Financial Statements 2012

129° fiscal year

Financial Statements as of 31 December 2012
Approved by the Ordinary Shareholders' Meeting
held 11 May 2013

Bank founded in 1884
The oldest cooperative credit bank operating in Italy
www.bancacambiano.it

BANK DI CREDITO COOPERATIVO DI CAMBIANO (CASTELFIORENTINO – FLORENCE) SOCIETÀ COOPERATIVA PER AZIONI

Registered Office and General Administration: 50051 Castelfiorentino (Florence) – Piazza Giovanni XXIII, 6
ITALIAN BANKING ASSOCIATION Bank Code 08425.1 - Tel. 05716891 - Fax 0571689251

Registered with the Company Register of Florence at no. 00657440483
Fiscal Code and VAT no. 00657440483
Administrative Economic Index no. (R.E.A.) 196037
Registered with the Register of Banks maintained by the Bank of Italy at no. 3556
Registered with the Register of Traditional Cooperatives ("*a mutualità prevalente*") at no. A161000

Bank adhering to the Guarantee Fund for Depositors of Cooperative Credit, to the National Guarantee Fund, the Finance Banking Conciliation and Finance Banking Arbitration Services

Regulatory Capital as of 31 December 2012: 252,593,622 Euro

Territorial network: 31 branches distributed throughout the provinces of Florence, Pisa and Siena

The Explanatory Notes and the other annexes to the Financial Statements, which have already been filed at the Bank's registered office pursuant to Article 2429(3) of the Italian Civil Code, together with this Report on Operations, are available upon request and can be consulted on the Bank's website.

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Administrative, control and general management bodies

Board of Directors		
	Chairman	*Paolo Regini*
	Vice Chairman	*Enzo Anselmi*
	Director	*Mauro Bagni*
	Director	*Enzo Bini*
	Director	*Mario Gozzi*
	Director	*Renzo Maltinti*
	Director	*Paolo Profeti*

Board of Statutory Auditors		
	Chairman	*Aldo Bompani* *(until 31December 2012)*
		Rita Ripamonti *(Alternate auditor until 31December 2012 Chairman since 1°January 2013)*
	Acting auditor	*Lorenzo Gai* *(until 31 January 2013)*
	Acting auditor	*Gino Manfriani* *(Alternate auditor until 31 January 2013 Acting auditor since 1° February 2013)*
	Acting auditor	*Stefano Sanna*

Board of Internal Arbitrators		
	Chairman	*Luciano Giomi*
	Acting member	*Fausto Falorni*
	Acting member	*Giuliano Lastraioli*
	Alternate member	*Paolo Papini*
	Alternate member	*Lisa Vasconi*

General Managers		
	Managing Director	*Francesco Bosio*
	Deputy Managing Director	*Giuliano Simoncini*

Independent Auditor		
		Bompani Audit Srl – Florence

Notice of the Shareholders' Meeting

BANCA DI CREDITO COOPERATIVO DI CAMBIANO
(CASTELFIORENTINO - FLORENCE) Società cooperativa per azioni
Registered Office in Castelfiorentino (FI), piazza Giovanni XXIII no. 6
Registered with the Register of mutual aid cooperatives at no. A161000, and with the Company Register of Florence at no. 00657440483 – Fiscal Code and V.A.T. no. 00657440483

Notice of Ordinary Shareholders' Meeting

The shareholders are hereby given notice of an Ordinary Shareholders Meeting to be held at first calling on 30 April 2013 at 1:00 pm in the conference room located in Castelfiorentino, via Carducci no. 8 and, if necessary, at second calling on 11 May 2013 at 4:00 pm at the Auditorium of the State Institute for Higher Education «F. Enriques» located in Castelfiorentino, via Duca d'Aosta no. 65, to discuss and vote on the following

Agenda:

1) Presentation of the fiscal year Financial Statements as of 31 December 2012; Directors' Report on Operations; Report of the Board of Statutory Auditors and the Report of the Independent Auditor. Proposal for the distribution of fiscal year profits. Related and consequent resolutions;
2) Information on the remuneration policies in accordance with Article 29(2) of the Company By-laws;
3) Determination of the share premium to be paid by the new shareholders in accordance with Article 21 of the By-laws;
4) Determination of the maximum credit to be granted to the same borrower;
5) Appointment of the members of the Board of Directors for fiscal years 2013 – 2014 - 2015, until the date of the Shareholders' Meeting that approves the Financial Statements for fiscal year 2015, after determining the election procedures, the number of members and relative remuneration. Related and consequent resolutions;
6) Appointment of the Board of Statutory Auditors and its Chairman for fiscal years 2013 - 2014 - 2015, until the date of the Shareholders' Meeting that approves the Financial Statements for fiscal year 2015, after determining the election procedures and fees. Related and consequent resolutions.

In accordance with Article 24 of the By-laws, shareholders are entitled to participate and vote at the Shareholders' Meeting if they have been recorded in the shareholders' register for at least ninety days.

Castelfiorentino, 25 March 2013

Signed: The Board of Directors
The Chairman
Paolo Regini

Schedules to the financial statements

■ Assets

	Asset line items	2012	2011
10	Cash and cash balances	8,456,788	7,941,979
20	Financial assets held for trading	10,579,829	13,061,606
30	Financial assets measured at fair value	-	-
40	Financial assets available for sale	615,332,474	642,134,860
50	Financial assets held through maturity	-	-
60	Receivables from banks	76,235,124	62,995,505
70	Receivables from customers	1,907,765,547	1,718,198,890
80	Hedges	8,974,290	7,738,169
90	Adjustment of value of generic hedges for financial assets (+/-)	-	-
100	Equity investments	14,765,218	14,419,194
110	Property, plant and equipment	56,780,589	46,552,143
120	Intangible assets	248,637	192,899
	of which:		
	- goodwill	-	-
130	Tax receivables	16,696,789	26,576,769
	a) current	*8,104,260*	*7,237,792*
	b) pre-paid	*8,592,529*	*19,338,976*
140	Noncurrent assets and groups of assets in the course of divestment	-	-
150	Other assets	29,507,554	29,105,876
	Total assets	2,745,342,837	2,568,917,891

Liabilities

	Liability line items and Shareholders' Equity	2012	2011
10	Payables to banks	429,630,119	408,649,726
20	Payables to customers	1,099,791,265	848,919,175
30	Outstanding securities	891,684,141	1,038,557,252
40	Financial liabilities from trading	539	34,167
50	Financial liabilities measured at fair value	-	-
60	Hedges	85,086	531,719
70	Adjustment of value of generic hedges for financial liabilities (+/-)	-	-
80	Tax liabilities	11,385,904	8,535,421
	a) current	*6,234,422*	*4,240,332*
	b) deferred	*5,151,481*	*4,295,088*
90	Liabilities associated with assets in the course of divestment	-	-
100	Other liabilities	54,943,795	39,137,162
110	Employee severance pay	3,605,977	3,453,905
120	Risk and expense funds	1,414,203	1,262,935
	a) pensions and similar commitments	-	-
	b) other funds	*1,414,203*	*1,262,935*
130	Valuation reserves	14,057,677	(14,581,649)
140	Redeemable shares	-	-
150	Equity instruments	-	-
160	Reserves	230,417,363	224,028,551
170	Premiums on issue of new shares	243,734	242,309
180	Share capital	2,883,035	2,847,220
190	Treasury shares (-)	-	-
200	Fiscal year profit (loss) (+/-)	5,200,000	7,300,000
	Total Liabilities and Shareholders' Equity	2,745,342,837	2,568,917,891

Income statement

	Income statement	2012	2011
10	Earned interest and similar income	85,315,019	76,130,103
20	Interest payable and similar expenses	(46,273,754)	(40,072,298)
30	Interest income	39,041,264	36,057,805
40	Commission income	19,185,716	15,898,093
50	Commission expenses	(1,626,562)	(1,449,324)
60	Net commissions	17,559,154	14,448,769
70	Dividends and similar income	37,297	78,074
80	Net trading result	1,122,787	2,512,338
90	Net hedging result	(41,796)	63,664
100	Gains (losses) from the disposal or repurchase of:	5,496,780	4,707,858
	a) receivables	*257,741*	-
	b) financial assets available for sale	*4,200,588*	*245,392*
	c) financial assets held through maturity	-	-
	d) financial liabilities	*1,038,450*	*4,462,466*
110	Net income of financial assets and liabilities measured at fair value	-	-
120	Operating income	63,215,485	57,868,508
130	Net adjustments/write-backs of value due to impairment of:	(15,038,025)	(10,012,800)
	a) receivables	*(15,038,025)*	*(10,012,800)*
	b) financial assets available for sale	-	-
	c) financial assets held through maturity	-	-
	d) other financial operations	-	-
140	Net income from financial assets	48,177,460	47,855,708
150	Administrative costs:	(38,632,060)	(37,024,140)
	a) personnel costs;	*(19,906,385)*	*(19,151,332)*
	b) other administrative costs	*(18,725,675)*	*(17,872,808)*
160	Net allocations to risk and expense funds	-	-
170	Net adjustments/write-backs of value to property, plant and equipment	(2,459,926)	(2,502,245)
180	Net adjustments/write-backs of value to intangible assets	(64,347)	(46,648)
190	Other operating costs/income	2,155,947	1,711,053
200	Operating costs	39,000,386	37,861,980
210	Profit (loss) from equity investments	353,330	676,903
220	Net result of the fair value measurement of property, plant and equipment and intangible assets	-	-
230	Adjustments to value of goodwill	-	-
240	Gains (losses) from the disposal of investments	2,060	9,736
250	Gains (losses) from current operations before tax	9,532,464	10,680,367
260	Fiscal year income taxes on current operations	(4,332,464)	(3,380,367)
270	Profit (loss) from current operations after tax	5,200,000	7,300,000
280	Gains (losses) from groups of assets in the course of divestment after tax	-	-
290	Fiscal year profit (loss)	5,200,000	7,300,000

Schedule of overall profitability

	Line items	2012	2011
10	Fiscal year profit (loss)	5,200,000	7,300,000
	Other income components net of tax		
20	Financial assets available for sale	28,621,678	(24,526,278)
30	Property, plant and equipment	-	-
40	Intangible assets	-	-
50	Hedging foreign investments	-	-
60	Hedging cash flows	-	-
70	Exchange rate differences	-	-
80	Noncurrent assets in the course of divestment	-	-
90	Actuary profit (loss) on defined benefit plans	-	-
100	Share of valuation reserves of equity investments measured on basis of shareholders' equity	17,648	322,300
110	Total other income components net of tax	28,639,326	(24,203,977)
120	Overall profitability (Line item 10 + 110)	33,839,326	(16,903,977)

Report on Operations

Dear Shareholders,

The Italian economic system has been in difficulty for too many years. The chronic structural shortcomings surrounding us amplify the effects that determine the negative trend of most economies, both in the Eurozone as well as in other countries. With respect to Italy, it is necessary to add lengthy periods of political uncertainty. The economy, as a collateral sector of Politics (politics with a capital P), as the propeller that promotes activities to enhance social development, was devastated by the lack of programming and, indeed, in an even worse manner, by the poor choices that were made. The emergency economic situation that is becoming a painful normalcy is in large part the result of the political context, the degradation of every kind of public function, the spread of inefficiency and corruption, and the consequent progressive loss of a sense of State.

The road to recovery will not be easy. Many things need to be done, with the aggravating factor of situations that degenerate due to the delay in acknowledging them, indeed the refusal of evidence that such problems even exist. Italy has extraordinary potential. It is "an ancient society and a State that has been unified for just one and one-half centuries: for thirty centuries rural and crafts and suddenly, in little more than one generation, an industrial society" (Ferrarotti). We are the sad testimony of the paradox of poverty in a country rich with civilization, rich with skill and creativity that is, however, still waiting for a true shared unitary identity, a true sense of State, values that are not achieved unless they are among Politics' top objectives.

The Italian industrial system has lost many important pieces that distinguished it in the past, losing the value of productivity even though it has important structures, and Italy has dropped to one of the last places among industrialized countries. There are multiple causes, some purely domestic and others deriving from the international situation. Among the latter are the effects of globalization, since we're unable to comprehend its true scope because there has never been a global economy like the present one; developing countries, which are currently the true world leaders and hold the most financial power, because they built their process of accumulation on real capital and not on debts or a paper economy; and the pollution caused by the financial economy on the real economy, which is suffocating manufacturers. The current crisis derives from excess credit and distorted market functioning, which resulted in a pernicious separation between return and value, with the progressive obliteration of the difference between "profit", as the result of entrepreneurial activities and productivity, and "return", which blocks and strangles true economic growth processes if it exceeds profit due to the mirage of paper wealth . The situation that is created is paradoxical and the development of the Euro and the European Union, although with the positive intervention in the monetary context of the European Central Bank, has had strong negative effects on the economies of the weaker European Community countries for which the Euro represents a strong currency that penalizes their exports. The progressive transfer of national sovereignty already underway towards the European myth represents, however, the most significant cost that we are paying tribute to, in the hope, which still remains to be seen, that the course of actual integration will conclude, but it has been underway far too long without any visible effects.

This path must be followed, even though dangerous and difficult, aware that we are all - to various extents but mostly whomever has led Italy over the years – the architects and bearers of erroneous cultural and behavioral approaches that must now be corrected, because it is unthinkable that we can continue to act as if the Italians were always "the others", with the illusion that sooner or later someone else would resolve our problems. We also need to stop hoping that governments have a magic wand to exorcize the effects of this crisis, which is without precedent. Governments, control systems and all supranational structures should have and must intervene in advance in order to avoid this situation from occurring, but they failed to act. Roles were blurred, and connivance, omissions, compliance, conditioning and similar prevailed. Now there are no alternatives but to impose new development strategies in an attempt to mitigate the effects of the crisis. It is necessary above all to be aware of the fact that it will not be possible to rapidly cancel the serious consequences that occurred, that we are currently undergoing and that may be at the door; in fact, the weight of such consequences will be even greater if instead of acting decisively more time is wasted while continuing to play the role of juggler. The primary objective of every political choice and every economic initiative must be job creation, in particular for young people. Only "regarding" and "with" work, and the dignity that it gives people, will it be possible to start to recreate a society and the relationships that permeate it. To force a generation to grow up without work results in a deterioration of values accompanied by concrete risks of destabilization, with devastating effects.

On our part, and with even greater determination in this climate of uncertainty, we have placed all of our energy on operating as best as possible with the spirit of a true "*territorial Bank*" that shares the history, traditions, culture and events of the community in which it operates.

1. Summary of results

Over the past year the Bank performed its role fully aware of the growing social significance that this has in the difficult situation in course. By means of actions aimed at increasing deposits, the primary indicator of the trust that is placed in us, it was possible to maintain the Bank's undertaking on behalf of the real economy with respect to lending and services offered to families and companies located in the territories that we serve. The overall quantity of funds issued by the Bank, which has also been affected by the decrease in demand for investments and development, grew with respect to the system data, which instead recorded a decrease in funding estimated to be more than 40 billion Euro.

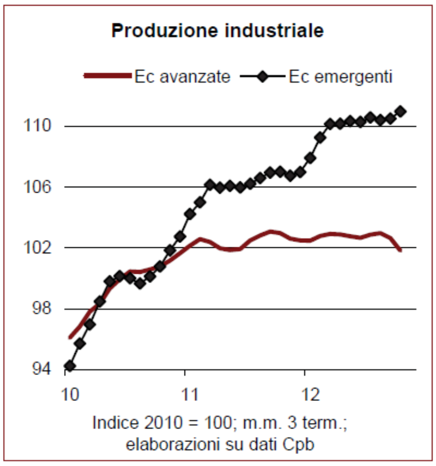
Profitability, even though related to interest rate policies and conditions applied by the Bank consistently with the extended cooperative assistance that it has always pursued, which incorporates the advantage of a cooperative exchange in the conditions applied, has been reconfirmed as being very good and the result achieved can be better appreciated if seen in the framework of the financial statements of most banks. The balance of the income statement suffers from significant adjustments of value made applying standards of maximum prudence in view of the increased intensity of credit risk, consistently with both consolidated company policy as well as with the Bank's convinced adherence to the requests made by the Bank of Italy to the entire banking system to make greater adjustments with respect to the worsening of credit risk in course at a general level.

SUMMARY OF RESULTS				
(in thousands of Euro)	2012	2011	Absolute variation	% Variation
Capital data				
Receivables from customers	1,907,766	1,718,199	189,567	11.03%
Receivables from banks	76,235	62,996	13,239	21.02%
Financial assets	625,912	655,196	-29,284	-4.47%
Equity investments	17,765	14,419	3,346	23.21%
Total assets	2,745,343	2,568,918	176,425	6.87%
Direct deposits from customers	1,991,475	1,887,476	103,999	5.51%
Indirect funding from customers	145,589	126,487	19,102	15.10%
Shareholders' equity (excluding fiscal year profits)	247,602	212,536	35,066	16.50%
Economic data				
Interest income	39,041	36,058	2,983	8.27%
Operating income	63,215	57,869	5,346	9.24%
Net income from financial assets	48,177	47,856	321	0.67%
Result of operating management	9,532	10,680	-1,148	-10.75%
Fiscal year profit	5,200	7,300	-2,100	-28.77%
Other information				
Number of branches	31	31	-	-

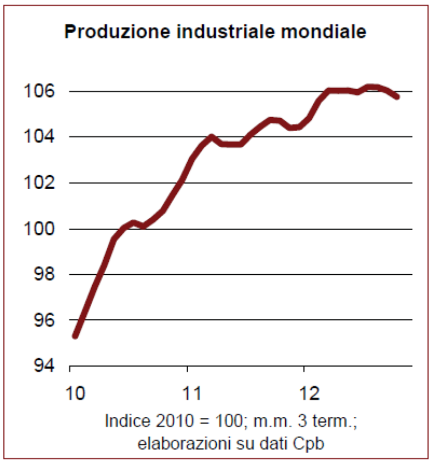
2. Local economic situation

From the standpoint of economic activity, 2013 inherited **a stagnant global economy** from 2012. It is a statistical inheritance to the extent that the brusque slowdown of the end of 2012 will impact the average results of 2013, but is above all substantive due to the fact that the year began with an economic situation that was weakened even further during the final months of the fiscal year in review. The data available since last October indicates a prolonged phase of stagnation of worldwide production. From the standpoint of territorial distribution, at the end of 2012 manufacturing decreased in advanced economies and recovered in developing countries. Among the first, the decrease in the Eurozone stands out, where industrial production diminished by nearly 4% between September and October, with decreases that involved even Germany to a significant extent. We have therefore returned to divergent trends in growth profiles. The Eurozone registered a particularly weak phase after various months in which the slowdown of economic activity had united the largest areas, whereas Asian countries recorded general increases, even rather pronounced, of industrial activity.

Industrial Production
Solid line: Advanced economies
Broken line: Developing countries



Global Industrial Production

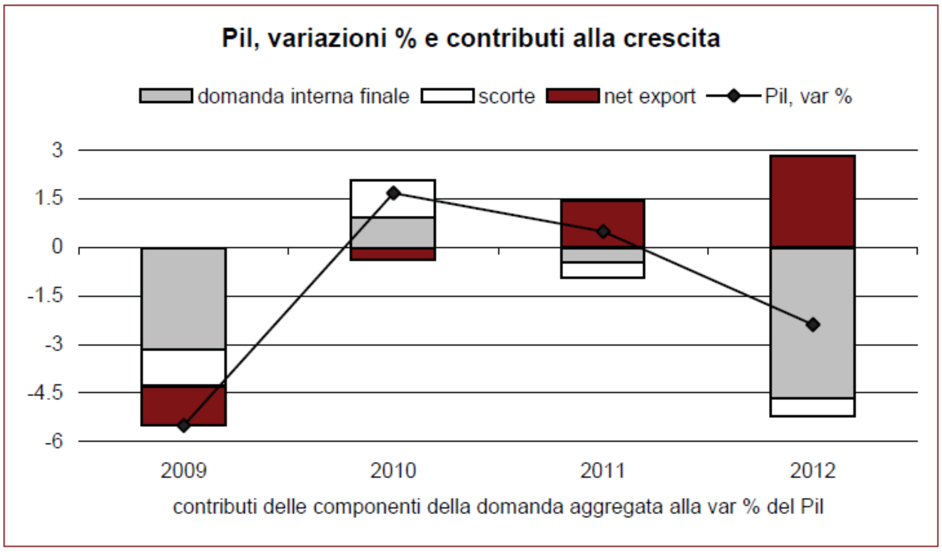


For **Italy,** 2012 ended with a percentage variation of the GDP equivalent to -2.4 %, more marked with respect to the estimates that circulated during the course of the year. A review of the economic indicators qualifies Italy as being in a recession. The negative factor that characterizes development is above all the drop in **domestic demand** by -4.7%, as full confirmation that the situation of household and corporate budgets has worsened. This has resulted in a decrease in household consumption by 4.3 % and investments by 8%.

The decrease in domestic demand is greater than that of the GDP because its impact was offset by the positive contribution to growth of **net exports**, due to the fact that the drop in domestic demand was followed by a reduction of the volumes of importation of products; in this way, part of the Italian recession was transferred to the rest of the world.

The foreign trade balance therefore continued to increase during the year. The balance for goods and services, which had reached a record deficit of 2% of the GDP in 2010, registered a surplus of 1.2 % for all of 2012; the data for the fourth quarter indicated a surplus of 2% of the GDP.

GDP, % variations and contributions to growth
Grey: final internal demand   White: stock   Red: net export   Black line: % variation of GDP



Contribution of the components of aggregate demand to the % variation of GDP

The principal macroeconomic data

	GDP (annual % variation)			Industrial Production (annual % variation)		
	2010	2011	2012	2010	2011	2012
Usa	2.4	1.8	2.2	5.4	4.1	3.8
Japan	4.7	-0.5	1.9	16.6	-2.3	-1.0
Eurozone	2.0	1.5	-0.5	7.2	3.3	-2.4
- Italy	1.7	0.4	-2.4	6.8	0.2	-6.5
- Germany	4.0	3.1	0.9	10.1	8.0	-0.8
- France	1.6	1.7	0.0	4.7	1.7	-2.2
- Spain	-0.3	0.4	nd	0.9	-1.4	-6.0

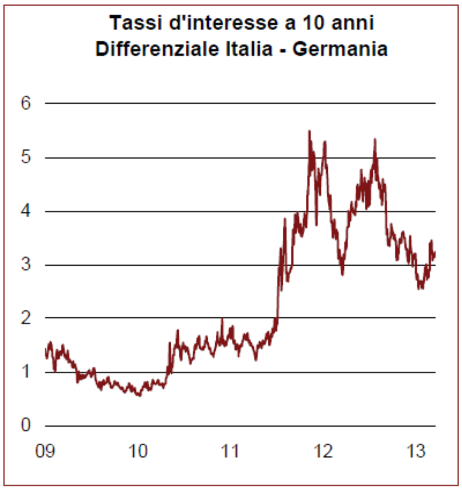
	Inflation (CPI) * (var. % annue)			Unemployment Level (val. %)		
	2010	2011	2012	2010	2011	2012
Usa	1.6	3.1	2.1	9.6	8.9	8.1
Japan	-1.0	-0.5	-0.5	5.1	4.6	4.4
Eurozone	1.6	2.7	2.5	10.1	10.2	11.4
- Italy	1.6	2.9	3.3	8.4	8.4	10.6
- Germany	1.2	2.5	2.1	7.1	5.9	5.5
- France	1.7	2.3	2.2	9.7	9.,6	10.2
- Spain	2.0	3.1	2.4	20.1	21.7	25.0

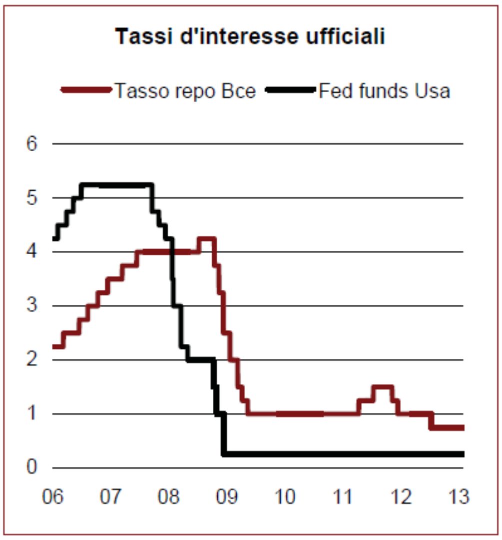
* For Eurozone countries the harmonized index of consumer prices was used as a reference

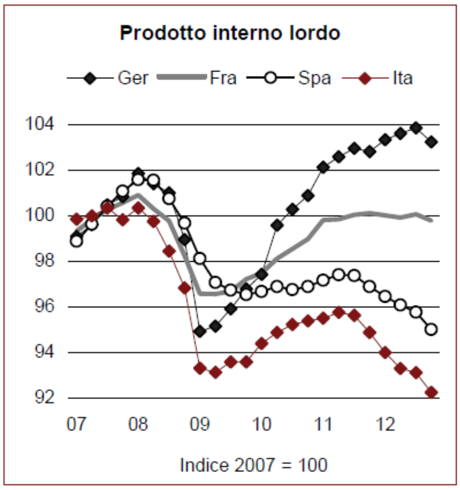
Sourcee: Prepared by the ABI Economic Analysis Office using Thomson Datastream data

Official Interest Rates
Red line: ECB repo rate   Black line: US federal funds

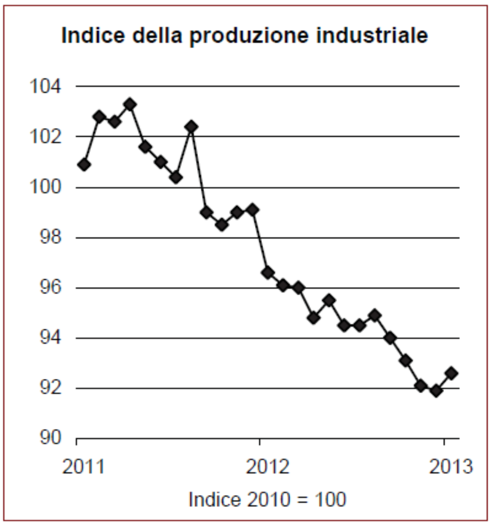
Interest Rates at 10 years
Italy-Germany Differential



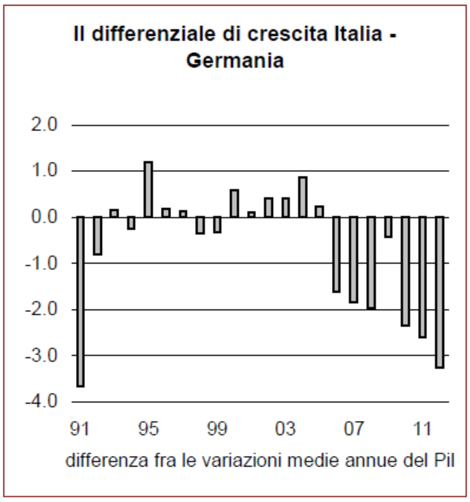


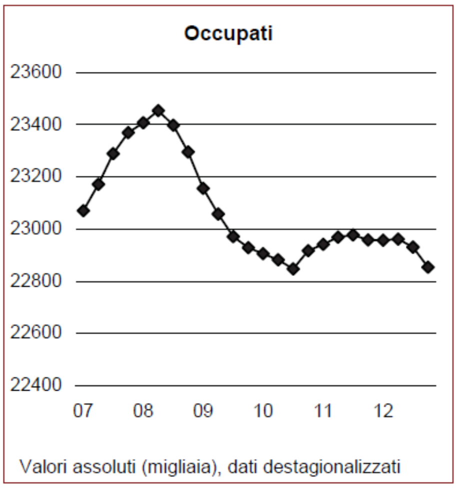


Gross domestic product
Index 2007 = 100



Index of industrial production
Index 2010 = 100

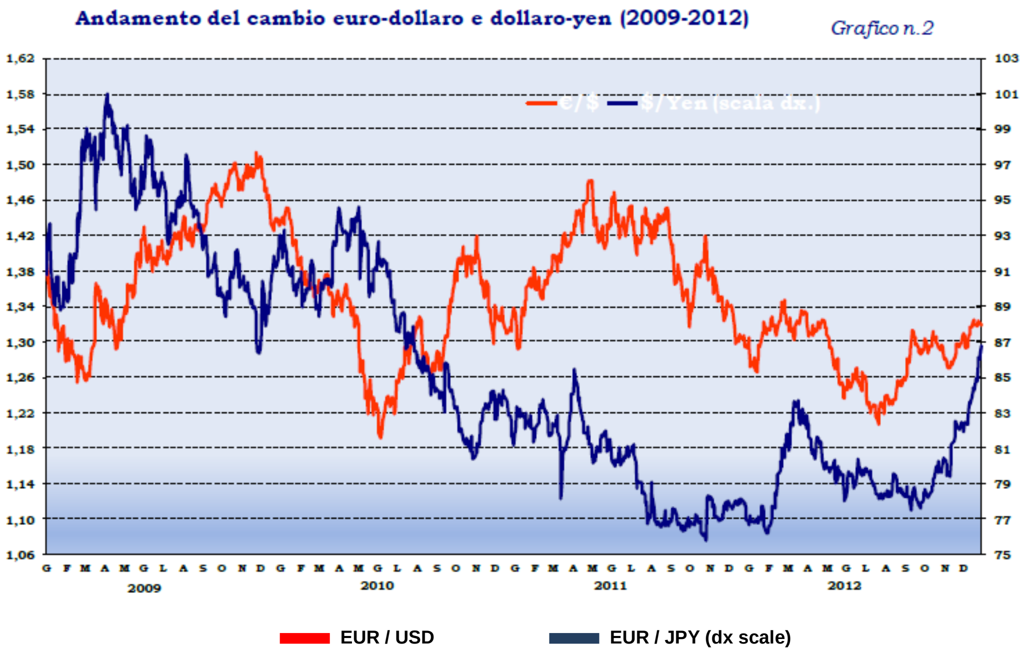




Growth Differential Italy-Germany
Differences among average annual variations of GDP

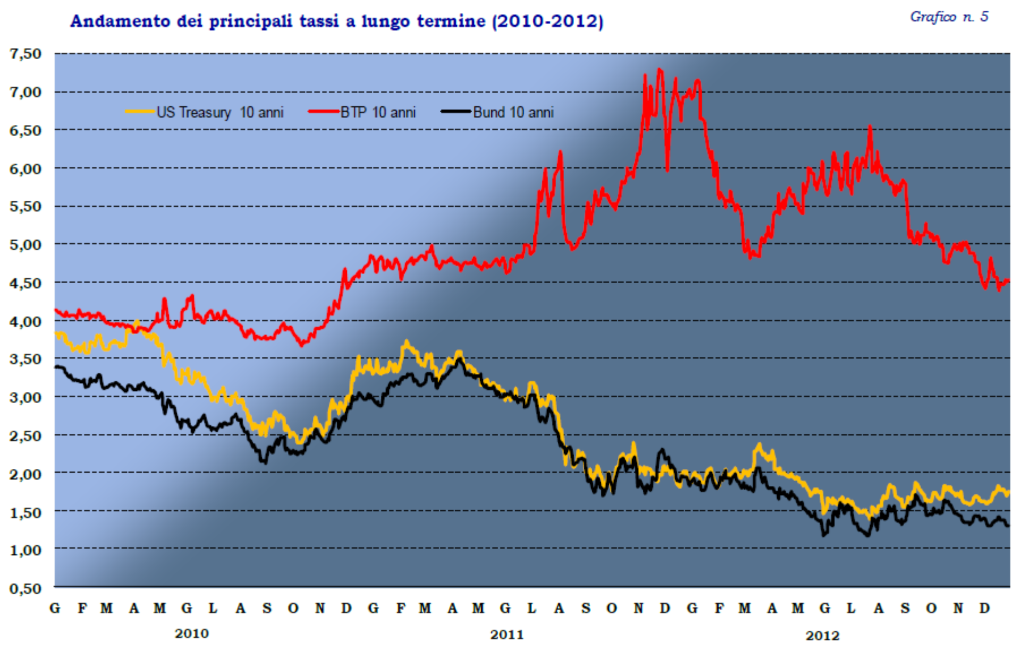
Workforce
Absolute values (in thousands), seasonally adjusted

Trend of Euro-Dollar and Dollar-Yen Exchange Rates (2009-2012)



Trend of the principal long-term rates (2010-2012)

Trend of principal long term interest rates (2010-2012) Table 5



2012 had the typical characteristics of a recession based on a decline in domestic demand, with a deviation of the trend of the Italian economy with respect to the other economies in the Eurozone. The collapse of domestic demand regarded all peripheral countries, with the exception of Ireland, where concrete signals of stabilization were observed. Italy, as noted, distinguished itself due to the extensive nature of the decline in household consumption, preceded in terms of intensity only by Portugal and Greece.

Comparing the trend of the economies of countries in the Eurozone, the year 2012 – the same as 2011 - was characterized by a significant growth differential between peripheral countries and those in the center. In the case of Italy, the weight of primarily exporting trinkets and tomatoes with respect to products with high added value and technologies, the same as quibbling rather than producing, was felt at the end of the day. The drop in domestic demand resulted in a widespread critical situation from a sector viewpoint. As to be expected, the manufacturing sector was more deeply impacted with respect to services, since demand for the latter is, in part, more stable, and in any case has a more extended slowdown period. Many purchases of goods can, in fact, be postponed over time and the period of use of the goods that households and companies already possess has been extended, such as durable consumer goods or most equipment, plants and machinery, whereas in the immediate future the same is not true for services, which are nevertheless undergoing a downward trend, particularly in sectors aimed at companies. The entire added value in the public activities sector is also characterized by a strongly negative trend.

The decrease of levels of activity in the construction industry is particularly negative. The crisis in this sector reflects both the trend of residential investments as well as, and to a greater extent, the non-residential component. The market has an excess offer of properties and consequently new initiatives have been blocked. On the other hand, the situation is stalled even in the public works sector due to policies to contain spending levels.

In fact, in 2012 the decrease of added value translated by approximately one-half in a reduction of workers (-1.1%) and the other half in a decrease in work productivity, which demonstrates that the occupational losses resulting from the crisis were not yet entirely felt during the course of the year.

Job offers only partially reflect the sector articulation of losses of product. In particular, the industrial crisis was reflected only partially on the demand for employment, so that the workforce "only" dropped by 1.9 % with respect to a decrease of industrial added value of 3.6%. Job openings in the construction industry are instead collapsing, with its significant service sector, where the decrease is equivalent to 5.3%. Services are in part absorbing excess occupation and this is reflected in a decrease of the productivity index.

In 2012 the increase of the **consumer price index** amounted on average to +3.3% (+2.9% in 2011), however there was a slowdown over the past three months, and in December the index rose by +2.6%. Even **core inflation**, calculated on a harmonized index that excludes the most volatile components (energy and fresh food products), indicates a slowdown during the final months of 2012, falling from +2.4% at the start of the year to +1.7% in December (2.1% on average in 2011). In 2012 **production prices** registered an average variation of +2.6%, with respect to +5.0% in 2011.

According to the most recent official assessments presented by the Italian Cost of Living Index in March 2013, in 2012 the **net debt of the Public Administrations** was -3% with respect to the GDP, lower by 0.8 percentage points with respect to 2011 (-3.8%).

The primary balance (debt net of interest expenses) was positive and amounted in 2012 to 2.5% of the GDP, greater by 1.3 percentage points with respect to that registered in 2011, whereas the current balance amounted to -6,019 million Euro, with respect to -23,018 million in 2011. The data is related to an increase of current revenues of more than 22 billion Euro, clearly greater than that of current expenditures (approximately 5.3 billion Euro).

Finally, according to ISTAT's provisional data, the ratio between public debt and GDP reached approximately 127% in 2012, higher with respect to 120.8% in 2011.

In 2012 the international stock markets were particularly dynamic: the Standard & Poor's 500 index of the New York Stock Exchange registered an annual variation of +13.4% (0% in 2011), the Nikkei 225 index of the Tokyo Stock Exchange was up by +22.9% (-17.3% in 2011), and the Dow Jones Euro Stoxx Large Index of the Eurozone was up by +13.3% (-10% in 2011). Understanding how indexes showing upwards market trends, even significantly upwards, are generated with respect to the critical situation that characterizes the general situation of the real economy of most countries appears to be a mystery. One interpretation might be, once again, the fact that the markets are not self-regulated (the famous metaphor of the *invisible hand* of Adam Smith has unfortunately remained a metaphor), but rather by means of bizarre operations they allowed broad abuses in the past, not even particularly remote, which, if repeated, might even today be the basis of the colossal results achieved by the limited "club" of the major global finance operators, who are moving in the opposite direction with respect to the real economic situation of the majority of the rest of the world. Even the FTSE MIB – the principal benchmark index of the Italian equity "street markets", which includes the shares of the major Italian and foreign companies listed in the markets managed by Borsa Italiana (approximately 80% of the capitalization of the domestic market) - ended 2012 with an annual variation of +7.8%, with respect to -25.2% at the end of 2011. The banking index, the FTSE Italy Banks, instead registered a variation of +20.6% in 2012, with respect to -45.8% in 2011.

Turning to the concrete situation of whoever actually works and produces in the business system that represents the true structure of the Italian economic system, which is responsible for reviving Italy's economic fortunes after the misdeeds of the financial economy and paper wealth, at the end of 2012 the level of reliable business potential was heavily affected by the continuation of the crisis that has manifested itself, which makes even collections problematic from counterparties who had never had any problems. Small companies often had even greater difficulty because they were the weakest links in terms of contractual bargaining power and represent production steps that are often replaceable. This means that companies still have to manage insolvencies of historic customers who, even though they have confirmed themselves to be solid, do not pay in the wake of the widespread tendency to postpone because by now everyone does this. The public sector constitutes a poor example and provides alibis, but is, in this case as well, the origin of the majority of problems. The data that appeared at the end of 2012 effectively confirms the interpretation of an economic context that tends to be more risky and, above all, more 'fluid' with abrupt changes, both at the level of counterparties as well as market trend. It is sufficient to consider that with respect to commercial transactions, during the course of 2012 one impaired credit out of four related to consolidated counterparties with a good reputation. Commercial risk and probabilities of default are therefore to be considered as an emphasis. As a social risk factor, the fact that small companies make up more than 90% of domestic production and generate almost three-fourths of the work force must also be considered: small companies that individually do not appear to be relevant, but which together form a giant, perhaps the only one, or one of the few true giants of the Italian economy. It should be a priority of whoever governs Italy to prepare serious economic policies so that it is not a giant with clay feet.

At a sector level, the wholesale industry was the sector with the greatest risk, followed by the mining industry and transportation. In a speculative manner, the lowest share of companies with a low risk level is found in the building industry (only 1.39% of the total), transportation and distribution (2.66%), and retail sales (2.94%).

No signs of short term recovery have been seen for the **building** industry. The crisis, which induces postponing purchases even by those who have the economic possibility and in fact have programmed investments has made its effects felt on sales which, in 2012, produced an overall spending volume that decreased by 25.8% with respect to 2011. In the **fashion industry**, with particular focus on the actual situations in the territory where the Bank operates, fiscal year 2012 confirmed at a general level the non-brilliant situation of 2011, even if there were hints of improvement with respect to production, which maintained or assumed two fundamental levels: investment in "quality" production and "internationalization". The systematic recourse to low cost delocalization, including of high level productions, appears to be progressively declining. The picture emerging from the initial final data for 2012 demonstrates a trend that is quite differentiated by sector and indicator. In the fashion industry (clothing and footwear) there is a divergence between clothing and footwear manufacturers, in the sense that the first have seen the balance of classic indicators (invoiced sales and orders) worsen with respect to the previous year, whereas the performance of shoe manufacturers is more comforting, in particular with respect to quality productions and exportation. High level productions that the top designers commission from local companies, particularly in the towns on the outskirts of Florence, are a separate issue, which registered positive trends.

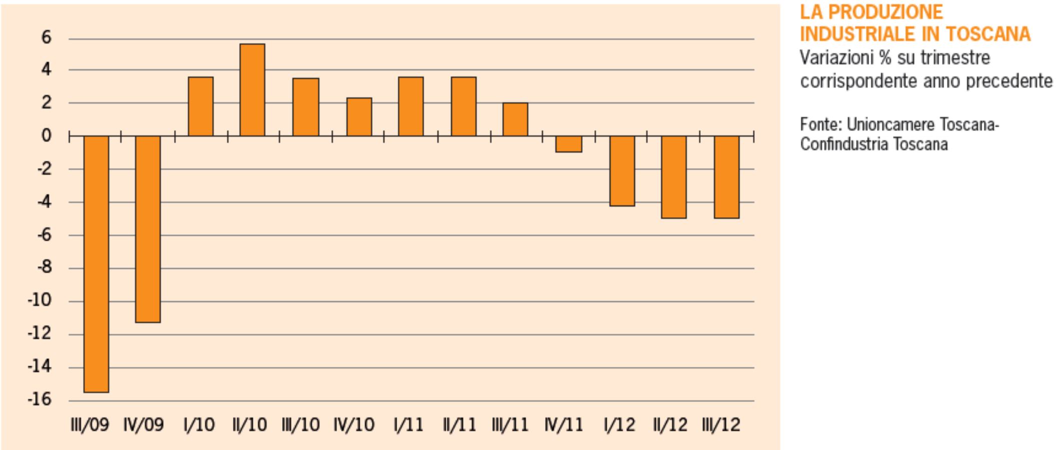
Today more than ever quality and craftsmanship are important, which is a prerogative of Italian productions. A policy is necessary, even with the help of public intervention, aimed at training new craftsmen and managers capable of not losing the know-how that made the Italian business system grow, resulting in and sustaining the development of the past years. The primary ingredient of "Made in Tuscany" is the ability of the men and women in the Bank's territory to transfuse in products that aesthetic value that derives from the "beauty" seeped in the environmental and artistic heritage that the open air museum in which we live offers.

The **agricultural food** sector was positive, both overall as well as, in particular, productions aimed at foreign markets. The wine sector, in particular, has a positive trend backed by productions of superior quality and large manufacturers who, by establishing their brands throughout the world as a symbol of excellence, have also opened the doors to other Italian productions in the same sector.

With respect to 2011, the processing of non-metallic minerals, **ceramics and glass** saw a slight improvement in the balance of invoiced sales and orders. With respect to the ceramics industry, there was a small favorable boost on the side of occupation and investments, which, however, only offsets the decreases of previous years in minimum part. The situation of the **woodworking** sector instead remains prevalently negative, with a particular impact on the production of frames that is a specialization in the Bank's territorial area. The sector registered a decrease in the balance of invoiced sales and orders, and the forecasts for 2013 envision a deadlock which will impact the financial and income profiles of the sector's productions. The **mechanics** sector was characterized by a substantially flat trend, and no short term hints of recovery are expected that would have an effect on occupational dynamics and investments. Positive signals continued for the **tannery district**, which benefitted from significant investments in research made over time, and in greater competitiveness which was also due to the appropriate and timely solution of consortiums used for waste disposal and environmental protection. The availability of specialized professional resources for the sector, which specific training courses, together with the experience, flexibility and creativity of the operators, ensure manufacturers high quality production, represents the raw material for haute couture and exportation. **Tourism** does not show signs of growth and there are situations, particularly in the agricultural tourism of some areas, where it is in decline. As a positive signal in this scenario we note tourists from BRIC countries. The Florentine hospitality and hotel industry registered a more positive trend which had substantially stable results, notwithstanding the momentary difficulties with a decrease in arrivals and presence. While on the one hand the attraction of Italian cities and provincial territories with their environmental, historical and artistic heritages remain a winning factor, all in all the continued lack of guidelines in the tourism industry will be heavily penalizing. The lack of an organic strategy at a system level, both by operators as well as by the public sector, is surprising, which would give cohesiveness to actions in this sector that everyone would benefit from, as opposed to unrehearsed spurts of activity based on imitation, increasingly relying on a return of position which will instead be progressively eroded. For years the Bank has emphasized this grave shortfall and has invested in research and studies aimed at determining standards and a course of action in order to create a truly integrated system with respect to an economy based on tourism, which might be the central point of development in the Bank's operative territory. Soon there will be a conference for the operators in the sector and the public administrations to present the results of a study that the Bank commissioned from the Scuola Sant'Anna di Pisa and Touring Club Italiano in view of preparing a draft operating strategy in this sector. It is no longer possible to defer action, and 2013 might result in such a decrease that the negative data at the beginning of the year might be confirmed unless there is growth in future months. The **camper** sector is confirmed to be in decline, which is accentuated both by the effects of the crisis in general as well as by recent measures with respect to income expectations that the administration perhaps should have better oriented elsewhere. The production of **mobile homes**, which even in the Bank's territory includes the sector leader at a national level, has suffered a business crisis that has currently ended with the closure of this industry. The effects of this situation are devastating due to the importance this sector has acquired by the local economy in the Bank's territory, as well as in terms of the service industry and workforce, which are currently difficult to relocate. As noted, the **service** sector, even though reduced due to the numerous closures of companies that occurred and which is ongoing, remains substantially positive. **Trade** registered a marked accentuation of the decline that has been in course for some time. The drop in the level of consumption has had a negative impact at a widespread level, with the exception of just a few sectors.

Industrial production in Tuscany
% Variation with respect to the corresponding quarter in the prior year

Source: Unioncamere Toscana-Confindustria Toscana



With respect to the current profound recession, it remains to be asked whether the measures implemented through the present by the Government: increased taxation, a bureaucratic level that remains unchanged, no substantial reduction in current spending, and the destruction of the welfare system are suited to provide incentives for the economy and re-orient it towards objectives of recovery. It instead appears that there is a tendency to refer to the exceptional gravity of the situation, to smooth the edges of the critical nature of the emergency almost in tones of normality, all from the viewpoint of a vague European integration currently managed by a European bureaucracy that bypasses the Parliament, does not respond to anyone, and presents itself as the expression of popular will. This is not the Europe that the Founding Fathers desired, nor the Europe that was presented to us at the time of our perhaps hasty membership, which we paid at a dear price in order to belong to it. This is not even a Europe that we can think of maintaining.

3. Criteria followed in corporate management – Information pursuant to Articles 2528 and 2545 of the Italian Civil Code

The Bank has continued to engage in actions of a charitable nature and social utility, the promotion and support of associations, cultural development, and scholastic, university and professional preparation, always in support of initiatives of the various local communities in our territorial area. The allocation of funds was done as implementation of cooperative promotion and objectives of mutual cooperation. Total funding was significant in 2012 with respect to promotion and charity. Particular attention was paid to supporting multiple projects related to youth sports, school, the elderly, healthcare, and volunteer activity in general. Initiatives promoted by the principal entities and local associations were also supported, among which many of the most important shows organized in the territory.

The above demonstrates that all of the activity carried out was aimed at benefitting the community, and in particular its underlying components.

During the course of the year 2012 there were 69 new Shareholders, resulting in a total of 3,072 Shareholders and 2,883,035 Euro of share capital at the end of the fiscal year in review.

The requests for the admission of new Shareholders involved parties moved not so much by expectations of mere economic advantages, but by their convinced agreement with the Bank's social function and cooperative mutual aid objective, with a conscious sense of belonging and sharing the

Bank's cooperative principles as an expression of value for the entire community. Such adhesions were generated with the full conviction that there are values for society that are not comparable to those of equity investments made for merely external reasons.

The following table indicates the Supervisory regulatory limits applied to activities of cooperative credit banks and a comparison of the data regarding the Bank's activity.

ACTIVITIES WITH SHAREHOLDERS AND ACTIVITIES OUTSIDE ITS TERRITORIAL AREA				
	Regulatory limit	2012	2011	2010
% activities with Shareholders and/or having a weighted risk of zero	> 50.00%	50.245%	53.842%	56.698%
% activities outside territorial area	< 5.00%	3.374%	2.518%	1.376%

4. The management trend and dynamics of the principal aggregates

■ Direct deposits, indirect funding, overall deposits

With respect to **bank interest rates,** 2012 registered a widespread upwards trend. The average rate of bank's deposits from customers, in its various technical forms, was 2.08% with respect to 2% in December 2011. Over the past year, the interest rate for repurchase agreements also increased, rising from 2.77% in December 2011 to 3.03% in December 2012, whereas the return on bank bonds remained substantially stable, from 3.37% to 3.36%.

The dynamics of **funding** in Italy has slightly increased. In detail, at the end of 2012 deposits in Euro from the customers of all Italian banks, represented by residential custodial deposits (deposits in bank accounts, deposits with a pre-determined duration net of those related to assignments of receivables, reimbursable deposits with advance notice and repurchase agreements, net of transactions with central counterparties) and bonds (net of those repurchased from banks) amounted to 1,761.5 billion Euro, registering a growth rate trend of +1.6%, (+0.9% in December 2011) and an increase of deposits of almost 28 billion Euro.

A review of the different components indicates that residential custodial deposits (net of transactions with central counterparties, and deposits with a predetermined duration related to transactions for the assignment of receivables) registered a variation in the trend of +6.2% (-0.4% in December 2011), registering the highest value since November 2008. The annual variation of bonds was -6.8% (+3.2% in December 2011) in consideration of the market preference for products with a shorter duration or for government securities.

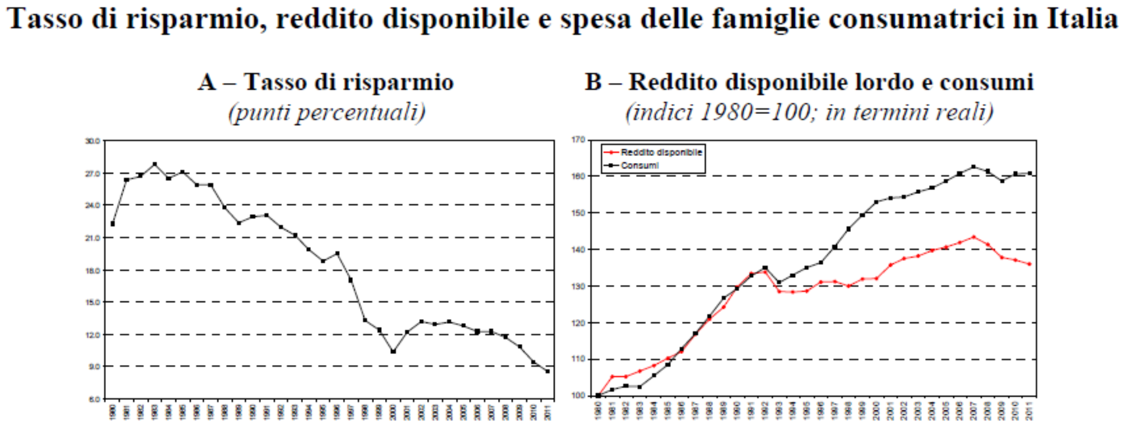
Saving during a crisis appears to be increasingly difficult for everyone and **savings** will therefore be an increasingly scarce factor, with a consequent increase of the cost of deposits. Indicators of poverty with respect to income and wealth envision dynamics that are not brilliant. With reference to the last available data, 9% of Italian households were low income and, in the case of the loss of employment, financial wealth was sufficient to live at the poverty level for just six months. Among young people the percentage is 15%, while it rises to 26% for renters. Overall, there was also increased inequality in the distribution of wealth: on the basis of reliable calculations, more than 80% of all wealth is held by less than 10% of the population. The small fraction of wealth held by young people was further reduced.

Even before the spread of the effects of the crisis, savings of Italian households were in decline. The propensity to save further decreased after 2008, while the share of households with insufficient income to cover even primary consumption increased. The data indicates the vulnerability of a significant share of households, in particular those made up of young people. The most recent macroeconomic data indicates a further reduction of income and worsening of the savings rate, thus envisioning a subsequent worsening of the financial conditions of the most vulnerable households in the lack of suitable measures of support or recovery of the economic cycle.

In an economic framework characterized by great uncertainty, it is increasingly difficult for households to set aside the resources required to face occupational and income risks. Over the past twenty-five years, the savings rate of Italian household consumers, historically high in an international context, decreased considerably, from more than 25% during the mid nineteen-eighties to 8.6% in 2011, a level that is lower than that found in the other principal countries in the Eurozone.

Savings rate, available income and household spending

A. – Savings Rate (percentage points) B – Gross available income and consumption (1980 = 100 indexes; in real terms)



The competition of government securities, which at the height of the crisis had to pay subscribers interest rates that were absolutely out of the market, disrupted the Italian banking system and in turn forced widespread recourse to deposits on conditions that were rather burdensome, even with respect to short-term deposits. This situation was very difficult both for whoever had to make their investment decisions as well as for the financial system which, with respect to the drying up of the inter-banking market, was able to obtain the necessary liquidity primarily on the basis of repeat refinancing operations of the European Central Bank, and by recourse to the retail market, with consequent changes of the conditions.

The Bank was able to end the year on a positive note due to the trust it has in the territories in which it operates, in particular due to consolidated relationships that have always guaranteed customer satisfaction. This aspect is of crucial importance, especially when uncertainties soar and customers feel the need to be able to count on precise reference points.

Our effort was primarily confirmed by standing alongside our customers in a constant and ongoing manner in order to search for the most appropriate solutions to satisfy specific individual needs, above all in terms of risk tolerance. This also allowed us to effectively pursue, as in the past, an adequate personalization of the Bank's proposals, to the full satisfaction of our customers.

The range of products was continuously updated in terms of characteristic functions and diversified types in order to keep up with and often anticipate changing market trends, but always placing honesty and transparency in relationships above everything else, aware of the role given to us by the nature of a cooperative bank, whose institutional objectives include the promotion and maximum protection of savings.

The Bank's efforts were rewarded by the extended trust customers placed in us, both in the areas where the Bank has the most consolidated presence as well as the most recent ones. Direct deposits from customers grew to 1,991 million, +5.51%, a more than satisfactory dynamic in view of the general situation described above and the system trend, which rose by 1.6%. Indirect funding from customers amounted to 145 million at market values, +15.10%, benefitting from the transfer of securities from new customers coming from other intermediaries. Overall deposits from customers thus amounted to 2,137 million, + 6.11%.

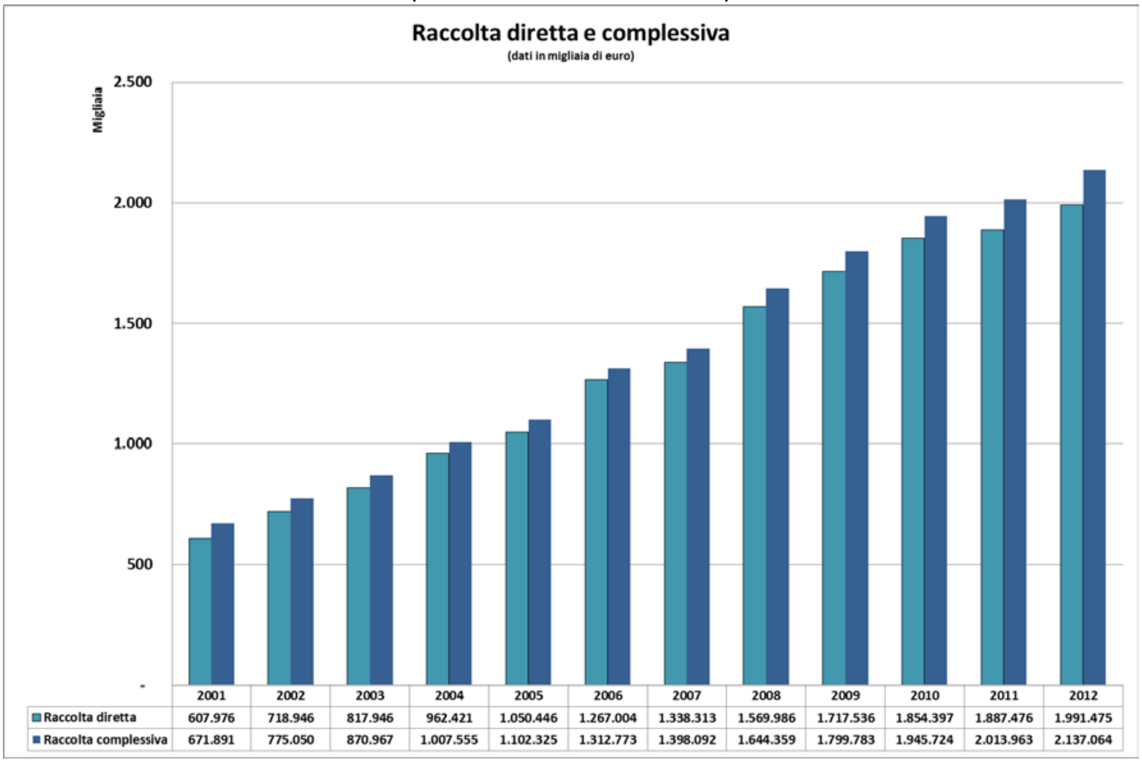
The table «Direct deposits from customers» indicates the various components in greater detail with respect to the tables in the Explanatory Notes. With respect to the individual components, the sustained growth of bank accounts should be noted above all, equivalent to 174 million Euro, favored by the tendency in course of customers to invest short term, searching, however, for advantageous returns; consequently bonds decreased, which typically have more prolonged maturities, and it is expected that this will occur in fiscal year 2013 as well.

The breakdown of the Bank's detailed data is set forth below.

DIRECT DEPOSITS FROM CUSTOMERS	*2012*	*2011*	*Absolute variation*	*% Variation*
Bank accounts and unrestricted deposits	*952,692,142*	*806,848,252*	*145,843,890*	*18.08%*
Restricted deposits	*77,376,072*	*8,098,385*	*69,277,687*	*855.45%*
Repurchase agreements	*56,889,891*	*17,176,811*	*39,713,080*	*231.20%*
Other deposits	*12,833,160*	*16,795,727*	*-3,962,567*	*-23.59%*
Bonds	*853,597,675*	*998,610,673*	*-145,012,998*	*-14.52%*
Certificates of deposit	*38,086,466*	*39,946,579*	*-1,860,113*	*-4.66%*
Total direct deposits	*1,991,475,406*	*1,887,476,427*	*103,998,979*	*5.51%*

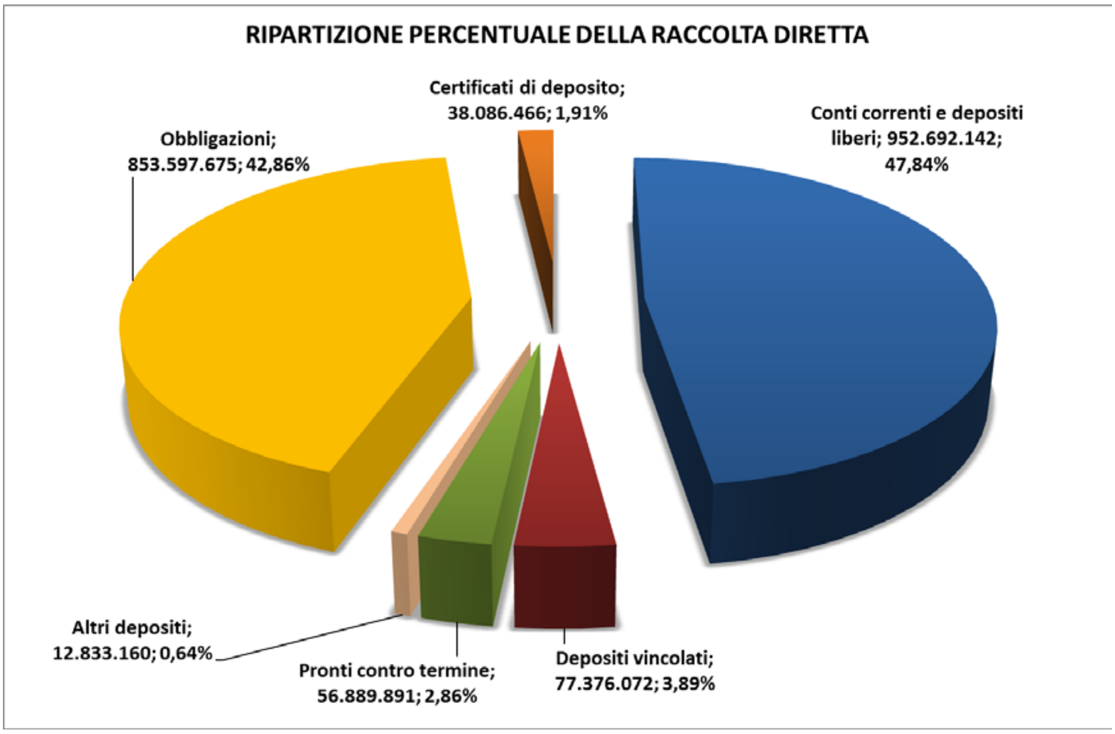
INDIRECT FUNDING	*2012*	*2011*	*Absolute variation*	*% Variation*
Administered assets	*144,586,147*	*125,540,176*	*19,045,971*	*15.17%*
Managed assets	*1,002,735*	*946,467*	*56,268*	*5.95%*
Total indirect funding	*145,588,882*	*126,486,642*	*19,102,240*	*15.10%*

Direct and overall deposits
(data in thousands of Euro)



Light blue: direct deposits
Dark blue: overall deposits

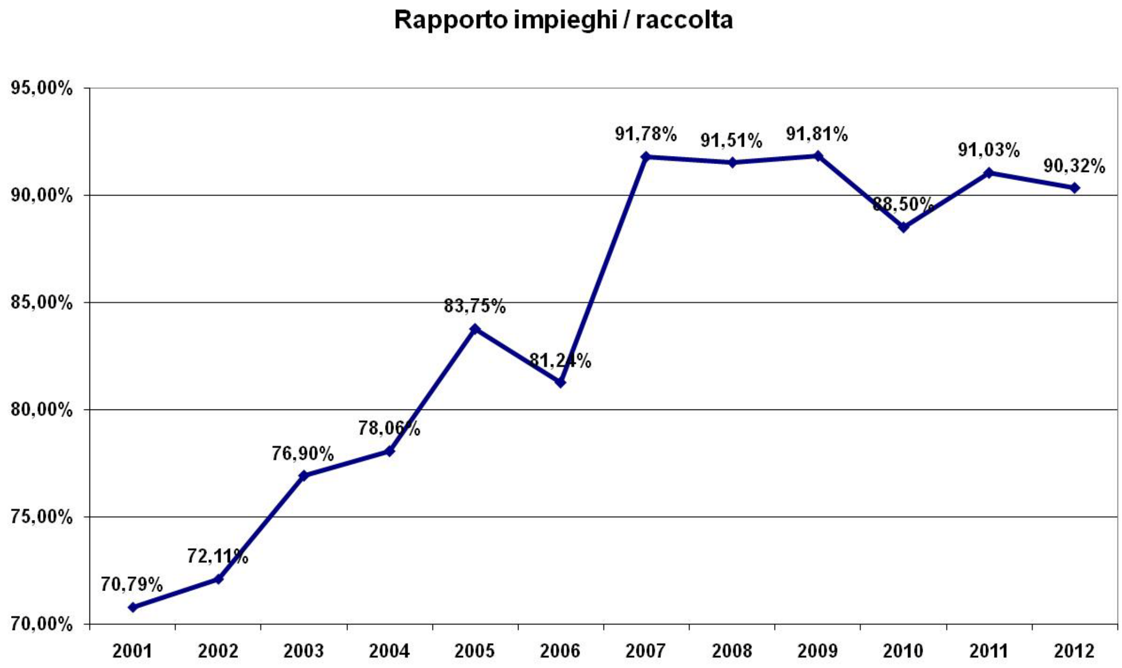
Percentage Distribution of Direct Deposits



(clockwise) Bonds - Certificates of Deposit - Bank accounts/Unrestricted deposits - Restricted deposits - Repurchase Agreements - Other deposits

The liquidity level was confirmed to be fully sufficient, both with a lending/deposit ratio of 90.32% as well as considering the significant share of financial assets held in the portfolio that can quickly be liquidated.

Ratio of lending / deposits



Lending to customers

During the course of 2012 the unfavorable economic context was reflected, on a global level, both in a decrease of the demand for credit by companies and households as well as, due to the deterioration of the quality of credit in course, limitations with respect to the offer.

The dynamics at a system level of bank loans to customers, the private sector and public administrations, net of repurchase agreements with central counterparties, amounted to 1,928 billion Euro at the end of 2012, registering an annual variation of less than 1.1% with respect to +2.4% at the end of 2011. The annual variation of loans to Italian residents in the private sector was also slightly negative, -1.8% at the end of 2012, down from +2.9% at the end of 2011. At the end of 2012 these loans amounted to 1,660,2 billion Euro. Household loans and loans to non-finance companies amounted to approximately 1,475 billion Euro at the end of 2012, with an annual variation of -2.5%, +3.6% compared to the end of 2011; -1.7% on average in the Eurozone. If the breakdown by duration is considered, the Bank registered an annual variation of -1.7% with respect to the short term segment of up to 1 year, compared to +5.5% at the end of 2011, while mid and long term loans, meaning more than 1 year, registered a variation of -2.8%, compared to +3% at the end of 2011.

On the Bank's part, notwithstanding the unfavorable context that resulted in a widespread reduction of the volume of loans issued at a generalized level, it continued lending, although with growing selectivity and fully aware of the accentuated risk, with a receivables portfolio amounting to 1,907,765,547 Euro at the end of the fiscal year, an increase of 11.03%.

ECONOMIC LENDING	*2012*	*2011*	*Absolute variation*	*% Variation*
Bank accounts	*467,781,628*	*470,649,702*	*-2,868,074*	*-0.61%*
Mortgage loans	*1,095,895,319*	*1,040,034,514*	*55,860,805*	*5.37%*
Credit cards, personal loans and salary guaranteed finance	*20,622,645*	*17,980,471*	*2,642,174*	*14.69%*
Other operations	*323,665,955*	*189,534,203*	*134,131,752*	*70.77%*
Total economic lending	*1,907,765,547*	*1,718,198,890*	*189,766,657*	*11.03%*

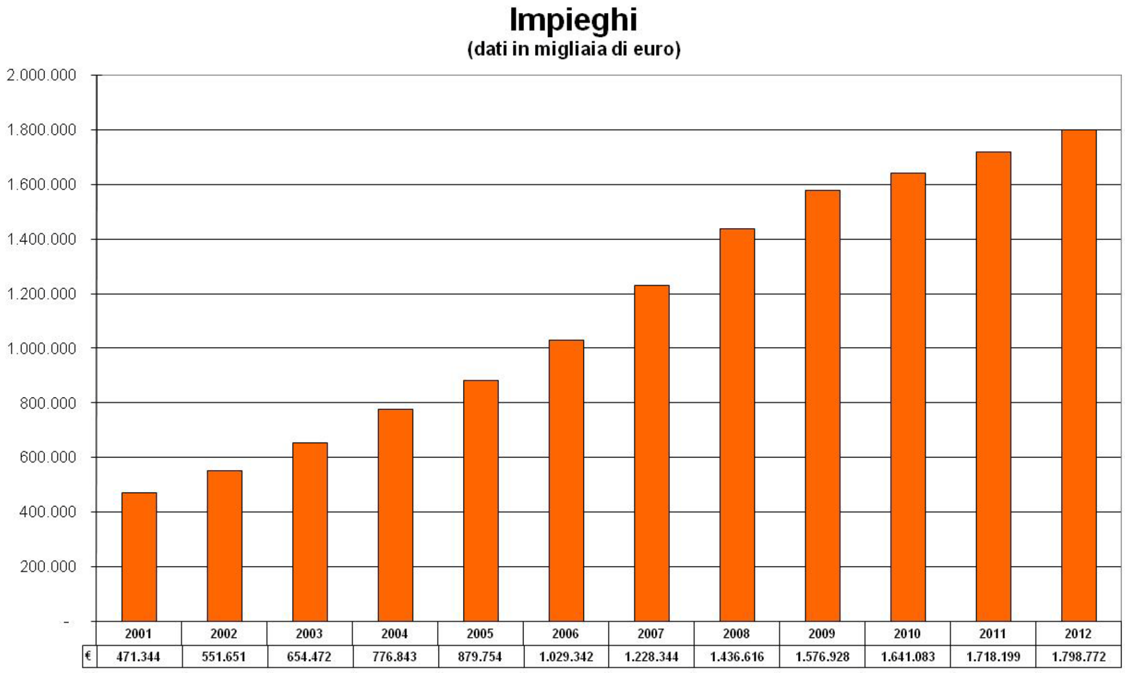
For a clearer comparison of the variations between fiscal year 2011 and 2012, the data is summarized in the following table:

Type of transactions/values	*2012*	*2011*	*Absolute variation*	*% Variation*
1. Bank accounts	*467,249,637*	*470,561,466*	*3,311,829*	*-0.70%*
2. Clearinghouse and Guarantee Fund	*462,152*	*0,00*	*462,152*	
3. Poste Italiane s.p.a.	*69,839*	*88,237*	*-18,398*	*-20.85%*
4. Repurchase assets	-	-	-	
5. Mortgage loans	*906,267,594*	*1,039,013,397*	*-132,745,803*	*-12.78%*
6. Securitized mortgage loans	*712,610*	*1,021,117*	*-308,507*	*-30.21%*
7. Self-securitized mortgage loans	*188,715,115*	-	*188,715,115*	
8. Credit cards, personal loans and salary guaranteed finance	*20,622,645*	*17,980,471*	*2,642,174*	*14.69%*
9. Financial leasing	*11,015,585*	-	*11,015,585*	
10. Factoring	-	-	-	-
11. Other operations	*204,100,768*	*189,534,202*	*14,566,566*	*7.69%*
12. Deposits and Loans Fund	*90,567,378*	-	*90,567,378*	
13. Receivable from the Pontormo RMBS Vehicle	*17,982,224*	-	*17,982,224*	
14. Debt securities	-	-	-	-
Total (balance sheet value)	*1,907,765,547*	*1,718,198,890*	*189,566,657*	*11.03%*

Specifically, the value indicated in line item 70 of 1,907,765,547 Euro, amounts to 1,798,772,191 Euro if the line items related to "Clearinghouse and Guarantee Fund", "Poste Italine s.p.a.", "Deposit and Loans Fund" and "Pontormo RMBS" are removed, which total 108,993,356

Euro and refer to financial operations which remain to be measured and recorded among economic lending in accordance with law. This amount represents the actual volume of loans issued to manufacturing sectors, private parties and households, which registered an increase of 80,573,301 Euro, equivalent to 4.69% of the same data with respect to the prior fiscal year. Therefore, for a proper representation and measurement of the Bank's data, all of the indexes and charts supplementing this Report that refer to the amount of economic lending were prepared considering the net data of 1,798,772,191 Euro. The required representations in the Explanatory Notes with reference to the aggregate in review were done consistently with the statutory schedules and data as required.

Lending
(data in thousands of Euro)



The Bank operated consistently with the consolidated operating criteria of risk avoidance, and it also intervened with respect to its organizational structure in view of the need to reinforce controls to manage the accentuated lending risk. This resulted in strengthening structures by refining the processes to measure creditworthiness, manage relationships, and that are related to the various phases of control, with the objective of being able to increasingly and better enhance the mass of information that we receive due to our familiarity with customers and territorial roots, combined with an increasingly incisive quantitative analysis. It is necessary to know how to perform assessments by correlating the history of companies and society with accounting records and data taken from financial statements, which often turn out to be unreliable. The Bank's traditional approach to relations with its customers in a long-term framework results in a progressive two-way exchange of information that represents the best foundation for long-lasting relationships, and is also valid from the standpoint of mitigating risk.

Going into the details of the individual technical forms that make up the Bank's aggregate, mortgage loans – mortgages – unsecured loans – personal loans, an increase was registered of 6.06%. The short term component, composed of the use of bank accounts, disinvestments and "outside" loans, registered an overall increase of 8.67%.

With reference to collaboration with credit consortiums, even though negatively affected by the continuing absence of the principal operator at a regional level, an intense activity was performed, both with respect to actions taken to mitigate risks as well as, more properly, to expand the level of support that can be granted to many companies which, even though vital, are struggling with the rigors of the financial crisis, and which can lead to upsets if not managed appropriately. It is unquestionable that the credit crunch on the economy is urgent, and even authoritative requests made to the banking system for support and to loosen the grip with respect to manageable situations continue to be ignored. We are, however, at the point that "no" is said to avoid committing errors and the business system is fading away each day.

The accentuated risky nature of credit encountered in recent years has resulted in a significant growth of the volume of non performing receivables. At an overall level, as of December 2012 the domestic banking system registered gross impaired receivables for an amount equivalent to 125 billion Euro, with a 17.8 billion Euro increase in absolute value, equivalent to approximately 16.6% with respect to the end of 2011, with an impact on economic lending equivalent to 6.3% with respect to 5.4%. Impaired receivables net of write-downs amounted to almost 64.3 billion Euro, approximately 2.1 billion Euro more with respect to the previous month, and almost 12.9 billion Euro with respect to the end of 2011, an increase of almost 25% in the year. The ratio of net impaired receivables/total lending is placed at 3.33%, with respect to 2.69% at the end of 2011.

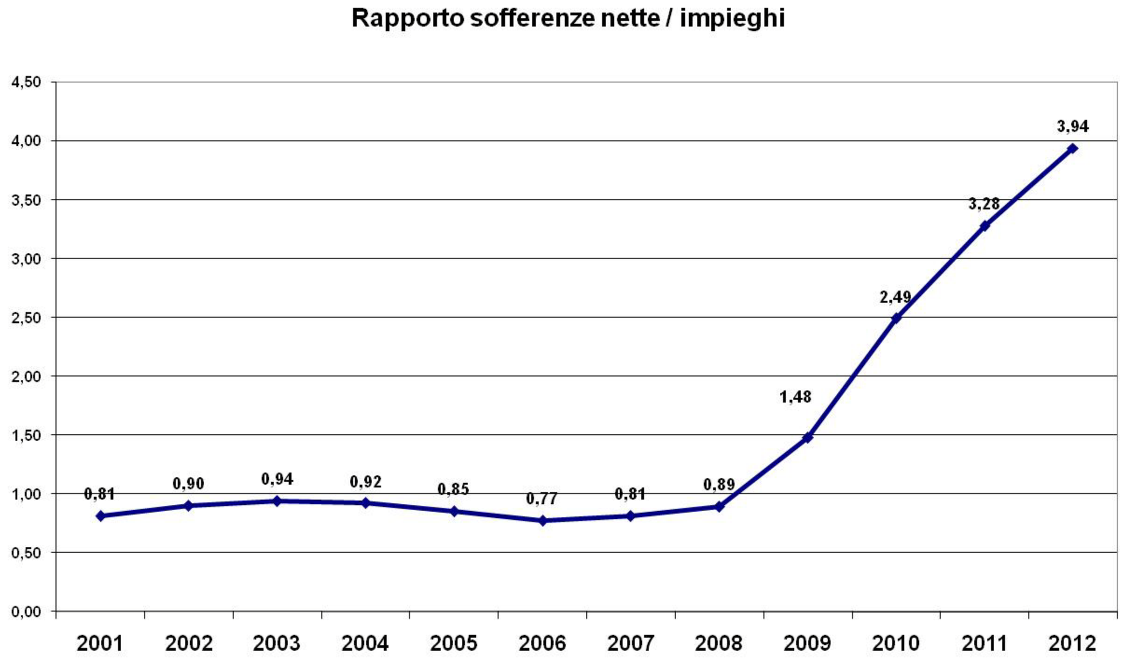
With respect to our Bank, the aggregate relating to net impaired receivables, consisting of impaired receivables, watchlist accounts, restructured and overdue/overdrawn accounts rose to 230.9 million Euro, 45.2 million Euro more with respect to 2011, an increase of 24.34%. This was calculated in accordance with the new Supervisory rules which, starting from the fiscal year in review, includes even receivables that are overdue for more than 90 days among financial assets, which had not previously been considered, resulting in a significant line item increase. "Net impaired receivables" represent 12.10% of "receivables from customers". The specific table indicates a summary of "impaired" receivables, according to the classification of the Bank of Italy. Impaired receivables, net of write-downs, amount to 70.9 million, an increase of 14.5 million with respect to 2011, equivalent to +25.71%. The line item "net impaired receivables" represents 3.94% of "receivables from customers", with respect to the system's 3.33%. The adjustments of value made during the fiscal year to outstanding "impaired receivables" amount to 6.9 million, an increase of 3.0 million with respect to 2011, equivalent to +76.92%.

Breakdown of the level of hedges of receivables:

DESCRIPTION	*Gross Amount*	*Amount of write-downs*	*Net Amount*	*Level of hedging*
Receivables from customers - In bonis	*1,680,916,565*	*4,043,992*	*1,676,872,573*	*0.24%*
Receivables from customers - Impaired – Impaired receivables	*96,671,842*	*25,808,779*	*70,863,063*	*26.70%*
Receivables from customers - Impaired – Watchlist	*111,108,178*	*10,976,481*	*100,131,696*	*9.88%*
Receivables from customers - Impaired – Restructured	*19,014,733*	*5,532,842*	*13,481,891*	*29.10%*
Receivables from customers - Impaired – Overdue/overdrawn	*48,942,258*	*2,525,935*	*46,416,324*	*5.16%*
TOTAL	*1,956,653,576*	*48,888,029*	*1,907,765,547*	*2.50%*

The overall hedging of the Bank's "impaired" receivables amounted to 16.26%. At a banking system level, the data cannot be automatically compared because the breakdown of the data of reference is characterized by a significant lack of uniformity. In the Bank's case, the quota of "impaired" loans secured by collateral amounted to 88.63%, and the control assets, on the basis of updated appraisals even in the context of the current market, are confirmed as being sufficient for the secured accounts and are readable in terms of the absence of significant risks that are not hedged.

Ratio net impaired receivables / lending



INDEXES OF CREDIT QUALITY	*2012*	*2011*	*2010*	*2009*
% of net receivables				
% net non performing loans on total net receivables	*3.94*	*3.28*	*2.49*	*1.48*
% net watchlist and restructured receivables on total net receivables	*6.32*	*6.57*	*7.71*	*5.67*
% overdue/overdrawn accounts on total net receivables	*2.58*	*0.96*	*0.90*	*1.66*
% total net impaired receivables on total net receivables	*12.84*	*10.81*	*10.93*	*8.80*
% on gross receivables				
% gross non performing loans on total gross receivables	*4.94*	*4.52*	*3.68*	*2.39*
% gross watchlist and restructured receivables on total gross receivables	*6.65*	*7.01*	*7.88*	*5.84*
% overdue/overdrawn accounts on total gross receivables	*2.50*	*0.98*	*0.92*	*1.71*
% total gross impaired receivables on total gross receivables	*14.09*	*12.51*	*12.48*	*9.94*
% of hedges				
Non performing	*26.70*	*29.01*	*33.46*	*39.19*
Watchlist, restructured and overdue/overdrawn accounts	*10.63*	*7.88*	*3.91*	*4.18*
Total impaired receivables	*16.26*	*15.52*	*12.62*	*12.61*
receivables in bonis	*0.24*	*0.25*	*0.19*	*0.07*

■ Securities and treasury account activity

In 2012 the interbank market of deposits remained modestly effective, in particular with a marked reduction of maturities due to persistent sensitivity to counterparty risk. The abundant market liquidity, which was also due to extraordinary refinancing transactions implemented by the

ECB, was therefore oriented towards interbank transactions with extremely short maturities (overnight), deposits with the ECB having zero rates, purchases of government securities, and above all repositioning of the level of liquidity.

With respect to outlook, there was the start of the circulation of liquidity, above all during the last part of the year, which should be interpreted as an indication of improved expectations with respect to the pessimism which in recent months saw liquidity directed to American and German government bonds. Even the actions related to the repayment of three year loans granted by the European Central Bank appears to be consistent in this sense, as well as the recourse by banks to new issues in the bond markets. The decisive support of the Euro, ensured in July by the European Central Bank, was a watershed also due to the reduction of the differential between the yield of Italian government securities and German government securities.

At the end of the year our Bank had two outstanding LTRO loan operations with the European Central Bank for a total of 310 million Euro, having a three year duration and the possibility of early repayment. Financial assets held in the portfolio amounted overall to 625.9 million Euro, of which 10.6 million Euro allocated to the HFT securities sector, and 615.3 million in the AFS sector. The following tables indicate the division by type with respect to the previous year, and the percentage breakdown at the end of the fiscal year in review:

Type	2012	2011	Variation Amount	% Variation
Italian government securities	552,875,530	563,176,285	-10,300,755	-1.83%
Banks	61,639,695	81,327,546	-19,687,851	-24.21%
Other issuers	11,397,078	10,692,635	704,444	6.59%
Total	625,912,303	655,196,466	-29,284,163	-4.47%

Issuer	31/12/2012	% breakdown
Italian government securities	552,875,530	88.33%
Banks	61,639,695	9.85%
Other issuers	11,397,078	1.82%
Total	625,912,303	100.00%

The net result of trading activity (HFT) amounted to 595,235 Euro, with respect to 1,957,253 Euro in the prior fiscal year. Profits from the sale or repurchase of financial assets available for sale (AFS) amounted to 4,200,588 Euro, with respect to 245,392 Euro in the prior fiscal year. The yield of the securities portfolio amounted to 3.214%, an increase of 0.466% with respect to 2.748% in 2011. Earned interest rose from 15,910,322 Euro in 2011 to 21,355,024 Euro in 2012, with a growth in the period of 5,444,702 Euro, equivalent to an increase of 34.22%.

■ Equity investments

Equity investments maintained their usual configuration and substantially refer to companies of the Cabel Group.

As of 31 December 2012, the value of equity investments amounted to 14,765,218 Euro, a growth of 346,024 Euro. Reference is made to the Explanatory Notes for the details.

■ Regulatory Capital

With the approval of the fiscal year financial statements in review and the allocation of net profits as proposed, the overall value of financial capital will amount to 251,923,741 Euro, an increase of 15.07% with respect to fiscal year 2011. The capital relevant for Supervisory purposes will amount to 252,593,622 Euro with respect to 245,569,038 Euro in the prior fiscal year, an increase of 2.86%.

The trend of the most important capitalization indicators over the past few years is summarized in the following data:

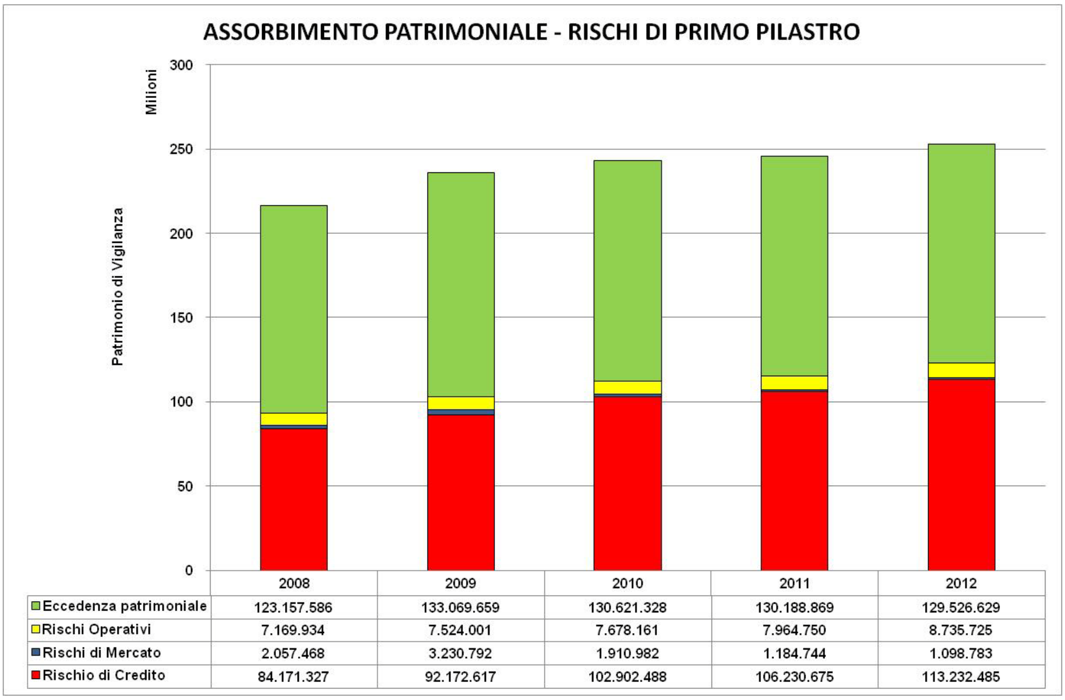
	2012	2011	2010	2009	2008
Shareholders' equity / direct deposits from customers	*12.69%*	*11.65%*	*12.82%*	*13.84%*	*13.94%*
Shareholders' equity / receivables from customers	*14.05%*	*12.79%*	*14.49%*	*15.08%*	*15.23%*
Shareholders' equity / total assets	*9.21%*	*8.56%*	*10.07%*	*10.21%*	*10.37%*
Impaired receivables / regulatory capital	*91.41%*	*75.61%*	*74.90%*	*58.83%*	*33.43%*
Total capital ratio Regulatory capital / risk weighted assets (solvency ratio)	*16.42%*	*17.03%*	*17.29%*	*17.97%*	*18.55%*
Tier one capital ratio	*15.32%*	*15.86%*	*16.03%*	*16.67%*	*17.62%*

Risk weighted assets, equivalent to 1,538,337,417 Euro, resulting in a ratio to regulatory capital (Total capital ratio) of 16.42%, is substantially consistent with the prior fiscal year. Ample capital indicates a consolidated significant surplus with respect to the base coefficient of 8% provided by the Supervisory Authority. The Bank's data is confirmed as being fully compliant in order to sustain broad growth possibilities and its ability to absorb risks. Similarly, the closer ratio between base capital and risk weighted assets, called the Tier 1 capital ratio, reached the level of 15.32%, confirming that it is at an excellent level.

The development of capital requirements provided by the new decisions of the Basel Committee (Basel 3), which will enter into effect over the next few years, provides for much more stringent requirements, both with respect to the degree of liquidity as well as for the necessary capital requirements, especially for banks that serve the local economy such as our Bank. This issue has for some time been the object of thorough assessment at a system level, with subsequent decisions to postpone application given the inadequacy to the new parameters which, at present, would involve many components of the Italian banking system, particularly among the major banks.

In the Bank's case, the Total Capital Ratio requirement provided by the Basel 3 regime has currently been fully achieved, so that, accompanied by an attentive and prudent monitoring of the expansion of loans and other risk assets in relation to the development of capital, which is still underway, no "deleveraging" operations were required, i.e. reduction of the flows of funding to mitigate capital absorption that the aggregate determines. This aspect might generate further criticalities at a general level for funding, both new as well as maintenance of outstanding loans, and this is undoubtedly one of the reasons why in practice many banks have already implemented a reduction in lending. For further information regarding the amount and breakdown of regulatory capital, reference is made to the special section of the Explanatory Notes.

CAPITAL ABSORPTION – FIRST PILLAR RISKS
LEVELS OF REGULATORY CAPITAL REQUIREMENTS

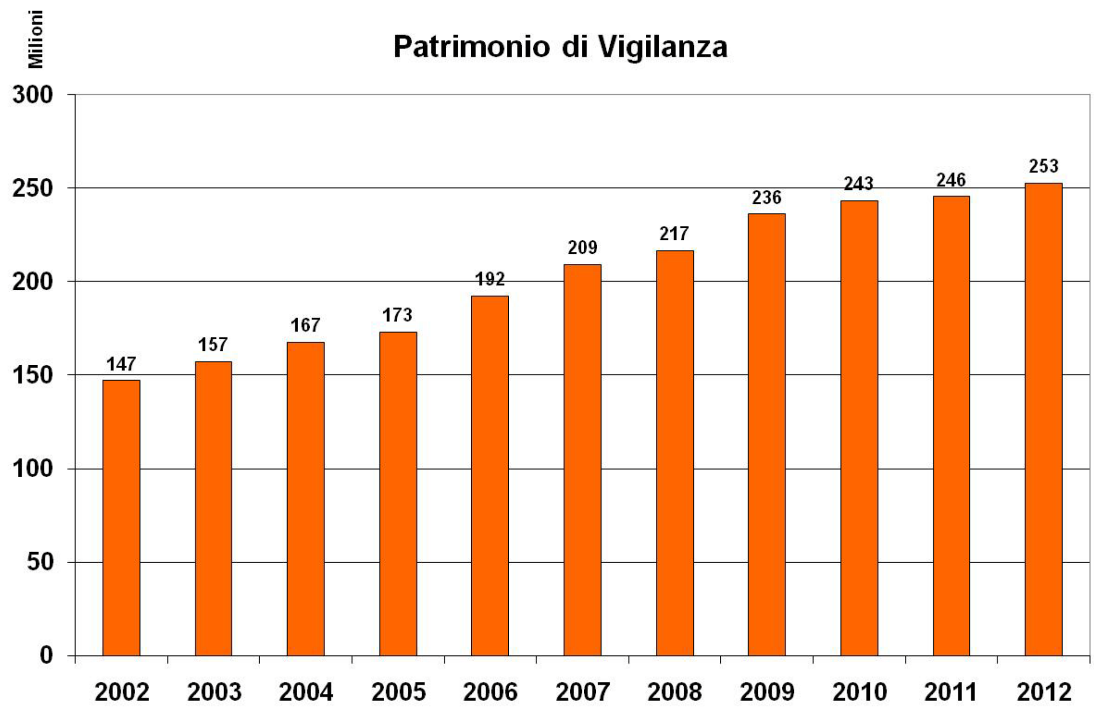


	2008	2009	2010	2011	2012
Eccedenza patrimoniale	123.157.586	133.069.659	130.621.328	130.188.869	129.526.629
Rischi Operativi	7.169.934	7.524.001	7.678.161	7.964.750	8.735.725
Rischi di Mercato	2.057.468	3.230.792	1.910.982	1.184.744	1.098.783
Rischio di Credito	84.171.327	92.172.617	102.902.488	106.230.675	113.232.485

Regulatory Capital

Green: Excess capital
Yellow: Operating risks
Blue: Market risks
Red: Credit risks

Regulatory Capital



The capital, totally adequate with respect to the current context of reference and what is reasonably foreseeable, is confirmed as being of primary importance and is constantly monitored, also in consideration of the regulatory development that requires additional buffers of capital. The principal monitoring tool consists of the ICAAP document required by the Basel 2 rules.

Greater and more detailed information is provided in Part B, section 14 of liabilities and Part F of the Explanatory Notes, such as quantitative information regarding the Bank's capital and prudential requirements. Reference is made to those sections for greater analysis of the different components of capital.

■ Income trend

Summary of results

The financial statements closed as of 31 December 2012 show a fiscal year profit of 5.2 million Euro, with respect to 7.3 million Euro in the prior fiscal year. The dynamics of the main variable of the income statement indicates financial management that achieved interest income that rose by 8.27% with respect to the prior fiscal year. Operating income rose by 9.24% with respect to 2011, with the growth of net commissions of 21.53% substantially attributable to the increased volume of banking services offered to customers and to their growing use. The net result of the financial management registered an increase of 0.67% with respect to the prior fiscal year, net of significant adjustments of value with respect to receivables. The pre-tax profit of current operations decreased by 10.75% with respect to the prior fiscal year.

In relation to the continuation of the worsening of the economic and financial crisis that affected the entire global economic system, with respect to the excellent income trend, write-downs of receivables amounted to 15 million Euro, with respect to 10 million Euro in the prior fiscal year, consistent with the Bank's traditional approach of maximum prudence, and in compliance with the expectations of the Supervisory Authority for the entire banking system. The balance of the income statement, which therefore amounted to 5.2 million Euro as noted, confirms excellent corporate profitability, including with respect to management choices aimed at coping with the potentially negative impact of the increased intensity of current risks.

With respect to income flows, it should also be noted that starting from the slight differential between lending and deposit rates, deriving from the consolidated policy of applying conditions that also incorporate the advantage of the expanded cooperative exchange that the Bank engages in to the extent that it is a cooperative, the excellent economic results always achieved confirm the efficient governance of cost and income components. On the Bank's part, the potential management of income growth therefore confirms that it is not marginal with respect to banks already at the top of the conditions applied in order to remain in the market. Planning is based on the organizational approach in course, that allows high productivity indexes as well as a high level of efficiency, all factors which, based on the optimization of processes sustained by suitable electronic architectures, result in reductions of marginal costs.

The economic result achieved in fiscal year 2012 is also quite significant above all in relation to the management choices made and increasingly, even without regard to the fiscal policies implemented, when compared with the income data made public to date by the major part of the banking system. However, acknowledging the reduction of the levels of profitability that are forecast for the entire manufacturing sector, and in particular for banks, it is necessary to reflect on some basic issues: the crisis will not be brief, the "post crisis" will not be like the "post" of the other crises that preceded it, and further, instead of recovery it is more realistic to speak of "new development", which will only exist for whomever is able to realize and participate in it. It is therefore necessary to be fully aware of the need to diversify sources of income.

The principal indicators of the Bank's technical situation are set forth below:

FINANCIAL STATEMENT INDEXES	2012	2011	% Variation
STRUCTURAL INDEXES			
Lending / Total assets	65.52%	66.88%	- 1.38
Lending / Direct deposits	90.32%	91.03%	- 0.71
Traded volumes (Direct deposits + uses for customers + capital)	4,043,049,406	3,825,511,748	+ 5.69%
Percentage of employees in branches	73.59%	74.81%	- 1.22
PROFITABILITY INDEXES			
Interest income / Total assets	1.42%	1.40%	+ 0.02
Operating income / Total assets	2.30%	2.25%	+ 0.05
Interest income / Operating income	61.76%	62.31%	- 0.55
Net profit / Shareholders' equity (ROE)	2.37%	3.07%	- 0.70
Net profit / Total assets	0.19%	0.28%	- 0.09
Operating income / Traded volumes	1.56%	1.51%	+ 0.05
Adjustments to value of receivables / Operating income	23.79%	17.30%	+ 6.49
PRODUCTIVITY INDEXES			
Traded volumes by employee	14,236,089	13,565,644	+ 4.94
Lending by employee	6,333,705	6,092,904	+ 3.95
Direct deposits by employee	7,012,237	6,693,179	+ 4.77
Operating income by employee	222,590	205,207	+ 8.47
EFFICIENCY INDEXES			
Administrative costs / Total assets	1.41%	1.44%	- 0.03
Administrative costs / Operating income	61.11%	63.98%	- 2.87
Operating costs / Operating income *(cost income)*	61.69%	65.43%	- 3.73
Cost income without trading result (ratio between the line items of the Income Statement: 200 and 120-80-90-100)	68.86%	74.85%	- 5.99
Administrative costs / Traded volumes	0.96%	0.97%	- 0.01
Personnel costs / Average number of employees	71,864	71,460	404
ASSET QUALITY INDEXES			
Net watchlist and overdue/overdrawn receivables / net lending	8.90%	7.50%	+ 1.40
Net non performing loans / net lending	3.94%	3.28%	+ 0.66
CAPITAL RATIOS			
Core Tier 1	15.32%	15.86%	-0.54
Total Capital Ratio	16.42%	17.03%	-0.61

Interest income

The dynamics of interest income is strictly related to the interest rate trend at the level of the entire Italian banking system. In such context, the spread between the average rate on loans and the average rate on household and non-finance company deposits in 2012 amounted to 187 base points, -30 base points with respect to the average in 2011. Prior to the start of the financial crisis, this spread exceeded 300 points.

From a review of the 2012 Income Statement compared with the prior period, it appears that lending management was characterized on the one hand by the growth of operating volumes and on the other by the differential, as noted, between lending and deposit rates which is in net decline, both due to the increase of the cost of deposits as well as our policy of containing lending rates, modifiable, however, with increasing restrictions and difficulties. Management produced interest income amounting to 39.0 million Euro. Going into the detail of the components of the result, earned interest, equivalent to 85.3 million Euro, registered an increase of 12.06%, while interest expenses, which amounted to 46.3 million Euro, increased with respect to the prior fiscal year by 15.48%. The dynamics of the two income line items described above is directly related to the noted increase of economic uses and to the greater cost related to the growing volume of direct deposits.

Operating income

Operating income registered a good level, which was also sustained by the increase of net commissions and the positive result of transactions involving financial instruments. The line item related to dividends is negligible. Operating income amounted to 63,215,485 Euro, an increase of 9.24% with respect to fiscal year 2011.

The ratio between interest income and operating income is 61.76%, slightly lower with respect to 62.31% in fiscal year 2011. The ratio remains, however, at high levels in consideration of the Bank's orientation towards more traditional trading operations.

Trading in financial instruments led to a good net positive result that regarded both the trading portfolio as well as the Available for Sale portfolio. In contrast with the cost of direct deposits in 2012, a considerable decrease was registered with respect to the entire structure of interest rates for the monetary and financial market. In particular, on the secondary market for government securities, the return related to the basket of securities having a residual life in excess of one year traded on the Italian Stock Exchange (MOT) was 3.66% in December 2012, more than 264 base points lower than the value in December 2011. At the end of 2012, the gross return on the secondary market of CCT (Treasury Credit Certificates) was 2.82%. With reference to BTP (multi-year Treasury Bonds), on average the return during the month of December was 4.14% (6.59% in December 2011). The average gross annualized return of BOT (Treasury Bonds), further, rose during the period December 2011 - December 2012 by 4.02% to 0.96%.

Net income from financial management

The net result of financial management, equivalent to 48,177,460 Euro, increased by 0.67%, even after net adjustments and write-backs of value on receivables amounting to 15,038,025 Euro, +50.19% with respect to the same cost registered in 2011. On this point reference is made to the comments set forth above regarding the reason for the approach adopted. The adjustments to net value represent 0.77% of gross receivables from customers registered in the financial statements at the end of 2012, and are considered to be reasonable with respect to the growing risk level of the receivables portfolio which, further flanked by ample capital and earnings capacity, does not in any case affect the Bank's resiliency.

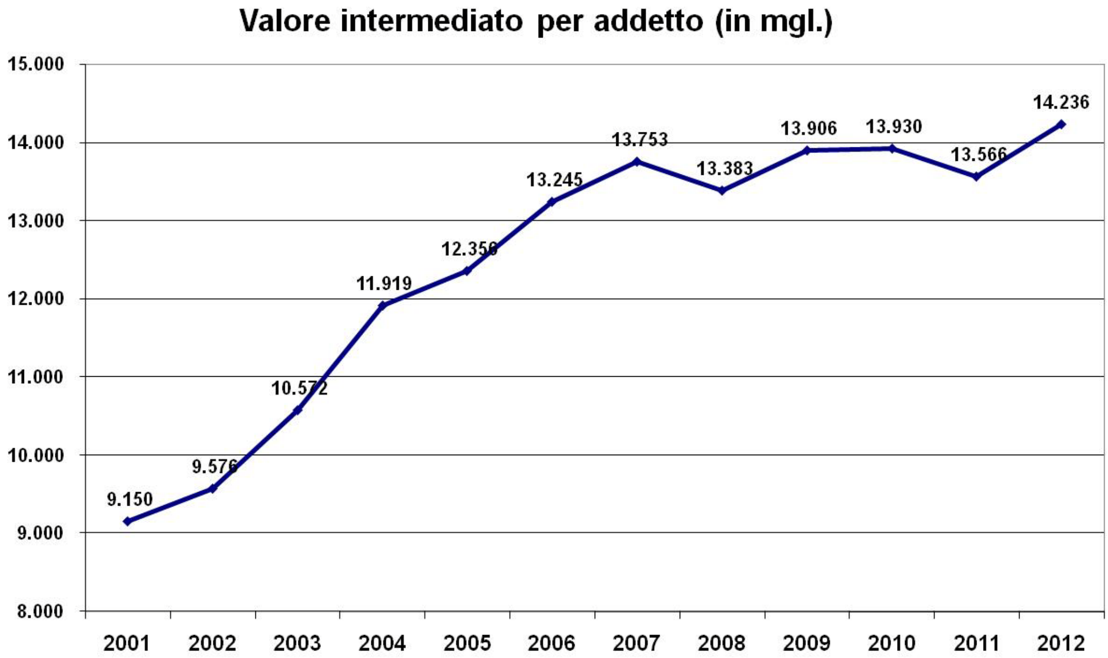
Specifically, it is noted that "net adjustments / write-backs of value for impaired receivables" include both adjustments to value required due to the impairment of the receivables portfolio in the amount of 27,045,647 Euro, of which 6,297,679 Euro as the component referring to the effects of discounting future cash flows, as well as write-backs of value referring to the recovery of assets during the year amounting to 12,007,622 Euro, of which 5,136,585 Euro as the component referring to discounted values. Reference is made to table 8.1, Part C, of the Explanatory Notes for the details of such aggregate.

Operating costs and the profit from current operations

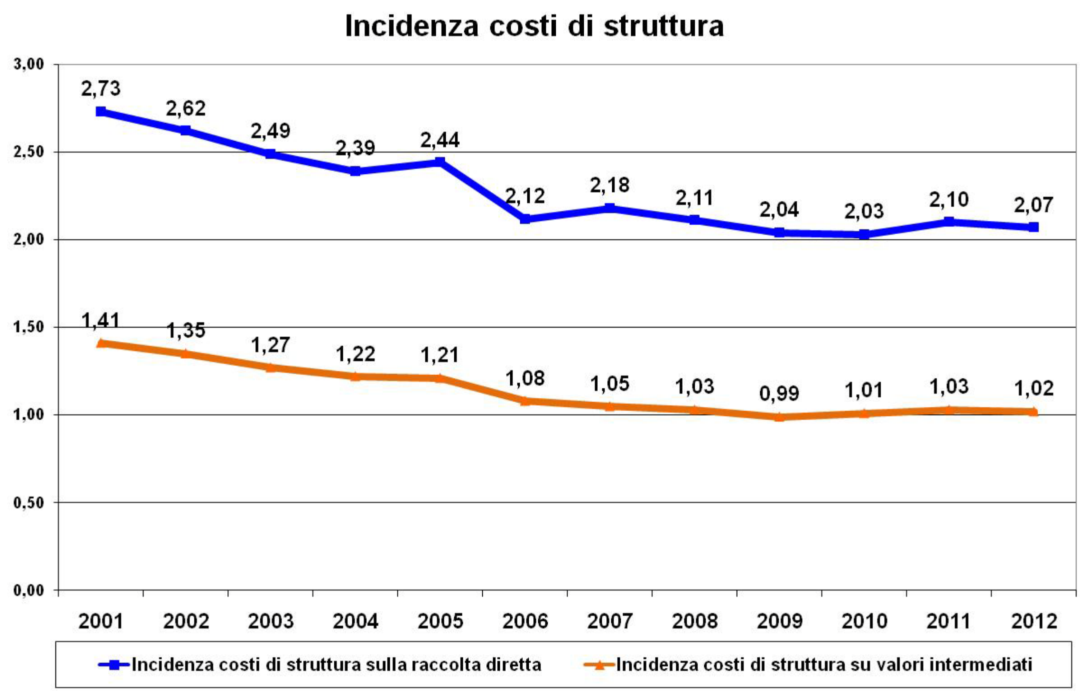
Operating costs, net of other management costs and expenses, amounted to 39,000,386 Euro, an increase of 3.01% with respect to fiscal year 2011, which remains, however, less than the growth level of corporate activity. Within the aggregate, the variations amounted to 3.94% for personnel costs and 4.77% for other administrative costs. Even the ratio between operating costs and operating income was favorably modified, decreasing from 65.43% in 2011 to 61.69% in 2012. The trend of the ratio confirms that there is a high level of efficiency in relation to the average system data.

A cost in the amount of 552,906 Euro was sustained during the fiscal year, with a direct allocation to the line item "other management costs", which in addition to the same line item equivalent to 431,260 Euro sustained in 2011 resulted in an overall cost of 984,166 Euro incurred by the Bank over the past two year period for mandatory contributions due to compulsory adhesion to the guarantee fund for depositors of cooperative credit. The Bank formally contested this issue with respect to the cost because the fund, operating with a broader scope with respect to the mandatory scope determined by law, burdens member banks with significant costs for interventions that fall outside the scope of those required by law and for which adhesion to the guarantee fund is obliged. On this point our Bank, together with other cooperative credit banks, has submitted the question, always referring to the Bank of Italy as well, to the Antitrust Authority which recently presented its conclusions to the Supervisory Authority, emphasizing that the objection raised does not contain extraneous issues with respect to its request and that therefore re-examination is necessary. Even though the Bank filed objections, it recorded the various line items in its accounting records without making payment while waiting for a final decision, also in consideration of the above indications of the Antitrust Authority.

Traded value by employee (in thousands of Euro)



Impact of structural costs



Blue line: impact of structural costs on direct revenues

Red line: impact of structural costs on traded values

Net profit

The algebraic sum of the positive and negative income components registers a pre-tax result from current operations amounting to 9,532,464 Euro, a decrease of 10.75% with respect to the data from the prior fiscal year.

The profit for the period, net of income tax, amounts to 5,200,000 Euro, with respect to 7,800,000 Euro in the prior fiscal year, a decrease of 28.77%.

5. The Bank's services, initiatives and structure

■ Human resources

At the end of the fiscal year there were 284 employees, of whom 9 temporary, an increase of two persons with respect to the prior year.

The human and professional qualities of the personnel is a determinant factor for effective corporate management and in this sense significant investments were made in training, both using the method of on the job training, alongside colleagues who are more expert and by means of rotation of different duties, as well as by participation in training courses, both internal as well as outside courses. The training activities involved almost all of the employees, for a total of 14,324 man hours (an average of 52 hours per person). In the context of classroom training, much space was reserved to courses relating to sector regulations such as those on money laundering, privacy, MIFID (the Markets in Financial Instruments Directive), insurance brokerage and provisions on the transparency of banking services.

The maintenance and protection of the traditionally excellent corporate climate, which is serene and collaborative, is confirmed to be fundamental for proper management that is shared and participant, which enhances the active participation of all collaborators.

■ Territorial network

At the end of the year, the network consisted of 31 branches. During the fiscal year in review no new branches were opened. The entire current territorial network had results in line with what had been planned, both in terms of traded volumes as well as economic results. After a positive period of consolidation, which reconfirms how the new branches are able to quickly settle into their territorial areas and become an active part of the communities that are served, the further gradual expansion that has already been programmed can restart. The territorial network, even though with more streamlined characteristics due to technical features that allow immediate remote interaction, has been confirmed as being essential for managing relationships with customers in a way that is consistent with our manner of "being a Bank" and the expectations of our typical clientele, which is growing and increasingly satisfied by the relational approach that distinguishes us.

■ Organizational aspects

The numerous laws that are continuously promulgated that impact banking activity are subject to ongoing and attentive review due to the multiple effects they have in terms of operations, organizational structures and management approach. Measures relating to transparency, anti-usury laws, consumer protection, money laundering, the administrative liability of entities and companies, compliance, related parties, and corporate governance were particularly significant.

Significant actions were necessary and were taken in relation to the definition of procedures relating to risk analysis, the distribution of duties, functions and responsibility in the management and control structures, data processing and security, and the continuity of customer service.

Internal controls and risk management

The Bank's "internal control system" represents the overall structure of measurement, management and risk control departments, organized by means of a series of specific and distinct activities having diversified objectives and which are part of a network, which, due to their articulation and how they are conducted, determine the level of effectiveness and efficiency for the entire system.

The structure is articulated on three levels in accordance with the definition established by the Supervisory Authority which remains current, respondent, and increasingly meaningful due to the modifications and additions made over time.

An adequate functional separation remains essential to avoid duplications of activity and tasks that would have a negative impact.

The system's structure is articulated as follows:

- Level I controls (at a general level): carried out by the same operative structures that performed the transactions, done following protocols that establish the relative timeframes, manner in which they are conducted, and reporting requirements. They are for the most part incorporated in the reporting procedures to ensure that transactions are performed properly and that appropriate operating procedures are imposed.
- Level II controls: the monitoring of activities, work processes, departments etc. by means of ad hoc reviews, systematic extractions of documents and data, and overall assessments. Such activity is the competence of the Inspector's Office, and is aimed not so much at finding something that is specifically lacking, but rather at evaluating whether the organizational system has gaps and/or is incomplete in order to intervene. The controls conducted by the Compliance, Risk Management, and Money Laundering Departments directly and/or through service contracts with other company departments are also included in this category. Pursuant to Article 6 of Legislative Decree 231/01, the Supervisory Body also falls within this category.
- Level III controls: Internal Auditing, aimed at assessing the adequacy and functioning of the overall Internal Control System, consisting of the first two levels and having the objective of identifying anomalous management trends, inadequate procedures, and the lack of regulation, as well as governance activity.

Internal Auditing has been outsourced for some time to the company Meta srl, also to increase third party review.

The role performed by the Board of Statutory Auditors within the Internal Control System remains a central reference point that has made it necessary for the Statutory Auditors to engage in constant updating in order to be aware of the numerous regulatory changes which have never been so frequent as during the past few years, and the related impact on the performance of the control function assigned to them, which primarily converge on level II and III controls, verifying the precise application of the principal laws on money laundering, usury, transparency and risk management in general.

Another control function is represented by Risk Management, as noted, responsible for the level II control, but which is also specifically aimed at analyzing the management of the major corporate risks, from the Finance Area to the Credit, Liquidity, operating risks, legal risks, risks to reputation, etc. The department also monitors the ICAAP (Internal Capital Adequacy Assessment Process) report. Such report, which is sent to the Bank of Italy, is prepared at a corporate level on a quarterly basis with respect to the annual frequency that is required. The quarterly ICAAP report indicates the measurement and monitoring of all known corporate risks contemplated by the rules of Basel 2, and is an important supplement to the management control tools being used.

The Compliance Department identifies, assesses, manages and monitors risks of non conformity to regulations, assessing everything using a methodological approach that results in an annual report submitted to the attention of the Board of Directors, which is thus fully informed of any issues that are raised. The department is managed by qualified internal human resources expressly dedicated to the above, because this is considered to more fully correspond to the constant involvement in the corporate situation that is required for suitable incisiveness ex ante the department.

The Supervisory Body pursuant to Decree 231/01 (Administrative Liability of companies and entities) has become another important reference point within the general control structure, including with the specific duties attributed to it by Legislative Decree 231/07 in terms of money laundering. It consists of a board having two internal members and a non-operative director, and conducts a series of controls on cases indicated as "potential" criminal offenses within the Bank's structure, identifying or proposing corrective measures when the assessment of the current structure or work process are not considered to be fully adequate as a control capable of impeding theoretical "potential" crimes.

Risk Management

The category of risks to which the Bank is exposed is in part common and in part dependant on the type of activity performed, its corporate structure, size etc. In the Bank's case, the risks identified as significant that regard it, on the basis of the analysis performed, refer to credit risk (including counterparty risk), interest rate risk, risk of concentration, risk of geographical-sector concentration; liquidity risk, risk deriving from securitizations, strategic risk, market risk, risk to reputation, operating risk, and residual risk: all risk types related to the normal banking and financial activity that the Bank performs.

In "Part E" of the Explanatory Notes, dedicated to "information on risks and the relative hedging policies", specific information is provided of a qualitative and quantitative nature in order to give a complete overall picture, with detailed information regarding specific risks.

The scope of corporate risk is related to the importance of the correct application of the process for the autonomous assessment of capital adequacy (ICAAP - Internal Capital Adequacy Assessment Process), already cited, which tends to quantify, both in a current and foreseeable framework, the overall capital that will be required to face all of the significant risks to which the Bank is or might be exposed that might prejudice its operations, the pursuit of its strategies or achievement of the Bank's objectives. The identification of risks is done by means of a cycle of specific activities that initiates with identifying potential sources of risk, the subsequent determination of the tools and methods used to control risk measurement and risk management, and designation of the structures responsible for their relative management, establishing their operating protocols.

The Bank determines overall internal capital, i.e. the need for capital related to all of the risks cited above and with respect to which it is exposed in order to cover losses that exceed the forecast level data, including any need for internal capital related to strategic considerations.

Risk measurement includes a specific *"stress test"* which simulates severely compromised economic situations that would result in grave losses and additional financial requirements. The process in question, on the basis defined homogenously for comparison with the Supervisory results, indicates that the Bank has a positive level of capital adequacy even in the presence of the negative factors hypothesized during such simulation phase. The relative results, suitably analyzed, assessed and commented on, are a reference for the operating choices made based on the type of risk involved, better weighting of exposure to such risks, and the level of the Bank's vulnerability in the case of exceptional but plausible events.

With respect to non-quantifiable risks, such as the risk to reputation, residual risk, strategic risk, etc., the Bank, consistently with the indications provided by the Bank of Italy in the context of a specific law, has prepared appropriate internal controls and their implementation, which, due to their specific nature, are reconsidered and verified at least annually.

Overall risk management is done making constant reference to the regulatory context of reference, the internal organizational structure, and transactions performed in terms of products and markets. The results of such work, carried out collectively with the transversal involvement of corporate departments and structures at different levels with a focus on all of the above risks, whether verified in a static, dynamic or future context, are submitted to the Board of Directors and to the Board of Statutory Auditors to verify consistency with the Bank's goals, as well as compatibility with its capital and current organizational structure. The review in question is a central moment of corporate governance, in order to determine the general orientation and set-up of the Bank's organizational structure.

■ Information on environmental issues

Particular attention has been dedicated to environmental issues. All work involving real property was done in compliance with outstanding laws and concrete autonomous initiatives were taken, such as the search for energy-saving solutions for air conditioning systems. Significant measures were taken to reduce paper consumption.

6. Research and development

Research and development was primarily aimed at the search for the maximum application of advanced technologies to manage relations with customers, to improve and broaden the offer of products/services and to provide incentives for multi-channel services, and, for internal corporate processes, to simplify the bureaucratic process of many activities.

In September 2012, in collaboration with Cabel Industry, the "Descartes" application was completed, which allows the dematerialization of bank teller documents. All of our cashier's stations, more than one hundred, now have devices for electronic signatures that allow customers to sign forms, archive them, and obtain accounting records without producing a single sheet of paper. Customer adhesion to the new service was more or less total, with a positive response and unexpected results that allowed us not to print, on an annual basis, nearly two million sheets of paper.

During the first months of 2013 the final details were also completed for the digital signature process at bank counters and away from the Bank using special portable devices for the principal bank contracts, bank accounts, securities deposits, and loans, just to cite some of them. This will result in further organizational improvements in the Bank's productive process, contributing to high productive levels and qualifying the Bank as having maximum efficiency with respect to its services.

The extension of such applications to all of the Bank's branches is expected for the first half of 2013.

7. Significant events during the course of the fiscal year

The principal event that occurred during the course of the fiscal year refers to the spread of the effects of the recession in course and the absence of signs of inversion, which has accentuated the critical situation of the major part of the productive system, with decreased consumption at a generalized level, making the Bank's activity in the territory increasingly complex.

Turning to more specific significant events, we note the **self-securitization of mortgage loans in bonis**. During the course of fiscal year 2012, the Bank carried out, together with other banks of the Cabel network (BCC of Fornacette, BCC of Castagneto Carducci, BCC of Viterbo and the Banca Popolare of Lajatico), a multi-originator self-securitization operation for residential mortgage loans in bonis selected on the basis of pre-established criteria in such a way as to constitute a "block" in accordance with the law on securitizations, for an amount that the Bank generated of 198.1 million Euro, out of an overall total of 428.5 million Euro. Akros Bank was the arranger of the operation.

On 17 October receivables were acquired without recourse from the company "Pontormo RMBS Srl", SPV (Special Purpose Vehicle), which was incorporated specifically for the securitization pursuant to Law 130 of 30 April 1999. The Vehicle Company financed the operation by issuing asset backed notes, done on 10 December, with senior (A4) and junior (B4) tranches in strict relation to the portfolio transferred by each Originator; the tranches related to our Bank are respectively A4 and B4, with a tranching of 78.5%, for which the following details are provided:

- Nominal value 155.4 million Euro (senior A4 note with a AA+ rating from Standard & Poors' and a AA+ rating issued by Fitch). The note pays coupon flows on a quarterly basis at a variable rate indexed to the Euribor 6 month rate increased by a spread of 50 base points; the note is listed on the Irish Stock Exchange;
- nominal value 48,763 million Euro (junior B4 note) with repayment subordinate to the entire repayment of the senior notes. The note pays coupon flows on a quarterly basis at a variable rate indexed to Euribor 6 months, increased by a spread of 60 base points on an annual basis, as well as a premium calculated in a residual manner after all of the other amounts due have been paid.

The operation, which is not aimed at the market, has the prudential objective of planning the possibility of engaging in cash transactions for advances from the European Central Bank using the senior note as collateral. With respect to the originator, the operation does not transfer to third parties the substantial risk of the underlying receivables and, in accordance with the rules provided by IAS 39 on "derecognition", the receivables that are the object of the operation continue to be recorded in their relevant technical form among the Bank's balance sheet assets.

A servicing agreement was stipulated by means of the vehicle company, in accordance with which the Bank will perform all activities related to the management of the transferred receivables (administration, management, collection and recovery).

In addition to the already cited trends in course in international regulations, in the legal context of reference Italian banks were affected during the course of 2012 by multiple novelties:

- on 5 April judgment 78 of the Constitutional Court declared Article 2(61) of Law Decree 225 of 29 December 2010 (denominated the "Thousand extensions") unconstitutional with respect to bank compound interest ;
- Law no. 62 of 18 May 2012 established the creation at the Ministry of Economy and Finance (MEF) of an Observatory on loan disbursements and the relative conditions applied by banks to customers, with particular reference to micro, small, and medium sized companies as well as companies run by young people and women, together with the implementation of agreements and protocols aimed at sustaining access to credit for the same parties. The Observatory monitors the trend of loans issued by the banking and financial sector and the relative conditions, since the Bank of Italy can request, including periodically, data on loans granted and the relative conditions applied. The same law also grants Prefects the right to report to the Financial Bank Arbitration Service specific problematic issues related to banking and financial transactions and services;
- Starting 1° June it became mandatory for banks to offer a "basic" bank account introduced by Law Decree no. 1 of 20 January 2012, converted by means of Law no. 28 of 24 March 2012, after the Ministry for Economics and Finance, the Italian Banking Association, Italian Postal Service and the Italian Association for Payment Institutions and Electronic Money had determined its characteristics by means of a specific agreement on 28 March;
- on 22 October the Ministry for Economics and Finance and the Italian Banking Association signed a framework agreement that allows access by banks and financial intermediaries to the electronic platform for the certifications of receivables from public administrations. This guarantees the opportunity for an immediate control of the state of receivables, speeding up and

simplifying procedures regarding advance payments and discounts for companies that are suppliers to the public administration;

- Law 134/2012, which converted Decree 83/2012 (called the "Development Decree"), introduced, among others, numerous novelties with respect to corporate restructuring that completes the work of the reform of the Bankruptcy Law initiated in 2005, including a significant number of provisions aimed at improving the efficiency of procedures to resolve the business crisis. The new regime should therefore significantly enhance the early detection and guided management of the state of a crisis, as well as increase recourse to arrangements with creditors and restructuring agreements in accordance with Article 182 bis of the Bankruptcy Law as instruments aimed at achieving a negotiated settlement of the crisis;
- In December the Bank of Italy published a measure containing supervisory provisions on penalties and the administrative sanction procedure. The document, which entered into effect on 1° February 2013 and which is aimed, among others, at banks, establishes ruled aimed at making known the sanction procedure followed by the Authority in the fiscal year of its supervisory tasks with respect to the sound and prudent management of banking and financial activity, fair conduct, and prevention of the use of the financial system for money laundering the proceeds of criminal activities and to finance terrorism.

With even greater intensity, and in a difficult economic context, the Bank's undertaking of social responsibility was reaffirmed on behalf of the real economy within its territory by means of direct support and adhesion to numerous initiatives promoted even on a system level. The principal initiatives undertaken during the course of the year are set forth below:

- New measures for credit to SME. On 28 February 2012 the Bank adhered to the agreement "New measures for credit to SME", which ensures the availability of adequate financial resources for companies which, even though they are in difficulty, have positive economic outlooks. In detail, the agreement provides for the suspension of the share of principal for installment payments, the lengthening of the amortization schedule for medium/long term loans, the extension to 270 days of due dates for short term loans, the extension to 120 days of due dates for farm loans and the offer of a loan aimed at the financial reinforcement of the requesting SME.
- Agreement between the Italian Banking Association – Deposit and Loan Fund, initially stipulated in August 2009. After the term expired for the use of the three tranches for the loan for medium-long term projects for small and mid-size companies, the Bank also adhered to the fourth convention which makes credit limit available at a system level, aimed at financing investment costs to be realized and/or in course of realization and the need for increased working capital for the entrepreneurial sector (SME-Investments) and for purchase operations by banks of SME receivables from the Public Administration (SME-Receivables from the Public Administration).
- Family Plan. The Bank adhered to the extension to 31 January 2013 of the "Family Plan" project, which allows customers to request a 12 month suspension just of the share of principal of installment payments related to mortgage loans on primary residences, when the pre-requisites required by the original project are satisfied.
- Agreement between the Italian Banking Association – Department of Family Policies on loans to be granted to families with children born or adopted in 2012, 2013 or 2014.

8. Significant events after the close of the fiscal year

In January 2013, Professor Aldo Bompani and Professor Lorenzo Gai resigned from the Board of Statutory Auditors, due to similar positions that they hold with other banks. The alleged incompatibility was suggested by the Supervisory Bodies on the basis of an interpretation of Article 36 of Law Decree no. 201/2011 (prohibition of *"interlocking"*). Although the interpretation given in view of the *ratio* of the law, aimed at regulating situations having quite another value, is unclear, even on the basis of supporting opinions, the interested parties, in order to avoid a controversy that no-one desires, responsibly chose to resign from their offices held at the Bank. The Board necessarily had to accept the forced resignations of the two Statutory Auditors with regret due to the great professional stature and human qualities that characterize them and the qualified activity they performed on the Bank's behalf.

As a general, significant critical factor it should be noted that approximately 50 days from the elections Italy still does not have a government. Perhaps it is superfluous to note that the problems of the Italian economy are in large part symptomatic of the political problems that surround us.

9. Foreseeable management trend

The general scenario leaves no space for short term signs of improvement of the economic situation. It is presently believed that the recession, with respect to which there have been very authoritative forecasts with indications of the timeframe for its conclusion, rapidly followed by similarly authoritative denials, will continue throughout 2013 and we hope that will suffice. The political and institutional situation appears to be increasingly centered on itself and there are no foreseeable rapid solutions capable of guiding the country.

For the banking system, it is necessary to consider both the reduced dynamics of funding as well as the continued worsening of credit quality, with the related costs for write-downs, while with respect to deposits there is a reduced ability to create new savings, with a tendency for costs to increase, both to maintain the volumes acquired as well as to obtain new deposits.

In this context the Bank's activity must strictly maintain its good, overall corporate technical situation, which is well-balanced. With specific reference to credit risk, it will continue with the prudent policy in course. In the context of financial management, the overall approach of maximum risk aversion is reconfirmed, and the result will essentially be determined by the trend of interest rates on government securities. Operating costs are expected to remain stable. The forecast economic result, even if it is an amount that does not grow, and applying the usual very strict measurement standards, currently substantially confirms what was achieved in the fiscal year in review.

A great undertaking and sense of responsibility is therefore required from everyone, at all levels, above all by whoever is required to act in order to avoid the risk of simplifying, in good or bad times, the complexities that are envisioned.

10. Proposal for the allocation of the fiscal year profit

In the context of the general standards used to prepare financial statements, it is specified that they were prepared in accordance with the principle of accounting accruals, in compliance with the economic principle of substance over legal form, with an outlook of ongoing corporate activity.

The financial statements were submitted to an audit by Bompani Audit Srl of Florence, with a favorable outcome.

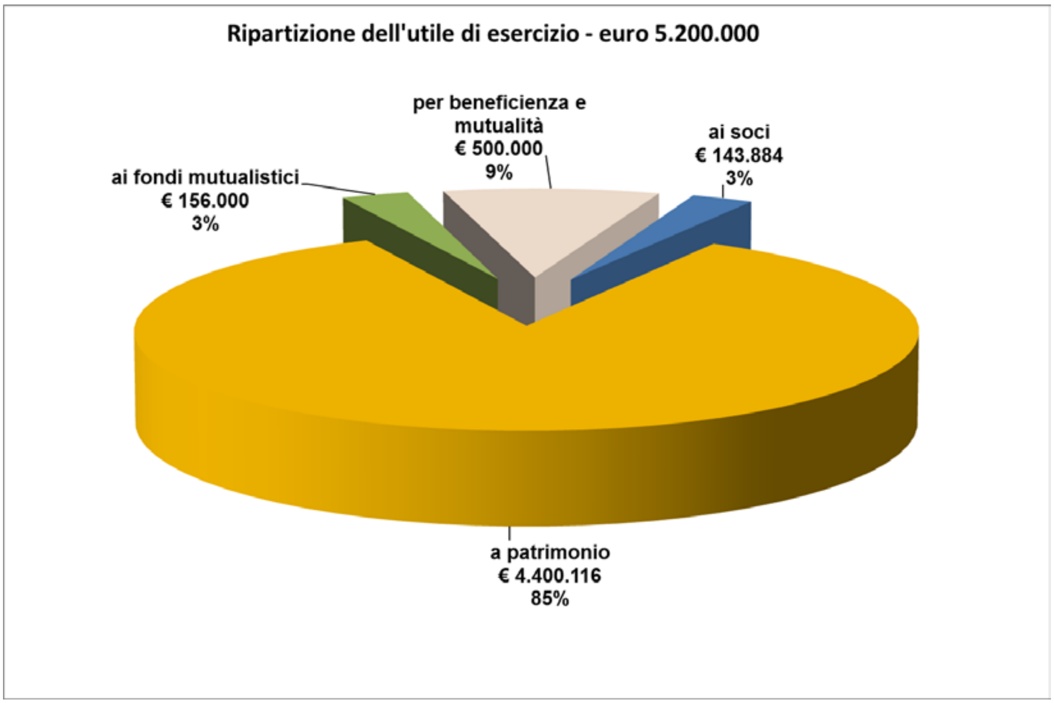
The Board of Directors, on the basis of what is set forth herein, therefore proposes to the Shareholders' Meeting the distribution of a dividend scaled to the measure of 5.00% of the nominal value of the shares and a gratuitous revaluation having a nominal value of 8.00 Euro per share.

Therefore, in accordance with Article 49 of the By-laws, it is proposed that the profit be allocated as follows:

	Project for the allocation of the fiscal year profit	Amount
1	To the indivisible reserves set forth in Article 2 of Law no. 904 of 16.12.1977, confirming exclusion of the possibility of distribution among Shareholders under any form, both during the life of the Bank as well as at the time it is dissolved, specifically:	
	To the ordinary/legal reserve set forth in Article 37(1) of Legislative Decree no. 385 of 1.9.1993	3,744,54162
	of which to the reserve pursuant to Article 6 of Legislative Decree 38/2005	*348,472.08*
2	To the extraordinary/statutory reserves	577,390.68
3	To mutual aid funds for the promotion and development of cooperation (equivalent to 3% of net profits in accordance with Article 11(4) of law no 59 of 31.1.1992 and subsequent modifications)	156,000.00
4	To Shareholders as dividends in the measure of 5.00% of the nominal value (scaled to the capital paid and the date of payment)	143,883.70
5	To Shareholders for the gratuitous revaluation of shares (equivalent to 8.00 Euro per share)	78,184.00
6	Available to the Board of Directors for charity and mutual aid	500,000.00
	Net fiscal year profit	**5,200,000.00**

Allocation of fiscal year profit – 5,200,000 Euro

Green: 156,000 Euro to mutual aid funds, 3%
Purple: 500,000 Euro to charity and mutual aid, 9%
Blue: 143,884 Euro to the shareholders, 3%
Orange: 4,400,116 Euro to capital, 85%



11. Final comments

Dear Shareholders,

The Board of Directors sincerely thanks all of you and our customers for having contributed with your work to the Bank's development, allowing it to continue by means of an ongoing and capillary investment in its territory of reference, both in a financial as well as social-cultural context, to the advantage of the communities in its areas of reference.

The Board also thanks the General Management and all of the Staff for their contribution, which was fundamental for achieving its established objectives, but above all for their support in consolidating the Bank's ties to its territory, making their skills available to customers with enthusiasm and seriousness, pursuing the Bank's mission through their daily activity, placing its customers and the wellbeing of the local communities at the center.

Finally, the Board thanks the Florence branch of the Bank of Italy for the assistance always given and its friends at the Cabel Group for the profitable collaboration provided. We appreciate the attention given by the Anti-Trust Authority to the important matter submitted to its review and for the significant considerations provided. We are grateful to the members of the Board of Statutory Auditors, and give our warmest regards to the members who are resigning for their professionalism and the dedication demonstrated in carrying out their activity.

Our three year mandate concludes with the presentation and approval of the 2012 financial statements. We thank you for the trust placed in us and we wish to sincerely thank everyone who collaborated so that the Bank was able to obtain the results it achieved over these past three years, which have been difficult for everyone, and to you shareholders for having always remained close to your Bank.

Castelfiorentino, 15 April 2013

The Board of Directors

Report of the Board of Statutory Auditors to the Shareholders' Meeting

To the Shareholders,

This Report acknowledges the results of the activity performed by the Board of Statutory Auditors during the fiscal year ended 31 December 2012, including with reference to the functions attributed to it by Article 19 of Legislative Decree no. 39/2010.

The Board of Statutory Auditors performed the supervisory activity required by law in accordance with the criteria established by the Supervisory Instructions of the Bank of Italy, as well as considering the Rules of Conduct for the Board of Statutory Auditors recommended by the National Council of Accountants and Accounting Experts and by the Italian Accounting Body.

The financial statements were audited by the company Bompani Audit srl of Florence, and reference is made to their report pursuant to Article 14 of Legislative Decree no. 39 of 27 January 2010.

✦ ✦ ✦ ✦ ✦

In accordance with Article 2429(2) of the Italian Civil Code, specific reference is made to the following issues.

■ 1 – Supervisory activity performed in compliance with its obligations

During the course of fiscal year 2012 the Board of Statutory Auditors supervised compliance with law and the By-laws, as well as compliance with principles of proper administration and sound and prudent management.

The Board, also acting as the "*Internal control and auditing committee*" in accordance with Article 19 of Legislative Decree no. 39 of 27/01/2010, controlled the adequacy of the financial information process, finding it to be adequate to the business activity and regulatory requirements.

As will be set forth in detail below, we also supervised the effectiveness of the internal control system and internal audit system, capable of addressing the risks that arise in the Bank's activity.

The supervisory and control activity was performed in the different areas noted above, as follows:
1) participation at meetings of the Board of Directors (23), the Executive Committee (42) and the Shareholders' Meeting; 2) meetings with the company entrusted with the statutory audit; 3) controls with the managers of the various corporate departments, in particular with the Compliance and Risk Management Department, with the head of the Inspector's Office, and with the company entrusted with the internal auditing; and 4) meetings with the "Supervisory Authority in accordance with Legislative Decree 231/01".

By participating at the meetings of the Board of Directors and the Executive Committee, the necessary information was acquired, both to evaluate the Bank's trend with regard to its overall capital and economic development, as well as to evaluate its most significant operations. The Board of Statutory Auditors can confirm that, to the extent it is aware, management operations were performed in conformity with law and the By-laws, were in the Bank's interests, and did not appear to be manifestly imprudent, irrational or reckless in such a way that would compromise the integrity of the Bank's capital, create a conflict of interest, or conflict with the resolutions approved by the Shareholders' Meeting.

Participation at the meetings of the Board of Directors also allowed us to verify that delegated individuals advised as to the operations they performed in accordance with the powers attributed to them, the general management trend, and its foreseeable development. The directors also advised of any cases of conflict of interest in accordance with outstanding provisions of the Italian Civil Code in order to allow proper decision-making procedures to be implemented pursuant to Article 136 of the Uniform Banking Law.

It is noted that the Board of Statutory Auditors met with the managers of the Independent Auditor, with whom it exchanged information related to audits of the financial statements and other controls that they performed. The managers of the Independent Auditor did not advise of any circumstances, irregularities or censurable facts that had to be reported to the Supervisory Authority or the Board of Statutory Auditors.

With respect to the adequacy of the internal control system, the Board of Statutory Auditors interacted with Meta srl, the company entrusted with the internal auditing which is an autonomous and independent structure, as the recipient of the inspection reports containing the results of the controls that such service carried out during the course of the year.

With respect to second level controls, the interaction, which has always been successful, regarded:

- The Risk Management Department, whose analysis and study, the object of periodic reports of the controls it carried out directly as well as those carried out by the Inspector's Office, Management Control Office, and Credit Control Office due to the service relationship established with the Department, allows this Board to receive adequate information in relation to the monitored risks falling within the Department's scope of activity, the effectiveness of the departments entrusted with examining and measuring the different types of risk, and the coordination of such departments aimed at the overall vision of risk. The Board of Statutory Auditors also examined and shared the program of activity of the Inspector's Office;
- the Compliance Department, which we consult to review and assess specific issues, above all innovations, with reference to the legal framework with which the Bank must comply; we receive reports from this Department regarding the state of company compliance with respect to the areas of the Department's competence;
- The Money Laundering Department, which also sends us reports on its delicate sector, reports whose level of clarification fully represents, among others, organizational and electronic controls in terms of an adequate control of customers and the supply of information to the Centralized Computer Archive. We also appreciate the ongoing and qualified collaboration reserved in this regard to the territorial network.

On the basis of the above premises, we consider the internal control system – in its entirety – suitable for guaranteeing the control of risks and compliance with applicable regulations and procedures.

The Board of Statutory Auditors also assessed and supervised the adequacy of the administrative and accounting system, as well as the latter's reliability in accurately representing management activity, by means of numerous meetings with the Risk Management Office, the review of company documents and, primarily, the ongoing analysis of the results of the work carried out by the Independent Auditor, which was entrusted, as noted, with the specific task of the statutory audit of the accounts.

During the course of the audits and controls conducted, considering the information acquired, including by means of ad hoc reports prepared by the offices entrusted with control functions, no indications appeared of any irregularities in corporate management that would indicate any particular organizational deficiencies.

In conclusion, in consideration of the information obtained during the course of the supervisory activity performed, the Board of Statutory Auditors considers that the organizational structure, internal control system and accounting-administrative structure are consistent with the Bank's size, are adequate for its operating needs and have been timely adjusted/refined based on the evolution of such needs and, specifically, the laws and regulations that regulate the Bank's activity.

According to the information obtained by the Board of Statutory Auditors, no atypical and/or unusual operations were performed during the course of the fiscal year.

Relationships with related parties took place on the basis of the Regulations approved during the year as implementation of the provisions set forth in the Bank of Italy's Measure *«Risks and conflict of interest with respect to related parties»*, which entered into effect on 31 December 2012. The Board of Statutory Auditors, in its supervisory function, has always found compliance with the regulations on this topic.

The document *"Remuneration policies for directors, employees and collaborators who are independent contractors"* was found to be adequate, consistent with supervisory regulations, and in conformity with what was indicated by the Internal Audit department, and the Board found that it was properly applied during the course of the fiscal year. In addition to the financial statements, the Shareholders' Meeting is being provided with the information, duly formulated, required with respect to the effective manner in which remuneration policies are applied.

On the basis of our control and audit no significant facts emerged that had to be reported to the Bank of Italy.

With respect to the activity performed, the Board of Statutory Auditors wishes to specifically note the following business and corporate circumstances:

- the Board of Statutory Auditors met 7 times during the course of the fiscal year;
- no complaints or allegations were made pursuant to Article 2408 of the Italian Civil Code;
- the Board of Statutory Auditors did not have to issue any opinions required by law as there was no need due to the lack of pre-requisites;
- during the course of the fiscal year, the activity of the Supervisory Body, which was established in accordance with Legislative Decree 231/2001, continued on a regular basis. Its activity consisted of examining the organizational and management model and the training program for personnel, as well as advising the Bank's managers of the need for ongoing collaboration, useful for allowing full and effective activity to prevent the crimes provided by the above law;
- procedures and activities were also initiated and further adjusted that were required for compliance with the Legislative Decree 231/2007 on money laundering. We have found the positive development that characterized the progressive adjustment of operations that the Bank implemented in order to conform to the new regulations; the Board supervised the above legal, organizational and operational adjustment process, and, following its own controls, considers it to conform to the provisions of the Supervisory Authority; the Bank has maintained adequate rules; and the party responsible for the Money Laundering

department was changed effective as of 1° January 2013 due to an ordinary rotation of roles in view of professional growth;

- the procedure for the autonomous assessment of capital adequacy (ICAAP) was promptly determined and implemented in accordance with the regulatory guidelines; as discussed by the Board of Directors, the capital is fully adequate for the risks assumed;
- the law on the transparency of banking and financial services and transactions was implemented;
- in terms of usury, the Bank's operations were conducted in compliance with Law no. 108/1996 and the Implementing Provisions of the Bank of Italy;
- with reference to the law on privacy, the provisions of Legislative Decree 196/2003 were complied with;
- as required by Article 136 of the Uniform Banking Law, the Board unanimously confirmed the transactions conducted, directly or indirectly, by the Bank's representatives, all approved in accordance with law, including Article 2391 of the Italian Civil Code;
- with reference to the 14 complaints received by the Bank in 2012, the investigative procedure and management of such cases was found to be proper; further, it was determined that the parties involved were given a timely and reasoned response and that such complaints were properly represented to the Bank's bodies according to regulatory requirements;
- it is certified that, with the participation required of employees, the necessary training was conducted regarding money laundering, privacy, the placement of insurance and financial products, transparency, and occupational safety.

■ 2 – Fiscal year results

The data of the 2012 financial statements submitted to your approval is summarized in the most significant aggregates set forth below, and compared with those of the 2012 financial statements:

	2012	2011
BALANCE SHEET		
Financial assets	625,912,303	655,196,466
Receivables from customers	1,907,765,547	1,718,198,890
TOTAL ASSETS	**2,745,342,837**	**2,568,917,891**
Payables to customers	1,099,791,265	848,919,175
Outstanding securities	891,684,141	1,038,557,252
Shareholders' equity	247,601,809	212,536,431
Fiscal year profit	5,200,000	7,300,000
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,745,342,837**	**2,568,917,891**
INCOME STATEMENT		
Interest income	39,041,264	36,057,805
Net commissions	17,559,154	14,448,769
Operating income	63,215,485	57,868,508
Net income from financial assets	48,177,460	47,855,708
Operating costs	-39,000,386	- 37,861,980
Fiscal year income tax on current operations	-4,332,464	- 3,380,367
FISCAL YEAR PROFIT	**5,200,000**	**7,300,000**

■ 3 – Comments on the financial statements

It is noted as follows:

- The draft financial statements were prepared, as implementation of Legislative Decree no. 38/2005, from a substantive standpoint, in accordance with the Supervisory Regulations contained in Circular no. 262 of 22 December 2005 of the Bank of Italy and in application of the IAS/IFRS international accounting standards issued by the International Accounting Standards Board (IASB), approved by the European Union, and in effect as of the date the financial statements were closed, as well as the related interpretations (SIC/IFRIC). Such accounting standards are reported analytically in part A.1, section 2 of the Explanatory Notes. The above documentation duly considers what is provided in the Joint Document of the Bank of Italy, Consob and Isvap no. 4 of 3 March 2010, on the information to be provided in financial reports on controls of the reduction of value of assets (impairment test), on the contractual clauses of financial liabilities, on debt restructuring and on the "hierarchy of fair value";

- the draft financial statements, as prepared, correspond to the facts and information the Administrative Body was aware of as of the date of their approval;
- The Report on Operations contains the information required by outstanding law and completes, in a clear manner, the content of the fiscal year financial statements; specifically, in the Report on Operations and in the Explanatory Notes, the directors have provided the information required by Document no. 2 of Consob, the Bank of Italy and Isvap of 6 February 2009 on "business continuity" *(going concern)*, and they prepared the financial statements based on an expectation of business continuity. The Board agrees with the judgment expressed and confirms the reasonable expectation that the business will continue operating in the foreseeable future.

With respect to the fiscal year financial statements as of 31 December 2012, which indicate a profit of 5,200,000 Euro, the company Bompani Audit srl, entrusted with the statutory audit of the accounts, issued its professional opinion today in accordance with Articles 14 and 16 of Legislative Decree no. 39/2010 on the reliability of the financial statements in object without any comments or objections.

As noted, with respect to the supervisory activity regarding the financial statements for which it is responsible, in addition to the provisions of the Italian Civil Code and provisions of the Supervisory Authority, the Board of Statutory Auditors complied with the rules of conduct established by the National Council of Accountants and Auditors.

In conclusion, the Board of Statutory Auditors approves the 2012 fiscal year financial statements, which were duly made available within the prescribed term.

Specifically, in accordance with Article 2426(5) of the Italian Civil Code, the Board consents to recording multi-year software costs and expenses, amounting to a total of 248,637.14 Euro, in asset line item 120 "Intangible Assets". The entry is at cost, net of constant rates of amortization over five years. Again with the Board's consent, the expenses for improvements to third party assets corresponding to 418,820.22 Euro were allocated to asset line item 150 "Other assets" and were amortized directly on the basis of the duration of the leases.

We certify that the Directors provided the information required by Article 10 of Law no. 72 of 19 March 1983 in a special schedule annexed to the financial statements.

The Board of Statutory Auditors, in compliance with the provisions of Article 2 of Law no. 59/1992 and Article 2545 of the Civil Code, approves the standards followed by the Board of Directors in its social activity to pursue mutual aid objectives in conformity with the cooperative nature of the company, and set forth in detail in the report on operations presented by the Directors. Specifically in such regard, we confirm that in 2012 as well the Bank remained faithful to its social mission of cooperative credit. Consistently with such mission, it sustained the economies in the territories in which it operates, supporting families and the activities of the companies operating therein.

We further wish to emphasize, including due to their effect on the economic result, the strict criteria adopted in assessing receivables, whose qualitative deterioration, induced by the continuation of the economic recession, has required the progressive alignment of loss forecasts to the growing risk. Such orientation represents, in conformity with what is required by the Bank of Italy in its communication to the credit system of last 13 March, «a factor safeguarding the integrity of capital», including in prospective terms, considering the continuation of the difficult economic situation and uncertain outlook with respect to economic recovery. The Bank's considerable capital assets should also be emphasized, an endowment that is reassuring in any case due to its ability to absorb negative trends, both present and future, of the economic situation.

■ 4 – Proposals regarding the financial statements

Upon the conclusion of the specific controls carried out, the Board can certify that the Report on Operations is consistent with the Bank's financial statements as of 31 December 2012, and indicates business performance, its current trend and outlook. This is true with reference both to the financial information, as an analysis of the income, asset and financial situation and indictors of capital adequacy, as well as with respect to other information, such as risks and uncertainties concerning the Bank's activity, its management, human resources, cultural and promotional activities, security, mutual aid activities, and business performance. The significance of credit risk, liquidity risk and market risk was adequately indicated, also in consideration of the strong market tensions. The Explanatory Notes indicate the measurement criteria used and provide all of the information required by outstanding law, including information on credit risk, market risk, liquidity risk and operational risks.

As conclusion of our report, in repeating that on the basis of the supervisory activity carried out no critical events appeared and no omissions or irregularities were found, the Board of Statutory Auditors expresses its favorable opinion, to the extent of our responsibility, for the approval of the fiscal year 2012 financial statements and related proposal for the allocation of the fiscal year net profit, which it certifies conforms to law and the By-laws and is suitable in view of the Bank's economic and financial situation.

The distribution of dividends proposed is for a negligible amount and allows capital adequacy, both current and future, to be maintained, consistently with the overall risks assumed.

✦ ✦ ✦ ✦ ✦

The Board sincerely thanks all of the Bank's departments for the collaboration provided to the control body during the course of the fiscal year while carrying out its institutional functions.

Further, particular thanks must be given to Prof. Aldo Bompani, chairman of the Board until last December, and to Prof. Lorenzo Gai, acting auditor until January of this year, for the skill, professionalism and dedication with which they carried out their office. The resignations were made in compliance with the alleged relevance of Article 36 of Law Decree no. 201/2011.

In concluding our three year mandate, we thank the shareholders for the trust placed in us, which was the intimate guide we used to face our task.

Castelfiorentino, 15 April 2013

The Board of Statutory Auditors

Prof.ssa Rita Ripamonti	Chairman
Dott. Gino Manfriani	Acting auditor
Prof. Stefano Sanna	Acting auditor

Report of the Independent Auditor

(on Bompani Audit S.r.l's letterhead)

BANCA DI CREDITO COOPERATIVO DI CAMBIANO

Report of the Independent Auditor in accordance with Article 14 of Legislative Decree no. 39 of 27.1.2010 on the financial statements for the fiscal year ended 31 December 2012

To the Shareholders of BANCA DI CREDITO
COOPERATIVO DI CAMBIANO
Piazza Giovanni XXIII, 6
50051 CASTELFIORENTINO

Florence, 15 April 2013

1. We have audited the fiscal year financial statements of Banca di Credito Cooperativo di Cambiano for the year ended 31 December 2012 consisting of the balance sheet, income statement, schedule of variations to shareholders' equity, statement of cash flows and explanatory notes thereto. The directors of Banca di Credito Cooperativo di Cambiano are responsible for preparing the financial statements. It is our responsibility to express a professional opinion on the financial statements based on our audit. The above fiscal year financial statements were prepared in conformity with the International Financial Reporting Standards adopted by the European Union, as well as with the measures issued as implementation of Article 9 of Legislative Decree no. 38/2005.

2. Our audit was conducted according to the standards and criteria provided for audits that are recommended by CONSOB (the Italian Stock Exchange Commission). In conformity with said standards and criteria, the audit was planned and performed in view of acquiring every element necessary to control whether the fiscal year financial statements present any material misrepresentations and whether they are, as a whole, reliable. The audit procedure included the review, based on sample controls, of the evidence justifying the balances and information contained in the financial statements, as well as an evaluation of the adequacy and fairness of the accounting standards utilized and the reasonableness of the estimates made by the directors. We believe that the work performed provides a reasonable basis for expressing our professional opinion. The fiscal year financial statements present data corresponding to the previous fiscal year for comparative purposes. With regard to the opinion related to the previous year's financial statements, whose data is presented for comparative purposes as required by law, reference is made to the report we issued on 12 April 2012.

3. In our opinion, Banca di Credito Cooperativo di Cambiano's financial statements as of 31 December 2012 comply with the International Financial Reporting Standards adopted by the European Union, as well as with the regulations implementing Article 9 of Legislative Decree no. 38/2005. They were therefore prepared with clarity and represent in a truthful and accurate manner shareholders' equity and the financial situation, the economic result, variations to shareholders' equity and cash flows of Banca di Credito Cooperativo di Cambiano for the fiscal year ended on such date.

4. In accordance with outstanding law, the responsibility for preparing the report on operations rests with Banca di Credito Cooperativo di Cambiano's directors. It is our responsibility in accordance with law to express an opinion on the consistency of the report on operations with the financial statements. For this purpose, we carried out the procedures required by Auditing Standard no. PR 001 issued by the National Council of Accountants and Auditors and recommended by

CONSOBB. In our opinion, the Report on Operations is consistent with Banca di Credito Cooperativo di Cambiano's financial statements as of 31 December 2012.

BOMPANI AUDIT S.r.l.
by one of its Legal Representatives
[signature]
Lucia Caciagli

bompani audit

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BANCA DI CREDITO COOPERATIVO DI CAMBIANO

Relazione della società di revisione ai sensi art. 14 del D. Lgs. 27.1.2010, n. 39
del bilancio dell'esercizio chiuso al 31 Dicembre 2012

Ai Soci della BANCA DI CREDITO
COOPERATIVO DI CAMBIANO
P.za Giovanni XXIII, 6
50051 CASTELFIORENTINO

Firenze, 15 aprile 2013

1. Abbiamo svolto la revisione contabile del bilancio d'esercizio costituito dallo stato patrimoniale, dal conto economico, dal prospetto dei movimenti del patrimonio netto, dal rendiconto finanziario e dalle relative note esplicative della Banca di Credito Cooperativo di Cambiano chiuso al 31 dicembre 2012. La responsabilità della redazione del bilancio compete agli amministratori della Banca di Credito Cooperativo di Cambiano. E' nostra la responsabilità del giudizio professionale espresso sul bilancio e basato sulla revisione contabile. Il suddetto bilancio d'esercizio è stato preparato in conformità agli International Financial Reporting Standards adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'art.9 del DLgs n.38/2005.

2. Il nostro esame è stato condotto secondo i principi e i criteri previsti 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, 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. Il bilancio d'esercizio presenta a fini comparativi i dati corrispondenti dell'esercizio precedente. Per il giudizio relativo al bilancio dell'esercizio precedente, i cui dati sono presentati ai fini comparativi secondo quanto richiesto dalla legge, si fa riferimento alla relazione da noi emessa in data 12 aprile 2012.

bompani audit

3. A nostro giudizio, il bilancio d'esercizio della Banca di Credito Cooperativo di Cambiano al 31 dicembre 2012 è conforme agli International Financial Reporting Standards adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'art.9 del DLgs n.38/2005; esso pertanto è redatto con chiarezza e rappresenta in modo veritiero e corretto la situazione patrimoniale e finanziaria, il risultato economico, le variazioni di patrimonio netto ed i flussi di cassa della Banca di Credito Cooperativo di Cambiano 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 compete agli amministratori della Banca di Credito Cooperativo di Cambiano E' 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. PR 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 della Banca di Credito Cooperativo di Cambiano al 31dicembre 2012.

BOMPANI AUDIT S.r.l.
Un Procuratore

Lucia Caciagli

Table of variations to shareholders' equity

TABLE OF VARIATIONS TO SHAREHOLDERS' EQUITY AS OF 31 DECEMBER 2012

	Amount as of 31 December 2011	Modification of opening balances	Amount as of 1° January 2012	Allocation prior fiscal year result: Reserves	Allocation prior fiscal year result: Dividends and other allocations	Fiscal year variations: Variations of reserves	Transactions involving shareholders' equity: Issue of new shares	Transactions involving shareholders' equity: Purchase of treasury shares	Transactions involving shareholders' equity: Distribution of extraordinary dividends	Transactions involving shareholders' equity: Variation of equity instruments	Transactions involving shareholders' equity: Derivatives on treasury shares	Transactions involving shareholders' equity: *Stock options*	Overall profitability fiscal year 2012	Shareholders' equity as of 31 December 2012
Share capital:														
a) ordinary shares	2,847,220		2,847,220				35,815							2,883,035
b) other shares	-													-
Premiums on issue of new shares	242,309		242,309				1,425							243,734
a) from gains	224,028,551		224,028,551	6,388,812										230,417,363
b) other	-													
Valuation reserves	-14,581,649		-14,581,649										28,639,326	14,057,677
Equity instruments	-													-
Treasury shares	-													-
Fiscal year gain (loss)	7,300,000		7,300,000	-6,388,812	-911,188								5,200,000	5,200,000
Shareholders' equity	219,836,431	-	219,836,431	-	-911,188	-	37,240	-	-	-	-	-	33,839,326	252,801,809

TABLE OF VARIATIONS TO SHAREHOLDERS' EQUITY AS OF DECEMBER 2011

	Amount as of 31 December 2010	Modification of opening balances	Amount as of 1° January 2011	Allocation prior fiscal year result: Reserves	Allocation prior fiscal year result: Dividends and other allocations	Fiscal year variations: Variations of reserves	Transactions involving Shareholders' equity: Issue of new shares	Transactions involving Shareholders' equity: Purchase of treasury shares	Transactions involving Shareholders' equity: Distribution of extraordinary dividends	Transactions involving Shareholders' equity: Variation of equity instruments	Transactions involving Shareholders' equity: Derivatives on treasury shares	Transactions involving Shareholders' equity: *Stock options*	Overall profitability fiscal year 2011	Shareholders' equity as of 31 December 2011
Share capital:														
a) ordinary shares	2,878,610		2,878,610				-31,390							2,847,220
b) other shares	-													-
Premiums on issue of new shares	242,260		242,260				49							242,309
Reserves:														
a) from gains	216,626,296		216,626,296	7,402,255										224,028,551
b) other	-													
Valuation reserves	9,622,328		9,622,328										-24,203,977	-14,581,649
Equity instruments	-													-
Treasury shares	-													-
Fiscal year profit (loss)	8,400,000		8,400,000	-7,402,255	-997,745								7,300,000	7,300,000
Shareholders' equity	237,769,494	-	237,769,494	-	-997,745	-	-31,341	-	-	-	-	-	-16,903,977	219,836,431

Cash flow statement

CASH FLOW STATEMENT Indirect Method		
A. OPERATING ASSETS	*Amount*	
	2012	2011
Operations	26,869,605	23,006,286
- fiscal year result (+/-)	5,200,000	7,300,000
- gains/losses on financial assets held for trading and on financial assets/liabilities measured at fair value (+/-)	-266,953	-172,110
- gains/losses on assets used for hedging (+/-)	41,796	-63,664
- adjustments/write-backs of net value due to impairment (+/-)	15,038,025	10,012,800
- net adjustments/write-backs of value of property, plant and equipment and intangible assets (+/-)	2,524,273	2,548,893
- net allocations to risk and expense funds and other costs/income (+/-)	0	0
- outstanding taxes (+)	4,332,464	3,380,367
- adjustments/write-backs of net value of groups of assets being divested net of tax (+/-)	0	0
- other adjustments (+/-)	0	0
2. Liquidity generated by financial assets	-180,438,822	-217,692,308
- financial assets held for trading	2,748,730	100,506,264
- financial assets measured at fair value	0	0
- financial assets available for sale	26,802,386	-300,160,485
- receivables from banks: on demand	-33,817,041	950,414
- receivables from banks: other receivables	20,577,423	92,617,591
- receivables from customers	-204,604,682	-87,128,496
- other assets	7,854,361	-24,477,597
3. Liquidity generated/absorbed by financial liabilities	167,777,544	195,260,770
- payables to banks: on demand	1,123,052	3,518,378
- payables to banks: other payables	19,857,341	193,801,974
- payables to customers	250,872,090	32,295,741
- outstanding securities	-146,873,111	783,862
- financial liabilities from trading	-33,628	34,167
- financial liabilities measured at fair value	0	0
- other liabilities	42,831,801	-35,173,353
Net liquidity generated/absorbed by operating assets	14,208,327	574,747
B. INVESTMENTASSETS		
1. Liquidity generated by	-14,954	3,896,706
- sales of equity investments	0	160,000
- dividends received from equity investments	0	0
- sales of financial assets held through maturity	0	0
- sales of property, plant and equipment	-14,954	3,736,706
- sales of intangible assets	0	0
- sales of branches of business	0	0
2. Liquidity absorbed by	-12,812,296	-3,900,093
- purchases of equity investments	0	-532,320
- purchases of financial assets held through maturity	0	0
- purchases of property, plant and equipment	-12,692,211	-3,248,766
- purchases of intangible assets	-120,085	-119,007
- purchases of branches of business	0	0
Net liquidity generated/absorbed by investment assets	-12,827,251	-3,387
C. FUNDING ACTIVITIES		
- issues/purchases of treasury shares	37,240	-31,341
- issues/purchases of equity instruments	0	0
- distribution of dividends and other purposes	-903,508	-937,477
Net liquidity generated/absorbed by funding activities	-866,268	-968,819
NET LIQUIDITY GENERATED/ABSORBED DURING THE FISCAL YEAR	514,809	-397,459

KEY:
(+) generated
(-) absorbed

RECONCILIATION		
LINE ITEMS OF THE FINANCIAL STATEMENTS	*Amount*	
	2012	2011
Cash and cash balances at the beginning of the fiscal year	7,941,979	8,339,438
Total net liquidity generated/absorbed during the fiscal year	514,809	-397,459
Cash and cash balances: effect of variation of exchange rates	0	0
Cash and cash balances at the close of the fiscal year	8,456,788	7,941,979

Part A – ACCOUNTING POLICIES

■ A.1 – GENERAL PART

Section 1 – Statement of conformity to International Accounting Standards

The financial statements for fiscal year 2012 were prepared in conformity with International Accounting Standards (IAS - IFRS), issued by the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), approved by the European Commission in accordance with the procedure provided by EU Regulation no. 1606/2002 of 19/07/2002, as well as the measures issued implementing Article 9 of Legislative Decree no. 38/2005 in effect on the date of reference of the financial statements. The implementation of the IFRS was done with reference to the systematic framework for the preparation and drafting of the financial statements, with specific regard to the fundamental principle of the prevalence of substance over form, as well as the concept of the relevance and significance of the information. The 2012 financial statements were prepared in compliance with the Bank of Italy's Measure no. 262 of 22/12/2005 and subsequent updates.

Section 2 – General preparation standards

The fiscal year financial statements consist of the "Schedules to the financial statements" (balance sheet, income statement, schedule of overall profitability, table of variations to shareholders' equity, and cash flow statement), and the "Explanatory Notes". They are accompanied by the "Report on Operations". The accounts in the financial statements correspond to the Bank's accounting records. In conformity with what is provided by Article 5(2) of Legislative Decree no. 38 of 28/02/2005, the financial statements were prepared using the Euro as the accounting currency and are based on the application of the following general standards set forth in IAS 1:

- Going concern;
- Accrual basis of accounting: income and expenses are recognized, regardless of the date of their monetary settlement, by economic reporting period and according to criteria of correlation;
- Consistency of presentation: the classification of the line items remain constant from one period to the next in order to guarantee the comparison of information, unless the variation is required by an International Accounting Standard;
- Prohibition of offsetting: assets and liabilities, income and expenses may not be offset, unless required or allowed by an International Accounting Standard, or by the schedules prepared by the Bank of Italy.

The fiscal year financial statements were prepared complying with the schedules and rules on compilation issued by the Bank of Italy in Circular no. 262 of 22/12/2005 and subsequent updates.
The schedules of the Balance Sheet and Income Statement, Schedule of Overall Profitability, Table of variations to Shareholders' Equity, and Cash Flow Statement are expressed in Euro, whereas the Explanatory Notes, unless otherwise specified, are expressed in thousands of Euro.

Section 3 – Events subsequent to the date of reference of the financial statements

See the special section provided in the Directors' Report on Operations.

■ A.2 – PART RELATED TO THE PRINCIPAL LINE ITEMS OF THE FINANCIAL STATEMENTS

Section 1 – Financial assets held for trading

Classification criteria

Debt securities, capital securities, certificates of participation in mutual funds purchased for trading, and derivative contracts with positive fair value are allocated to such line item, with the exclusion of hedges.

Recognition and derecognition criteria

Financial instruments represented by securities are measured using the standard of the subscription date.
Subsequent to the modification of IAS 39 on 15/10/2008, it is possible to transfer financial assets held for trading to the following sectors:

- Loan and Receivables Sector if the financial instrument is no longer held for "Trading", with the intent of holding it until a foreseeable future or through maturity; these are assets with fixed maturities and that are not listed as of the date of reclassification. The transfer must be made for fair value as of the reclassification date, which therefore will become the new cost;
- Available for Sale Sector if the financial instrument is no longer held for "Trading", with the intent of holding it for the foreseeable future or through maturity; this possibility of reclassification requires that there be "rare circumstances". The transfer must be made for fair value as of the reclassification date, which therefore will become the new amortized cost;
- Held to Maturity Sector if the financial instrument is no longer held for "Trading", with the intent of holding it through maturity; this possibility of reclassification requires both "rare circumstances" as well as that the financial asset have a fixed maturity. The transfer must be made for fair value as of the reclassification date, which will therefore become the new amortized cost.

The above instruments are derecognized from the financial statements only if all of the risks and benefits (or their effective control) are substantially transferred to the buyers. If all of the risks and benefits (or their effective control) are not substantially transferred, a liability is recognized with respect to the buyers for the amount corresponding to the consideration received.

Measurement criteria

Financial instruments represented by securities and trading derivatives are measured at fair value both upon purchase as well as subsequently. The fair value of instruments listed in active markets are compared with the quotes at the closure of the markets, whereas for unlisted instruments in active markets, fair value is measured by means of the use of the prices made available by the information provider Bloomberg (fair value hierarchy - level 1). If the above is not possible, estimates and measurement models are used that refer to data that can be found in the market. These methods are based on the measurement of financial instruments that are listed having analogous characteristics, discounted cash flows based on the yield curve, and considering the risk of the issuer's receivables (fair value hierarchy - level 2). If it is not objectively possible to use one of the two methods indicated above, fair value is measured based on estimates and assumptions made by the appraiser based on historical cost and the application of measurement techniques having significant discretional factors (fair value hierarchy - level 3).

Criteria for recognizing income components

The income components related to financial instruments held for trading are measured in the income statement in the period in which they appear on line item "Net trading income". Gains and losses on sales or repayment, and unrealized gains and losses deriving from variations of fair value of the trading portfolio, as well as reductions of value of financial assets measured at cost (impairment), are recognized in the income statement in line item "Net trading income". Earned interest and dividends are respectively recognized in the line items of the income statement "Earned interest and similar income" and "Dividends and similar income".

Section 2 – Financial assets available for sale

Classification criteria

The portfolio of financial assets available for sale includes all of the non-derivative financial assets that are not classified as receivables, financial assets held through maturity, and assets measured at fair value.

Specifically, such portfolio includes all of the securities to be sold within periods that are generally longer than those of the trading portfolio as well as holdings that cannot be qualified as equity investments of control, joint control, or significant influence, or which are not held for "trading".

Recognition and derecognition criteria

The portfolio of securities available for sale are initially recognized at fair value, which corresponds to the value of the price paid for their purchase. Subsequent to the modification of IAS 39 of 15/10/2008 it is possible to transfer financial assets available for sale to the following sectors:

- Loan and Receivables Sector if the financial instrument is no longer available for sale, with the intent of holding it through maturity; these are assets with a fixed maturity that are unlisted as of the reclassification date. The transfer must be made for fair value as of the reclassification date, which will therefore become the new cost;
- Held to Maturity Sector if the financial instrument is no longer available for sale, with the intent of holding it through maturity; this possibility of reclassification requires both “rare circumstances” as well as that the financial asset have a fixed maturity. The transfer must be made for fair value as of the reclassification date, which will therefore become the new amortized cost.

Securities available for sale are derecognized from the financial statements only if substantially all of the risks and benefits (or their effective control) are transferred to the buyers. If all of the risks and benefits (or their effective control) are not substantially transferred, a liability is recognized with respect to the buyers for the amount corresponding to the consideration received.
Interest on the securities is calculated on the basis of their internal rate of return.

Measurement criteria

Subsequent to initial recognition, assets available for sale continue to be measured at fair value (with the same “Levels” provided for assets held for trading), and recognized in the income statement for the value corresponding to amortized cost with an allocation to a special reserve of shareholders’ equity of the profits/losses deriving from the variation of fair value. Equity instruments and the related derivatives instruments, for which it is not possible to determine fair value in a reliable manner, are maintained at cost, adjusted upon verification of losses due to a reduction in value.
Verification of the existence of objective evidence of a reduction in value is made at each close of the financial statements or interim financial statement.

Criteria for recognizing income components

The allocation of income components in the relevant lines of the income statement is done in accordance with what is set forth below.

- Earned interest and dividends of the securities are respectively allocated to line item 10 of the income statement “Earned interest and similar income” and to line item 70 of the income statement “Dividends and similar income”.
- Gains and losses from trading securities are allocated to line item 100 of the income statement “Gain/loss on disposal or repurchase of financial assets available for sale”: capital gains and capital losses from fair value measurement are directly allocated to shareholders’ equity, Liability line item 130 “Valuation Reserves” (net of pre-paid/deferred taxes), and transferred to the income statement only upon their realization by means of the sale of the securities or subsequent to the recognition of impairment losses.
- Impairment losses and write-backs of values of debt securities are allocated to line item 130 of the income statement “Net adjustments/write-backs of net value due to impairment of financial assets available for sale”. Impairment losses on equity instruments are also allocated to line item 130 of the income statement, whereas eventual write-backs of value from fair value are directly allocated to shareholders’ equity, Liability line item 130 “Valuation Reserves”.

Section 3 – Financial assets held through maturity

The Bank does not currently have "Financial assets held through maturity", Asset line item 50, in its portfolio.

Section 4 - Receivables

Section 4.1 – Cash receivables

Classification criteria

The portfolio of receivables includes all cash receivables, of any technical form and including operating receivables from banks and customers, as well as unlisted debt securities that the Bank does not intend to sell short term.

Recognition and derecognition criteria

Receivables and securities are allocated in this portfolio at the time of issue or purchase and cannot subsequently be transferred to other portfolios, nor can financial instruments of other portfolios be transferred to the portfolio of receivables. Receivables and securities are derecognized from the financial statements only if substantially all of the risks and benefits (or their effective control) are transferred to the purchasing counterparties; otherwise, liabilities are registered in their regard, for an amount corresponding to the amounts received, together with the corresponding costs and income of the underlying assets.
Receivables and securities that are the object of repurchase agreements that have not yet been settled are recognized (if purchased) or derecognized (if sold) according to the standard of the "settlement date". Interest is calculated on the basis of the internal rate of return. By means of the Bank's resolution of 26/11/2012, penalty interest on non performing loans is no longer calculated and written-down on the basis of the economic reporting period, but is only calculated at the time it is actually collected. This new accounting approach was confirmed by the technical note annexed to the Bank of Italy's Circular no. 0274354 of 28/03/2012. In particular, the Bank reduced gross non performing loans by 3,395,137.55 Euro, and adjustments for the same amount to the specific values of non performing loans.

Measurement criteria

At the time of issue or purchase, receivables and securities are recognized at fair value, also including, for securities and receivables other than short term, eventual anticipated transaction costs and income, specifically attributable to each security or receivable. Subsequently, measurement is based on the standard of amortized cost, subjecting receivables and securities to an impairment test, if there is symptomatic evidence of the state of impairment of the solvency of borrowers or issuers. With specific regard to receivables, the impairment test is articulated in two phases:

- individual measurement of non performing loans, watchlist and restructured receivables, to determine the relative adjustments/write-backs of value;
- collective measurement of watchlist, restructured, overdue/overdrawn receivables, and in bonis receivables, for the lump sum determination of value adjustments.

The measurement of the individual impairment of non performing loans was done in a manner conforming to what is required by accounting standard IAS 39, discounting the values of the presumable proceeds of said receivables in relation to the expected time of collection, and more specifically considering:

- the recovery forecasts made by the account managers;
- forecast recovery time estimated on historical-statistical basis and monitored by the managers;
- the "historical" discounting rates, represented by the penalty interest rates at the time of the classification of the account as non performing.

With reference to the collective measurement of the remaining receivables, the portfolio was classified in two different types:

- watchlist, accounts overdue/overdrawn for more than 90 days, and restructured receivables;
- other receivables in bonis.

For each portfolio, the amount of the lump sum write-down corresponds to the result between the total

portfolio value, its PD (average default probability) and LGD (parameter that represents the rate of loss in the case of default) of receivables belonging to the same portfolio.
The calculation of PD was done on a historical basis, using the previous three year period for each kind of portfolio as a reference, whereas the LGD value was determined to be 45.00%. No collective write-downs on receivables from public entities, Poste Italiane s.p.a., Cassa Depositi e Prestiti s.p.a., Cassa Compensazione & Garanzia s.p.a., factoring companies, and subsidiaries subject to significant influence were calculated. Subsequent potential write-backs of value cannot exceed the amount of the write-downs from impairment (individual and collective) previously recognized.

Criteria for recognizing income components

The allocation of income components in the relevant line items of the income statement is done in accordance with what is set forth below.

- Earned interest on receivables and securities is allocated to line item 10 of the income statement "Earned interest and similar income”.
- Gains and losses from the disposal of receivables and securities are allocated to line item 100 of the income statement "Gains/losses from the disposal or repurchase of receivables”.

Adjustments and write-backs of value of receivables and securities are allocated to line item 130 of the income statement "Adjustments to net value due to impairment of: receivables”˝.

Section 4.2 – Endorsement receivables

Classification criteria

All of the personal security and collateral issued by the Bank with regard to third party obligations are allocated to the portfolio of endorsement receivables.

Criteria for recognizing income components

Commissions that mature periodically on endorsement receivables are listed in line item 40 of the income statement as “Commission income”.

Section 5 – Financial assets measured at fair value

The Bank, not having exercised the fair value option, did not open a portfolio for financial assets measured at fair value.

Section 6 – Hedges

Classification and recognition criteria

The hedge portfolio includes derivatives instruments used by the Bank to sterilize losses from hedged assets or liabilities. The operations performed by the Bank are aimed at the specific hedge of bond issues, and the various derivatives contracts stipulated have speculative conditions and values linked to those of the hedged bond. The Bank uses the "fair value hedge" method to measure them. In order for a transaction to be recognized as a "hedge", it is necessary that the following conditions be satisfied: a) the hedge relationship must be formally documented; b) the hedge must be effective from the time it initiates and prospectively for its entire duration. Effectiveness is controlled by means of specific instruments and is considered to exist when variations of fair value of the hedged financial instrument almost entirely sterilize the variations of risk of the hedged instrument. A hedge is considered to be highly effective between a range of 80% through 125%. An effectiveness test is conducted at each close of the financial statements or at the time of any six-month interim financial statements. If the effectiveness test indicates an insufficient hedge and the misalignment is considered not to be temporary, the hedged instrument is allocated to the trading portfolio. Hedges are measured according to the principle of “negotiation date˝.

Derecognition criteria

Hedges are derecognized at the time of their maturity, early closure, or when they fail the effectiveness tests.

Measurement criteria

Hedge instruments are measured at fair value.
The fair value of hedges listed in active markets is taken from the quotations at the close of the markets (fair value hierarchy - level 1), whereas instruments not listed in an active market (over the counter) are measured discounting future cash flows on the basis of the yield curve (fair value hierarchy - level 3). Since they are unlisted, the latter method is used to measure the fair value of all of the Bank's hedges. The hedged accounts are also measured at fair value, limited to variations of value produced by the risks that are the object of the hedge, thus "sterilizing" the risk components that are not directly related to such hedge.

Criteria for recognizing income components

Income components are allocated to the relative line items of the income statement on the basis of what is set forth below.

- The differences matured on hedge instruments for interest rate risk (in addition to the interest of the hedged position) are allocated to line item 10 of the income statement "Earned interest and similar income" or to line item 20 of the income statement "Interest payable and similar expenses";
- The gains and losses deriving from the measurement of the hedge instruments and accounts that are the object of the hedges are allocated to line item 90 of the income statement "Net hedging result";
  - Gains and losses from trading hedge contracts are capitalized on the hedged instrument if it is valued at amortized cost (IAS 39 par. 92), the amount of the premium or discount will be measured in the income statement on the basis of the new effective interest rate of the hedged instrument.

Section 7 – Equity investments

Classification criteria

Shareholdings are allocated to the equity investments portfolio which are subject to control, joint control or significant influence. Control is presumed when more than 50% of the voting rights that can be exercised at shareholders' meetings are held, directly or indirectly. Significant influence is exercised when the shareholder holds, directly or indirectly, a share equal to or greater than 20% of the voting rights. Significant influence is determined even in the case of a holding of less than 20% when the following circumstances exist: a) representation on the board of directors; b) participation in the decision-making process with reference to decisions regarding dividends; c) there are major operations between the investor and the subsidiary. Joint control is when voting rights and control of the subsidiary is shared with other parties.

Recognition and derecognition criteria
The line item includes equity investments in subsidiaries, jointly held companies or companies subject to significant influence. At the time of initial recognition, such equity investments are recognized at purchase cost, supplemented by directly attributable costs. Financial assets are derecognized when the contractual rights to the cash flows deriving from such assets expire or when the financial asset is sold, transferring all of the risks and benefits connected to it.

Measurement criteria

Equity investments are measured with continuity using the "equity" method. Equity investments in subsidiaries, jointly held companies or companies subject to significant interest are measured at cost, and the accounting value increases or decreases to reflect the share to which to which the shareholder is entitled of profits or losses of the subsidiary realized after the purchase date. The dividends received from a subsidiary reduce the accounting value of the shareholding. Adjustments to the accounting value might be required due to modifications of the share owned by the investor in the subsidiary, deriving from modifications of the shareholders' equity of the subsidiary.

Criteria for recognizing income components

Dividends paid by the subsidiary generated subsequent to the purchase date are allocated to line item 70 of the income statement “Dividends and similar income”. The results of the measurement of “shareholders’ equity” are recognized in line item 210 of the income statement “Gains/losses on equity investments”, when they were included in the income statement of the subsidiary; when instead they were not included in the income statement of the subsidiary, they are allocated to Liability line item 130 “Valuation reserves”. Gains/losses deriving from the sale of equity investments are recognized in line item 210 of the income statement “Gains/losses on equity investments”.

Section 8 – Property, plant and equipment

Classification and recognition criteria

Property, plant and equipment include land, instrumental real property, installations, furniture and decor and any kind of equipment. They are property, plant and equipment held to be used in the production or supply of goods and services, to be rented to third parties, or used for other administrative purposes, which it is deemed will be utilized for more than one fiscal year. In relation to real property, the components referring to land and buildings constitute separate assets for accounting purposes and are recognized separately at the time of purchase. Property, plant and equipment are initially recognized at purchase cost, inclusive of accessory charges sustained and directly attributable to when the asset is put into operation. Extraordinary maintenance costs that result in an increase of future economic benefits are allocated to increases of value of the assets, while other ordinary maintenance costs are recognized directly in the income statement.

Derecognition criteria

Property, plant and equipment are derecognized from the financial statements at the time they are sold or when their economic function has been entirely exhausted and no future economic benefits are expected.

Measurement criteria

Property, plant and equipment are measured at cost, deducting eventual accumulated depreciation and losses of value. Assets that have been put into operation are systematically depreciated according to time periods determined for homogeneous class equivalent to the useful life of the fixed assets. The book value of buildings to be depreciated "from the earth to the sky" does not include the value of the land on which they are built, which is determined on the basis of specific appraisals and which is treated separately and not depreciated because it is an asset with an indefinite duration. "Artwork", which has an indefinite useful life, is also not depreciated.

Criteria for recognizing income components

The income components are allocated to the relevant line items of the income statement as follows:

- Periodic depreciation, lasting losses of value and write-backs of value are allocated to line item 170 of the income statement "Net adjustments/write-backs of value to property, plant and equipment".
- Gains and losses deriving from disposals are allocated to line item 240 of the income statement "Gains/losses on disposal of investments".

Section 9 – Intangible assets

Classification criteria

The portfolio of intangible assets includes intangible production factors having multi-year gainsty, represented in particular by expenses for the purchase of software and by multi-year expenses to be amortized. The expenses for third party assets (branch offices being rented) were recognized in Asset line item 150 “Other assets”; the relative amortization was proportional to the duration of the leases.

Recognition and derecognition criteria

The above assets are recognized at purchase cost, inclusive of accessory costs and increased by expenses subsequently sustained to increase their value or initial productive capacity. Intangible assets are derecognized from the financial statements when their economic function has been entirely exhausted.

Measurement criteria

Intangible assets of limited duration are recognized net of accumulated amortization. Said assets are amortized on the basis of the estimate made of their residual useful life. If there is symptomatic evidence of the existence of lasting losses, intangible assets are subject to measurement of the damage, recognizing eventual value adjustments; subsequent write-backs of value cannot exceed the amount of the losses previously recognized.

Criteria for recognizing income components

Periodic amortizations, lasting losses of value and write-backs of value of intangible assets are allocated to line item 180 of the income statement "Adjustments/write-backs of net value of intangible assets".

Section 10 – Noncurrent assets and groups of assets in the course of divestment

The Bank does not currently hold noncurrent assets or groups of assets in the course of divestment.

Section 11 – Current and deferred taxation

Classification criteria

Current tax items include excess payments (current assets) and outstanding payables (current liabilities) for income taxes due for the period. Entries of deferred taxation instead represent income taxes to be recovered in future periods with temporary deductible differences (deferred assets) and income taxes payable in future periods as a consequence of temporary taxable differences (deferred liabilities).

Recognition, derecognition and measurement criteria

Deferred tax receivables are recognized, in conformity with the "balance sheet liability method", only on the condition that there is an ability to fully absorb the temporary deductible differences from future taxable income, whereas deferred tax liabilities are usually always recognized.

Criteria for recognizing income components

Tax assets and liabilities are normally allocated, with offsets, to line item 260 of the income statement "Fiscal year income taxes on current operations", except when they derive from operations whose effects are directly attributable to shareholders' equity; in such case they are allocated to capital.

Section 12 – Risk and expense funds

Classification criteria

The risk and expense funds express certain or probable liabilities, whose amount or payment date is uncertain.

Recognition, derecognition and measurement criteria

When the time for paying a specific liability is more than twelve months from the recognition date, the relative fund is recognized at discounted values. The actuarial values were estimated by independent professionals pursuant to International Accounting Standard no. 19, according to the unit criteria provided by the Projected Unit Credit Method on the following technical entities:

- Services related to Employee Severance Pay;
- The payment of loyalty bonuses to employees upon reaching the 25° year of effective service.

Actuarial gains and losses are recognized directly as an offset in the income statement.

Criteria for recognizing income components

The allocation of income components to the relevant line items of the income statement is done in accordance with what is set forth below.

- Provisions for risk and expense funds are allocated to line item 160 of the income statement "Net allocations to risk and expense funds" or to its own line item if deemed to be more appropriate;
- Provisions for "Employee severance pay" and "Loyalty bonuses" are allocated to line item 150 of the income statement "Administrative costs - personnel costs".

Section 13 – Liabilities and outstanding securities

Classification criteria

The line items "Payables to banks", "Payables to customers" and "Outstanding securities" include the various forms of funding, both inter-bank as well as with regard to customers, collections of savings by certificates of deposit and outstanding bonds, net of eventual repurchases.

Recognition and derecognition criteria

The financial liabilities noted above are recognized at the time of issue, or replacement after repurchase, or derecognized, at the time of repurchase in accordance with the principle of the "settlement date" and cannot subsequently be transferred to the portfolio of trading liabilities. Interest is calculated on the basis of their internal rate of return. Structured kinds of financial liabilities, consisting of the combination of a host liability and one or more embedded derivatives instruments are separated and recognized separately from the embedded derivatives, only on the condition that the economic characteristics and risks of the embedded derivatives are substantially different than those of the host financial liabilities and the derivatives can be considered to be autonomous derivative contracts.

Measurement criteria

At the time of their issue, or at the time of replacement subsequent to repurchase, financial liabilities are recognized at fair value, including any anticipated transaction costs and income Specifically attributed to each liability. Subsequently measurement is based on the principle of amortized costs, using the effective interest rate method. Short term liabilities are still recognized for their cash value.

Criteria for recognizing income components

Interest payable related to public savings instruments are recognized in line item 20 of the income statement "Interest payable and similar expenses". Gains and losses from the repurchase of such liabilities are recognized in line item 100d of the income statement "Gains/losses from the disposal or repurchase of financial liabilities".

Section 14 – Financial liabilities from trading

This line item refers exclusively to currency forward contracts. These are forward contracts on exchange rates that the Bank stipulates with institutional counterparties to hedge the same positions assumed with its customers. Such contracts are not speculative transactions for the Bank, but are substantially just a brokerage service for customers.

Section 15 – Financial liabilities measured at fair value

At present the Bank, not having exercised the fair value option, has not opened a portfolio of financial liabilities measured at fair value.

Section 16 – Operations in foreign currency

Classification criteria

Operations in foreign currency consist of all assets and liabilities denominated in currency other than the Euro.

Recognition and derecognition criteria

Operations in foreign currency are registered, at the time of initial recognition, in the accounting currency, applying the exchange rate in effect as of the date of the operation to the amount in foreign currency. The exchange rate on the settlement date is also applied in the accounting currency for derecognition.

Measurement criteria

As of the close of the fiscal year, the conversion of monetary assets and liabilities in foreign currency is done using the spot exchange rate on that date.

Criteria for recognizing income components

The exchange rate differences of operations in foreign currency are recognized in line item 80 of the income statement "Net trading income".

■ A.3 – INFORMATION ON FAIR VALUE

A.3.1 – Transfers between portfolios

By means of a resolution dated 27/10/2008, which became effective as of 01/07/2008, the Banca di Credito Cooperativo di Cambiano s.c.p.a. decided to reclassify part of the accounting portfolio of Assets Held for Trading (HFT) to Financial Assets Available for Sale (AFS). By means of the operation in question, securities having the lengthiest maturity dates, which were the most affected by the liquidity crisis, were transferred in order to obtain a new allocation of the securities portfolio that more faithfully reflects the Bank's investment policy. The reclassification as of 31/12/2008 regarded overall a nominal value of 308,341,000.00 Euro, Euro, of which "Government Bonds" (CCT) having a nominal value of 293,341,000.00 Euro, and "Other securities" having a nominal value of 15,000,000.00 Euro. With reference to the above mentioned financial instruments, over the course of fiscal year 2009 securities were sold having a nominal value of 187,591,000.00 Euro, of which "Government Bonds" (CCT) having a nominal value of 182,591,000.00 Euro, and "Other securities" having a nominal value of 5,000,000.00 Euro. The sale in question generated gains from disposal in the amount of 1,122,260.96 Euro which were allocated to line item 100 of the income statement "Gains from the disposal or repurchase of: b) financial assets available for sale".
With reference to the above mentioned financial instruments, over the course of fiscal year 2010 securities were sold having a nominal value of 86,750,000.00 Euro, of which "Government Bonds" (CCT) having a nominal value of 81,750,000.00 Euro, and "Other securities" having a nominal value of 5,000,000.00 Euro. The sale in question generated gains from disposal in the amount of 1,272,543.77 Euro, which were allocated to line item 100 of the income statement "Gains from the disposal or repurchase of: b) financial assets available for sale". Over the course of fiscal years 2011 and 2012 no sales were made; therefore, with reference to the resolution of 27/10/2008, as of 31/12/2012 securities remained having a nominal value of 34,000,000.00 Euro, of which "Government Bonds" (CCT) having a nominal value of 29,000,000.00 Euro, and "Other securities" having a nominal value of 5,000,000.00 Euro.
During the course of fiscal year 2010, by means of a resolution of the Board of Directors on 15/11/2010, Government Bonds (CCT) were transferred from the Held for Trading portfolio to the Available for Sale portfolio, having a nominal value of 79,000,000.00 Euro. Such transfer was done using the market price referring to the day 14/11/2010 (official price). During the course of 2011 "Government Bonds" were sold having a nominal value of 64,564,000.00 Euro. Such sale generated gains from disposal in the amount of 179,763.64 Euro, which were allocated to line item 100 of the income statement "Gains from the disposal or repurchase of: b) financial assets available for sale". During the course of 2012 "Government Bonds" were sold having a nominal value of 8,436,000.00. Such sale generated gains from disposal in the amount of 7,540.14 Euro, which were allocated to line item 100 of the income statement "Gains from the disposal or repurchase of: b) financial assets available for sale". Therefore, with reference to the resolution of

15/11/2010, as of the date of 31/12/2012 there are remaining "Government Bonds" having a nominal value of 6,000,000.00 Euro.

During the course of fiscal year 2011, by means of a resolution of the Board of Directors on 28/10/2011, "Government Bonds" were transferred from the Held for Trading portfolio to the Available for Sale portfolio having a nominal value of 75,220,000.00 Euro; such transfer was done using the market price referring to the day 27/10/2011 (official price). During the course of 2012 "Government Bonds" were sold/redeemed having a nominal value of 55,887,000.00. Such sale generated gains from disposal in the amount of 247,161.98 Euro, which were allocated to line item 100 of the income statement "Gains from the disposal or repurchase of: b) financial assets available for sale". Therefore, with reference to the resolution of 28/10/2011, as of 31/12/2012, there are remaining "Government Bonds" having a nominal value of 19,333,000.00 Euro.

A.3.1.1 – Reclassified financial assets: balance sheet value, fair value and effects on overall profitability

Values indicated in thousands of Euro

Type of financial instrument	Portfolio of origin	Portfolio of destination	Balance sheet value of 31/12/2012	Fair value as of 31/12/2012	Income components recognized without the transfer (before tax)		Income components recognized during the fiscal year (before tax)	
					Measured	Other	Measured	Other
Debt securities - 2008	HFT	AFS	33,092	33,092	2,923	1,349	0	1,349
Debt securities - 2010	HFT	AFS	5,989	5,989	970	157	0	157
Debt securities - 2011	HFT	AFS	19,253	19,253	1,061	1,114	0	1,114
Debt securities - Total	HFT	AFS	58,334	58,334	4,955	2,620	0	2,620

As of the date of 31/12/2012, reclassified assets remained having an overall nominal value of 59,333,000.00 Euro, of which "Government Bonds" having a nominal value of 54,333,000.00 Euro, and "Other securities" having a nominal value of 5,000,000.00 Euro.

List of reclassified securities "transferred" from the "Held for Trading" to the "Available for Sale" portfolio by year of transfer, with reference to the date of 31/12/2012:

Values indicated in thousands of Euro

Security	Isin	Nominal value as of 31/12/2012	Balance sheet value as of 31/12/2012	Year transferred
B AGRILEASING 07-17 TV	XS0287516214	5,000	4,504	2008
CCT 01/03/2014 TV	IT0004224041	5,000	5,006	2008
CCT 01/12/2014 TV	IT0004321813	24,000	23,582	2008
CCT 01/12/2014 TV	IT0004321813	1,000	983	2010
CCT 01/03/2014 TV	IT0004224041	5,000	5,006	2010
CTZ 30/09/2013	IT0004765183	13,213	13,102	2011
CCT 01/03/2014 TV	IT0004224041	1,820	1,822	2011
CCT 01/07/06-13 TV	IT0004101447	4,300	4,329	2011
Total		59,333	58,334	

A.3.2 – Hierarchy of fair value

Fair value - Level 1

For purposes of the measurement process, financial instruments are considered to be listed in active markets when they have official reference prices, or when they are systematically traded on "alternative" trading circuits with respect to official circuits, whose prices are considered "significant" in that they represent the quotation that a transaction would effectively have on the measurement date. Specifically, with respect to an overall level 1 asset value of 593,346 thousand Euro, Italian government bonds amount to 552,875 thousand Euro (93.18%), while the remaining 40,471 thousand Euro (6.82%) regard securities from issuers who are Italian banks.

Fair value - Level 2

In the lack of prices measured in an active market, fair value is determined using measurement techniques based on input data found in the market. The principal measurement techniques used are the following:

Reference to the price of financial instruments having the same characteristics as those that are being measured (comparable approach);

Fair value measurement technique, such as, for example, "discounted cash flow analysis" or other pricing

methodologies generally accepted by the market, based on input data directly found in the market (for example, interest rates and yield curves, volatility, credit default swap, etc.), or obtained indirectly by means of correlation structures.
Financial assets classified at level 2 fair value entirely consist of Italian bank bonds.

Fair value - Level 3

Level 3 measurements are based on data input not found in the market, or which cannot be entirely found in the market, and as a last resort are based on historical cost. Specifically, on an overall asset value of 22,837 thousand Euro, we note:

- Hedges in the amount of 8,974 thousand Euro, which are fixed interest rate over the counter contracts, measured by discounting future cash flows;
- Financial instruments measured at historic cost amounting to 3,364 thousand Euro, which are primarily equity instruments classified as Available for Sale;
- Insurance policies in the amount of 10,499 thousand Euro, measured using the valuation scheme of such insurer.

A.3.2.1 – Accounting portfolios: divided by level of fair value

Values indicated in thousands of Euro

Financial Assets/Liabilities measured at fair value	31/12/2012			31/12/2011		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial assets held for trading	80	0	10,499	2,855	0	10,207
2. Financial assets measured at fair value	0	0	0	0	0	0
3. Financial assets available for sale	593,266	18,703	3,363	592,405	48,465	1,264
4. Hedges	0	0	8,974	0	0	7,738
Total	593,346	18,703	22,837	595,260	48,465	19,209
1. Financial liabilities held for trading	1	0	0	34	0	0
2. Financial liabilities measured at fair value	0	0	0	0	0	0
3. Hedges	0	0	85	0	0	532
Total	1	0	85	34	0	532

Key:
Level 1 = Fair value of a financial instrument listed in an active market;
Level 2 = Fair value measured on the basis of measurement techniques that use parameters that can be seen from the market, other than quotations of the financial instrument;
Level 3 = Fair value measured on the basis of measurement techniques that use parameters that cannot be seen from the market.

A.3.2.2 – Annual variations of financial assets measured at fair value (Level 3)

Values indicated in thousands of Euro

	FINANCIAL ASSETS			
	Held for trading	Measured at fair value	Available for sale	Hedges
1. Initial value	10,207	0	1,264	7,738
2. Additions				
2.1. Purchases	2,353	0	2,109	0
2.2. Profits allocated to:				
2.2.1. The income statement	267	0	0	20
- of which capital gains	267	0	0	20
2.2.2. Shareholders' equity	X	X	0	0
2.3. Transfers from other levels	0	0	0	0
2.4. Other additions	26	0	0	1,873
3. Reductions				
3.1. Sales	0	0	0	0
3.2. Redemptions	2,353	0	0	372
3.3. Losses allocated to:				
3.3.1. The income statement	0	0	0	91
- of which capital losses	0	0	0	91
3.3.2. Shareholders' equity	X	X	10	0
3.4. Transfers to other levels	0	0	0	0
3.5. Other reductions	0	0	0	194
4. Final value	10,499	0	3,363	8,974

A.3.2.3 – Annual variations of financial liabilities measured at fair value (Level 3)

Values indicated in thousands of Euro

	FINANCIAL LIABILITIES		
	Held for trading	Measured at fair value	Hedges
1. Initial value	0	0	532
2. Additions			
2.1. Issues	0	0	0
2.2. Losses allocated to:			
2.2.1. The income statement	0	0	0
- of which capital losses	0	0	0
2.2.2. Shareholders' equity	X	X	0
2.3. Transfers from other levels	0	0	0
2.4. Other additions	0	0	0
3. Reductions			
3.1. Sales	0	0	0
3.2. Redemptions	0	0	0
3.3. Losses allocated to:			
3.3.1. The income statement	0	0	29
- of which capital losses	0	0	29
3.3.2. Shareholders' equity	X	X	0
3.4. Transfer to other levels	0	0	0
3.5. Other reductions	0	0	418
4. Final value	0	0	85

Part B – INFORMATION ON THE BALANCE SHEET

■ Assets

Section 1 – Cash and cash balances - Line item 10

1.1 Cash and available liquidity: breakdown

	31/12/2012	31/12/2011	Variation	% Variation
a) Cash	8,457	7,942	515	6.48%
b) Demand deposits with Central Banks	0	0	0	
Total	8,457	7,942	515	6.48%

The line item “demand deposits with central banks” does not include the regulatory reserve that was noted in Asset line item 60 "Receivables from banks".

Section 2 - Financial assets held for trading - Line item 20

2.1 Financial assets held for trading: breakdown by type

Line items/values	31/12/2012			31/12/2011		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A. Cash assets						
1 Debt securities	80	0	10,499	2,848	0	10,207
1.1 Structured securities	0	0	0	0	0	0
1.2 Other debt securities	80	0	10,499	2,848	0	10,207
2 Equity instruments	0	0	0	0	0	0
3 Shares of mutual funds	0	0	0	0	0	0
4 Loans	0	0	0	0	0	0
4.1 Repurchase agreements	0	0	0	0	0	0
4.2 Other	0	0	0	0	0	0
Total A	80	0	10,499	2,848	0	10,207
B. Derivative instruments						
1 Financial derivatives:	0	0	1	0	0	7
1.1 from trading	0	0	1	0	0	7
1.2 connected with the fair value option	0	0	0	0	0	0
1.3 other	0	0	0	0	0	0
2 Credit derivatives	0	0	0	0	0	0
2.1 from trading	0	0	0	0	0	0
2.2 connected with the fair value option	0	0	0	0	0	0
2.3 other	0	0	0	0	0	0
Total B	0	0	1	0	0	7
Total (A+B)	80	0	10,500	2,848	0	10,214

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

Line items/values	31/12/2012	31/12/2011	Variation	% Variation
A. CASH ASSETS				
1. Debt securities				
a) Governments and Central Banks	80	853	-773	-90.66%
b) Other public entities	0	0	0	
c) Banks	0	1,995	-1,995	-100.00%
d) Other issuers	10,499	10,207	293	2.87%
2 Equity instruments				
a) Banks	0	0	0	0.00%
b) Other issuers:	0	0	0	0.00%
- Insurers	0	0	0	0.00%
- Finance companies	0	0	0	0.00%
- Non finance companies	0	0	0	0.00%
- Other	0	0	0	0.00%
3 Shares of mutual funds	0	0	0	0.00%
4 Loans				
a) Governments and Central Banks	0	0	0	0.00%
b) Other public entities	0	0	0	0.00%
c) Banks	0	0	0	0.00%
d) Other issuers	0	0	0	0.00%
Total (A)	10,579	13,054	-2,475	-18.96%
B DERIVATIVE INSTRUMENTS				
a) Banks	0	7	-7	0.00%
fair value	0	7	-7	-98.23%
b) Customers	1	0	0	0.00%
fair value	1	0	0	0.00%
Total (B)	1	7	-7	-90.01%
Total (A+B)	10,580	13,062	-2,482	-19.00%

2.3 Financial cash assets held for trading: annual variations

	Debt securities	Equity instruments	Shares of mutual funds	Loans	Total
A Initial value	2,848	10,214	0	0	13,062
B Additions					
B1. Purchases	220,776	2,353	0	0	223,129
B2. Increases of fair value	0	267	0	0	267
B3. Other additions	408	19	0	0	427
c Reductions					
C1. Sales	173,209	0	0	0	173,209
C2. Redemptions	50,627	2,353	0	0	52,980
C3. Reductions of fair value	0	0	0	0	0
C4. Transfers to other portfolio	0	0	0	0	0
C5. Other reductions	116	0	0	0	116
D Final value	80	10,500	0	0	10,580

Section 4 - Financial assets available for sale - Line item 40

4.1 Financial assets available for sale: breakdown by type

Line items/values	Total 31/12/2012			Total 31/12/2011		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	593,266	18,703	0	592,405	48,465	0
1.1 Structured securities	0	0	0	0	0	0
1.2 Other debt securities	593,266	18,703	0	592,405	48,465	0
2. Equity instruments	0	0	3,073	0	0	1,264
2.1 Measured at fair value	0	0	0	0	0	0
2.2 Measured at cost	0	0	3,073	0	0	1,264
3. Shares of mutual funds	0	0	290	0	0	0
4. Loans	0	0	0	0	0	0
Total	593,266	18,703	3,363	592,405	48,465	1,264

4.2 Financial assets available for sale: breakdown by borrower/issuer

Line items/values	Total 31/12/2012	Total 31/12/2011	Variation	% Variation
1. Debt securities	611,969	640,871	-28,902	-4.51%
a) Governments and Central Banks	552,796	562,324	-9,528	-1.69%
b) Other public entities	0	0	0	
c) Banks	59,173	78,547	-19,374	-24.67%
d) Other issuers	0	0	0	
2. Equity instruments	3,073	1,264	1,809	143.09%
a) Banks	2,467	786	1,681	213.94%
b) Other issuers	607	479	128	26.80%
- insurers	0	0	0	
- finance companies	374	196	178	90.80%
- non finance companies	233	283	-50	-17.68%
- other	1	0	1	
3. Shares of mutual funds	290	0	290	
4. Loans	0	0	0	
a) Governments and Central Banks	0	0	0	
b) Other public entities	0	0	0	
c) Banks	0	0	0	
d) Other issuers	0	0	0	
Total	615,332	642,135	-26,802	-4.17%

4.4 Financial assets available for sale: annual variations

	Debt securities	Equity instruments	Shares of mutual funds	Loans	Total
A. Initial value	640,871	1,264	0	0	642,135
B. Additions					
B1 Purchases	468,620	1,809	300	0	470,729
B2 Increases of fair value	39,877	0	0	0	39,877
B3 Write-backs of value	0	0	0	0	0
- allocated to the the income statement	0	0	0	0	0
- allocated to shareholders' equity	0	0	0	0	0
B4 Transfers from other portfolios	0	0	0	0	0
B5 Other additions	8,559	0	10	0	8,569
C. Reductions					
C1 Sales	471,113	0	0	0	471,113
C2 Redemptions	72,445	0	0	0	72,445
C3 Reductions of fair value	118	0	10	0	128
C4 Write-downs due to impairment	0	0	0	0	0
- allocated to the income statement	0	0	0	0	0
- allocated to shareholders' equity	0	0	0	0	0
C5 Transfers from other portfolios	0	0	0	0	0
C6 Other reductions	2,282	0	10	0	2,292
D. Final value	611,969	3,073	290	0	615,332

Section 6 - Receivables from banks - Line item 60

6.1 Receivables from banks: breakdown by type

Type of operation/Values	Total 31/12/2012	Total 31/12/2011	Variation	Variation %
A. Receivables from Central Banks				
1. Term deposits	0	0	0	
2. Regulatory reserves	33,404	26,668	6,736	25.26%
3. Repurchase agreements	0	0	0	
4. Other	0	0	0	
B. Receivables from banks				
1. Bank accounts and demand deposits	42,831	36,327	6,504	17.90%
2. Term deposits	0	0	0	
3. Other Loans:	0	0	0	
3.1 Repurchase agreements – receivables	0	0		
3.2 Financial leasing	0	0		
3.3 Other	0	0		
4. Debt securities	0	0	0	
4.1 Structured securities	0	0		
4.2 Other debt securities	0	0		
Total (balance sheet value)	76,235	62,996	13,240	21.02%
Total (fair Value)	76,235	62,996	13,240	21.02%

Section 7 - Receivables from customers - Line item 70

7.1 Receivables from customers: breakdown by type

Type of operation/values	Total 31/12/2012				Total 31/12/2011			
	Bonis	Impaired		Total	Bonis	Impaired		Total
		Acquired	Other			Acquired	Other	
1. Bank accounts	412,461	0	55,321	467,782	421,099	0	49,550	470,650
2. Repurchase agreements – receivables	0	0	0	0	0	0	0	0
3. Loans	935,969	0	159,727	1,095,695	913,369	0	126,665	1,040,035
4. Credit cards, personal loans and salary guaranteed finance	19,742	0	881	20,623	17,689	0	291	17,980
5. Financial leasing	11,016	0	0	11,016	0	0	0	0
6. Factoring	0	0	0	0	0	0	0	0
7. Other transactions	297,686	0	14,965	312,650	180,361	0	9,173	189,534
8. Debt securities	0	0	0	0	0	0	0	0
8.1 Structured securities	0	0	0	0	0	0	0	0
8.2 Other debt securities	0	0	0	0	0	0	0	0
Total (balance sheet value)	1,676,873	0	230,893	1,907,766	1,532,519	0	185,680	1,718,199
Total (fair value)	1,676,873	0	230,893	1,907,766	1,532,519	0	185,680	1,718,199

It is specified that there was an increase of "impaired receivables of 45,213 thousand Euro (+24.35%).

The following table is added in order to render the variations in this aggregate between fiscal years 2011 and 2012 even clearer:

Type of operation/values	Total 2012	Total 2011	Difference 2012/2011	Difference 2012/2011 %
1. Bank accounts	467,250	470,561	-3,312	-0.70%
2. Cash Clearing and Guarantee Fund	462	0	462	
3. Poste Italiane s.p.a.	70	88	-18	-20.85%
4. Repurchase agreements – receivables	0	0	0	
5. Loans	906,268	1,039,013	-132,746	-12.78%
6. Securitized loans	713	1,021	-309	-30.21%
7. Self-securitized loans	188,715	0	188,715	
8. Credit cards, personal loans and salary guaranteed finance	20,623	17,980	2,642	14.69%
9. Finance leasing	11,016	0	11,016	
10. Factoring	0	0	0	
11. Other transactions	204,101	189,534	14,567	7.69%
12. Bank for Deposits and Loans	90,567	0	90,567	
13. Receivable from the Vehicle Pontormo RMBS	17,982	0	17,982	
14. Debt securities	0	0	0	
Total (balance sheet value)	1,907,766	1,718,199	189,567	11.03%

If the variations regarding the "Cash Clearing and Guarantee Fund", "Poste Italiane s.p.a.", "Bank for Deposits and Loans", and "Pontormo RMBS" are not considered, which amount to 108,993 thousand Euro, the increase in lending amounted to 80,574 thousand Euro, equivalent to 4.69%.

7.2 Receivables from customers: breakdown by borrower/issuers

Type of operation/Values	Total 31/12/2012			Total 31/12/2011		
	Bonis	Impaired		Bonis	Impaired	
		Acquired	Other		Acquired	Other
1. Debt securities						
a) Governments	0	0	0	0	0	0
b) Other public entities	0	0	0	0	0	0
c) Other issuers	0	0	0	0	0	0
- non finance companies	0	0	0	0	0	0
- finance companies	0	0	0	0	0	0
- insurers	0	0	0	0	0	0
- other	0	0	0	0	0	0
2. Loans to:						
a) Governments	0	0	0	0	0	0
b) Other public entities	4,017	0	0	9,425	0	0
c) Other borrowers	1,672,855	0	230,893	1,523,094	0	185,680
- non finance companies	843,819	0	162,634	747,978	0	134,747
- finance companies	152,804	0	3	83,816	0	82
- insurers	0	0	0	0	0	0
- other	676,232	0	68,257	691,301	0	50,850
Total	1,676,873	0	230,893	1,532,519	0	185,680

With reference to the breakdown by borrowers/issuers, the most significant increase regarded point 2 clause c) – non finance companies in the amount of 123,728 thousand Euro (+14.02%).

Section 8 - Hedges - Line item 80

8.1 Hedges: breakdown by type of hedge and by level

	Fair value 31/12/2012			Notional value 31/12/2012	Fair value 31/12/2011			Notional value 31/12/2011
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
A. Financial derivatives	0	0	8,974	192,682	0	0	7,738	232,922
1) Fair value	0	0	8,896	185,600	0	0	7,463	225,600
2) Cash flows	0	0	78	7,082	0	0	275	7,322
3) Foreign investments	0	0	0	0	0	0	0	0
B. Credit derivatives	0	0	0	0	0	0	0	0
1) Fair value	0	0	0	0	0	0	0	0
2) Cash flows	0	0	0	0	0	0	0	0
Total	0	0	8,974	192,682	0	0	7,738	232,922

The table indicates the positive balance sheet value (fair value) of hedge contracts. The "Fair Value Hedge" accounting model was used.
A series of bonds issued by the Bank were hedged using hedge accounting, in order to hedge the relative interest rate risk.

8.2 Hedges: breakdown by hedged portfolios and by type of hedge

Transactions/Type of hedge	Fair Value						Cash flows		Foreign investments
	Specific					Generic	Specific	Generic	
	Interest rate risk	Exchange rate risk	Credit risk	Price risk	Various risks				
1. Financial assets available for sale	0	0	0	0	0	0	0	0	0
2. Receivables	0	0	0	0	0	0	0	0	0
3. Financial assets held through maturity	0	0	0	0	0	0	0	0	0
4. Portfolio	0	0	0	0	0	0	0	0	0
5. Other transactions	0	0	0	0	0	0	0	0	0
Total assets	0	0	0	0	0	0	0	0	0
1. Financial liabilities	8,896	0	0	0	0	0	78	0	0
2. Portfolio	0	0	0	0	0	0	0	0	0
Total liabilities	8,896	0	0	0	0	0	78	0	0
1. Forecast transactions	0	0	0	0	0	0	0	0	0
2. Portfolio of financial assets and liabilities	0	0	0	0	0	0	0	0	0

Section 10 - Equity investments - Line item 100

10.1 Equity investments in subsidiaries, jointly held companies or subject to significant influence: information on shareholdings

Denomination	Registered office	Shareholding %	Votes available %
A. Wholly owned subsidiaries			
B. Jointly held companies			
C. Companies subject to significant influence			
1. Cabel Leasing s.p.a.	Empoli	17.40%	17.40%
2. Cabel Holding s.p.a.	Empoli	38.40%	38.40%
3. Cabel Industry s.p.a.	Empoli	6.00%	6.00%

10.2 Equity investments in subsidiaries, jointly held companies or subject to significant influence: accounting information

Denomination	Total assets	Total income	Gain (Loss)	Shareholders' equity	Balance sheet value	Fair value
A. Wholly owned subsidiaries						
B. Jointly held companies						
C. Companies subject to significant influence						
1. Cabel Leasing s.p.a.	202,818	6,697	6	13,159	2,290	
2. Cabel Holding s.p.a.	38,597	5,629	807	31,801	12,211	
3. Cabel Industry s.p.a.	10,968	21,059	705	4,404	264	
Total	252,383	33,385	1,519	49,363	14,765	

The fair value of equity investments in companies subject to significant influence was not indicated because none of such companies is a listed company.

10.3 Equity investments: annual variations

	Total 31/12/2012	Total 31/12/2011
A. Initial value	14,419	13,409
B. Additions		
B.1 Purchases	0	532
B.2 Write-backs of value	0	0
B.3 Revaluations	346	972
B.4 Other additions	0	11
C. Reductions		
C.1 Sales	0	506
C.2 Value adjustments	0	0
C.3 Other reductions	0	0
D. Final value	14,765	14,419
E. Total revaluations	9,543	9,197
F. Total adjustments	0	0

Line B.3 "Revaluations" includes the revaluation of the company Cabel Leasing s.p.a. for -6 thousand Euro, the revaluation of the company Cabel Holding s.p.a. for 335 thousand Euro (of which: 310 thousand Euro from fiscal year profit, and 25 thousand Euro from the revaluation of equity capital), and the revaluation of the company Cabel Industry s.p.a. for 17 thousand Euro (of which 17 thousand Euro from fiscal year profit).
The data from the 2011 financial statements refer to the last financial statements approved by subsidiaries (31/12/2010).
The data from the 2012 financial statements refer to the last financial statements approved by subsidiaries (31/12/2011).

Section 11 - Property, plant and equipment - Line item 110

11.1 Property, plant and equipment: breakdown of assets measured at cost

Assets/values	Total 31/12/2012	Total 31/12/2011
A. Assets having a functional use		
1.1 own assets	56,781	46,552
a) land	14,423	12,523
b) buildings	32,027	23,529
c) furniture	7,180	7,242
d) electronic equipment	620	712
e) other	2,532	2,546
1.2 purchased in financial leasing	0	0
a) land	0	0
b) buildings	0	0
c) furniture	0	0
d) electronic equipment	0	0
e) other	0	0
Total A	56,781	46,552
b Assets held for investment purposes		
2.1 own assets	0	0
a) land	0	0
b) buildings	0	0
2.2 purchased in financial leasing	0	0
a) land	0	0
b) buildings	0	0
Total B	0	0
Total (A+B)	56,781	46,552

All of the Bank's property, plant and equipment is measured at cost; the line item "land" indicates the value of the land that is separated from the value of the buildings.

11.3 Property, plant and equipment having a functional use: annual variations

	Land	Buildings	Furniture	Electronic systems	Other	Total 31/12/2012
A. Initial gross value	12,523	39,415	11,891	2,077	11,411	77,317
A.1 Total net reductions of value	0	15,886	4,649	1,365	8,865	30,765
A.2 Initial net value	12,523	23,529	7,242	712	2,546	46,552
B. Additions:						
B.1 Purchases	1,900	8,050	442	192	739	11,322
B.2 Expenses for capitalized improvements	0	1,371	0	0	0	1,371
B.3 Write-backs of value	0	0	0	0	0	0
B.4 Increases of fair value allocated to:						
a) shareholders' equity	0	0	0	0	0	0
b) the income statement	0	0	0	0	0	0
B.5 Positive exchange rate differences	0	0	0	0	0	0
B.6 Transfers from real property held for investment	0	0	0	0	0	0
B.7 Other additions	0	0	0	3	8	11
C. Reductions:						
C.1 Sales	0	0	0	6	9	15
C.2 Depreciation	0	922	505	281	752	2,460
C.3 Value adjustments from impairment allocated to:						
a) shareholders' equity	0	0	0	0	0	0
b) the income statement	0	0	0	0	0	0
C.4 Reductions of fair value allocated to:						
a) shareholders' equity	0	0	0	0	0	0
b) the income statement	0	0	0	0	0	0
C.5 Negative exchange rate differences	0	0	0	0	0	0
C.6 Transfers to:						
a) property, plant and equipment held for investment	0	0	0	0	0	0
b) assets in the course of divestment	0	0	0	0	0	0
C.7 Other reductions	0	0	0	0	0	0
D. Final net value	14,423	32,027	7,180	620	2,532	56,781
D.1 Reductions of total net value	0	16,808	5,153	1,643	9,608	33,214
D.2 Final gross value	14,423	48,835	12,333	2,263	12,140	89,994
E. Measurement at cost	0	0	0	0	0	0

Depreciation was measured based on the useful life of the assets, as specified below:

- Land	0.00%
- Buildings	3.00%
- Artwork	0.00%
- Furniture and various furnishings	12.00%
- AED plants, machinery and equipment	20.00%
- Technical plants, machinery and equipment	15.00%
- Vehicles	20.00%

Section 12 - Intangible assets - Line item 120

12.1 Intangible assets: breakdown by type of asset

Assets/values	Total 31/12/2012		Total 31/12/2011	
	Limited duration	Unlimited duration	Limited duration	Unlimited duration
A.1 Goodwill	0	0	0	0
A.2 Other intangible assets				
A.2.1 Assets measured at cost:	249	0	193	0
a) Intangible assets generated internally	0	0	0	0
b) Other assets	249	0	193	0
A.2.2 Assets measured at fair value:	0	0	0	0
a) Intangible assets generated internally	0	0	0	0
b) Other assets	0	0	0	0
Total	249	0	193	0

All of the Bank's intangible assets are measured at cost.

12.2 Intangible assets: annual variations

	Goodwill	Other intangible assets: generated internally		Other intangible assets: other		Total 31/12/2012
		limited duration	unlimited duration	limited duration	unlimited duration	
A. Initial value	0	0	0	3,557	0	3,557
A.1 Total net reductions of value	0	0	0	3,364	0	3,364
A.2 Initial net value	0	0	0	193	0	193
B. Additions						
B.1 Purchases	0	0	0	120	0	120
B.2 Increases of internal intangible assets	0	0	0	0	0	0
B.3 Write-backs of value	0	0	0	0	0	0
B.4 Increases of fair value						
- to shareholders' equity	0	0	0	0	0	0
- to the income statement	0	0	0	0	0	0
B.5 Positive Exchange rate differences	0	0	0	0	0	0
B.6 Other additions	0	0	0	0	0	0
C. Reductions						
C.1 Sales	0	0	0	0	0	0
C.2 Adjustments of value						
- Amortizations	0	0	0	64	0	64
- Write-downs						
+ shareholders' equity	0	0	0	0	0	0
+ the income statement	0	0	0	0	0	0
C.3 Reductions of fair value						
- to shareholders' equity	0	0	0	0	0	0
- to the income statement	0	0	0	0	0	0
C.4 Transfers to noncurrent assets in the course of divestment	0	0	0	0	0	0
C.5 Negative exchange rate differences	0	0	0	0	0	0
C.6 Other reductions	0	0	0	0	0	0
D. Final net value	0	0	0	249	0	249
D.1 Total net adjustments of value	0	0	0	3,428	0	3,428
E. Final gross value	0	0	0	3,677	0	3,677
F. Measurement at cost	0	0	0	0	0	0

Other intangible assets consist of the cost of corporate software. Amortization is measured at constant rates based on its useful life, which is estimated to be 5 years.

Section 13 - Tax assets and liabilities – Asset line item 130 and Liability line item 80

13.1 Assets related to pre-paid taxes: breakdown

Line items/Values	Total 31/12/2012	Total 31/12/2011
1. Multi-year costs	0	0
2. Personnel costs	145	79
3. Receivables	5,366	3,021
4. Entertainment expenses	0	0
5. Financial instruments (Securities Available for Sale)	3,081	16,240
6. Tax losses	0	0
7. Other	0	0
Total	8,593	19,339

Among assets for pre-paid taxes, we note the line "Receivables", tax receivables due to value adjustments on receivables not deducted during the fiscal year because they exceeded the limit of Article 106 of TUIR. Such adjustments are deductible over the following fiscal years according to the mechanism of eighteen constant rates.

The line "Financial instruments" indicates tax receivables related to financial instruments classified in the portfolio of assets available for sale.

13.2 Liabilities for deferred taxes: breakdown

Line items/Values	Total 31/12/2012	Total 31/12/2011
1. Property, plant and equipment	3,787	3,925
2. Personnel costs	0	5
3. Former credit risk fund	0	0
4. Equity investments	131	126
5. Financial instruments (Securities Available For Sale)	1,127	144
6. Other	105	95
Total	5,151	4,295

Among liabilities for deferred taxes, we note the line "Property, plant and equipment": the tax liability was calculated between the IAS value and the "tax" value of the property, plant and equipment owned.

The line "Equity investments" indicates the tax liability referable to equity investments calculated at the Ires tax rate (27.50) on 5.00% of overall capital gain (9,550 thousand Euro).

The line "Financial instruments" indicates tax liabilities related to financial instruments classified in the portfolio of assets available for sale.

13.3 Variations of pre-paid taxes (as an offset to the income statement)

	Total 31/12/2012	Total 31/12/2011
1. Initial value	3,099	1,877
2. Additions		
2.1 Pre-paid taxes recognized during the fiscal year		
a) related to previous fiscal years	0	0
b) due to change of accounting policies	0	0
c) write-backs of value	0	0
d) other	2,588	1,328
2.2 New taxes or increases of tax rates	0	0
2.3 Other additions	0	0
3. Reductions		
3.1 Pre-paid taxes derecognized during the fiscal year		
a) reversals	177	105
b) write-downs for receivables written off as unrecoverable	0	0
c) change of accounting policies	0	0
d) other	0	0
3.2 Reductions of tax rates	0	0
3.3 Other reductions	0	0
4. Final value	5,511	3,099

The table summarizes all pre-paid taxes which will be absorbed in subsequent fiscal years as offsets to the income statement. The principal pre-paid tax that arose during the fiscal year was that generated by the write-downs on receivables exceeding the deductible limit in the fiscal year totaling 2,522 thousand Euro.

13.4 Variations of deferred taxes (as an offset to the income statement)

	Total 31/12/2012	Total 31/12/2011
1. Initial value	4,051	4,183
2. Additions		
2.1 Deferred taxes recognized during the fiscal year		
a) related to previous fiscal years	0	0
b) due to a change of accounting policies	0	0
c) other	15	18
2.2 New taxes or increases of tax rates	0	94
2.3 Other additions	0	0
3. Reductions		
3.1 Deferred taxes derecognized during the fiscal year		
a) reversals	143	244
b) due to a change of accounting policies	0	0
c) other	0	0
3.2 Reductions of tax rates	0	0
3.3 Other reductions	0	0
4. Final value	3,924	4,051

The table summarizes all deferred taxes that will be absorbed during subsequent fiscal years as offsets to the income statement.

13.5 Variations of pre-paid taxes (as an offset to shareholders' equity)

	Total 31/12/2012	Total 31/12/2011
1. Initial value	16,240	3,853
2. Additions		
2.1 Pre-paid taxes recognized during the fiscal year		
a) related to previous fiscal years	0	0
b) due to a change of accounting policies	0	0
c) other	0	12,297
2.2 New taxes or increases of tax rates	0	89
2.3 Other additions	0	0
3. Reductions		
3.1 Pre-paid taxes derecognized during the fiscal year		
a) reversals	13,158	0
b) write-downs for receivables written off as unrecoverable	0	0
c) due to a change of accounting policies	0	0
d) other	0	0
3.2 Reductions of tax rates	0	0
3.3 Other reductions	0	0
4. Final value	3,081	16,240

The variations are exclusively due to the pre-paid taxes recorded in movements to the reserves of shareholders' equity related to the financial instruments classified in the portfolio "Financial assets available for sale".

13.6 Variations of deferred taxes (as an offset to shareholders' equity)

	Total 31/12/2012	Total 31/12/2011
1. Initial value	244	106
2. Additions		
2.1 Deferred taxes recognized during the fiscal year		
a) related to previous fiscal years	0	0
b) due to a change in accounting policies	0	0
c) other	984	135
2.2 New taxes or increases of tax rates	0	2
2.3 Other additions	0	0
3. Reductions		
3.1 Deferred taxes derecognized during the fiscal year		
a) reversals	0	0
b) due to a change in accounting policies	0	0
c) other	0	0
3.2 Reduction of tax rates	0	0
3.3 Other reductions	0	0
4. Final value	1.227	244

The variations are due to the deferred taxes recorded in movements to the reserves of shareholders' equity related to the financial instruments classified in the portfolio "Financial assets available for sale", and in movements to the reserve of shareholders' equity related to equity investments.

13.7 Other information - Assets due to current taxes - Breakdown

	Total 31/12/2012	Total 31/12/2011
1. Accounts paid to the Tax Authority	7,660	6,763
2. Tax receivables – principal	144	154
3. Tax receivables – interest	288	307
4. Other withholdings	12	14
Total	8,104	7,238

13.7 Other information – Liabilities due to current taxes - Breakdown

	Total 31/12/2012	Total 31/12/2011
1. Fund for Ires tax	3,927	2,002
2. Fund for Irap tax	2,303	2,041
3. Fund for stamp duty	5	140
4. Tax fund – substitute tax Law 244/2007	0	0
5. Tax fund - other	0	56
Total	6,234	4,240

Section 15 - Other assets - Line item 150

15.1 Other assets: breakdown

	Total 31/12/2012	Total 31/12/2011
1. Entries transferred among branches and non-liquid entries	6,139	5,342
2. Other assets from securitizations	70	70
3. Diverse borrowers for sales of Securities to be regulated	0	0
4. Pre-paid expenses/deferred liabilities not included in their own line item	552	251
5. Entries in progress and diverse borrowers	22,747	23,442
Total	29,508	29,106

■ Liabilities

Section 1 - Payables to banks - Line item 10

1.1 Payables to banks: breakdown by type

Type of operation/Values	Total 31/12/2012	Total 31/12/2011	Variation	% Variation
1. Payables to central banks	418,171	379,495	38,676	10.19%
2. Payables to banks				
2.1 Bank accounts and demand deposits	1,071	1,448	-377	-26.03%
2.2 Term deposits	10,389	13,158	-2,769	-21.05%
2.3 Loans	0	14,549	-14,549	-100.00%
2.3.1 Repurchase agreements - payables	0	14,549	-14,549	-100.00%
2.3.2 Other	0	0		
2.4 Liabilities for commitments to repurchase own shares	0	0	0	
2.5 Other liabilities	0	0	0	
Total	429,630	408,650	20,980	5.13%
Fair value	429,630	408,650	20,980	5.13%

Payables to banks are all measured at cost or at amortized cost.

Section 2 - Payables to customers - Line item 20

2.1 Payables to customers: breakdown by type

Type of operation/Values	Total 31/12/2012	Total 31/12/2011	Variation	% Variation
1. Bank accounts and demand deposits	952,692	806,848	145,844	18.08%
2. Term deposits	77,376	8,098	69,278	855.45%
3. Loans	69,248	33,024	36,224	109.69%
3.1 Repurchase agreements – payables	56,890	17,177	39,713	231.20%
3.2. Other	12,358	15,847	-3,489	-22.02%
4. Liabilities for commitments to buy back treasury shares	0	0	0	
5. Other liabilities	475	948	-473	-49.92%
Total	1,099,791	848,919	250,872	29.55%
Fair value	1,099,791	848,919	250,872	29.55%

Payables to customers are all measured at cost or at amortized costs.
Line 3.2 "Loans - Others" in the amount of 15,847 thousand Euro includes transactions with Cassa Depositi e Prestisi s.p.a. in the amount of 12,358 thousand Euro.
Line 5 "Other payables" includes liabilities that were transferred but not derecognized for securitizations.

Section 3 – Outstanding securities - Line item 30

3.1 Outstanding securities: breakdown by type

Type of security/Values	Total 31/12/2012				Total 31/12/2011			
	Balance sheet value	Fair value			Balance sheet value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Securities								
1. Bonds	853,598	0	0	853,598	998,611	0	0	998,611
1.1 structured	2,634	0	0	2,634	2,459	0	0	2,459
1.2 other	850,963	0	0	850,963	996,151	0	0	996,151
2. Other securities	38,086	0	0	38,086	39,947	0	0	39,947
2.1 structured	0	0	0	0	0	0	0	0
2.2 other	38,086	0	0	38,086	39,947	0	0	39,947
Total	891,684	0	0	891,684	1,038,557	0	0	1,038,557

The table indicates deposits consisting of securities that also include, in addition to bonds, outstanding and matured certificates of deposit to be repaid.
All of the liabilities are measured at cost or at amortized cost, with the exception of entries that are the object of specific hedges of the interest rate risk on which the effect of the Swap was capitalized.
Liabilities are indicated net of the repurchased bonds.
The aggregate decreased with respect to the previous fiscal year by 146,873 thousand Euro (-14.14%).

3.3 Outstanding securities: Securities subject to specific hedges

Type of operation/Values	Total 31/12/2012	Total 31/12/2011
1. Securities subject to specific fair value hedges:		
a) interest rate risk	193,722	231,863
b) exchange rate risk	0	0
c) various risks	0	0
2. Securities subject to specific cash flow hedges:		
a) interest rate risk	0	0
b) exchange rate risk	0	0
c) other	0	0
Total	193,722	231,863

The table indicates outstanding securities that are the object of specific hedges.

Securities issued by the Bank for which the hedge decision was made subsequent to the issue, or for which there is the intention to maintain the hedge for the entire contractual duration of the issue, were the object of specific hedges of the fair value of the interest rate risk.

Section 4 - Financial liabilities from trading - Line item 40

4.1 Financial liabilities from trading: breakdown by type

Type of securities/Values	Total 31/12/2012				Total 31/12/2011			
	Balance sheet value	Fair value			Balance sheet value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Cash payables								
1. Payables to banks	0	0	0	0	0	0	0	0
2. Payables to customers	0	0	0	0	0	0	0	0
3. Debt securities	0	0	0	0	0	0	0	0
3.1 Bonds	0	0	0	0	0	0	0	0
3.1.1 Structured	0	0	0	0	0	0	0	0
3.1.2 Other bonds	0	0	0	0	0	0	0	0
3.2 Other securities	0	0	0	0	0	0	0	0
3.2.1 Structured	0	0	0	0	0	0	0	0
3.2.2 Other	0	0	0	0	0	0	0	0
Total A	0	0	0	0	0	0	0	0
B. Derivative instruments								
1. Financial derivatives	1	0	0	1	34	0	0	34
1.1 From trading	1	0	0	1	34	0	0	34
1.2 Connected with the fair value option	0	0	0	0	0	0	0	0
1.3 Other	0	0	0	0	0	0	0	0
2. Credit derivatives	0	0	0	0	0	0	0	0
2.1 From trading	0	0	0	0	0	0	0	0
2.2 Connected with the fair value option	0	0	0	0	0	0	0	0
2.3 Other	0	0	0	0	0	0	0	0
Total B	1	0	0	1	34	0	0	34
Total (A+B)	1	0	0	1	34	0	0	34

Section 6 - Hedges - Line item 60

6.1 Hedges: breakdown by type of hedge and by hierarchical level

	Fair value 31/12/2012			Notional value 31/12/2012	Fair value 31/12/2011			Notional value 31/12/2011
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
A. Financial derivatives	0	0	85	10,082	0	0	532	10,315
1) Fair value	0	0	9	3,000	0	0	257	3,000
2) Cash flows	0	0	76	7,082	0	0	275	7,315
3) Foreign investments	0	0	0	0	0	0	0	0
B. Credit derivatives	0	0	0	0	0	0	0	0
1) Fair value	0	0	0	0	0	0	0	0
2) Cash flows	0	0	0	0	0	0	0	0
Total	0	0	85	10,082	0	0	532	10,315

The table indicates the negative balance sheet value (fair value) of hedge contracts, for hedges using the hedge accounting instrument.

A series of bonds issued by the Bank were hedged by means of hedge accounting, in order to hedge the relative interest rate risk.

6.2 Hedges: breakdown by hedged portfolio and by type of hedge

Operation/Type of hedge	Fair Value						Cash flows		Foreign investments
	Specific					Generic	Specific	Generic	
	Interest rate risk	Exchange rate risk	Credit risk	Price risk	Various risks				
1. Financial assets available for sale	0	0	0	0	0	0	0	0	0
2. Receivables	9	0	0	0	0	0	4	0	0
3. Financial assets held through maturity	0	0	0	0	0	0	0	0	0
4. Portfolio	0	0	0	0	0	0	0	0	0
5. Other transactions	0	0	0	0	0	0	0	0	0
Total assets	9	0	0	0	0	0	4	0	0
1. Financial liabilities	0	0	0	0	0	0	72	0	0
2. Portfolio	0	0	0	0	0	0	0	0	0
Total liabilities	0	0	0	0	0	0	72	0	0
1. Expected transactions	0	0	0	0	0	0	0	0	0
2. Portfolio of financial assets and liabilities	0	0	0	0	0	0	0	0	0

Section 10 - Other liabilities - Line item 100

10.1 Other liabilities: breakdown

	Total 31/12/2012	Total 31/12/2011
1. Various tax entries	3,149	3,340
2. Entries transferred among branch offices	2,799	5,413
3. Differences receivables on offsets of third party portfolio	17,257	8,185
4. Suppliers	2,176	2,126
5. Various creditors for purchases of securities to be settled	5,893	0
6. Entries in progress and various creditors	23,670	20,073
Total	54,944	39,137

Section 11 - Employee severance pay - Line item 110

11.1 Employee severance pay: annual variations

	Total 31/12/2012	Total 31/12/2011
A. Initial value	3,454	3,265
B. Additions		
B.1 Allocations during the fiscal year	843	800
B.2 Other additions	339	494
C. Reductions		
C.1 Payments made	187	305
C.2 Other reductions	843	800
D. Final value	3,606	3,454
Total	3,606	3,454

Line B.1 "Allocation during fiscal year" includes severance pay matured during the fiscal year in the amount of 843 thousand Euro.

Line B.2 "Other additions" includes "Interest Cost" for IAS purposes of severance pay in the amount of 94 thousand Euro, and "Actuarial Losses" for IAS purposes of severance pay in the amount of 245 thousand Euro.

Line C.1 "Payments made" includes the "Benefit Paid" for IAS purposes of employee severance pay in the amount of 187 thousand Euro.

Line C.2 "Other reductions" includes the employee severance pay transferred to the Supplemental Pension Fund for Employees (an external fund) in the amount of 843 thousand Euro.

Section 12 - Risk and expense funds - Line item 120

12.1 Risk and expense funds: breakdown

Line items/Values	Total 31/12/2012	Total 31/12/2011
1. Funds for company pensions	0	0
2. Other risk and expense funds	1,414	1,263
2.1 lawsuits	0	19
2.2 personnel costs	310	286
2.3 other	1,104	958
Total	1,414	1,263

The table indicates an increase of 151 thousand Euro (+11.96%).

Line 2.2 "Personnel costs" includes costs referring to "Loyalty bonuses" for employees. Line 2.3 "Other" includes the profit fund available to the Board of Directors for charity and mutual aid.

12.2 Risk and expense funds: annual variations

	Pension funds	Other funds	Total 31/12/2012
A. Initial value	0	1,263	1,263
B. Additions			
B.1 Allocation during fiscal year	0	500	500
B.2 Additions due to the passage of time	0	0	0
B.3 Additions due to modifications of the discount rate	0	0	0
B.4 Other additions	0	24	24
C. Reductions			
C.1 Use during the fiscal year	0	373	373
C.2 Reductions due to modifications of the discount rate	0	0	0
C.3 Other reductions	0	0	0
D. Final value	0	1,414	1,414

Section 14 – Shareholders' equity - Line items 130, 150, 160, 170, 180, 190 and 200

14.2 Share capital – Number of shares: annual variations

Line items/Type	Ordinary	Other
A. Outstanding shares at the start of the fiscal year	9,818	0
- entirely unrestricted	9,818	0
- with restrictions	0	0
A.1 Treasury shares (-)	0	0
B.2 Outstanding shares: initial value	9,818	0
B. Additions		
B.1 New issues		
- for payment:	161	0
- mergers	0	0
- conversion of bonds	0	0
- exercise of warrants	0	0
- other	161	0
- on a gratuitous basis:	0	0
- to employees	0	0
- to directors	0	0
- other	0	0
B.2 Sale of treasury shares	0	0
B.3 Other variations	0	0
C. Reductions		
C.1 Derecognition	206	0
C.2 Buy backs of treasury shares	0	0
C.3 Sales of companies	0	0
C.4 Other variations	0	0
D. Outstanding shares: final value	9,773	0
D.1 Treasury shares (+)	0	0
D.2 Outstanding shares at the end of the fiscal year	9,773	0
- entirely unrestricted	9,773	0
- with restrictions	0	0

14.3 Share capital: other information - annual variations

	Amounts	Number of shares	Number of shareholders
A. Initial value	2,847	9,818	3,039
B. Additions			
B.1 New shareholders	20	69	69
B.2 From revaluations	49	0	0
B.3 From successions	23	79	19
B.4 From other additions	4	13	5
C. Reductions			
C.1 Redemptions	26	90	35
C.2 Partial redemptions	7	24	0
C.3 From successions	23	79	19
C.4 From other reductions	4	13	6
D. Final value	2,883	9,773	3,072

14.4 Retained earnings: other information - breakdown of shareholders' equity

	Total 31/12/2012	Total 31/12/2011
1. Share capital	2,883	2,847
2. Premiums on issue of new shares	244	242
3. Reserves	230,417	224,029
3.1 ordinary/extraordinary reserves	185,725	180,414
3.2 Statutory reserve	45,456	44,378
3.3 Reserves - First Time Adoption I.A.S.	-763	-763
4. (Treasury shares)	0	0
5. Valuation reserves	14,058	-14,582
5.1 Financial assets available for sale	-3,955	-32,576
5.2 Property, plant and equipment	0	0
5.3 Intangible assets	0	0
5.4 Hedging foreign investments	0	0
5.5 Hedging cash flows	0	0
5.6 Exchange rate differences	0	0
5.7 Noncurrent assets in the course of divestment	0	0
5.8 Actuary profit (loss) on defined benefit plans	0	0
5.9 Share of the valuation reserves of equity investments measured at shareholders' equity	7,176	7,159
5.10 Special revaluation laws	10,836	10,836
6. Equity instruments	0	0
7. Fiscal year profit (loss)	5,200	7,300
Total	252,802	219,836

14.4 Retained earnings: other information – division and use of fiscal year profit

	Amount	Accounting classification of capital
Ordinary/Legal Reserve	3,396	Increase of Liability line item 160 (Tier 1)
Reserve pursuant to Article 6, Legislative Decree 38/2005	348	Increase of Liability line item 160 (Tier 1)
Statutory Reserve	577	Increase of Liability line item 160 (Tier 1)
Shareholders for dividends	144	
Shareholders for gratuitous revaluation of shares	78	Increase of Liability line item 180 (Tier 1)
Mutual aid fund to promote and develop cooperation, Law 59/1992	156	
Available to the Board of Directors for charity and mutual aid	500	
Total	5,200	

14.6 Other information – Schedule on the origin and the potential use and distribution of the line items of shareholders' equity (Article 2427(1)(7 bis) of the Italian Civil Code)

In accordance with Article 2427(7-bis) of the Italian Civil Code, the following table indicates the breakdown of shareholders' equity, according to the origin and level of availability and potential distribution of the various entries:

Type / description	Amount	Possibility of use	Available share	Summary of uses made in the last three fiscal years	
				To cover losses	For other reasons
Share capital	2,883	B - C	2,883		284
Share premium reserve	244	B - C	244		20
Fund for general bank risks	<<				
Valuation reserves:					
- revaluation reserve pursuant to Law 576/75	12	A - B - C	12		
- revaluation reserve pursuant to Law 72/83	695	A - B - C	695		
- revaluation reserve pursuant to Law 413/91	273	A - B - C	273		
- Available for Sale revaluation reserve	-3,955	B	-3,955		
- reserve from equity investments	7,177	B	7,177		
Retained earnings:					
- indivisible legal/statutory reserve	231,181	B	231,181		
- reserve from transition to International Accounting Standards	9,092	B	9,092		
TOTAL	247,602		247,602		
Non distributable share			246,621		
Residual distributable share			981		

Key: A = to increase share capital - B = to cover losses - C = to distribute to shareholders

Other information

1. Guarantees given and commitments

Operations	Amount 31/12/2012	Amount 31/12/2011
1) Financial guarantees given to:	88,425	119,337
a) Banks	5,144	15,017
b) Customers	83,281	104,320
2) Commercial guarantees given to:	13,687	12,777
a) Banks	1,640	270
b) Customers	12,048	12,507
3) Irrevocable commitments to disburse funds given to:	23,573	17,858
a) Banks	143	0
i) for certain use	143	0
ii) for uncertain use	0	0
b) Customers	23,430	17,858
i) for certain use	8,080	0
ii) for uncertain use	15,350	17,858
4) Underlying commitments for credit derivatives: sales of protection	0	0
5) Assets pledged as collateral for third party obligations	769	7,992
6) Other commitments	50	300
Total	126,504	158,264

The amount of 769 thousand Euro set forth in point 5 refers to guarantees issued on credit lines related to operations on the New-Mic trading platform of the Cash Clearing and Guarantee Fund.

2. Assets pledged as collateral for own liabilities and commitments

Portfolio	Amount 31/12/2012	Amount 31/12/2011
1. Financial assets held for trading	0	0
2. Financial assets measured at fair value	0	0
3. Financial assets available for sale	70,675	31,758
4. Financial assets held through maturity	0	0
5. Receivables from banks	0	0
6. Receivables from customers	0	0
7. Property, plant and equipment	0	0

The table indicates the value of securities pledged as collateral for repurchase agreements.

4. Management and trading on behalf of third parties

Type of services	Amount
1. Trading financial instruments on behalf of customers	0
a) purchases	0
settled	0
not settled	0
b) sales	0
settled	0
not settled	0
2. Asset management	996
a) individual	996
b) collective	0
3. Custody and management of securities	2,782,195
a) third party securities on deposit: related to bank performance as depository bank (excluding asset management)	0
1. securities issued by the bank that prepares the balance sheet	0
2. other securities	0
b) third party securities on deposit (excluding asset management): other	972,400
1. securities issued by the bank that prepares the balance sheet	837,994
2. other securities	134,406
c) third party securities deposited with third parties	946,946
d) treasury securities deposited with third parties	862,849
4. Other operations	0

Part C - INFORMATION ON THE INCOME STATEMENT

Section 1 - Interest - Line items 10 e 20

1.1 Earned interest and similar income: breakdown

Line items/Technical forms	Debt securities	Loans	Other operations	Total 31/12/2012	Total 31/12/2011
1. Financial assets held for trading	282	0	0	282	388
2. Financial assets available for sale	21,073	0	0	21,073	15,522
3. Financial assets held through maturity	0	0	0	0	0
4. Receivables from banks	0	934	0	934	1,295
5. Receivables from customers	0	60,362	0	60,362	56,819
6. Financial assets measured at fair value	0	0	0	0	0
7. Hedges	0	0	2,637	2,637	2,068
8. Other assets	0	0	27	27	38
Total	21,355	61,296	2,664	85,315	76,130

The column "Loans", item 5 "Receivables from customers" includes earned interest and similar income matured during the fiscal year referring to impaired exposure as of the balance sheet reference date in the amount of 4,993 thousand Euro.

The column "Loans", item 5 "Receivables from customers" includes earned interest and similar income matured during the fiscal year referring to impaired exposure as of the balance sheet reference date in the amount of 6,415 thousand Euro.

1.2 Earned interest and similar income: differences related to hedges

Line items	Total 31/12/2012	Total 31/12/2011
A. Positive differences relating to hedges:	6,090	6,642
B. Negative differences relating to hedges:	3,452	4,574
C. Balance (A-B)	2,637	2,068

The table indicates positive interest income in the amount of 2,637 thousand Euro, deriving from the difference between earned interest (6,090 thousand Euro) and payable interest (3,452 thousand Euro). These differences are the consequence of the transformation from a fixed to a variable interest rate of a series of bonds issued by the Bank which, speculatively, were combined with mirror fixed interest rate (IRS) hedges.

1.3 Earned interest and similar income: other information

1.3.1 Earned interest on financial assets in foreign currency

Line items/Values	Total 31/12/2012	Total 31/12/2011
Earned interest on financial assets in foreign currency	134	114

1.3.2 Earned interest on financial leasing

Line items/Values	Total 31/12/2012	Total 31/12/2011
Earned interest on financial leasing	41	0

1.4 Interest payable and similar expenses: breakdown

Line items/Technical forms	Liabilities	Securities	Other operations	Total 31/12/2012	Total 31/12/2011
1. Payables to central banks	-3,436	0	0	-3,436	-2,980
2. Payables to banks	-158	0	0	-158	-218
3. Payables to customers	-15,245	0	0	-15,245	-7,639
4. Outstanding securities	0	-27,422	0	-27,422	-29,205
5. Financial liabilities from trading	0	0	0	0	0
6. Financial liabilities measured at fair value	0	0	0	0	0
7. Other liabilities and funds	0	0	-12	-12	-29
8. Hedges	0	0	0	0	0
Total	-18,840	-27,422	-12	-46,274	-40,072

1.5 Interest payable and similar expenses: differences related to hedges

	Total 31/12/2012	Total 31/12/2011
A. Positive differences related to hedges:	0	0
B. Negative differences related to hedges:	0	0
C. Balance (A-B)	0	0

1.6 Interest payable and similar expenses: other information

1.6.1 Interest payable on liabilities in foreign currency

Line items/Values	Total 31/12/2012	Total 31/12/2011
Interest payable on financial liabilities in foreign currency	-121	-96

Section 2 - Commissions - Line items 40 and 50

2.1 Commission income: breakdown

Type of service/Values	Total 31/12/2012	Total 31/12/2011
a) guarantees given	265	238
b) credit derivatives	0	0
c) management, intermediation and consulting services:	1,240	1,115
1 trading financial instruments	9	20
2 trading foreign currencies	341	343
3 asset management	19	24
3.1 individual	19	24
3.2 collective	0	0
4 custody and management of securities	117	126
5 depository bank	0	0
6 securities placement	156	75
7 receipt and transmission of orders	168	209
8 consulting activity	0	0
8.1 on investments	0	0
8.2 on financial structure	0	0
9 distribution of third party services	431	318
9.1 asset management	0	1
9.1.1. individual	0	1
9.1.2 collective	0	0
9.2 insurance products	31	40
9.3 other products	400	277
d) collection and payment services	5,353	4,635
e) servicing securitizations	30	0
f) factoring services	0	0
g) fiscal year tax collection and payee services	0	0
h) asset management of multilateral exchange systems	0	0
i) maintenance and management of bank accounts	11,525	9,073
j) other services	772	837
Total	19,186	15,898

2.2 Commission income: distribution channels of products and services

Channels/Values	Total 31/12/2012	Total 31/12/2011
a) at its own branches:	606	417
1. asset management	19	24
2. securities placement	156	75
3. third party services and products	431	318
b) off-site offer:	0	0
1. asset management	0	0
2. securities placement	0	0
3. third party services and products	0	0
c) other distribution channels	0	0
1. asset management	0	0
2. securities placement	0	0
3. third party services and products	0	0

2.3 Commission expenses: breakdown

Services/Values	Total 31/12/2012	Total 31/12/2011
a) guarantees received	0	0
b) credit derivatives	0	0
c) management and intermediation services:	-106	-161
1. trading financial instruments	0	0
2. trading foreign currency	-96	-141
3. asset management	-10	-20
3.1 own portfolio	0	0
3.2 delegated by third parties	-10	-20
4. custody and management of securities	0	0
5. placement of financial instruments	0	0
6. off-site offer of financial instruments, products and services	0	0
d) collection and payment services	-1,520	-1,288
e) other services	0	0
Total	-1,627	-1,449

Section 3 - Dividends and similar income - Line item 70

3.1 Dividends and similar income: breakdown

Line items/Income	Total 31/12/2012		Total 31/12/2011	
	Dividends	Income from shares of mutual funds	Dividends	Income from shares of mutual funds
A. Financial assets held for trading	0	0	0	0
B. Financial assets available for sale	37	0	78	0
C. Financial assets measured at fair value	0	0	0	0
D. Equity investments	0	0	0	0
Total	37	0	78	0

The table indicates the economic result from the portfolio of assets held for trading.

Section 4 – Net trading income - Line item 80

4.1 Net trading income: breakdown

Transactions/Income components	Capital gains (A)	Trading profits (B)	Capital losses (C)	Trading losses (D)	Net income [(A+B) - (C+D)]
1. Financial assets from trading	267	969	0	113	1,123
1.1 Debt securities	267	441	0	113	595
1.2 Equity instruments	0	0	0	0	0
1.3 Shares of mutual funds	0	0	0	0	0
1.4 Loans	0	0	0	0	0
1.5 Other	0	528	0	0	528
2. Financial liabilities from trading	0	0	0	0	0
2.1 Debt securities	0	0	0	0	0
2.2 Liabilities	0	0	0	0	0
2.3 Other	0	0	0	0	0
3. Financial assets and liabilities: exchange rate differences	0	0	0	0	0
4. Derivative instruments	0	0	0	0	0
4.1 Financial derivatives	0	0	0	0	0
- On debt securities and interest rates	0	0	0	0	0
- On equity instruments and equity indexes	0	0	0	0	0
- On foreign currencies and gold	0	0	0	0	0
- Other	0	0	0	0	0
4.2 Credit derivatives	0	0	0	0	0
Total	267	969	0	113	1,123

The table indicates the economic result from the portfolio of assets held for trading.

Section 5 – Net hedging income - Line item 90

5.1 Net hedging income: breakdown

Income components/Values	Total 31/12/2012	Total 31/12/2011
A. Income related to:		
A.1 Hedges of fair value	49	92
A.2 Hedged financial assets (fair value)	0	0
A.3 Hedged financial liabilities (fair value)	0	0
A.4 Hedges of cash flows	0	0
A.5 Assets and liabilities in foreign currency	0	0
Total income from pledged assets (A)	49	92
B. Expenses related to:		
B.1 Hedges of fair value	-91	-29
B.2 Hedged financial assets (fair value)	0	0
B.3 Hedged financial liabilities (fair value)	0	0
B.4 Hedges of cash flows	0	0
B.5 Assets and liabilities in foreign currency	0	0
Total expenses of hedged assets (B)	-91	-29
C. Net hedging income (A-B)	-42	64

The table indicates the net income from hedges. Therefore, the income components recognized in the income statement are indicated that derive from the measurement of the difference between the liabilities that are hedged and the relative hedging contract.

Section 6 - Gains (Losses) from disposal/repurchase - Line item 100

6.1 Gains (Losses) from disposal/repurchase: breakdown

Line items/Income components	Total 31/12/2012			Total 31/12/2011		
	Gains	Losses	Net income	Gains	Losses	Net income
Financial assets						
1. Receivables from banks	0	0	0	0	0	0
2. Receivables from customers	258	0	258	0	0	0
3. Financial assets available for sale	4,273	73	4,201	538	292	245
3.1 Debt securities	4,273	73	4,201	538	292	245
3.2 Equity instruments	0	0	0	0	0	0
3.3 Shares of mutual funds	0	0	0	0	0	0
3.4 Loans	0	0	0	0	0	0
4. Financial assets held through maturity	0	0	0	0	0	0
Total assets	4,531	73	4,458	538	292	245
Financial liabilities						
1. Payables to banks	0	0	0	0	0	0
2. Payables to customers	0	0	0	0	0	0
3. Outstanding securities	1,317	278	1,038	4,553	90	4,462
Total liabilities	1,317	278	1,038	4,553	90	4,462

The table indicates the economic result deriving from the divestment of financial assets other than those held for trading.

With respect to assets available for sale in line item 3.1, there was a net positive income of 4,201 thousand Euro, of which gains on Italian Government securities for 4,184 thousand Euro and losses on other securities issued by banks in the amount of 17 thousand Euro.

The gain deriving from the repurchase of Outstanding securities, point 3 of financial liabilities, in the amount of 1,038 thousand Euro, originated from the repurchase of the Bank's bonds.

With respect to assets available for sale in line item 3.1, there was net positive income of 245 thousand Euro, of which gains on Italian Government securities for 431 thousand Euro and losses on other securities issued by banks in the amount of -186 thousand Euro.

Section 8 – Net adjustments/write-backs of value due to impairment - Line item 130

8.1 Net adjustments of value due to impairment of receivables: breakdown

Operations/Income components	Value adjustments			Write-backs of value				Total 31/12/2012	Total 31/12/2011
	Specific		From portfolio	Specific		From portfolio			
	Derecognition	Other		From interest	Other write-backs	From interest	Other write-backs		
A. Receivables from banks									
- loans	0	0	0	0	0	0	0	0	0
- debt securities	0	0	0	0	0	0	0	0	0
B. Receivables from customers									
- loans	0	-20,416	-6,630	0	5,533	0	6,474	-15,038	-10,013
- debt securities	0	0	0	0	0	0	0	0	0
C. Total	0	-20,416	-6,630	0	5,533	0	6,474	-15,038	-10,013

The table summarizes value adjustments and write-backs of value recognized due to the impairment of receivables from customers.

In particular, the column "Other" includes specific write-downs of impaired receivables subject to "analytical" measurement, while the column "From portfolio" includes adjustments quantified exclusively on receivables in bonis.

Another breakdown of adjustments/write-backs of value of receivables - Line item 130 of the income statement

Description of the portfolio	Type	Method	Amount 2012	Amount 2011
Non performing – Net value of adjustments/write-backs of value	Specific	Analytical	-6,908	-3,932
Watchlist – Net value of adjustments/write-backs of value	Specific	Analytical	-2,388	-3,808
Watchlist – Net value of adjustments/write-backs of value	Specific	Flat-rate	-1,040	605
Restructured – Net value of adjustments/write-backs of value	Specific	Analytical	-2,745	-2,730
Restructured – Net value of adjustments/write-backs of value	Specific	Flat-rate	-52	737
Overdue/overdrawn – Net value of adjustments/write-backs of value	Specific	Flat-rate	-1,749	-107
In Bonis – Net value of adjustments/write-backs of value	Portfolio	Flat-rate	-156	-778
Total – Net value of adjustments/write-backs of value			-15,038	-10,013

Section 9 – Administrative costs - Line item 150

9.1 Personnel costs: breakdown

Type of expense/Values	Total 31/12/2012	Total 31/12/2011
1) Employees	-18,992	-18,066
a) salaries and wages	-13,504	-12,695
b) social security contributions	-3,101	-2,902
c) severance pay	0	0
d) pension costs	0	0
e) allocation to employee severance pay	-398	-551
f) allocation to pension fund and similar obligations:	0	0
- to a defined contribution plan	0	0
- to a defined services plan	0	0
g) payments to external complementary pension funds	-1,302	-1,220
- to a defined contribution plan	-1,302	-1,220
- to a defined services plan	0	0
h) costs deriving from payment agreements based on its own equity instruments	0	0
i) other employee benefits	-687	-698
2) Other personnel	-593	-769
3) Directors and Statutory Auditors	-321	-317
4) Retired personnel	0	0
5) Recovery of expenses for personnel temporarily transferred to other companies	0	0
6) Recovery of expenses for third party personnel temporarily transferred to the company	0	0
Total	-19,906	-19,151

The table indicates an increase of the aggregate in the amount of 755 thousand Euro (+3.94%).

9.2 Average number of employees by category

Description	Values 31/12/2012	Values 31/12/2011
Employees	264	252
a) Managers	3	3
b) Middle management employees	44	40
c) Remaining employees	217	209
Other personnel	13	16
Total	277	268

Precise number of employees by category

Description	Values 31/12/2012	Values 31/12/2011
Employees	275	258
a) Managers	3	3
b) Middle management employees	44	40
c) Remaining employees	228	215
Other personnel	9	24
Total	284	282

9.4 Personnel costs: other employee benefits

Type of cost/Values	Total 31/12/2012	Total 31/12/2011
1) Meal vouchers for employees	-454	-446
2) Loyalty bonus for employees	-34	-40
3) Other employee costs	-199	-212
Total	-687	-698

9.5 Other administrative costs: breakdown

Line items/Values	Total 31/12/2012	Total 31/12/2011	Variation	% Variation
1. Insurers and security	-1,135	-1,028	-107	10.40%
2. Advertising and entertainment	-1,616	-1,544	-72	4.68%
3. Rent for real property	-1,101	-1,102	1	-0.10%
4. Maintenance, repairs, transformation of real and personal property	-3,175	-2,918	-257	8.81%
5. Electricity, heating and cleaning services	-998	-1,000	2	-0.18%
6. Telex, telephone and postage	-1,164	-1,115	-48	4.35%
7. Costs for data processing	-1,995	-1,621	-373	23.03%
8. Stamped paper and stationary	-418	-426	8	-1.85%
9. Fees to outside professionals	-497	-574	77	-13.42%
10. Expenses for write-backs of receivables	-6	-18	12	-67.19%
11. Technical assistance and maintenance of software products	-1,015	-472	-543	114.99%
12. Information and registry searches	-1,222	-1,418	197	-13.86%
13. Charitable contributions allocated to the income statement	-3	-19	16	-82.15%
14. Expenses for treasury assets	-80	-88	8	-9.14%
15. Travel and transportation costs	-375	-363	-12	3.27%
16. Indirect taxes	-3,228	-3,255	27	-0.82%
17. Other costs	-698	-911	213	-23.39%
Total	-18,726	-17,873	-853	4.77%

Line item 17 "Other costs" includes the start-up costs for the self-securitization of Pontormo RMBS s.r.l. in the amount of 248 thousand Euro.

Section 11 – Net adjustments/write-backs of value for property, plant and equipment - Line item 170

11.1 Net adjustments of value for property, plant and equipment: breakdown

Assets/Income component	Depreciation (a)	Adjustments of value due to impairment (b)	Write-backs of value (c)	Net income (a+b-c)
A. Property, plant and equipment				
A.1 Owned	-2,460	0	0	-2,460
- for functional use	-2,460	0	0	-2,460
- for investment	0	0	0	0
A. 2 Acquired in financial leasing	0	0	0	0
- for functional use	0	0	0	0
- for investment	0	0	0	0
Total	-2,460	0	0	-2,460

Section 12 – net adjustments/write-backs of value to intangible assets - Line item 180

12.1 Net value adjustments to intangible assets: breakdown

Assets/Income component	Amortization (a)	Value adjustments due to impairment (b)	Write-backs of value (c)	Net income (a+b-c)
A. Intangible assets				
A.1 Owned	-64	0	0	-64
- generated internally by the company	0	0	0	0
- other	-64	0	0	-64
A.2 Acquired in financial leasing	0	0	0	0
Total	-64	0	0	-64

Section 13 – Other management income and expenses - Line item 190

13.1 Other management expenses: breakdown

Line items/Values	Total 31/12/2012	Total 31/12/2011
1. Contingent liabilities and non-existent assets	-53	-114
2. Use of the Guarantee Fund for BCC's depositors	-553	-431
3. Depreciation of third party assets	-59	-58
Total	-665	-603

13.2 Other management income: breakdown

Line items/Values	Total 31/12/2012	Total 31/12/2011
1. Recovery of expenses	2,685	2,222
4. Contingent assets and non-existent liabilities	106	72
5. Other income	31	20
Total	2,821	2,314

Section 14 - Gains Losses from equity investments - Line item 210

14.1 Gains (losses) from equity investments: breakdown

Income component/Values	Total 31/12/2012	Total 31/12/2011
A. Income		
1. Revaluations	328	641
2. Gains from disposal	0	11
3. Write-backs of value	0	0
4. Other income	25	25
B. Expenses:		
1. Write-downs	0	0
2. Value adjustments from impairment	0	0
3. Losses from disposals	0	0
4. Other expenses	0	0
Net income	353	677

Line A.1 "Revaluations" includes the following transactions:

- Revaluation of Cabel Leasing s.p.a. in the amount of 1 thousand Euro for the fiscal year profit achieved by the subsidiary;
- Revaluation of Cabel Holding s.p.a. in the amount of 310 thousand Euro for the fiscal year profit achieved by the subsidiary;
- Revaluation of Cabel Industry s.p.a. in the amount of 17 thousand Euro for the fiscal year profit achieved by the subsidiary..

Line A.4 "Other income" includes the dividend from the company Cabel Industry s.p.a..

Section 17 - Gains (Losses) from the disposal of investments - Line item 240

17.1 Gains (losses) from disposal of investments: breakdown

Income component/ Values	Total 31/12/2012	Total 31/12/2011
A. Property, plant and equipment		
- Gains from disposal	0	0
- Losses from disposal	0	0
B. Other assets		
- Gains from disposal	3	10
- Losses from disposal	-1	0
Net income	2	10

Section 18 - Fiscal year income taxes on current operations - Line item 260

18.1 Fiscal year income taxes on current operations: breakdown

Income components/Values	Total 31/12/2012	Total 31/12/2011
1. Current taxes (-)	-6,872	-4,734
2. Variation of current taxes of previous fiscal years (+/-)	0	0
3. Reduction of current taxes for fiscal year (+)	0	0
4. Variation of pre-paid taxes (+/-)	2,412	1,222
5. Variation of deferred taxes (+/-)	127	132
6. Fiscal year income taxes (-) (1+/-2+3+/-4+/-5)	-4,332	-3,380

Current taxes are measured in accordance with outstanding tax legislation.
For purposes of Ires, current taxes were calculated considering provisions regarding mutual aid cooperatives, introduced by Law 311/2004.

Summary of fiscal year income taxes by type of tax

Income components/Values	Total 31/12/2012
- Ires	-2,058
- Irap	-2,274
- Other taxes	0
Total	-4,332

18.2 Reconciliation between theoretical tax burden and effective tax burden on the balance sheet

Line items/Values	Ires	Tax rate	Irap	Tax rate
(A) Gain (Loss) from current operations before taxes	12,532		12,532	
(B) Income taxes – Theoretical burden	3,446	27.50%	698	5.57%
Reductions of tax base	13,176	27.50%	600	5.57%
Additions to tax base	14,923	27.50%	29,416	5.57%
Tax base	14,279		41,349	
Income taxes – Effective tax burden	3,927	27.50%	2,303	5.57%
Pre-paid/deferred taxes	-1,869	27.50%	-29	5.57%
Total taxes	2,058		2,274	
Overall tax	4,332			
Effective tax rate	34.57%			

Section 20 - Other information

Mutual aid

It is certified that the conditions for being a cooperative bank exist and remain.
For such purpose, in accordance with what is provided by Article 2512 of the Italian Civil Code and by Article 35 of Legislative Decree 385/1993 and the related Supervisory Regulations, during the course of fiscal year 2012 the Bank satisfied the pre-requisites on prevalent operations with shareholders.
It is certified that “risk assets” for shareholders and zero weighted assets exceeded 50% of the total during the course of fiscal year 2012. Specifically, as of the reporting date of the 2012 Financial Statements, the above ratio was 50.230%.

Part D – OVERALL PROFITABILITY

ANALYTICAL SCHEDULE OF OVERALL PROFITABILITY - 2012

Line items	Gross Amount	Income tax	Net Amount
10. Fiscal Year Profit (Loss)	X	X	5,200
Other income components			
20. Financial assets available for sale:	42,764	14,142	28,622
a) variations of fair value	39,760	13,149	
b) reversal to the income statement	3,004	993	
- adjustments due to impairment	0	0	
- gains/losses from use	3,004	993	
c) other variations	0	0	
30. Property, plant and equipment	0	0	0
40. Intangible assets	0	0	0
50. Hedging foreign investments:	0	0	0
a) variations of fair value	0	0	
b) reversal to the income statement	0	0	
c) other variations	0	0	
60. Hedging cash flows:	0	0	0
a) variations of fair value	0	0	
b) reversal to the income statement	0	0	
c) other variations	0	0	
70. Exchange rate differences:	0	0	0
a) variations of fair value	0	0	
b) reversal to the income statement	0	0	
c) other variations	0	0	
80. Noncurrent assets in the course of divestment:	0	0	0
a) variations of fair value	0	0	
b) reversal to the income statement	0	0	
c) other variations	0	0	
90. Actuary profit (loss) on defined benefit plans	0	0	0
100. Share of the valuation reserves from measurement of equity investments:	18	0	18
a) variations of fair value	18	0	
b) reversal to the income statement	0	0	
- adjustment due to impairment	0	0	
- gains/losses from use	0	0	
c) other variations	0	0	
110. Total other income components	42,781	14,142	28,639
120. Overall profitability (10+110)			33,839

The international accounting standards allow financial instruments to be allocated to different portfolios to which accounting criteria are applied that result in the allocation of income or expenses directly to special reserves of shareholders' equity without passing from the income statement. The schedule indicates the overall result considering income components that matured and were realized during the fiscal year that were recognized directly in shareholders' equity and which sterilize the components that already maturated and were thus recognized in shareholders' equity in previous fiscal years, but which are subject to a second and definitive allocation to the income statement (reversal) when actually realized.

ANALYTICAL SCHEDULE OF OVERALL PROFITABILITY - 2011

Line items	Gross Amount	Income tax	Net Amount
10. Fiscal year Profit (Loss)	X	X	7,300
Other income components			
20. Financial assets available for sale:	-36,785	-12,258	-24,526
a) variations of fair value	-36,184	-12,060	
b) reversal to the income statement	-600	-199	
- adjustment due to impairment	0	0	
- gains/losses from use	-600	-199	
c) other variations	0	0	
30. Property, plant and equipment	0	0	0
40. Intangible assets	0	0	0
50. Hedges of foreign investments:	0	0	0
a) variations of fair value	0	0	
b) reversal to the income statement	0	0	
c) other variations	0	0	

60. Hedges of cash flows:	0	0	0
a) variations of fair value	0	0	
b) reversal to the income statement	0	0	
c) other variations	0	0	
70. Exchange rate differences:	0	0	0
a) variations of fair value	0	0	
b) reversal to the income statement	0	0	
c) other variations	0	0	
80. Noncurrent assets in the course of divestment:	0	0	0
a) variations of fair value	0	0	
b) reversal to the income statement	0	0	
c) other variations	0	0	
90. Actuary gains (losses) on defined benefit plans	0	0	0
100. Share of the valuation reserves from measurement of equity investments:	327	4	322
a) variations of fair value	327	4	
b) reversal to the income statement	0	0	
- adjustment due to impairment	0	0	
- gains/losses from use	0	0	
c) other variations	0	0	
110. Total other income components	-36,458	-12,254	-24,204
120. Overall profitability (10+110)			-16,904

International accounting standards allow allocating financial instruments to different portfolios to which accounting standards are applied that result in the allocation of costs or income directly to special reserves of shareholders' equity without going through the income statement.

The chart shows the overall result, considering income items matured and realized in the fiscal year that were recognized directly in shareholders' equity, sterilizing the components that already matured and thus which had been recognized in shareholders' equity in previous fiscal years, but which are the object of a second and definitive allocation to the income statement (reversal) at the time effectively realized.

12. Part E - INFORMATION ON RISKS AND THE RELATIVE HEDGING POLICIES

Section 1 - Credit risk

Qualitative information

1. General information

The Bank's credit policy, as implementation of its cooperative mission, is aimed at providing financial support to local economies in the territory by means of the supply of financial resources to parties who satisfy adequate criteria of creditworthiness.

The size and breakdown of the credit portfolio reflects the financial needs of two specific segments of customers: sound small and mid-sized companies and households.

The Bank favors loans to mid-size companies and to small economic operators because they are entities which, being extraneous to larger financial circuits, require an intermediary of reference, able to understand their needs, satisfy them with recognized qualities of competence, efficiency and executive speed, and that follows their development over time.

In such context lending activity is based on prudence and the initiation of a relationship with borrowers based on reciprocal trust and transparency and which is aimed, even in new regulatory and market contexts, at enhancing the Bank's distinctive aptitude in maintaining personalized and long-term relationships with the economic operators in the territory by means of efficient internal procedures.

The distribution of resources is traditionally based on broad diversification in order to minimize risks.

Exposures of significant amounts with respect to individual counterparties, or counterparties who are legally and/or economically related, are constantly monitored and maintained within extremely prudent thresholds in relation to the Bank's capital and economic equilibrium.

The credit portfolio is also broadly diversified with respect to economic sectors and/or geographic areas, in such a way as to contain any negative impacts due to their reduced performance.

The strategic and management guidelines discussed herein were not modified during the year in course with respect to previous fiscal years.

2. Credit risk management policies

2.1. Organizational aspects

The factors that generate credit risk originate from the possibility that an unexpected variation of a counterparty's creditworthiness, with respect to whom there is exposure, generates a corresponding unexpected variation of the market value of the credit position.

Therefore, a manifestation of credit risk must be considered to be not only the possibility of a counterparty's insolvency, but also the simple impairment of its creditworthiness.

Management of the credit process is aimed at maximum efficiency, oriented towards personalization with respect to the customer, and provides a series of controls intended to mitigate risks in its individual phases and sub-phases.

The procedures and organizational structure provided for this purpose have been formalized, clearly specifying activities, roles and responsibilities. Said procedures have been formalized in "Credit Rules".

In order to avoid conflicts of interest, the necessary separation is ensured between operative functions and control functions, with the determination of levels of responsibility.

The system of delegations of lending authority, approved by the Board of Directors in compliance with the principle of «cascade» delegations of authority, provides for fairly prudent lending limits to be delegated to the branch structures.

The bodies and principal corporate departments that supervise the lending process are indicted below, as well as their primary responsibilities.

– The *Board of Directors.* Supervises and oversees the proper allocation of resources, and specifically:

- determines strategic lines and credit policies;
- determines the criteria for the recognition, management and measurement of risks;
- approves the structure of the system of delegations of authority and controls that they are properly exercised;
- verifies that the organization of control functions is determined consistently with strategic guidelines, and that they have appropriate autonomy of judgment and qualitatively and quantitatively adequate resources.

- The *Executive Committee* deliberates within the scope of powers delegated by the Board of Directors.

– *General Management.* Implements the strategies and policies determined by the Board of Directors, and specifically:

- prepares adequate rules, activities, procedures and organizational structures to ensure the adoption and maintenance of an efficient credit process and a solid risk control system associated with it;
- verifies the adequacy and functioning of the above components, including in view of internal and external changes that affect the Bank;
- takes the necessary measures to eliminate any shortcomings or dysfunctions that might eventually be disclosed. Further, it deliberates within the scope of its delegated powers.

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– The *Branches.* They are assigned the primary task of managing the relationship with borrowers/customers in the process of becoming borrowers. They acquire the documentation, make an initial selection of applications, decide directly on the applications for which they are competent and transmit those beyond their scope of competence to higher Bodies, together with their opinion.

– The *Coordination structures (Area Manager).* They ensure fundamental support to the branches in managing the more complex credit positions and/or which present factors of a critical nature. They review credit applications, deliberate with respect to those for which they are competent and express an opinion of merit on those transmitted to higher Bodies; a specialized analysis and credit review structure was established within each Area.

– *The Central Risk Area*. Supports, by means of the Secretariat risk office, the central deliberating bodies by receiving the credit applications from the branches, verifies formal accuracy and completeness, completes the credit application process. It deliberates with respect to those for which it is competent, and expresses an opinion of merit on those transmitted to higher Bodies.

– *The Credit Control Office*. Monitors the accounts entrusted to it, identifies those that appear to be anomalous and, based on their gravity, places them under observation or proposes to restructure them, assign them to the watchlist, or classify them as non performing.

– *The Legal and Claims Department.* Provides the system with consulting services and legal assistance. Specifically, it takes the necessary legal action to recover receivables for «non performing» accounts and, together with the Credit Control Office, performs extrajudicial activity.

– *The Inspector's Office.* Verifies the functioning of controls and compliance with rules and procedures. In particular, it verifies compliance with the criteria for the proper classification of receivables.

– *Risk Committee – Credit Risk Department.* Composed of the managers of the Central Risk Area's Secretariat, Credit Control Office, Legal-Claims Department, Inspector's Office, Risk Management, Compliance, Commercial Management and Organizational Office, performs consulting activity and assistance to the General Management in determining the means, activities, and procedures aimed at ensuring the adoption and maintenance of an efficient credit process and a solid system of risk control associated with it. Specifically, the Committee in staff to the Managing Director acts as a point of synthesis with respect to the supervision of the internal control system. In accordance with various kinds of analysis, it analyzes the risk level of the portfolio of receivables, produces the relative informational flows, and makes them available to the competent bodies and operative departments.

2.2 Management, measurement and control systems

The individual articulations of the structure involved in the various phases of the credit process perform the controls commonly defined as «frontline or first level», aimed at guaranteeing the propriety of the procedures followed. The Inspector's Office and Credit Control Office work on "second level" controls and the Internal Audit department acts transversally with respect to the entire system..

The borrowing positions are subject to periodic review aimed at determining, in relation to the situations discovered at the time of the credit application process, the continuation of the conditions of the borrower's solvency as well as that of any eventual guarantors, credit quality, validity and level of protection of the relative security, and profitability of the conditions applied in relationship to the risk profile.
The fiduciary positions are subject to supervision and monitoring in order to timely ascertain the occurrence or continuation of eventual anomalies by means of early warning instruments and procedures.
In such context, an important role is granted to the Bank's offices that hold the loan accounts in that, by maintaining relationships with customers, they are able to immediately perceive any signs of impairment; their activity is integrated by that of the Credit Control Office.
As support to the governance activities of the credit processes, the Bank has implemented specific procedures, both for the phases of the credit application/deliberative process as well as for the phases of the measurement/control of credit risk.
Specifically, the application process and decision are regulated by a decision-making bureaucratic procedure in which the diverse competent bodies, belonging both to the central structures as well as that of the network, intervene on the basis of the levels of the delegations of authority granted.
Such phases are supported by the "Electronic Line of Credit Procedure", which allows verification (at any time and by all of the departments entrusted with credit management) of the status of each borrower or in the phase of becoming a borrower. Such procedure also allows the process that has led to the assessment of the borrower's creditworthiness to be reconstructed at any time, monitoring the various steps leading to the decision and the kinds of analysis made.
The measurement, control and monitoring of the credit risk trend is based on a procedure that indicates the risk factors, actual or potential for each account, and thus the relative risk profile.
The constant monitoring of the indications provided by the procedure, made by the network's staff (responsible for the first level controls), but also by the central units entrusted with the same, allows timely intervention as soon as anomalous positions arise and the opportune measures to be taken in cases of problematic receivables.
A model has currently been determined for the attribution of an internal rating, both to the Bank's "business" customers as well as "private" customers. Such rating consists of a synthetic final score determined on the basis of a series of qualitative considerations, and its insertion in the credit management process (from issue to the monitoring and control of the relative risk level) has been implemented, attributing the network of branch offices graduated authority with regard to amounts and the applicable economic conditions in relation to the customer's rating class. The objective is that of increasingly utilizing it for management purposes as a synthetic index of the counterpart's creditworthiness. With respect to the new regulations on Share Capital (the so-called Basel II regulations), it is noted that the Bank, in order to calculate the capital ratio related to credit risk, has for the time being opted to use the "standard" method.

During the credit application process, as well as during the issue and monitoring phases, controls are made of the concentration of risks with reference to significant exposure with regard to individual counterparts or groups of counterparts that are legally or economically related.

For such purpose, individual limits are used as references for major loans which, according to the outstanding supervisory system, constitute a «large risk».

2.3 Techniques for mitigating credit risk

In line with the Bank's objectives and strategies, the principal form of mitigation of the credit risk related to lending activity is represented by the technical form of a guarantee. The Bank acquires the typical guarantees found in banking activity: primarily collateral consisting of real property and financial instruments, as well as personal security.
The latter, represented above all by generic limited bank guarantees, are issued in almost all cases by individuals and manufacturers whose creditworthiness, object of a specific rating, is deemed adequate.
Whether or not security has been offered is considered when weighing the overall credit that can be granted to a customer or to the legal and/or economic group to which it might belong.

Prudential «discounts» are applied to the estimated value of the collateral offered by the counterpart, in proportion to the type of hedge provided (mortgages on real property, pledges on cash or other financial instruments).
Structural configurations and procedures are used during the acquisition, appraisal/valuation, control and realization phases of the guarantee aimed at ensuring, over time, enforceability against third parties and general enforceability.
The controls in object are performed by centralized structures that are separate from those that disburse and review the loan; the Inspector's Office ensures that the assets are managed properly and prudently by means of periodic controls.
No significant changes were registered with respect to the information provided above during the course of the fiscal year.

2.4 Impaired financial assets

Risk profiles are supervised during all of the administrative phases that characterize the fiduciary relationship and, specifically, by means of an efficient supervisory and monitoring activity aimed at formulating timely assessments of eventual anomalies as soon as they arise.
Receivables that give signals of particularly serious impairment are classified as «impaired» and, depending on the type and gravity of the anomaly, are divided into the following categories:

– *Non performing*, total of the existing exposure with parties in states of insolvency or in substantially comparable situations, regardless of the security guaranteeing them and/or eventual loss forecasts;

– *Watchlist*, total of the existing exposure with respect to borrowers who are in temporary situations of objective difficulty, which it is expected can be eliminated within a suitable period of time;

– *Restructured*, exposure for which, due to the deterioration of the borrower's economic-financial conditions, modifications are agreed to the original contractual conditions that result in a loss;

– *Overdue/overdrawn*, exposure that remains unpaid and/or overdue/overdrawn in a continuous manner according to parameters of amounts and duration determined by outstanding supervisory measures.

Receivables that do not fall within the above categories are considered to be performing (*in bonis)*.
The management of «impaired» receivables requires suitable initiatives with respect to the gravity of the situation, in order to bring them back within normal limits or, in the event this is not possible, implementation of adequate credit recovery procedures.

More specifically, with regard to accounts that are:

– *non performing,* the opportune credit recovery procedures are implemented; in the event circumstances allow it, repayment plans are prepared and/or settlement proposals are evaluated aimed at the definitive closure of the relationship extra-judicially when required by criteria of economic considerations;

– *watchlist,* they are restored when the original conditions of creditworthiness and the economic conditions of the relationship are restored within a suitable period of time, or when, after determining that such solution is impossible, the necessary measures are taken to transfer these accounts to non performing accounts;

– *restructured,* precise compliance with the conditions that had been agreed upon is verified over time. The qualification as a restructured account remains, except that after a suitable period of time has elapsed from the date of stipulation of the restructuring agreement and upon verifying the restoration of conditions of full solvency as well as the lack of unpaid items on all existing credit lines, the return of the customer to «*in bonis*» status is provided. Upon verification of the first breach by the borrower, whatever steps are required to transfer the account to watchlist or non performing are taken;

– *overdue/overdrawn*, their development is monitored and timely attempts are made to bring the account back to a normal situation; upon verifying the effective state of the borrower's financial difficulty and when the necessary conditions exist, whatever steps are required to transfer the account to watchlist or non performing are taken.

Adjustments of value are made in strict compliance with laws and regulations and in accordance with principles of absolute prudence. The ratings, due to the use of reliable and rigorous measurement methodology and the frequent updating of their underlying factors, are adequate with respect to the portfolio's effective risk level.

Quantitative information

A. Credit quality

A.1 Exposure to impaired and in bonis receivables: amount, value adjustments, dynamics, economic and territorial distribution

A.1.1 Distribution of exposure to financial receivables by the portfolio to which they belong and by type of credit quality (balance sheet value)

Portfolio/type	Non performing	Watchlist	Restructured accounts	Overdue/overdrawn accounts	Other assets	Total 31/12/2012
1. Financial assets held for trading	0	0	0	0	10,580	10,580
2. Financial assets available for sale	0	0	0	0	611,969	611,969
3. Financial assets held through maturity	0	0	0	0	0	0
4. Receivables from banks	0	0	0	0	76,235	76,235
5. Receivables from customers	70,863	100,132	13,482	46,416	1,676,873	1,907,766
6. Financial assets measured at fair value	0	0	0	0	0	0
7. Financial assets in the course of divestment	0	0	0	0	0	0
8. Hedges	0	0	0	0	8,974	8,974
Total 31/12/2012	70,863	100,132	13,482	46,416	2,384,631	2,615,524
Total 31/12/2011	56,412	95,944	16,866	16,457	2,257,185	2,442,865

The table indicates classification by type of receivables of the entire portfolio of financial assets, with the exception of equity instruments and shares of mutual funds amounting to 3,363 thousand Euro.
The values indicated are those of the balance sheet, net therefore, of the relative write-downs.

A.1.2 Distribution of exposure to financial receivables by the portfolio to which they belong and by credit quality (gross and net values)

Portfolio/type	Impaired assets			In bonis			Total (net exposure)
	Gross exposure	Specific adjustments	Net exposure	Gross exposure	Portfolio adjustments	Net exposure	
1. Financial assets held for trading	0	0	0	10,580	0	10,580	10,580
2. Financial assets available for sale	0	0	0	611,969	0	611,969	611,969
3. Financial assets held through maturity	0	0	0	0	0	0	0
4. Receivables from banks	0	0	0	76,235	0	76,235	76,235
5. Receivables from customers	275,737	44,844	230,893	1,680,917	4,044	1,676,873	1,907,766
6. Financial assets measured at fair value	0	0	0	0	0	0	0
7. Financial assets in the course of divestment	0	0	0	0	0	0	0
8. Hedges	0	0	0	8,974	0	8,974	8,974
Total 31/12/2012	275,737	44,844	230,893	2,388,675	4,044	2,384,631	2,615,524
Total 31/12/2011	219,786	34,106	185,680	2,261,079	3,894	2,257,185	2,442,865

The table indicates classification by type of receivable of the entire portfolio of financial assets, with the exception of equity instruments and shares of mutual funds amounting to 3,363 thousand Euro.
The values indicated are those of the balance sheet, net, therefore, of the relative write-downs.

A.1.2.1 Detailed information on gross exposure to the portfolio of receivables in bonis (in accordance with the Communication of the Bank of Italy no. 0142023 of 16/02/2011

Portfolio	Exposure in bonis (gross) - Total	Exposure not overdue	Rate overdue up to 3 months	Rate overdue beyond 3 months through 6 months	Rate overdue beyond 6 months through 1 year	Rate overdue beyond 1 year
5. Receivables from customers	1,680,917	1,680,216	548	65	53	35
Total 31/12/2012	1,536,413	1,535,365	712	286	50	0
of which object of renegotiation in the context of collective bargaining agreements (for ex. Framework Agreement ABI-MEF)	22,430	22,420	6	4	0	0
Total 31/12/2012	52,814	52,802	12	0	0	0

A.1.3 Cash and off balance sheet exposure to banks: gross and net values

Type of exposure/values	Gross exposure	Specific value adjustments	Adjustments to portfolio value	Net exposure
A. CASH EXPOSURE				
a) Non performing	0	0	0	0
b) Watchlist	0	0	0	0
c) Restructured accounts	0	0	0	0
d) Overdue/overdrawn accounts	0	0	0	0
e) Other assets	135,408	0	0	135,408
TOTAL A	135,408	0	0	135,408
B. OFF BALANCE SHEET EXPOSURE				
a) Impaired	0	0	0	0
b) Other	22,114	0	0	22,114
TOTAL B	22,114	0	0	22,114
TOTAL A+B	157,522	0	0	157,522

The cash values indicated are taken from the balance sheet, net of relative impaired receivables. In addition to Asset line item 60, parts of asset line items 20 and 40 were included, amounting to 59,173 thousand Euro.

A.1.6 Cash and off balance sheet exposure to customers: gross and net values

Type of exposure/values	Gross exposure	Specific value adjustments	Adjustments to portfolio value	Net exposure
A. CASH EXPOSURE				
a) Non performing	96,672	25,809	0	70,863
b) Watchlist	111,108	10,976	0	100,132
c) Restructured accounts	19,015	5,533	0	13,482
d) Overdue/overdrawn accounts	48,942	2,526	0	46,416
e) Other assets	2,244,292	0	4,044	2,240,248
TOTAL A	2,520,029	44,844	4,044	2,471,141
B. OFF BALANCE SHEET EXPOSURE				
a) Impaired	8,673	0	0	8,673
b) Other	102,080	0	0	102,080
TOTAL B	110,753	0	0	110,753

The table indicates the breakdown of accounts receivable from customers by type of receivable. Specifically, all financial assets regarding customers are reported, taken from balance sheet line items "20 - Financial assets held for trading", "40 - Financial assets available for sale", and "70 - Receivables from customers". Equity instruments and shares of mutual funds amounting to 3,363 thousand Euro, were excluded, as well as securities issued by banks in the amount of 59,173 thousand Euro.

A.1.7 Cash exposure to customers: dynamics of gross impaired accounts

Variables/Categories	Non performing	Watchlist	Restructured accounts	Overdue/overdrawn accounts
A. Initial gross exposure	79,463	103,493	19,603	17,227
- of which: accounts disposed of but not derecognized	0	0	0	0
B. Additions				
B.1 entries from receivables in bonis	6,530	24,550	660	78,458
B.2 transfers from other categories of impaired accounts	16,682	12,234	326	550
B.3 other additions	4,118	4,719	400	3,905
C. Reductions				
C.1 transfers to receivables in bonis	0	7,846	0	15,366
C.2 derecognition	353	0	0	0
C.3 collections	9,768	9,494	1,193	23,369
C.4 income from disposals	0	0	0	0
C.5 transfers to other categories of impaired accounts	0	15,999	781	12,462
C.6 other reductions	0	550	0	0
D. Final gross exposure	96,672	111,108	19,015	48,942
- of which: accounts disposed of but not derecognized	0	0	0	0

A.1.8 Cash exposure to customers: dynamics of adjustments to overall value

Variables/Categories	Non performing	Watchlist	Restructured accounts	Overdue/overdrawn accounts
A. Initial overall adjustments	23,051	7,548	2,737	770
- of which: exposure disposed of but not derecognized	0	0	0	0
B. Additions				
B.1 value adjustments	7,544	2,626	0	13
B.2 transfers from other categories of impaired accounts	2,893	849	17	28
B.3 Other additions	2,799	4,633	3,054	3,407
C. Reductions	0	0	0	0
C.1 write-backs of value from measurement	539	21	0	48
C.2 write-backs of value from collections	5,476	1,866	0	926
C.3 derecognition	279	0	0	0
C.4 transfers to other categories of impaired accounts	0	2,765	275	719
C.5 Other reductions	4,185	28	0	0
D. Final overall adjustments	25,809	10,976	5,533	2,526
- of which: exposure disposed of but not derecognized	0	0	0	0

A.2 Classification of exposure based on external and internal ratings

A.2.1 Distribution of cash and off balance sheet exposure by class of external rating

Exposure	Class of external ratings						Without a rating	Total 31/12/2012
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6		
A. Cash exposure	0	0	620,926	36,373	0	0	1,949,250	2,606,550
B. Derivates								
B.1 Financial derivatives	0	1,720	4,206	2,970	0	0	78	8,974
B.2 Credit derivatives	0	0	0	0	0	0	0	0
C. Security given	0	0	0	0	0	0	102,112	102,112
D. Commitments to issue funds	0	0	0	0	0	0	23,573	23,573
Total	0	1,720	625,132	39,344	0	0	2,075,014	2,741,209

Class 1 = AAA/AA-
Class 2 = A+/A-
Class 3 = BBB+/BBB-
Class 4 = BB+/BB-
Class 5 = B+/B-
Class 6 = Lower than B-
The exposure considered was taken from the balance sheets present in the previous tables A.1.3 (exposure to banks) and A.1.6 (exposure to customers), as well as hedges.

A.3 Distribution of secured exposure by type of guarantee

A.3.1 Secured credit exposure to banks - part 1

	Net exposure value	Collateral (1)			
		Real property for mortgage loans	Real property for financial leasing	Securities	Other collateral
1. Secured cash credit exposure:					
1.1 totally secured	0	0	0	0	0
- of which impaired	0	0	0	0	0
1.2 partially secured	3,017	0	0	2,630	0
- of which impaired	0	0	0	0	0
2 Secured off balance sheet credit exposure:					
2.1 totally secured	0	0	0	0	0
- of which impaired	0	0	0	0	0
2.2 partially secured	0	0	0	0	0
- of which impaired	0	0	0	0	0

A.3.1 Secured credit exposure to banks - part 2

	Personal security (2)									Total (1)+(2)
	Credit derivatives					Endorsement receivables				
		Other derivatives								
	CLN	Governments and central banks	Other public entities	Banks	Other parties	Governments and central banks	Other public entities	Banks	Other parties	
1. Secured cash credit exposure:										
1.1 totally secured	0	0	0	0	0	0	0	0	0	0
- of which impaired	0	0	0	0	0	0	0	0	0	0
1.2 partially secured	0	0	0	0	0	0	0	0	0	2.630
- of which impaired	0	0	0	0	0	0	0	0	0	0
2 Secured off balance sheet credit exposure:										
2.1 totally secured	0	0	0	0	0	0	0	0	0	0
- of which impaired	0	0	0	0	0	0	0	0	0	0
2.2 partially secured	0	0	0	0	0	0	0	0	0	0
- of which impaired	0	0	0	0	0	0	0	0	0	0

A.3.2 Secured credit exposure to customers - part 1

	Net exposure value	Collateral (1)			
		Real property for mortgage loans	Real property for financial leasing	Securities	Other collateral
1. Secured cash credit exposure:					
1.1 totally secured	1,359,157	3,739,743	0	38,075	8,420
- of which impaired	204,637	744,708	0	923	165
1.2 partially secured	165,501	0	0	4,521	3,799
- of which impaired	6,105	0	0	296	2,000
2 Secured off balance sheet credit exposure:					
2.1 totally secured	56,671	99,013	0	3,744	2,220
- of which impaired	4,996	2,009	0	734	242
2.2 partially secured	12,793	0	0	1,054	2,044
- of which impaired	239	0	0	48	44

A.3.2 Secured credit exposure to customers - part 2

	Personal security (2)									Total (1)+(2)
	Derivatives on receivables					Endorsement receivables				
		Other derivatives								
	CLN	Governments and central banks	Other public entities	Banks	Other parties	Governments and central banks	Other public entities	Banks	Other parties	
1. Secured cash credit exposure:										
1.1 totally secured	0	0	0	0	0	0	653	0	220,474	4,007,365
- of which impaired	0	0	0	0	0	0	0	0	23,006	768,802
1.2 partially secured	0	0	0	0	0	90,000	15	250	41,292	139,876
- of which impaired	0	0	0	0	0	0	0	0	2,977	5,273
2 Secured off balance sheet credit exposure:										
2.1 totally secured	0	0	0	0	0	0	105	0	39,707	144,788
- of which impaired	0	0	0	0	0	0	0	0	3,301	6,287
2.2 partially secured	0	0	0	0	0	0	0	0	8,016	11,114
- of which impaired	0	0	0	0	0	0	0	0	146	238

B. Distribution and concentration of credit exposure

B.1 Cash and "off balance sheet" credit exposure to customers (balance sheet value) - part 1

Exposure/Counterparty	Governments			Other public entities		
	Net exposure	Specific value adjustments	Adjustment portfolio value	Net exposure	Specific value adjustments	Adjustment portfolio value
A. Cash exposure						
A.1 Non performing	0	0	0	0	0	0
A.2 Watchlist	0	0	0	0	0	0
A.3 Restructured accounts	0	0	0	0	0	0
A.4 Overdue/overdrawn accounts	0	0	0	0	0	0
A.5 Other exposure	552,876	0	0	4,017	0	0
TOTAL A	552,876	0	0	4,017	0	0
B. Off balance sheet" exposure						
B.1 Non performing	0	0	0	0	0	0
B.2 Watchlist	0	0	0	0	0	0
B.3 Other impaired assets	0	0	0	0	0	0
B.4 Other exposure	0	0	0	57	0	0
TOTAL B	0	0	0	57	0	0
TOTAL (A+B) 31/12/2012	552,876	0	0	4,074	0	0
TOTAL (A+B) 31/12/2011	563,176	0	0	9,630	0	1

B.1 Cash and "off balance sheet" credit exposure to customers (balance sheet value) - part 2

Exposure/Counterparty	Finance companies			Insurers		
	Net exposure	Specific value adjustments	Adjustment portfolio value	Net exposure	Specific value adjustments	Adjustment portfolio value
A. Cash exposure						
A.1 Non performing	0	0	0	0	0	0
A.2 Watchlist	0	0	0	0	0	0
A.3 Restructured accounts	0	0	0	0	0	0
A.4 Overdue/overdrawn accounts	3	0	0	0	0	0
A.5 Other exposure	152,804	0	5	10,499	0	0
TOTAL A	152,807	0	5	10,499	0	0
B. "Off balance sheet" exposure						
B.1 Non performing	0	0	0	0	0	0
B.2 Watchlist	0	0	0	0	0	0
B.3 Other impaired assets	0	0	0	0	0	0
B.4 Other exposure	3	0	0	0	0	0
TOTAL B	3	0	0	0	0	0
TOTAL (A+B) 31/12/2012	152,810	0	5	10,499	0	0
TOTAL (A+B) 31/12/2011	83,901	4	3	10,207	0	0

B.1 Cash and "off balance sheet" credit exposure to customers (balance sheet value) - part 3

Exposure/Counterparty	Non finance companies			Other parties		
	Net exposure	Specific value adjustments	Adjustment portfolio value	Net exposure	Specific value adjustments	Adjustment portfolio value
A. Cash exposure						
A.1 Non performing	52,985	21,216	0	17,878	4,593	0
A.2 Watchlist	73,036	8,568	0	27,096	2,409	0
A.3 Restructured accounts	12,140	5,474	0	1,342	59	0
A.4 Overdue/overdrawn accounts	23,523	1,280	0	22,891	1,246	0
A.5 Other exposure	844,770	0	2,244	675,281	0	1,795
TOTAL A	1,006,453	36,538	2,244	744,488	8,306	1,795
B. "Off balance sheet" exposure						
B.1 Non performing	3,267	0	0	0	0	0
B.2 Watchlist	3,351	0	0	81	0	0
B.3 Other impaired assets	1,932	0	0	43	0	0
B.4 Other exposure	88,678	0	0	13,342	0	0
TOTAL B	97,227	0	0	13,466	0	0
TOTAL (A+B) 31/12/2012	1,103,681	36,538	2,244	757,954	8,306	1,795
TOTAL (A+B) 31/12/2011	1,001,377	26,158	2,018	757,981	7,944	1,872

Exposure/Counterparty	Total net exposure	Total specific value adjustments	Total adjustment portfolio value
A. Cash exposure			
A.1 Non performing	70,863	25,809	0
A.2 Watchlist	100,132	10,976	0
A.3 Restructured accounts	13,482	5,533	0
A.4 Overdue/overdrawn accounts	46,416	2,526	0
A.5 Other exposure	2,240,248	0	4,044
TOTAL A	2,471,140	44,844	4,044
B. "Off balance sheet" exposure			
B.1 Non performing	3,267	0	0
B.2 Watchlist	3,431	0	0
B.3 Other impaired assets	1,975	0	0
B.4 Other exposure	102,080	0	0
TOTAL B	110,753	0	0
TOTAL (A+B) 31/12/2012	2,581,893	44,844	4,044
TOTAL (A+B) 31/12/2011	2,426,272	34,106	3,894

The cash exposure for receivables indicated in the table (2,471,140 thousand Euro) is measured in the financial statements net of impaired receivables, and with an indication of specific value adjustments and to the portfolio.

Specifically, it indicates all financial assets regarding customers taken from balance sheet line items "20 - Financial assets held for trading", "40 - Financial assets available for sale", and "70 - Receivables from customers". Equity instruments and shares of mutual funds in the amount of 3,363 thousand Euro, and securities issued by banks in the amount of 59,173 thousand Euro, are excluded.

B.2 Cash and "off balance sheet" exposure to customers (balance sheet value) - part 1

Exposure/Geographic area	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	Net exposure	Overall value adjustments	Net exposure	Overall value adjustments	Net exposure	Overall value adjustments	Net exposure	Overall value adjustments	Net exposure	Overall value adjustments
A. Cash exposure										
A.1 Non performing	70,863	25,809	0	0	0	0	0	0	0	0
A.2 Watchlist	100,132	10,976	0	0	0	0	0	0	0	0
A.3 Restructured accounts	13,482	5,533	0	0	0	0	0	0	0	0
A.4 Overdue/overdrawn accounts	46,416	2,526	0	0	0	0	0	0	0	0
A.5 Other exposure	2,240,055	4,043	189	1	4	0	0	0	0	0
TOTAL A	2,470,947	48,888	189	1	4	0	0	0	0	0
B. "Off balance sheet" exposure										
B.1 Non performing	3,267	0	0	0	0	0	0	0	0	0
B.2 Watchlist	3,431	0	0	0	0	0	0	0	0	0
B.3 Other impaired assets	1,975	0	0	0	0	0	0	0	0	0
B.4 Other exposure	102,080	0	0	0	0	0	0	0	0	0
TOTAL (B)	110,753	0	0	0	0	0	0	0	0	0
TOTAL (A + B) 31/12/2012	2,581,700	48,888	189	1	4	0	0	0	0	0
TOTAL (A + B) 31/12/2011	2,424,399	37,995	1,868	5	0	0	0	0	0	0

Exposure/Geographic area	TOTAL	
	Net exposure	Overall value adjustments
A. Cash exposure		
A.1 Non performing	70,863	25,809
A.2 Watchlist	100,132	10,976
A.3 Restructured accounts	13,482	5,533
A.4 Overdue/overdrawn accounts	46,416	2,526
A.5 Other exposure	2,240,248	4,044
TOTAL A	2,471,140	48,888
B. "Off balance sheet" exposure		
B.1 Non performing	3,267	0
B.2 Watchlist	3,431	0
B.3 Other impaired assets	1,975	0
B.4 Other exposure	102,080	0
TOTAL (B)	110,753	0
TOTAL (A + B) 31/12/2012	2,581,893	48,888
TOTAL (A + B) 31/12/2011	2,426,266	38,000

Cash exposure for receivables indicated in the table (2,471,140 thousand Euro) are those measured in the financial statements net of impaired receivables, distributed territorially according to the area of the counterparty's residence.

Specifically, it indicates all financial assets regarding customers taken from line items "20 - Financial assets held for trading", "40 - Financial assets available for sale", and "70 - Receivables from customers". Equity instruments and shares of mutual funds in the amount of 3,363 thousand Euro, and securities issued by banks in the amount of 59,173 thousand Euro, are excluded.

B.2 Cash and "off balance sheet" exposure to customers (balance sheet value) - part 2

Exposure/geographic area	NORTHWEST ITALY		NORTHEAST ITALY		CENTRAL ITALY		SOUTHERN ITALY AND ISLANDS	
	Net exposure	Overall value adjustments	Net exposure	Overall value adjustments	Net exposure	Overall value adjustments	Net exposure	Overall value adjustments
A. Cash exposure								
A.1 Non performing	296	26	1,553	215	68,905	25,474	110	93
A.2 Watchlist	716	523	9	1	99,393	10,452	13	1
A.3 Restructured accounts	0	0	0	0	13,482	5,533	0	0
A.4 Overdue/overdrawn accounts	10	1	0	0	46,251	2,517	155	8
A.5 Other exposure	10,754	29	9,215	24	2,209,207	3,961	10,878	29
TOTAL A	11,776	578	10,777	240	2,437,238	47,938	11,156	131
B. "Off balance sheet" exposure								
B.1 Non performing	0	0	0	0	3,267	0	0	0
B.2 Watchlist	0	0	0	0	3,431	0	0	0
B.3 Other impaired assets	0	0	0	0	1,975	0	0	0
B.4 Other exposure	426	0	6	0	101,139	0	509	0
TOTAL (B)	426	0	6	0	109,812	0	509	0
TOTAL (A + B) 31/12/2012	12,202	578	10,783	240	2,547,050	47,938	11,665	131
TOTAL (A + B) 31/12/2011	8,515	181	11,677	263	2,395,523	37,480	8,690	72

Exposure/geographic area	TOTAL ITALY	
	Net exposure	Overall value adjustments
A. Cash exposure		
A.1 Non performing	70,863	25,809
A.2 Watchlist	100,132	10,976
A.3 Restructured accounts	13,482	5,533
A.4 Overdue/overdrawn accounts	46,416	2,526
A.5 Other exposure	2,240,055	4,043
TOTAL A	2,470,947	48,888
B. "Off balance sheet" exposure		
B.1 Non performing	3,267	0
B.2 Watchlist	3,431	0
B.3 Other impaired assets	1,975	0
B.4 Other exposure	102,080	0
TOTAL (B)	110,753	0
TOTAL (A + B) 31/12/2012	2,581,700	48,888
TOTAL (A + B) 31/12/2011	2,424,405	37,995

Cash exposure for receivables indicated in the table (2,470,947 thousand Euro) are those measured in the financial statements net of impaired receivables, distributed territorially according to the area of the counterparty's residence.

Specifically, it indicates all financial assets regarding customers taken from line items "20 - Financial assets held for trading", "40 - Financial assets available for sale.

B.3 Cash And "off balance sheet" exposure to banks (balance sheet value) - part 1

Exposure/Geographic area	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	Net exposure	Overall value adjustments	Net exposure	Overall value adjustments	Net exposure	Overall value adjustments	Net exposure	Overall value adjustments	Net exposure	Overall value adjustments
A. Cash exposure										
A.1 Non performing	0	0	0	0	0	0	0	0	0	0
A.2 Watchlist	0	0	0	0	0	0	0	0	0	0
A.3 Restructured accounts	0	0	0	0	0	0	0	0	0	0
A.4 Overdue/overdrawn accounts	0	0	0	0	0	0	0	0	0	0
A.5 Other exposure	131,225	0	3,543	0	462	0	58	0	121	0
TOTAL A	131,225	0	3,543	0	462	0	58	0	121	0
B. "Off balance sheet" exposure										
B.1 Non performing	0	0	0	0	0	0	0	0	0	0
B.2 Watchlist	0	0	0	0	0	0	0	0	0	0
B.3 Other impaired assets	0	0	0	0	0	0	0	0	0	0
B.4 Other exposure	18,700	0	2,073	0	1,341	0	0	0	0	0
TOTAL (B)	18,700	0	2,073	0	1,341	0	0	0	0	0
TOTAL (A + B) 31/12/2012	149,925	0	5,616	0	1,802	0	58	0	121	0
TOTAL (A + B) 31/12/2011	143,195	0	2,840	0	8,841	0	31	0	117	0

Exposure/Geographic area	TOTAL	
	Net exposure	Overall value adjustments
A. Cash exposure		
A.1 Non performing	0	0
A.2 Watchlist	0	0
A.3 Restructured accounts	0	0
A.4 Overdue/overdrawn accounts	0	0
A.5 Other exposure	135,408	0
TOTAL A	135,408	0
B. "Off balance sheet" exposure		
B.1 Non performing	0	0
B.2 Watchlist	0	0
B.3 Other impaired assets	0	0
B.4 Other exposure	22,114	0
TOTAL (B)	22,114	0
TOTAL (A + B) 31/12/2012	157,522	0
TOTAL (A + B) 31/12/2011	155,023	0

The values of cash exposure to banks (135,408 thousand Euro) are taken from the balance sheet, net of impaired receivables. In addition to Asset line item 60, parts of Asset line items 20 and 40 were included in the amount of 59,173 thousand Euro.
The data is distributed territorially according to the country of the counterparty's residence.

B.3 Cash and "off balance sheet" credit exposure to banks (balance sheet value) - part 2

Exposure/Geographic area	NORTHWEST ITALY		NORTHEAST ITALY		CENTRAL ITALY		SOUTHERN ITALY AND ISLANDS	
	Net exposure	Overall value adjustments	Net exposure	Overall value adjustments	Net exposure	Overall value adjustments	Net exposure	Overall value adjustments
A. Cash exposure								
A.1 Non performing	0	0	0	0	0	0	0	0
A.2 Watchlist	0	0	0	0	0	0	0	0
A.3 Restructured accounts	0	0	0	0	0	0	0	0
A.4 Overdue/overdrawn accounts	0	0	0	0	0	0	0	0
A.5 Other exposure	14,994	0	5,017	0	111,213	0	0	0
TOTAL A	14,994	0	5,017	0	111,213	0	0	0
B. "Off balance sheet" exposure								
B.1 Non performing	0	0	0	0	0	0	0	0
B.2 Watchlist	0	0	0	0	0	0	0	0
B.3 Other impaired assets	0	0	0	0	0	0	0	0
B.4 Other exposure	4,206	0	0	0	14,494	0	0	0
TOTAL (B)	4,206	0	0	0	14,494	0	0	0
TOTAL (A + B) 31/12/2012	19,200	0	5,017	0	125,707	0	0	0
TOTAL (A + B) 31/12/2011	16,248	0	5,006	0	121,941	0	0	0

Exposure/Geographic area	TOTAL	
	Net exposure	Overall value adjustments
A. Cash exposure		
A.1 Non performing	0	0
A.2 Watchlist	0	0
A.3 Restructured accounts	0	0
A.4 Overdue/overdrawn accounts	0	0
A.5 Other exposure	131,225	0
TOTAL A	131,225	0
B. "Off balance sheet" exposure		
B.1 Non performing	0	0
B.2 Watchlist	0	0
B.3 Other impaired assets	0	0
B.4 Other exposure	18,700	0
TOTAL (B)	18,700	0
TOTAL (A + B) 31/12/2012	149,925	0
TOTAL (A + B) 31/12/2011	143,195	0

The values of cash exposure to banks (131,225 thousand Euro) are taken from the balance sheet, net of impaired receivables. In addition to Asset line item 60, parts of Asset line items 20 and 40 were included in the amount of 59,173 thousand Euro, and net non "Italian" exposure in the amount of 4,184 thousand Euro was excluded.
The data is distributed territorially according to the macro-area of the counterparty's residence.

B.4 Large risks (according to regulatory legislation)

Line items/Values	31/12/2012			31/12/2011		
	Number	Nominal Value	Weighted Value	Number	Nominal Value	Weighted Value
a. Large Risks	7	887,508	107,164	5	728,930	123,756
b. Zero weighted risks	2	636,280	0	1	563,176	0
Total Large Risks (A-B)	5	251,228	107,164	4	165,754	123,756

C. Securitizations and the transfer of assets

C.1 Securitizations

Qualitative information

This section provides information on the characteristics of the securitization done by the Bank in accordance with Law 130/1999. Such law regulates the assignment "in block" of receivables by an "originator" bank to a vehicle company created especially for this purpose, known as a "Special Purpose Vehicle – SPV", which issues securities that can be placed in the market "Asset Backed Securities – ABS", in order to finance the purchase of the receivables assigned by the originator.

General information regarding the Pontormo Funding s.r.l. securitization

On 08/10/2007, the Bank set up a securitization with SPV Pontormo Funding s.r.l., assigning a portfolio of receivables based on residential and commercial mortgage loans granted to performing customers residing in Italy. The securitization, which was a traditional kind of revolving transaction, was done together with other credit cooperative banks, creating a "multioriginators" transaction. The original structure provided for a "revolving" period from 07/10/2007 through 15/10/2010, during which the "Originators" could assign their receivables to Pontormo Funding s.r.l., complying with specific eligibility criteria, according to the following maximum amounts (values in thousands of Euro):

Banca di Credito Cooperativo di Cambiano s.c.p.a.	70,000
Banca di Credito Cooperativo di Fornacette s.c.p.a.	140,000
Banca di Credito Cooperativo di Castagneto Carducci s.c.p.a.	140,000
Banca di Viterbo Credito Cooperativo s.c.r.l.	50,000
Total	400,000

Consequently, the vehicle company Pontormo Funding s.r.l. should have financed the operations, requesting the necessary payments from the "Noteholder" (Natexis) on the basis of the document already issued and signed by it. In October 2008 Natexis, subsequent to the financial turbulence and market liquidity crisis, exercised its contractual right not to renew the credit lines it had deliberated to sustain the securitization, which prevented the "Originators" from proceeding with new assignments up to the maximum amount allowed. By operating in this manner, the "Noteholder" de facto froze the securitization, and once the "revolving" period ended (15/10/2010), the securitization was treated as a regular "amortization".
For prudential purposes, the provisions of Circular no. 263/06 of the Bank of Italy subordinate recognition of the securitization to the condition that there is an actual transfer of the credit risk by the transferor. The cited provisions also specify that the accounting treatment of the securitization has no significance with respect to its prudential recognition.
The securitization realized by the Bank lacked the substantive transfer of the credit risk. The securitization was therefore not recognized for prudential purposes. The prudential prerequisite is, therefore, 8% of the weighted value of the securitized assets, the latter obviously measured on the basis of the approach used by the Bank to assess capital requirements for credit risk (standardized methodology).
It is represented in the financial statements as follows:

- the residual amount of securitized loans, at amortized cost, in the amount of 712,610.26 Euro, was allocated to Asset line item 70;
- interest payable was calculated on liabilities associated with the assets assigned but not derecognized, in the amount of 11,422.72 Euro, and allocated to line item 20 of the income statement;

- liabilities for assets assigned but not derecognized, amounting to 258,987.35 Euro, were allocated to Liability line item 20;
- interest earned on assets assigned but not derecognized, in the amount of 22,021.05 Euro, was allocated to line item 10 of the income statement;
- the amount of the Junior note, in the amount of 523,358.12 Euro, was annulled;
- the "cash reserve" of 70,065.93 Euro was allocated to Asset line item 150.

Characteristics of the transaction

Breakdown of the receivables portfolio assigned by the originator" banks to the vehicle company Pontormo Funding S.r.l. – Classification of "originators" (at nominal value) – Reference to 31/12/2012 (values in thousands of Euro):

Originators	Amounts	%
B.C.C. Cambiano	713	0.85
B.C.C. Fornacette	37,463	44.59
B.C.C. Castagneto Carducci	34,742	41.35
B.C.C. Viterbo	11,102	13.21
Total receivables assigned	84,020	100.00

The vehicle company issued the following notes (values in thousands of Euro) as of 31/12/2012:

Originators	"Senior" Notes	"Junior" Notes	Total notes issued
B.C.C. Cambiano	269	451	720
B.C.C. Fornacette	31,642	7,606	39,248
B.C.C. Castagneto Carducci	27,860	7,395	35,255
B.C.C. Viterbo	10,279	1,430	11,709
Total	70,050	16,882	86,932

During the course of 2012 the following "Senior" notes were repaid by the vehicle company (values in thousands of Euro):

Originators	"Senior" Notes
B.C.C. Cambiano	337
B.C.C. Fornacette	11,182
B.C.C. Castagneto Carducci	12,393
B.C.C. Viterbo	1,938
Total	25,850

Characteristics of the notes issued by Pontormo Funding s.r.l.:

Description	Senior Note	Junior Note
Isin	IT0004286099	IT0004286107
Amount	362,000,000.00	38,000,000.00
Issue price	100	100 + premium (1.5 of cash reserve)
Issue date	15/10/2007	15/10/2007
Maturity	01/04/2048	01/04/2048
Annual rate	Euribor 3 months + 100 base points	Euribor 3 months + 105 base points
Frequency of coupon	Quarterly	Quarterly
Payment date	21/01 - 21/04 - 21-07 - 21-10 of each solar year	21/01 - 21/04 - 21-07 - 21-10 of each solar year
Revolving maturity	15/10/2010	15/10/2010
Repayment of principal	Starting from 15/10/2010 to the extent of available funds	Starting from 15/10/2010 to the extent of available funds
Rating	Rating opinion available to the Senior Noteholder	No

Characteristics of the assets transferred by B.C.C. Cambiano:

Description	31/12/2012
Residual principal	713
Number of loans	60
Average weighted amount of the loans	22

Servicing Activity

The "originator" Banks also act as Servicer, each for their own accumulation of assigned receivables; the Banca di Credito Cooperativo di Cambiano therefore used its own Servicing Office dedicated to collection management, as required by the instructions of the Supervisory Authority. The Servicing Office is entrusted with the following responsibilities:

- Oversee collection of the assigned receivables for the vehicle company, transferring such amounts to the Bank of New York - London, and simultaneously guarantee the strict separation of said assigned portfolio with respect to other assignments made and all of the Bank's other receivables, and must specifically:

- Avoid the creation of situations of conflict of interest and of confusion in general in order to protect the holders of the notes issued by the vehicle company;
- Guarantee the separate indication of the information flows related to the collection process of the securitized loans;
- Allow the above procedures and flows to be reconstructed at any time;
- Maintain adequate documentation of the transactions performed, including for purposes of potential controls by interested parties such as the "Rating Agency", "Vehicle Company", "Noteholders' Representative", "Bank of Italy" etc.;
- Ensure adequate information reporting to the Bank's Bodies, General Management, and operators involved in the supervisory process.

The servicing commissions amounted to 168.38 Euro and are allocated to line item 40 del the income statement.

Detail of collections recorded during the year 2012:

Collection of principal on assigned loans	307
Collection of interest on assigned loans	21
Total collections	328

As of 31/12/2012 there were no suspended rates of securitized mortgage loans and there were no defaults of assigned loans.

C.1.1 Exposure from securitizations divided by type of underlying assets - part 1

Type of underlying asset/Exposure	Cash exposure					
	Senior		Mezzanine		Junior	
	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure
A. With own underlying assets						
a) Impaired	0	0	0	0	0	0
b) Other	0	0	0	0	452	452
B. With third party underlying assets						
a) Impaired	0	0	0	0	0	0
b) Other	0	0	0	0	0	0

C.1.1 Exposure from securitizations divided by type of underlying asset - part 2

Type of underlying asset/Exposure	Guarantees issued					
	Senior		Mezzanine		Junior	
	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure
A. With own underlying assets						
a) Impaired	0	0	0	0	0	0
b) Other	0	0	0	0	0	0
B. With third party underlying assets						
a) Impaired	0	0	0	0	0	0
b) Other	0	0	0	0	0	0

C.1.1 Exposure from securitizations divided by type of underlying asset - part 3

Type of underlying asset/Exposure	Credit lines					
	Senior		Mezzanine		Junior	
	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure
A. With own underlying assets						
a) Impaired	0	0	0	0	0	0
b) Other	0	0	0	0	0	0
B. With third party underlying assets						
a) Impaired	0	0	0	0	0	0
b) Other	0	0	0	0	0	0

C.1.2 Exposure from principal "own" securitizations divided by type of securitized assets and by type of exposure - part 1

Type of securitized assets/Exposure	Cash exposure					
	Senior		Mezzanine		Junior	
	Balance sheet value	Adj./write-backs of value	Balance sheet value	Adj./write-backs of value	Balance sheet value	Adj./write-backs of value
C. Not derecognized from the balance sheet						
C.1 Pontormo Funding s.r.l.	0	0	0	0	452	0

C.1.2 Exposure from principal "own" securitizations divided by type of securitized assets and by type of exposure - part 2

Type of securitized assets/Exposure	Guarantees issued					
	Senior		Mezzanine		Junior	
	Net exposure	Adj./write-backs of value	Net exposure	Adj./write-backs of value	Net exposure	Adj./write-backs of value
C. Not derecognized in the balance sheet						
C.1 Pontormo Funding s.r.l.	0	0	0	0	0	0

C.1.2 Exposure from principal "own" securitizations divided by type of securitized assets and by type of exposure - part 3

Type of securitized assets/Exposure	Credit lines					
	Senior		Mezzanine		Junior	
	Net exposure	Adj./write-backs of value	Net exposure	Adj./write-backs of value	Net exposure	Adj./write-backs of value
C. Not derecognized in the balance sheet						
C.1 Pontormo Funding s.r.l.	0	0	0	0	0	0

C.1.4 Exposure from securitizations divided by portfolio and type

Exposure/portfolio	Financial assets held for trading	Financial assets fair value option	Financial assets available for sale	Financial assets held to maturity	Receivables	Total 31/12/2012	Total 31/12/2011
1. Cash exposure							
Senior	0	0	0	0	0	0	0
Mezzanine	0	0	0	0	0	0	0
Junior	0	0	0	0	452	452	453
2. Off balance sheet exposure							
Senior	0	0	0	0	0	0	0
Mezzanine	0	0	0	0	0	0	0
junior	0	0	0	0	0	0	0

C.1.5 Total amount of securitized assets underlying junior notes or other forms of credit support

Assets/Values	Traditional securitizations	Synthetic securitizations
A. Own underlying assets:		
A.1 Totally derecognized		
1. Non performing loans	0	0
2. Watchlist	0	0
3. Restructured accounts	0	0
4. Overdue/overdrawn accounts	0	0
5. Other assets	0	0
A.2 Partially derecognized		
1. Non performing loans	0	0
2. Watchlist	0	0
3. Restructured accounts	0	0
4. Overdue/overdrawn accounts	0	0
5. Other assets	0	0
A.3 Not derecognized		
1. Non performing	0	0
2. Watchlist	0	0
3. Restructured accounts	0	0
4. Overdue/overdrawn accounts	0	0
5. Other assets	19	0
B. Third party underlying assets:		
B.1 Non performing	15	0
B.2 Watchlist	0	0
B.3 Restructured accounts	0	0
B.4 Overdue/overdrawn accounts	26	0
B.5 Other assets	2.184	0

C.1.7 The servicer's assets – Collections of securitized receivables and repayment of the notes issued by the vehicle company

Vehicle company	Securitized assets (at the end of the reporting period)		Collections of receivables during the year		Percentage of notes repaid (at the end of the reporting period)					
					Senior		Mezzanine		Junior	
	Impaired	In bonis	Impaired	In bonis	Impaired assets	Assets in bonis	Impaired assets	Assets in bonis	Impaired assets	Assets in bonis
Pontormo Funding s.r.l.	0	713	0	307	0	0	0	0	0	0

Note:

- The amount of securitized assets is indicated at the nominal value of the assigned receivables.
- The amount of collected receivables during the year only refers to principal.

C.2 Sales

C.2.1 Financial assets sold but not derecognized - part 1

Technical forms/Portfolio	Financial assets held for trading			Financial assets measured at fair value			Financial assets available for sale		
	recognized in full (balance sheet value)	Partially recognized (balance sheet value)	partially recognized (entire value)	recognized in full (balance sheet value)	partially recognized (balance sheet value)	partially recognized (entire value)	recognized in full (balance sheet value)	partially recognized (balance sheet value)	partially recognized (entire value)
A. Cash assets									
1. Debt securities	0	0	0	0	0	0	70,675	0	0
2. Equity instruments	0	0	0	0	0	0	0	0	0
3. Mutual funds	0	0	0	0	0	0	0	0	0
4. Loans	0	0	0	0	0	0	0	0	0
B. Derivative instruments	0	0	0	0	0	0	0	0	0
Total 31/12/2012	0	0	0	0	0	0	70,675	0	0
of which impaired	0	0	0	0	0	0	0	0	0
Total 31/12/2011	0	0	0	0	0	0	15,087	0	0
of which impaired	0	0	0	0	0	0	0	0	0

C.2.1 Financial assets sold but not derecognized - part 2

Technical forms/Portfolio	Financial assets held through maturity			Receivables from banks			Receivables from customers			Total 31/12/2012	Total 31/12/2011
	recognized in full (balance sheet value)	partially recognized (balance sheet value)	partially recognized (entire value)	recognized in full (balance sheet value)	partially recognized (balance sheet value)	partially recognized (entire value)	recognized in full (balance sheet value)	partially recognized (balance sheet value)	partially recognized (entire value)		
A. Cash assets											
1. Debt securities	0	0	0	0	0	0	0	0	0	70,675	15,087
2. Equity instruments	0	0	0	0	0	0	0	0	0	0	0
3. Mutual funds	0	0	0	0	0	0	0	0	0	0	0
4. Loans	0	0	0	0	0	0	713	0	0	713	1,021
B. Derivative instruments	0	0	0	0	0	0	0	0	0	0	0
Total 31/12/2012	0	0	0	0	0	0	713	0	0	71,387	0
of which impaired	0	0	0	0	0	0	0	0	0	0	0
Total 31/12/2011	0	0	0	0	0	0	1,021	0	0	0	16,108
of which impaired	0	0	0	0	0	0	0	0	0	0	0

C.2.2 Financial liabilities for financial assets sold but not derecognized

Liabilities/Portfolio assets	Financial assets held for trading	Financial assets measured at fair value	Financial assets available for sale	Financial assets held through maturity	Receivables from banks	Receivables from customers	Total 31/12/2012	Total 31/12/2011
1. Payables to customers								
a) for assets recognized in full	0	0	56,890	0	0	259	57,149	17,744
b) for assets partially recognized	0	0	0	0	0	0	0	0
2. Payables to banks								
a) for assets recognized in full	0	0	0	0	0	0	0	14,549
b) for assets partially recognized	0	0	0	0	0	0	0	0
Total 31/12/2012	0	0	56,890	0	0	259	57,149	0
Total 31/12/2011	14,549	0	17,177	0	0	567	0	32,293

C.2.3 Sales with liabilities that have recourse exclusively on the transferred assets (Part 1)

Technical forms/Portfolio	Financial assets held for trading		Financial assets measured at fair value		Financial assets available for sale		Financial assets held through maturity (fair value)	
	Recognized in full	Partially recognized	Recognized in full	Partially recognized	Recognized in full	Partially recognized	Recognized in full	Partially recognized
A. Cash assets	0	0	0	0	70,675	0	0	0
1) Debt securities	0	0	0	0	70,675	0	0	0
2) Equity instruments	0	0	0	0	0	0	0	0
3) Mutual funds	0	0	0	0	0	0	0	0
4) Loans	0	0	0	0	0	0	0	0
B. Derivative instruments	0	0	0	0	0	0	0	0
Total assets	0	0	0	0	70,675	0	0	0
C. Associated liabilities	0	0	0	0	56,890	0	0	0
1) Payables to customers	0	0	0	0	56,890	0	0	0
2) Payables to banks	0	0	0	0	0	0	0	0
Total liabilities	0	0	0	0	56,890	0	0	0
Net value	0	0	0	0	13,785	0	0	0

C.2.3 Sales with liabilities that have recourse exclusively on the transferred assets (Part 2)

Technical forms/Portfolio	Receivables from banks (fair value)		Receivables from customers (fair value)		Total		Total
	Recognized in full	Partially recognized	Recognized in full	Partially recognized	Recognized in full	Partially recognized	
A. Cash assets	0	0	713	0	71,387	0	71,387
1) Debt securities	0	0	0	0	70,675	0	70,675
2) Equity instruments	0	0	0	0	0	0	0
3) Mutual funds	0	0	0	0	0	0	0
4) Loans	0	0	713	0	713	0	713
B. Derivative instruments	0	0	0	0	0	0	0
Total assets	0	0	713	0	71,387	0	71,387
C. Associated liabilities	0	0	259	0	57,149	0	57,149
1) Payables to customers	0	0	259	0	57,149	0	57,149
2) Payables to banks	0	0	0	0	0	0	0
Total liabilities	0	0	259	0	57,149	0	57,149
Net value	0	0	454	0	14,238	0	14,238

With reference to receivables from customers and payables to customers, the "fair value" used in the table is equivalent to amortized cost.

D. Models to measure credit risk

This is irrelevant because the Bank uses the standard model to measure credit risk.

Section 2 – Market risks

2.1 Interest rate risk and price risk – regulatory trading portfolio

Qualitative information

A. General information

The Bank, as a primary activity, trades financial instruments exposed to the interest rate risk.
The strategy underlying its trading activity corresponds both to treasury needs, as well as to the objective of enhancing the risk/yield profile of portfolio investments in terms of the interest rate risk and the counterparty's credit risk.
The Bank does not assume speculative positions in derivative instruments, in accordance with the Bank of Italy's Supervisory Regulations and the Bank's By-laws.
Trading exclusively regards operations involving bonds.

B. Management procedures and measurement methods of the interest rate risk and price risk.

The Finance Area Regulations establish both operating limits (both in terms of portfolio value as well as the breakdown by type of security), as well as limits for exposure to interest rate risk (in terms of financial duration).

Quantitative information

2.1.1 Regulatory trading portfolio: distribution by residual duration (re-pricing date) of cash financial assets and liabilities and financial derivatives - All currencies

Type/Residual duration	On demand	Up to 3 months	Beyond 3 months through 6 months	Beyond 6 months through 1 year	Beyond 1 year through 5 years	Beyond 5 years through 10 years	Beyond 10 years	Indefinite duration
1. Cash assets								
1.1 Debt securities								
- with an early repayment option	0	0	0	0	0	0	0	0
- other	0	0	0	2,263	8,317	0	0	0
1.2 Other assets	0	0	0	0	0	0	0	0
2. Cash liabilities								
2.1 Repurchase agreements on debt	0	0	0	0	0	0	0	0
2.2 Other liabilities	0	1	0	0	0	0	0	0
3. Financial derivatives								
3.1 With underlying security								
- Options								
+ long-term positions	0	0	0	0	0	0	0	0
+ short-term positions	0	0	0	0	0	0	0	0
- Other derivatives								
+ long-term positions	0	0	0	0	0	0	0	0
+ short-term positions	0	0	0	0	0	0	0	0
3.2 Without underlying security								
- Options								
+ long-term positions	0	0	0	0	0	0	0	0
+ short-term positions	0	0	0	0	0	0	0	0
- Other derivatives								
+ long-term positions	0	0	0	0	0	0	0	0
+ short-term positions	0	0	0	0	0	0	0	0

2.2 Interest rate risk and price risk – bank portfolio

Qualitative information

A. General information, management procedures and measurement methods of interest rate risk and price risk

The principal sources of interest rate risk consist of fixed rate items. Assets are principally represented by securities in the AFS sector (BTP) and mortgage loans; while liabilities are represented by fixed rate bonds whose risk is hedged by fixed interest rate (IRS) operations for issues with more prolonged maturities.
The interest rate risk inherent in the bank portfolio is monitored by the Bank on a monthly basis by an Asset Liability Management analysis conducted by the Financial Risk Committee.

Quantitative information

2.2.1 Bank portfolio: distribution by residual duration (by re-pricing date) of financial assets and liabilities - All currencies

Type/Residual duration	On demand	Up to 3 months	Beyond 3 months through 6 months	Beyond 6 months through 1 year	Beyond 1 year through 5 years	Beyond 5 years through 10 years	Beyond 10 years	Indefinite duration
1. Cash assets								
1.1 Debt securities								
- with an early repayment option	0	0	0	0	0	0	0	0
- other	51,201	95,434	191,056	94,552	112,845	33,813	36,432	0
1.2 Loans to banks	42,831	33,404	0	0	0	0	0	0
1.3 Loans to customers								
- bank accounts	443,409	7,425	619	1,980	15,211	0	0	0
- other loans								
- with an early repayment option	1,247	55,298	1,786	0	0	0	0	0
- other	1,023,903	89,892	30,216	72,954	151,035	7,369	5,421	0

2. Cash liabilities								
2.1 Payables to customers								
- bank accounts	988,447	0	0	0	0	0	0	0
- other liabilities								
- with an early repayment option	0	0	0	0	0	0	0	0
- other	54,196	37,033	10,578	9,538	0	0	0	0
2.2 Payables to banks								
- bank accounts	6,571	0	0	0	0	0	0	0
- other liabilities	0	423,059	0	0	0	0	0	0
2.3 Debt securities								
- with an early repayment option	0	0	0	0	0	0	0	0
- other	6,364	80,169	162,170	61,169	563,262	17,042	1,507	0
2.4 Other liabilities								
- with an early repayment option	0	0	0	0	0	0	0	0
- other	0	0	0	0	0	0	0	0
3. Financial derivatives								
3.1 With underlying security								
- Options								
+ long-term positions	0	0	0	0	0	0	0	0
+ short-term positions	0	0	0	0	0	0	0	0
- Other derivatives								
+ long-term positions	0	0	0	0	0	0	0	0
+ short-term positions	0	0	0	0	0	0	0	0
3.2 Without underlying security								
- Options								
+ long-term positions	0	0	0	0	0	0	0	0
+ short-term positions	0	0	0	0	0	0	0	0
- Other derivatives								
+ long-term positions	0	50,000	14,000	19,600	102,000	0	0	0
+ short-term positions	0	96,000	77,600	12,000	0	0	0	0

Note:

Long and short-term accounts in “other derivatives”, point 3.2, are expressed in notional values.

2.3 Exchange rate risk

Qualitative information

A. General information, management procedures and methods to measure the Exchange rate risk

The exchange rate risk represents the risk of suffering losses on operations in foreign currency, due to the effect of negative variations to foreign currencies. During the fiscal year, the Bank's assets in foreign currency did not have speculative positions. In any case, the Bank limits its net position in foreign currency to not more than 2% of regulatory capital, as provided by the regulations of the Bank of Italy for credit cooperative banks.

The Bank is marginally exposed to the exchange rate risk due to assets used to serve customers.

Exposure to exchange rate risk is measured using a methodology that faithfully follows what is provided by the Supervisory Regulations.

Measurement is based on the calculation of the "net position in foreign exchanges", i.e. the balance of all assets and liabilities (in financial statements and "off balance sheet") related to each foreign currency, including operations in Euro indexed to the exchange rate trend of foreign currency.

The organizational structure provides that the management of the exchange rate risk is delegated to the Foreign Office for assets used to service customers and to the Securities Treasury Office for financial instruments, whereas the measurement of exposure is attributed to the Risk Management Office based on the data provided by the Management Control Office.

The "net position in foreign exchanges" as of the reference date amounted to 1,199,344 Euro, equivalent to 0.475% of the regulatory capital. It is within the threshold of 2.00% established by the Supervisory Instructions of the Bank of Italy that can be held by credit cooperative banks. There are no forward exchange transactions.

Quantitative information

2.3.1 Distribution by denominated currency of assets, liabilities and derivatives

Line items	Foreign currencies					
	US dollars	British pound sterling	Yen	Canadian dollars	Swiss francs	Other foreign currencies
A. Financial assets						
A.1 Debt securities	0	0	0	0	0	0
A.2 Equity instruments	0	0	0	0	0	0
A.3 Loans to banks	5,049	73	189	131	173	376
A.4 Loans to customers	8,626	1,245	0	0	0	0
A.5 Other financial assets	0	0	0	0	0	0
B. Other assets	49	34	9	39	1	51
C. Financial liabilities						
C.1 Payables to banks	8,496	1,161	201	148	175	360
C.2 Payables to customers	1,625	165	0	42	1	27
C.3 Debt securities	0	0	0	0	0	0
C.4 Other financial liabilities	0	0	0	0	0	0
D. Other liabilities	0	0	0	0	0	0
E. Financial derivatives						
- Options						
+ Long-term positions	0	0	0	0	0	0
+ Short-term positions	0	0	0	0	0	0
- Other derivatives						
+ Long-term positions	7,186	0	0	0	0	0
+ Short-term positions	11,624	390	0	0	1	0
Total assets	20,910	1,352	198	171	174	427
Total liabilities	21,745	1,715	201	190	177	386
Imbalance (+/-)	-835	-364	-4	-19	-3	40

2.4 Derivative instruments

A. Financial derivatives

2.4.A.2.1 Bank portfolio: notional values at end and mid-period - hedges

Underlying assets/Type of derivative	Total 31/12/2012		Total 31/12/2011	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates				
a) Options	0	0	0	0
b) Swap	185,600	0	228,600	0
c) Forward	0	0	0	0
d) Futures	0	0	0	0
e) Other	0	0	0	0
2. Equity instruments and equity indexes	0	0	0	0
a) Options	0	0	0	0
b) Swap	0	0	0	0
c) Forward	0	0	0	0
d) Futures	0	0	0	0
e) Other	0	0	0	0
3. Foreign currencies and gold	0	0	0	0
a) Options	0	0	0	0
b) Swap	0	0	0	0
c) Forward	0	0	0	0
d) Futures	0	0	0	0
e) Other	0	0	0	0
4. Goods	0	0	0	0
5. Other underlying assets	0	0	0	0
Total	185,600	0	228,600	0
Average values	219,677	0	240,538	0

D.2.4.A.3 Financial derivatives: positive gross fair value – division by product

Portfolio/Type of derivative	Positive fair value			
	Total 31/12/2012		Total 31/12/2011	
	Over the counter	Central counterparties	Over the counter	Central counterparties
A. Regulatory trading portfolio				
a) Options	0	0	0	0
b) Interest rate swap	0	0	0	0
c) Cross currency swap	0	0	0	0
d) Equity swap	0	0	0	0
e) Forward	1	0	7	0
f) Futures	0	0	0	0
g) Other	0	0	0	0
B. Ban portfolio – hedges				
a) Options	0	0	0	0
b) Interest rate swap	8,896	0	7,463	0
c) Cross currency swap	0	0	0	0
d) Equity swap	0	0	0	0
e) Forward	78	0	275	0
f) Futures	0	0	0	0
g) Other	0	0	0	0
C. Bank portfolio - other derivatives				
a) Options	0	0	0	0
b) Interest rate swap	0	0	0	0
c) Cross currency swap	0	0	0	0
d) Equity swap	0	0	0	0
e) Forward	0	0	0	0
f) Futures	0	0	0	0
g) Other	0	0	0	0
Total	8,975	0	7,746	0

D.2.4.A.4 Financial derivatives: negative gross fair value – division by product

Underlying asset/Type of derivative	Negative fair value			
	Total 31/12/2012		Total 31/12/2011	
	Over the counter	Central counterparties	Over the counter	Central counterparties
A. Regulatory trading portfolio				
a) Options	0	0	0	0
b) Interest rate swap	0	0	0	0
c) Cross currency swap	0	0	0	0
d) Equity swap	0	0	0	0
e) Forward	1	0	34	0
f) Futures	0	0	0	0
g) Other	0	0	0	0
B. Bank portfolio - hedges				
a) Options	0	0	0	0
b) Interest rate swap	9	0	257	0
c) Cross currency swap	0	0	0	0
d) Equity swap	0	0	0	0
e) Forward	76	0	275	0
f) Futures	0	0	0	0
g) Other	0	0	0	0
C. Bank portfolio - other derivatives				
a) Options	0	0	0	0
b) Interest rate swap	0	0	0	0
c) Cross currency swap	0	0	0	0
d) Equity swap	0	0	0	0
e) Forward	0	0	0	0
f) Futures	0	0	0	0
g) Other	0	0	0	0
Total	86	0	566	0

D.2.4.A.5 Over the counter financial derivatives – trading portfolio: notional values, negative gross fair value of counterparties – contracts that are not part of netting agreements

Contracts that are not part of a netting agreement	Governments and Central Banks	Other public entities	Banks	Finance companies	Insurers	Non finance companies	Other parties
1) Debt securities and interest rates							
- notional value	0	0	0	5,099	0	452	497
- positive fair value	0	0	0	0	0	0	0
- negative fair value	0	0	0	0	0	0	0
- future exposure	0	0	0	0	0	0	0
2) Equity instruments and equity indexes							
- notional value	0	0	0	0	0	0	0
- positive fair value	0	0	0	0	0	0	0
- negative fair value	0	0	0	0	0	0	0
- future exposure	0	0	0	0	0	0	0
3) Foreign currency and gold							
- notional value	0	0	401	0	0	101	0
- positive fair value	0	0	0	0	0	1	0
- negative fair value	0	0	0	0	0	0	0
- future exposure	0	0	0	0	0	0	0
4) Other values							
- notional value	0	0	0	0	0	0	0
- positive fair value	0	0	0	0	0	0	0
- negative fair value	0	0	0	0	0	0	0
- future exposure	0	0	0	0	0	0	0

D.2.4.A.7 Over the counter financial derivatives – trading portfolio: notional values, positive and negative gross fair values of counterparties – contracts that are not part of netting agreements

Contracts that are not part of a netting agreement	Governments and Central Banks	Other public entities	Banks	Finance companies	Insurers	Non finance companies	Other parties
1) Debt securities and interest rates							
- notional value	0	0	185,600	0	0	0	0
- positive fair value	0	0	8,896	0	0	0	0
- negative fair value	0	0	9	0	0	0	0
- future exposure	0	0	510	0	0	0	0
2) Equity instruments and equity indexes							
- notional value	0	0	0	0	0	0	0
- positive fair value	0	0	0	0	0	0	0
- negative fair value	0	0	0	0	0	0	0
- future exposure	0	0	0	0	0	0	0
3) Foreign currency and gold							
- notional value	0	0	7,086	0	0	6,212	866
- positive fair value	0	0	5	0	0	65	8
- negative fair value	0	0	72	0	0	4	0
- future exposure	0	0	72	0	0	63	9
4) Other values							
- notional value	0	0	0	0	0	0	0
- positive fair value	0	0	0	0	0	0	0
- negative fair value	0	0	0	0	0	0	0
- future exposure	0	0	0	0	0	0	0

D.2.4.A.9 Residual life of over the counter financial derivatives: notional values

Underlying assets/Residual life	Up to 1 year	Beyond 1 year and up to 5 years	Beyond 5 years	Total 31/12/2012
A. Regulatory trading portfolio				
A.1 Financial derivatives on debt securities and interest rates	6,048	0	0	6,048
A.2 Financial derivatives on equity instruments and equity indexes	0	0	0	0
A.3 Financial derivatives on exchange rates and gold	501	0	0	501
A.4 Financial derivatives on other values	0	0	0	0
B. Bank portfolio				
B.1 Financial derivatives on debt securities and interest rates	65,600	120,000	0	185,600
B.2 Financial derivatives on equity instruments and equity indexes	0	0	0	0
B.3 Financial derivatives on exchange rates and gold	14,164	0	0	14,164
B.4 Financial derivatives on other values	0	0	0	0
Total 31/12/2012	86,314	120,000	0	206,314
Total 31/12/2011	68,927	185,600	0	254,527

Section 3 – Liquidity risk

Qualitative information

A. General information, management procedures and methods to measure liquidity risk

The principal sources of liquidity risk refer to the Bank's activities carried out in the securities sector, in loans and lending services on behalf of institutional entities.
The position of both short as well as mid and long-term liquidity is managed by means of policies aimed at maintaining a situation of substantial equilibrium.
Management of the liquidity risk rests with the Bank's Treasury Service, while the measurement of the risk is done by Risk Management which, on a quarterly basis in the context of the analysis contained in the document prepared for ICAAP purposes, makes and reports to the General Management and the Board of Directors an analysis of the trend of corporate liquidity, delineating the components that have most influenced or which might influence its future trend.
The liquidity risk is measured principally by means of an integrated model (maturity ladder), which allows assessing the balance of forecast cash flows, and, by means of building accumulated imbalances, the net balance of the financial need (or surplus) in the time period considered, and the allocation of definite and forecast flows to the various time periods in order to calculate the cumulative GAP for each maturity period.
Further, the Bank analyzes and monitors its cash balances on a daily basis.

The Bank has initiated a broader revision of the management of the liquidity risk, consisting of the formalization of the entire process in two regulatory documents:

- Handbook of liquidity risk management: this defines the phases of the liquidity risk management process, roles and responsibilities for the personnel involved with respect to "ordinary" management. A measurement framework is determined (made up of a system of short term and structural limits, monitoring indicators and stress tests) and vertical and horizontal reporting as support;
- Emergency Plan (Contingency Liquidity Plan): the objective is to define the phases of the management process of states of pre-crisis and crisis of liquidity, specific or systematic, starting from identification up to mitigating actions.

Traditionally the Bank has always shown a high availability of liquidity, both due to the breakdown of its assets as well as corporate policies aimed at favoring direct deposits.

The structure of the Bank's financial assets, the Bank's direct adherence to the Interbank Deposit Market (intended to facilitate finding funding in the market, when necessary), and the Collateralized Interbank Market, as well as the techniques and instruments used to manage and measure the liquidity risk represent the principal factors to mitigate the risk.

In view of the best management of liquidity, the Bank adheres to the Electronic Interbank Market (e-Mid) and the New Collateralized Interbank Market (New MIC).

New MIC is the sector of the e-MID market to be used for deposits in Euro with maturities ranging from one day through one year, which uses the collateral system managed by the Cash Clearing and Guarantee Fund (CC&G).

Trading, whose settlement takes place in Target2, is done in an entirely anonymous manner, with protection from counterparty risk. Collateral is provided by means of the following:

- collateral granted by each participant;
- a mutual aid share, equivalent to 10% of the collateral granted by each participant;
- the interposition between CC&G's counterparties for each executed contract.

Quantitative information

A.1 Time period distribution by residual contract duration of financial assets and liabilities - All currencies

Line items/Time period	On demand	Beyond 1 day through 7 days	Beyond 7 days through 15 days	Beyond 15 days through 1 month	Beyond 1 month through 3 months	Beyond 3 months through 6 months	Beyond 6 months through 1 year	Beyond 1 year up to 5 years	Beyond 5 years	Indefinite duration
Cash assets										
A.1 Government Bonds	0	0	0	0	26,739	35,876	59,437	362,324	68,500	0
A.2 Other debt securities	3,073	0	0	0	3,007	8,807	19,515	38,344	0	0
A.3 Shares of mutual funds	290	0	0	0	0	0	0	0	0	0
A.4 Loans	595,175	5,319	8,936	69,573	94,047	54,112	101,501	484,600	570,738	0
- Banks	42,831	0	0	33,404	0	0	0	0	0	0
- Customers	552,344	5,319	8,936	36,169	94,047	54,112	101,501	484,600	570,738	0
Cash liabilities										
B.1 Deposits and bank accounts	1,030,759	7,790	5,880	115,261	20,402	20,893	15,122	313,316	0	0
- Banks	6,580	758	637	109,109	0	0	0	312,546	0	0
- Customers	1,024,178	7,032	5,243	6,152	20,402	20,893	15,122	770	0	0
B.2 Debt securities	2,612	284	478	24,674	83,485	111,031	184,860	465,654	18,607	0
B.3 Other liabilities	0	0	0	0	0	0	0	0	0	0
"Off balance sheet" transactions										
C.1 Financial derivatives with an exchange of principal	0	0	0	0	0	0	0	0	0	0
- Long-term positions	0	0	0	0	0	0	0	0	0	0
- Short-term positions	0	0	0	0	0	0	0	0	0	0
C.2 Financial derivatives without an exchange of principal	0	0	0	0	0	0	0	0	0	0
- Long-term positions	0	0	0	0	0	0	0	0	0	0
- short-term positions	0	0	0	0	0	0	0	0	0	0
C.3 Deposits and loans to be received	0	0	0	0	0	0	0	0	0	0
- Long-term positions	0	0	0	0	0	0	0	0	0	0
- Short-term positions	0	0	0	0	0	0	0	0	0	0
C.4 Irrevocable commitments to issue funds	-14,287	58	23	14	20	164	3,193	2,311	8,505	0
- Long-term positions	912	58	23	14	20	164	3,193	2,311	8,505	0
- Short-term positions	15,199	0	0	0	0	0	0	0	0	0
C.5 Financial guarantees issued	88,425	0	0	0	0	0	0	0	0	0
C.6 Financial guarantees received	0	0	0	0	0	0	0	0	0	0
C.7 Credit derivatives with an exchange of principal	0	0	0	0	0	0	0	0	0	0
- Long-term positions	0	0	0	0	0	0	0	0	0	0
- Short-term positions	0	0	0	0	0	0	0	0	0	0
C.8 Credit derivatives without an exchange of principal	0	0	0	0	0	0	0	0	0	0
- Long-term positions	0	0	0	0	0	0	0	0	0	0
- Short-term positions	0	0	0	0	0	0	0	0	0	0

Information on the self-securitization of "Pontormo RMBS"

General information

During the course of 2012 Banca di Credito Cooperativo di Cambiano set up a self-securitization with the vehicle company Pontormo RMBS s.r.l. (hereinafter vehicle, or SPV), which was incorporated on 20 June 2012 in accordance with Law no. 130/99 (the "Securitization Law"), whose exclusive object is the realization of one or more securitizations of receivables by means of the purchase of monetary receivables, both existing as well as future, financed by the issue of securities in accordance with Article 1(1)(b) of Law no. 130/99. The company has been registered since 19 October 2012 at no. 35038.9 with the list of securitization vehicles, in accordance with Article 11 of the Bank of Italy's Measure of 29 April 2011.

The Bank's objective was to transform part of the assets used (mortgage loans) in an ABS (Asset Backet Securities) type of note (Pontormo RMBS Class A), to be used in a series of activities aimed at further facilitating any needs for liquidity, specifically:

- short/medium term liquidity through transactions with Eurosystem;
- medium term liquidity through Private REPOs (at 2-3 years);
- refinancing transactions on the New Collateralized Interbank Market (New Mic);
- if no market opportunities arise, and consistently with the average weighted cost of the Bank's funding, the sale of the ABS on the market.

In addition, the transaction was done considering the possible and conceivable trend of the sources of funding over the next few years, which will be the object of growing competition. By means of the self-securitization and an ABS instrument (with underlying loans issued by the Bank) having a high credit rating (AA+ both for FITCH as well as S&P, with respect to the Italian sovereign debt rating which is Baa2 for Moody's, BBB+ for S&P and A- for Fitch, and which are thus lower ratings), the objective was achieved of transforming part of the assets, which were otherwise not liquid, into a financial instrument having a transparent rating that is potentially eligible as well as negotiable.

This transaction stands out due to its "multi-originator" nature because five banks participated, each of which, by means of a sales contract stipulated on 17 October 2012, sold a portfolio of loans (each of which was separate and independent with respect to the others). In addition to the Banca di Credito Cooperativo di Cambiano s.c.p.a., the banks are: Banca di Credito Cooperativo di Fornacette S.c.p.a. ("BCC Fornacette"), Banca Popolare di Lajatico S.c.p.a. ("BP Lajatico"), Banca di Credito Cooperativo di Castagneto Carducci S.c.p.a. ("BCC Castagneto"), and Banca di Viterbo S.c.p.a. ("BCC Viterbo").
The transferred loans consist of a portfolio of receivables in accordance with the Securitization law, classified as "*in bonis*" in conformity with outstanding supervisory regulations, and derive from mortgage loans secured by voluntary mortgages on real property.

The above cited banks act as Servicer of their own portfolios transferred to the vehicle.

The SPV paid the selling banks the price of 428,519,593.37 Euro as consideration for the purchase of the receivables, corresponding to the total of the individual purchase prices for the receivables, as specified below:

- BCC Fornacette: 73,416,631.74 Euro;
- BCC Castagneto: 24,858,533.52 Euro;
- BP Lajatico: 48,810,332.01 Euro;
- **BCC Cambiano: 198,073,181.26 Euro;**
- Banca Viterbo: 83,360,914.84 Euro.

Further, in accordance with the respective sales contracts, BCC Fornacette, BP Lajatico and BCC Castagneto, undertook to sell the Company three additional portfolios of receivables in bonis for a price presumably equivalent to 137,431,519.59 Euro, corresponding to the total amount of the individual purchase prices of the receivables, as specified below. Specifically: BCC Castagneto, 24,642,633.75 Euro; BCC Fornacette, 79,292,455.54 Euro, and BP Lajatico, 33,496,430,30 Euro.

The following table summarizes the overall forecast values with reference to the loans:

Originator	Forecast amount of the Loans as of 29/06/2012	% share of each Bank
BCC Fornacette Portfolio	152,709,087.28	26.98%
BCC Castagneto Portfolio	49,501,167.27	8.75%
BP Lajatico Portfolio	82,306,762.31	14.54%
BCC Cambiano Portfolio	198,073,181.26	35.00%
Banca Viterbo Portfolio	83,360,914.84	14.73%
Total	565,951,112.96	100.00%

On 28 February 2013 the sale was perfected for such additional portfolios for a final price of 130,741,000 Euro, corresponding to the total amount of the following individual purchase prices:
BCC Fornacette: 76,254,000 Euro;
BCC Castagneto: 23,348,000 Euro;
BP Lajatico: 31,139,000 Euro.

In exchange for the price paid, there was a Notes Increase with respect to Class A1, A2, A3, B1, B2 and B3 Notes (issued partly paid), in accordance with the *Terms and Conditions of the Notes* and the *Notes Subscription Agreement*, upon payment by the respective subscribers of the *Partly Paid Notes Further Installment*.

In particular, the subscribers undertook to pay the *Partly Paid Notes Further Installment* for the following amounts:

Subscriber	Notes	Partly Paid Notes Further Installment
BCC Fornacette	Class A1	59,800,000
BCC Castagneto	Class A2	18,300,000
BP Lajatico	Class A3	24,400,000
BCC Fornacette	Class B1	16,454,000
BCC Castagneto	Class B2	5,048,000
BP Lajatico	Class B3	6,739,000
		130,741,000

which was done by offsetting the amounts with the price due by the SPV for the purchase of the three cited additional portfolios of receivables.

In general, the purchase of the portfolio was financed by the SPV by the issue on 10 December 2012, in accordance with Articles 1 and 5 of the Securitization Law, of the following classes of notes:

<u>Senior – (Class “A” Notes)</u>

- 119,800,000 Euro Class A1;
- 38,800,000 Euro Class A2;
- 64,600,000 Euro Class A3;
- **155,400,000 Euro Class A4;**
- 65,400,000 Euro, Class A5.

Junior – (Class "B" Notes)

- 37,604,000 Euro Class B1;
- 12,224,000 Euro Class B2;
- 20,237,000 Euro Class B3;
- **48,763,000 Euro Class B4;**
- 20,524,000 Euro Class B5.

Specifically, classes A1, A2, A3, B1, B2 and B3 were issued as partly paid notes, and therefore with a nominal value expressed on the basis of the amounts of the initial forecast loans. Subsequent to the additional sale, the nominal value was partially reduced (due to the differential between the forecast value and the sale price) and integrated for the share corresponding to the loans sold.

Subscriber	Isin	Class	Tranching Senior	Rating	Nominal value at Issue	Amount subscribed to as of 31/12/12
BCC Fornacette	IT0004867823	Class A1*	78.50%	AA+	119,800,000	57,600,000
BCC Castagneto	IT0004867831	Class A2*	78,50%	AA+	38,800,000	19,500,000
BP Lajatico	IT0004867856	Class A3*	78.50%	AA+	64,600,000	38,300,000
BCC Cambiano	IT0004867849	Class A4	78.50%	AA+	155,400,000	155,400,000
Banca Viterbo	IT0004867864	Class A5	78.50%	AA+	65,400,000	65,400,000
		Class A Notes	78.50%		444,000,000	336,200,000
BCC Fornacette	IT0004867872	Class B1*			37,604,000	20,511,000
BCC Castagneto	IT0004867880	Class B2*			12,224,000	6,881,000
BP Lajatico	IT0004867914	Class B3*			20,237,000	13,041,000
BCC Cambiano	IT0004867898	Class B4			48,763,000	48,763,000
Banca Viterbo	IT0004867906	Class B5			20,524,000	20,524,000
		Class B Notes			139,352,000	109,720,000

Subscriber	Isin	Class	Tranching Senior	Rating	Nominal value at issue	Further nominal value post sale
BCC Fornacette	IT0004867823	Class A1*	78.50%	AA+	c	117,400,000
BCC Castagneto	IT0004867831	Class A2*	78.50%	AA+	38,800,000	37,800,000
BP Lajatico	IT0004867856	Class A3*	78.50%	AA+	64,600,000	62,700,000
BCC Cambiano	IT0004867849	Class A4	78.50%	AA+	155,400,000	155,400,000
Banca Viterbo	IT0004867864	Class A5	78.50%	AA+	65,400,000	65,400,000
		Class A Notes	78.50%		444,000,000	438,700,000
BCC Fornacette	IT0004867872	Class B1*			37,604,000	36,965,000
BCC Castagneto	IT0004867880	Class B2*			12,224,000	11,929,000
BP Lajatico	IT0004867914	Class B3*			20,237,000	19,780,000
BCC Cambiano	IT0004867898	Class B4			48,763,000	48,763,000
Banca Viterbo	IT0004867906	Class B5			20,524,000	20,524,000
		Class B Notes			139,352,000	137,961,000

**: Partly Paid Notes.*

Class "A" notes were then listed with the Irish Stock Exchange and have been given AA+ ratings by the rating agencies Fitch Italia S.p.A. and Standard & Poor's Credit Market Services Italy S.r.l., whereas the Class "B" notes were neither listed nor given ratings.

All of the classes of notes produce interest at a variable interest rate that use Euribor at 3 or 6 months as a parameter, increased by a spread of 0.50 % on class "A" notes and 0.60% on class "B" notes; interest and income are paid on the notes on a quarterly basis, on the payment dates indicted in the securitization documents (5 February, 5 May, 5 August and 5 November of each year).

The differentiation in return on the different notes allowed their performance to be more consistent with that of the loan portfolio to which they are directly linked, and it was therefore possible, also due to the type of portfolio sold, to avoid entering into any derivative contract (swap).
The notes subscribed to by BCC Cambiano are class A4 (senior) and class B4 (junior) notes, having the following characteristics:

Class	A4
Currency:	Euro
Amount:	155,400,000
Rate:	Euribor 6M + 0.50% spread
Coupon:	Quarterly
Legal duration:	February 2071
Redemption:	amortization linked to recovery of the underlying receivables
Rating:	"AA+" by Fitch and S&P
Listing:	Irish Stock Exchange
ISIN:	IT0004867849
Applicable law:	Italian law.
Subscriber:	BCC Cambiano

Class	B4
Currency:	Euro
Amount:	48,763,000
Rate:	Euribor 6M + 0.60% spread
Coupon:	Quarterly
Legal duration:	February 2071
Redemption:	amortization linked to recovery of the underlying receivables
Rating:	Unrated
Listing:	Not listed in a stock exchange
ISIN:	IT0004867898
Applicable law:	Italian law.
Subscriber:	BCC Cambiano

The notes are all administered in a dematerialization regime by Monte Titoli S.p.A.

The Junior Notes include a cash reserve (the amount of which is specified in the "Reserve Amount"), which in the case of Banca di Credito Cooperativo di Cambiano s.c.p.a. is equivalent to 6,061,336.42 Euro and the amount required to fund the reserve for expenses (*Retention Amount*), which at the time of issue corresponded to a share of 28,000.00 Euro for Banca di Credito Cooperativo di Cambiano s.c.p.a., out of a total amount of 80,000.00 Euro.

Reserve Amount (3.06% of the loan portfolio sold)		
	% of total	Euro
BCC Fornacette Reserve Amount	26.98%	4,672,424.47
BCC Castagneto Reserve Amount	8.75%	1,515,334.10
BP Lajatico Reserve Amount	14.54%	2,518,052.33
BCC Cambiano Reserve Amount	35.00%	6,061,336.42
Banca Viterbo Reserve Amount	14.73%	2,550,956.73
Total Reserve	100.00%	17,318,104.05

Retention Amount (reserve for expenses)		
	% of total	Euro
BCC Fornacette	26.98%	21,584.00
BCC Castagneto	8.75%	7,000.00
BP Lajatico	14.54%	11,632.00
BCC Cambiano	35.00%	28,000.00
Banca Viterbo	14.73%	11,784.00
Total	100%	80,000.00

The cash reserve corresponds to 3.06% of the initial contribution of assigned loans, and is a guarantee for the Senior noteholders (who in this case are the same as the originators; therefore there is an implicit guarantee also on behalf of Banca di Credito Cooperativo di Cambiano s.c.p.a., which holds class "A4" notes). It is also provided that such reserve remain available to the vehicle in the form of cash, or in a form that can be liquidated on a quarterly basis on the payment date of the notes (it contributes to the amount of available funds on a quarterly basis for the servicing of the senior noteholders), or is used in other liquid and low risk assets in compliance with the prudential standards established by the rating agencies (*eligible assets*), and properly set forth in a contract.
The reserve is an integral part of the Junior Note and will therefore be repaid to the originator banks once the senior note has been redeemed
, or upon the closure of the self-securitization.
The Retention Amount is an expense fund available to the vehicle used by the structure for the vehicle's management costs. At each quarterly settlement, on the basis of the documented costs sustained, such expense account/fund is replenished until it is the equivalent of the pre-established total amount of 80,000.00 Euro, of which the 28,000.00 Euro mentioned above represents the share for which Banca di Credito Cooperativo di Cambiano s.c.p.a. was responsible at the time of subscription.

The notes are repaid on the same date as the payment of interest, in accordance with recovery of the underlying receivables, available funds, and the order of priority of the payments.
The *interest period* becomes effective starting from a payment date (inclusive) through the following payment date (exclusive); the initial interest period becomes effective from the issue date (inclusive) through the first payment date (exclusive). Interest is calculated on the basis of the actual number of days that have passed, divided by 360.
Further, an additional return is provided for class "B" notes, payable on each payment date in accordance with available funds and the order of priority of payments.

The characteristics of the class "A" notes allow them to be used for loan transactions with the European Central Bank.

Structure costs

The structure costs for the operation are represented by the invoices listed below. Banca di Credito Cooperativo di Cambiano s.c.p.a. is responsible for a share equivalent to 35.00% of the total (equivalent to the percentage share of the loans contributed by Banca di Credito Cooperativo di Cambiano s.c.r.l. with respect to the forecast total):

Supplier	Amount
Banca Akros s.p.a.	35,000.00
Bompani Audit s.r.l.	4,235,00
Fitch Rating	47,211.78
Orrick, Herrington & Sutcliffe	62,102.04
Standard & Poor's Rating Services	40,232.50
IC Satellite s.r.l.	53,542.50
Total	242,323.82

Specifically:
IC Satellite s.r.l., as Advisor to the Originators and coordinator of all of the parties involved;
Banca Akros, as arranger;
Standard & Poor's & Fitch Rating, as rating agencies;
Orrick, Herrington & Sutcliffe, as legal advisors for the operation;
Bompani Audit, as auditor

Selected quantitative information

A selection of some of the principal information of a quantitative nature regarding the operation in review is set forth below. The values, unless otherwise specified, are in Euro and refer to 31 December 2012.

Securitized assets

At the close of 2012, self-securitized receivables were equivalent to their purchase price, net of the amounts received as of the transfer date of 31 December 2012, and the amounts to be received for collections during the fiscal year but not yet transferred by the Servicers, increased by accrued interest due as of 31 December 2012.

Description	31.12.2012
Self-securitized receivables in bonis	407,541,465
Receivables for interest accrued but not yet received	62,083
Total	407,603,548

As of the date of 31/12/2012 no accounts were classified as “impaired”.

The assets transferred by Banca di Credito Cooperativo di Cambiano s.c.p.a. have the following characteristics:

DESCRIPTION	31/12/2012
Residual Capital	188,616,809.91
Number of Loans	2,307
Average residual life of the portfolio in years	16.33
Weighted average rate	2.33%
Average amount of the loans	81,758.48
Current LTV (Loan to Value)	0.55

The cash flows of receivables with respect to reductions and additions from the date the operation initiated through 31 December 2012 are set forth below:

Description	Balance as of 17 October 2012 (*)	Increases for penalties	Increases for accrued interest	Reductions for amounts received(***)	Balance as of 31 December 2012
Receivables in bonis	428,519,593	-	-	(20,978,128)	407,541,465
Interest for the period on overdue installments	-	-	62,083	-	62,083
Interest for the period	-	-	5,134,084	(5,134,084)	-
Penalties	-	8,564	-	(8,564)	-
Accrued interest	1,508,573 (**)	-	904,936	(1,508,573)	904,936
Total	430,028,166	8,564	6,101,103	(27,629,349)	408,508,484 (****)

(*) Date of transfer of the receivables.
(**) Accrued interest for the respective transferors, paid to them in accordance with point 4.4 of each contract for the sale of receivables as of the Payment Date of 5 February 2013.
(***) Reductions due to receipts, include the amounts received by the Servicers as of 31.12.2012 pertaining to the fiscal year, to be transferred to the Company’s bank accounts, amounting to 1,417,882 Euro.
(****) Such line item includes interest that has not yet accrued amounting to 904,936 Euro.

The following table indicates the outstanding securitized assets as of 31 December 2012, classified on the basis of their residual life:

	Total Portfolio		Banca di Viterbo	
	Balance as of 31.12.2012	Percentage impact %	Balance as of 31.12.2012	Percentage impact %
Up to 3 months	34,680	0.01%	29,954	0.02%
From 3 to 6 months	73,918	0.02%	67,151	0.04%
From 6 to 12 months	251,799	0.06%	157,848	0.08%
From 12 to 60 months	13,396,112	3.29%	9,152,383	4.85%
Beyond 60 months	393,784,956	96.62%	179,209,475	95.01%
Total	407,541,465	100%	186,616,810	100%

As of 31 December 2012, the portfolio, sub-divided by category, can be broken-down as follows:

	Total Portfolio		Banca di Cambiano	
Range	Number of accounts	Balance as of 31.12.2012	Number of accounts	Balance as of 31.12.2012
up to 25,000	547	7,695,957	346	4,764,765
from 25,000 to 75,000	1,794	87,936,642	921	44,359,533
from 75,000 to 250,000	2,144	269,879,110	996	125,199,027
beyond 250,000	122	42,029,756	44	14,293,485
Total	4,607	407,541,465	2,307	188,616,810

2% of the total portfolio amounts to 8,150,829 Euro. There are no accounts in an amount that exceeds 2% of the total portfolio.

Use of available assets

Description	31.12.2012
Cash in BNY account no. 4823579780 (Expenses Acc.)	30,984
Cash in BNY account no. 48262480 (BCC Fornacette Investment Acc.)	9,154,416
Cash in BNY account no. 7420880 (BCC Castagneto Investment Acc.)	2,952,122
Cash in BNY account no. 48262580 (BP Lajatico Investment Acc.)	5,022,562
Cash in BNY account no. 48262680 (BCC Cambiano Investment Acc.)	17,780,992
Cash in BNY account no. 48262980 (Banca Viterbo Investment Acc.)	8,619,480
Receivables from noteholders for notes subscribed to	137,432,000
Receivables from Servicers for amounts to be received	1,417,882
Accrued interest earned on securitized receivables	904,936
Prepaid expenses	2,349
Total	183,317,723

The cash flows generated during the fiscal year are summarized in the following table:

Description	Cash flows 31/12/2012
Initial liquidity	0
Collections related to securitized receivables (principal)	19,946,917
Collections related to securitized receivables (interest)	6,256,749
Collections related to securitized receivables (penalties)	7,801
Issue of notes (net of rounding off on the Class B notes)	445,917,697
Purchase price of the portfolio	(428,519,593)
Payment of commissions and expenses for the operation	(49,015)
Final liquidity	43,560,556

Interest on the notes issued

Description	31.12.2012
Class A1 Notes	23,184
Class A2 Notes	9,544
Class A3 Notes	18,745
Class A4 Notes	76,055
Class A5 Notes	26,323
Class B1 Notes	9,452
Class B2 Notes	3,769
Class B3 Notes	7,143
Class B4 Notes	26,710
Class B5 Notes	9,458
Additional return Class B1 Notes	1,009,221
Additional return Class B2 Notes	341,015
Additional return Class B3 Notes	663,021
Additional return Class B4 Notes	2,637,108
Additional return Class B5 Notes	1,110,028
Total	5,970,776

Fees and commissions for the operation

The fees and commissions incurred for the operation during fiscal year 2012 consisted of the line items set forth in detail in the following table:

Description	31.12.2012
Servicing commissions (BCC Fornacette)	11,275
Servicing commissions (BCC Castagneto)	3,613
Servicing commissions (BP Lajatcio)	8,930
Servicing commissions (BCC Cambiano)	29,695
Servicing commissions (Banca Viterbo)	15,560
Fees Computation Agent	1,824
Fees Listing Agent	7,352
Fees Representative of the Noteholders	7,770
Fees Irish Paying Agent	30
Fees Account Bank	482
Fees Cash Manager	211
Fees Principal Paying Agent and Agent Bank	151
Other	32,098
Total	118,991

The line item "Other" refers to the costs related to the initial set-up of the vehicle company, specifically: 4,437 Euro for notary fees; 9,928 Euro for the publication of the notices of the assignment of receivables of 17 October 2012 in the Official Bulletin; 1,800 Euro for fees for the approval of the Prospectus by the Central Bank of Ireland; 1,335 Euro for fees of the Process Agent; 2,268 Euro for fees related to the transportation service for electronic data on RNI; 4,386 Euro for fees for the participation of Monte Titoli; 4,500 Euro for the acceptance fee of the Bank of New York; 2,940 Euro for other administrative expenses; 23 Euro for postage and 481 Euro for the reimbursement of expenses to the Corporate Services Provider.

The proceeds that the Bank received during the course of fiscal year 2012 on behalf of the vehicle, which were transferred to it, are set forth in detail in the following table:

DESCRIPTION	31/12/2012
Collection of principal on the assigned loans	9,456,371,38
Collection of interest on the assigned loans	2,421,583,25
Total collections	11,877,954,63

Interest generated by securitized assets

The following interest accrued as of 31 December 2012 on the total portfolio of self-securitized loans:

Description	31.12.2012
Interest on securitized receivables	6,091,110
Penalty interest on securitized receivables	3,503
Interest on early redemption	6,490
Total	6,101,103

Representation in the financial statements of the Banca di Credito Cooperativo di Cambiano as of 31/12/2012

Detail of the amounts allocated to Asset line item 70, gross of write-downs:

Description	Amounts
Specifics of borrowers at amortized cost	188,715,114.48
Receivables from Pontormo RMBS – Cash reserve	6,061,336.42
Receivables from Pontormo RMBS – Reserve amount	28,000.00
Receivables from Pontormo RMBS - Loan principal collected	9,530,354.21
Receivables from Pontormo RMBS - Loan interest collected	2,362,533.68
Total	206,697,338.79

With reference to the above operation, costs were recorded in line item 150 b of the income statement “Other administrative expenses” for a total amount of 310,068.28 Euro, of which “Start-up costs” in the amount of 242,323.82 Euro and “Other expenses” in the amount of 67,744.46 Euro, and income in line item 40 of the income statement “Commissions earned” in the amount of 29,694.89 Euro (Servicing).

For prudential purposes, the provisions of the Bank of Italy’s Circular no. 263/06 subordinate recognition of securitizations on the condition that the credit risk is actually transferred to the transferor. The cited provisions also provide that the accounting treatment of securitizations is irrelevant for purposes of their prudential recognition.

With respect to the self-securitization realized by the Bank, there was no significant transfer of credit risk. The operation is therefore not recognized for prudential purposes The prudential requirement is, therefore, equivalent to 8% of the weighted value of the securitized assets, the latter clearly calculated on the basis of the approach used by the Bank to calculate capital requirements with respect to credit risk (standardized method).

Section 4 – Operational risks

Qualitative information

A. General information, management procedures and methods to measure operational risk

Operational risk is defined as the possibility of suffering losses deriving from the inadequacy or dysfunction of procedures, human resources and internal systems, or from external factors. Operational risk includes legal risk, whereas strategic risks and reputation risks are excluded.

The Bank, aware that emergence of the risks in review can generate losses capable, in a worst case scenario, of actually jeopardizing stability, initiated a project during the course of fiscal year 2006 to identify, manage, measure and control risks.

The guidelines for such project refer to the standards in this area established by the New Agreement on Share Capital (Basel II), which were substantially adopted by the Bank of Italy by means of the «New regulations for the prudential supervision of Banks».

In the context of this project, a recognition and measurement method was delineated and subsequently developed, based on an integrated qualitative as well as quantitative approach, which in practice permits risk to be measured both in terms of potential losses as well as to weigh any losses actually suffered.

In the specific case at hand, the «qualitative» analysis consists of a self-diagnostic assessment process that measures the level of risk exposure by also directly involving the area managers of the principal departments.
For such purpose, corporate processes are broken down into phases, sub-phases and activities following a tree-like structure: activities are associated with one or more risks and the controls to be applied are determined for each of them. A rating is attributed to the risk based on a review of the information thus obtained; such rating is an evaluation of potential risk and enhances the focus of monitoring and control activity.
Potential losses the Bank might incur are estimated for each risk, which have been preventively determined by the Bank's analytical processes, bearing in mind the significance of its impact (average unitary amount of the loss) and frequency (periodic nature of the event over the course of the year), estimating the potential losses the Bank might incur.
The quantitative approach involves data collection related to the losses suffered and evaluates both the allocations for expected losses as well as the absorption of economic capital to face unexpected losses, taking adequate historical series into consideration and applying suitable statistical methodologies.
The criteria for assessing any operating losses that the Bank suffers, in conformity with what is required by the new prudential regulations, in addition naturally to measuring the amount of the loss and recovery, require detailed qualitative and descriptive information to be disclosed such as the causes of the loss, identification of the type of loss that occurred and the line of business of the context in which it arose.
Internal qualitative and quantitative data, as well as external data, is gathered using a specific electronic procedure prepared for the acquisition and codification of this information in accordance with the rules of the new regulations.
Historical data regarding the most significant losses and the relative write-backs is processed and saved in a special electronic archive: the persons entrusted with data collection, i.e. the heads of the central offices and outlying areas, are required to register information relating to the amounts, times and manner in which the loss occurred, as well as monitor the development of the situation and eventual write-backs.
Periodic audits and control procedures of the processed data guarantee the homogeneity, completeness and reliability of said data.
The comments and evaluations made in analyzing the company processes, the estimates of potential losses and indicators that reflect the trend of the most significant risk phenomenon complete the overall data that is processed and maintained.
The confidentiality of the gathered data is guaranteed by dedicated control procedures that limit and register access to the information.
The review of available data allows identifying the situations in which the mitigation and control activities are adequate and conforming, and those with respect to which, given the high risk associated, it is necessary to act on a priority basis.
The above described organic mapping activities for the operational risks department and to control the monitoring process were initiated during the course of 2006, flanked by the constant management and monitoring activity performed to date.
The Bank uses the Base Method (BIA - Basic Indicator Approach) to calculate regulatory capital, on the basis of which the capital to hedge such type of risk is 15% of the average operating income of the last three fiscal years.
Capital absorption for such type of risk as of 31 December 2012 was 7,964,750 Euro.

Quantitative information

The amount of losses actually verified during the past two fiscal years is set forth below, classified according to the categories provided by regulatory provisions. Their amount, consequent also to the risk assessments conducted on the specific type of risk in review, are not material; in any event there is specific documentation regarding events that resulted in losses.

Data in Euro

Type of event resulting in losses			
Categories of the event (Level 1)	Definition	2012	2011
1. Internal fraud	Losses due to unauthorized activities, fraud, embezzlement or violation of laws, regulations or company policy that involve at least one of the Bank's internal resources.		
2. External fraud	Losses due to fraud, embezzlement or the violation of laws by parties not employed by the Bank.	11,436	48,830
3. Employment and workplace safety	Losses deriving from acts that violate laws or agreements with respect to employment or workplace health or safety, from the payment of damages for personal injuries or episodes of discrimination or the failure to apply equal treatment.		
4. Customers, products and professional practice	Losses due to breaches of professional obligations to customers or from the nature or characteristics of the product or service supplied.		18,747
5. Damages from external events	Losses deriving from external events, such as natural catastrophes, terrorism, or acts of vandalism.		
6. Interruptions of operations and system malfunctions	Losses due to interruptions of operations, to malfunctions or the unavailability of systems.		
7. Performance, delivery and management procedures	Losses due to the failure to complete operations or manage procedures, as well as losses due to relations with commercial counterparties, sellers or suppliers.	39,758	10,461
Total		51,194	78,038

Information to the public

The information on capital adequacy, risk exposure and the characteristics of the systems responsible for identifying, measuring and managing such risks required by the New Prudential Regulatory Provisions for Banks (Circular no. 263 of 27 December 2006), Title IV “Information to the public”, “Pillar 3”, is published on the Bank’s website at the address: www.bancacambiano.it.

Part F – INFORMATION ON CAPITAL

Section 1 – Shareholders' equity

A. Qualitative information

One of the Bank's consolidated objective strategies is represented by the ongoing consolidation of its capital. Its capital, together with its personnel and organization, represents the indispensable resource for the Bank's sound, prudent and efficient management. Capital, in fact, constitutes "the first defense against risks connected to the Bank's overall activities".

The growth of capital has rigorously accompanied the development of the Bank's size.

The Bank's objective is to maintain an adequate level of coverage exceeding the mandatory parameters determined by the Supervisory Regulations. Its capital dynamics are constantly monitored by the Administrative and Control Bodies and by General Management. Multiple aspects are controlled: among the most important are the ratios with respect to the Bank's financial structure (lending, impaired receivables, total assets, fixed assets), the level of hedged risks, and the level of free capital. The analyses are also performed in prospective, both short-term (connected to the Budget) as well as mid-term (connected to the Corporate Plan).

The proper capital dynamic is determined above all by self-financing, i.e. by the reinforcement of reserves by means of the substantial allocation of fiscal year net profits to capital funds.

Capital also plays a role as a guarantee for depositors and creditors, as required by the Supervisory Authority, in that it is a financial resource capable of absorbing possible losses generated by the risks to which the Bank is exposed.

In such sense, the new rules have required the adoption of a structured procedure known as ICAAP (Internal Capital Adequacy Assessment Process), so that the Bank can perform an autonomous assessment of its own capital adequacy, both current and prospective, in relation to the risks assumed by means of determining the capital deemed to be adequate – by amount and breakdown, for the permanent hedge of all risks.

Such regulations entrusts the Supervisory Body with verifying the reliability and consistency of the relative results and adopting the opportune corrective measures (Supervisory Review and Evaluation Process – SREP).

ICAAP is an internal control process aimed at verifying adequacy to sustain the Bank's strategies.

The Bank has articulated the ICAAP's process in the following six phases:

1) *Risk identification:* the Risk Control/Risk Management department identifies the risks to be assessed– with the eventual collaboration of other departments (General Management, General Accounting, Organization, Compliance, Data Processing Center);

2) *Risk assessment (measurement, assessment and stress testing):* the Risk Control/Risk Management department, with the eventual collaboration of other departments, assesses risk (measurement, assessment and stress testing). It determines the internal capital required for individual and overall risks;

3) *Determination of overall capital/reconciliation with regulatory capital:* the Risk Control/Risk Management department, together with the Accounting department, determines overall capital and indicates its reconciliation with regulatory capital;

4) *Final risk assessment review:* the Risk Control/Risk Management department, together with General Management, review the results of Phases 1-3 and propose eventual actions to the Board of Directors;

5) Corrective measures/ mitigation: the Board of Directors approves eventual corrective and/or mitigating measures proposed by the Risk Control/Risk Management department and/or General Management and entrusts the competent departments to implement them.

6) *Internal audit – Conformity of the procedure to the regulations*: the Internal Audit department reviews the procedure and expresses an opinion on its conformity with outstanding regulations.

The performance of the inherent activities occurs in a framework involving different organizational levels. The Bank decided which departments are responsible for the development and preparation of the various phases and/or activities of the ICAAP procedure in consideration of its size and operations.

B. Quantitative information

B.1 Shareholders' equity: breakdown

Line items\Values	Amount 31/12/2012	Amount 31/12/2011
1. Share capital	2,883	2,847
2. Premiums on issue of new shares	244	242
3. Reserves	230,417	224,029
- retained earnings	230,417	224,029
a) legal	184,961	179,651
b) statutory	45,456	44,378
c) treasury shares	0	0
d) other	0	0
- other	0	0
4. Equity instruments	0	0
5. (Treasury shares)	0	0
6. Valuation reserves	14,058	-14,582
- Financial assets available for sale	-3,955	-32,576
- Property, plant and equipment	0	0
- Intangible assets	0	0
- Hedging of foreign investments	0	0
- Cash flow hedges	0	0
- Exchange rate differences	0	0
- Noncurrent assets in the course of divestment	0	0
- Actuarial profits (losses) related to defined benefit plans	0	0
- Shares of valuation reserves related to subsidiaries measured at shareholders' equity	7,176	7,159
- Special revaluation laws	10,836	10,836
7. Fiscal year profit (loss)	5,200	7,300
Total	252,802	219,836

B.2 Valuation reserves of financial assets available for sale: breakdown

Assets/Values	Total 31/12/2012		Total 31/12/2011	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	2,282	6,230	291	32,867
2. Equity instruments	0	0	0	0
3. Shares of mutual funds	0	7	0	0
4. Loans	0	0	0	0
Total	2,282	6,236	291	32,867

B.3 Valuation reserves of financial assets available for sale: annual variations

	Debt securities	Equity instruments	Shares of mutual funds	Loans
1. Initial value	-32,576	0	0	0
2. Additions	32,865	0	0	0
2.1 Increases of fair value	32,430	0	0	0
2.2 Reversal to the income statement of negative reserves:	435	0	0	0
- from impairment	0	0	0	0
- from use	435	0	0	0
2.3 Other additions	0	0	0	0
3. Reductions	4,237	0	7	0
3.1 Reduction of fair value	798	0	7	0
3.2 Adjustment from impairment	0	0	0	0
3.3 Reversal to the income statement from positive reserves: from use	3,439	0	0	0
3.4 Other reductions	0	0	0	0
4. Final value	-3,948	0	-7	0

	Total 31/12/2012	Total 31/12/2011
Base capital (Tier 1)	235,726	228,722
Additional capital (Tier 2)	16,867	16,847
Third level capital (Tier 3)	0	0
Regulatory capital	252,594	245,569

Section 2 – Regulatory capital and ratios

2.1 Regulatory capital

A. Qualitative information

The regulatory capital and capital ratios are calculated on the basis of the capital value and economic result, calculated by applying the regulations on financial statements provided by the IAS/IFRS International Accounting Standards and considering the regime of the Bank of Italy on regulatory capital and prudential ratios.
Regulatory capital is calculated as the total of the positive and negative components, on the basis of their type of capital; the positive components must be fully available to the Bank, so that they can be used in calculating capital absorption.
This constitutes the reference factor for the provisions of prudential regulatory requirements, and consists of base capital and additional capital, net of some deductions, in particular:

1. Base capital (Tier 1)

Share capital, premiums on issue of new shares, retained earnings and capital reserves are the primary type of capital elements. Base capital consists of the total of such elements, after deducting treasury shares or quotas, intangible assets, as well as eventual losses recorded in prior fiscal years and the one in course.

2. Additional capital (Tier 2)

Additional capital consists of valuation reserves for property, plant and equipment (special revaluation laws), positive reserves for securities available for sale (aggregating "equity instruments and shares of mutual funds" and "debt securities"), net of the relative prudential filters, as well as the calculated share of any subordinate loans that may have been issued.
The Bank has not issued hybrid capitalization instruments or subordinate liabilities.

3. Third level capital

At present the Bank does not use instruments included in this type of capital.

4. The Bank of Italy's Measure of 18 May 2010 – Prudential filters and effects on regulatory capital

It is noted that, subsequent to the Measure of the Bank of Italy of 18 May 2010, the Bank, for the sole purpose of calculating regulatory capital, exercised the option that allows capital gains and capital losses to be entirely sterilized with respect to securities allocated to the Available for Sale portfolio and issued by Central Administrations of States belonging to the European Union (symmetrical approach).
Complete sterilization applies to securities acquired subsequent to 31.12.2009 and immediately classified in the Available for Sale portfolio; with respect to securities already present in the Available for Sale portfolio as of 31.12.2009, the sterilization only regarded variations of the valuation reserve subsequent to such date.

B. Quantitative information

Categories/Values	Total 31/12/2012	Total 31/12/2011
A. Base capital prior to application of prudential filters	237,866	232,836
B. Prudential filters of base capital:	-328	-2,966
B.1 IAS/IFRS positive (+) prudential filters	0	0
B.2 IAS/IFRS negative (-) prudential filters	-328	-2,966
C. Base capital prior to application of prudential filters (A + B)	237,538	229,870
D. Items to be deducted from base capital	1,812	1,148
E. Total base capital (TIER 1) (C - D)	235,726	228,722
F. Additional capital prior to application of prudential filters	18,012	17,995
G. Prudential filters of additional capital :	0	0
G.1 IAS/IFRS positive (+) prudential filters	0	0
G.2 IAS/IFRS negative (-) prudential filters	0	0
H. Additional capital prior to application of prudential filters (F + G)	18,012	17,995
I. Items to be deducted from additional capital	1,145	1,148
L. Total additional capital (TIER 2) (H - I)	16,867	16,847
M. Items to be deducted from base and additional capital	0	0
N. Regulatory capital (E + L - M)	252,594	245,569
O. Third level capital (TIER 3)	0	0
P. Regulatory capital inclusive of TIER 3 (N + O)	252,594	245,569

2.2 Capital adequacy

A. Qualitative information

The Bank of Italy, by means of Circular no. 263 of 27 December 2006 ("New regulations for the prudential supervision of banks") and subsequent updates, has redesigned the prudential regulations for banks and banking groups, implementing Community directives on the capital adequacy of financial intermediaries: New Agreement of Basel on Capital Requirements ("Basel II").

The new prudential regulatory structure is based on **three Pillars**:

- the **First Pillar** attributes relevance to the measurement of risks and capital, providing capital requirements in order to face some of the principal types of risks of banking and financial activity (credit risk, counterparty risk, market risk and operational risk); for such purpose, some alternative calculation methods are provided for capital requirements characterized by different levels of complexity in measuring risks and by organizational requirements for control;

- the **Second Pillar** requires financial intermediaries to adopt a strategy and control process for capital adequacy, current and prospective, highlighting the importance of governance as a fundamental element, including from the viewpoint of the Supervisory Organism entrusted with verifying the reliability and accuracy of this internal assessment;

- the **Third Pillar** introduces specific public disclosure requirements regarding capital adequacy, risk exposure and the general characteristics of the relative management and control systems.

The prudential ratios as of 31 December 2012 were calculated using the methodology provided by the Agreement on Capital Requirements – Basel II, adopting the Standardized method to calculate capital requirements with respect to credit risk and counterparty risk and the Base method to calculate operational risks.

In accordance with the Supervisory Regulations, banks must always maintain, as a capital requirement in relation to the risk of losses due to the borrower's default (credit risk), an amount of regulatory capital corresponding to at least 8 percent of weighted exposure for the risk (total capital ratio).

Banks must also remain compliant at all times with capital requirements for risks generated by market operations regarding financial instruments, foreign currencies and goods. With reference to market risks calculated on the entire trading portfolio, the regulations specify and regulate the treatment of the different types of risk: risk position on debt securities and capital, settlement risk, and concentration risk. With reference to the financial statements, it is also necessary to calculate exchange rate risk and credit risk for goods.

In order to measure capital adequacy the Tier 1 capital ratio is extremely important, represented by the ratio between base capital and overall risk weighted assets.
As already indicated in Section 1, the Bank considers capital adequacy to represent one of its principal strategic objectives. Consequently, the maintenance of an adequate capital surplus with respect to the minimum requirements is the object of ongoing analysis and controls, both in final terms as well as with respect to outlook. The results of the analysis allow the most appropriate actions to be determined to protect capitalization levels.
As seen from the breakdown of regulatory capital and the following breakdown of the prudential requirements, the Bank has a ratio between base capital and risk weighted assets (Tier 1 capital ratio) corresponding to 15.323% (15.859% as of 31/12/2011), and a ratio between regulatory capital and risk weighted assets (total capital ratio) corresponding to 16.420% (17.027% as of 31/12/2011), greater than the minimum requirement of 8%.

B. Quantitative information

Categories/Values	Non weighted amounts		Weighted amounts/requisites	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
A. RISK ASSETS				
A.1 Credit risk and counterparty's credit risk	3,417,135	3,106,339	1,415,406	1,327,833
1. Standard methodology	3,417,135	3,106,339	1,415,406	1,327,833
2. Methodology based on external ratings	0	0	0	0
2.1 Base	0	0	0	0
2.2 Advanced	0	0	0	0
3. Securitizations	0	0	0	0
B. REGULATORY CAPITAL REQUIREMENTS				
B.1 Credit risk and counterparty risk			113,232	106,231
B.2 Market risks			1,099	1,185
1. Standard methodology			1,099	1,185
2. Internal models			0	0
3. Concentration risk			0	0
B.3 Operational risk			8,736	7,965
1. Base method			8,736	7,965
2. Standard method			0	0
3. Advanced method			0	0
B.4 Other prudential requirements			0	0
B.5 Other calculation items			0	0
B.6 Total prudential requirements			123,067	115,380
C. RISK ASSETS AND REGULATORY RATIOS				
C.1 Risk weighted assets			1,538,337	1,442,252
C.2 Base capital/Risk weighted assets (Tier 1 capital ratio)			15.323%	15.859%
C.3 Regulatory capital inclusive of TIER 3/Risk weighted assets (Total capital ratio)			16.420%	17.027%

Part G – MERGERS WITH COMPANIES OR BRANCHES OF BUSINESS

Section 1 – Transactions during the fiscal year

The Bank was not involved with any mergers during the fiscal year.

Section 2 – Transactions after the close of the fiscal year

The Bank was not involved with any mergers after the close of the fiscal year.

Part H – TRANSACTIONS WITH RELATED PARTIES

Section 1. Information on compensation for executives having strategic responsibilities (gross fees)

The information required by IAS 24 paragraph 16 for executives having strategic responsibilities, understood as those who have power and responsibility for planning, direction and control, as well as information on the fees paid to the Bank's directors is set forth below.
Executive benefits consist of all forms of fees paid, using the accrual accounting method.

Description	2012	2011
Salaries and other short-term benefits, including fees and benefits for directors and statutory auditors	1,644	1,634
Benefits following employment	-	-
Indemnities for the termination of employment	-	-
Other long-term benefits	-	-

Section 2. Information on transactions with related parties

Other related parties consist of entities subject to the significant control or influence of directors or executives, i.e. by the parties that might have influence or be influenced by them.
The relationships and transactions with related parties have no elements of critical relevance, because they are part of the ordinary credit and servicing activity.
There were no atypical or unusual transactions with related parties during the fiscal year which, due to their significance or amount might have raised doubt with respect to the protection of the Bank's capital.
The preliminary procedure related to requests for financing made by related parties follows the same lending process reserved to other, unrelated counterparties having analogous creditworthiness. With respect to transactions with persons exercising administrative, direction and control functions for the Bank, Article 136 of Legislative Decree 385/1993 and Article 2391 of the Italian Civil Code apply.
Transactions with related parties take place on market conditions, and in any case on the basis of an assessment of economic convenience, as well as always in compliance with outstanding law.
Specifically:
- conditions reserved to all personnel, or provided by employment contracts, are applied to executives having strategic responsibility;
- conditions applied to directors and statutory auditors are the same as those applied to customers having analogous professional profiles and standing.

The provisions of Circular no. 263 – New regulations for the prudential supervision of banks, Title V, Chapter 5, Risk assets and conflicts of interest with respect to related parties, were implemented.

	Receivables	Payables	Security given	Security received
Directors, statutory auditors and executives and relative related parties	1,415	5,961	255	4,233
Other related parties	42,274	2,686	20	

Part I – SHARE-BASED PAYMENTS

The Bank did not engage in any payment transactions based on its own equity instruments (share-based payments) during the fiscal year nor after its closure (IFRS 2).

Part L – SEGMENT REPORTING

The Bank is not required to complete the part relating to segment reporting because it is an unlisted intermediary.

ANNEXES TO THE FINANCIAL STATEMENTS – List of real property with an indication of revaluation as of 31 December 2012 - Law no. 72, Article 10 of 19/03/1983

Values in euro

Description	Historical cost	Rev. Law 576/75	Rev. Law 72/83	Rev. Law 413/91	Rev. from First Time Adoption IAS 01/01/2005	Total Real Property as of 31/12/2012	Of which value of land as of 31/12/2012	Of which value of buildings as of 31/12/2012	Assets under manageme nt as of 31/12/2012	Balance sheet value as of 31/12/2012
Castelfiorentino – P.za Giovanni XXIII, 6 – Registered office	4,105,383			179,686	3,749,134	8,034,203	2,000,000	6,034,203	3,644,771	4,389,432
Gambassi Terme - Via Garibaldi, 18 - Branch	26,830	1,033	23,241	3,352	153,497	207,952		207,952	85,978	121,974
Castelfiorentino – Loc. Cambiano – Office	1,336	156	12,452	4,523	182,046	200,513		200,513	116,230	84,283
Castelfiorentino - Via Piave, 8 – Office	30,196	10,641	179,368	42,042	1,258,394	1,520,641	480,000	1,040,641	704,282	816,358
Castelfiorentino - Via Carducci, 8/9 – Office	1,190,430		480,305	63,974	2,409,822	4,144,530	1,800,000	2,344,530	1,320,132	2,824,398
Certaldo - Viale Matteotti, 29/33 – Branch	3,487,215			31,824	1,999,995	5,519,035	1,574,000	3,945,035	2,110,534	3,408,500
Empoli - Via Chiarugi, 4 – Branch	4,104,244				2,747,576	6,851,821	2,000,000	4,851,821	2,379,319	4,472,502
Poggibonsi - Via S.Gimignano, 24/26 - Branch	2,272,577				710,082	2,982,659	935,000	2,047,659	1,035,417	1,947,242
Castelfiorentino - Via Cerbioni - Archive 1	594,668				227,844	822,512	185,000	637,512	258,879	563,633
Castelfiorentino - Via Dante 2/a – Office	574,926				62,634	637,561		637,561	174,340	463,221
Barberino V. - P.za Capocchini, 21/23 - Branch	74,026				475,968	549,993		549,993	159,820	390,173
Gambassi Terme - Via Garibaldi, 16 - Branch	37,565				182,506	220,071		220,071	64,724	155,347
Empoli - Via Cappuccini, 4 - Branch	44,547				156,468	201,015		201,015	60,120	140,895
Castelfiorentino - Via Cerbioni - Archive 2	480,174				98,101	578,275	150,000	428,275	130,023	448,252
Castelfiorentino - Via Gozzoli, 45 – Branch	1,007,905				1,013	1,008,917	250,000	758,917	195,624	813,293
Cerreto Guidi - Via V. Veneto, 59 – Branch	460,623				216,286	676,909		676,909	170,158	506,751
Castelfiorentino - Via Veneto/Via Piave – Non operational office	2,514,677				-70,200	2,444,477	600,000	1,844,477		2,444,477
Gambassi Terme - Via Volta, 19/21 - Archive 3	1,691,075					1,691,075	552,655	1,138,420	128,012	1,563,063
Castelfiorentino - Via Piave, 10 - Non operational office	233,988					233,988		233,988		233,988
Florence - Via Varchi, 2/4 – Office - Non operational office	9,323,320					9,323,320	1,222,000	8,101,320		9,323,320
Castelfiorentino - Via Piave, 6 (Garage) - Non operational office	138,468					138,468		138,468		138,468
Castelfiorentino - Via Piave, 25 - Non operational office	1,348,297					1,348,297		1,348,297		1,348,297
Florence - Via Maggio – Branch	1,558,533					1,558,533		1,558,533	28,645	1,529,888
Castelfiorentino - Via Carducci 4 - Non operational office	557,166					557,166		557,166		557,166
Montespertoli - Via Romita 105 – Branch	240,738					240,738		240,738	415	240,322
Colle Val d'elsa - Piazza Arnolfo - Branch - Non operational office	1,470,988					1,470,988	774,000	696,988		1,470,988
Fucecchio - Piazza Montanelli – Branch	4,853,742					4,853,742	900,000	3,953,742	11,335	4,842,407
San Gimignano - Via dei Fossi - Branch - Non operational office	1,210,861					1,210,861	1,000,000	210,861		1,210,861
Total	43,634,50 0	11,830	695,366	325,401	14,561,164	59,228,261	14,422,655	44,805,605	12,778,759	46,449,502