, with reference to the various hierarchical levels (Board, Chief Executive Officer, Board of Statutory Auditors, company control functions and ICT area).

A number of important documents have also been approved:

- Information system architecture reference model;
- IT security policy;
- Data governance standard;
- Change management procedure.

The Board has approved a complete review of the Business Continuity Plan which, among other things, contains the description of critical technical and IT processes, preventive internal controls to ensure the continuity of operations, emergency procedures, and the definition of the audit plan.

## Human Resources

A more detailed analysis of our human resources is provided in the specific section of the Social Report.

As at 31 December 2014 the number of employees stood at 24 (two part-time).

All new recruits receive a period of supervised on-the-job training.

Employees' contracts refer to the National Collective Bargaining Agreement for Bank Employees. The company has also adopted all the provisions of Italian Legislative Decree No. 81 of 9 April 2008 implementing Italian law No. 123 of 3 August 2007 concerning health and safety at work.

## R&D

In 2014 Banca Simefica continued to undertake important actions aimed at fostering development and strengthening its position as a fully integrated and specialist operator in the trade and arbitrage sector.

This, together with the continuous and systematic reviewing of our internal production processes and upgrading to ensure compliance with recent changes in the law, were important factors in enabling us to achieve the results reported in the current financial statements.

## Other information

The company does not own and has never purchased or sold any own shares or shares in controlling companies, even through trust companies or nominees.

There are no subsidiaries, associated companies, parent companies and enterprises controlled by the latter.

## **Social Report**

In accordance with art. 21 of the bylaws, Banca Simeica has drawn up a Social Report. Once approved, this will be attached to the directors' report.

## **Significant events in early 2015**

There have been no significant events since the end of the last financial year.

## **Outlook**

In the first part of 2015 business operations in general and arbitrage and market making activities in particular have exceeded the budget approved by the Board of Directors. On the basis of these facts the outlook for the rest of the year is positive.

## Allocation of profits for the year

Dear Shareholders,

You are invited to approve the financial statements for the year ended at 31 December 2014. We propose allocating the net profit for the year, amounting to € 2,140,488 as follows:

|   |           |  |
|---|-----------|--|
| € | 107.024   | to the legal reserve                     |
| € | 82.262    | to the statutory social solidarity fund* |
| € | 1.381.202 | to the extraordinary reserve             |
| € | 570.000   | profits to be allocated                  |

\* The amount to be allocated to the statutory fund was calculated taking into account donations made during the financial year and recorded in the profit and loss account, for € 131,787.

Biella, 26 March 2015

The Board of Directors  
Chairman  
Pier Luigi Barbera

## Balance Sheet

### ASSETS

|   | 2014              | 2013              |
|---|-------------------|-------------------|
| 10. Cash and liquid assets                | 14,246            | 2,501,040         |
| 20. Financial assets held for trading     | 14,997,996        | 10,170,317        |
| 60. Due from banks                        | 31,556,368        | 19,409,624        |
| 70. Due from clients                      | 1,932             | 1,963             |
| 110. Tangible assets                      | 2,967,393         | 3,308,110         |
| 120. Intangible assets                    | 5,722             | 9,695             |
| 130. Tax assets                           | 429,141           | 733,363           |
| a) current                                | 385,010           | 725,399           |
| b) prepaid                                | 44,131            | 7,964             |
| b1) of which pursuant to Law No. 214/2011 | 0                 | 0                 |
| 150. Other assets                         | 4,055,664         | 7,915,824         |
| <b>Total assets</b>                       | <b>54,028,462</b> | <b>44,049,936</b> |

### LIABILITIES AND SHAREHOLDERS' EQUITY

|   | 2014              | 2013              |
|---|-------------------|-------------------|
| 20. Due to clients                                | 18,371,590        | 8,137,486         |
| 80. Tax liabilities                               | 1,079,056         | 459,469           |
| a) current  | 1,079,056         | 457,816           |
| b) deferred                                       |                   | 1,653             |
| 100. Other liabilities                            | 5,192,210         | 7,740,847         |
| 110. Severance indemnity fund                     | 578,580           | 358,828           |
| 120. Provisions for risks and charges             | 1,398             | 5,624             |
| a) pension funds and similar obligations          |                   |                   |
| b) other provisions                               | 1,398             | 5,624             |
| 130. Valuation reserves                           | (95,106)          | 17,435            |
| of which: related to a disposal group             |                   |                   |
| 160. Reserves                                     | 17,860,246        | 17,745,528        |
| 170. Issue premium                                | 1,300,000         | 1,300,000         |
| 180. Capital                                      | 7,600,000         | 7,600,000         |
| 200. Profit (Loss) for the year (+/-)             | 2,140,488         | 684,719           |
| <b>Total liabilities and shareholders' equity</b> | <b>54,028,462</b> | <b>44,049,936</b> |

## Profit and Loss Account

| Items   | 2014             | 2013           |
|---|------------------|----------------|
| 10. Interest receivable and similar income                        | 773,008          | 585,260        |
| 20. Interest payable and similar expenses                         | (20,559)         | (5,653)        |
| 30. Interest margin   | 752,449          | 579,607        |
| 40. Income from fees and commissions                              | 1,488,185        | 1,490,542      |
| 50. Costs of fees and commissions                                 | (554,054)        | (531,955)      |
| 60. Net fees and commissions                                      | 934,131          | 958,587        |
| 70. Dividends and similar income                                  |                  | 252            |
| 80. Net profit on trading   | 5,920,989        | 3,483,543      |
| 120. Earning margin   | 7,607,569        | 5,021,989      |
| 140. Net result of financial management                           | 7,607,569        | 5,021,989      |
| 150. Administrative expenses:                                     | (4,115,497)      | (3,670,794)    |
| a) personnel costs  | (1,995,706)      | (1,553,367)    |
| b) other administrative expenses                                  | (2,119,791)      | (2,117,427)    |
| 160. Net provisions to reserves for risks and charges             | (1,398)          | (5,624)        |
| 170. Net adjustments/re-adjustments of value of tangible assets   | (407,822)        | (412,409)      |
| 180. Net adjustments/re-adjustments of value of intangible assets | (3,973)          | (5,042)        |
| 190. Other operating expense/income                               | 139,634          | 223,014        |
| 200. Operating costs  | (4,389,056)      | (3,870,855)    |
| 240. Gains (Losses) on sale of investments                        | 241              | (9,531)        |
| 250. Profit (loss) on current operations before tax               | 3,218,754        | 1,141,603      |
| 260. Income tax on current operations for the year                | (1,078,266)      | (456,884)      |
| 270. Profit (loss) on current operations net of tax               | 2,140,488        | 684,719        |
| <b>290. Net profit (loss) for the year</b>                        | <b>2,140,488</b> | <b>684,719</b> |

## Statement of comprehensive income

| Items  | 2014             | 2013           |
|--|------------------|----------------|
| 10. Net profit (loss) for the year             | 2,140,488        | 684,719        |
| 40. Defined benefit plans                      | (112,541)        | (24,893)       |
| <b>140. Comprehensive income (Item 10+130)</b> | <b>2,027,947</b> | <b>659,826</b> |



## Change in the year

|                            | Balance at 31.12.2013 | Change in opening balance | Balance at 01.01.2014 | Allocation of previous year's profit |                                 | Changes in reserves | Operations on shareholders' equity |                        |   |                               |                           |               | Comprehensive income for 2014 | Shareholders' equity at 31.12.2014 |
|----------------------------|-----------------------|---------------------------|-----------------------|--------------------------------------|---------------------------------|---------------------|------------------------------------|------------------------|---|-------------------------------|---------------------------|---------------|-------------------------------|------------------------------------|
|                            |                       |                           |                       | Reserves                             | Dividends and other allocations |                     | Issue of new shares                | Purchase of own shares | Extraordinary distribution of dividends | Change in capital instruments | Derivatives on own shares | Stock options |                               |                                    |
|                            |                       |                           |                       |                                      |                                 |                     |                                    |                        |   |                               |                           |               |                               |                                    |
| Capital:                   |                       |                           |                       |                                      |                                 |                     |                                    |                        |   |                               |                           |               |                               |                                    |
| a) ordinary shares         | 7,600,000             |                           | 7,600,000             |                                      |                                 |                     |                                    |                        |   |                               |                           |               |                               | 7,600,000                          |
| b) other shares            | 7,600,000             |                           | 7,600,000             |                                      |                                 |                     |                                    |                        |   |                               |                           |               |                               | 7,600,000                          |
| Issue premium              | 1,300,000             |                           | 1,300,000             |                                      |                                 |                     |                                    |                        |   |                               |                           |               |                               | 1,300,000                          |
| Reserves:                  | 17,745,528            |                           | 17,745,528            | 114,719                              |                                 |                     |                                    |                        |   |                               |                           |               |                               | 17,860,246                         |
| a) retained earnings       | 17,745,528            |                           | 17,745,528            | 114,719                              |                                 |                     |                                    |                        |   |                               |                           |               |                               | 17,860,246                         |
| b) other                   |                       |                           |                       |                                      |                                 |                     |                                    |                        |   |                               |                           |               |                               |                                    |
| Valuation reserves         | 17,435                |                           | 17,435                |                                      |                                 |                     |                                    |                        |   |                               |                           | (112,541)     |                               | (95,106)                           |
| Capital instruments        |                       |                           |                       |                                      |                                 |                     |                                    |                        |   |                               |                           |               |                               |                                    |
| Own shares                 |                       |                           |                       |                                      |                                 |                     |                                    |                        |   |                               |                           |               |                               |                                    |
| Profit (Loss) for the year | 684,719               |                           | 684,719               | (114,719)                            | (570,000)                       |                     |                                    |                        |   |                               |                           | 2,140,488     |                               | 2,140,488                          |
| Shareholders' equity       | 27,347,682            |                           | 27,347,682            |                                      | (570,000)                       |                     |                                    |                        |   |                               |                           | 2,027,947     |                               | 28,805,628                         |

## Statement of changes in shareholders' equity 2014

## Change in the year

|                            | Balance at 31.12.2012 | Change in opening balance | Balance at 01.01.2013 | Allocation of previous year's profit |                                 | Changes in reserves | Operazioni sul patrimonio netto |                        |   |                               |                           |               | Comprehensive income for 2013 | Shareholders' equity at 31.12.2013 |
|----------------------------|-----------------------|---------------------------|-----------------------|--------------------------------------|---------------------------------|---------------------|---------------------------------|------------------------|---|-------------------------------|---------------------------|---------------|-------------------------------|------------------------------------|
|                            |                       |                           |                       | Reserves                             | Dividends and other allocations |                     | Issue of new shares             | Purchase of own shares | Extraordinary distribution of dividends | Change in capital instruments | Derivatives on own shares | Stock options |                               |                                    |
| Capital:                   | 7,600,000             |                           | 7,600,000             |                                      |                                 |                     |                                 |                        |   |                               |                           |               | 7,600,000                     |                                    |
| a) ordinary shares         | 7,600,000             |                           | 7,600,000             |                                      |                                 |                     |                                 |                        |   |                               |                           |               | 7,600,000                     |                                    |
| b) other shares            |                       |                           |                       |                                      |                                 |                     |                                 |                        |   |                               |                           |               |                               |                                    |
| Issue premium              | 1,300,000             |                           | 1,300,000             |                                      |                                 |                     |                                 |                        |   |                               |                           |               | 1,300,000                     |                                    |
| Reserves:                  | 17,250,304            |                           | 17,250,304            | 658,369                              |                                 | (163,145)           |                                 |                        |   |                               |                           |               | 17,745,528                    |                                    |
| a) retained earnings       | 17,250,304            |                           | 17,250,304            | 658,369                              |                                 | (163,145)           |                                 |                        |   |                               |                           |               | 17,745,528                    |                                    |
| b) other                   |                       |                           |                       |                                      |                                 |                     |                                 |                        |   |                               |                           |               |                               |                                    |
| Valuation reserves         |                       | 42,328                    | 42,328                |                                      |                                 |                     |                                 |                        |   |                               |                           | (24,893)      | 17,435                        |                                    |
| Capital instruments        |                       |                           |                       |                                      |                                 |                     |                                 |                        |   |                               |                           |               |                               |                                    |
| Own shares                 |                       |                           |                       |                                      |                                 |                     |                                 |                        |   |                               |                           |               |                               |                                    |
| Profit (Loss) for the year | 1,228,368             | (42,328)                  | 1,186,041             | (616,041)                            | (570,000)                       |                     |                                 |                        |   |                               |                           | 684,719       | 684,719                       |                                    |
| Shareholders' equity       | 27,378,673            |                           | 27,378,673            | 42,328                               | (570,000)                       | (163,145)           |                                 |                        |   |                               |                           | 659,826       | 27,347,682                    |                                    |

## Statement of changes in shareholders' equity 2013

## Cash flow statement – direct method

|   | 2014             | 2013                |
|---|------------------|---------------------|
| <b>A. OPERATIONAL ACTIVITIES</b>                                |                  |                     |
| 1. Management   | 2,522,767        | 950,595             |
| - interest earned (+)   | 533,096          | 499,157             |
| - interest paid (-)   | (20,559)         | (5,653)             |
| - dividends and similar income (+)                              | 0                | 252                 |
| - net fees and commissions (+/-)                                | 937,463          | 970,800             |
| - personnel costs (-)   | (1,873,042)      | (1,573,355)         |
| - other costs (-)   | (2,035,818)      | (2,189,279)         |
| - other revenues (+)  | 6,060,683        | 3,706,489           |
| - tax and duties (-)  | (1,079,056)      | (457,816)           |
| <b>2. Cash flow generated/absorbed by financial assets</b>      | <b>(423,354)</b> | <b>5,315,817</b>    |
| - financial assets held for trading                             | (4,587,767)      | 11,709,642          |
| - due from clients  | 31               | 4,878               |
| - other assets  | 4,164,382        | (6,398,703)         |
| <b>3. Cash flow generated/absorbed by financial liabilities</b> | <b>8,190,554</b> | <b>(10,445,699)</b> |
| - due to clients  | 10,234,104       | (14,874,700)        |
| - financial liabilities held for trading                        |                  | (150)               |
| - other liabilities   | (2,043,550)      | 4,429,151           |
| Net cash flow generated/absorbed by operational activities      | 10,289,967       | (4,179,287)         |
| <b>B. INVESTMENTS</b>   |                  |                     |
| <b>1. Cash flow generated by</b>                                | <b>147</b>       | <b>409</b>          |
| - sale of tangible assets                                       | 147              | 409                 |
| <b>2. Cash flow absorbed by</b>                                 | <b>(60,164)</b>  | <b>(161,883)</b>    |
| - purchase of tangible assets                                   | 60,164           | 161,883             |
| Net cash flow generated/absorbed by investments                 | (60,017)         | (161,474)           |
| <b>C. FUNDING</b>   |                  |                     |
| - distribution of dividends and other allocations               | (570,000)        | (570,000)           |
| <b>Net cash flow generated/absorbed by funding</b>              | <b>(570,000)</b> | <b>(570,000)</b>    |
| <b>NET CASH FLOW GENERATED/ABSORBED DURING THE YEAR</b>         | <b>9,659,950</b> | <b>(4,910,761)</b>  |

KEY: (+) generated; (-) absorbed

### RECONCILIATION

| Items in the balance sheet                             | 2,014      | 2,013       |
|--|------------|-------------|
| Cash and liquid assets at 01/01/2014                   | 21,910,664 | 26,821,425  |
| Total net liquid assets generated/absorbed in the year | 9,659,950  | (4,910,761) |
| Cash and liquid assets at 31/12/2014                   | 31,570,614 | 21,910,664  |

## **Notes to the Financial Statements**

**Part A - Accounting policies**

**Part B - Information on the balance sheet**

**Part C - Information on the profit and loss account**

**Part D - Comprehensive income**

**Part E – Risks and related risk management policies**

**Part F – Equity**

**Part H – Transactions with related parties**

# Notes to the Financial Statements

## Part A - Accounting policies

### A.1 General information

- **Section 1**

#### **Statement of compliance with international accounting standards**

The financial statements of BANCA SIMETICA S.p.A. for the year ended 31 December 2014 have been drawn up in compliance with the IAS/IFRS developed by the IASB, and the relative interpretations of the IFRIC, adopted by the European Commission under Regulation (EC) No. 1606/2002.

- **Section 2**

#### **Preparation criteria**

These financial statements have been prepared using the same accounting policies and methods as those as at 31 December 2013, to which reference should be made for further details. They also include the following information which refers to IAS/IFRS and relevant SIC/IFRIC interpretations approved by the European Commission up to the date of these accounts, compliance with which is compulsory as of 1 January 2014. The introduction of the new policies, amendments and interpretations, which are outlined below, did not have any significant and/or important effect on these financial statements.

- On 12 May 2011 the IASB issued IFRS 13 - Fair value measurement, which provides guidance on how to determine fair value of items stated in the accounts and applies to all assets and liabilities for which IAS/IFRS require or permit fair value measurement or the disclosure of information based on fair value, with certain specific exceptions. It also requires entities to disclose more detailed information about how fair value is measured (fair value hierarchy) than previously required under IFRS 7. The policy applies retrospectively for periods beginning on or after 1 January 2013.
- On 16 June 2011 the IAS issued an amended version of IAS 19 - Employee benefits, which eliminates the option to defer the recognition of actuarial gains and losses according to the so-called corridor approach. The new IAS 19 requires entities to recognise all actuarial gains and losses as they occur in the statement of Other comprehensive income, so that total net funds for defined benefit plans (net of plan assets) are recorded in the statement of financial position. The amendment also requires that changes from one year to the next in the defined benefit fund and plan assets be disaggregated into three components: service costs for the year must be recognised as Service costs in the profit and loss account; net financial charges, calculated by applying the appropriate discount rate to the balance of the defined benefit fund net of assets at the beginning of the year, must be stated as such in the profit and loss account, and actuarial gains and losses arising from the re-measurement of assets and liabilities must be stated as Other comprehensive profit (loss). The amendment also introduces requirements for new disclosures in the notes to the financial statements. The amendment applies retrospectively for periods beginning on or after 1 January 2013.
- On 16 June 2011 the IASB issued an amended version of IAS 1 - Presentation of financial statements, which requires entities to group items presented in Other comprehensive income based on whether they are potentially reclassifiable to profit or loss subsequently, i.e. those that might be reclassified and those that will not be reclassified. The amendment is effective for annual periods beginning on or after 1 July 2012. On 16 December 2011 the IASB issued amendments to IFRS 7 - Financial instruments: disclosures. The amendments require the provision of additional information evaluating the effect or potential effect of offsetting of financial assets and liabilities in accordance with IAS 32 on the entity's financial position. The amendments apply for annual periods beginning on or after 1 January 2013.

Entities must provide the disclosures required retrospectively. The application of these amendments did not produce any effect on these financial statements.

- Amendments to IAS 32 "Offsetting financial assets and financial liabilities" clarify the application of the criteria for offsetting financial assets and liabilities in financial statements (i.e. when the entity currently has a legally enforceable right to set-off the recognised amounts and intends to settle the asset and liability on a net basis or realise the asset and settle the liability simultaneously). The amendments must be applied retrospectively as from 1 January 2014.
- Amendments to IAS 39 "Financial instruments: Recognition and measurement - Novation of derivatives and continuation of hedge accounting". The changes introduce certain exceptions to the requirements for hedge accounting in IAS 39 when a derivative that has been designated as a hedging instrument is novated from one counterparty to a central counterparty (CCP) as a consequence of new laws or regulations. The amendments must be applied retrospectively as from 1 January 2014.

These financial statements have been drawn up according to the instructions issued by Banca d'Italia in circular No. 262 of 22 December 2005 "Financial statements of banks: preparation criteria and format" as amended on 22 December 2014.

The financial statements consist of the balance sheet, the profit and loss account, the statement of comprehensive income, the statement of changes in shareholders' equity, the cash flow statement, the notes to the financial statements and the directors' report on the standing of BANCA SIMETICA SpA. The accounts in these financial statements are reflected in the company's accounts.

The financial statements have been prepared on a going concern basis and with reference to the generally accepted accounting principles listed below:

- principle of accruals-based accounting;
- principle of consistency in presentation and classification from one year to the next;
- principle of non-compensation unless expressly allowed;
- principle of substance over form;
- principle of prudence in the exercise of the judgements needed in making the estimates required under conditions of uncertainty, such that assets or income are not overstated and liabilities and charges are not understated, but without this leading to the creation of hidden reserves or undue provisions;
- principle of neutrality of information;
- principle of full disclosure/materiality.

Unless otherwise specified, the amounts shown in the balance sheet, explanatory notes and directors' report are in euros.

### • **Section 3**

#### **Events after the reporting period**

When necessary, amounts recognised after the reporting period are adjusted to reflect the events occurring after the reference date for which adjustments must be made pursuant to IAS 10.

No significant events occurred after the end of the reporting period that have not already been mentioned in the directors' report

### • **Section 4**

Nothing to report.

## A.2 Main items in the balance sheet

These financial statements were drawn up on the basis of the following criteria.

### • Financial assets and liabilities held for trading

A financial asset or liability is classified as held for trading, and included under item 20 "Financial assets held for trading" or item 40 "Financial liabilities held for trading" if:

- it is purchased or held mainly for the purpose of selling or repurchasing it in the short-term;
- it is part of a portfolio of well-identified financial instruments that are managed as a group and in respect of which there is evidence of a recent and effective strategy aimed at obtaining a profit in the short-term.

### Recognition criteria

Financial instruments classified as "Financial assets and liabilities held for trading" are recognised at the settlement date, at cost intended as the fair value of the instrument, excluding any transaction charges or income directly attributable to the instruments.

### Classification criteria

Financial assets and liabilities include debt securities, equity securities and derivatives, acquired for the main purpose of short-term profit-making.

### Valuation criteria

Subsequent to initial recognition, the financial instruments in question are measured at fair value, recognising any changes in the profit and loss account under item 80 "Net result of trading activities". The fair value of assets or liabilities of a trading portfolio is determined by reference to the prices observed in active markets. In case of securities listed in active markets, the fair value is determined by reference to market prices. A market is defined as active if the prices reflect normal market transactions, are readily and regularly available and express the price of actual and regular market transactions.

### Derecognition criteria

Financial assets and liabilities held for trading are derecognised when the contractual rights to the cash flows arising from the financial assets or liabilities expire or when the financial assets or liabilities are sold, transferring substantially all the risks and rewards of ownership related to the assets or liabilities in question.

### Criteria for recognising income items

Results of sales of financial assets or liabilities held for trading are recorded in the profit and loss account under item 80 "Net result of trading activities".

### • Receivables

Receivables are non-derivative financial assets which provide for fixed or otherwise determinable payments and are not quoted on an active market.

### Recognition criteria

Receivables and loans are initially recognised when the company becomes party to a loan agreement or the creditor acquires the right to receive payment of the amounts agreed upon by contract. This corresponds to the date when the loan is disbursed. The financial instrument is initially recognised at fair value, which corresponds to the total amount disbursed inclusive of income or charges directly attributable to the asset and that are determinable from the outset, regardless of when they are actually settled. The initial recognition value does not include all the charges that will be reimbursed by the debtor or those that are classified as

ordinary internal administrative costs.

**Classification criteria**

Receivables include loans to banks and financial institutions, which provide for fixed or otherwise determinable payments, are not quoted on active markets and not classified at the outset as available for sale or among the financial assets recognised at fair value that impact on profit and loss.

**Valuation criteria**

Receivables are measured at amortised cost using the effective interest rate method.

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability was measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation on any difference between the initial amount and the maturity amount, and minus any write-down (for impairment or non-collection).

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability (or group of financial assets and liabilities) and of allocating the interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument. When calculating the effective interest rate it will be necessary to estimate cash flows, taking into account all the contractual terms of the financial instrument (for example, prepayment, call and similar options) but future credit losses should not be considered. The calculation includes all fees and points paid or received between the parties to the contract, that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. The amortised cost is calculated for all receivables having an original maturity of eighteen months or more as with shorter maturity dates the effect of discounting would be immaterial. Receivables of such short duration as to make the effects of actualisation negligible, are stated at face value.

The effective interest rate initially recognised is the rate (known as the original rate) that is also always used to discount expected cash flows and to determine the amortised cost after initial recognition.

The presence of objective evidence that a financial asset or group of financial assets may be impaired must be verified at each balance sheet or interim report date.

**Derecognition criteria**

Receivables are derecognised when all contractual rights to the cash flows arising from the financial assets expire or when the financial assets are sold, transferring substantially all the risks and benefits of ownership related to the assets in question. Otherwise, the receivables continue to be included in the financial statements at an amount which reflects the residual control over the asset, even though legal ownership has effectively been transferred.

**Criteria for recognising income items**

Interest relating to "loans to banks" is stated under item "10. Interest and similar income" in profit and loss on an accruals basis.

**• Tangible assets**

"Operating assets" are tangible assets owned and used by the company to carry on its operating activities and the useful life of which extends beyond one financial year.

"Investment property" represents property held with a view to earn rentals or for capital appreciation.

Tangible assets (operating assets and investment property) also include leasehold assets (under finance lease contracts) which are recorded even though the legal right to the assets remains with the lessor company.

**Recognition criteria**

Tangible assets are initially recognised at cost (under item 110 "Tangible assets"), inclusive of any directly attributable costs incurred in bringing the asset into working condition for its intended use, and any non-



recoverable taxes and duties. This value is subsequently increased by additional costs incurred which are expected to generate future economic benefits. Costs for ordinary maintenance on tangible assets are charged to earnings as and when incurred.

The cost of a tangible asset is only recognised as an asset if:

- it is probable that the future economic benefits attributable to the asset will flow to the company
- the cost of the asset can be measured in a reliable manner.

#### **Classification criteria**

Tangible assets include property, plant, electronic equipment and any other type of equipment.

#### **Valuation criteria**

Subsequent to initial recognition, operating tangible assets are carried at cost, as described above, less any accumulated depreciation and impairment losses. The depreciable amount, equal to the cost less the residual value (i.e. the amount that is expected to be received for the asset at the end of its useful life after deducting disposal costs), is depreciated on a straight-line basis over the residual useful life of the asset. The useful life, which is regularly reviewed in order to assess if significant changes in estimates have occurred, is defined as the period of time over which an asset is expected to be used by the company.

The depreciation of an asset starts when the asset is ready for use and ceases when the asset is disposed of and eliminated from the accounting records. As a result, depreciation does not stop when the asset becomes idle or is retired from active use and held for disposal unless the asset is fully depreciated.

At each balance sheet or interim report date, the company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. The impairment loss is the difference between the asset's carrying amount and its recoverable amount. The latter is the higher of the fair value, net of selling costs, and the related value in use intended as the present value of the future cash flows expected to be generated by the asset. The impairment loss is immediately recognised in the profit and loss account under item 170 "Adjustments to the net value of tangible assets". This item also includes any future write-backs that may be recorded if the reasons that gave rise to the original impairment cease to exist.

#### **Derecognition criteria**

Tangible assets are eliminated from the financial statements at the time of disposal or when the assets are permanently withdrawn from use and no future economic benefits are expected to be generated from their disposal.

#### **Criteria for recognising income items**

Systematic depreciation is recognised in profit and loss under item "170 Adjustments to net value of tangible assets".

Any gain or loss arising on the derecognition or disposal of the tangible asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the profit and loss account under item 240 "Gains (Losses) from sale of investments".

#### **• Intangible assets**

An intangible asset is an identifiable non-monetary asset without physical substance, that is used by the company to carry out its activities and from which the company can be expected to receive future economic benefits.

An intangible asset is identifiable when:

- it is separable, that is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged;

- it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from other rights and obligations.

The future economic benefits arising from an intangible asset may include the revenues from the sale of products or services, cost savings or other benefits resulting from the use of the asset by the company.

**Recognition criteria**

The assets shown in the balance sheet under item 120 "Intangible assets" are recorded at cost and any subsequent costs incurred after their initial recognition are only capitalised if they are expected to generate future economic benefits and only if those costs can be assessed and allocated to the assets in a reliable manner.

The cost of an intangible asset includes:

- the purchase price including any non-recoverable taxes and duties less any discounts and rebates;
- any directly attributable cost required to make the asset ready for its intended use.

**Classification criteria**

Intangible assets include application software for multi-year use.

**Valuation criteria**

Subsequent to initial recognition, intangible assets with a definite useful life are recognised at cost less cumulative amortisation and any impairment losses that may have occurred.

The amortisation is allocated systematically over the best estimate of the asset's useful life, using the straight-line method.

The assets start being amortised when they are ready for use and cease being amortised when the assets are eliminated from the accounting records.

Intangible assets with an indefinite useful service life are recognised at cost less any impairment losses. These losses are recorded as a result of the impairment tests carried out on an annual basis. As a result, these assets are not amortised.

Impairment losses that arise from the difference between the carrying value of the assets and their recoverable value are recognised, like write-backs, under item 180 "Adjustments to the net value of intangible assets".

**Derecognition criteria**

Intangible assets are eliminated from the financial statements when disposed of or when no future economic benefits are expected to flow to the company from their use or disposal.

**Criteria for recognising income items**

Systematic depreciation is recognised in profit and loss under item "180 Adjustments to the net value of intangible assets".

Any gain or loss arising on the derecognition or disposal of the intangible asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the profit and loss account under item 240 "Gains (Losses) from sale of investments".

**• Current and deferred taxes**

Income tax for the year is calculated and stated in the financial statements on an accruals basis and credited or charged to the profit and loss account for the year in which it is earned or incurred.

Differences between the profit defined in accordance with the provisions of the Italian Civil Code and the taxable income may be temporary or permanent, depending on whether the difference between the values for specific income or charge items measured on the basis of the Civil Code or on the basis of tax laws will

be re-absorbed in future.

Permanent differences have no impact on subsequent financial periods and there is no need for any adjustment to the tax stated in profit and loss; temporary differences generate a saving or an increase in tax for the year. This difference is made up in subsequent years and results in a difference between the tax due and tax for the year.

For this reason the financial statements must not only include "current" tax, i.e. tax calculated according to tax laws, but also "deferred" tax, i.e. tax due on the basis of the timing differences described above, to be paid or recovered in subsequent years.

The provision for income tax is determined on the basis of a prudential forecast of the current tax charge, prepaid tax and deferred tax.

Deferred tax assets are recognised to the extent that it is likely that taxable profits will be available in subsequent years against which deductible temporary differences can be used.

Deferred tax assets and liabilities are continuously reviewed and assessed using the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, on the basis of current tax rates and regulations.

## • Payables and securities in issue

### **Classification criteria**

Amounts due to clients, due to banks and securities in issue consist of financial instruments (other than trade liabilities) which represent the typical form of funding for clients, for other banks or incorporated in securities. Such amounts also include any liabilities arising from financial leasing transactions.

### **Recognition criteria**

Liabilities are initially recognised on the settlement date and at their current value, which is normally the amount paid to the bank. The initial value also includes any transaction costs and proceeds paid in advance and directly attributable to each liability; the initial value does not include charges recovered by the counterparty creditor or relating to internal administrative costs.

### **Valuation criteria**

Following initial recognition, financial liabilities are recognised at their amortised cost using the effective interest rate method. Short-term liabilities continue to be recognised at the value paid.

### **Derecognition criteria**

Financial liabilities are derecognised when paid or when they have expired. Derecognition also occurs if previously issued securities are repurchased.

## • Transactions in foreign currency

### **Recognition criteria**

Transactions in foreign currency are recognised initially in the functional currency, adopting the exchange rate prevailing on the date of the transaction.

### **Valuation criteria**

At the end of the year accounting entries in foreign currency are valued at the exchange rate prevailing at year-end.

**Criteria for recognising income items**

Exchange differences arising from cash settlement or conversion of cash items at rates other than the initial conversion rate, or the conversion rate of the previous financial statements, are recognised in profit and loss for the period in which they arise.

**• Other information****Employee severance indemnity**

Employee severance indemnity is calculated on an actuarial basis. For the actuarial calculation of this amount the company requested and obtained a report by an actuary registered with the National Actuarial Association, published by the National Order of Actuaries.

The "Projected Unit Credit Cost" method was used for the actuarial calculation. This method is based on the projection of future expense on the basis of statistical records, demographic data and the financial actualisation of these flows at market interest rates.

As from 1 January 2013, in accordance with the provisions of the new revised IAS 19, actuarial gains and losses, defined as the difference between the carrying value of the liability and the current value of commitments, are recorded in the statement of comprehensive income and in a specific valuation reserve in shareholders' equity.

**Revenues**

Revenues are recognised when received or when future benefits are likely to be received and said benefits can be measured reliably.

**Charges**

Charges are recognised when incurred and when there is a reduction in the future economic benefits that can be measured reliably.

**Criteria for measuring the fair value of financial instruments**

In December 2012 the European Commission published Regulation (EU) No. 1255/2012 endorsing the new IFRS 13 "Fair Value Measurement" accounting standard, which took effect as from January 1, 2013.

IFRS 13 defines fair value as: "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date". For financial instruments this definition of fair value replaces the previous version in IAS 39 Financial instruments: recognition and measurement.

Therefore, according to the new fair value definition in IFRS 13, the fair value of financial liabilities is the value that would be paid for the transfer of that liability (exit price), rather than the amounts necessary to settle it (as per the definition provided in IAS 39).

This leads to a strengthening of the issue concerning the recognition of the fair value adjustments of financial liabilities - other than derivatives - attributable to own credit adjustment (OCA), compared to the provisions established in IAS 39. With regard to the fair value measurement of OTC derivatives in the balance sheet assets, IFRS 13 confirmed the rule that requires the adjustment to be applied for counterparty risk (Credit Valuation Adjustment - CVA). With regard to financial liabilities consisting of OTC derivatives, IFRS 13 introduces the Debit Valuation Adjustment (DVA), which is a fair value adjustment designed to reflect an entity's own default risk on these instruments, an issue not explicitly addressed by IAS 39.

The fair value of investments listed on active markets is determined by reference to the market price (the bid price or, if that is not available, the average price) on the closing date of the period in question. The

fair value of financial instruments listed on active markets is determined on the basis of prices in the active reference market (i.e. the market with the highest trading volume) or obtained from international providers on the closing date of the period in question. A market is defined as active if the prices reflect normal market transactions, are readily and regularly available and express the price of actual and regular market transactions. For financial instruments listed on more than one market, the price on the most advantageous market to which the company has access must be considered.

For financial instruments that are not listed, fair value is determined using valuation models to determine the price at which the instrument would be traded freely between two parties under normal business conditions. The following fair value valuation techniques are used:

- recent market transactions;
- reference to the price of another instrument that is substantially the same as the one being valued;
- quantitative methods (option pricing models; discounted cash flow analysis);
- inputs other than observable quoted prices for the asset or liability (e.g. interest rates and yield curves observable at commonly quoted intervals, implicit volatility and credit spreads);

The fair value of non-listed bonds is calculated by discounting expected cash flows - using interest rate structures that take into consideration the issuer's sector of business and rating, where available.

The fair value of units in common investment funds not listed on active markets is determined on the basis of the published net asset value, adjusted where necessary in view of possible changes in value between the date of request for repayment and the actual repayment date.

Equity securities not traded on an active market, for which the fair value cannot be reliably determined on the basis of the most commonly-used methods (especially discounted cash flow analysis) are valued at cost and adjusted to take into account any significant value reductions.

For financial entries (assets and liabilities) other than FVO derivative contracts, securities and financial instruments, with a residual duration of not more than 18 months, the fair value is assumed to be reasonably close to their carrying value.

The fair value of financial instruments, measured according to the criteria set forth above, is classified as follows pursuant to IFRS 13 and depending on the characteristics and significance of the inputs used to calculate such value.

## **A.4 FAIR VALUE disclosure**

### **A.4 FAIR VALUE disclosure**

When quoted prices in active markets are not available, the determination of their fair value is based on generally accepted and used valuation models.

Financial assets are the only items valued at fair value on a recurring basis

When quoted prices in active markets are not available, the following methods are used to measure the fair value of financial instruments:

The fair value of level 2 financial instruments is determined by reference to observable inputs from providers.

There were no significant changes in the valuation models used compared with the previous year.

#### **A.4.1 Fair value levels 2 and 3: valuation techniques and inputs used**

When assets and liabilities measured at fair value on a recurring basis are not quoted on active markets, their fair value is determined with reference to generally accepted and used valuation models

There were no significant changes in the valuation models used compared with the previous year.

#### **A.4.2 Valuation processes and sensitivity**

Since the bank does not hold any financial instruments in level 3 of the fair value hierarchy it does not carry out tests to determine potential changes in fair value, according to type of instrument, attributable to plausible unobservable changes to inputs.

#### **A.4.3 Fair value hierarchy**

Based on that established by IFRS 13, the fair value hierarchy must be applied to all financial instruments that are measured at fair value in the balance sheet. The fair value hierarchy gives the highest priority to quoted prices on active markets and the lowest priority to unobservable inputs, which are more discretionary. Thus, the fair value of instruments listed on active markets is determined by reference to prices on financial markets, whereas the fair value of other financial instruments is determined through the use of valuation models designed to estimate the fair value (exit price). The fair value hierarchy used in these notes is structured as follows:

- "Level 1": the fair value of financial instruments is determined on the basis of observable prices on active (unadjusted) markets available at the reporting date;
- "Level 2"; the fair value of financial instruments is determined on the basis of inputs that are either directly or indirectly observable in active markets for the asset or liability, and may also include the use of valuation models;
- "Level 3"; the fair value of financial instruments is determined on the basis of inputs that are not observable for the asset or liability, and may also include the use of valuation models;

A quoted price in an active market is the most reliable measurement of fair value and, if available, this input must be used to determine such value without any further adjustment. When no quoted prices in active markets are available, financial instruments must be classified as level 2 or 3.

Their fair value is classified as level 2 or level 3 depending on the degree of observability of the valuation model inputs.

Level 2 inputs include:

- prices of similar assets or liabilities available on active markets;
- prices of identical assets or liabilities available on non-active markets;
- inputs other than observable quoted prices for the asset or liability (e.g. interest rates and yield curves observable at commonly quoted intervals, implicit volatility and credit spreads);
- observable market data.

For fair value measurements categorised within level 3, IFRS 13 also requires a description of the sensitivity of the fair value measurement to changes in one or more of the unobservable inputs used in the fair value measurement.

#### A.4.4 Other information

The bank does not manage groups of financial assets or liabilities on the basis of its net exposure to market risks or credit risk.

As at 31 December 2014 there is no information to report pursuant to IFRS 13 paragraph 93(i).

Reference should be made to the sections concerning the various accounting categories in part "A.1 General" and specifically "Criteria for measuring the fair value of financial instruments" in part A.2. "Main items in the balance sheet - Other information".

#### A.4.5.1 Fair value hierarchy

##### A.4.5.1 ASSETS AND LIABILITIES AT FAIR VALUE ON A RECURRING BASIS: BREAKDOWN BY LEVEL OF FAIR VALUE

| <i>Financial assets/liabilities at fair value</i> | 2014              |                |                | 2013              |                |                |
|---|-------------------|----------------|----------------|-------------------|----------------|----------------|
|   | <i>Level 1</i>    | <i>Level 2</i> | <i>Level 3</i> | <i>Level 1</i>    | <i>Level 2</i> | <i>Level 3</i> |
| 1. Financial assets held for trading              | 14,608,566        | 389,430        |                | 10,170,317        |                |                |
| 2. Financial assets at fair value                 |                   |                |                |                   |                |                |
| 3. Financial assets available for sale            |                   |                |                |                   |                |                |
| 4. Hedging derivatives                            |                   |                |                |                   |                |                |
| 5. Tangible assets                                |                   |                |                |                   |                |                |
| 6. Intangible assets                              |                   |                |                |                   |                |                |
| <b>Total</b>                                      | <b>14,608,566</b> | <b>389,430</b> |                | <b>10,170,317</b> |                |                |
| 1. Financial liabilities held for trading         |                   |                |                |                   |                |                |
| 2. Financial liabilities at fair value            |                   |                |                |                   |                |                |
| 3. Hedging derivatives                            |                   |                |                |                   |                |                |
| <b>Total</b>                                      |                   |                |                |                   |                |                |

**A.4.5.4 ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE OR MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS: BREAKDOWN BY LEVEL OF FAIR VALUE**

| <i>Assets/Liabilities not measured at fair value or measured at fair value on a non-recurring basis</i> | 2014              |           |           |                   | 2013              |           |           |                   |
|---|-------------------|-----------|-----------|-------------------|-------------------|-----------|-----------|-------------------|
|   | <i>BV</i>         | <i>L1</i> | <i>L2</i> | <i>L3</i>         | <i>BV</i>         | <i>L1</i> | <i>L2</i> | <i>L3</i>         |
| 1. Financial assets held to maturity  |                   |           |           |                   |                   |           |           |                   |
| 2. Due from banks   | 31,556,368        |           |           | 31,556,368        | 19,409,624        |           |           | 19,409,624        |
| 3. Due from clients   |                   |           |           |                   |                   |           |           |                   |
| 4. Tangible assets held for investment  |                   |           |           |                   |                   |           |           |                   |
| 5. Non-current assets and disposal groups   |                   |           |           |                   |                   |           |           |                   |
| <b>Total</b>  | <b>31,556,368</b> |           |           | <b>31,556,368</b> | <b>19,409,624</b> |           |           | <b>19,409,624</b> |
| 1. Due to banks   |                   |           |           |                   |                   |           |           |                   |
| 2. Due to clients   | 18,371,590        |           |           | 18,371,590        | 8,137,486         |           |           | 8,137,486         |
| 3. Securities in issue  |                   |           |           |                   |                   |           |           |                   |
| 4. Liabilities associated with a disposal group   |                   |           |           |                   |                   |           |           |                   |
| <b>Total</b>  | <b>18,371,590</b> |           |           | <b>18,371,590</b> | <b>8,137,486</b>  |           |           | <b>8,137,486</b>  |

The fair value is equal to the book value as these are demand deposits.

Key:

BV = Book value

L1= Level 1

L2= Level 2

L3= Level 3



## Part B - Information on the balance sheet - assets

### Section 1 – Cash and liquid assets – Item 10

#### 1.1. CASH AND CASH EQUIVALENTS: BREAKDOWN

|                                     | 2014          | 2013             |
|-------------------------------------|---------------|------------------|
| a) Cash                             | 9,551         | 2,110            |
| b) Free deposits with Central Banks | 4,695         | 2,498,930        |
| <b>Total</b>                        | <b>14,246</b> | <b>2,501,040</b> |

### Section 2 – Financial assets held for trading – Item 20

#### 2.1 FINANCIAL ASSETS HELD FOR TRADING: PRODUCT BREAKDOWN

| Items/Amounts                | 2014              |                |         | 2013              |         |         |
|------------------------------|-------------------|----------------|---------|-------------------|---------|---------|
|                              | Level 1           | Level 2        | Level 3 | Level 1           | Level 2 | Level 3 |
| A. Financial assets          |                   |                |         |                   |         |         |
| 1. Debt securities           | 14,608,566        | 389,430        |         | 10,170,317        |         |         |
| 1.1 Structured securities    |                   |                |         |                   |         |         |
| 1.2 Other debt securities    | 14,608,566        | 389,430        |         | 10,170,317        |         |         |
| 2. Equity instruments        |                   |                |         |                   |         |         |
| 3. Units in investment funds |                   |                |         |                   |         |         |
| 4.1 Repos                    |                   |                |         |                   |         |         |
| 4.2 Other                    |                   |                |         |                   |         |         |
| <b>Total A</b>               | <b>14,608,566</b> | <b>389,430</b> |         | <b>10,170,317</b> |         |         |
| B. Derivatives               |                   |                |         |                   |         |         |
| 1. Financial derivatives     |                   |                |         |                   |         |         |
| 1.1 trading                  |                   |                |         |                   |         |         |
| 1.2 fair value option        |                   |                |         |                   |         |         |
| 1.3 other                    |                   |                |         |                   |         |         |
| 2. Credit derivatives        |                   |                |         |                   |         |         |
| 2.1 trading                  |                   |                |         |                   |         |         |
| 2.2 fair value option        |                   |                |         |                   |         |         |
| 2.3 other                    |                   |                |         |                   |         |         |
| <b>Total B</b>               |                   |                |         |                   |         |         |
| <b>Total (A+B)</b>           | <b>14,608,566</b> | <b>389,430</b> |         | <b>10,170,317</b> |         |         |

The debt securities in the portfolio at the end of the year related to ordinary own account trading activities.

**2.2. FINANCIAL ASSETS HELD FOR TRADING: BREAKDOWN BY BORROWER/ISSUER**

| <i>Items/Amounts</i>             | 2014              | 2013              |
|----------------------------------|-------------------|-------------------|
| A. Financial assets              |                   |                   |
| 1. Debt securities               | 14,997,996        | 10,170,317        |
| a) Governments and Central Banks | 10,965,771        | 7,871,268         |
| b) Other public-sector entities  |                   |                   |
| c) Banks                         | 3,122,255         | 2,295,643         |
| d) Other issuers                 | 909,970           | 3,406             |
| 2. Equity instruments            |                   |                   |
| a) Banks                         |                   |                   |
| b) Other issuers                 |                   |                   |
| - insurance undertakings         |                   |                   |
| - financial undertakings         |                   |                   |
| - non-financial undertakings     |                   |                   |
| - other                          |                   |                   |
| 3. Units in investment funds     |                   |                   |
| 4. Loans                         |                   |                   |
| a) Governments and Central Banks |                   |                   |
| b) Other public-sector entities  |                   |                   |
| c) Banks                         |                   |                   |
| d) Other parties                 |                   |                   |
| <b>Total A</b>                   | <b>14,997,996</b> | <b>10,170,317</b> |
| B. Derivatives                   |                   |                   |
| a) Banks                         |                   |                   |
| b) Clients                       |                   |                   |
| <b>Total B</b>                   |                   |                   |
| <b>Total (A+B)</b>               | <b>14,997,996</b> | <b>10,170,317</b> |

The breakdown of financial assets by issuers' economic sector is in line with Banca d'Italia classification criteria.

**2.3 FINANCIAL ASSETS HELD FOR TRADING: CHANGES FOR THE YEAR**

|                                      | <i>Debt securities</i> | <i>Equity in-<br/>struments</i> | <i>Units in<br/>invest-<br/>ment<br/>funds</i> | <i>Loans</i>  | <b>Total</b>          |
|--------------------------------------|------------------------|---------------------------------|--|---------------|-----------------------|
| A. Opening balance                   | 10,170,317             | 0                               | 0  | 0             | <b>10,170,317</b>     |
| B. Increases                         |                        |                                 |  |               |                       |
| B1. Purchases                        | 10,406,792,972         | 0                               | 0  | 3,730,237,943 | <b>14,137,030,915</b> |
| B2. Increases in fair<br>value       | 6,940                  | 0                               | 0  |               | <b>6,940</b>          |
| B3. Other changes                    | 9,237,190              | 0                               | 0  | 8,038         | <b>9,245,228</b>      |
| C. Reductions                        |                        |                                 |  |               |                       |
| C1. Sales                            | 10,381,654,871         | 0                               | 0  | 3,730,244,717 | <b>14,111,899,588</b> |
| C2. Refunds                          | 26,153,000             | 0                               | 0  |               | <b>26,153,000</b>     |
| C3. Reductions in fair<br>value      | 119,355                | 0                               | 0  |               | <b>119,355</b>        |
| C4. Transfers to other<br>portfolios |                        |                                 |  |               |                       |
| C5. Other changes                    | 3,282,197              | 0                               | 0  | 1,264         | <b>3,283,462</b>      |
| D. Closing balance                   | 14,997,996             | 0                               | 0  | 0             | <b>14,997,996</b>     |

Loans only refer to repo transactions on the bank's own accounts.

**Section 6 – Due from banks – Item 60**
**6.1 DUE FROM BANKS: PRODUCT BREAKDOWN**

| Type of transactions/<br>Amounts       | 2014              |          |          |                   | 2013              |          |          |                   |
|--|-------------------|----------|----------|-------------------|-------------------|----------|----------|-------------------|
|  | BV                | FV<br>L1 | FV<br>L2 | FV<br>L3          | BV                | FV<br>L1 | FV<br>L2 | FV<br>L3          |
| A. Loans to Central Banks              |                   |          |          |                   |                   |          |          |                   |
| 1. Time deposits                       |                   |          |          |                   |                   |          |          |                   |
| 2. Compulsory reserves                 |                   |          |          |                   |                   |          |          |                   |
| 3. Repos                               |                   |          |          |                   |                   |          |          |                   |
| 4. Other                               |                   |          |          |                   |                   |          |          |                   |
| B. Loans to banks                      | 31,556,368        |          |          | 31,556,368        | 19,409,624        |          |          | 19,409,624        |
| 1. Loans                               |                   |          |          |                   |                   |          |          |                   |
| 1.1 Current accounts and free deposits | 31,394,443        |          |          | 31,394,443        | 19,330,610        |          |          | 19,330,610        |
| 1.2. Time deposits                     | 161,925           |          |          | 161,925           | 79,014            |          |          | 79,014            |
| 1.3. Other loans                       |                   |          |          |                   |                   |          |          |                   |
| - Reverse repurchase agreement assets  |                   |          |          |                   |                   |          |          |                   |
| - Finance leases                       |                   |          |          |                   |                   |          |          |                   |
| - Other                                |                   |          |          |                   |                   |          |          |                   |
| 2. Debt securities                     |                   |          |          |                   |                   |          |          |                   |
| 2.1 Structured securities              |                   |          |          |                   |                   |          |          |                   |
| 2.2 Other debt securities              |                   |          |          |                   |                   |          |          |                   |
| <b>Total</b>                           | <b>31,556,368</b> |          |          | <b>31,556,368</b> | <b>19,409,624</b> |          |          | <b>19,409,624</b> |

The fair value is equal to the book value as these are demand deposits.

Key

FV = fair value

BV = book value

L1= Level 1

L2= Level 2

L3= Level 3

The compulsory reserve is set aside through the Istituto Centrale delle Banche Popolari Italiane; this amount is therefore stated on line B.1.2 "Time deposits".

Sub-item "B.1.1 current accounts and free deposits" includes the company's liquid assets held with banks at the end of the year subject to ordinary market conditions and inclusive of accruals at the end of the year; it includes receivables for initial margins from clearing houses with the intermediation of Istituto Centrale delle Banche Popolari Italiane; such initial margins are required against positions on held-for-trading financial instruments listed on regulated markets.

## Section 7 – Due from clients – Item 70

### 7.1 DUE FROM CLIENTS: PRODUCT BREAKDOWN

| Type of transactions/<br>Amounts                        | 2014                 |                |            |            |    |              | 2013                 |           |            |            |    |              |
|---|----------------------|----------------|------------|------------|----|--------------|----------------------|-----------|------------|------------|----|--------------|
|   | Book value           |                |            | Fair value |    |              | Book value           |           |            | Fair value |    |              |
|   | Per-<br>form-<br>ing | Impaired       |            | L1         | L2 | L3           | Per-<br>form-<br>ing | Impaired  |            | L1         | L2 | L3           |
|   |                      | Pur-<br>chased | Oth-<br>er |            |    |              |                      | Purchased | Oth-<br>er |            |    |              |
| Loans   |                      |                |            |            |    |              |                      |           |            |            |    |              |
| 1. Current accounts                                     |                      |                |            |            |    |              |                      |           |            |            |    |              |
| 2. Reverse repurchase agreement assets                  |                      |                |            |            |    |              |                      |           |            |            |    |              |
| 3. Mortgages  |                      |                |            |            |    |              |                      |           |            |            |    |              |
| 4. Credit cards, personal loans and salary-backed loans |                      |                |            |            |    |              |                      |           |            |            |    |              |
| 5. Financial leases                                     |                      |                |            |            |    |              |                      |           |            |            |    |              |
| 6. Factoring  |                      |                |            |            |    |              |                      |           |            |            |    |              |
| 7. Other loans  | 1,932                |                |            |            |    | 1,932        | 1,963                |           |            |            |    | 1,963        |
| Debt securities   |                      |                |            |            |    |              |                      |           |            |            |    |              |
| 8. Structured securities                                |                      |                |            |            |    |              |                      |           |            |            |    |              |
| 9. Other debt securities                                |                      |                |            |            |    |              |                      |           |            |            |    |              |
| <b>Total</b>  | <b>1,932</b>         |                |            |            |    | <b>1,932</b> | <b>1,963</b>         |           |            |            |    | <b>1,963</b> |

Item "7. Other loans" consists entirely of receivables for security deposits.

**7.2. DUE FROM CUSTOMERS: BREAKDOWN BY BORROWER/ISSUER**

| Type of transactions/Amounts    | 2014         |           |       | 2013         |           |       |
|---------------------------------|--------------|-----------|-------|--------------|-----------|-------|
|                                 | Performing   | Impaired  |       | Performing   | Impaired  |       |
|                                 |              | Purchased | Other |              | Purchased | Other |
| 1. Debt securities:             |              |           |       |              |           |       |
| a) Governments                  |              |           |       |              |           |       |
| b) Other public-sector entities |              |           |       |              |           |       |
| c) Other issuers                |              |           |       |              |           |       |
| - non-financial undertakings    |              |           |       |              |           |       |
| - financial undertakings        |              |           |       |              |           |       |
| - insurance undertakings        |              |           |       |              |           |       |
| - other                         |              |           |       |              |           |       |
| 2. Loans to:                    | 1,932        |           |       | 1,963        |           |       |
| a) Governments                  |              |           |       |              |           |       |
| b) Other public-sector entities |              |           |       |              |           |       |
| c) Other parties                | 1,932        |           |       | 1,963        |           |       |
| - non-financial undertakings    |              |           |       |              |           |       |
| - financial undertakings        |              |           |       |              |           |       |
| - insurance undertakings        |              |           |       |              |           |       |
| - other                         | 1,932        |           |       | 1,963        |           |       |
| <b>Total</b>                    | <b>1,932</b> |           |       | <b>1,963</b> |           |       |

The breakdown of financial assets by issuers' economic sector is in line with Banca d'Italia classification criteria.

**Section 11 - Tangible assets - Item 110**
**11.1. TANGIBLE ASSETS FOR OPERATIONAL USE: BREAKDOWN OF ASSETS VALUED AT COST**

| Assets/Amounts            | 2014             | 2013             |
|---------------------------|------------------|------------------|
| 1 Assets owned            | 2,967,393        | 3,308,110        |
| a) land                   | 42,000           | 42,000           |
| b) buildings              | 2,011,634        | 2,064,075        |
| c) furniture and fittings | 231,362          | 283,216          |
| d) electronic systems     | 682,397          | 918,819          |
| e) other                  |                  |                  |
| 2. Leased                 |                  |                  |
| a) land                   |                  |                  |
| b) buildings              |                  |                  |
| c) furniture and fittings |                  |                  |
| d) electronic systems     |                  |                  |
| e) other                  |                  |                  |
| <b>Total</b>              | <b>2,967,393</b> | <b>3,308,110</b> |

Tangible assets are recognised at cost and depreciated on the basis of their actual technical-economic deterioration. There have been no revaluations.

The following depreciation rates are applied:

| <i>ASSET GROUP</i>                                   | <i>RATE</i> |
|--|-------------|
| Property   | 3%          |
| Machinery and miscellaneous equipment                | 15%         |
| Furniture and fittings                               | 15%         |
| Electronic office equipment                          | 20%         |
| Internal communication and remote signalling systems | 25%         |

### 11.5 TANGIBLE ASSETS FOR OPERATIONAL USE: CHANGES FOR THE YEAR

|  | <i>Land</i> | <i>Buildings</i> | <i>Furniture</i> | <i>Electronic systems</i> | <i>Other</i> | <b>Total</b>     |
|--|-------------|------------------|------------------|---------------------------|--------------|------------------|
| A. Gross opening balance                         | 42,000      | 2,128,568        | 375,912          | 1,512,095                 |              | <b>4,058,575</b> |
| A.1 Total net reductions in value                |             | 64,493           | 92,696           | 593,276                   |              | <b>750,465</b>   |
| A.2 Net opening balance                          | 42,000      | 2,064,075        | 283,216          | 918,819                   |              | <b>3,308,110</b> |
| B. Increases:                                    |             | 11,558           |                  | 55,694                    |              | <b>67,252</b>    |
| B.1 Purchases                                    |             | 11,558           |                  | 55,694                    |              | <b>67,252</b>    |
| B.2 Capitalised expenditure on improvements      |             |                  |                  |                           |              |                  |
| B.3 Write-backs                                  |             |                  |                  |                           |              |                  |
| B.4 Increases in fair value                      |             |                  |                  |                           |              |                  |
| a) in shareholders' equity                       |             |                  |                  |                           |              |                  |
| b) in profit and loss                            |             |                  |                  |                           |              |                  |
| B.5 Positive exchange differences                |             |                  |                  |                           |              |                  |
| B.6 Transfer from properties held for investment |             |                  |                  |                           |              |                  |
| B.7 Other changes                                |             |                  |                  |                           |              |                  |
| C. Reductions:                                   |             | 63,999           | 51,854           | 292,116                   |              | <b>407,969</b>   |
| C.1 Disposals                                    |             |                  | 147              |                           |              | <b>147</b>       |
| C.2 Depreciation                                 |             | 63,999           | 51,707           | 292,116                   |              | <b>407,822</b>   |
| C.3 Impairment losses recognised in:             |             |                  |                  |                           |              |                  |
| a) in shareholders' equity                       |             |                  |                  |                           |              |                  |
| b) in profit and loss                            |             |                  |                  |                           |              |                  |
| C.4 Reductions of fair value                     |             |                  |                  |                           |              |                  |
| a) in shareholders' equity                       |             |                  |                  |                           |              |                  |
| b) in profit and loss                            |             |                  |                  |                           |              |                  |
| C.5 Negative exchange differences                |             |                  |                  |                           |              |                  |
| C.6 Transfers to:                                |             |                  |                  |                           |              |                  |
| a) tangible assets held for investment           |             |                  |                  |                           |              |                  |
| b) assets held for sale                          |             |                  |                  |                           |              |                  |
| C.7 Other changes                                |             |                  |                  |                           |              |                  |

|                                  |        |           |         |           |                  |
|----------------------------------|--------|-----------|---------|-----------|------------------|
| D. Net closing balance           | 42,000 | 2,011,634 | 231,362 | 682,397   | <b>2,967,393</b> |
| D.1 Total net reduction in value |        | 128,492   | 144,550 | 885,392   | <b>1,158,434</b> |
| D.2 Gross closing balance        | 42,000 | 2,140,126 | 375,912 | 1,567,789 | <b>4,125,827</b> |
| E. Carried at cost               |        |           |         |           |                  |

## Section 12 - Intangible assets - Item 120

Intangible assets carried at cost consist entirely of capitalised expenditure on software, amortised over a maximum of five years.

### 12.1 INTANGIBLE ASSETS: BREAKDOWN BY TYPE OF ASSET

| Assets/Amounts                      | 2014         |                 | 2013         |                 |
|-------------------------------------|--------------|-----------------|--------------|-----------------|
|                                     | Finite life  | Indefinite life | Finite life  | Indefinite life |
| A.1 Goodwill                        |              |                 |              |                 |
| A.2 Other intangible assets         | 5,722        |                 | 9,695        |                 |
| A.2.1 Assets carried at cost:       | 5,722        |                 | 9,695        |                 |
| a) internally generated             |              |                 |              |                 |
| b) other                            | 5,722        |                 | 9,695        |                 |
| A.2.2 Assets carried at fair value: |              |                 |              |                 |
| a) internally generated             |              |                 |              |                 |
| b) other                            |              |                 |              |                 |
| <b>Total</b>                        | <b>5,722</b> |                 | <b>9,695</b> |                 |

### 12.2 INTANGIBLE ASSETS: CHANGES FOR THE YEAR

| Goodwill  | Other intangible assets:<br>internally generated |                 | Other intangible assets:<br>other |                 | Total        |
|---|--|-----------------|-----------------------------------|-----------------|--------------|
|   | Finite life                                      | Indefinite life | Finite life                       | Indefinite life |              |
| A. Opening balance                                      |  |                 | 9,695                             |                 | <b>9,695</b> |
| A.1 Total net reductions in value                       |  |                 |                                   |                 |              |
| A.2 Net opening balance                                 |  |                 | 9,695                             |                 | <b>9,695</b> |
| B. Increases  |  |                 |                                   |                 |              |
| B.1 Purchases   |  |                 |                                   |                 |              |
| B.2 Increases in internally generated intangible assets |  |                 |                                   |                 |              |
| B.3 Write-backs   |  |                 |                                   |                 |              |
| B.4 Increases in fair value                             |  |                 |                                   |                 |              |
| - in equity   |  |                 |                                   |                 |              |
| - through profit or loss                                |  |                 |                                   |                 |              |
| B.5 Positive exchange differences                       |  |                 |                                   |                 |              |
| B.6 Other changes                                       |  |                 |                                   |                 |              |
| C. Reductions   |  |                 | 3,973                             |                 | <b>3,973</b> |
| C.1 Disposals   |  |                 |                                   |                 |              |
| C.2 Value re-adjustments                                |  |                 |                                   |                 |              |
| - Depreciation  |  |                 | 3,973                             |                 |              |



|   |  |  |       |              |
|---|--|--|-------|--------------|
| - Write-downs:                                    |  |  |       |              |
| + in equity                                       |  |  |       |              |
| + through profit or loss                          |  |  |       |              |
| C.3 Reduction in fair value:                      |  |  |       |              |
| - in equity                                       |  |  |       |              |
| - through profit or loss                          |  |  |       |              |
| C.4 Transfers to non-current assets held for sale |  |  |       |              |
| C.5 Negative exchange differences                 |  |  |       |              |
| C.6 Other changes                                 |  |  |       |              |
| D. Net closing balance                            |  |  | 5,722 | <b>5,722</b> |
| D.1 Total net value re-adjustments                |  |  |       |              |
| E Gross closing balance                           |  |  | 5,722 | <b>5,722</b> |
| F. Carried at cost                                |  |  |       |              |

### Section 13 - Tax assets and tax liabilities - Item 130 on the assets side and Item 80 on the liabilities side

This section includes tax assets (current and prepaid) and tax liabilities (current and deferred) stated, respectively, under item 130 in assets and 80 in liabilities.

#### 13.1 Prepaid tax assets: breakdown

Prepaid tax assets for temporary differences in taxable income amounted to a total of € 44,131, mainly reflecting prepaid taxes on actuarial losses relating to defined benefit plans.

**13.3 CHANGES IN PREPAID TAXES  
(PER CONTRA IN PROFIT AND LOSS)**

|  | 2014         | 2013         |
|--|--------------|--------------|
| 1. Opening balance                                       | 2,946        | 2,213        |
| 2. Increases   | 2,791        | 3,654        |
| 2.1 Prepaid taxes recognised in the year                 |              |              |
| a) relating to previous years                            |              |              |
| b) due to changes in accounting criteria                 |              |              |
| c) write-backs   | 2,791        | 3,654        |
| d) other   |              |              |
| 2.2 New taxes or increases in applicable tax rates       |              |              |
| 2.3 Other increases                                      |              |              |
| 3. Reductions  | 3,654        | 2,921        |
| 3.1 Prepaid taxes cancelled in the year                  |              |              |
| a) reversals   | 3,654        | 2,921        |
| b) write-downs for non-recovery                          |              |              |
| c) due to changes in accounting criteria                 |              |              |
| d) other   |              |              |
| 3.2 Reductions in applicable tax rates                   |              |              |
| 3.3 Other reductions:                                    |              |              |
| a) conversion to tax credit pursuant to Law No. 214/2011 |              |              |
| b) other   |              |              |
| <b>4. Closing balance</b>                                | <b>2,083</b> | <b>2,946</b> |

**13.4. CHANGE IN DEFERRED TAXES  
(PER CONTRA IN PROFIT AND LOSS)**

|  | 2014     | 2013         |
|--|----------|--------------|
| 1. Opening balance                                 | 1,653    | 1,852        |
| 2. Increases                                       |          |              |
| 2.1 Deferred taxes for the year                    |          |              |
| a) relating to previous years                      |          |              |
| b) due to changes in accounting criteria           |          |              |
| c) other   |          |              |
| 2.2 New taxes or increases in applicable tax rates |          |              |
| 2.3 Other increases                                |          |              |
| 3. Reductions                                      | 1,653    | 199          |
| 3.1 Deferred taxes cancelled in the year           | 1,653    | 199          |
| a) reversals                                       |          |              |
| b) due to changes in accounting criteria           |          |              |
| c) other   |          |              |
| 3.2 Reductions in applicable tax rates             |          |              |
| 3.3 Other reductions                               |          |              |
| <b>4. Closing balance</b>                          | <b>-</b> | <b>1,653</b> |

At year-end the bank re-examined its tax position and, in compliance with the applicable accounting standards, calculated "prepaid taxes" and "deferred taxes" on the basis of the reasonable certainty of their recovery. The imbalance of prepaid taxes and deferred taxes calculated/cancelled in the year was recorded in profit and loss under item 260 "Income tax on current operations for the year".

**13.5 CHANGES IN PREPAID TAXES  
(PER CONTRA IN SHAREHOLDERS' EQUITY)**

|  | 2014          | 2013         |
|--|---------------|--------------|
| 1. Opening balance                                 | 5,018         | 916          |
| 2. Increases                                       | 41,132        | 4,102        |
| 2.1 Prepaid taxes recognised in the year           |               |              |
| a) relating to previous years                      |               |              |
| b) due to changes in accounting criteria           |               |              |
| c) other   | 41,132        | 4,102        |
| 2.2 New taxes or increases in applicable tax rates |               |              |
| 2.3 Other increases                                |               |              |
| 3. Reductions                                      | 4,102         | 4,102        |
| 3.1 Prepaid taxes cancelled in the year            |               |              |
| a) reversals                                       | 4,102         | 4,102        |
| b) write-downs for non-recovery                    |               |              |
| c) due to changes in accounting criteria           |               |              |
| d) other   |               |              |
| 3.2 Reductions in applicable tax rates             |               |              |
| 3.3 Other reductions                               |               |              |
| <b>4. Closing balance</b>                          | <b>42,048</b> | <b>5,018</b> |

### 13.7 Other information

Current tax assets and liabilities reflect amounts due from the tax authorities for taxes paid in advance and withholdings and amounts due for taxes for the year.

#### Current tax assets

| <i>Description</i>                          | 2014           | 2013           |
|---|----------------|----------------|
| Prepaid IRES                                | 256,825        | 471,180        |
| Prepaid IRAP                                | 128,109        | 195,477        |
| Withholding tax                             | 76             | 277            |
| Other receivables from the tax authorities* |                | 58,465         |
| <b>Total</b>                                | <b>385,010</b> | <b>725,399</b> |

\*On 18/02/2013 the bank submitted an application for reimbursement of IRES, pursuant to article 2 para 1-quater of Decree-Law 201/2011, in view of the absence of any deduction for IRAP on expenses relating to employees and co-workers in 2007, 2008, 2009, 2010 and 2011. This amount is recognised under taxes in the profit and loss account.

**Current tax liabilities**

| <i>Description</i> | 2014             | 2013           |
|--------------------|------------------|----------------|
| Provision for IRES | 817,692          | 331,600        |
| Provision for IRAP | 261,364          | 126,216        |
| <b>Total</b>       | <b>1,079,056</b> | <b>457,816</b> |

**Section 15 – Other assets – Item 150**
**15.1 Other assets: breakdown**

| <i>Description</i>                          | 2014             | 2013             |
|---|------------------|------------------|
| Prepayments and accrued income              | 61,349           | 100,280          |
| Advance payments to suppliers               | 2,583            | 3,500            |
| Other minor items                           | 17,478           | 5,537            |
| Transactions in securities to be credited * | 3,535,670        | 7,505,114        |
| Advanced tax payment on savings managed     | 114,831          | 127,063          |
| Other receivables from the tax authorities  | 44,176           |                  |
| Advance payment of VAT                      | 40,683           |                  |
| Advance payment of stamp duty               | 238,894          | 174,330          |
| <b>Total</b>                                | <b>4,055,664</b> | <b>7,915,824</b> |

\* These are regular way transactions the original settlement value of which expired on 31/12/2014 and which were settled at their original price after 31/12/2014.

## Part B - Information on the balance sheet - liabilities

### Section 2 – Due to clients – Item 20

#### 2.1. DUE TO CLIENTS: PRODUCT BREAKDOWN

| Type of transactions/Amounts   | 2014       | 2013      |
|--|------------|-----------|
| 1. Current accounts and demand deposits                                | 18,371,590 | 8,137,486 |
| 2. Time deposits   |            |           |
| 3. Loans   |            |           |
| 3.1 Reverse sale agreements  |            |           |
| 3.2 Other  |            |           |
| 4. Liabilities in respect of commitments to repurchase treasury shares |            |           |
| 5. Other liabilities   |            |           |
| Total  | 18,371,590 | 8,137,486 |
| Fair value – level 1   |            |           |
| Fair value – level 2   |            |           |
| Fair value – level 3   | 18,371,590 | 8,137,486 |
| Fair value   | 18,371,590 | 8,137,486 |

The fair value is equal to the book value as these are demand deposits.

### Section 8 – Tax liabilities – Item 80

See section 13 of Assets.

### Section 10 – Other liabilities – Item 100

#### 10.1. OTHER LIABILITIES: BREAKDOWN

|  | 2014             | 2013             |
|--|------------------|------------------|
| Due to tax authorities                     | 1,000,206        | 1,074,971        |
| Social security                            | 160,531          | 110,325          |
| Accrued liabilities                        | 256,931          | 203,362          |
| Due to suppliers                           | 239,518          | 182,398          |
| Transactions in securities to be settled * | 3,530,927        | 6,115,923        |
| Other minor items                          | 4,097            | 53,868           |
| <b>Total</b>                               | <b>5,192,210</b> | <b>7,740,847</b> |

\*See note of table 15.1

## Section 11 - Severance indemnity fund - Item 110

### 11.1 SEVERANCE INDEMNITY FUND: CHANGES FOR THE YEAR

|                            | 2014           | 2013           |
|----------------------------|----------------|----------------|
| A. Opening balance         | 358,828        | 456,362        |
| B. Increases               |                |                |
| B.1 Provision for the year | 75,553         | 61,726         |
| B.2 Other changes          | 149,572        |                |
| C. Reductions              |                |                |
| C.1 Disbursements made     | 5,296          | 144,707        |
| C.2 Other changes          | 77             | 14,553         |
| D. Closing balance         | 578,580        | 358,828        |
| <b>Total</b>               | <b>578,580</b> | <b>358,828</b> |

### 11.2 Other information

Actuarial valuations were performed as of 31 December 2014 by an external actuary specifically appointed for the purpose, who used analytical data supplied by the employment advisor.

The following demographic, economic and financial assumptions were used for the actuarial valuations:

#### Demographic assumptions

- Mortality rates for the Italian population by age and gender were those published by the Italian Institute of Statistics (ISTAT) in 2000, reduced by 25%;
- The probability of termination of service due to absolute and permanent disability was calculated, by age and gender, according to the INPS disability tables.
- For retirement age it was assumed that active employees stop working as soon as they reach the minimum pensionable age or length of service in order to qualify for a pension payable through the mandatory general insurance scheme;
- The probability of termination of service due to resignation or dismissal was determined at a rotation rate of 5.00% per annum;
- The assumed rate of requests for advance payment was 3.00% per year.

The rate of requests for advance payment and turnover were based on the past experience of the company and of the actuary across a significant number of companies of the same kind.

#### Economic and financial assumptions

- The annual discount rate used to determine the current value of the defined benefit obligation was obtained, in accordance with para 83 of IAS 19, on the basis of the Iboxx index for over-ten-year bonds of corporate issuers with an AA rating at the valuation date. The yield curve adopted expresses a duration comparable with that of the group of workers to whom the valuation applies;
- the inflation curve was modified as shown in the table, in account of the current economic situation and volatility of the majority of economic indicators. This assumption was based on the "Update of the Economic and Financial Document 2014 - September 2014 Section II-Table 1" issued by the Ministry

of Economy and Finance” and on “Mid-long term trends for the pension, health and long term care systems - Report No. 15” published by the Department of General Accounts.

- Termination benefits were assumed to increase at an annual rate equal to 75% of the rate of inflation plus 1.5 percentage points, pursuant to art. 2120 of the Italian Civil Code.
- The annual increase in salaries was determined, using the method applicable exclusively to undertakings with fewer than 50 employees in 2006, based on data provided by company managers. Salaries were assumed to increase at an average annual rate of 3.50%. This value was subsequently used for total salary projections.

#### Sensitivity analysis of the main valuation parameters using data as at 31 December 2014

|  |            |
|--|------------|
| Inflation rate + 0.25%                 | 597.973,05 |
| Inflation rate + -0.25%                | 571.045,62 |
| Discount rate + 0.25%                  | 568.022,29 |
| Discount rate + -0.25%                 | 601.322,00 |
| Turnover rate + 1%                     | 571.742,29 |
| Turnover rate + -1%                    | 598.991,27 |
| <hr/>                                  |            |
| Service Costs 2015                     | 84.838,05  |
| Duration of plan                       | 16,9       |
| <hr/>                                  |            |
| Expected disbursements in the 1st year | 41.893     |
| Expected disbursements in the 2nd year | 42.774     |
| Expected disbursements in the 3rd year | 46.259     |
| Expected disbursements in the 4th year | 49.214     |
| Expected disbursements in the 5th year | 51.968     |

## Section 12 – Provision for risks and charges – Item 120

### 12.1 PROVISION FOR RISKS AND CHARGES: BREAKDOWN

| Items/Amounts                             | 2014         | 2013         |
|---|--------------|--------------|
| 1.Provision for pensions                  |              |              |
| 2. Other provisions for risks and charges | 1,398        | 5,624        |
| 2.1 disputes                              |              |              |
| 2.2 personnel costs                       |              |              |
| 2.3 other                                 | 1,398        | 5,624        |
| <b>Total</b>                              | <b>1,398</b> | <b>5,624</b> |

**12.2 PROVISION FOR RISKS AND CHARGES: CHANGES FOR THE YEAR**

|  | <i>Provision for pensions</i> | <i>Other provisions</i> | <b>Total</b> |
|--|-------------------------------|-------------------------|--------------|
| A. Opening balance                                 |                               | 5,624                   | <b>5,624</b> |
| B. Increases                                       |                               | 1,398                   | <b>1,398</b> |
| B.1 Provision for the year                         |                               | 1,398                   | <b>1,398</b> |
| B.2 Changes due to the passing of time             |                               |                         |              |
| B.3 Variations due to changes in the discount rate |                               |                         |              |
| B.4 Other changes                                  |                               |                         |              |
| C. Reductions                                      |                               | 5,624                   | <b>5,624</b> |
| C.1 Use over the period                            |                               | 5,624                   | <b>5,624</b> |
| C.2 Variations due to changes in the discount rate |                               |                         |              |
| C.3 Other changes                                  |                               |                         |              |
| D. Closing balance                                 |                               | 1,398                   | <b>1,398</b> |

As at 31 December 2014 the maximum amount required by the Interbank Deposit Protection Fund (equal to € 1,398) had been allocated on the basis of prudent calculations for actions already resolved.

**Section 14 – Equity - Items 130, 150, 160, 170, 180, 190 and 200**

This section describes the breakdown of share capital and reserves.

**14.1 “Share capital” and “Own shares”: breakdown**

The share capital consists of 7,600 ordinary shares each with a nominal value of € 1,000.

**14.2 SHARE CAPITAL - NUMBER OF SHARES: CHANGES FOR THE YEAR**

| <i>Items/Types</i>                               | <i>Ordinary</i> | <i>Other</i> |
|--|-----------------|--------------|
| A. Issued shares as at the beginning of the year | 7,600           |              |
| - fully paid                                     | 7,600           |              |
| - not fully paid                                 |                 |              |
| A.1 Own shares (-)                               |                 |              |
| A.2 Shares outstanding: opening balance          | 7,600           |              |
| B. Increases                                     |                 |              |
| B.1 New issues                                   |                 |              |
| - against payment:                               |                 |              |
| - business combinations                          |                 |              |
| - bonds converted                                |                 |              |
| - warrants exercised                             |                 |              |
| - other  |                 |              |
| - free:  |                 |              |
| - to employees                                   |                 |              |
| - to directors                                   |                 |              |
| - other  |                 |              |



|  |       |  |
|--|-------|--|
| B.2 Sales of own shares                          |       |  |
| B.3 Other changes                                |       |  |
| C. Reductions                                    |       |  |
| C.1 Cancellation                                 |       |  |
| C.2 Purchase of own shares                       |       |  |
| C.3 Business transferred                         |       |  |
| C.4 Other changes                                |       |  |
| D. Shares outstanding: closing balance           | 7,600 |  |
| D.1 Own shares (+)                               |       |  |
| D.2 Shares outstanding as at the end of the year | 7,600 |  |
| - fully paid                                     | 7,600 |  |
| - not fully paid                                 |       |  |

#### 14.4 Reserves: other information

| Description        | 2014              | 2013              |
|--------------------|-------------------|-------------------|
| Legal              | 1,220,474         | 1,186,238         |
| Statutory          | 1,242,389         | 1,241,159         |
| Other              | 15,397,383        | 15,318,131        |
| Valuation reserves | -95,106           | 17,435            |
| <b>Total</b>       | <b>17,765,140</b> | <b>17,762,963</b> |

Pursuant to art. 2427, No. 7(b) of the Italian Civil Code:

The legal reserve of €1,220,474, is available for use to cover losses.

The statutory reserve, for € 1,242,389, is unavailable and will be used for socially useful purposes.

The other reserves item, for € 15,397,383, is available and distributable for use to increase capital, cover losses or distribution to shareholders.

No reserves have ever been used to cover losses.

## Other information

### 1. GUARANTEES GIVEN AND COMMITMENTS

| Transactions                                 | 2014       | 2013       |
|--|------------|------------|
| 1) Financial guarantees given to             |            |            |
| a) Banks                                     | 48,364     | 38,254     |
| b) Clients                                   |            |            |
| 2) Commercial guarantees given to            |            |            |
| a) Banks                                     |            |            |
| b) Clients                                   |            |            |
| 3) Irrevocable commitments to disburse funds |            |            |
| a) Banks                                     |            |            |
| i) for specified use*                        | 3,176,593  | 35,142,903 |
| ii) for unspecified use                      |            |            |
| b) Clients                                   |            |            |
| i) for specified use*                        | 25,903,050 | 76,048,731 |

|   |                   |                    |
|---|-------------------|--------------------|
| ii) for unspecified use   |                   |                    |
| 4) Underlying obligations for credit derivatives: sales of protection |                   |                    |
| 5) Assets used to guarantee others' obligations                       |                   |                    |
| 6) Other commitments  |                   |                    |
| <b>Total</b>  | <b>29,128,007</b> | <b>111,229,888</b> |

Item 1-a refers to the commitment towards the Interbank Deposit Protection Fund  
 \*regular way purchase and sale of securities, against sales for € 28,580,147

#### 4. MANAGEMENT AND TRADING ON BEHALF OF THIRD PARTIES

| <i>Type of service</i>  | <i>Amount</i> |
|---|---------------|
| 1. Execution of orders on behalf of clients   |               |
| a) Purchases  |               |
| 1. regulated  | 1,560,125,417 |
| 2. not regulated  | 4,224,028     |
| b) Sales  |               |
| 1. regulated  | 1,483,926,077 |
| 2. not regulated  | 4,151,546     |
| 2. Portfolio management   |               |
| a) individual   | 128,948,517   |
| b) collective   |               |
| 3. Custody and administration of securities   |               |
| a) third party securities held in deposit in connection with deposit bank activities (excluding portfolio management) |               |
| 1. securities issued by the reporting bank  |               |
| 2. other securities   |               |
| b) third-party securities held in deposit (excluding portfolio management): other                                     |               |
| 1. securities issued by the reporting bank  | 1,596,000     |
| 2. other securities   |               |
| c) third party securities deposited with third parties  | 21,175,429    |
| d) own securities deposited with third parties  | 14,997,996    |
| 4. Other transactions   | 89,911,367    |

\* Item 4 refers to the sum of purchases (€ 52,631,484) and sales (€ 37,279,883) relating to the "Collection and transmission of orders"

## Part C - Information on the profit and loss account

### Section 1 – Interest – Items 10 and 20

#### 1.1. INTEREST EARNED AND SIMILAR INCOME: BREAKDOWN

| <i>Items/Types</i>                     | <i>Debt securities</i> | <i>Loans</i>  | <i>Other trans-<br/>actions</i> | 2014           | 2013           |
|--|------------------------|---------------|---------------------------------|----------------|----------------|
| 1. Financial assets held for trading   | 686,973                | 8,038         |                                 | 695,011        | 422,292        |
| 2. Financial assets available for sale |                        |               |                                 |                |                |
| 3. Financial assets held to maturity   |                        |               |                                 |                |                |
| 4. Due from banks                      |                        | 77,997        |                                 | 77,997         | 162,968        |
| 5. Due from clients                    |                        |               |                                 |                |                |
| 6. Financial assets at fair value      |                        |               |                                 |                |                |
| 7. Hedging derivatives                 |                        |               |                                 |                |                |
| 8. Other assets                        |                        |               |                                 |                |                |
| <b>Total</b>                           | <b>686,973</b>         | <b>86,035</b> |                                 | <b>773,008</b> | <b>585,260</b> |

#### 1.3 Interest and similar income: other information

##### 1.3.1 Interest income on financial assets denominated in foreign currencies

At 31 December 2014 interest income on financial assets in foreign currencies amounted to € 12,700.

#### 1.4 INTEREST EXPENSE AND SIMILAR CHARGES: BREAKDOWN

| <i>Items/Types</i>                        | <i>Liabilities</i> | <i>Securities</i> | <i>Other</i> | 2014          | 2013         |
|---|--------------------|-------------------|--------------|---------------|--------------|
| 1. Due to central banks                   |                    |                   |              |               |              |
| 2. Due to banks                           | 19,295             |                   |              | 19,295        | 5,070        |
| 3. Due to clients                         |                    |                   |              |               |              |
| 4. Securities in issue                    |                    |                   |              |               |              |
| 5. Financial liabilities held for trading | 1,264              |                   |              | 1,264         | 583          |
| 6. Financial liabilities at fair value    |                    |                   |              |               |              |
| 7. Other liabilities and funds            |                    |                   |              |               |              |
| 8. Hedging derivatives                    |                    |                   |              |               |              |
| <b>Total</b>                              | <b>20,559</b>      |                   |              | <b>20,559</b> | <b>5,653</b> |

## 1.6 Interest expense and similar charges: other information

### 1.6.1 Interest expense on liabilities in foreign currencies

At 31 December 2014 interest expense on financial liabilities in foreign currencies amounted to € 15,654.

## Section 2 - Fees and commissions - Items 40 and 50

### 2.1 COMMISSIONS RECEIVABLE: BREAKDOWN

| <i>Services/Amounts</i>                         | 2014             | 2013             |
|---|------------------|------------------|
| a) guarantees given                             |                  |                  |
| b) credit derivatives                           |                  |                  |
| c) management, brokerage and advisory services: |                  |                  |
| 1. financial instrument trading                 | 869,123          | 877,378          |
| 2. currency trading                             |                  |                  |
| 3. portfolio management                         |                  |                  |
| 3.1 individual                                  | 588,704          | 573,141          |
| 3.2. collective                                 |                  |                  |
| 4. custody and administration of securities     |                  |                  |
| 5. deposit bank                                 |                  |                  |
| 6. placement of securities                      |                  |                  |
| 7. collection and transmission of orders        | 15,715           | 15,193           |
| 8. advisory                                     |                  |                  |
| 8.1 on investments                              |                  |                  |
| 8.2 on financial structuring                    |                  |                  |
| 9. distribution of third party services         |                  |                  |
| 9.1 portfolio management                        |                  |                  |
| 9.1.1 individual                                |                  |                  |
| 9.1.2 individual                                |                  |                  |
| 9.2 insurance products                          |                  |                  |
| 9.3 other products                              |                  |                  |
| d) collection and payment services              |                  |                  |
| e) securitisation servicing                     |                  |                  |
| f) factoring                                    |                  |                  |
| g) tax collection services                      |                  |                  |
| h) management of multilateral trade systems     |                  |                  |
| i) management of current accounts               |                  |                  |
| j) other services*                              | 14,643           | 24,830           |
| <b>Total</b>                                    | <b>1,488,185</b> | <b>1,490,542</b> |

\*Retrocession fees received for subscription of financial instruments.

## 2.2 COMMISSIONS RECEIVABLE: PRODUCT AND SERVICE DISTRIBUTION CHANNELS

| <i>Channels/Amounts</i>              | <i>Total 2014</i> | <i>Total 2013</i> |
|--------------------------------------|-------------------|-------------------|
| a) through own branches:             |                   |                   |
| 1. portfolio management              | 539,941           | 524,036           |
| 2. placement of securities           |                   |                   |
| 3. third-party products and services |                   |                   |
| b) off-site:                         |                   |                   |
| 1. portfolio management              | 48,763            | 49,105            |
| 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 |                   |                   |

## 2.1 COSTS OF FEES: BREAKDOWN

| <i>Services/Amounts</i>  | <i>2014</i>    | <i>2013</i>    |
|--|----------------|----------------|
| a) guarantees received   |                |                |
| b) credit derivatives  |                |                |
| c) management and brokerage:   |                |                |
| 1. financial instrument trading  | 7,864          | 8,222          |
| 2. currency trading  |                |                |
| 3 portfolio management   |                |                |
| 3.1 own  |                |                |
| 3.2 third-party portfolios   |                |                |
| 4. custody and administration of securities                              | 474,875        | 432,880        |
| 5. placement of financial instruments                                    |                |                |
| 6. off-site distribution of financial instruments, products and services | 62,387         | 59,573         |
| d) collection and payment services                                       |                |                |
| e) other services  | 8,928          | 31,280         |
| <b>Total</b>   | <b>554,054</b> | <b>531,955</b> |

Costs of trading commissions refer exclusively to markets on which the bank operates through brokers. Payments of commissions to promoters are included in costs of fees and commissions under item "c)6 off-site distribution of financial instruments, products and services".

Fees and commissions for custody and administration of securities (c.4) include the following amounts:

- fees and commissions for settlement € 377,883;
- fees and commissions for clearing € 79,979;
- fees and commissions for custody € 17,013.

**Section 3 - Dividends and similar income - Item 70**
**3.1 DIVIDENDS AND SIMILAR INCOME**

| Item/Proceeds                          | 2014      |                                     | 2013      |                                     |
|--|-----------|-------------------------------------|-----------|-------------------------------------|
|  | dividends | proceeds from investment fund units | dividends | proceeds from investment fund units |
| A. Financial assets held for trading   |           |                                     |           | 252                                 |
| B. Financial assets available for sale |           |                                     |           |                                     |
| C. Financial assets at fair value      |           |                                     |           |                                     |
| D. Shareholdings                       |           |                                     |           |                                     |
| <b>Total</b>                           |           |                                     |           | <b>252</b>                          |

**Section 4 - Net profits on trading - Item 80**
**4.1. NET PROFIT ON TRADING: BREAKDOWN**

| Transaction/Income item                                   | Gains (A)    | Profits from trading (B) | Losses (C)     | Losses from trading (D) | Net result [(A+B) - (C+D)] |
|---|--------------|--------------------------|----------------|-------------------------|----------------------------|
| 1. Financial assets held for trading                      | 6,940        | 9,237,191                | 119,355        | 3,282,197               | 5,842,579                  |
| 1.1. Debt securities                                      | 6,940        | 9,237,191                | 119,355        | 3,282,197               | 5,842,579                  |
| 1.2 Equity instruments                                    |              |                          |                |                         |                            |
| 1.3 Units in investment funds                             |              |                          |                |                         |                            |
| 1.4 Loans   |              |                          |                |                         |                            |
| 1.5 Other   |              |                          |                |                         |                            |
| 2. Financial liabilities held for trading                 |              |                          |                |                         |                            |
| 2.1. Debt securities                                      |              |                          |                |                         |                            |
| 2.2 Deposits  |              |                          |                |                         |                            |
| 2.3 Other   |              |                          |                |                         |                            |
| 3. Financial assets and liabilities: exchange differences |              |                          |                |                         | 94,064                     |
| 4. Derivatives  |              | 1,291,720                |                | 1,307,374               | -15,654                    |
| 4.1 Financial derivatives:                                |              |                          |                |                         |                            |
| - on debt securities and interest rates                   |              | 298,770                  |                | 507,690                 | -208,920                   |
| - on equity securities and share indexes                  |              | 992,950                  |                | 799,684                 | 193,266                    |
| - on currency and gold                                    |              |                          |                |                         |                            |
| - Other   |              |                          |                |                         |                            |
| 4.2 Credit derivatives                                    |              |                          |                |                         |                            |
| <b>Total</b>  | <b>6,940</b> | <b>10,528,911</b>        | <b>119,355</b> | <b>4,589,571</b>        | <b>5,920,989</b>           |

## Section 9 – Administrative expenses – Item 150

### 9.1. PERSONNEL EXPENSES: BREAKDOWN

| <i>Expenses/Amounts</i>   | 2014             | 2013             |
|---|------------------|------------------|
| 1) Employees  |                  |                  |
| a) salaries and wages   | 1,265,516        | 922,310          |
| b) social security contributions                                      | 306,764          | 232,599          |
| c) employee severance indemnity                                       |                  |                  |
| d) national insurance contributions                                   |                  |                  |
| e) allocations to provisions for severance indemnity                  | 75,553           | 61,726           |
| f) provision for retirement payments and similar provisions:          |                  |                  |
| - defined contribution  |                  |                  |
| - defined benefit   |                  |                  |
| g) payments to external pension funds:                                |                  |                  |
| - defined contribution  |                  |                  |
| - defined benefit   |                  |                  |
| h) costs related to share-based payments                              |                  |                  |
| i) other employee benefits  | 36,627           | 37,712           |
| 2) Other staff  |                  |                  |
| 3) Directors and statutory auditors                                   | 311,246          | 299,020          |
| 4) Retired employees  |                  |                  |
| 5) Recoveries for employees seconded to other companies               |                  |                  |
| 6) Refunds of costs for third-party employees seconded to the company |                  |                  |
| <b>Total</b>  | <b>1,995,706</b> | <b>1,553,367</b> |

Sub-item e) allocations to provisions for severance indemnity – employees, consists of the following:

|               |             |
|---------------|-------------|
| Service Cost  | 60.864 euro |
| Interest Cost | 14.689 euro |

Item 3) Directors and Statutory Auditors refers to payments to Directors and Statutory Auditors inclusive of national insurance contributions paid by the company.

### 9.2 AVERAGE NUMBER OF EMPLOYEES BY CATEGORY

|                      |    |
|----------------------|----|
| Employees:           |    |
| b) middle management | 7  |
| c) other employees   | 16 |
| Other personnel      |    |

**9.5 OTHER ADMINISTRATIVE EXPENSES: BREAKDOWN**

| <i>Detail</i>                                       | 2014             | 2013             |
|---|------------------|------------------|
| Rentals and incidental charges                      | 1,536            | 22,340           |
| ICT expenses  | 541,739          | 589,194          |
| Trading activities                                  | 337,459          | 328,309          |
| Advisory and professional services                  | 106,781          | 105,310          |
| Auditing fees                                       | 59,703           | 61,003           |
| Fees for licences and outsourced IT services        | 411,299          | 405,137          |
| Compulsory contributions and market membership fees | 166,864          | 86,425           |
| Telephone and electricity                           | 84,898           | 109,180          |
| Virtual stamp duty                                  | 276,899          | 188,931          |
| Sundries  | 132,613          | 221,598          |
| <b>Total</b>  | <b>2,119,791</b> | <b>2,117,427</b> |

Expenses for trading activities include fees for trading in markets of which the bank is a direct member.

**Section 10 - Net provisions to reserves for risks and charges - Item 160**
**10.1 Net provisions to reserves for risks and charges: breakdown**

Reference should be made to table 12.2 on page 62 for information about net provisions to reserves for risks and charges.

**Section 11 - Adjustments/re-adjustments to net value of tangible assets - Item 170**
**11.1. ADJUSTMENTS/RE-ADJUSTMENTS TO NET VALUE OF TANGIBLE ASSETS: BREAKDOWN**

| <i>Asset/Income item</i> | <i>Depreciation (a)</i> | <i>Impairment losses (b)</i> | <i>Write-backs (c)</i> | <i>Net result (a + b - c)</i> |
|--------------------------|-------------------------|------------------------------|------------------------|-------------------------------|
| A. Tangible assets       |                         |                              |                        |                               |
| A.1 Owned                |                         |                              |                        |                               |
| - used in the business   | 407,822                 |                              |                        | 407,822                       |
| - held for investment    |                         |                              |                        |                               |
| A.2 Leased               |                         |                              |                        |                               |
| - used in the business   |                         |                              |                        |                               |
| - held for investment    |                         |                              |                        |                               |
| <b>Total</b>             | <b>407,822</b>          |                              |                        | <b>407,822</b>                |



## Section 12 - Adjustments/re-adjustments to net value of intangible assets - Item 180

### 12.1 ADJUSTMENTS/RE-ADJUSTMENTS TO NET VALUE OF INTANGIBLE ASSETS: BREAKDOWN

| <i>Asset/Income item</i> | <i>Amortisation (a)</i> | <i>Impairment losses (b)</i> | <i>Write-backs (c)</i> | <i>Net result (a + b - c)</i> |
|--------------------------|-------------------------|------------------------------|------------------------|-------------------------------|
| A. Intangible assets     |                         |                              |                        |                               |
| A.1 Owned                |                         |                              |                        |                               |
| - Internally generated   |                         |                              |                        |                               |
| - Other                  | 3,973                   |                              |                        | 3,973                         |
| A.2 Leased               |                         |                              |                        |                               |
| <b>Total</b>             | <b>3,973</b>            |                              |                        | <b>3,973</b>                  |

## Section 13 – Other operating expense/income – Item 190

### 13.1 Other operating expense: breakdown

Other operating expense amounted to € 137,883 in 2014. Other operating expense mainly referred to donations made during the year for € 131,787.

### 13.2 Other operating income: breakdown

Other operating income amounted to € 277,517 in 2014.

The main component of other operating income was the stamp duty refund for a total of € 276,899.

## Section 17 - Gains (losses) from sale of investments - Item 240

### 17.1 GAINS (LOSSES) FROM SALE OF INVESTMENTS: BREAKDOWN

| <i>Income item/Amount</i> | <i>Total 2014</i> | <i>Total 2013</i> |
|---------------------------|-------------------|-------------------|
| A. Property               |                   |                   |
| - Gains on sale           |                   |                   |
| - Losses on sale          |                   |                   |
| B. Other assets           |                   |                   |
| - Gains on sale           | 241               | 250               |
| - Losses on sale          |                   | 9,781             |
| <b>Net result</b>         | <b>241</b>        | <b>-9,531</b>     |

## Section 18 – Income taxes for the year on current operations – Item 260

### 18.1 INCOME TAXES FOR THE YEAR ON CURRENT OPERATIONS: BREAKDOWN

| <i>Income item/Amount</i>  | <i>Total 2014</i> | <i>Total 2013</i> |
|--|-------------------|-------------------|
| 1. Current taxes (-)   | (1,079,056)       | (457,816)         |
| 2. Changes relating to prior years (+/-)   |                   |                   |
| 3. Reduction in current taxes for the year (+)   |                   |                   |
| 3.(b) Reduction in current taxes for the year for credits pursuant to Law No. 214/2011 (+) |                   |                   |
| 4. Change in prepaid taxes (+/-)   | (863)             | 199               |
| 5. Change in deferred taxes (+/-)  | 1,653             | 733               |
| 6. Tax for the year (-) (-1+/-2+3+3(b)+/-4+/-5)  | (1,078,266)       | (456,884)         |

The tax rates used to determine both deferred and current taxes are those specified by current tax legislation.

### 18.2 RECONCILIATION BETWEEN THEORETICAL TAX LIABILITY AND ACTUAL TAX LIABILITY STATED IN THE FINANCIAL STATEMENTS

| <b>IRES</b>                           | <b>2014</b> |
|---------------------------------------|-------------|
| Pre-tax profit (loss)                 | 3,218,754   |
| IRES at theoretical rate of 27.50%    | 885,157     |
| Tax on increases                      | 54,028      |
| Tax on reductions                     | -121,493    |
| IRES at current actual rate of 25.40% | 817,692     |
| <b>IRAP</b>                           | <b>2014</b> |
| Pre-tax profit (loss)                 | 3,218,754   |
| IRAP at theoretical rate of 5.57%     | 179,285     |
| Tax on non-taxable income             | -15,458     |
| Tax on non-deductible expenses        | 97,537      |
| IRAP at current actual rate of 8.12 % | 261,364     |

## Section 21 - Earnings per share

Earnings per share, calculated as the ratio between total profit (loss) for the year and the number of ordinary shares, amounted to € 282.

## Part D - Comprehensive income

### Statement of comprehensive income

#### STATEMENT OF COMPREHENSIVE INCOME

| <i>Items</i>   | <i>Gross amount</i> | <i>Income tax</i> | <i>Net amount</i> |
|--|---------------------|-------------------|-------------------|
| <b>10. Profit (Loss) for the year</b>  |                     |                   | <b>2,140,488</b>  |
| Other income components not reclassified through profit or loss                  |                     |                   |                   |
| 20. Tangible assets  |                     |                   |                   |
| 30. Intangible assets  |                     |                   |                   |
| 40. Defined benefit plans  | (149,571)           | 37,030            | (112,541)         |
| 50. Non-current assets and disposal groups                                       |                     |                   |                   |
| 60. Portion of valuation reserves of equity investments valued through equity    |                     |                   |                   |
| Other income components reclassified through profit or loss                      |                     |                   |                   |
| 70. Foreign investment hedge:  |                     |                   |                   |
| a) changes in fair value   |                     |                   |                   |
| b) reclassification through profit or loss                                       |                     |                   |                   |
| c) other changes   |                     |                   |                   |
| 80. Exchange differences:  |                     |                   |                   |
| a) changes in fair value   |                     |                   |                   |
| b) reclassification through profit or loss                                       |                     |                   |                   |
| c) other changes   |                     |                   |                   |
| 90. Cash flow hedge:   |                     |                   |                   |
| a) changes in fair value   |                     |                   |                   |
| b) reclassification through profit or loss                                       |                     |                   |                   |
| c) other changes   |                     |                   |                   |
| 100. Financial assets available for sale:  |                     |                   |                   |
| a) changes in fair value   |                     |                   |                   |
| b) reclassification through profit or loss                                       |                     |                   |                   |
| - impairment losses  |                     |                   |                   |
| - gains/losses on disposal   |                     |                   |                   |
| c) other changes   |                     |                   |                   |
| 110. Non-current assets and disposal groups:                                     |                     |                   |                   |
| a) changes in fair value   |                     |                   |                   |
| b) reclassification through profit or loss                                       |                     |                   |                   |
| c) other changes   |                     |                   |                   |
| 120. Portion of valuation reserves for equity investments valued through equity: |                     |                   |                   |
| a) changes in fair value   |                     |                   |                   |
| b) reclassification through profit or loss                                       |                     |                   |                   |
| - impairment losses  |                     |                   |                   |
| - gains/losses on disposal   |                     |                   |                   |
| c) other changes   |                     |                   |                   |
| <b>130. Total other income components</b>  | <b>(149,571)</b>    | <b>37,030</b>     | <b>(112,541)</b>  |
| <b>140. Comprehensive income (Item 10+130)</b>                                   |                     |                   | <b>2,027,947</b>  |

## Part E – Risks and related risk management policies

In accordance with the provisions of art. 434 “Means of disclosures” of Regulation (EU) No. 575/2013 (CRR), the disclosures concerning the bank’s capital adequacy and risk exposure, drawn up in compliance with Part 8 of the aforesaid CRR, are published on its corporate website [www.bancasimeica.com](http://www.bancasimeica.com).

### Section 1 – Credit risk

#### • Qualitative disclosure

##### 1. General

Banca Simeica is not currently engaged in lending activities. The company’s core business is trading, mainly on the Italian Stock Exchange, London Stock Exchange, MTS and Eurex exchange, in addition to some MTF and OTC markets; for this reason it is only marginally exposed to the credit risk typical of banks, in connection with short-term deposits of excess liquid funds held in accounts at banks which have relations with the company.

The risk of counterparty insolvency is mainly related to failure to fulfil obligations under contracts for the purchase and sale of financial instruments traded on the markets.

For transactions on other regulated markets and outside regulated markets, where settlements are effected through the clearing house against payment or delivery of securities, there is a counterparty risk but this is limited to the holding period.

The credit risk is therefore a counterparty risk, which depends on the pre-settlement risk, i.e. the risk of replacing transactions with counterparties that fail to fulfil their contractual obligations. This risk is linked to two conditions:

- non-performance by the counterparty (usually due to the insolvency thereof);
- unfavourable changes in the price of traded financial instruments between the original trading date and the date of replacement.

The risk associated with failure to deliver sureties or sums due by the counterparty within the terms of the contract is regarded as settlement risk.

To mitigate this risk, Banca Simeica is an indirect member of the payment systems run by Monte Titoli and Cassa di Compensazione e Garanzia.

##### 2. Credit risk management

For the credit risk linked to deposits of short-term cash excesses, there are maximum exposure limits per counterparty.

For transactions on financial markets with no central counterparty, there is a counterparty limit defined according to a parametric VaR model.

The Chief Executive Officer approves the list of market counterparties for off-market operations and operations on all markets where settlement is not automatic and direct counterparty trading.

The heads of the departments involved are responsible for continuously monitoring all transactions that carry a pre-settlement risk.

Limits regarding the calculation of potential replacement costs inherent in the settlement risk to which the Back Office, Risk Management and Front Office areas are exposed are monitored on a daily basis.

Second level control is performed by Risk Management, using an internally developed application software to verify compliance with the limits. This control is performed daily.

The results of the second-level controls are set out in reports that are submitted to the Chief Executive Officer and the Internal Audit department. If the riskiest limits and/or maximum losses as set out in the risk Appetite Framework are exceeded, the reports are also submitted to the Board of Directors.

For the reasons stated in paragraphs 1 and 2 the following disclosures required by Banca d'Italia circular No. 262 have been omitted:

- 2.1 Organisational aspects
- 2.2 Management, measurement and control systems
- 2.3 Credit risk mitigation techniques
- 2.4 Impaired financial assets

## • Quantitative disclosure

### A. Credit quality

A.1 Impaired and performing loans: amounts, value adjustments, changes, distribution by business activity and region

#### A.1.1 BREAKDOWN OF CREDIT EXPOSURE BY PORTFOLIO AND CREDIT QUALITY (BOOK VALUE)

| <i>Portfolio/quality</i>               | <i>Non-performing loans</i> | <i>Doubtful debts</i> | <i>Restructured exposures</i> | <i>Past-due impaired exposures</i> | <i>Past due not impaired exposures</i> | <i>Other assets</i> | <i>Total</i>      |
|--|-----------------------------|-----------------------|-------------------------------|------------------------------------|--|---------------------|-------------------|
| 1. Financial assets held for trading   |                             |                       |                               |                                    |  | 14,997,996          | 14,997,996        |
| 2. Financial assets available for sale |                             |                       |                               |                                    |  |                     |                   |
| 3. Financial assets held to maturity   |                             |                       |                               |                                    |  |                     |                   |
| 4. Loans and receivables with banks    |                             |                       |                               |                                    |  | 31,556,368          | 31,556,368        |
| 5. Loans and receivables with clients  |                             |                       |                               |                                    |  | 1,932               | 1,932             |
| 6. Financial assets at fair value      |                             |                       |                               |                                    |  |                     |                   |
| 7. Disposal groups                     |                             |                       |                               |                                    |  |                     |                   |
| 8. Hedging derivatives                 |                             |                       |                               |                                    |  |                     |                   |
| <b>Total 2014</b>                      |                             |                       |                               |                                    |  | <b>46,556,296</b>   | <b>46,556,296</b> |
| <b>Total 2013</b>                      |                             |                       |                               |                                    |  | <b>29,581,904</b>   | <b>29,581,904</b> |

**A.1.2 BREAKDOWN OF CREDIT EXPOSURE  
BY PORTFOLIO AND CREDIT QUALITY (GROSS AND NET VALUES)**

| Portfolio/quality                      | Impaired assets |                         |              | Performing        |                          |                   | Total (net exposure) |
|--|-----------------|-------------------------|--------------|-------------------|--------------------------|-------------------|----------------------|
|  | Gross exposure  | Specific re-adjustments | Net exposure | Gross exposure    | Portfolio re-adjustments | Net exposure      |                      |
| 1. Financial assets held for trading   |                 |                         |              | 14,997,996        |                          | 14,997,996        | 14,997,996           |
| 2. Financial assets available for sale |                 |                         |              |                   |                          |                   |                      |
| 3. Financial assets held to maturity   |                 |                         |              |                   |                          |                   |                      |
| 4. Loans and receivables with banks    |                 |                         |              | 31,556,368        |                          | 31,556,368        | 31,556,368           |
| 5. Loans and receivables with clients  |                 |                         |              | 1,932             |                          | 1,932             | 1,932                |
| 6. Financial assets at fair value      |                 |                         |              |                   |                          |                   |                      |
| 7. Disposal groups                     |                 |                         |              |                   |                          |                   |                      |
| 8. Hedging derivatives                 |                 |                         |              |                   |                          |                   |                      |
| <b>Total 2014</b>                      |                 |                         |              | <b>46,556,296</b> |                          | <b>46,556,296</b> | <b>46,556,296</b>    |
| <b>Total 2013</b>                      |                 |                         |              | <b>29,581,904</b> |                          | <b>29,581,904</b> | <b>29,581,904</b>    |

**A.1.3 BALANCE SHEET AND OFF-BALANCE SHEET EXPOSURE TO BANKS:  
GROSS AND NET VALUES**

| Exposure types/amounts               | Gross exposure    | Specific write-downs | Portfolio adjustments | Net exposure      |
|--------------------------------------|-------------------|----------------------|-----------------------|-------------------|
| <b>A. BALANCE SHEET EXPOSURE</b>     |                   |                      |                       |                   |
| a) Non-performing loans              |                   |                      |                       |                   |
| b) Doubtful debts                    |                   |                      |                       |                   |
| c) Restructured exposures            |                   |                      |                       |                   |
| d) Past-due impaired exposures       |                   |                      |                       |                   |
| e) Other assets                      | 31,556,368        |                      |                       | 31,556,368        |
| <b>TOTAL A</b>                       | <b>31,556,368</b> |                      |                       | <b>31,556,368</b> |
| <b>B. OFF-BALANCE SHEET EXPOSURE</b> |                   |                      |                       |                   |
| a) Impaired                          |                   |                      |                       |                   |
| b) Other                             |                   |                      |                       |                   |
| <b>TOTAL B</b>                       |                   |                      |                       |                   |
| <b>TOTAL A+B</b>                     | <b>31,556,368</b> |                      |                       | <b>31,556,368</b> |

**A.1.6 BALANCE SHEET AND OFF-BALANCE SHEET EXPOSURE TO CLIENTS:  
GROSS AND NET VALUES**

| <i>Exposure types/amounts</i>  | <i>Gross exposure</i> | <i>Specific write-downs</i> | <i>Portfolio adjustments</i> | <i>Net exposure</i> |
|--------------------------------|-----------------------|-----------------------------|------------------------------|---------------------|
| A. BALANCE SHEET EXPOSURE      |                       |                             |                              |                     |
| a) Non-performing loans        |                       |                             |                              |                     |
| b) Doubtful debts              |                       |                             |                              |                     |
| c) Restructured exposures      |                       |                             |                              |                     |
| d) Past-due impaired exposures |                       |                             |                              |                     |
| f) Other assets                | 1,932                 |                             |                              | 1,932               |
| <b>TOTAL A</b>                 | <b>1,932</b>          |                             |                              | <b>1,932</b>        |
| B. OFF-BALANCE SHEET EXPOSURE  |                       |                             |                              |                     |
| a) Impaired                    |                       |                             |                              |                     |
| b) Other                       |                       |                             |                              |                     |
| <b>TOTAL B</b>                 |                       |                             |                              |                     |

## A.2 Internal and external ratings

**A.2.1 BALANCE SHEET AND OFF-BALANCE SHEET EXPOSURE BY EXTERNAL RATING CLASS**

| Exposures                        | External rating classes |                   |                  |                |               |                | No rating         | Totale            |
|----------------------------------|-------------------------|-------------------|------------------|----------------|---------------|----------------|-------------------|-------------------|
|                                  | AAA/AA-                 | A+/A-             | BBB+/<br>BBB-    | BB+/BB-        | B+/B-         | Inferiore a B- |                   |                   |
| A. Balance sheet exposures       | 210,301                 | 11,510,761        | 2,295,416        | 892,565        | 88,955        |                | 31,558,299        | 46,556,296        |
| B. Derivatives                   |                         |                   |                  |                |               |                |                   |                   |
| B.1 Financial derivatives        |                         |                   |                  |                |               |                |                   |                   |
| B.2 Credit derivatives           |                         |                   |                  |                |               |                |                   |                   |
| C. Guarantees given              |                         |                   |                  |                |               |                |                   |                   |
| D. Commitments to disburse funds |                         |                   |                  |                |               |                |                   |                   |
| E. Other                         |                         |                   |                  |                |               |                |                   |                   |
| <b>Total</b>                     | <b>210,301</b>          | <b>11,510,761</b> | <b>2,295,416</b> | <b>892,565</b> | <b>88,955</b> |                | <b>31,558,299</b> | <b>46,556,296</b> |

Ratings by Standard &amp; Poor's, Moody's, Fitch and DBRS.

| Ratings table            |         |          |
|--------------------------|---------|----------|
| Standard & Poor's/ Fitch | Moody's | DBRS     |
| AAA                      | Aaa     | AAA      |
| AA+                      | Aa1     | AA HIGH  |
| AA                       | Aa2     | AA       |
| AA-                      | Aa3     | AA LOW   |
| A+                       | A1      | A HIGH   |
| A                        | A2      | A        |
| A-                       | A3      | A LOW    |
| BBB+                     | Baa1    | BBB HIGH |
| BBB                      | Baa2    | BBB      |
| BBB-                     | Baa3    | BBB LOW  |
| BB+                      | Ba1     | BB HIGH  |
| BB                       | Ba2     | BB       |
| BB-                      | Ba3     | BB LOW   |
| B+                       | B1      | B HIGH   |
| B                        | B2      | B        |
| B-                       | B3      | B LOW    |
| CCC+                     | Caa     | CCC HIGH |
| CCC                      | Ca      | CCC      |
| CCC-                     | C       | CCC LOW  |
| D                        | /       | D        |
|                          | /       |          |
|                          | /       |          |



## B. Distribution and concentration of exposure

### B.1 DISTRIBUTION OF BALANCE SHEET AND OFF-BALANCE SHEET EXPOSURE TO CLIENTS BY SECTOR (BOOK VALUE)

| Exposure/Counterparty          | Governments  |                      |                       | Other public entities |                      |                       | Financial undertakings |                      |                       | Insurance undertakings |                      |                       | Non-financial undertakings |                      |                       | Other parties |                      |                       |
|--------------------------------|--------------|----------------------|-----------------------|-----------------------|----------------------|-----------------------|------------------------|----------------------|-----------------------|------------------------|----------------------|-----------------------|----------------------------|----------------------|-----------------------|---------------|----------------------|-----------------------|
|                                | Net exposure | Specific write-downs | Portfolio adjustments | Net exposure          | Specific write-downs | Portfolio adjustments | Net exposure           | Specific write-downs | Portfolio adjustments | Net exposure           | Specific write-downs | Portfolio adjustments | Net exposure               | Specific write-downs | Portfolio adjustments | Net exposure  | Specific write-downs | Portfolio adjustments |
| A. Balance sheet exposures     |              |                      |                       |                       |                      |                       |                        |                      |                       |                        |                      |                       |                            |                      |                       |               |                      |                       |
| A.1 Non-performing loans       |              |                      |                       |                       |                      |                       |                        |                      |                       |                        |                      |                       |                            |                      |                       |               |                      |                       |
| A.2 Doubtful debts             |              |                      |                       |                       |                      |                       |                        |                      |                       |                        |                      |                       |                            |                      |                       |               |                      |                       |
| A.3 Restructured exposures     |              |                      |                       |                       |                      |                       |                        |                      |                       |                        |                      |                       |                            |                      |                       |               |                      |                       |
| A.4 Past-due                   |              |                      |                       |                       |                      |                       |                        |                      |                       |                        |                      |                       |                            |                      |                       |               |                      |                       |
| A.5 Other exposures            |              |                      |                       |                       |                      |                       |                        |                      |                       |                        |                      |                       |                            |                      |                       |               | 1,932                |                       |
| <b>Total A</b>                 |              |                      |                       |                       |                      |                       |                        |                      |                       |                        |                      |                       |                            |                      |                       |               | <b>1,932</b>         |                       |
| B. Off-balance sheet exposures |              |                      |                       |                       |                      |                       |                        |                      |                       |                        |                      |                       |                            |                      |                       |               |                      |                       |
| B.1 Non-performing loans       |              |                      |                       |                       |                      |                       |                        |                      |                       |                        |                      |                       |                            |                      |                       |               |                      |                       |
| B.2 Doubtful debts             |              |                      |                       |                       |                      |                       |                        |                      |                       |                        |                      |                       |                            |                      |                       |               |                      |                       |
| B.3 Other impaired assets      |              |                      |                       |                       |                      |                       |                        |                      |                       |                        |                      |                       |                            |                      |                       |               |                      |                       |
| B.4 Other exposures            |              |                      |                       |                       |                      |                       |                        |                      |                       |                        |                      |                       |                            |                      |                       |               |                      |                       |
| <b>Total B</b>                 |              |                      |                       |                       |                      |                       |                        |                      |                       |                        |                      |                       |                            |                      |                       |               |                      |                       |
| <b>Total (A+B) 2014</b>        |              |                      |                       |                       |                      |                       |                        |                      |                       |                        |                      |                       |                            |                      |                       |               | <b>1,932</b>         |                       |
| <b>Total (A+B) 2013</b>        |              |                      |                       |                       |                      |                       |                        |                      |                       |                        |                      |                       |                            |                      |                       |               | <b>1,963</b>         |                       |

**B.2 DISTRIBUTION OF BALANCE SHEET AND OFF-BALANCE SHEET EXPOSURE TO CLIENTS BY GEOGRAPHIC AREA (BOOK VALUE)**

| Exposure/Geographical area     | Italy        |       | Other European countries |       | America      |       | Asia         |       | Rest of the world |       |
|--------------------------------|--------------|-------|--------------------------|-------|--------------|-------|--------------|-------|-------------------|-------|
|                                | Net exposure | Total | Net exposure             | Total | Net exposure | Total | Net exposure | Total | Net exposure      | Total |
| A. Balance sheet exposures     |              |       |                          |       |              |       |              |       |                   |       |
| A.1 Non-performing loans       |              |       |                          |       |              |       |              |       |                   |       |
| A.2 Doubtful debts             |              |       |                          |       |              |       |              |       |                   |       |
| A.3 Restructured exposures     |              |       |                          |       |              |       |              |       |                   |       |
| A.4 Past-due                   |              |       |                          |       |              |       |              |       |                   |       |
| A.5 Other exposures            | 1,932        |       |                          |       |              |       |              |       |                   |       |
| <b>Total</b>                   | <b>1,932</b> |       |                          |       |              |       |              |       |                   |       |
| B. Off-balance sheet exposures |              |       |                          |       |              |       |              |       |                   |       |
| B.1 Non-performing loans       |              |       |                          |       |              |       |              |       |                   |       |
| B.2 Doubtful debts             |              |       |                          |       |              |       |              |       |                   |       |
| B.3 Other impaired assets      |              |       |                          |       |              |       |              |       |                   |       |
| B.4 Other exposures            |              |       |                          |       |              |       |              |       |                   |       |
| <b>Total</b>                   |              |       |                          |       |              |       |              |       |                   |       |
| <b>Total 2014</b>              | <b>1,932</b> |       |                          |       |              |       |              |       |                   |       |
| <b>Total 2013</b>              | <b>1,963</b> |       |                          |       |              |       |              |       |                   |       |

## B. Distribution and concentration of exposure

### B.3 DISTRIBUTION OF BALANCE SHEET AND OFF-BALANCE SHEET EXPOSURE TO BANKS BY GEOGRAPHIC AREA (BOOK VALUE)

| Exposure/Geographical area     | Italy             |       | Other European countries |       | America      |       | Asia         |       | Rest of the world |       |
|--------------------------------|-------------------|-------|--------------------------|-------|--------------|-------|--------------|-------|-------------------|-------|
|                                | Net exposure      | Total | Net exposure             | Total | Net exposure | Total | Net exposure | Total | Net exposure      | Total |
| A. Balance sheet exposures     |                   |       |                          |       |              |       |              |       |                   |       |
| A.1 Non-performing loans       |                   |       |                          |       |              |       |              |       |                   |       |
| A.2 Doubtful debts             |                   |       |                          |       |              |       |              |       |                   |       |
| A.3 Restructured exposures     |                   |       |                          |       |              |       |              |       |                   |       |
| A.4 Past-due                   |                   |       |                          |       |              |       |              |       |                   |       |
| A.5 Other exposures            | 31,556,368        |       |                          |       |              |       |              |       |                   |       |
| <b>Total A</b>                 | <b>31,556,368</b> |       |                          |       |              |       |              |       |                   |       |
| B. Off-balance sheet exposures |                   |       |                          |       |              |       |              |       |                   |       |
| B.1 Non-performing loans       |                   |       |                          |       |              |       |              |       |                   |       |
| B.2 Doubtful debts             |                   |       |                          |       |              |       |              |       |                   |       |
| B.3 Other impaired assets      |                   |       |                          |       |              |       |              |       |                   |       |
| B.4 Other exposures            |                   |       |                          |       |              |       |              |       |                   |       |
| Total B                        |                   |       |                          |       |              |       |              |       |                   |       |
| <b>Total 2014</b>              | <b>31,556,368</b> |       |                          |       |              |       |              |       |                   |       |
| <b>Total 2013</b>              | <b>19,409,624</b> |       |                          |       |              |       |              |       |                   |       |

### B.4 MAJOR RISKS

As at 31 December 2014 the bank's exposure with Istituto Centrale delle Banche Popolari Italiane (Central Institute of Italian Cooperative Banks) and with Banca Monte dei Paschi di Siena amounted to the equivalent of more than 10% of its Own Funds.

The amounts held with the respective banks stood at € 27,382,193 (with a weighted value of € 0) and € 3,492,465 (with weighted value of € 318,498). These positions, chiefly consisting of demand deposits, do not constitute a significant risk in accordance with the laws in force.

## Section 2 - Market risk

### 2.1 Interest rate risk and price risk - regulatory trading portfolio

#### • Qualitative disclosure

##### A. General

The interest rate risk is mainly associated with trading of debt securities and derivative instruments; price risk originates from trading of all securities in general.

Bond desk operators in the Proprietary Trading department use arbitrage and market making strategies to trade standardised financial instruments. This helps to reduce interest rate and price risks to a minimum.

More specifically, traders perform purchase and sale transactions on the basis of the specific "Portfolio management " procedures in order to:

- provide hedging within the shortest possible time;
- manage the arbitrage portfolio so as to minimise the risks described in the "Risk mapping manual";
- comply with the operating limits established by the Board of Directors and contained in the "Risk control procedure manual".

##### B. Interest rate risk and price risk management processes and measurement methods

The interest rate risk is mainly associated with trading of debt securities and derivative instruments; price risk originates from trading of all securities in general.

Bond desk operators in the Proprietary Trading department use arbitrage strategies to trade standardised financial instruments. This helps to reduce interest rate and price risks to a minimum.

More specifically, traders perform arbitrage operations on the basis of the specific "Management of own securities portfolio for arbitrage and proprietary trading" procedure, which requires them to:

- level 1: Proprietary Trading;
- level two: Risk Management;
- level three: Internal Audit.

The Proprietary Trading Manager is responsible in the first instance for verifying compliance with the limits established by the Board of Directors and Chief Executive Officer.

If a limit is exceeded, the operator must bring the positions back to within the aforesaid limits. In any case, and with no exceptions whatsoever, the limit must be restored by the end of the day on which it was exceeded.

A maximum loss has also been defined. Positions must be closed upon reaching this limit. The Chief Executive Officer may authorise operating limits to be exceeded temporarily and define the corrective actions to be taken.

Second level control is performed by Risk Management, through continuous real-time monitoring and using an internally developed application software to verify compliance with the limits. This control is performed daily.

The results of these controls are set out in reports and submitted to the Chief Executive Officer, the Internal Audit department and, if the riskiest limits and/or maximum losses are exceeded, to the Board of Directors.

- **Quantitative disclosure**

**1. REGULATORY TRADING PORTFOLIO: BREAKDOWN BY RESIDUAL TERM (REPRICING DATE)  
OF BALANCE SHEET FINANCIAL ASSETS AND LIABILITIES AND FINANCIAL DERIVATIVES**

| <i>Type/Residual term</i>       | <i>on demand</i> | <i>up to 3 months</i> | <i>from 3 to 6 months</i> | <i>from 6 to 12 months</i> | <i>from 1 to 5 years</i> | <i>from 5 to 10 years</i> | <i>over 10 years</i> | <i>unspecified</i> |
|---------------------------------|------------------|-----------------------|---------------------------|----------------------------|--------------------------|---------------------------|----------------------|--------------------|
| 1. Balance sheet assets         |                  |                       |                           |                            |                          |                           |                      |                    |
| 1.1. Debt securities            | 4,921,783        | 2,639,104             | 5,856,534                 | 1,061,729                  | 295,824                  | 223,022                   |                      |                    |
| - with prepayment option        |                  |                       |                           |                            |                          |                           |                      |                    |
| - other                         |                  |                       |                           |                            |                          |                           |                      |                    |
| 1.2 Other assets                |                  |                       |                           |                            |                          |                           |                      |                    |
| 2. Balance sheet liabilities    |                  |                       |                           |                            |                          |                           |                      |                    |
| 2.1 Reverse repos               |                  |                       |                           |                            |                          |                           |                      |                    |
| 2.2. Other liabilities          |                  |                       |                           |                            |                          |                           |                      |                    |
| 3. Financial derivatives        |                  |                       |                           |                            |                          |                           |                      |                    |
| 3.1 With underlying security    |                  |                       |                           |                            |                          |                           |                      |                    |
| - Options                       |                  |                       |                           |                            |                          |                           |                      |                    |
| + long positions                |                  |                       |                           |                            |                          |                           |                      |                    |
| + short positions               |                  |                       |                           |                            |                          |                           |                      |                    |
| - Other derivatives             |                  |                       |                           |                            |                          |                           |                      |                    |
| + long positions                |                  |                       |                           |                            |                          |                           |                      |                    |
| + short positions               |                  |                       |                           |                            |                          |                           |                      |                    |
| 3.2 Without underlying security |                  |                       |                           |                            |                          |                           |                      |                    |
| - Options                       |                  |                       |                           |                            |                          |                           |                      |                    |
| + long positions                |                  |                       |                           |                            |                          |                           |                      |                    |
| + short positions               |                  |                       |                           |                            |                          |                           |                      |                    |
| - Other derivatives             |                  |                       |                           |                            |                          |                           |                      |                    |
| + long positions                |                  |                       |                           |                            |                          |                           |                      |                    |
| + short positions               |                  |                       |                           |                            |                          |                           |                      |                    |

Amounts in euros at the exchange rate on 31.12.2014

## 2.2 Interest rate and price risk - bank portfolio

- **Qualitative disclosure**

### **A. General aspects, operational processes and methods for measuring interest rate risk and price risk**

Banca Simetica does not grant loans in the strictest meaning of the term and does not undertake any other activities that involve investments in medium or long-term assets; it is therefore only very marginally exposed to interest rate risk in that the on-demand liabilities in the form of client deposits are invested in liquid and short-term instruments on regulated markets or deposited with the European System of Central Banks and credit institutions with which the bank has established solid and long-term relationships.

Therefore the Bank does not make use of instruments to measure the interest rate risk in the banking book. It manages this risk by reducing (and in actual fact eliminating) any possible maturity gaps between assets and liabilities by investing liquid funds in assets that can easily be liquidated and any surplus amounts in liquid financial instruments of solid issuers with a life of less than 15 months.

Since the bank does not grant loans and has no equity interests or securities outside the trading portfolio, the bank portfolio is not exposed to price risk due to possible write downs of items in that portfolio.

• **Quantitative disclosure**

**1. BANK PORTFOLIO: BREAKDOWN BY RESIDUAL TERM  
(REPRICING DATE) OF FINANCIAL ASSETS AND LIABILITIES  
CURRENCY OF DENOMINATION: EURO**

| <i>Type/Residual term</i>           | <i>on demand</i> | <i>up to 3 months</i> | <i>from 3 to 6 months</i> | <i>from 6 to 12 months</i> | <i>from 1 to 5 years</i> | <i>from 5 to 10 years</i> | <i>over 10 years</i> | <i>unspecified</i> |
|-------------------------------------|------------------|-----------------------|---------------------------|----------------------------|--------------------------|---------------------------|----------------------|--------------------|
| <b>1. Balance sheet assets</b>      |                  |                       |                           |                            |                          |                           |                      |                    |
| 1.1. Debt securities                |                  |                       |                           |                            |                          |                           |                      |                    |
| - with prepayment option            |                  |                       |                           |                            |                          |                           |                      |                    |
| - other                             |                  |                       |                           |                            |                          |                           |                      |                    |
| 1.2 Loans to banks                  | 31,394,443       |                       |                           |                            |                          |                           |                      | 161,925            |
| 1.3 Loans to clients                | 1,932            |                       |                           |                            |                          |                           |                      |                    |
| - current accounts                  |                  |                       |                           |                            |                          |                           |                      |                    |
| - other loans                       |                  |                       |                           |                            |                          |                           |                      |                    |
| - with prepayment option            |                  |                       |                           |                            |                          |                           |                      |                    |
| - other                             |                  |                       |                           |                            |                          |                           |                      |                    |
| <b>2. Balance sheet liabilities</b> |                  |                       |                           |                            |                          |                           |                      |                    |
| 2.1. Due to clients                 |                  |                       |                           |                            |                          |                           |                      |                    |
| - current accounts                  | 18,371,590       |                       |                           |                            |                          |                           |                      |                    |
| - other amounts due                 |                  |                       |                           |                            |                          |                           |                      |                    |
| - with prepayment option            |                  |                       |                           |                            |                          |                           |                      |                    |
| - other                             |                  |                       |                           |                            |                          |                           |                      |                    |
| 2.2. Due to banks                   |                  |                       |                           |                            |                          |                           |                      |                    |
| - current accounts                  |                  |                       |                           |                            |                          |                           |                      |                    |
| - other amounts due                 |                  |                       |                           |                            |                          |                           |                      |                    |
| 2.3. Debt securities                |                  |                       |                           |                            |                          |                           |                      |                    |
| - with prepayment option            |                  |                       |                           |                            |                          |                           |                      |                    |
| - other                             |                  |                       |                           |                            |                          |                           |                      |                    |
| 2.4. Other liabilities              |                  |                       |                           |                            |                          |                           |                      |                    |
| - with prepayment option            |                  |                       |                           |                            |                          |                           |                      |                    |
| - other                             |                  |                       |                           |                            |                          |                           |                      |                    |
| <b>3. Financial derivatives</b>     |                  |                       |                           |                            |                          |                           |                      |                    |
| 3.1 With underlying security        |                  |                       |                           |                            |                          |                           |                      |                    |
| - Options                           |                  |                       |                           |                            |                          |                           |                      |                    |
| + long positions                    |                  |                       |                           |                            |                          |                           |                      |                    |
| + short positions                   |                  |                       |                           |                            |                          |                           |                      |                    |
| - Other derivatives                 |                  |                       |                           |                            |                          |                           |                      |                    |
| + long positions                    |                  |                       |                           |                            |                          |                           |                      |                    |
| + short positions                   |                  |                       |                           |                            |                          |                           |                      |                    |
| 3.2 Without underlying security     |                  |                       |                           |                            |                          |                           |                      |                    |

|  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|
| - Options                                    |  |  |  |  |  |  |  |
| + long positions                             |  |  |  |  |  |  |  |
| + short positions                            |  |  |  |  |  |  |  |
| - Other derivatives                          |  |  |  |  |  |  |  |
| + long positions                             |  |  |  |  |  |  |  |
| + short positions                            |  |  |  |  |  |  |  |
| <b>4. Other off-balance sheet operations</b> |  |  |  |  |  |  |  |
| + long positions                             |  |  |  |  |  |  |  |
| + short positions                            |  |  |  |  |  |  |  |

**1. BANK PORTFOLIO: BREAKDOWN BY RESIDUAL TERM  
(REPRICING DATE) OF FINANCIAL ASSETS AND LIABILITIES  
CURRENCY OF DENOMINATION: US DOLLAR**

| <i>Type/Residual term</i>           | <i>on demand</i> | <i>up to 3 months</i> | <i>from 3 to 6 months</i> | <i>from 6 to 12 months</i> | <i>from 1 to 5 years</i> | <i>from 5 to 10 years</i> | <i>over 10 years</i> | <i>unspecified</i> |
|-------------------------------------|------------------|-----------------------|---------------------------|----------------------------|--------------------------|---------------------------|----------------------|--------------------|
| <b>1. Balance sheet assets</b>      |                  |                       |                           |                            |                          |                           |                      |                    |
| 1.1. Debt securities                |                  |                       |                           |                            |                          |                           |                      |                    |
| - with prepayment option            |                  |                       |                           |                            |                          |                           |                      |                    |
| - other                             |                  |                       |                           |                            |                          |                           |                      |                    |
| 1.2 Loans to banks                  | 297,415          |                       |                           |                            |                          |                           |                      |                    |
| 1.3 Loans to clients                |                  |                       |                           |                            |                          |                           |                      |                    |
| - current accounts                  |                  |                       |                           |                            |                          |                           |                      |                    |
| - other loans                       |                  |                       |                           |                            |                          |                           |                      |                    |
| - with prepayment option            |                  |                       |                           |                            |                          |                           |                      |                    |
| - other                             |                  |                       |                           |                            |                          |                           |                      |                    |
| <b>2. Balance sheet liabilities</b> |                  |                       |                           |                            |                          |                           |                      |                    |
| 2.1. Due to clients                 |                  |                       |                           |                            |                          |                           |                      |                    |
| - current accounts                  |                  |                       |                           |                            |                          |                           |                      |                    |
| - other amounts due                 |                  |                       |                           |                            |                          |                           |                      |                    |
| - with prepayment option            |                  |                       |                           |                            |                          |                           |                      |                    |
| - other                             |                  |                       |                           |                            |                          |                           |                      |                    |
| 2.2. Due to banks                   |                  |                       |                           |                            |                          |                           |                      |                    |
| - current accounts                  |                  |                       |                           |                            |                          |                           |                      |                    |
| - other amounts due                 |                  |                       |                           |                            |                          |                           |                      |                    |
| 2.3. Debt securities                |                  |                       |                           |                            |                          |                           |                      |                    |
| - with prepayment option            |                  |                       |                           |                            |                          |                           |                      |                    |
| - other                             |                  |                       |                           |                            |                          |                           |                      |                    |
| 2.4. Other liabilities              |                  |                       |                           |                            |                          |                           |                      |                    |
| - with prepayment option            |                  |                       |                           |                            |                          |                           |                      |                    |
| - other                             |                  |                       |                           |                            |                          |                           |                      |                    |
| <b>3. Financial derivatives</b>     |                  |                       |                           |                            |                          |                           |                      |                    |



|  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|
| 3.1 With underlying security                 |  |  |  |  |  |  |  |  |  |
| - Options                                    |  |  |  |  |  |  |  |  |  |
| + long positions                             |  |  |  |  |  |  |  |  |  |
| + short positions                            |  |  |  |  |  |  |  |  |  |
| - Other derivatives                          |  |  |  |  |  |  |  |  |  |
| + long positions                             |  |  |  |  |  |  |  |  |  |
| + short positions                            |  |  |  |  |  |  |  |  |  |
| 3.2 Without underlying security              |  |  |  |  |  |  |  |  |  |
| - Options                                    |  |  |  |  |  |  |  |  |  |
| + long positions                             |  |  |  |  |  |  |  |  |  |
| + short positions                            |  |  |  |  |  |  |  |  |  |
| - Other derivatives                          |  |  |  |  |  |  |  |  |  |
| + long positions                             |  |  |  |  |  |  |  |  |  |
| + short positions                            |  |  |  |  |  |  |  |  |  |
| <b>4. Other off-balance sheet operations</b> |  |  |  |  |  |  |  |  |  |
| + long positions                             |  |  |  |  |  |  |  |  |  |
| + short positions                            |  |  |  |  |  |  |  |  |  |

**1. BANK PORTFOLIO: BREAKDOWN BY RESIDUAL TERM  
(REPRICING DATE) OF FINANCIAL ASSETS AND LIABILITIES  
CURRENCY OF DENOMINATION: POUND STERLING**

| <i>Type/Residual term</i>           | <i>on demand</i> | <i>up to 3 months</i> | <i>from 3 to 6 months</i> | <i>from 6 to 12 months</i> | <i>from 1 to 5 years</i> | <i>from 5 to 10 years</i> | <i>over 10 years</i> | <i>unspecified</i> |
|-------------------------------------|------------------|-----------------------|---------------------------|----------------------------|--------------------------|---------------------------|----------------------|--------------------|
| <b>1. Balance sheet assets</b>      |                  |                       |                           |                            |                          |                           |                      |                    |
| 1.1. Debt securities                |                  |                       |                           |                            |                          |                           |                      |                    |
| - with prepayment option            |                  |                       |                           |                            |                          |                           |                      |                    |
| - other                             |                  |                       |                           |                            |                          |                           |                      |                    |
| 1.2 Loans to banks                  | 230,164          |                       |                           |                            |                          |                           |                      |                    |
| 1.3 Loans to clients                |                  |                       |                           |                            |                          |                           |                      |                    |
| - current accounts                  |                  |                       |                           |                            |                          |                           |                      |                    |
| - other loans                       |                  |                       |                           |                            |                          |                           |                      |                    |
| - with prepayment option            |                  |                       |                           |                            |                          |                           |                      |                    |
| - other                             |                  |                       |                           |                            |                          |                           |                      |                    |
| <b>2. Balance sheet liabilities</b> |                  |                       |                           |                            |                          |                           |                      |                    |
| 2.1. Due to clients                 |                  |                       |                           |                            |                          |                           |                      |                    |
| - current accounts                  |                  |                       |                           |                            |                          |                           |                      |                    |
| - other amounts due                 |                  |                       |                           |                            |                          |                           |                      |                    |
| - with prepayment option            |                  |                       |                           |                            |                          |                           |                      |                    |
| - other                             |                  |                       |                           |                            |                          |                           |                      |                    |
| 2.2. Due to banks                   |                  |                       |                           |                            |                          |                           |                      |                    |
| - current accounts                  |                  |                       |                           |                            |                          |                           |                      |                    |
| - other amounts due                 |                  |                       |                           |                            |                          |                           |                      |                    |

|  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|
| 2.3. Debt securities                         |  |  |  |  |  |  |  |  |
| - with prepayment option                     |  |  |  |  |  |  |  |  |
| - other                                      |  |  |  |  |  |  |  |  |
| 2.4. Other liabilities                       |  |  |  |  |  |  |  |  |
| - with prepayment option                     |  |  |  |  |  |  |  |  |
| - other                                      |  |  |  |  |  |  |  |  |
| <b>3. Financial derivatives</b>              |  |  |  |  |  |  |  |  |
| 3.1 With underlying security                 |  |  |  |  |  |  |  |  |
| - Options                                    |  |  |  |  |  |  |  |  |
| + long positions                             |  |  |  |  |  |  |  |  |
| + short positions                            |  |  |  |  |  |  |  |  |
| - Other derivatives                          |  |  |  |  |  |  |  |  |
| + long positions                             |  |  |  |  |  |  |  |  |
| + short positions                            |  |  |  |  |  |  |  |  |
| 3.2 Without underlying security              |  |  |  |  |  |  |  |  |
| - Options                                    |  |  |  |  |  |  |  |  |
| + long positions                             |  |  |  |  |  |  |  |  |
| + short positions                            |  |  |  |  |  |  |  |  |
| - Other derivatives                          |  |  |  |  |  |  |  |  |
| + long positions                             |  |  |  |  |  |  |  |  |
| + short positions                            |  |  |  |  |  |  |  |  |
| <b>4. Other off-balance sheet operations</b> |  |  |  |  |  |  |  |  |
| + long positions                             |  |  |  |  |  |  |  |  |
| + short positions                            |  |  |  |  |  |  |  |  |

**1. BANK PORTFOLIO: BREAKDOWN BY RESIDUAL TERM  
(REPRICING DATE) OF FINANCIAL ASSETS AND LIABILITIES  
CURRENCY OF DENOMINATION: CANADIAN DOLLAR**

| Type/Residual term                  | <i>on demand</i> | <i>up to 3 months</i> | <i>from 3 to 6 months</i> | <i>from 6 to 12 months</i> | <i>from 1 to 5 years</i> | <i>from 5 to 10 years</i> | <i>over 10 years</i> | <i>unspecified</i> |
|-------------------------------------|------------------|-----------------------|---------------------------|----------------------------|--------------------------|---------------------------|----------------------|--------------------|
| <b>1. Balance sheet assets</b>      |                  |                       |                           |                            |                          |                           |                      |                    |
| 1.1. Debt securities                |                  |                       |                           |                            |                          |                           |                      |                    |
| - with prepayment option            |                  |                       |                           |                            |                          |                           |                      |                    |
| - other                             |                  |                       |                           |                            |                          |                           |                      |                    |
| 1.2 Loans to banks                  | 95,349           |                       |                           |                            |                          |                           |                      |                    |
| 1.3 Loans to clients                |                  |                       |                           |                            |                          |                           |                      |                    |
| - current accounts                  |                  |                       |                           |                            |                          |                           |                      |                    |
| - other loans                       |                  |                       |                           |                            |                          |                           |                      |                    |
| - with prepayment option            |                  |                       |                           |                            |                          |                           |                      |                    |
| - other                             |                  |                       |                           |                            |                          |                           |                      |                    |
| <b>2. Balance sheet liabilities</b> |                  |                       |                           |                            |                          |                           |                      |                    |
| 2.1. Due to clients                 |                  |                       |                           |                            |                          |                           |                      |                    |

|                                       |  |  |  |  |  |  |  |  |
|---------------------------------------|--|--|--|--|--|--|--|--|
| - current accounts                    |  |  |  |  |  |  |  |  |
| - other amounts due                   |  |  |  |  |  |  |  |  |
| - with prepayment option              |  |  |  |  |  |  |  |  |
| - other                               |  |  |  |  |  |  |  |  |
| 2.2. Due to banks                     |  |  |  |  |  |  |  |  |
| - current accounts                    |  |  |  |  |  |  |  |  |
| - other amounts due                   |  |  |  |  |  |  |  |  |
| 2.3. Debt securities                  |  |  |  |  |  |  |  |  |
| - with prepayment option              |  |  |  |  |  |  |  |  |
| - other                               |  |  |  |  |  |  |  |  |
| <b>2.4. Other liabilities</b>         |  |  |  |  |  |  |  |  |
| - with prepayment option              |  |  |  |  |  |  |  |  |
| - other                               |  |  |  |  |  |  |  |  |
| 3. Financial derivatives              |  |  |  |  |  |  |  |  |
| 3.1 With underlying security          |  |  |  |  |  |  |  |  |
| - Options                             |  |  |  |  |  |  |  |  |
| + long positions                      |  |  |  |  |  |  |  |  |
| + short positions                     |  |  |  |  |  |  |  |  |
| - Other derivatives                   |  |  |  |  |  |  |  |  |
| + long positions                      |  |  |  |  |  |  |  |  |
| + short positions                     |  |  |  |  |  |  |  |  |
| 3.2 Without underlying security       |  |  |  |  |  |  |  |  |
| - Options                             |  |  |  |  |  |  |  |  |
| + long positions                      |  |  |  |  |  |  |  |  |
| + short positions                     |  |  |  |  |  |  |  |  |
| - <b>Other derivatives</b>            |  |  |  |  |  |  |  |  |
| + long positions                      |  |  |  |  |  |  |  |  |
| + short positions                     |  |  |  |  |  |  |  |  |
| 4. Other off-balance sheet operations |  |  |  |  |  |  |  |  |
| + long positions                      |  |  |  |  |  |  |  |  |
| + short positions                     |  |  |  |  |  |  |  |  |

**1. BANK PORTFOLIO: BREAKDOWN BY RESIDUAL TERM  
(REPRICING DATE) OF FINANCIAL ASSETS AND LIABILITIES  
CURRENCY OF DENOMINATION: OTHER**

| Type/Residual term             | <i>on demand</i> | <i>up to 3 months</i> | <i>from 3 to 6 months</i> | <i>from 6 to 12 months</i> | <i>from 1 to 5 years</i> | <i>from 5 to 10 years</i> | <i>over 10 years</i> | <i>unspecified</i> |
|--------------------------------|------------------|-----------------------|---------------------------|----------------------------|--------------------------|---------------------------|----------------------|--------------------|
| <b>1. Balance sheet assets</b> |                  |                       |                           |                            |                          |                           |                      |                    |
| 1.1. Debt securities           |                  |                       |                           |                            |                          |                           |                      |                    |
| - with prepayment option       |                  |                       |                           |                            |                          |                           |                      |                    |
| - other                        |                  |                       |                           |                            |                          |                           |                      |                    |
| 1.2 Loans to banks             | 635,009          |                       |                           |                            |                          |                           |                      |                    |

|  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|
| 1.3 Loans to clients                         |  |  |  |  |  |  |  |  |
| - current accounts                           |  |  |  |  |  |  |  |  |
| - other loans                                |  |  |  |  |  |  |  |  |
| - with prepayment option                     |  |  |  |  |  |  |  |  |
| - other                                      |  |  |  |  |  |  |  |  |
| 2. Balance sheet liabilities                 |  |  |  |  |  |  |  |  |
| 2.1. Due to clients                          |  |  |  |  |  |  |  |  |
| - current accounts                           |  |  |  |  |  |  |  |  |
| - other amounts due                          |  |  |  |  |  |  |  |  |
| - with prepayment option                     |  |  |  |  |  |  |  |  |
| - other                                      |  |  |  |  |  |  |  |  |
| 2.2. Due to banks                            |  |  |  |  |  |  |  |  |
| - current accounts                           |  |  |  |  |  |  |  |  |
| - other amounts due                          |  |  |  |  |  |  |  |  |
| 2.3. Debt securities                         |  |  |  |  |  |  |  |  |
| - with prepayment option                     |  |  |  |  |  |  |  |  |
| - other                                      |  |  |  |  |  |  |  |  |
| 2.4. Other liabilities                       |  |  |  |  |  |  |  |  |
| - with prepayment option                     |  |  |  |  |  |  |  |  |
| - other                                      |  |  |  |  |  |  |  |  |
| <b>3. Financial derivatives</b>              |  |  |  |  |  |  |  |  |
| 3.1 With underlying security                 |  |  |  |  |  |  |  |  |
| - Options                                    |  |  |  |  |  |  |  |  |
| + long positions                             |  |  |  |  |  |  |  |  |
| + short positions                            |  |  |  |  |  |  |  |  |
| - Other derivatives                          |  |  |  |  |  |  |  |  |
| + long positions                             |  |  |  |  |  |  |  |  |
| + short positions                            |  |  |  |  |  |  |  |  |
| 3.2 Without underlying security              |  |  |  |  |  |  |  |  |
| - Options                                    |  |  |  |  |  |  |  |  |
| + long positions                             |  |  |  |  |  |  |  |  |
| + short positions                            |  |  |  |  |  |  |  |  |
| - Other derivatives                          |  |  |  |  |  |  |  |  |
| + long positions                             |  |  |  |  |  |  |  |  |
| + short positions                            |  |  |  |  |  |  |  |  |
| <b>4. Other off-balance sheet operations</b> |  |  |  |  |  |  |  |  |
| + long positions                             |  |  |  |  |  |  |  |  |
| + short positions                            |  |  |  |  |  |  |  |  |

## 2.3 Currency risk

### • Qualitative disclosure

#### A. General aspects, operational processes and methods for measuring interest rate risk and price risk

Banca Simefica undertakes transactions in foreign currencies in connection with trading of bonds denominated in currencies other than the euro.

Risk Management performs level two controls on a daily basis to verify compliance with the maximum limits for holding assets in foreign currencies other than the euro as defined in the Risk control procedure manual.

#### B. Currency risk hedging activities

The bank does not hedge its currency risk exposure but controls this by maintaining the levels of risk within the established limits.

### • Quantitative disclosure

| Items                           | Currency       |                |     |               |     |                |
|---------------------------------|----------------|----------------|-----|---------------|-----|----------------|
|                                 | USD            | GBP            | JPY | CAD           | CHF | Other          |
| <b>A Financial assets</b>       |                |                |     |               |     |                |
| A.1 Debt securities             |                |                |     |               |     |                |
| A.2 Equities                    |                |                |     |               |     |                |
| A.3 Due from banks              |                |                |     |               |     |                |
| A.4 Due from clients            |                |                |     |               |     |                |
| A.5 Other financial assets      | 297,415        | 230,164        |     | 95,349        |     | 635,009        |
| <b>B. Other assets</b>          |                |                |     |               |     |                |
| <b>C. Financial liabilities</b> |                |                |     |               |     |                |
| C.1 Due to banks                |                |                |     |               |     |                |
| C.2 Due to clients              |                |                |     |               |     |                |
| C.3 Debt securities             |                |                |     |               |     |                |
| C.4 Other financial liabilities |                |                |     |               |     |                |
| <b>D. Other liabilities</b>     |                |                |     |               |     |                |
| E. Financial derivatives        |                |                |     |               |     |                |
| - Options                       |                |                |     |               |     |                |
| + long positions                |                |                |     |               |     |                |
| + short positions               |                |                |     |               |     |                |
| - Other derivatives             |                |                |     |               |     |                |
| + long positions                |                |                |     |               |     |                |
| + short positions               |                |                |     |               |     |                |
| <b>Total Assets</b>             | <b>297,415</b> | <b>230,164</b> |     | <b>95,349</b> |     | <b>635,009</b> |
| <b>Total liabilities</b>        |                |                |     |               |     |                |
| <b>Imbalance (+/-)</b>          | <b>297,415</b> | <b>230,164</b> |     | <b>95,349</b> |     | <b>635,009</b> |

## Section 3 – Liquidity risk

### • Qualitative disclosure

#### **A. General aspects, operational processes and methods for measuring liquidity risk**

Banca Simetica recognises the importance of the liquidity risk, which is carefully monitored in accordance with the procedures governing “Management of own securities portfolios for arbitrage and own trading activities” and “Control of liquid assets”; the latter involves all areas of the company, especially Proprietary Trading and Risk Management.

The Proprietary Trading department works in close contact with all other company sectors. Its key objective is to cover all requirements for liquid funds and manage all liquid funds in excess, especially in the short and very short-term.

Liquid funds absorbed by the Operations Room are monitored in real-time with a view to eliminating deficits or liquid funds in excess in the very short term, maintaining these within physiological levels.

The system generates regular estimates for absorption of liquid funds for currency  $t+1$ .

There is a maximum surplus/deficit limit for very short-term liquidity (for currencies). This is monitored on a daily basis by Risk Management.

The bank has adopted additional liquidity risk management instruments involving the use of a maturity ladder and maximum limits between inflows and outflows for the various maturity dates up to 90 days. Maximum structural liquidity limits have also been introduced.

Risk Management is also responsible for identifying and, if necessary, dealing with any liquidity risk in connection with current accounts, third-party trading and portfolio management. This is also done on a daily basis.

- Quantitative disclosure

**1. TIME BREAKDOWN BY CONTRACTUAL RESIDUAL MATURITY OF  
FINANCIAL ASSETS AND LIABILITIES - CURRENCY: EUR**

| <i>Items/Maturities</i>                                 | <i>on demand</i> | <i>from 1 to 7 days</i> | <i>from 7 to 15 days</i> | <i>from 15 days to 1 month</i> | <i>from 1 to 3 months</i> | <i>from 3 to 6 months</i> | <i>from 6 to 12 months</i> | <i>from 1 to 5 years</i> | <i>over 5 years</i> | <i>unspecified</i> |
|---|------------------|-------------------------|--------------------------|--------------------------------|---------------------------|---------------------------|----------------------------|--------------------------|---------------------|--------------------|
| <b>Balance sheet assets</b>                             |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| A.1 Government securities                               |                  |                         |                          |                                | 3,224,672                 | 2,639,104                 | 4,916,992                  | 157,091                  | 27,912              |                    |
| A.2 Other debt securities                               |                  |                         |                          |                                | 1,697,111                 |                           | 939,542                    | 904,638                  | 490,935             |                    |
| A.3 Units in investment funds                           |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| A.4 Loans   |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| - banks   | 31,394,443       |                         |                          |                                |                           |                           |                            |                          |                     | 161,925            |
| - clients   | 1,932            |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| Balance sheet liabilities                               |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| B.1 Deposits and current accounts                       |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| - banks   |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| - clients   | 18,371,590       |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| B.2 Debt securities                                     |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| B.3 Other liabilities                                   |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| <b>Off-balance sheet transactions</b>                   |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| C.1 Financial derivatives with exchange of principal    |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| - long positions  |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| - short positions                                       |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| C.2 Financial derivatives without exchange of principal |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| - long positions  |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| - short positions                                       |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| C.3 Deposits and borrowings to be received              |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| - long positions  |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |

|  |            |  |  |  |  |  |  |  |  |
|--|------------|--|--|--|--|--|--|--|--|
| - short positions                                  |            |  |  |  |  |  |  |  |  |
| C.4 Irrevocable commitments to disburse funds      |            |  |  |  |  |  |  |  |  |
| - long positions                                   | 29,079,643 |  |  |  |  |  |  |  |  |
| - short positions                                  | 28,580,147 |  |  |  |  |  |  |  |  |
| C.5 Financial guarantees given                     |            |  |  |  |  |  |  |  |  |
| C.6 Financial guarantees received                  |            |  |  |  |  |  |  |  |  |
| C.7 Credit derivatives with exchange of principal  |            |  |  |  |  |  |  |  |  |
| - long positions                                   |            |  |  |  |  |  |  |  |  |
| - short positions                                  |            |  |  |  |  |  |  |  |  |
| C.8 Credit derivatives without exchange of capital |            |  |  |  |  |  |  |  |  |
| - long positions                                   |            |  |  |  |  |  |  |  |  |
| - short positions                                  |            |  |  |  |  |  |  |  |  |

\* See table ". Guarantees given and commitments" on page 65.

### 1. TIME BREAKDOWN BY CONTRACTUAL RESIDUAL MATURITY OF FINANCIAL ASSETS AND LIABILITIES - CURRENCY: USD

| <i>Items/Maturities</i>               | <i>on demand</i> | <i>from 1 to 7 days</i> | <i>from 7 to 15 days</i> | <i>from 15 days to 1 month</i> | <i>from 1 to 3 months</i> | <i>from 3 to 6 months</i> | <i>from 6 to 12 months</i> | <i>from 1 to 5 years</i> | <i>over 5 years</i> | <i>unspecified</i> |
|---------------------------------------|------------------|-------------------------|--------------------------|--------------------------------|---------------------------|---------------------------|----------------------------|--------------------------|---------------------|--------------------|
| <b>Balance sheet assets</b>           |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| A.1 Government securities             |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| A.2 Other debt securities             |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| A.3 Units in investment funds         |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| A.4 Loans                             |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| - banks                               | 297,415          |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| - clients                             |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| <b>Balance sheet liabilities</b>      |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| B.1 Deposits and current accounts     |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| - banks                               |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| - clients                             |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| B.2 Debt securities                   |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| B.3 Other liabilities                 |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| <b>Off-balance sheet transactions</b> |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| C.1 Financial derivatives with        |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |



|   |  |  |  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|--|--|--|
| exchange of principal                                   |  |  |  |  |  |  |  |  |  |  |
| - long positions  |  |  |  |  |  |  |  |  |  |  |
| - short positions                                       |  |  |  |  |  |  |  |  |  |  |
| C.2 Financial derivatives without exchange of principal |  |  |  |  |  |  |  |  |  |  |
| - long positions  |  |  |  |  |  |  |  |  |  |  |
| - short positions                                       |  |  |  |  |  |  |  |  |  |  |
| C.3 Deposits and borrowings to be received              |  |  |  |  |  |  |  |  |  |  |
| - long positions  |  |  |  |  |  |  |  |  |  |  |
| - short positions                                       |  |  |  |  |  |  |  |  |  |  |
| C.4 Irrevocable commitments to disburse funds           |  |  |  |  |  |  |  |  |  |  |
| - long positions  |  |  |  |  |  |  |  |  |  |  |
| - short positions                                       |  |  |  |  |  |  |  |  |  |  |
| C.5 Financial guarantees given                          |  |  |  |  |  |  |  |  |  |  |
| C.5 Financial guarantees received                       |  |  |  |  |  |  |  |  |  |  |
| C.7 Credit derivatives with exchange of principal       |  |  |  |  |  |  |  |  |  |  |
| - long positions  |  |  |  |  |  |  |  |  |  |  |
| - short positions                                       |  |  |  |  |  |  |  |  |  |  |
| C.8 Credit derivatives without exchange of capital      |  |  |  |  |  |  |  |  |  |  |
| - long positions  |  |  |  |  |  |  |  |  |  |  |
| - short positions                                       |  |  |  |  |  |  |  |  |  |  |

**1. TIME BREAKDOWN BY CONTRACTUAL RESIDUAL MATURITY OF FINANCIAL ASSETS AND LIABILITIES - CURRENCY: GBP**

| <i>Items/Maturities</i>       | <i>on demand</i> | <i>from 1 to 7 days</i> | <i>from 7 to 15 days</i> | <i>from 15 days to 1 month</i> | <i>from 1 to 3 months</i> | <i>from 3 to 6 months</i> | <i>from 6 to 12 months</i> | <i>from 1 to 5 years</i> | <i>over 5 years</i> | <i>unspecified</i> |
|-------------------------------|------------------|-------------------------|--------------------------|--------------------------------|---------------------------|---------------------------|----------------------------|--------------------------|---------------------|--------------------|
| <b>Balance sheet assets</b>   |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| A.1 Government securities     |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| A.2 Other debt securities     |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| A.3 Units in investment funds |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| A.4 Loans                     |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| - banks                       | 230,164          |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| - clients                     |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |



|   |        |  |  |  |  |  |  |  |  |  |
|---|--------|--|--|--|--|--|--|--|--|--|
| - banks   | 95,349 |  |  |  |  |  |  |  |  |  |
| - clients   |        |  |  |  |  |  |  |  |  |  |
| <b>Balance sheet liabilities</b>                        |        |  |  |  |  |  |  |  |  |  |
| B.1 Deposits and current accounts                       |        |  |  |  |  |  |  |  |  |  |
| - banks   |        |  |  |  |  |  |  |  |  |  |
| - clients   |        |  |  |  |  |  |  |  |  |  |
| B.2 Debt securities                                     |        |  |  |  |  |  |  |  |  |  |
| B.3 Other liabilities                                   |        |  |  |  |  |  |  |  |  |  |
| <b>Off-balance sheet transactions</b>                   |        |  |  |  |  |  |  |  |  |  |
| C.1 Financial derivatives with exchange of principal    |        |  |  |  |  |  |  |  |  |  |
| - long positions  |        |  |  |  |  |  |  |  |  |  |
| - short positions                                       |        |  |  |  |  |  |  |  |  |  |
| C.2 Financial derivatives without exchange of principal |        |  |  |  |  |  |  |  |  |  |
| - long positions  |        |  |  |  |  |  |  |  |  |  |
| - short positions                                       |        |  |  |  |  |  |  |  |  |  |
| C.3 Deposits and borrowings to be received              |        |  |  |  |  |  |  |  |  |  |
| - long positions  |        |  |  |  |  |  |  |  |  |  |
| - short positions                                       |        |  |  |  |  |  |  |  |  |  |
| C.4 Irrevocable commitments to disburse funds           |        |  |  |  |  |  |  |  |  |  |
| - long positions  |        |  |  |  |  |  |  |  |  |  |
| - short positions                                       |        |  |  |  |  |  |  |  |  |  |
| C.5 Financial guarantees given                          |        |  |  |  |  |  |  |  |  |  |
| C.6 Financial guarantees received                       |        |  |  |  |  |  |  |  |  |  |
| C.7 Credit derivatives with exchange of principal       |        |  |  |  |  |  |  |  |  |  |
| - long positions  |        |  |  |  |  |  |  |  |  |  |
| - short positions                                       |        |  |  |  |  |  |  |  |  |  |
| C.8 Credit derivatives without exchange of capital      |        |  |  |  |  |  |  |  |  |  |
| - long positions  |        |  |  |  |  |  |  |  |  |  |
| - short positions                                       |        |  |  |  |  |  |  |  |  |  |

**1. TIME BREAKDOWN BY CONTRACTUAL RESIDUAL MATURITY OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN OTHER CURRENCIES**

| <i>Items/Maturities</i>     | <i>on demand</i> | <i>from 1 to 7 days</i> | <i>from 7 to 15 days</i> | <i>from 15 days to 1 month</i> | <i>from 1 to 3 months</i> | <i>from 3 to 6 months</i> | <i>from 6 to 12 months</i> | <i>from 1 to 5 years</i> | <i>over 5 years</i> | <i>unspecified</i> |
|-----------------------------|------------------|-------------------------|--------------------------|--------------------------------|---------------------------|---------------------------|----------------------------|--------------------------|---------------------|--------------------|
| <b>Balance sheet assets</b> |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |
| A.1 Government securities   |                  |                         |                          |                                |                           |                           |                            |                          |                     |                    |

|   |         |  |  |  |  |  |  |  |  |
|---|---------|--|--|--|--|--|--|--|--|
| A.2 Other debt securities                               |         |  |  |  |  |  |  |  |  |
| A.3 Units in investment funds                           |         |  |  |  |  |  |  |  |  |
| A.4 Loans   |         |  |  |  |  |  |  |  |  |
| - banks   | 635,009 |  |  |  |  |  |  |  |  |
| - clients   |         |  |  |  |  |  |  |  |  |
| <b>Balance sheet liabilities</b>                        |         |  |  |  |  |  |  |  |  |
| B.1 Deposits and current accounts                       |         |  |  |  |  |  |  |  |  |
| - banks   |         |  |  |  |  |  |  |  |  |
| - clients   |         |  |  |  |  |  |  |  |  |
| B.2 Debt securities                                     |         |  |  |  |  |  |  |  |  |
| B.3 Other liabilities                                   |         |  |  |  |  |  |  |  |  |
| <b>Off-balance sheet transactions</b>                   |         |  |  |  |  |  |  |  |  |
| C.1 Financial derivatives with exchange of principal    |         |  |  |  |  |  |  |  |  |
| - long positions  |         |  |  |  |  |  |  |  |  |
| - short positions                                       |         |  |  |  |  |  |  |  |  |
| C.2 Financial derivatives without exchange of principal |         |  |  |  |  |  |  |  |  |
| - long positions  |         |  |  |  |  |  |  |  |  |
| - short positions                                       |         |  |  |  |  |  |  |  |  |
| C.3 Deposits and borrowings to be received              |         |  |  |  |  |  |  |  |  |
| - long positions  |         |  |  |  |  |  |  |  |  |
| - short positions                                       |         |  |  |  |  |  |  |  |  |
| C.4 Irrevocable commitments to disburse funds           |         |  |  |  |  |  |  |  |  |
| - long positions  |         |  |  |  |  |  |  |  |  |
| - short positions                                       |         |  |  |  |  |  |  |  |  |
| C.5 Financial guarantees given                          |         |  |  |  |  |  |  |  |  |
| C.6 Financial guarantees received                       |         |  |  |  |  |  |  |  |  |
| C.7 Credit derivatives with exchange of principal       |         |  |  |  |  |  |  |  |  |
| - long positions  |         |  |  |  |  |  |  |  |  |
| - short positions                                       |         |  |  |  |  |  |  |  |  |
| C.8 Credit derivatives without exchange of capital      |         |  |  |  |  |  |  |  |  |
| - long positions  |         |  |  |  |  |  |  |  |  |
| - short positions                                       |         |  |  |  |  |  |  |  |  |

**3.2 DISCLOSURE OF ENCUMBERED ASSETS RECOGNISED IN THE FINANCIAL STATEMENTS**

| Types                     | Encumbered |    | Unencumbered |            | 2014              | 2013              |
|---------------------------|------------|----|--------------|------------|-------------------|-------------------|
|                           | BV         | FV | BV           | FV         |                   |                   |
| 1. Cash and liquid assets |            |    | 14,246       |            | 14,246            | 2,501,040         |
| 2. Debt securities        |            |    |              | 14,997,996 | 14,997,996        | 10,170,317        |
| 3. Equity instruments     |            |    |              |            |                   |                   |
| 4. Loans                  |            |    | 1,932        |            | 1,932             | 1,963             |
| 5. Other financial assets |            |    |              |            |                   |                   |
| 6. Non-financial assets   |            |    |              |            |                   |                   |
| <b>Total 2014</b>         |            |    |              |            | <b>15,014,174</b> |                   |
| <b>Total 2013</b>         |            |    |              |            |                   | <b>12,673,320</b> |

## Section 4 – Operational risk

### • Qualitative disclosure

#### **A. General aspects, operational processes and methods for measuring operational risk**

Operational risk is defined in Regulation (EU) 575/2013 (CRR) as “the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events, including legal risk”.

In order to limit this type of risk as far as possible, Banca Simefica has developed the appropriate procedures aimed at identifying, monitoring, limiting and evaluating the operational risk.

The Risk mapping manual contains an analysis of the various causes of loss associated with operational risk. For each cause it specifies the measures and procedures adopted by Banca Simefica to reduce the possibility of such losses arising to a minimum.

By way of example, some causes of operational risk regard failed procedures, inadequacy of personnel, operating system malfunctions, possible external events which might result in losses for the company as well as risks associated with failure to comply with the law, clauses of contracts agreed upon with clients and obligations concerning supervision and disclosure of information to the authorities.

In 2012 the bank undertook an analytical mapping of all of the processes within its organisational structure in order to highlight any shortfalls in processes and/or control systems that could give rise to operational risks. This mapping procedure has evolved and been improved over the years. In 2014 the bank reviewed all the processes that could in any way affect its exposure to legal risks.

Banca Simefica’s code of procedure, which is constantly reviewed in order to regulate the various management-related aspects in the best possible way, includes several rules concerning operational risk and compliance with legal and regulatory requirements (for instance, the Consolidated Finance Act, Consolidated Banking Law, regulations issued by Banca d’Italia and CONSOB, regulations governing the markets and clearing systems with which Banca Simefica operates, and regulations governing conflicts of interest, market abuse, personal transactions by anyone having access to privileged information, anti-money laundering laws, health and safety at work and privacy laws).

The Board of Directors has also approved an Organisational, Management and Control Model, in accordance with Italian Legislative Decree No. 231/2001, a Code of Conduct (prepared in accordance with the Model Self-Regulatory Rules issued by the Italian Banking Association - ABI), and a Code of Ethics. These documents contain a series of rules of conduct (in addition to those concerning compliance with statutory, regulatory and contractual requirements and internal procedures) with which all those operating on behalf of the company are required to comply.

Risk Management monitors and manages the operational risk, with the support of Compliance on matters regarding legal risks.

The Control system approved by the Board of Directors also envisages specific controls to be carried out by the Internal Audit department.

### • Quantitative disclosure

Pursuant to Title III “Own funds requirements for operational risk”, Part 3 “Capital requirements” of Regulation (EU) 575/2013 (CRR) Banca Simefica is required to use the Basic Indicator Approach to calculate the capital for operational risk.

This method of calculation consists of applying a fixed 15% percentage to positive values of the relevant indicator for the previous three years to calculate the capital requirement to cover operational risk.

This ratio is calculated using the following formula:

$$KBIA = [ \sum (GI_{1...n} \times \square) ] / n$$

where

KBIA = the capital charge under the Basic Indicator Approach of "Basel II"

GI = relevant indicator where positive, over the previous three years

n = number of the previous three years for which gross income is positive

$\square$  = 15% (which is set in the "Basel II" agreement) relating the industry wide level of required capital to the industry wide level of the indicator.

The relevant indicator is defined as the sum of interest receivable and similar income, interest payable and similar charges, income from shares and other variable/fixed-yield securities, commissions/fees receivable, commissions/fees payable, net profit or net loss on financial operations and other operating income. All extraordinary items (if present) are excluded from the above indicator.

The following formula was used to calculate Banca Simeica's level of capital for operational risk coverage for 2014:

$$KBIA, 31/12/2014 = [(5.726.083 + 5.021.989 + 7.607.569) \times 15\%] / 3 = 917.782 \text{ EUR}$$

Risk Management constantly monitors any harmful events that occur in connection with operational risk and regularly reports to the Internal Audit department, the Chief Executive Officer and the Board of Directors.

## Part F – Equity

### Section 1 - Shareholders' equity

#### A. Qualitative disclosure

Given its business and growth strategies, Banca Simetica has adopted the necessary measures to ensure that it maintains an adequate level of capital.

Shareholders' equity comprises the share capital, the retained earnings generated in previous years, valuation reserves set up in accordance with international accounting principles and net profit for the year.

#### B. Quantitative disclosure

##### B.1 SHAREHOLDERS' EQUITY: BREAKDOWN

| <i>Items/Amounts</i>   | 2014              | 2013              |
|--|-------------------|-------------------|
| 1. Capital   | 7,600,000         | 7,600,000         |
| 2. Issue premium   | 1,300,000         | 1,300,000         |
| 3. Reserves  | 17,860,246        | 17,745,528        |
| - retained earnings  |                   |                   |
| a) legal   | 1,220,474         | 1,186,238         |
| b) statutory   | 1,242,389         | 1,241,159         |
| c) own shares  |                   |                   |
| d) other   | 15,397,383        | 15,318,131        |
| - other  |                   |                   |
| 4. Capital instruments   |                   |                   |
| 5. (Own shares)  |                   |                   |
| 6. Valuation reserves  |                   |                   |
| - Financial assets available for sale  |                   |                   |
| - Tangible assets  |                   |                   |
| - Intangible assets  |                   |                   |
| - Foreign investment hedges  |                   |                   |
| - Cash flow hedges   |                   |                   |
| - Exchange differences   |                   |                   |
| - Non-current assets and disposal groups   |                   |                   |
| - Actuarial gains (losses) relating to defined benefit plans                     | -95,106           | 17,435            |
| - Shares of valuation reserves relating to subsidiaries<br>valued through equity |                   |                   |
| - Special revaluation laws   |                   |                   |
| 7. Profit (Loss) for the year  | 2,140,488         | 684,719           |
| <b>Total</b>   | <b>28,805,628</b> | <b>27,347,682</b> |

There was a € 112,541 reduction in the valuation reserve relating to defined benefit plans, as shown in the table above.



## Section 2 - Own funds and regulatory ratios

### 2.1 Own funds

#### A. Qualitative disclosure

##### *1. Common Equity Tier 1*

Pursuant to the provisions of Part 2 "Own Funds" of Regulation (EU) 575/2013 (CRR) the Own Funds of Banca Simetica consist entirely of common equity tier 1 (CET 1) capital, comprising the share capital, retained earnings and income for the period as positive items and intangible assets as the only negative items.

##### *2. Additional Tier 1 Capital (AT1)*

The additional tier 1 items consist of additional tier 1 capital instruments and any related share premium accounts. The following items must be deducted from AT 1 capital: all holdings of own additional Tier 1 instruments, including indirect and synthetic holdings and any relevant repurchase agreements, and all holdings including indirect and synthetic holdings of additional tier 1 capital, instruments issued by another financial sector entity in which the bank has or has not a significant investment. "Grandfathering" provisions must also be considered in quantifying the aforesaid items.

##### *3. Tier 2 capital (T2)*

Tier 2 items consist of subordinated liabilities where the conditions laid down in the contract permit their classification as T2 capital instruments, including any share premium accounts.

The following must be deducted from Tier 2 items: all holdings of own subordinated liabilities, including indirect and synthetic holdings and any relevant repurchase agreements, and all holdings including indirect and synthetic holdings of T2 instruments issued by another financial sector entity in which the bank has or has not a significant investment. "Grandfathering" provisions must also be considered in quantifying the aforesaid items.

**B. Quantitative disclosure**

|   | <b>2014</b> |
|---|-------------|
| A. Common Equity Tier 1 (CET1) prior to the application of prudential filters<br>of which CET1 instruments subject to grandfathering provisions                 | 25,512,135  |
| B. CET1 (+/-) prudential filters  |             |
| C. CET1 gross of items to be deducted and grandfathering provisions (A +/- B)   | 25,512,135  |
| D. Items to be deducted from CET1   |             |
| E. Grandfathering provisions - Impact on CET1 (+/-)   |             |
| F. Total Common Equity Tier 1 (CET1) (C - D +/- E)  | 25,512,135  |
| G. Additional Tier 1 (AT1) capital gross of items to be deducted and effects of grandfathering<br>of which AT1 instruments subject to grandfathering provisions | -95,106     |
| H. Items to be deducted from AT1  | -95,106     |
| I. Grandfathering provisions - Impact on AT1 (+/-)  |             |
| L. Total Additional Tier 1 Capital (AT1) (G - H +/- I)  | -           |
| M. Tier 2 (T2) capital gross of items to be deducted and effects of grandfathering<br>of which T2 instruments subject to grandfathering provisions              |             |
| N. Items to be deducted from T2   |             |
| O. Grandfathering provisions - Impact on T2 (+/-)   |             |
| P. Total Tier 2 (T2) capital (M - N +/- O)  |             |
| Q. Total own funds (F + L + P)  | 25,512,135  |

NB: For the sake of consistency and comparability in view of the entry into force of the new Basel III regulatory framework on 1 January 2014, data as at 31 December 2013 are not included in the Own Funds table. Such data are not comparable as they were calculated in accordance with the regulatory framework in force at that date.

Aggregate "A. Common Equity Tier 1 prior to the application of prudential filters" does not include the profit for 2014 in line with the new regulatory framework of Regulation (EU) 575/2013 (CRR) applicable as from 1 January 2014.

## 2.2 Capital adequacy

### A. Qualitative disclosure

Banca Simetica's Own Funds provide more than adequate assurance of its soundness in relation to the risks to which it is exposed, even in the event of potential and particularly harmful stress events and on the basis of its forecast for growth.

### B. Quantitative disclosure

#### B. QUANTITATIVE DISCLOSURE

| Categories/Amounts  | Non-weighted items |            | Weighted items/<br>requirements |            |
|---|--------------------|------------|---------------------------------|------------|
|   | 2014               | 2013       | 2014                            | 2013       |
| <b>A. RISK ASSETS</b>   |                    |            |                                 |            |
| <b>A.1 CREDIT AND COUNTERPARTY RISK</b>                               |                    |            |                                 |            |
| 1. Standardised approach  | 35,816,039         | 27,660,138 | 9,737,909                       | 7,463,300  |
| 2. IRB approach   |                    |            |                                 |            |
| 2.1 Foundation  |                    |            |                                 |            |
| 2.2 Advanced  |                    |            |                                 |            |
| 3. Securitisations  |                    |            |                                 |            |
| <b>B. REGULATORY CAPITAL REQUIREMENTS</b>                             |                    |            |                                 |            |
| <b>B.1 CREDIT AND COUNTERPARTY RISK</b>                               |                    |            | 779,033                         | 597,064    |
| <b>B.2 CREDIT VALUATION ADJUSTMENT RISK</b>                           |                    |            |                                 |            |
| <b>B.3 SETTLEMENT RISK</b>  |                    |            | 8,456                           | 2,064      |
| <b>B.4 MARKET RISK</b>  |                    |            |                                 |            |
| 1. Standardised approach  |                    |            | 307,279                         | 225,354    |
| 2. Internal models  |                    |            |                                 |            |
| 3. Concentration risk   |                    |            |                                 |            |
| <b>B.5 OPERATIONAL RISK</b>   |                    |            |                                 |            |
| 1. Basic approach   |                    |            | 917,782                         | 1,061,951  |
| 2. Standardised approach  |                    |            |                                 |            |
| 3. Advanced approach  |                    |            |                                 |            |
| <b>B.6 OTHER ITEMS FOR CALCULATION</b>                                |                    |            |                                 |            |
| <b>B.7 TOTAL PRUDENTIAL REQUIREMENTS</b>                              |                    |            | 2,012,550                       | 1,886,433  |
| <b>C. RISK ASSETS AND CAPITAL RATIOS</b>                              |                    |            |                                 |            |
| <b>C.1 Weighted risk assets</b>                                       |                    |            | 25,156,875                      | 23,580,410 |
| <b>C.2 Tier 1 capital/Weighted risk assets (CET 1 capital ratio)</b>  |                    |            | 101.41%                         | 108.25%    |
| <b>C.3 Tier 1 capital/Weighted risk assets (Total capital ratio)</b>  |                    |            | 101.41%                         | 108.25%    |
| <b>C.4 TOTAL own funds/Weighted risk assets (Total capital ratio)</b> |                    |            | 101.41%                         | 108.25%    |

NB: With regard to points C.3 and C.4 in the table, amounts as at 31 December 2013 were calculated in accordance with the regulatory framework in force at that date.

The comparative figure for item B.3 has been taken out of item B.4 which amounted to € 227,418 in the 2013 financial statements.

The comparative figure for item C.2 is the "Tier 1 capital ratio" stated in the 2013 financial statements.

## Part H – Transactions with related parties

### 1. Remuneration of directors with strategic responsibilities

Fees paid to Directors and Statutory Auditors (inclusive of social security payments and taxes payable by the company) are shown in the table.

|                    | 2014           | 2013           |
|--------------------|----------------|----------------|
| Directors          | 266,838        | 263,493        |
| Statutory Auditors | 44,408         | 35,527         |
| <b>TOTAL</b>       | <b>311,246</b> | <b>299,020</b> |

### 2. Transactions with related parties

Related parties are defined with reference to article 2427, para 1, point 22(b) of the Italian Civil Code (which refers to the definition as per the international accounting standards adopted by the EU, in particular IAS 24), and Banca d'Italia Circular No. 262/2005 "Financial statements of banks: preparation criteria and format". Pursuant to the above regulations, since the bank neither constitutes nor belongs to a credit group, the related parties include the Directors and Statutory Auditors and their immediate family members, and the companies controlled by or connected to said related parties. Immediate family members include the related party's cohabiting partner and children, the children of the cohabiting partner and other people dependent upon the related party or upon the related party's cohabiting partner.

Relations and transactions with related parties do not constitute a critical factor; they regard the provision of investment services and are performed in accordance with requirements of procedural and substantial correctness.

The individual services supplied to related parties are subject to current market conditions, in line with standard practice for services supplied to clients and employees.

| Type of related party                     | Assets | Liabilities <sup>1</sup> | Costs | Revenues <sup>2</sup> | Guarantees given | Guarantees received |
|---|--------|--------------------------|-------|-----------------------|------------------|---------------------|
| Directors                                 |        | 681,345                  |       | 43,990                |                  |                     |
| Statutory Auditors                        |        | 74,740                   |       | 2,533                 |                  |                     |
| Directors with strategic responsibilities |        |                          |       |                       |                  |                     |
| Other related parties                     |        | 187,255                  |       | 14,364                |                  |                     |

<sup>1</sup> Cash balance at 31/12/2014

<sup>2</sup> Fees generated in 2014

## Annex 1

Pursuant to art. 2427 point 16-bis of the Italian Civil Code and art. 149-duodecies of Consob Issuers Regulation, the breakdown of the fees for auditing the 2014 Financial Statements and for other services are shown in the table below.

| <i>Type of service</i>    | <i>Service provider</i>  | <i>Fees(1)</i> |
|---------------------------|--------------------------|----------------|
| Audit of company accounts | Deloitte & Touche S.p.A. | €44,806        |
| Certification (2)         | Deloitte & Touche S.p.A. | € 500          |
| Tax advisory services     | -                        |                |
| Other services            |                          |                |
| <b>Total</b>              |                          | <b>€45,306</b> |

(1) Fees net of expenses and VAT.

(2) Signing of the Italian tax declaration forms for 2014

## Annex 2

La compagine azionaria è così composta:

- 35.5 % Barbera family
- 35.5 % Mello Rella family
- 21 % Acciaierie Valbruna S.p.A.
- 8% other shareholders

The bank is not part of a group and is not subject to the control or coordination of any of the shareholders pursuant to art. 2497 of the Italian Civil Code.

## Annex 3

Country-by-country reporting (Banca d'Italia Circular No. 285 - Part One, Title III, Chapter 2)

The information required under art. 89 of CRD IV can be consulted on the bank's website, using the link: [http://www.bancasimetica.it/documentazione\\_societaria.php](http://www.bancasimetica.it/documentazione_societaria.php)

**BANCA SIMETICA s.p.a.**  
**Registered office in Biella**  
**Share capital € 7,600,000.00 fully paid-in**  
**Number in the Biella Register of Companies and tax code 02071270025**

\* \* \*

## **Report of the Board of Statutory Auditors**

### **to the Financial Statements for the year ended 31/12/2014**

\* \* \*

Dear Shareholders,

the financial statements for the year ended at 31/12/2014, the company's thirteenth year of business, which include the balance sheet, the profit and loss account, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows, the notes to the financial statements and the directors' report, which have been submitted to you by the Board of Directors for approval, have been drawn up in accordance with international accounting standards (IAS/IFRS) as required by Circular No. 262 issued by Banca d'Italia on 22 December 2005 and amended on 22 December 2014.

The financial statements have been audited by Deloitte & Touche S.p.A. who today, 10 April 2015, have certified their compliance with the IAS/IFRS and relevant laws implementing said rules. The Independent Auditors have also confirmed that the financial statements give a true and fair view of the company's state of affairs and of the financial position, profit, changes in shareholders' equity and cash flows.

The directors' report has also been certified as reflecting the financial statements for the year ended 31/12/2014.

Said Independent Auditors were also charged, for the year in question, to perform the auditing activities pursuant to art. 2409 bis of the Italian Civil Code. Therefore, while approving the general approach of the financial statements and the general conformity of their format and structure, as mentioned above, we are not required to express our opinion on the specific review procedure. In that respect we have nothing particular to report.

To the best of our knowledge the Board of Directors made no exceptions to the provisions of art. 2423, para. 4 of the Italian Civil Code nor have they altered the valuation criteria compared to the previous year.

We verified compliance with legal requirements concerning the preparation of the directors' report, and have nothing particular to report in that respect.

We also verified the consistency of the information contained in the financial statements with the facts and information that we acquired during the course of our work, and have nothing particular to report.

As regards our work during 2014, we state the following:

- we have verified compliance with the law, with the company's bylaws and observance of the principles of good administration;
- we were called and took part in meetings of the Board of Directors and of Shareholders; we verified that those meetings were held in accordance with all statutory and legal requirements and regulations;
- the directors provided us, also during Board Meetings, with all the information we requested concerning general trends in management and the outlook for the future, and regarding the main activities; in particular, we received information about the complex macroeconomic context within

which the company works and the risks associated with its business and found no critical aspects either with regard to proprietary trading operations or to services for clients. We can reasonably state that the actions decided upon by the Board of Directors were taken in accordance with current legislation and were not manifestly imprudent or capable of damaging the integrity of the company's assets. In actual fact such actions contributed to the achievement of the positive results for the year ended on 31/12/2014, confirming the trend of previous years;

- we examined the internal capital adequacy process (ICAAP);
- we met and exchanged information with the independent auditors, together with the control functions. We did not find any significant data and/or information to be included in this report;
- we verified the work of those responsible for internal controls, risk management and compliance, and found nothing significant to report;
- we assessed and continuously monitored the adequacy of the company's organisational structure, also by gathering information from the respective department managers, and have nothing particular to report;
- we assessed and monitored the adequacy of the administrative and accounting systems, and the reliability of the latter in correctly representing management events, by obtaining information from the department managers, and have nothing particular to report;
- we monitored the activities of the Ethics Committee, established under art. 20 of the company's bylaws. Our opinion on the company's social report is stated in a separate report;
- we did not receive any complaints pursuant to art. 2408 of the Italian Civil Code;
- we certify that in fulfilling our mandate we did not discover any significant facts worthy of mention in this report;
- lastly, we acknowledge that during the course of the year ended at 31 December 2014 the company appointed us to act as its Supervisory Body pursuant to Italian Legislative Decree No. 231/2001.

That stated, and on the basis of the results of the work carried out by the Independent Auditors, we propose that the Meeting should approve the financial statements for the year ended at 31 December 2014 and the relative allocation of profits, as drawn up and submitted for approval by the Directors.

Biella, 10 April 2015

THE BOARD OF STATUTORY AUDITORS

Dr. Mario Rovetti

Dr. Enzo Mario Napolitano

Mr. Giovanni Spola

## RELAZIONE DELLA SOCIETÀ DI REVISIONE AI SENSI DEGLI ARTICOLI 14 E 16 DEL D.LGS. 27 GENNAIO 2010, N. 39

### Agli Azionisti di BANCA SIMETICA S.p.A.

1. Abbiamo svolto la revisione contabile del bilancio d'esercizio, costituito dallo stato patrimoniale, dal conto economico, dal prospetto della redditività complessiva, dal prospetto delle variazioni del patrimonio netto, dal rendiconto finanziario e dalla relativa nota integrativa, di Banca Simetica S.p.A. chiuso al 31 dicembre 2014. La responsabilità della redazione del bilancio d'esercizio in conformità agli International Financial Reporting Standards adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'art. 9 del D. Lgs. 28 febbraio 2005, n. 38, compete agli Amministratori di Banca Simetica S.p.A.. È nostra la responsabilità del giudizio professionale espresso sul bilancio d'esercizio e basato sulla revisione contabile.
2. Il nostro esame è stato condotto secondo i principi e i criteri per la revisione contabile raccomandati dalla CONSOB. In conformità ai predetti principi e criteri, la revisione è stata pianificata e svolta al fine di acquisire ogni elemento necessario per accertare se il bilancio d'esercizio sia viziato da errori significativi e se risulti, nel suo complesso, attendibile. Il procedimento di revisione comprende l'esame, sulla base di verifiche a campione, degli elementi probativi a supporto dei saldi e delle informazioni contenuti nel bilancio d'esercizio, nonché la valutazione dell'adeguatezza e della correttezza dei criteri contabili utilizzati e della ragionevolezza delle stime effettuate dagli Amministratori. Riteniamo che il lavoro svolto fornisca una ragionevole base per l'espressione del nostro giudizio professionale.  
  
Per il giudizio relativo al bilancio dell'esercizio precedente, i cui dati sono presentati ai fini comparativi, si fa riferimento alla relazione da noi emessa in data 11 aprile 2014.
3. A nostro giudizio, il bilancio d'esercizio di Banca Simetica S.p.A. al 31 dicembre 2014 è conforme agli International Financial Reporting Standards adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'art. 9 del D. Lgs. 28 febbraio 2005, n. 38; esso pertanto è redatto con chiarezza e rappresenta in modo veritiero e corretto la situazione patrimoniale e finanziaria, il risultato economico ed i flussi di cassa di Banca Simetica S.p.A. per l'esercizio chiuso a tale data.



4. La responsabilità della redazione della relazione sulla gestione in conformità a quanto previsto dalle norme di legge e dai regolamenti compete agli Amministratori di Banca Simetica S.p.A.. È di nostra competenza l'espressione del giudizio sulla coerenza della relazione sulla gestione con il bilancio, come richiesto dalla legge. A tal fine, abbiamo svolto le procedure indicate dal principio di revisione n. 001 emanato dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili e raccomandato dalla CONSOB. A nostro giudizio la relazione sulla gestione è coerente con il bilancio d'esercizio di Banca Simetica S.p.A. al 31 dicembre 2014.

DELOITTE & TOUCHE S.p.A.



Paolo Gibello Ribatto  
Socio

Milano, 10 aprile 2015



Registered Bank, registration No. 5713 - ABI code No. 3398.5  
Member of the Fondo Nazionale di Garanzia (National Guarantee  
Fund) and of the Fondo Interbancario di Tutela dei Depositi  
(Interbank Deposit Protection Fund)

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