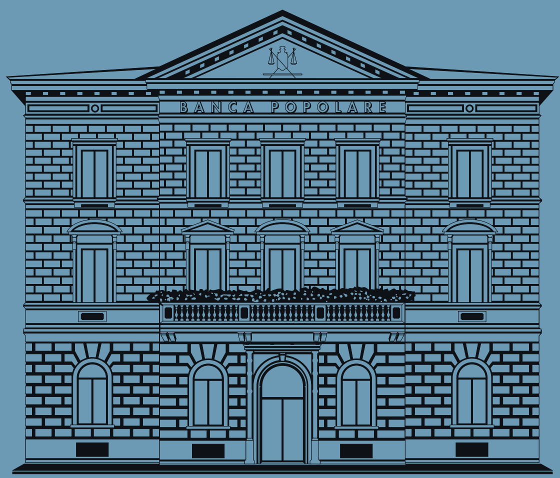
Banca Popolare di Sondrio



CONSOLIDATED INTERIM REPORT ON OPERATIONS AT 31 MARCH 2015

Banca Popolare di Sondrio

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Banca Popolare di Sondrio

Founded in 1871

CONSOLIDATED INTERIM REPORT ON OPERATIONS AT 31 MARCH 2015

Società cooperativa per azioni
Head office: Piazza Garibaldi 16, 23100 Sondrio, Italy
Tel. +390 342 528.111 - Fax +390 342 528.204
Website: http://www.popso.it - E-mail: info@popso.it

Sondrio Companies Register no. 00053810149 - Official List of Banks no. 842
Official List of Cooperative Banks no. A160536
Parent Bank of the Banca Popolare di Sondrio Group,
Official List of Banking Groups no. 5696.0 - Member of the Interbank Deposit Protection Fund
Fiscal code and VAT number: 00053810149
Share capital: € 1,360,157,331 – Reserves: € 833,958,444
(figures approved by the shareholders' meeting of 18 April 2015)

Rating:

- Rating given by Fitch Ratings to Banca Popolare di Sondrio scpa on 9 July 2014:
  – Long-term: BBB
  – Short-term: F3
  – Viability rating: bbb
  – Outlook: Negative

- Rating given by Dagong Europe to Banca Popolare di Sondrio scpa on 26 February 2015
  – Long-term: BBB
  – Short-term: A-3
  – Individual Financial Strength Assessment: bbb
  – Outlook: Stable

BOARD OF DIRECTORS

Honorary Chairman	PIERO MELAZZINI*
Chairman	FRANCESCO VENOSTA*
Deputy Chairman	LINO ENRICO STOPPANI*
Managing Director	MARIO ALBERTO PEDRANZINI**
Directors	PAOLO BIGLIOLI LORETTA CREDARO FEDERICO FALCK ATTILIO PIERO FERRARI GIUSEPPE FONTANA CRISTINA GALBUSERA * PIERO MELAZZINI* NICOLO' MELZI DI CUSANO ADRIANO PROPERSI ANNALISA RAINOLDI RENATO SOZZANI* DOMENICO TRIACCA*

BOARD OF STATUTORY AUDITORS

Chairman	PIERGIUSEPPE FORNI
Auditors	DONATELLA DEPPERU MARIO VITALI
Alternate Auditors	BRUNO GARBELLINI DANIELE MORELLI

ADVISORY COMMITTEE

Advisors	ALBERTO CRESPI GIUSEPPE GUARINO ANDREA MONORCHIO
Alternate advisors	DIANA BRACCO ANTONIO LA TORRE

GENERAL MANAGEMENT

General Manager	MARIO ALBERTO PEDRANZINI
Deputy General Managers	GIOVANNI RUFFINI MARIO ERBA MILO GUSMEROLI CESARE POLETTI

Financial Reporting Officer MAURIZIO BERTOLETTI

* Members of the Chairman's Committee

** Member of the Chairman's Committee and Secretary to the Board of Directors

INTRODUCTION

This consolidated interim report on operations for the period ended 31 March 2015 has been prepared in compliance with article 154 ter, paragraph 5 of Legislative Decree no. 58 of 24 February 1998 in accordance with the recognition and measurement criteria required by currently applicable international accounting standards (IAS/IFRS) as adopted by the European Community.

The information is provided in compliance with Decree no. 195 dated 6 November 2007, which adopted Directive 2004/109/EC (the Transparency Directive).

This consolidated interim report on operations has not been audited by the independent auditors.

BASIS OF PREPARATION

The financial statements presented in this consolidated interim report on operations comply with the mandatory reporting formats required for statutory reporting purposes by the Bank of Italy Regulation no. 262 dated 22 December 2005 and subsequent updates.

The accounting policies adopted for the reporting period are consistent with those of the prior year, with the sole exception resulting from the applicability as from 1 January 2015 of the requirements of Regulation (EU) 1361/2014, which adopted certain international accounting standards in compliance with Regulation (EU) 1606/2002 of the European Parliament and of the Council, with regard to IFRS 3 and 13 and IAS 40.

For full details of the accounting policies applied, reference should be made to the disclosure thereof in the consolidated financial statements for the year ended 31 December 2014.

All figures reported in the financial statements are stated in thousands of euro. Balances at 31 December 2014 have been presented as balance sheet comparatives.

Income statement comparatives are the results for the period ended 31 March 2014.

In the preparation of the consolidated interim report on operations, greater use is made of estimates when compared to year end statutory reporting practices, particularly for cases where the accounting treatment does not comply with the accrual basis. This applies to both balance sheet and income statement components.

THE BANCA POPOLARE DI SONDRIO BANKING GROUP

The Banca Popolare di Sondrio Banking Group comprises:

Parent bank:

Banca Popolare di Sondrio s.c.p.a. – Sondrio;

Group companies:

Banca Popolare di Sondrio (SUISSE) SA – Lugano (CH).

The Parent bank holds all the capital of Banca Popolare di Sondrio (SUISSE) SA, 180,000,000 CHF.

Factorit spa - Milan.

The Parent bank holds 60.5% of the capital of Factorit spa, 85,000,002 euro.

Sinergia Seconda Srl – Milan.

The Parent bank holds all the capital of Sinergia Seconda Srl, 60,000,000 euro.

Popso Covered Bond srl - Conegliano

The Parent bank holds 60% of the capital of Popso Covered Bond srl, 10,000 euro.

SCOPE AND METHODS OF CONSOLIDATION

The consolidated interim report on operations presents the financial position as at 31 March 2015 and the results for the period then ended of Banca Popolare di Sondrio Banking Group, which comprises the Parent Bank, Banca Popolare di Sondrio (SUISSE) SA, Factorit spa, Sinergia Seconda Srl and Popso Covered Bond srl, as well as the entities over which the Group exercises control as defined by IFRS 10.

The following companies have been consolidated on a line-by-line basis:

FULLY CONSOLIDATED SHAREHOLDINGS:

Name	Location	Share capital (in thousands)	% held
Banca Popolare di Sondrio (SUISSE) SA	Lugano	(CHF) 180,000	100
Factorit spa	Milan	85,000	60.5
Sinergia Seconda srl	Milan	60,000	100
Pirovano Stelvio spa *	Sondrio	2,064	100
Immobiliare San Paolo srl *	Tirano	10	100
Immobiliare Borgo Palazzo srl *	Tirano	10	100
Popso Covered Bond srl	Conegliano	10	60

* equity investments not included in the banking group

In addition, Fondo Immobiliare Centro delle Alpi Real Estate that is 100% held by the Parent Bank and the special purpose vehicle, Centro delle Alpi RMBS srl, have been consolidated.

The joint venture shown below is valued at equity:

JOINT-VENTURES:

Name	Head office	Share capital (in thousands)	% held
Rajna Immobiliare srl	Sondrio	20	50.000

The scope of consolidation also includes investees over which the Parent Bank exercises a significant influence, that is, where the holding therein, directly or indirectly, is between 20% and 50% or, even in cases where the equity interest is lower, if one or more of the following circumstances apply:

a) the Bank has a representative on the Board of Directors or the equivalent body of the affiliate;
b) the Bank takes part in the decision-making process, including decisions regarding dividends;
c) there are significant transactions between the parent company and the affiliate;
d) there is an exchange of managers;
e) essential technical information is being provided.

These holdings are valued using the equity method, except for insignificant interests which are valued at cost.

The equity method involves initial recognition of the investment at cost and its subsequent remeasurement based on the portion of equity held. The portion of the company's net result for the period pertaining to the bank is shown in a specific item in the income statement.

The ownership percentages are specified in the following table:

SHAREHOLDINGS MEASURED USING THE EQUITY METHOD:

Name	Location	Share capital (in thousands)	% held
Alba Leasing spa	Milan	357,953	19.021
Arca Vita spa	Verona	208,279	14.837
Banca della Nuova Terra spa	Milan	50,000	19.609
Unione Fiduciaria spa	Milan	5,940	24.000
Polis Fondi Sgrpa	Milan	5,200	19.600
Sofipo SA *	Lugano	(CHF) 2,000	30.000
Servizi Internazionali e Strutture Integrate 2000 srl	Milan	75	33.333
Acquedotto dello Stelvio srl **	Bormio	21	27.000
Sifas spa **	Bolzano	1,209	21.614

* held by Banca Popolare di Sondrio (SUISSE) SA
** held by Pirovano Stelvio S.p.a.

With line-by-line consolidation, the book value of the investments is eliminated against the related equity and all of the assets and liabilities, guarantees, commitments and other memorandum accounts are included, as are the revenues and costs of the subsidiaries.

Insignificant income and charges pertaining to transactions carried out at normal market conditions have not been eliminated. The quarterly reports of the investees have been appropriately reclassified and adjusted, where necessary, to bring them into line with the accounting policies used by the Group.

Companies in which the bank does not have an investment, but for which it has received pledged voting shares are not consolidated, because the pledge is designed to protect the loans granted and not to influence the company's operating policies to obtain economic benefits.

As regards the goodwill recorded in the financial statements, with respect to the assumptions used for the impairment test for the 2014 financial statements, no circumstances have arisen that denote the presence of indicators of impairment.

TRANSLATION OF FINANCIAL STATEMENTS IN CURRENCIES OTHER THAN THE EURO

The quarterly report of Banca Popolare di Sondrio (SUISSE) SA is translated to euro using the official period-end exchange rate for balance sheet items, while costs and revenues are translated to euro using the average exchange rate for the period. Differences arising on translation of the financial statements are booked to reserves.

SUBSEQUENT EVENTS

No events have taken place between the reporting date for this consolidated interim report and the date of its approval by the Board of Directors on 8 May 2015 that would require any adjustments thereto, and nothing of significance has occurred that would require the provision of supplementary information.

OTHER INFORMATION

The European Banking Authority issued Implementing Technical Standards (ITS) on 24 July 2014 that have amended the definition of non-performing exposure (NPE).

On 9 January 2015, the European Commission approved amendments to the definition of impaired financial assets for consistency with the new notions introduced by implementing technical standards for harmonised supervisory reporting purposes established by the European Banking

Authority. According to the new definitions, impaired financial assets are categorised as non-performing, likely default and past due exposures and/or impaired overdrawn accounts; the sum of these categories corresponds to the total Non-Performing Exposures in the ITS. The watchlist exposures and restructured exposures categories have been repealed.

Exposures classified as likely default are credit exposures, other than non-performing, for which the bank deems it improbable that the obligor will pay its credit obligations (principal and/or interest) in full without recourse to measures such as the enforcement of guarantees.

Impaired past due and/or overdrawn exposures are exposures, other than non-performing or likely default, which, at the reporting date, have remained unpaid and/or overdrawn for more than 90 continuous days and which exceed a set materiality threshold. Impaired past due and/or overdrawn exposures may be determined with reference to the position of the individual debtor or, alternatively, solely for exposures to retail customers, with reference to a single transaction.

The new definitions are applicable for supervisory reporting purposes as of 1 January 2015, whereas they have not yet been embodied in the Bank of Italy Regulation no. 262 dated 22 December 2005 and subsequent amendments, which set out the rules that banks must abide by for the preparation of financial statements. However, it was considered appropriate to adopt the new classification of impaired loans based on a simple restatement of the previous classification. Note that procedural refinements are currently being made that will lead to a more accurate application of the above new regulatory requirements.

INTERNATIONAL BACKGROUND

The United States is experiencing further economic consolidation, thus confirming that it is a country that is increasingly capable of reacting promptly to the most severe crises. Even the United Kingdom and Japan seem to have experienced a marked improvement, while certain emerging economies still find themselves in difficulty.

In the Eurozone, although markets have gradually shown signs of the positive effects of the government bond purchase programme launched by the ECB, there are major uncertainties related to the increasingly problematic situation regarding Greece. Notwithstanding this latter factor, financial markets closed out a buoyant first quarter.

As regards the real economy, points in its favour were the sudden drop in interest rates and the significant weakening of the euro against the dollar, which could be a boost to exports. In the meantime, there have been rising inflation expectations.

In Italy, there is a lengthening list of signals that appear to justify expectations of an upturn in the economic cycle. Past experience, however, advises caution. Accelerating exports need to be accompanied by significant growth in domestic demand and investment before one can talk about a real exit from the crisis. Also on the employment front, it appears there are some changes afoot, but these are far from significantly impacting the alarming levels reached by unemployment.

As regards access to credit, the negative trend in lending to businesses has continued, whereas that for lending to households seems to have halted. Despite the exceptionally low level of interest rates on offer to businesses, the demand for loans is still not very dynamic. Moreover, credit quality has remained an issue.

Switzerland has inevitably suffered the repercussions of the sudden appreciation of the franc against the euro. The export-oriented sectors, in particular, have been penalised as a result thereof. Despite this, again for the current year, the outlook is for growth in GDP, although at a lower rate than in 2014.

DEPOSITS

The first quarter confirmed the positive inflow of customer deposits that the Group had seen last year.

With interest rates on government bonds at an all time low having affected returns on financial instruments, customers have shown a preference for more liquid investments.

We have also had to cope with increasing competition, which has at times acted in a manner that is difficult to understand in light of general market trends.

Customer deposits come to 29,739 million, stable at +0.07% on 31 December 2014, +8.80% on an annual basis. The result confirms the commercial effectiveness of our proposals and the validity of the Group's customer relationship policy that focuses on fairness and mutual trust, being well aware that, especially with interest rates at an all time low, the cost effectiveness of relationships cannot be ignored.

Indirect customer deposits total 31,141 million at market values, up by 9.06% since the end of 2014.

Insurance premium income came to 970 million, +8.11%.

Total customer deposits therefore amounted to 61,850 million (+4.53%).

Amounts due to banks total 2,337 million, +0.99%. They include the refinancing operations with the European Central Bank for a total of 1,098 million, as explained in the chapter on "Treasury and trading operations".

Indirect deposits from banks amount to 2,107 million, +22.73%.

Customer and bank deposits therefore total 66,294 million, +4.90%.

Euro and currency current accounts total 23,738 million, +2.06%, while time deposit accounts have fallen to 1,897 million, -10.36%. Euro and currency accounts represent 79.82% of total direct deposits. Bonds have contracted slightly, -0.88%, to 3,298 million. Savings deposits are increasing, +5.10%, at 579 million, while repo transactions have fallen considerably by -62.20% to 145 million. Certificates of deposit did not change at 9 million, +1.39%, and remain entirely marginal. Bank drafts amount to 72 million, +3.41%.

TOTAL DEPOSITS

(in thousands of euro)	31-03-2015	%	31-12-2014	%	% Change
Total direct customer deposits	29,739,237	44.86	29,717,040	47.02	0.07
Total indirect customer deposits	31,140,927	46.98	28,553,277	45.18	9.06
Total insurance premiums	970,214	1.46	897,468	1.42	8.11
Total	**61,850,378**	**93.30**	**59,167,785**	**93.62**	**4.53**
Due to banks	2,336,962	3.53	2,314,035	3.66	0.99
Indirect deposits from banks	2,106,596	3.17	1,716,455	2.72	22.73
Grand total	**66,293,936**	**100.00**	**63,198,275**	**100.00**	**4.90**

DIRECT CUSTOMER DEPOSITS

(in thousands of euro)	31-03-2015	%	31-12-2014	%	% Change
Savings deposits	579,363	1.95	551,236	1.85	5.10
Certificates of deposit	9,116	0.03	8,991	0.03	1.39
Bonds	3,298,265	11.09	3,327,681	11.20	-0.88
Repo transactions	145,048	0.49	383,722	1.29	-62.20
Bank drafts and similar	71,898	0.24	69,526	0.23	3.41
Current accounts	21,197,897	71.28	20,829,606	70.10	1.77
Time deposit accounts	1,897,191	6.38	2,116,369	7.12	-10.36
Current accounts in foreign currency	2,540,459	8.54	2,429,909	8.18	4.55
Total	**29,739,237**	**100.00**	**29,717,040**	**100.00**	**0.07**

As regards asset management, please see the chapter on treasury and trading activities.

LENDING

As we said, at the start of 2015, there have been some signs that the most acute phase of the crisis is perhaps behind us. However, the much desired upturn in the economic and productive cycle is likely to be modest. The negative trend in lending is also an indicator that, despite the exceptionally low level of interest rates and an improved climate of confidence, businesses are not yet committed to new investment, while the construction industry, which is a key sector, is still in serious difficulty, even though it is perhaps moving towards stabilisation.

Against this general background, the Group has continued to perform its primary role as a pillar of the local economies served.

Amounts due from customers come to 24,522 million, up by 2.12% compared with the end of 2014 and slightly down by -0.32 on an annual basis,

The various captions contribute to total customer loans in differing measure.

Mortgage loans amount to 9,327 million, +3.96%, and represent the largest percentage (38.03%) of the total due from customers. This balance includes loans sold but not derecognised of 1,136 million in relation to a securitisation arranged by the Parent Bank and 727 million relating to the first and only covered bond issue. These loans have not been derecognised because the requirements of IAS 39 are not met. Other unsecured loans total 4,114 million and have increased by +9.18%, while loans in foreign currency amount to 1,590 million, +12.94. Current accounts have decreased from 5,947 million to 5,766 million, -3.04%, as did advances, 401 million -3.88%, and advances subject to collection, 216 million, -9.02%. Repo transactions, representing the temporary employment of liquidity, have decreased, from 588 to 465 million, -20.86 %. The line item factoring marked 1,571 million -4.73%. Personal loans have risen slightly to 182 million, +1.58%. Debt securities amounted to 161 million, -3.32%, and relate to customer loan securitisations executed by the investees Banca della Nuova Terra spa and Alba Leasing spa.

The ratio of amounts due from customers to amounts due to customers has risen to 82.46% from 80.80% at the end of 2014.

As regards asset quality, this extended period of crisis is confirmed by an increase in impaired loans, for which further significant provisions have been made in addition to amounts provided in 2014, which reflected the outcome of the Asset Quality Review and of the Comprehensive Assessment. For details thereof, please see the 2014 Group report on operations.

DUE FROM CUSTOMERS

(in thousands of euro)	31-03-2015	%	31-12-2014	%	% Change
Current accounts	5,765,698	23.51	5,946,569	24.76	-3.04
Foreign currency loans	1,590,156	6.48	1,407,998	5.86	12.94
Advances	400,892	1.63	417,065	1.74	-3.88
Advances subject to collection	215,682	0.88	237,070	0.99	-9.02
Discounted portfolio	9,136	0.04	9,066	0.04	0.77
Artisan loans	39,019	0.16	25,647	0.11	52.14
Agricultural loans	24,357	0.10	31,614	0.13	-22.96
Personal loans	182,031	0.74	179,206	0.75	1.58
Other unsecured loans	4,113,798	16.78	3,767,919	15.69	9.18
Mortgage loans	9,327,417	38.03	8,972,075	37.36	3.96
Net non-performing loans	656,331	2.68	614,513	2.56	6.81
Repo transactions	464,972	1.90	587,505	2.45	-20.86
Fixed-yield securities	160,699	0.66	166,219	0.69	-3.32
Factoring	1,571,491	6.41	1,649,459	6.87	-4.73
Total	**24,521,679**	**100.00**	**24,011,925**	**100.00**	**2.12**

DUE FROM CUSTOMERS - DOUBTFUL LOANS

(in thousands of euro)		31-03-2015	31-12-2014	(+/-)	% Change
Impaired loans	Gross exposure	3,800,739	3,644,290	156,449	4.29
	Adjustments	1,693,543	1,574,856	118,687	7.54
	Net exposure	**2,107,196**	**2,069,434**	**37,762**	**1.82**
- Non-performing loans	Gross exposure	1,690,987	1,581,305	109,682	6.94
	Adjustments	1,034,655	966,792	67,863	7.02
	Net exposure	**656,332**	**614,513**	**41,819**	**6.81**
- Likely defaults	Gross exposure	1,697,602	1,634,054	63,548	3.89
	Adjustments	604,304	554,787	49,517	8.93
	Net exposure	**1,093,298**	**1,079,267**	**14,031**	**1.30**
- Past due loans	Gross exposure	412,150	428,931	-16,781	-3.91
	Adjustments	54,584	53,277	1,307	2.45
	Net exposure	**357,566**	**375,654**	**-18,088**	**-4.82**
Performing loans	Gross exposure	22,563,492	22,088,057	475,435	2.15
	Adjustments	149,009	145,566	3,443	2.37
	Net exposure	**22,414,483**	**21,942,491**	**471,992**	**2.15**
Total Due from customers	Gross exposure	26,364,231	25,732,347	631,884	2.46
	Adjustments	1,842,552	1,720,422	122,130	7.10
	Net exposure	**24,521,679**	**24,011,925**	**509,754**	**2.12**

Doubtful loans were determined in accordance with the new definition of non-performing exposures (NPE), provided by the European Banking Authority in its Implementing Technical Standard (ITS) issued on 24 July 2014 and approved by the European Commission on 9 January 2015. According to the new definition, impaired financial assets are categorised as follows: non-performing loans; likely defaults; past due exposures and/or impaired overdrawn accounts. Please read the paragraph "Other information" above.

For comparison purposes, impaired loans at 31 December 2014 have been restated.

Doubtful loans amounted to 2,107 million, +1.82%, representing 8.59% of amounts due from customers, compared with 8.62% at the end of 2014, reflecting the persistent difficulties attributable to the general economic environment. Writedowns of impaired loans total 1,694 million, representing 44.56% of the gross exposure, compared with 43.21% at the end of 2014. The table gives an overview of doubtful loans.

Net non-performing loans, after writedowns, total 656 million, +6.81%, or 2.68% of total customer loans, compared with 2.56% at 31 December 2014 and 2.06% at 31 March 2014. Despite this continuing increase, the level of net non-performing loans is lower than in the 1st quarter of 2014, when it reported a rise of 9.87%.

Adjustments to cover estimated losses on non-performing loans have risen to 1,035 million, +7.02%, representing 61.19% of the gross amount compared with 61.14% at the end of 2014. The level of coverage reflects our prudent provisioning policy and positions the Group among those with the highest level of coverage in Italy.

Likely defaults, which are credit exposures, other than non-performing, for which it is deemed improbable that the obligor will pay its credit obligations in full without recourse to measures such as the enforcement of guarantees, have risen to 1,093 million, +1.30%, or 4.46% of total customer loans, while the related adjustments amount to 604 million, +8.93%, with a level of coverage of 35.60%.

Past due exposures and/or impaired overdrawn accounts, other than non-performing or likely default, which, at the reporting date, have remained unpaid and/or overdrawn for more than 90 continuous days and which exceed a set materiality threshold, amount to 358 million, -4.82%, and represent 1.46% of the total compared with 1.56% at the end of 2014.

The performing loans amounted to 22,414 million, +2.15%, and writedowns came to 149 million, corresponding to 0.66% of them.

Total adjustments come to 1,843 million, +7.10%, and fairly reflect the results of the Asset Quality Review, which served as a policy and a guideline.

In accordance with the terms established by Consob Communication no. DEM/RM11070007 of 5 August 2011, the amount of loans to customers included loans made to central and local government for 91 million, local and state-owned enterprises for 231 million and various other entities for 91 million.

TREASURY AND PORTFOLIO FINANCIAL ASSETS

At 31 March 2015, net interbank borrowing amounts to 1,380 million, up by 154 million from 1,226 million at the end of 2014. Net of Longer-Term Refinancing Operations (LTROs) and Targeted Longer-Term Refinancing Operations (TLTROs), which the Parent Company has entered into with the ECB and which amount to 1,098 million, the balance would have been a net negative interbank position of 282 million. This reflects the Group's excellent liquidity position in the period. Treasury activity during the quarter shows a strong growth both in terms of amounts and number of transactions compared with the comparative period. Work focused on lending activities in particular, since the Group continues to be highly liquid in view of the LTROs with the European Central Bank. The Eurosystem's asset purchase programmes have led to a significant improvement in financial market conditions and a sharp decline in yields, which have reached an all-time low for practically all maturities.

With the objective of promoting recovery and facilitating, at a time when interest rates were falling, the granting of bank loans to households and businesses, in order to stimulate and support the real economy, last March the ECB allocated further funds, as part of its TLTRO lending programme, aimed at providing the banking system with further liquidity. The Parent Bank, which in 2014 was allocated funds totalling 1,098 million, of which 350 in September and 748 in December, decided, due to its favourable liquidity position, not to participate in this allocation.

Due to the foregoing liquidity position and with customer loans not being very dynamic, the holding of financial assets remained high at 8,983 million, up by 28.05°% on the 31 March 2014 figure and down by 0.97% on the 2014 year end figure.

There were no transfers of financial assets between portfolios during the period. The following table summarises the various amounts:

FINANCIAL ASSETS

(in thousands of euro)	31-03-2015	31-12-2014	% Change
Financial assets held for trading (HFT)	2,316,078	2,338,630	-0.96
of which, derivatives	108,731	59,908	81.50
Financial assets carried at fair value (CFV)	93,136	84,702	9.96
Financial assets available for sale (AFS)	6,429,302	6,498,605	-1.07
Financial assets held to maturity (HTM)	144,401	148,620	-2.84
Hedging derivatives	–	–	–
Total	**8,982,917**	**9,070,557**	**-0.97**

The slight decrease in financial assets is a consequence of the fact that, in order to take advantage of the strong market performance, sales were made of securities, which, to a large extent, consisted of government bonds, resulting in the recognition of substantial trading/disposal gains and the subsequent purchase of newly issued securities. New investment focused in particular on BOT, BTP and CTZ, while the change in CCT was less significant .The strength of the US Dollar was conducive to the sale of part of the investments denominated in that currency that had been made last year. The composition of the portfolio remains dominated by Government securities, although with an increased duration with respect to the end of 2014.

In accordance with the requirements of Consob Communication no. DEM/RM11070007 of 5 August 2011, we inform you that these portfolios include bonds that form part of the sovereign debt (i.e. issued by local and central governments) totalling 7,950 million, almost entirely relating to issues made by the Italian Government.

Financial assets held for trading

Financial assets held for trading (HFT), details of which are shown in the following table, amount to 2,316 million, which balance is substantially unchanged, having decreased by 0.96% as a result of sales of CCTs close to maturity that were replaced by similar securities with a longer maturity.

(in thousands of euro)	31-03-2015	31-12-2014	% Change
Floating-rate Italian government securities	849,752	1,039,213	-18.23
Fixed-rate Italian government securities	989,681	892,521	10.89
Bank bonds	165,652	164,745	0.55
Bonds of other issuers	59,162	52,175	13.39
Securitisations	34,881	37,406	-6.75
Variable-yield securities and mutual funds	108,219	92,662	16.79
Net book value of derivative contracts	108,731	59,908	81.50
Total	**2,316,078**	**2,338,630**	**-0.96**

The structure of the HFT portfolio remained simple during the period, with a priority again given to Italian Government securities, which, although they decreased due to sales, amounted at the period end to 1,840 million and made up 79.42% of the portfolio. Of these securities, 850 million were floating rate, down by 18.23%, and 990 were fixed rate - BOT, BTP and CTZ -, which were up by 10.89, following the replacement of sold securities with new ones. The former account for 36.69% of the portfolio, while the latter account for 42.73%.

The derivatives component has increased from 60 to 109 million, +81.50%.

The corporate bonds held are all of high standing, comprising bank bonds of 165 million, +0.55%, and the bonds of other issuers, which have increased by 13.39% to 59 million. Securities deriving from securitisations have decrease by 6.75% to 35 million and are all classified as senior. The component represented by equities and mutual funds remains marginal with respect to the portfolio as a whole, amounting to 108 million, +16.79%.

Financial assets carried at fair value

Financial assets carried at fair value (CFV), which almost entirely consist of units in mutual funds, amount to 93 million, +9.96%, with this increase being mainly attributable to period end measurement.

Financial assets available for sale

The portfolio of financial assets available for sale (AFS) - in which certain securities are classified with the objective of containing, at least in part, the impact on the income statement of any volatility affecting the securities portfolio as a result of turbulence in financial markets - fell from

6,499 million to 6,429 million, -1.07%. The decrease, which is the consequence of a decision to change the overall mix of the portfolio, is mainly due to the net balance resulting from purchase and sale transactions in the period.

Financial assets available for sale were also comprised of Government securities amounting to 5,761 million, +3.17%; funds and sicavs of 302 million, -24.17%; equities of 80 million, +40.08%; bonds in foreign currency of 279 million, -38.25%; and bonds of other issuers, 7 million, +0.68%. Adjustments totalling 0.7 million have been made in relation to the impairment of funds.

Financial assets held to maturity

The HTM portfolio, comprising solely fixed-yield securities, has decreased to 144 million, -2.84%, as a result of redemptions. Unrealised net gains at the end of March amount to 18 million.

Asset management

Against a background of a positive performance by financial markets and of extremely low interest rates, there has been increased interest in asset management. At the end of March, the various forms of asset management amounted to 4,792 million, +9.45% on December 2014.

EQUITY INVESTMENTS

Equity investments have increased by 1 million to 157 million. The increase was attributable to the measurement under the equity method.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment and intangible assets total 280 million, up by 1.56%. The first category amounted in total to 256 million, up by 2 million, +0.81%. Commitments for the purchase of property, plant and equipment amount to 17 million, compared with 8 million at 31 December 2014. The second category, totalling 24 million, has increased by 10.42% and includes goodwill of 8 million. Goodwill is subjected to annual impairment testing to check for any loss of value. The most recent test was performed when preparing the consolidated financial statements at 31 December 2014. It was not deemed necessary to repeat the procedure at 31 March 2015.

PROVISIONS

These comprise employee severance indemnities of 45 million, -0.23%, and the provisions for risks and charges totalling 178 million, +6.82%.

HUMAN RESOURCES

At 31 March 2015 the Banking group had 3,066 employees compared to 3,059 at the prior period end, to which should be added 3 employees of the subsidiary Pirovano Stelvio spa.

CAPITAL AND RESERVES

Consolidated shareholders' equity at 31 March 2015, inclusive of valuation reserves and the net profit for the period, amounts to 2,569.471 million, being an increase of 162.237 million, +6.74%.

This aggregate does not reflect the effects of distributing the 2014 net profit reported by the Parent bank. These effects arose subsequent to the end of the period, following the resolutions adopted at the Ordinary Shareholders' Meeting held on 18 April 2015, which authorised the distribution of a dividend of 0.06 euro to each of the 453,385,777 shares outstanding at 31 December 2014.

The Parent Bank's share capital, which consists of 453,385,777 ordinary shares with a par value of 3 euro, amounts to 1,360.157 million, which amount has remained unchanged with respect to the comparative period, during which there had been a capital increase through a combined bonus and rights issue.

The share premium reserve remained unchanged at 79.005 million.

Reserves increased to 981.048 million +18.20%, primarily due to the allocation of the net profit for 2014 and to the revaluation of the Swiss Franc on the equity of the Swiss subsidiary.

The valuation reserves, representing the net unrealised gains and losses recorded on AFS financial assets and the net actuarial gains and losses on the defined benefit plans arranged for employees, have a net positive balance of 91.760 million, up from the positive balance of 47.941 million reported at the end of 2014.

Transactions in treasury shares are carried out in accordance with the specific shareholders' resolution. The Parent bank held 3,650,000 treasury shares with a carrying amount of 25.322 million, compared with 25.031 million at the end of 2014. Purchases were made using the specific provision of € 93 million shown in the financial statements under reserves.

During the first three months of the year, trading reported purchases of 100,000 shares, for a total of 300,000 euro at par, 0.022% of the share capital. The total amount paid for these purchases was 0.291 million.

The price for BPS stock, which is listed in the Blue Chips segment of the MTA, the screen-based market of the Italian Stock Exchange, rose by 37.34% during the period, benefiting from the favourable trend in markets.

The number of members also increased to 185,409, up by 100 since the end of 2014.

Banca Popolare di Sondrio (Suisse) SA, Factorit spa, Sinergia Seconda srl and Popso Covered Bond srl did not carry out any transactions in their own shares or those of the Parent Bank. The other consolidated companies did not carry out any transactions in their own or the Parent Bank's shares either.

There are no cross-holdings among the companies included within the scope of consolidation.

As regards capital adequacy, as of 1 January 2014 new harmonised rules for banks and investment firms came into force as implemented by Regulation (EU) no. 575/2013 (CRR) and by EU Directive 2013/36 (CRD IV). Based on this, Bank of Italy Circular 285/13 introduced new limits for capital ratios of 8% for CET1 Ratio, of 8.50% for Tier 1 Capital Ratio and of 10.50% for Total Capital Ratio. As empowered to do so, on 20 February 2015 the European Central Bank increased the level of capital needed to ensure adequate coverage of the Group's risks, by setting a minimum Common Equity Ratio of 9% and a Total Capital Ratio of 11%.

Consolidated own funds for supervisory purposes, including the share of net profit for the period, amount to € 2,933 million.

Set out below are the Group's adequacy requirements at 31 March 2015 and the minimum requirements:

	Group's capital ratios	Minimum capital ratio requirement
CET 1 Ratio	10.178%	9%
Tier 1 Capital Ratio	10.187%	9%
Total Capital Ratio	12.289%	11%

The following ratios of capital and reserves, including net profit for the period, to the principal balance sheet aggregates are presented in comparison with those 31 December 2014:

- *capital/direct customer deposits*
  8.64% v. 8.10%
- *capital/customer loans*
  10.48% v. 10.03%
- *capital/financial assets*
  28.60% v. 26.54%
- *capital/total assets*
  7.04% v. 6.76%
- *net non-performing loans/capital*
  25.54% v. 25.53%

RECONCILIATION OF THE EQUITY AND NET PROFIT FOR THE PERIOD REPORTED BY THE PARENT BANK WITH THE CONSOLIDATED FINANCIAL STATEMENTS

The following table reconciles "net profit for the period" and "equity" as shown in the Parent Bank's financial statements and the equivalent figures in the consolidated financial statements.

(in thousands of euro)

	Equity	of which: Net profit of the period
Equity of the Parent Bank as of 31.3.2015	2,333,889	70,578
Consolidation adjustments	1,307	1,307
Difference with respect to carrying values of equity investments in:		
– companies consolidated on a line-by-line basis	215,070	11,155
– companies valued using the equity method	19,205	(217)
Balance as of 31.3.2015, as reported in the consolidated financial statements	**2,569,471**	**82,823**

INCOME STATEMENT

The result for the first three months of the year, which was achieved against a general background that, despite showing some signs of improvement, is still characterised by structural issues, can without a doubt be defined as wholly satisfactory. Net profit at 31 March 2015 amounted to 82.823 million, up by 98.40% from 41.746 million in the comparative period. This significant growth was boosted by the favourable results achieved by trading operations.

Net interest income, which in 2014 had maintained a positive trend, even though the growth rate had slowed during the year, fell by approximately 5% from 147.718 to 140.199 million. This is primarily because of the sharp fall in yields on government bonds, which are at an all time low due to the effects of the Eurosystem's asset purchase programmes. Consequently, there has also been a further decrease in average interest rates applied by the Group to loans to households and businesses, particularly for medium/long term loans. A contributory factor has been greater competitive pressure on banks, with the main beneficiaries having been better quality customers.

Despite the slight improvement in the spread on customer loans, the decrease in net interest income has resulted in different trends, particularly on an annual basis, in volumes handled. The positive inflow of customer deposits, which generated significant liquidity, was met with weak demand by businesses, which meant the liquidity could only be used for lending at very low rates. Moreover, the cost of funding, despite falling, has been sticky, driven by the aforementioned competitive pressure.

Net commission income increased slightly to 74.052 million from 73.798 million in the comparative period.

Dividends and similar income were 0.345 million compared with 0.296 million.

Income from financial activities, including that from the securities portfolio, foreign exchange and derivatives, which in the comparative period had already shown good growth on the previous period by coming to 74.834 million, showed a further improvement in coming to 133.987 million (+79.05%). The increase reflects much larger profits from trading/disposals than in the prior period, as well as the recognition of significant net unrealised gains.

Among the financial activities, the net trading income associated with the HFT portfolio contributed 64.598 million compared with 51.343 million in the comparative period. This increase is mainly due to exchange differences recognised on monetary assets denominated in US dollars and to a significant improvement in exchange gains.

The contribution made by financial assets available for sale, financial assets held to maturity and financial liabilities amounted to 59.617 million, as against 21.883 million, mainly reflecting gains on the disposal of Italian government bonds and financial assets in US Dollars.

The result from assets carried at fair value was 8.433 million, compared with 1.479 a million, while net hedging gains amounted to 1.339 million, compared with 0.129 a million in the comparative period.

The income from banking activities rose to 348.583 million, +17.51%, compared to 296.646 million. Within this aggregate, the weighting of net interest income decreased from 49.80% at 31 March 2014 to 40.22%.

Despite a high level of loan adjustments in 2014, due, in part, to the more or less full recognition of the results of the Asset Quality Review performed as part of the Comprehensive Assessment, and the fact that there have been favourable economic indicators in recent months, there was again a need for significant adjustments in the period just ended, albeit at a lower level than in the comparative period. There is again a high proportion of impaired loans that relate in particular to companies in the construction industry, which is characterised by an unfavourable trend. Net adjustments to loans, financial assets available for sale and other financial transactions passed from 121.921 million to 111.553 million. In particular, the loans element from 121.562 million to 111.139 million, -8.57%. The Group's policies are particularly prudent for the measurement of this risk.

The ratio of net adjustments on amounts due from customers to amounts due from customers (so-called annualised cost of lending) remains high, although decreasing. It came at 1.80%, versus 1.98% at 31 March 2014 and 1.93% at 31 December 2014.

The impairment adjustments on securities have increased from 0.174 to 0.691 million, reflecting the writedown of units in mutual funds held in the portfolio of AFS financial assets.

Adjustments to other financial transactions include a release of excess provisions for endorsement credits of 0.277 million, compared to adjustments of 0.185 million recognised in the comparative period.

SUMMARY CONSOLIDATED INCOME STATEMENT

(in thousands of euro)	31/03/2015	31-12-2014	(+/-)	% Change
Net interest income	140,199	147,718	-7,519	-5.09
Dividends	345	296	49	16.55
Net commission income	74,052	73,798	254	0.34
Result of financial activities	133,987	74,834	59,153	79.05
Income from banking activities	**348,583**	**296,646**	**51,937**	**17.51**
Net adjustments to loans and financial assets	-111,553	-121,921	10,368	-8.50
Balance of financial management	**237,030**	**174,725**	**62,305**	**35.66**
Personnel costs	-59,497	-55,805	-3,692	6.62
Other administrative expenses	-62,157	-58,370	-3,787	6.49
Other operating income/expense	27,720	18,362	9,358	50.96
Net provisions for risks and charges	-6,084	-640	-5,444	–
Adjustments to property, plant and equipment and intangible assets	-6,867	-6,594	-273	4.14
Operating costs	**-106,885**	**-103,047**	**-3,838**	**3.72**
Operating profit (loss)	**130,145**	**71,678**	**58,467**	**81.57**
Share of profit (loss) of equity investments and other investments	-216	756	-972	–
Profit (loss) before tax	**129,929**	**72,434**	**57,495**	**79.38**
Income taxes on current operations	-44,893	-28,023	-16,870	60.20
Net profit (loss)	**85,036**	**44,411**	**40,625**	**91.48**
Profit pertaining to minority interests	-2,213	-2,665	452	-16.96
Profit pertaining to the Parent Bank	**82,823**	**41,746**	**41,077**	**98.40**

Notes: The result of financial activities is made up of the sum of items 80-90-100 and 110 in the income statement.

The net profit from financial management was therefore 237.030 million, +35.66%.

Operating costs amounted to 106.885 million, +3.72%. The incidence of operating costs on income from banking activities, being the "cost income ratio", has declined to 30.66% from 34.74% in the comparative period and to 37.66% at the year-end.

Considering the individual components, administrative expenses, which have always been kept under strict control, amounted to 121.654 million, +6.55%, and consist of personnel expenses, which rose by 6.62% to 59.497 million, and other administrative expenses, which rose by 6.49% to 62.157 million; the latter increase reflects the cost of routine activities and the expansion of the branch network, legal and consultancy fees, and IT costs.

Increases in net provisions for risks and charges amounted to 6.084 million, whereas in the comparative period they amounted to 0.640 million.

The depreciation of property, plant and equipment and amortisation of software amounted to 6.867 million, +4.14%.

Other operating income, net of other operating expenses, totalled 27,720 million, +50.96%.

Profits from equity investments and other investments showed a negative balance of 0.216 million. These were positive for 0.756 million in the comparative period.

The result of ordinary operations, gross of income taxes, was 129.929 million, +79.38%.

Income taxes, which amount to 44.893 million, have increased by 60.20%, with a tax rate (provision for taxes/profit from current operations) of 34.55%. After deducting the profit attributable to minority interests of 2.213 million, the net profit for the period was 82.823 million, compared with 41.746 million for the comparative period, +98.40%, equal to 0.23% of total assets.

DISTRIBUTION BY GEOGRAPHICAL AREA

The Group is active in Italy and in Switzerland, via Banca Popolare di Sondrio (SUISSE) SA.

The contribution made to the Group by this subsidiary is summarised by the following statistics: the "Suisse" holds 9.77% of direct customer deposits and 13.79% of amounts due from customers, generating 10.67% of net commission income and 9.45% of net interest income.

SUBSEQUENT EVENTS AND OUTLOOK FOR OPERATIONS

No significant events have occurred subsequent to the period end that are worthy of mention.

As regards the outlook for operations, despite the difficult macroeconomic conditions - but with some signs of improvement, although not enough to envisage a change of track - the Group's results will be affected by the performance of the credit market, the improvement of which should lead to a decrease in adjustments, as well as by changes in interest rates in financial markets, especially on government securities. It is expected that there will be a physiological increase in costs. In light of the foregoing, it is reasonable to expect a consolidation of earnings in the current year.

Sondrio, 8 May 2015

THE BOARD OF DIRECTORS

Certification of the Financial Reporting Officer

The Financial Reporting Officer, Maurizio Bertoletti, certifies pursuant to art. 154 bis, para. 2, of the Consolidated Finance Law, that the accounting information contained in this consolidated interim report for the period ended 31 March 2015 agrees with the underlying documents, registers and accounting entries.

The Financial Reporting Officer
Maurizio Bertoletti

CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT AT 31 MARCH 2015

CONSOLIDATED BALANCE SHEET

(in thousands of euro)

ASSET ITEMS			31-03-2015		31-12-2014
10.	CASH AND BALANCES WITH CENTRAL BANKS		**677,690**		**264,482**
20.	FINANCIAL ASSETS HELD FOR TRADING		**2,316,078**		**2,338,630**
30.	FINANCIAL ASSETS CARRIED AT FAIR VALUE		**93,136**		**84,702**
40.	FINANCIAL ASSETS AVAILABLE FOR SALE		**6,429,302**		**6,498,605**
50.	FINANCIAL ASSETS HELD TO MATURITY		**144,401**		**148,620**
60.	DUE FROM BANKS		**957,454**		**1,088,388**
70.	DUE FROM CUSTOMERS		**24,521,679**		**24,011,925**
100.	EQUITY INVESTMENTS		**157,341**		**155,986**
120.	PROPERTY, PLANT AND EQUIPMENT		**256,360**		**254,303**
130.	INTANGIBLE ASSETS		**23,820**		**21,572**
	of which:				
	- Goodwill	7,847		7,847	
140.	TAX ASSETS		**413,976**		**403,851**
	a) current	672		10,691	
	b) deferred	413,304		393,160	
	b1) of which as per Law 214/2011	359,502		346,451	
160.	OTHER ASSETS		**525,817**		**347,783**
	TOTAL ASSETS		**36,517,054**		**35,618,847**

THE CHAIRMAN
Francesco Venosta

THE BOARD OF STATUTORY AUDITORS
Piergiuseppe Forni. Chairman
Donatella Depperu - Mario Vitali

	EQUITY AND LIABILITY ITEMS		31-03-2015		31-12-2014
10.	DUE TO BANKS		**2,336,962**		**2,314,035**
20.	DUE TO CUSTOMERS		**26,359,958**		**26,310,842**
30.	DEBT SECURITIES IN ISSUE		**3,379,279**		**3,406,198**
40.	FINANCIAL LIABILITIES HELD FOR TRADING		**109,391**		**56,136**
60.	HEDGING DERIVATIVES		**65,372**		**45,562**
80.	TAX LIABILITIES		**135,189**		**61,778**
	a) current	51,562		2,104	
	b) deferred	83,627		59,674	
100.	OTHER LIABILITIES		**1,253,714**		**722,835**
110.	RESERVE FOR TERMINATION INDEMNITIES		**44,813**		**44,915**
120.	PROVISIONS FOR RISKS AND CHARGES		**178,229**		**166,849**
	a) post-employment benefits	118,923		117,043	
	b) other provisions	59,306		49,806	
140.	VALUATION RESERVES		**91,760**		**47,941**
170.	RESERVES		**981,048**		**829,959**
180.	SHARE PREMIUM RESERVE		**79,005**		**79,005**
190.	SHARE CAPITAL		**1,360,157**		**1,360,157**
200.	TREASURY SHARES (-)		**(25,322)**		**(25,031)**
210.	MINORITY INTERESTS		**84,676**		**82,463**
220.	NET PROFIT FOR THE PERIOD		**82,823**		**115,203**
	TOTAL LIABILITIES AND EQUITY		**36,517,054**		**35,618,847**

THE MANAGING DIRECTOR AND GENERAL MANAGER
Mario Alberto Pedranzini

THE FINANCIAL REPORTING OFFICER
Maurizio Bertoletti

CONSOLIDATED INCOME STATEMENT

(in thousands of euro)

	ITEMS		31-03-2015		31-03-2014
10.	INTEREST INCOME AND SIMILAR REVENUES		213,530		247,541
20.	INTEREST EXPENSE AND SIMILAR CHARGES		(73,331)		(99,823)
30.	**NET INTEREST INCOME**		**140,199**		**147,718**
40.	COMMISSION INCOME		79,385		79,056
50.	COMMISSION EXPENSE		(5,333)		(5,258)
60.	**NET COMMISSION INCOME**		**74,052**		**73,798**
70.	DIVIDENDS AND SIMILAR INCOME		345		296
80.	NET TRADING INCOME		64,598		51,343
90.	NET HEDGING GAINS (LOSSES)		1,339		129
100.	GAINS/LOSSES ON DISPOSALS OR REPURCHASES OF:		59,617		21,883
	b) financial asset available for sale	59,680		21,800	
	d) financial liabilities	(63)		83	
110.	NET CHANGE IN FINANCIAL ASSETS AND LIABILITIES CARRIED AT FAIR VALUE		8,433		1,479
120.	**INCOME FROM BANKING ACTIVITIES**		**348,583**		**296,646**
130.	NET IMPAIRMENT ADJUSTMENTS TO:		(111,553)		(121,921)
	a) loans	(111,139)		(121,562)	
	b) financial asset available for sale	(691)		(174)	
	d) other financial transactions	277		(185)	
140.	**BALANCE OF FINANCIAL MANAGEMENT**		**237,030**		**174,725**
170.	**BALANCE OF FINANCIAL AND INSURANCE MANAGEMENT**		**237,030**		**174,725**
180.	ADMINISTRATIVE EXPENSES:		(121,654)		(114,175)
	a) personnel expenses	(59,497)		(55,805)	
	b) other administrative expenses	(62,157)		(58,370)	
190.	NET PROVISIONS FOR RISKS AND CHARGES		(6,084)		(640)
200.	NET ADJUSTMENTS TO PROPERTY, PLANT AND EQUIPMENT		(4,179)		(4,025)
210.	NET ADJUSTMENTS TO INTANGIBLE ASSETS		(2,688)		(2,569)
220.	OTHER OPERATING INCOME/EXPENSE		27,720		18,362
230.	**OPERATING COSTS**		**(106,885)**		**(103,047)**
240.	SHARE OF PROFIT (LOSS) OF EQUITY INVESTMENTS		(217)		756
270.	PROFIT (LOSS) FROM DISPOSAL OF INVESTMENTS		1		–
280.	**PROFIT (LOSS) ON CURRENT OPERATIONS BEFORE INCOME TAXES**		**129,929**		**72,434**
290.	INCOME TAXES ON CURRENT OPERATIONS		(44,893)		(28,023)
300.	**PROFIT (LOSS) ON CURRENT OPERATIONS AFTER INCOME TAXES**		**85,036**		**44,411**
320.	**NET PROFIT FOR THE PERIOD**		**85,036**		**44,411**
330.	NET PROFIT OF THE PERIOD OF MINORITY INTERESTS		(2,213)		(2,665)
340.	**NET PROFIT OF THE PERIOD OF THE PARENT BANK**		**82,823**		**41,746**
	BASIC EPS		**0.183**		**0.135**
	DILUTED EPS		**0.183**		**0.135**

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

Items/Amounts		31-03-2015	31-03-2014
10.	**Net profit for the period**	**85,036**	**44,411**
	Other income items net of income taxes that will not be reclassified to profit or loss		
60.	Share of valuation reserves of equity investments valued at net equity	(43)	13
	Other income items net of income taxes that may be reclassified subsequently to profit or loss		
100.	Financial assets available for sale	42,292	26,613
120.	Share of valuation reserves of equity investments valued at net equity	1,570	1,407
130.	**Total other income items net of income taxes**	**43,819**	**28,033**
140.	**Comprehensive income (item 10+130)**	**128,855**	**72,444**
150.	Consolidated comprehensive income pertaining to minority interests	(2,213)	(2,665)
160.	**Consolidated comprehensive income pertaining to the Parent Bank**	**126,642**	**69,779**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

	Opening balance at 31.12.2014	Change in opening balances	Opening balance at 1.1.2015	Allocation of prior year results: Reserves	Allocation of prior year results: Dividends and other allocations	Changes in reserves
Share capital						
a) ordinary shares	1,393,746	–	1,393,746	–	–	–
c) other shares	–	–	–	–	–	–
Share premium reserve	**83,365**	**–**	**83,365**	**–**	**–**	**–**
Reserves						
a) from earnings	859,315	–	859,315	125,282	–	35,886
c) other	5,186	–	5,186	–	–	–
Valuation reserves	**47,834**	**–**	**47,834**	**–**	**–**	**–**
Equity instruments	**–**	**–**	**–**	**–**	**–**	**–**
Treasury shares	**(25,031)**	**–**	**(25,031)**	**–**	**–**	**–**
Net profit for the period	**125,282**	**–**	**125,282**	**(125,282)**	**–**	**–**
Equity attributable to the group	**2,407,234**	**–**	**2,407,234**	**–**	**–**	**35,886**
Equity attributable to minority interests	**82,463**	**–**	**82,463**	**–**	**–**	**–**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

	Opening balance at 31.12.2013	Change in opening balances	Opening balance at 1.1.2014	Allocation of prior year results: Reserves	Allocation of prior year results: Dividends and other allocations	Changes in reserves
Share capital						
a) ordinary shares	958,019	10	958,029	–	–	–
c) other shares	–	–	–	–	–	–
Share premium reserve	**175,807**	**2**	**175,809**	**–**	**–**	**–**
Reserves	**–**	**–**	**–**	**–**	**–**	**–**
a) from earnings	819,511	–	819,511	60,677	–	978
c) other	5,186	–	5,186	–	–	–
Valuation reserves	**16,728**	**–**	**16,728**	**–**	**–**	**–**
Equity instruments	**–**	**–**	**–**	**–**	**–**	**–**
Treasury shares	**(24,316)**	**–**	**(24,316)**	**–**	**–**	**–**
Net profit for the period	**60,677**	**–**	**60,677**	**(60,677)**	**–**	**–**
Equity attributable to the group	**1,936,174**	**–**	**1,936,174**	**–**	**–**	**977**
Equity attributable to minority interests	**75,438**	**12**	**75,450**	**–**	**–**	**1**

Changes during the year								
Equity transactions							**Equity**	**Equity**
Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Change in equity instruments	Derivatives on treasury shares	Stock options	Comprehensive income	**attributable to the group at 31.03.2015**	**pertaining to minority interests at 31.03.2015**
–	–	–	–	–	–	–	**1,360,157**	**33,589**
–	–							
–	**–**	**–**	**–**	**–**	**–**	**–**	**79,005**	**4,360**
–	–	–	–	–	–	–	**977,819**	**42,664**
–	–	–	–	–	–	–	**3,229**	**1,957**
–	**–**	**–**	**–**	**–**	**–**	**43,819**	**91,760**	**(107)**
–	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
–	**(291)**	**–**	**–**	**–**	**–**	**–**	**(25,322)**	**–**
–	**–**	**–**	**–**	**–**	**–**	**85,036**	**82,823**	**2,213**
–	**(291)**	**–**	**–**	**–**	**–**	**126,642**	**2,569,471**	**–**
–	**–**	**–**	**–**	**–**	**–**	**2,213**	**–**	**84,676**

Changes during the year								
Equity transactions							**Equity**	**Equity**
Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Change in equity instruments	Derivatives on treasury shares	Stock options	Comprehensive income	**attributable to the group at 31.03.2014**	**pertaining to minority interests at 31.03.2014**
–	–	–	–	–	–	–	**924,444**	**33,585**
–	–							
–	**–**	**–**	**–**	**–**	**–**	**–**	**171,450**	**4,359**
–	**–**							
–	–	–	–	–	–	–	**845,562**	**35,604**
–	–	–	–	–	–	–	**3,229**	**1,957**
–	**–**	**–**	**–**	**–**	**–**	**28,033**	**44,815**	**(54)**
–	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
–	**–**	**–**	**–**	**–**	**–**	**–**	**(24,316)**	**–**
–	**–**	**–**	**–**	**–**	**–**	**44,411**	**41,746**	**2,665**
–	**–**	**–**	**–**	**–**	**–**	**69,779**	**2,006,930**	**–**
–	**–**	**–**	**–**	**–**	**–**	**2,665**	**–**	**78,116**