



Banca Popolare di Sondrio

Società cooperativa per azioni - Founded in 1871
Registered office and Headquarters: I - 23100 Sondrio SO - Piazza Garibaldi 16
Sondrio Companies register no. 00053810149
Official list of Banks no. 842
Parent Bank of the Banca Popolare di Sondrio Banking Group. Official Roll of Banking Groups no. 5696.0
Register of *Società Cooperative* no. A160536
Member of the Interbank Deposit Protection Fund
Tax code and VAT no.: 00053810149
Share Capital € 1,360,157,331.00

Board of Directors' meeting held on 17 March 2015: approval of 2014 company and consolidated financial statements; proposal of a dividend; call of general shareholders' meeting.

Consolidated financial statements (in € million):

	2014	2013	Change
Direct customer deposits	29,717	26,675	+ 11.40%
Wholesale deposits	28,553	27,341	+ 4.43%
Insurance premium income	897	719	+ 24.86%
Total deposits	59,168	54,735	+ 8.10%
Loans to customers	24,012	23,905	+ 0.45%
Interest margin	590,9	559,2	+ 5.68%
Intermediation margin	1,093,8	1,014,0	+ 7.87%
Net result from financial operations	611.9	523.7	+ 16.84%
Operating profit before tax	205.6	125.3	+ 64.03%
Net profit	115.2	53.0	+ 117.23%

Number of branches	348	338	+ 2.96%
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Main components of the scope of consolidation:

- Banca Popolare di Sondrio, *società cooperativa per azioni* (parent company);
- Banca Popolare di Sondrio (SUISSE) SA (100% owned);
- Factorit spa (60.5% owned);
- Sinergia Seconda srl (100% owned);
- Popso Covered Bond srl (60% owned).

Proposed unit dividend for Banca Popolare di Sondrio scpa:

2014	2013
€ 0.060 (on 453,385,777 shares)	€ 0.050 (on 308,147,985 shares)

Call of General Shareholders Meeting of Banca Popolare di Sondrio scpa:

on first call, 17 April 2015 at 10.00 hours, at the bank's headquarters in Sondrio, piazza Garibaldi 16, and on second call, Saturday 18 April 2015, at 10.30 hours, in Bormio (So), at the «Pentagono» centre, via Manzoni 22.

Consolidated financial statements of Banca Popolare di Sondrio Banking Group for the year 2014

The Board of Directors of Banca Popolare di Sondrio today reviewed and approved the 2014 company and consolidated financial statements. Preliminary consolidated data, all confirmed, were approved and published on 10 February 2015.

The economic dynamics confirmed some critical issues in the year under review, which impacted on families and businesses, and the worsening of an already difficult situation. To date, only timid signs of the hoped-for recovery were seen, however we trust will prove more tangible this year. As a result, credit quality was impacted and required consistent provisions, also due to the devaluation of real estate guarantees resulting from a market downturn.

Against this background, although mirrored by credit demand, Group companies continued to ensure provisions to businesses and families, thus confirming, in spite of a difficult situation, their support to local economies as a realistic manifestation of the role played by cooperative banks. Significant is the focus traditionally put by the parent company on public and private institutions, which in growing numbers rely on the bank. This also in view of contributing to an efficient provision of services to the communities, and strengthening the connection with their individual components.

Consolidated net profit for the period amounted to € 115.2 million, up 117.23% over 2013.

Direct customer deposits totalled € 29,717 million, up 11.40%. **Wholesale deposits** at market values stood at € 28,553 million, up 4.43%, and **insurance income** added up to € 897 million, up 24.86%. **Total customer deposits** therefore reached € 59,168 million, up 8.10%.

Loans to customers added up to € 24,012 million, up 0.45%. **Endorsement credits** amounted to € 4,001 million, down 5.50%. **Non performing loans** amounted to € 2,069 million, up 12.56%, and accounted for 8.62% of total loans, with a coverage of 43.21% against 39.22% at 31 December 2013. Within the framework of non performing loans, **net bad loans** added up to € 615 million, up 33.39%, suffering, as specified above, from the challenging economic situation, and accounted for 2.56% of loans to customers, with a coverage of 61.14% against 60.94% at the end of 2013. Considering the amounts passed through the income statement in previous years on already bad loans positions, which were booked by the parent company in view of a possible recovery, the coverage for said loans stood at 72.26%.

Financial assets, accounted for by treasury stocks and derivatives, amounted to € 9,071 million, up 33.49%. **Investments** added up to € 156 million, unchanged compared with the previous year.

The consolidated income statement showed a significant improvement compared with the previous year, having benefited from the profitable performance of all Group companies, as shown by the increase in interest margin, the spread slightly on the rise, and net service commissions. The further easing of tension on financial markets and the rather expansive monetary policies positively influenced securities prices. This enabled to post consistent income from trading/sale and write-ups on portfolio securities, particularly on domestic government issues held by the parent company.

As indicated in the introduction, the persistence of the recession in the production cycle was mirrored by an increase in non performing loans to customers and, as a result, the need to keep making adjustments. The Banking Group made the provisions on the basis of very prudential valuations, which almost completely transposed the indications resulting from the *Comprehensive Assessment* carried out in 2014 by the European Central Bank (ECB) and the European Banking Authority (EBA), having regard in particular to the outcome of the *Asset Quality Review*. For more detailed information, please see the press release published on 10 February 2015. Administrative expenses and personnel costs, which are constantly monitored, increased physiologically as a result of larger operations.

Having regard to the consolidated income statement items, compared with 31 December 2013 data, **interest margin** posted € 590.9 million, up 5.68%. **Net service commissions** amounted to € 300.0 million, up 6.01%. **Dividends received** added up to € 3.6 million. **Securities portfolio management** and foreign exchange activities posted a positive € 199.3 million, up 17.84%. **Intermediation margins** posted € 1,093.8 million, up 7.87%. **Adjustments due to deterioration**, which confirm the prudential valuation criteria, stood at € 481.9 million, down 1.71%, of which € 464.1 million relating to loans to customers and € 19.3 million to securities, while adjustments on other transactions showed a positive balance of € 1.5 million arising from the release of the surplus of previously made provisions for endorsement credits compared with provisions for the period. The **net income from financial operations** stood at € 611.9 million, up 16.84%.

Total operating costs, arising from the sum of administrative expenses, provisions, value adjustments on tangible and intangible assets, and the balance of «other operating income and expenses», amounted to € 411.9 million, up 2.98%. **Personnel costs** increased 1.84% to € 223.2 million, while **other administrative expenses** increased 5.43% to € 234.1 million, due to the physiological growth of the Group and its operations. **Other operating income/expenses** were up 0.52% to € 73.8 million, while provisions for risks and charges showed a positive balance of € 1.9 million, compared with the previous negative figure of 2.8 million, due to the imbalance of provisions for the year and funds, booked in previous years and used or released. **Adjustments to tangible fixed assets** increased 3.32% to € 30.4 million. **Equity and other investments** posted a profit equal to € 6.7 million. **Current operations** stood at € 205.6 million, up 64.03%. Finally, once **income tax**, amounting to € 80.33 million, and **minority interest**, equal to € 10,1 million, are deducted, we obtain the aforementioned **consolidated net profit** for the year equal to € 115.2 million.

At 31 December 2014, consolidated **own funds**, including the profit for the year, amounted to € 2,407 million, up 24.33% against 31 December 2013.

At 31 December 2014, **consolidated regulatory own funds** added up to € 2,699.6 million, up 7.89% against 31 December 2013; this is a non-uniform comparison due to

the regulatory changes made. Said amount includes the portion of profit relating to the period ended 30 September 2014, in compliance with a specific authorisation of the European Central Bank, and differs from the figure reported in the press release published on 10 February 2015 since, further to the clarification by the Supervisory Authority as to the recognition of subordinate bond loans, it was not possible to include the loans issued by the bank in 2014 in own funds, Tier 2 capital, while a portion of those previously issued is included.

In view of what stated above, at 31 December 2014, the **capital ratios** for CET1 Ratio, Tier1 Capital Ratio and Total Capital Ratio were higher than the minimum prudential requirements, i.e. 9.75%, 9.76% and 11.28% respectively.

At year end, the **territorial network** of the Banking Group comprised 348 branches, up 10 units. The parent company established the following branches: 35 and 36 in Milano; Trezzo sull'Adda (Mi); Chiari (Bs); 36 and 37 in Roma; Domodossola (Vb); Santa Margherita Ligure (Ge); Bologna. The subsidiary BPS (SUISSE) opened a branch in Neuchâtel.

At 31 December 2014, the Group headcount added up to 3,062 units.

With regard to the foreseeable evolution of operations, the most recent macroeconomic data available provide some indications of reasonable confidence in a recovery from the rock bottom hit during the economic crisis. Phenomena such as the devaluation of the euro, calming of financial tensions, reduced rates and a decline in oil prices should foster the recovery of the production system. Consequently, also the banking sector might benefit from an improved general scenario. Having regard to the banking Group, the consolidation of interest margin and a slight improvement in income from commissions are expected. Achieving the same financial assets results will prove difficult, due to the low rates offered on securities, particularly government securities, which have by now reached rock bottom levels. With regard to credit risk, also in view of what set out above as to the national situation, it is deemed reasonable to expect a drop in credit adjustments. Increased operating costs, which are however kept under strict control, are bound to arise from the growth of the business.

During today's meeting the Board of Directors also reviewed the financial and income projections for the Group for the next three-year period, which provide moderately optimistic indications for future years.

Loans to customers, driven by matching supply and demand, should go back to increasing with percentages more in line with the cooperative spirit which has always characterised the Group. The funding required for lending activities might therefore come from the traditional direct customer deposits as well as the positive support ensured by the European Central Bank at extremely competitive terms. Wholesale deposits should continue growing, on the wake of a market which is still characterised by very low interest rates.

€ billion	2014	2017	CAGR 2014-2017
Loans to customers	24.0	27.8	+ 5.0%
Direct customer deposits	29.7	28.6	- 1.3%
Wholesale deposits	29.4	30.7	+ 1.4%

Profitability should continue being supported by a positive trend in the banking business, with interest margin and net commissions expected to rise.

A progressive improvement in credit quality would enable to almost completely take up both the lower proceeds from financial activities and the physiological increase expected for operating costs.

€ million	2014	2017	Delta 2014-2017	CAGR 2014-2017
Interest margin	591	655	+ 64	+ 3.5%
Net commissions	300	336	+ 36	+ 3.9%
Financial assets	203	75	- 128	- 28.2%
Value adjustments	-482	-308	- 174	- 13.8%
Operating costs	-412	-464	+ 52	+ 4.1%

The ROE, definitely satisfactory if compared with market data, should show a positive sign at year end, of around 7%.

Financial statements of Banca Popolare di Sondrio scpa's Parent company for 2014

Net income added up to € 97,552 million, up 99.77% against 2013.

Direct customer deposits totalled € 27,025 million, up 12.32%. Wholesale deposits totalled € 26,835 million at market value, up 4.79%; insurance premium income came to € 897 million, up 24.86%. Total customer deposits, therefore, reached € 54,757 million, up 8.67%.

Loans to customers added up to € 20,536 million, down 1.48%. Impaired Loans added up to € 2,013 million, up 14.21%. Within the framework of Impaired Loans, net bad loans amounted to € 608 million, up 35.09%, accounting for 2.96% of Loans to Customers.

Financial assets, accounted for by treasury stocks and derivatives, added up to € 9,075 million, up 33.41%. Equity holdings amounted to € 412 million, down 0.04%.

With regard to income statement items, compared with 31 December 2013 data, the interest margin totalled € 520.6 million, up 6.64%. Net service commissions added up to € 242.2 million, up 7.27%. Dividends received amounted to € 16.2 million, down 19.80%. Securities portfolio management and foreign exchange activities showed a positive result, € 189.5 million, up 18.01%. Intermediation margin posted € 968.5 million, up 8.24%. Net adjustments due to deterioration added up to € 473.6 million, up 0.17%, of which € 454.1 million due to loans to customers, up 1.79%, and € 19.3 million from securities, while adjustments on other transactions showed provisions totalling € 0.2 million for endorsement credits granted. Net income from financial operations stood at € 494.9 million, up 17.28%.

Total operating costs, arising from the sum of administrative expenses, provisions, value adjustments on tangible and intangible assets, and the balance of «other operating income and expenses», added up to € 332.3 million, up 4.71%. Personnel costs increased 3.07% to € 175.5 million, other administrative expenses, equal to € 206.3 million, grew 5.64%. Other operating income/expenses were up 2.32% to reach € 70.8

million, while provisions for risks and charges were down € 3.5 million due to a surplus in previous provisions. Adjustments to tangible fixed assets increased 5.09% to € 24.7 million. Losses and capital losses on equity and other investments posted a negative balance of € 0.6 million. Current operations stood at € 162.0 million, up 65.18%. Finally, once income tax amounting to € 64.4 million is deducted, we obtain the aforesaid net profit for the period equal to € 97.6 million, up 99.77%.

At 31 December 2014 own funds, including the profit for the year, amounted to € 2,221 million, up 25.24% against December 2013, an increase mainly resulting from the capital increase made in 2014, the provisions made upon allocation of previous year profit and the valuation reserve performance.

Proposal of a gross unit dividend for Banca Popolare di Sondrio scpa

The Board of Directors resolved to propose to the Shareholders Meeting the distribution of a gross unit dividend of € 0.060, against € 0.050 paid in 2013. With regard to the capital increase made in 2014, the number of shares outstanding to which dividend will be paid, increased from no. 308,147,985 to no. 453,385,777. Coupon no. 37, in compliance with the provisions in force and given that the ex-date is 18 May, will be payable as from 20 May 2015. The profit proposed for distribution overall added up to € 27.2 million. Dividend is subject to taxation as per the laws in force; in particular, dividends paid to individuals are subject to a 26% withholding tax. As for the remaining portion of net profit, allocation of € 70.2 million as reserve and € 0.1 million as charity fund will be proposed. At year end, the number of shareholders added up 185,309, up 4,092 units against 2014. To date there are 185,409 shareholders.

Call of General Shareholders' meeting of Banca Popolare di Sondrio scpa

The general shareholders' meeting of Banca Popolare di Sondrio scpa on first call is to take place on 17 April 2015, at 10.00 hours, at the bank's headquarter in Sondrio, piazza Garibaldi 16, and on second call, on Saturday 18 April 2015, at 10.30 hours, in Bormio (So), at the «Pentagono» centre, via Manzoni 22.

STATEMENT

The executive in charge of preparing the accounting documents, Mr Maurizio Bertoletti, hereby represents, pursuant to paragraph 2 of article 154 *bis* of the Consolidated Finance Act, that the accounting disclosure set out herein matches the results shown in the accounting books and records.

Signed: Maurizio Bertoletti, executive responsible for preparing the bank's accounting documents

Bank's contacts:

Paolo Lorenzini, responsible for external relations; land line + 39 0342.528.212; e-mail "paolo.lorenzini@popso.it". Bank's website "www.popso.it"..

Sondrio, 17 March 2015

Attachments: company and consolidated balance-sheets and income statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in euro thousands)

Item	ASSETS	31/12/2014	31/12/2013
10.	Cash and cash on hand	264,482	196,517
20.	Financial assets held for trading	2,338,630	3,154,594
30.	Financial assets carried at fair value	84,702	79,226
40.	Financial assets held for sale	6,498,605	3,375,500
50.	Financial assets held to maturity	148,620	182,621
60.	Loans to banks	1,088,388	733,954
70.	Loans to customers	24,011,925	23,904,559
80.	Hedging derivatives		2,923
100.	Investments	155,986	156,404
120.	Tangible assets	254,303	245,962
130.	Intangible assets of which: Goodwill	21,572 7,847	21,865 8,959
140.	TAX ASSETS	403,851	342,310
	<i>a)</i> current	10,691	33,478
	<i>b)</i> anticipated	393,160	308,832
	<i>b1)</i> of which as per Law 214/2011	346,451	269,858
160	OTHER ASSETS	347,783	373,493
	TOTAL ASSETS	35,618,847	32,769,928

THE CHAIRMAN
Francesco Venosta

THE BOARD OF STATUTORY AUDITORS
Piergiuseppe Forni, Chairman
Pio Bersani – Mario Vitali

Item	LIABILITIES AND SHAREHOLDERS' EQUITY	31/12/2014	31/12/2013
10.	DUE TO BANKS	2,314,035	3,067,978
20.	DUE TO CUSTOMERS	26,310,842	23,710,352
30.	DEBT SECURITIES IN ISSUE	3,406,198	2,964,974
40.	FINANCIAL LIABILITIES FROM TRADING	56,136	36,550
60.	HEDGING DERIVATIVES	45,562	27,580
80.	TAX LIABILITIES of which:	61,778	36,889
	<i>c)</i> current	2,104	662
	<i>d)</i> deferred	59,674	36,227
100.	OTHER LIABILITIES	722,835	720,873
110.	SEVERANCE INDEMNITY PROVISION	44,915	40,527
120.	PROVISIONS FOR RISKS AND CHARGES	166,849	152,593
	<i>a)</i> post-employment benefits	117,043	100,539
	<i>b)</i> other provisions	49,806	52,054
140.	VALUATION RESERVES	47,941	16,782
170.	RESERVES	829,959	794,781
180.	SHARE PREMIUM RESERVE	79,005	171,450
190.	SHARE CAPITAL	1,360,157	924,444
200.	TREASURY STOCKS (-)	(25,031)	(24,316)
210.	MINORITY INTERESTS	82,463	75,438
220.	PROFIT (LOSS) FOR THE PERIOD (+/-)	115,203	53,033
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	35,618,847	32,769,928

THE MANAGING DIRECTOR AND GENERAL MANAGER
Mario Alberto Pedranzini

THE FINANCIAL REPORTING OFFICER
Maurizio Bertoletti

CONSOLIDATED INCOME STATEMENT

(in euro thousands)

Item		31/12/2014	31/12/2013
10.	INTEREST INCOME AND SIMILAR REVENUES	959,077	1,018,114
20.	INTEREST EXPENSES AND SIMILAR CHARGES	(368,154)	(458,952)
30.	INTEREST MARGIN	590,923	559,162
40.	COMMISSION INCOME	322,022	305,579
50.	COMMISSION EXPENSES	(22,001)	(22,578)
60.	NET COMMISSIONS	300,021	283,001
70.	DIVIDENDS AND SIMILAR INCOME	3,524	2,699
80.	NET TRADING INCOME	99,818	111,055
90.	NET HEDGING GAINS (LOSSES)	129	(45)
100.	PROFIT (LOSS) FROM TRANSFER OR REPURCHASE OF:	94,154	52,720
	<i>a)</i> loans		
	<i>b)</i> financial assets available for sale	95,505	52,518
	<i>c)</i> financial assets held to maturity	-	55
	<i>d)</i> financial liabilities	(1,351)	147
110.	NET RESULT OF FINANCIAL ASSETS AND LIABILITIES CARRIED AT FAIR VALUE	5,187	5,387
120.	INTERMEDIATION MARGIN	1,093,756	1,013,979
130.	NET IMPAIRMENT ADJUSTMENTS TO:	(481,895)	(490,285)
	<i>a)</i> loans	(464,084)	(463,866)
	<i>b)</i> financial assets available for sale	(19,308)	(12,881)
	<i>c)</i> financial assets held to maturity		
	<i>d)</i> other financial transactions	1,497	(13,538)
140.	NET RESULT OF FINANCIAL OPERATIONS	611,861	523,694
170.	NET RESULT OF FINANCIAL AND INSURANCE OPERATIONS	611,861	523,694
180.	ADMINISTRATION EXPENSES:	(457,273)	(441,175)
	<i>a)</i> staff costs	(223,125)	(219,088)
	<i>b)</i> other administration expenses	(234,148)	(222,087)
190.	NET PROVISIONS FOR RISK AND CHARGES	1,934	(2,850)

200.	NET ADJUSTMENTS TO TANGIBLE ASSETS	(17,037)	(17,056)
210.	NET ADJUSTMENTS TO INTANGIBLE ASSETS	(13,357)	(12,360)
220.	OTHER OPERATING INCOME/CHARGES	73,849	73,465
230.	OPERATING COSTS	(411,884)	(399,976)
240.	PROFIT (LOSS) FROM EQUITY INVESTMENTS	6,715	1,620
260.	IMPAIRMENT OF GOODWILL	(1,112)	0
270.	PROFIT (LOSS) FROM DIVESTITURES	27	10
280.	PROFIT (LOSS) FROM CURRENT OPERATIONS, GROSS OF TAXES	205,607	125,348
290.	INCOME TAX FOR THE YEAR FROM CURRENT OPERATIONS	(80,325)	(64,671)
300.	PROFIT (LOSS) FROM CURRENT OPERATIONS, NET OF TAX	125,282	60,677
320.	PROFIT (LOSS) FOR THE PERIOD	125,282	60,677
330.	PROFIT (LOSS) FOR THE PERIOD PERTAINING TO MINORITY INTERESTS	(10,079)	(7,644)
340.	PROFIT (LOSS) FOR THE PERIOD PERTAINING TO THE PARENT BANK	115,203	53,033

STATEMENT OF FINANCIAL POSITION

(in euro)

Item	ASSETS	31/12/2014	31/12/2013
10.	Cash and cash on hand	108,352,180	109,512,487
20.	Financial assets held for trading	2,341,476,201	3,167,660,707
30.	Financial assets carried at fair value	88,358,337	79,226,036
40.	Financial assets held for sale	6,496,843,763	3,373,245,002
50.	Financial assets held to maturity	148,620,141	182,620,516
60.	Loans to banks	1,591,500,904	1,481,714,447
70.	Loans to customers	20,535,826,086	20,843,577,225
100.	Investments	411,565,806	411,739,750
110.	Tangible assets	159,370,059	155,622,700
120.	Intangible assets	11,917,167	11,676,361
130.	TAX ASSETS	360,228,837	300,623,482
	<i>a)</i> current	8,105,885	28,625,878
	<i>b)</i> anticipated	352,122,952	271,997,604
	<i>b1)</i> of which as per Law 214/2011	320,197,761	243,011,732
150	OTHER ASSETS	319,159,596	345,496,620
	TOTAL ASSETS	32,573,219,077	30,462,715,333

THE CHAIRMAN
Francesco Venosta

THE BOARD OF STATUTORY AUDITORS
Piergiuseppe Forni, Chairman
Pio Bersani – Mario Vitali

Item	LIABILITIES AND SHAREHOLDERS' EQUITY	31/12/2014	31/12/2013
10.	DUE TO BANKS	2,305,353,629	3,692,634,209
20.	DUE TO CUSTOMERS	23,733,700,374	21,208,780,218
30.	DEBT SECURITIES IN ISSUE	3,290,923,515	2,850,637,840
40.	FINANCIAL LIABILITIES FROM TRADING	98,098,533	60,308,903
80.	TAX LIABILITIES of which:	45,844,815	27,955,834
	<i>b)</i> deferred	45,844,815	27,955,834
100.	OTHER LIABILITIES	679,296,184	668,480,929
110.	SEVERANCE INDEMNITY PROVISION	42,441,900	38,264,866
120.	PROVISIONS FOR RISKS AND CHARGES	156,141,205	141,885,236
	<i>a)</i> post-employment benefits	117,042,900	100,538,997
	<i>b)</i> other provisions	39,098,305	41,346,239
130.	VALUATION RESERVES	44,266,836	15,357,661
160.	RESERVES	665,468,678	638,000,834
170.	SHARE PREMIUM RESERVE	79,005,128	171,449,522
180.	SHARE CAPITAL	1,360,157,331	924,443,955
190.	TREASURY STOCKS (-)	(25,031,162)	(24,316,346)
200.	PROFIT (LOSS) FOR THE PERIOD (+/-)	97,552,111	48,831,672
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	32,573,219,077	30,462,715,333

THE MANAGING DIRECTOR AND GENERAL MANAGER
Mario Alberto Pedranzini

THE FINANCIAL REPORTING OFFICER
Maurizio Bertoletti

INCOME STATEMENT

(in euro)

Item		31/12/2014	31/12/2013
10.	INTEREST INCOME AND SIMILAR REVENUES	859,665,284	914,711,027
20.	INTEREST EXPENSES AND SIMILAR CHARGES	(339,105,440)	(426,561,240)
30.	INTEREST MARGIN	520,559,844	488,149,787
40.	COMMISSION INCOME	257,984,748	240,711,245
50.	COMMISSION EXPENSES	(15,747,499)	(14,890,754)
60.	NET COMMISSIONS	242,237,249	225,820,491
70.	DIVIDENDS AND SIMILAR INCOME	16,242,011	20,252,957
80.	NET TRADING INCOME	90,113,864	102,437,364
100.	PROFIT (LOSS) FROM TRANSFER OR REPURCHASE OF:	94,154,389	52,719,360
	<i>b) financial assets available for sale</i>	95,504,969	52,518,082
	<i>c) financial assets held to maturity</i>	-	54,712
	<i>d) financial liabilities</i>	(1,350,580)	146,566
110.	NET RESULT OF FINANCIAL ASSETS AND LIABILITIES CARRIED AT FAIR VALUE	5,186,918	5,387,128
120.	INTERMEDIATION MARGIN	968,494,275	894,767,087
130.	NET IMPAIRMENT ADJUSTMENTS TO:	(473,560,652)	(472,765,909)
	<i>a) loans</i>	(454,076,144)	(446,093,551)
	<i>b) financial assets available for sale</i>	(19,307,623)	(12,880,725)
	<i>d) other financial transactions</i>	(176,885)	(13,791,633)
140.	NET RESULT OF FINANCIAL OPERATIONS	494,933,623	422,001,178
150.	ADMINISTRATION EXPENSES:	(381,864,998)	(365,619,305)
	<i>a) staff costs</i>	(175,541,214)	(170,317,050)
	<i>b) other administration expenses</i>	(206,323,784)	(195,302,255)
160.	NET PROVISIONS FOR RISK AND CHARGES	3,455,337	2,556,469
170.	NET ADJUSTMENTS TO TANGIBLE ASSETS	(12,750,956)	(12,562,065)
180.	NET ADJUSTMENTS TO INTANGIBLE ASSETS	(11,913,001)	(10,908,158)
190.	OTHER OPERATING INCOME/CHARGES	70,782,043	69,174,944
200.	OPERATING COSTS	(332,291,575)	(317,358,115)

210.	PROFIT (LOSS) FROM EQUITY INVESTMENTS	(648,217)	(6,569,735)
240.	PROFIT (LOSS) FROM DIVESTITURES	10,768	5,134
250.	PROFIT (LOSS) FROM CURRENT OPERATIONS, GROSS OF TAXES	162,004,599	98,078,462
260.	INCOME TAX FOR THE YEAR FROM CURRENT OPERATIONS	(64,452,488)	(49,246,790)
270.	PROFIT (LOSS) ON CURRENT OPERATIONS AFTER INCOME TAXES	97,552,111	48,831,672
290.	PROFIT (LOSS) FOR THE PERIOD	97,552,111	48,831,672