

## Customer deposits

### Direct deposits

The items “Due to customers” and “Securities in issue” on the balance sheet liabilities represent the aggregate of direct customer deposits, the total of which reached €1,707 million, up €80 million (4.92%). This aggregate represented in average values comes to €1,702 million, an increase of €113.5 million (+7.15%).

The table below shows the details of the trends recorded by technical type (in Euro units).

Item	2015	2014	Change	
			Absolute	%
Savings deposits	174,879,442	171,808,441	3,071,001	1.79
Current accounts	1,318,396,793	1,232,575,062	85,821,731	6.96
Repurchase agreements	-	-	-	-
Bonds	210,477,527	205,559,203	4,918,324	2.39
Certificates of deposit	1,298,896	15,497,379	-14,198,483	91.62
Other technical types	1,546,648	1,197,030	349,618	29.21
<b>Grand total</b>	<b>1,706,599,306</b>	<b>1,626,637,115</b>	<b>79,962,191</b>	<b>4.92</b>

Analysis indicates the following:

- an increase in savings deposits of €3.1 million, or 1.79%. Specifically, ordinary deposits amount to €165.8 million, an increase of 2.64%, while time deposits fell by 11.63%, coming to just above €9 million;
- current accounts increased by €85.8 million, or 6.96%. Within this figure, the deposit account component totalled €7.9 million (54.49%), while other types amounted to €1,311 million and showed growth of €83.0 million, or 6.77%;
- the bond component increased by €4.9 million, or 2.39%;
- certificates of deposit decreased by €14.2 million (-91.62%);
- “other technical types” refers to deposits made using cards with IBANs and prepaid cards.

The continuing weakness of the economic cycle, customers' need to ensure an adequate level of liquidity and the low level returns offered by financial investments all favoured an allocation of deposits to more traditional and liquid types.

Customer deposits represented 78.82% of balance sheet liabilities (2014: 75.12%) and were made up, for 12.41% (2014: 13.59%), of the securities component, that is bonds and certificates of deposit.

## Breakdown of direct deposits from customers



	2015 Balance
Savings deposits	10%
Bonds	13%
Current accounts	77%

The average rate of remuneration of total deposits came out at 0.77%, down 41 basis points compared with the previous year. The breakdown by investor category shows that the consumer households are predominant, with a proportion of 55.39% of total funding and with a stable trend compared with the previous year. Non-financial companies increased by almost €98 million, accounting for 27.01% (2014: 22.32%) while producer households grew by €2 million, accounting for 9.68%. On the other hand, deposits from the public administration sector fell (- €23 million) and from non-profit institutions (- €36 million), while other investor categories remained essentially stable.

The geographical distribution of deposits confirms the predominance of the province of Rome with 68.26% of the total, followed by the province of Latina with 28.84%, the province of Frosinone with 2.04% and the province of Viterbo with 0.86%. The figures expressed, compared with the previous year, indicate growth in the provinces of Rome and Viterbo, while Latina and Frosinone saw a slight decrease.

Customer deposits were distributed over 78,687 accounts, with an average unit amount of €21,688. These figures show an increase both in average deposits per position and in the number of accounts. The volume of deposits per employee came out at €3.681 million, with an increase in productivity of 4.55% (+ €160 thousand per employee).

### Direct deposits by investor category

Type	Amounts 2015	Proportion % 2015	Amounts 2014	Proportion % 2014
Consumer households	945,346,875	55.39	907,239,964	55.79
Non-financial companies	460,954,403	27.01	363,124,973	22.32
Producer households	165,179,118	9.68	163,163,134	10.03
Public administrations	91,903,277	5.39	115,365,697	7.09
Non-profit institutions	28,803,020	1.69	65,121,927	4.00
Financial companies	10,950,393	0.64	10,316,940	0.63
Other	3,462,220	0.20	2,304,480	0.14
<b>Total</b>	<b>1,706,599,306</b>	<b>100.00</b>	<b>1,626,637,115</b>	<b>100.00</b>

### Indirect deposits

Indirect deposits in financial instruments amounted to €803 million at the end of the year, recording a decrease of €6.4 million compared with the previous year, or 0.79%. The same aggregate, inclusive of insurance deposits, amounts to €913 million, with the comprehensive figure remaining substantially unchanged with respect to the previous year (-0.05%).

The table below shows the changes recorded in the segment in detail (in Euro thousands).

Item	2015	2014	Change	
			Absolute	%
Administered deposits	384,504	419,234	-34,730	-8.28
Mutual funds and SICAVs	188,040	224,721	-36,681	-16.32
Asset management	230,788	165,805	64,983	39.19
<b>Total indirect deposits in financial instruments</b>	<b>803,332</b>	<b>809,760</b>	<b>-6,428</b>	<b>-0.79</b>
Insurance deposits	109,701	103,708	5,993	5.78

<b>Grand total</b>	<b>913,033</b>	<b>913,468</b>	<b>-435</b>	<b>-0.05</b>
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The further drop in returns on bonds, already at minimal levels, combined with new tensions on the global financial markets favoured reallocation of indirect deposits to the managed component. In particular the orientation in decisions was directed towards asset management, the quality of which is confirmed by the satisfying returns in terms of yield.

Analysis of the figures confirms this tendency. In fact, the ratio between managed and administered funds at the end of 2015 was 109%, compared to 93% the previous year.

The various components of administered deposits fell, recording a drop of 8.28%, for an amount of €34.7 million. Instead, the managed component, made up of mutual funds, SICAVs and asset management, increased by €28.3 million, equivalent to 7.25%. In this trend the result of asset management was significant, recording an increase of €65 million or 39.19%, testifying to the high level of confidence that investors have in the Bank.

Life assurance deposits recorded an amount of €109.7 million at the end of 2015, an increase of €6.0 million, or 5.78%.

## Breakdown of indirect and insurance deposits from customers

2016 Balance



Insurance deposits	12%
Mutual funds and SICAVs	21%
Asset management	25%
Administered deposits	42%

Total customer deposits therefore amounted to €2,620 million, an increase of €79.5 million or 3.13%, and consisted of 65% direct deposits and the remaining 35% indirect, as can be seen from the table below (in Euro thousands).

Item	2015	2014	Change	
			Absolute	0/ %
Direct deposits	1,706,599	1,626,637	79,962	4.92
Indirect deposits (financial instruments)	803,332	809,760	-6,428	-0.79
Insurance deposits	109,701	103,708	5,993	5.78
<b>Total generated</b>	<b>2,619,632</b>	<b>2,540,105</b>	<b>79,527</b>	<b>3.13</b>

## Breakdown of direct, indirect and insurance deposits from customers

2015 Balance



Share-based securities	2%
Insurance deposits	4%
Savings and deposits	7%
Own-issued bonds	8%
Bonds	12%
Mutual funds	16%
Current accounts	51%

### Administered assets

Total administered assets (direct deposits, deposits by banks, other liabilities, share capital, reserves and profits) reached €2,141 million, an increase of €4 million, or 0.18%.

Adding indirect and insurance deposits to the above aggregate gives the Bank's total intermediation capacity, which came out at €3,054 million, as illustrated in detail in the table below.

Potential intermediation (in Euro thousands)

Item	2015	2014	Change	
			Absolute	%
Direct customer deposits	1,706,599	1,626,637	79,962	4.92
Bank deposits	82,184	163,031	-80,847	-49.59
Other liabilities	61,965	60,007	1,958	3.26
Share capital, reserves and profit for the period	290,675	287,868	2,807	0.98
Indirect customer deposits	803,332	809,760	-6,428	-0.79
Insurance deposits	109,701	103,708	5,993	5.78
<b>Total generated</b>	<b>3,054,456</b>	<b>3,051,011</b>	<b>3,445</b>	<b>0.11</b>

## Customer loans

Financial year 2015 saw appreciable growth in loans.

At the estimated realisable value, loans amounted in fact to €1,328 million, an increase of €47.3 million compared with the previous year (+3.69%), while in nominal terms they amounted to €1,469 million and increased by €79.8 million (+5.75%).

The same component at average figures came out at €1,397 million, an increase of €43.5 million compared with 2014 (+3.21%).

The table below shows the breakdown by technical type and the changes recorded in the year for the entire segment of amounts due from customers.

Item	2015	2014	Change	
			Absolute	%
Portfolios	15,632,020	12,248,561	3,383,459	27.62
Current accounts	280,991,760	305,891,287	-24,899,527	-8.14
Advances	170,014,724	151,115,478	18,899,246	12.51
Sundry loans	51,436,473	40,884,123	10,552,350	25.81
Loans and other financing	782,014,719	757,948,309	24,066,410	3.18
Bad loans	168,132,502	120,498,124	47,634,378	39.53
Other lending	1,055,188	854,417	200,771	23.50
<b>Gross lending</b>	<b>1,469,277,386</b>	<b>1,389,440,299</b>	<b>79,837,087</b>	<b>5.75</b>
Write-downs	141,314,129	108,772,241	32,541,888	29.92
<b>Net lending</b>	<b>1,327,963,257</b>	<b>1,280,668,058</b>	<b>47,295,199</b>	<b>3.69</b>
Debt securities	4,750,445	4,858,022	-107,577	-2.21
Operating loans	1,984,030	1,784,922	199,108	11.15
CC&G deposit (new-mic)	9,000,000	30,000,000	-21,000,000	-70.00
Other receivables	255,464	143,780	111,684	77.68
<b>Net book value</b>	<b>1,343,953,196</b>	<b>1,317,454,782</b>	<b>26,498,414</b>	<b>2.01</b>

In terms of total volumes, gross lending confirmed a higher proportion of medium/long-term operations (52%), consisting in particular of the technical types of loans and financing, while shorter-term loans account for approximately 36%.

Analysis by technical type shows growth in short-term lending (+1.77%), produced by the combined effect of the increase in Portfolios (+27.62%), Advances (+12.51%) and Sundry Loans (+25.81%) and the simultaneous reduction in Current Accounts (-8.14%).

The mainly long-term component represented by Loans and other financing showed growth of more than €24 million, or 3.18%.

Operating loans can be attributed to loans deriving from provision of financial services and refer to commissions earned due to accruals that have not yet been collected by our partners.

CC&G deposit (new-mic) is the loan made through Cassa di Compensazione e Garanzia for transactions in the collateralised market.

The item relating to debt securities classified in the Customer Loan portfolio is analysed and commented on in the section on Financial Assets.

The analyses below of the trends and breakdown of the portfolio refer to the aggregates of gross and net lending.

The following table illustrates the breakdown of the portfolio by category of borrower:

Borrower category	Proportion 2015	Proportion 2014
Non-financial companies	71.03%	71.16%
Households	24.87%	24.18%
Financial companies	2.61%	2.83%
State and other entities	0.47%	0.65%
Other	1.02%	1.18%

<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
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The distribution of lending between the various classes of borrower was similar to that of the previous year, in which private consumers, self-employed professionals, and small and medium-sized enterprises again prevail, representing more than 95% of loans, in line with our Bank's retail profile.

The trend in the individual segments shows distribution between the various sectors that remained substantially stable with respect to the previous year.

The table below shows the classification of customers on the basis of segmentation for the purposes of attributing the Internal Counterparty Rating:

Borrower category	Proportion	Definition
<b>Corporate</b>	<b>49.60%</b>	Businesses with turnover of > €2.5 million, or with credit agreed/used of > €1 million
<b>Small Business</b>	<b>33.68%</b>	Businesses with turnover of < €2.5 million, or with credit agreed/used of < €1 million
<b>Retail</b>	<b>16.72%</b>	Private consumers

## Financial assets

### Securities portfolio

At the end of the year the Bank's total securities portfolio amounted to €658.7 million, down 2% compared with the previous year (- €13.4 million). The securities portfolio represents 30.42% of total assets (2014: 31.04%). In particular:

- the available-for-sale (AFS) portfolio amounted to €599.8 million, an increase of €25.5 million (+4.44%) compared with the previous year and represented 91.06% of the total amount (2014: 85.45%);
- the held for trading (HFT) portfolio totalled €35.3 million, showing an increase of €2.5 million, which represented 5.35% of the total amount (2014: 4.88%);
- the loans and receivables portfolio, established in financial year 2008 to reclassify some securities that were formerly placed in the AFS portfolio, amounted to €10.8 million, stable with respect to 2014 and representing 1.64% of the total amount (2014: 1.62%);
- the held to maturity (HTM) portfolio amounted to €12.8 million, down €41.3 million (-76.37%) and represented 1.94% of the total amount (2014: 8.05%). This portfolio was established in 2009 with investments in financial instruments that the Bank has the intention and ability to keep for the duration of their residual life, in order to boost net interest income. During 2015 it decreased further following the natural maturity of a number of financial instruments allocated to it.

Further quantitative information on financial assets and on the specific portfolios in which they are classified is provided in the relevant sections of the Notes to the Statements.

The composition strategies of the aforementioned portfolios aimed at achieving the natural objectives of prudence in terms of risk (credit, interest rate and liquidity).

The first months of 2015 were affected by the monetary policy changes made by the central banks within the major world economies, as well as by the consequent macroeconomic trends.

In the Eurozone, the ECB began QE in March, committing to purchasing €60 billion in securities every month, with the objective of bringing the estimated inflation rate up to +1.5% in 2016 and to +1.8% in 2017.



## Share Capital and Reserves

Shareholders' Equity amounted to €279 million, an increase of €1.7 million (+0.62%) over the figure for the previous year. The trend is mainly due to the contribution of shareholders, allocation of a portion of the profit for the year to reserves, changes in the valuation reserves for financial assets available for sale and profit or loss deriving from actuarial hypotheses associated with provisions for employee severance indemnities and the additional pension fund for certain employees of the former Banca Pio X, currently in retirement. Allocation to reserves of part of the profit forms a significant source of self-funding and provides an illustration of our intention to reinvest part of the income generated in corporate operations, having positive repercussions on the capital value of the company's shares.

The valuation reserves from financial assets available for sale showed a positive balance of €15 million (-7.03%), while reserves for defined benefit plans show a negative balance of €1.1 million (-19.85%).

The table below provides an analysis of the balances of the individual components (in Euro units) and the respective changes that occurred.

Items	2015	2014	Change	
			Absolute	%
<b>Share Capital (7,488,720 shares with a nominal value of €3.00)</b>	<b>22,466,160</b>	<b>22,715,241</b>	<b>- 249,081</b>	<b>- 1.10</b>
<b>Treasury shares (-)</b>	<b>- 2,897,458</b>	<b>- 5,071,676</b>	<b>2,174,218</b>	<b>- 42.87</b>
<b>Reserves:</b>	<b>126,742,269</b>	<b>123,317,440</b>	<b>3,424,829</b>	<b>2.78</b>
- Legal Reserve	26,536,997	25,513,056	1,023,941	4.01
- Statutory Reserve	66,384,902	61,158,268	5,226,634	8.55
- Merger Reserve (pursuant to art.7 Law 218/90)	3,658,173	3,658,173	-	-
- Treasury share purchase reserve - available -	2,402,542	3,228,324	- 825,782	- 25.58
- Treasury share purchase reserve - unavailable -	2,897,458	5,071,676	- 2,174,218	- 42.87
- Other reserves	24,862,197	24,687,943	174,254	0.71
<b>Share premium reserve</b>	<b>102,888,875</b>	<b>105,654,249</b>	<b>- 2,765,374</b>	<b>- 2.62</b>
<b>Valuation reserves:</b>	<b>30,151,619</b>	<b>31,013,246</b>	<b>- 861,627</b>	<b>- 2.78</b>
- Special revaluation law reserves	13,328,838	13,328,838	-	-
- Property, plant and equipment reserve (deemed cost)	3,007,306	3,007,306	-	-
- Available-for-sale financial assets reserve	14,884,022	16,010,305	- 1,126,283	- 7.03
- Defined-benefit plans (actuarial gains/losses) reserve	- 1,068,547	- 1,333,203	264,656	- 19.85
<b>Grand total</b>	<b>279,351,465</b>	<b>277,628,500</b>	<b>1,722,965</b>	<b>0.62</b>

Equity, as well as being an expression of the Bank's book value, performs the fundamental function of providing support for corporate expansion and serves as a primary guarantee against the various operating risks intrinsic to the business.

As regards the proposed allocation of profit for 2015, the amount assigned to reserves for the current period amounts to €3.8 million, which on approval will take the net worth to €283 million.

## BALANCE SHEET

(in Euro units)

	Assets	31/12/2015	31/12/2014
<b>10.</b>	Cash and cash equivalents	18,138,101	21,369,664
<b>20.</b>	Financial assets held for trading	35,265,585	32,788,240
<b>40.</b>	Financial assets available for sale	599,801,954	574,317,360
<b>50.</b>	Financial assets held to maturity	12,786,436	54,121,972
<b>60.</b>	Due from banks	64,598,983	84,219,869
<b>70.</b>	Due from customers	1,343,953,196	1,317,454,782
<b>110.</b>	Property, plant and equipment	17,912,269	19,221,617
<b>120.</b>	Intangible assets	457,930	418,120
	of which:		
	- goodwill		
<b>130.</b>	Tax assets	40,268,798	30,308,264
	a) current	8,049,155	2,189,202
	b) deferred	32,219,643	28,119,062
	of which pursuant to Law 214/2011	27,063,783	24,184,515
<b>150.</b>	Other assets	31,871,930	31,195,124
<b>Total assets</b>		<b>2,165,055,182</b>	<b>2,165,415,012</b>

	Liabilities and shareholders' equity	31/12/2015	31/12/2014
<b>10.</b>	Due to banks	82,184,503	163,030,676
<b>20.</b>	Due to customers	1,494,822,883	1,405,580,533
<b>30.</b>	Securities in issue	211,776,423	221,056,582
<b>40.</b>	Financial liabilities held for trading		5,396
<b>80.</b>	Tax liabilities	4,450,663	7,944,393
	a) current		2,109,993
	b) deferred	4,450,663	5,834,400
<b>100.</b>	Other liabilities	61,965,216	60,007,383
<b>110.</b>	Provisions for severance indemnities	6,296,387	6,751,583
<b>120.</b>	Provisions for risks and charges	12,884,432	13,170,558
	a) provision for retirement benefits and similar	1,322,993	1,479,916
	b) other provisions	11,561,439	11,690,642
<b>130.</b>	Valuation reserves	30,151,619	31,013,246
<b>160.</b>	Reserves	126,742,269	123,317,440
<b>170.</b>	Share premiums	102,888,875	105,654,249
<b>180.</b>	Share capital	22,466,160	22,715,241
<b>190.</b>	Treasury shares (-)	-2,897,458	-5,071,676
<b>200.</b>	Profit (loss) for the period (+/-)	11,323,210	10,239,408
<b>Total liabilities and shareholders' equity</b>		<b>2,165,055,182</b>	<b>2,165,415,012</b>

## INCOME STATEMENT

(in Euro units)

	Items	31/12/2015	31/12/2014
10.	Interest and similar income	69,389,026	77,666,151
20.	Interest and similar expense	(13,104,639)	(18,883,118)
30.	<b>Net interest income</b>	<b>56,284,387</b>	<b>58,783,033</b>
40.	Fee and commission income	32,502,069	30,326,687
50.	Fee and commission expense	(1,816,673)	(1,856,607)
60.	<b>Net fees and commissions</b>	<b>30,685,396</b>	<b>28,470,080</b>
70.	Dividends and similar income	1,934,766	1,897,826
80.	Net gains (losses) on trading activities	2,057,831	3,472,003
	Gains (losses) from disposal or repurchase of:	18,458,109	15,550,259
	a) loans	1,247	(7,068,908)
100.	b) financial assets available for sale	18,612,746	22,768,901
	c) financial assets held until maturity		
	d) financial liabilities	(155,884)	(149,734)
120.	<b>Net interest and other banking income</b>	<b>109,420,489</b>	<b>108,173,201</b>
	Net write-downs/write-backs for impairment of:	(34,980,291)	(31,261,431)
	a) loans	(34,827,603)	(31,080,189)
130.	b) financial assets available for sale		(85,976)
	c) financial assets held until maturity		
	d) other financial transactions	(152,688)	(95,266)
140.	<b>Net gains (losses) on financial operations</b>	<b>74,440,198</b>	<b>76,911,770</b>
	Administrative expenses:	(65,455,865)	(62,597,213)
150.	a) personnel expenses	(34,569,702)	(33,638,608)
	b) other administrative expenses	(30,886,163)	(28,958,605)
160.	Net provisions for risks and charges	(1,097,777)	(2,719,626)
170.	Net write-downs/write-backs on property, plant and equipment	(1,796,185)	(1,963,324)
180.	Net write-downs/write-backs on intangible assets	(163,360)	(139,871)
190.	Other operating expenses/income	7,900,716	7,127,118
200.	<b>Operating expenses</b>	<b>(60,612,471)</b>	<b>(60,292,916)</b>
220.	Net result of fair value measurement of property, plant and equipment and intangible assets		(25,462)
240.	Gains (losses) on the sale of investments	4,476	111,356
250.	<b>Profit (loss) from continuing operations before tax</b>	<b>13,832,203</b>	<b>16,704,748</b>
260.	Income taxes for the period on continuing operations	(2,508,993)	(6,465,340)
270.	<b>Profit (loss) from continuing operations after tax</b>	<b>11,323,210</b>	<b>10,239,408</b>
290.	<b>Profit (loss) for the period</b>	<b>11,323,210</b>	<b>10,239,408</b>