REPORT OF THE BOARD OF DIRECTORS ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2014

Dear Shareholders,

We are pleased to submit the Financial Statements as at 12/31/2014 for your consideration and for your approval.

Before illustrating the Bank's activities and the results achieved during the financial year, it is considered necessary to refer briefly to the economic international trend of Italy and the Republic of San Marino, with a focus on banking and financial system.

The International Economic Situation

Unfortunately, even 2014 ended with a negative macroeconomic budget. The protracted recession in the European countries has resulted in a new phenomenon: deflation. The unemployment rate, mainly in Europe, has reached very high levels, especially for those under 25. The main economic indicators, such as industrial production, productivity, commercial orders, domestic trade, household wealth, and non-performing loans, have confirmed a weak economic situation. Only export has supported the international economic system.

In the rest of the world the situation is quite different, with data growing, particularly in the United States and in China, though the latter has shown growth rates lower than those recorded in recent years.

Consistent reduction in oil prices and the appreciation of the US dollar, which were recorded in the fourth quarter, bode well for a future recovery of the European economy.

The signs of recovery are still modest. Industrial production has partly recovered at the end of the year, consumption has stopped its descent and exports continue to increase, as well as bank loans.

Overall, the economic situation is still weak, but luckily, the economic indicators have stopped collapsing.

The expansionary monetary policy promoted by the ECB, which today ensures high liquidity at very low rates, will help sustain this recovery.

The medium-term outlook for the world economy, however, remains uncertain: there are still concerns over geopolitical tensions in different areas of the world, concerns about the sustainability of public debt in some countries, the slow and insufficient implementation of structural reforms in European countries, expectations of lower growth in emerging countries.

International financial markets

International financial markets have once again increased volatility, even after the effects of a sharp drop in oil prices on developing countries that export raw materials and energy, in the euro area, following the new elections in Greece. In the area, premiums for sovereign risk have remained virtually unchanged, except for Greece, where they have markedly increased.

Yields on ten-year government bonds of advanced economies have continued to decrease, due to a decline in inflation expectations and, since December, as a result of portfolios shift towards activities considered safer, fears of a prolonged period of economic stagnation and a related decline in growth potential, may also have contributed to that decrease. Late last year, yields in the United States, in the United Kingdom, Germany and Japan were at 2%, 1.6%, 0.5% and 0.3%, respectively, with an average reduction of more than 50 basis points since the beginning of the quarter.

Since the end of September, the risk premiums on investment grade company bonds rose for securities denominated in dollars (28 basis points), while the ones denominated in euro remained unchanged.

In the area of high yield bonds in dollars, the spreads have risen much more (80 basis points), due mainly to energy companies bonds that have suffered for the decline in oil prices.

Premiums for the credit risk of banks, as reported by the spreads on 5-7ear default swap credits, have increased in the euro area, while in the United States they fell by 5 basis points.

On the bond market, yields have fallen sharply in 2014: the ten-year US Treasury bond changed from 3.03% to 2.17%, the ten-year German Bund fell from 1.93% to 0.54%, the ten-year Swiss bond from 1 , 07% to 0.32%. For Germany and Switzerland, the short part of the curve showed even negative values. The BTP / Bund spread was further reduced from 213 to 133 basis points.

Major world stock markets reflected the trend of the economic cycle and of different growth prospects between the various geographical areas. So, after a first half-year ended with a positive sign, the indexes have folded, with the exception of those in the US, which recorded growth across the two figures, (Nasdaq composite + 13.40%, S & P 500 + 12,39% , Dow Jones + 7.52%), values which even more significant when translated into euros. In Europe, a slight advance was noted in the Dax Frankfurt (+ 2.25%), the Ibex Madrid (+ 3.66%), the FTSE MIB Milan (+ 0.23%) and the Euro Stoxx 50 (+ 2.83%), while the CAC40 Paris and the London FTSE100 fell, (for 0.54% and 2.71% respectively).

Even the currencies followed the same trend, with the spectacular gain in the US dollar against other currencies, particularly in the second half of 2014, both following concrete results scored by the US economy, and its status as a "safe haven currency" in the light of geopolitical tensions and fears related to the marked decline in oil prices.

The Economic Situation in Italy

2014 ended with a very negative macroeconomic budget, especially in light of what was expected earlier this year. Estimates of the GDP growth decreased from +0.6% in January to + 0.3% in December. The prolongation of the recession, which in 2014 led Europe on unexpected and dangerous path of deflation, resulted in a significant deterioration of the labour market conditions.

In Italy, the unemployment rate has reached a record level of 13.4% in November, with youth unemployment reaching almost 44%.

Economic activity remains stationary, while the rest of Europe is undergoing a moderate recovery. The domestic economy continues to show modest positive signs but still, we cannot talk about signs of recovery.

In the euro area, the basic conditions are showing signs of a possible improvement in the first half of 2015, thanks to a continued decline in oil prices and the strengthening of the dollar against the euro. Both factors have a positive effect on aggregate demand pushing forward domestic consumption and export, but the general opinion is that the recovery in Europe will be slow, while in Italy will remain almost stationary.

Industrial production, still negative in October 2014, seems to be recovered at the end of the year, the retail trade has stopped its descent and seems to be able to recover soon, exports continue to rise and loans to households continue to show small but significant increases. Overall, the economic picture seems weak, but it appears that the economic indicators have stopped collapsing.

Italian Banking Market

The decline in business loans continued, slightly moderated compared to previous months, reflecting, on the demand side, the weakness of investments and, on the supply side, the persistent risk of borrowers. According to recent surveys of banks and companies, the conditions of credit supply to businesses slightly improved, but they remain more difficult for minor companies. Lower interest rates on loans to businesses and households continues

Credits to non-financial private sector fell by 1.2% in the three months ending in November (on an annualized and seasonally adjusted basis). Loans to non-financial companies fell by 1.8%, slightly less dynamic than in previous months (-2.4% in August), reflecting the weakness of economic activity; the decline in loans to households remained more contained (-0.4%).

In the twelve months ending in November, the decline in corporate loans was slightly less marked for banks belonging to the top five banking groups compared to other banks (-2.2% and -2.7%, respectively). Referring to the economic sector, the credit crunch has eased for the manufacturing sector and the services sector (to -1.7% and -2.4%, respectively); it remains greater for the construction sector (-5.4%).

Between the end of August and November, Italian households' retail banking slightly increased, reflecting mainly the acceleration of checking accounts (which rose on the 7.7% annual basis, from the 6.1% in August). In the same period, net issuance of bonds at the counter and interbank deposits abroad decreased.

Banks have indicated that, in the third quarter of 2014, credit supply conditions remained overall unchanged with respect to the previous period. The criteria used in the granting of loans have benefited from stronger competition, favouring, according to information provided by some banks, customers with high credit. However, a significant perceived risk associated with the prospects of particular sectors or companies remained and, in the case of households, with the reduction in the value of collateral caused by falling property prices.

Intermediaries continued to report a decline in margins on average loans, compared with an increase of those applied to riskier businesses. The demand for loans from companies has returned to contract slightly, reflecting the downward trend in fixed assets investment, while that of loans was further strengthened, benefiting from more favourable expectations on the evolution of the property market.

The survey conducted in September by the regional offices of the Bank of Italy, which provides more detailed information on the lending policies of intermediaries, showed that in the first half of 2014 the criteria bid showed a slight easing for manufacturing enterprises, against a stiffening for those operating in the construction sector. In addition, the smaller banks have practiced conditions significantly differentiated by region: more relaxed in the North, more restrictive in the Centre-South.

According to the latest information, banks reported a further easing of supply conditions, due in large part to the use of recent operations aimed at longer-term refinancing of the ECB; according to some intermediaries, such measures would favour an increase in loans and a decline in the margin on loans for companies with higher credit. Signs of a recovery in companies' demands for loans however would not emerge.

Surveys conducted among the companies continue to report conditions of access to credit still differentiated by the company size class. In December, both the quarterly survey conducted by the Bank of Italy in collaboration with Il Sole 24 Ore, and the monthly Istat survey on confidence climate in the manufacturing companies, showed an improvement compared to September for the largest companies, compared to the conditions of access to credit still unfavourable for those of lesser size. The percentage of companies that said they did not obtain the requested funding was significantly higher for smaller companies (14.5%, against 6.5% for the bigger ones).

The official rate cuts operated by the ECB in September contributed to a further decline in the cost of credit. Between August and November, the average rate on new loans to households and the rate on new loans to businesses fell by two four-tenths of a percentage point, respectively, setting at 2.9% and 2.6%.

The decrease in the cost of loans to Italian companies involved both small businesses and those of larger size: the cost of new loans for an amount less than one million euro fell by 60 basis points (3.4%), while that of higher-amount loans has been reduced by 20 basis points (2%).

The burden of non-performing loans on the system is aggravated; non-performing loans / total loans ratio is 7.8%, an increase of 1.3% compared to 2013. The same ratio measured only for business, net of public sector and households, amounted to 15.9% in October 2014, compared with 12.6% in October 2013. Total non-performing loans have marked an increase of 22% compared to November 2013. In particular, the non-performing loans to enterprises increased by 26% and those to the families by 7%.

THE ECONOMIC SITUATION IN THE REPUBLIC OF SAN MARINO

Unfortunately, not even the past year was the year of the much-desired breakthrough for the San Marino economy, even after the long-expected and encouraged international agreements have been signed and relations with neighbouring Italy have been recovered.

In order to fully understand the seriousness of the situation, it is enough to consider that, according to the IMF estimates, the last five years have seen a 25% fall in GDP.

The assets managed by the San Marino banking system, which in 2008 amounted to about 14 billion euros, is now reduced by half, with obvious repercussions on the real economy.

It should be considered that, in the past, the contribution of the banking system and the spin-off originating from the same has allowed, in the past, the development of a rich economy and modest taxation. The state attracted investments and banks were granting loans to companies. In turn, these were paying their suppliers on time and, automatically, the driving force was created to promote the economic and social development of the country. The decline in volumes in the banking system has taken away resources from a system only apparently thriving but actually built on weak foundations.

The economic activities (corporations, sole proprietorships, freelancers, etc.) decreased by 103 units, rising from 5.184 to 5.081 active subjects (at the end of 2012 they were 5.307).

Increased from 9,10% at 12/31/2013 to 9,81% at 12/31/2014 (1.596 units), the unemployment rate continues to go up, and the number of public and private employees has gone from 18.392 to 17.998 units.

The residents in the Republic increased by 217 units, rising from 32.572 at 12/31/2013 to 32.789 at 12/31/2014.

The index of consumer prices increased on average, during 2014, of 0.50%.

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The financial system in San Marino

The financial sector was made up as at 12/31/2014 from 25 authorized persons, in decrease in comparison with the previous year (at 12/31/2013 persons authorized by BCSM were 28). This decrease is due to both merger and consolidation of credit institutions and to liquidations, voluntary and unfortunately relocated, which involved several financial companies. Even for 2015 further reductions are expected since some people have ongoing voluntary liquidations.

Please note that 2015 is also the year of the Voluntary Disclosure, and thus the entire financial system of San Marino will have to prepare to face yet another challenge.

Aggregated system data show, after years of sharp decreases, a slight recovery in volumes. Comparing the data of the end of 2013 with those as at 09/30/2014 (most recent official report), it should be noted that direct customer deposits have increased (5.157 million euros at 09/30/2014 compared with 5.022 million euros at 12/31/2013). Indirect deposits are slightly higher (2.280 million euros at 09/30/2014 compared with 2.142 million euros at 12/31/2013), so the total deposits increased from 7.163 million euros at 12/31/2013 to 7.437 million euros at 12/31/2014 (+ 3,8%).

Loans decreased from 4.174 million euros at 12/31/2013 to 4.069 million euros at 09/30/2014 (-2.5%). Similarly to what happens in Italy, the quality of the loan portfolio continues to deteriorate, context in which the incidence of non-performing loans has increased from 11.8% at 12/31/2013 to 17.4% at 09/30/2014.

The total net assets of the banks of San Marino have decreased from 530 to 521 million euros.

The reading of the aggregated data of the system, showed in the following table, helps understand that the financial system of San Marino has undergone distortion in recent years.

	12/31/2010	12/31/2011	12/31/2012	12/31/2013	09/30/2014
Direct collection	5.900	5.150	4.991	5.022	5.157
Indirect collection	2.617	2.119	2.288	2.142	2.280
Total collection	**8.517**	**7.269**	**7.280**	**7.164**	**7.437**
Lending	4.858	3.839	4.484	4.174	4.069
Net assets	**1.068**	**749**	**537**	**530**	**521**

Source BCSM – data in million euros.

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THE BANCA SAMMARINESE DI INVESTIMENTO

The Bank, while maintaining and continuing to strengthen the financial sector, a service that over the years has reached levels of excellence also thanks to the creation of the "Wealth Management" service, intended to be characterized as a *retail* bank, serving families and businesses in the area, with the goal of protecting and enhancing savers' deposits and assisting, through targeted funding, both the private sector and production stages. The expansion of the branch network completed in 2013 has shown functional to this objective.

We briefly retrace the major events of 2014.

To the staff already in the company, new professionals have been added. More specifically, from 30 employees on 12/31/2013 the number increased to 35 on 12/31/2014 (+ 17%).

During 2014, our bank has also become part of the corporate structure of the Central Bank of the Republic of San Marino, buying a stake of 1% for a value of € 811,848.

Particular attention was paid to risk management and the internal control system, continuing the collaboration with external consultants with proven experience with the task of training and supporting the Compliance / Inspectorate staff.

The Board of Directors, given the still small size of the Institute and the risk of situations of incompatibility among the roles covered and the estimated absence of staff with adequate professional profile on the market, preferred to keep the Risk Manager role in outsourcing, using a San Marino company "Advisor Srl", which already has been working with leading companies in the financial landscape of the Republic.

Even in 2014, the *Internal Audit* function has been outsourced to the company Baker Tilly Consulaudit based in Bologna, a leading audit Italian company.

The major financial statement data are reported below.

Total deposits at the end of 2014 amounted to € 408.829.291 of which € 284.727.515 deriving from direct deposits and € 124.101.776 from indirect deposits (net of direct collection included in the asset management). Compared with the previous year, the figure records a growth of more than 86 million euros (+ 26%), which is clearly higher than that recorded by the system.

With regard to the treasury of the Bank, as at 12/31/2014 we highlight the following liquidities:

a) € 52.412.682 arising from interbank deposits (sight and term deposits) and foreign currency deposits;

b) € 160.204.255 from securities divided between different issuers; more specifically, the trading portfolio amounts to € 120.035.759, while investment securities at € 40.168.496.

The total treasury amounts, therefore, to € 212.616.937, a considerable amount considering the size of the Bank and of the economic downturn in general.

The investment strategies have been inspired, as in the past, by criteria of prudence and diversification.

On the lending side, the year 2014 has seen a significant increase in loans to ordinary customers, which at year-end amounted to € 94.934.639 (+ 24%). This increase was made possible thanks to the credit strategy, aimed at its splitting/subdividing, both in terms of number of granted positions and technical forms used.

With regard to *non performing* loans, as at 12/31/2014 there were impaired loans amounting to € 579.981, overdue amounting to € 5.601.578, restructured loan amounting to € 5.733.164 (almost entirely related to "Gruppo Delta"), in addition to past due/overdue credits amounting to € 493.163. Total value adjustments on such credits equal € 3.992.776.

Among the financial statement ratios, we highlight the relationship between net loans and direct deposits amounting to 33.34%, the ratio non-performing loans - net lending amounting to 2.89% and finally the R.O.E. amounting to 4.82%.

The net assets of the bank as at 12/31/2014 equalled € 23.724.821, an increase compared to the amount of the previous year (+ 12%). At the same time, due to the strong volume growth, the ratio of net assets /active assets decreased, going from 8.47% in 2013 to 7.21%.

The Bank does not hold any own shares in portfolio.

The profit obtained is equal to € 1.090.936, net of the various provisions made and the establishment of a Fund for General Banking Risks of € 1.000.000. The financial result achieved is very rewarding, considering the substantial investments made during the year and the economic situation in this market.

Among the items of income statement that have recorded largest increases, we report the interest margin, which rose from € 2.449.510 in 2013 to 3.740.675 (+ 52.71%), and fee and commission income, which increased by 28,90% passing from € 632.317 in 2013 to € 815.086. At the same time there are obviously increased operating costs, from € 3.561.262 in 2013 to € 3.852.909 (+ 8.19%).

SUBSEQUENT EVENTS

To date there have been no events that occurred at a later date to December 31, 2014, such that would make the current property, financial and economic situation substantially different from that shown in this balance sheet or that would require adjustments or supplementary notes to financial statements.

MANAGEMENT OUTLOOK

The management of the Bank will continue on the track of previous years marked by the development, but also with caution. The scenario that lies ahead is full of opportunities but also pitfalls (e.g. Voluntary Disclosure) so we need to use extreme care in future management. The results of the first quarter of 2015 are still encouraging and show further growth in the value of direct and indirect collection (in line with the recent past) and a substantially stationary situation in lending volumes.

Dear members, in consideration of the foregoing and of the results obtained, we invite you to approve these Financial Statements, proposing the capitalization of all income earned, subject to the provisions required.

The Board of Directors

The President

STATEMENT AS PER FORMER ART. 6, PARAGRAPH X OF LAW No. 47 DATED FEBRUARY 23, 2007 AND SUBSEQUENT AMENDMENTS

- **Emanuel Colombini**, born in San Marino (RSM) on February 28, 1978, a resident of Serravalle (RSM) in Strada del Cardio no. 61, ISS code 22616, a citizen of San Marino, Chairman of “Banca Sammarinese di Investimento S.p.A.”, based in Rovereta (RSM), Via Monaldo da Falciano no.3, registered under no. 2771 of the Register of Companies of San Marino, C.O.E. SM 18493, attached to the notes to the financial statements for the year ended on December 31, 2014;

- **Enzo Donald Mularoni**, born in Detroit (USA) on September 9, 1952, a resident of Borgo Maggiore (RSM) in Via Brandolina no. 51, ISS code 15821, a citizen of San Marino, Chairman of the Board of Directors of “**Banca Sammarinese di Investimento S.p.A**.”, based in Rovereta (RSM), Via Monaldo da Falciano no. 3, registered under no. 2771 of the Register of Companies of San Marino, C.O.E. SM 18493, attached to the notes to the financial statements for the year ended on December 31, 2014;

- **Roberto Ragini**, born in San Marino (RSM) on May 3, 1956, a resident of Dogana (RSM) in Via Tre Settembre no. 184, ISS code 9689, a citizen of San Marino, a director of “Banca Sammarinese di Investimento S.p.A.”, based in Rovereta (RSM), Via Monaldo da Falciano no. 3, registered under no. 2771 of the Register of Companies of San Marino, C.O.E. SM 18493, attached to the notes to the financial statements for the year ended on December 31, 2014;

declare

under their own responsibility, the permanence for every one of the objective and subjective conditions required by the law no. 47 dated February 23, 2006 and subsequent amendments and additions for the assumption of the office of director.

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Emanuel Colombini Enzo Donald Mularoni

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Roberto Ragini

BALANCE SHEET : ASSETS

			12/31/2013		12/31/2013
		Part amounts	*Total amounts*	*Part amounts*	*Total amounts*
10	**Cash and cash equivalents**		**1.270.034**		**930.177**
20	**Inter-bank loans**		**52.412.682**		**48.425.425**
	(a) sight credits	35.341.501		42.083.884	
	(b) other credits	17.071.181		6.341.541	
30	**Customer loans**		**78.910.624**		**62.915.911**
	(a) sight credits	56.363.751		45.580.423	
	(b) other credits	22.546.873		17.335.488	
40	**Bonds and other debt securities**		**155.093.032**		**106.087.562**
	(a) issued by public bodies	28.875.075		31.492.288	
	(b) issued by banks	87.949.127		54.511.249	
	(c) issued by financial institutions (companies)	13.974.869		14.054.632	
	(d) issued by other bodies	24.293.961		6.029.393	
50	**Shares, quotas and other capital securities**		**5.111.223**		**4.065.343**
60	**Holdings**		**811.848**		**-**
	(a) financial companies	811.848		-	
	(b) non-financial companies	-		-	
70	**Holdings in group businesses**		**-**		**-**
	(a) financial companies	-		-	
	(b) non-financial companies	-		-	
80	**Intangible fixed assets**		**808.201**		**857.770**
	(a) *leasing*	-		-	
	(b) *assets to be leased*	-		-	
	- of which: assets resulting from annulled lease contracts	-		-	
	- of which: for breach by tenant	-		-	
	(c) *goodwill*	-		-	
	(d) other intangible fixed assets	808.201		857.770	
90	**Tangible fixed assets**		**17.148.236**		**14.958.442**
	(a) leasing	15.921.849		13.697.975	
	(b) assets to be leased	102.166		-	
	- of which: assets resulting from annulled lease contracts	*102.166*		-	
	- of which: for breach by tenant	*102.166*		-	
	(c) real estate property	-		-	
	(d) other tangible fixed assets	1.124.221		1.260.467	
100	**Subscribed share capital not paid-in**		**-**		**-**
110	**Owned shares and quotas**		**-**		**-**
120	**Other assets**		**17.340.632**		**15.156.030**
130	**Accrued revenues and deferred expenses:**		**332.061**		**2.039.266**
	(a) accrued revenues	215.712		1.919.689	
	(b) deferred expenses	116.349		119.577	
140	**Total Assets**		**329.238.573**		**255.435.926**

BALANCE SHEET : LIABILITIES

		12/31/2014		12/31/2013	
		Part amounts	*Total amounts*	*Part amounts*	*Total amounts*
10	**Debt with banks**		**1.459.611**		**201.559**
	(a) sight debts	1.459.611		201.559	
	(b) term or notice debts	-		-	
20	**Debts with customers**		**118.494.351**		**90.061.426**
	(a) sight debts	79.308.066		62.048.237	
	(b) term or notice debts	39.186.285		28.013.189	
30	**Debts represented by securities**		**163.097.001**		**122.597.148**
	(a) bonds	28.775.742		-	
	(b) certificates of deposit	134.321.259		122.597.148	
	(c) other securities	-		-	
40	**Other liabilities**		**18.876.636**		**16.041.397**
	- of which: outstanding cheques and similar securities	*134.458*		*39.365*	
50	**Accrued expenses and deferred revenues:**		**115.257**		**1.412.406**
	(a) accrued expenses	103.501		1.402.717	
	(b) deferred revenues	11.756		9.689	
60	**Staff retirement allowances**		**228.541**		**208.117**
70	**Risks and costs funds**		**240.650**		**279.989**
	(a) retirement and similar costs funds	-		-	
	(b) tax funds	171.685		210.801	
	(c) other funds	68.965		69.188	
80	**Allowances for possible loan losses**		**-**		**-**
90	**Fund for general banking risks**		**1.500.000**		**500.000**
100	**Subordinated liabilities**		**3.001.705**		**3.000.000**
110	**Corporate capital**		**20.000.000**		**20.000.000**
120	**Issue premium**		**-**		**-**
130	**Reserves**		**1.133.885**		**111.163**
	(a) ordinary reserves	226.620		22.075	
	(b) treasury stock reserves	-		-	
	(c) extraordinary reserves	88.302		88.302	
	(d) other reserves	818.963		786	
140	**Revaluation reserves**		**-**		**-**
150	**Profits (Losses) carried forward**		**-**		**-**
160	**Profits (Losses) for the financial year**		**1.090.936**		**1.022.721**
170	**Total Liabilities**		**329.238.573**		**255.435.926**

GUARANTEES AND COMMITMENTS

		12/31/2014		12/31/2013	
		Part amounts	***Total amounts***	***Part amounts***	***Total amounts***
10	**Guarantees issued**		**1.621.955**		**1.819.722**
	- of which:				
	(a) acceptances	40.074		187.552	
	(b) other guarantees	1.581.881		1.632.170	
20	**Commitments**		**9.596.840**		**8.296.781**
	- of which:				
	(a) certain to be called on	556.307		2.496.333	
	of which: financial instruments	*556.307*		*200.216*	
	(b) not certain to be called on	5.155.174		1.521.034	
	of which: financial instruments	*4.259.000*		-	
	(c) other commitments	3.885.359		-	

PROFITS AND LOSS ACCOUNT

		12/31/2014		12/31/2013	
		Part amounts	*Total amounts*	*Part amounts*	*Total amounts*
10	**Interest received and proceeds**		**9.881.320**		**7.225.317**
	(a) on loans to banks	439.320		705.461	
	(b) on customer loans	4.192.640		2.854.686	
	(c) on debt securities	5.249.360		3.665.170	
20	**Interest paid and costs**		**(6.140.645)**		**(4.775.807)**
	(a) on amounts due from banks	(12.386)		(4.331)	
	(b) on debts with customers	(1.963.356)		(818.871)	
	(c) on debts represented by securities	(4.164.903)		(3.952.605)	
	- of which: on subordinate liabilities	*(25.092)*		*(63.425)*	
30	**Dividends and other proceeds:**		**-**		**-**
	(a) on shares, quotas and other variable income	-		-	
	(b) on holdings	-		-	
	(c) on holdings in group businesses	-		-	
40	**Commissions earned**		**815.086**		**632.317**
50	**Commissions paid**		**(309.042)**		**(291.331)**
60	**Profits (Losses) from financial operations**		**2.114.860**		**3.101.788**
70	**Other operating proceeds**		**4.039.061**		**2.851.669**
80	**Other operating costs**		**-**		**-**
90	**Administrative costs:**		**(3.760.834)**		**(3.472.394)**
	(a) labour costs	(2.593.841)		(2.398.424)	
	- wages and salaries	(1.759.443)		(1.706.818)	
	- pension contributions	(556.388)		(445.433)	
	- retirement allowances	(228.541)		(208.117)	
	- severance indemnity-related costs	-		-	
	- administrators and mayors	(32.694)		(28.249)	
	- other personell expenses	(16.775)		(9.807)	
	(b) other administrative costs	(1.166.993)		(1.073.970)	
100	**Value adjustments on intangible fixed assets**		**(181.156)**		**(165.876)**
110	**Value adjustments on tangible fixed assets**		**(3.949.980)**		**(2.774.661)**
120	**Provisions for risks and costs**		**-**		**-**
130	**Provisions to allowances for possible loan losses**		**-**		**-**
140	**Value adjustments on credits and provisions for guarantees and commitments**		**(1.500.000)**		**(2.150.896)**
150	**Value recoveries on credits and provisions for guarantees and commitments**		**-**		**214.735**
160	**Value adjustments on financial assets**		**-**		**-**
170	**Value recoveries on financial assets**		**-**		**-**
180	**Profits (Losses) on ordinary activities**		**1.008.670**		**394.861**
190	**Extraordinary proceeds**		**1.513.197**		**486.860**
200	**Extraordinary costs**		**(259.246)**		**(73.311)**
210	**Extraordinary Profits (Losses)**		**1.253.951**		**413.549**
220	**Income tax for the financial year**		**(171.685)**		**714.311**
230	**Variation to the Fund for general banking risks**		**(1.000.000)**		**(500.000)**
240	**Profits (Losses) for the financial year**		**1.090.936**		**1.022.721**

RESTATED BALANCE SHEET

ASSETS

		12/31/2014	Impact	12/31/2013	Impact
	Inter-bank loans	52.412.682	15,92%	48.425.425	18,96%
	Customer loans	78.910.624	23,97%	62.915.911	24,63%
	Debt and capital securities	160.204.255	48,66%	110.152.905	43,12%
	Leased assets	16.024.015	4,87%	13.697.975	5,36%
AF	**INTEREST-BEARING ASSETS**	**307.551.576**	**93,41%**	**235.192.216**	**92,07%**
	Cash and cash equivalents	1.270.034	0,39%	930.177	0,36%
	Holdings	811.848	0,25%	-	0,00%
	Other assets	17.340.632	5,27%	15.156.030	5,93%
	Accrued revenues and deferred expenses	332.061	0,10%	2.039.266	0,80%
ANF	**NON-INTEREST-BEARING ASSETS**	**19.754.575**	**6,00%**	**18.125.473**	**7,10%**
	Intangible fixed assets	808.201	0,25%	857.770	0,34%
	Tangible fixed assets	1.124.221	0,34%	1.260.467	0,49%
AR	**REAL ASSETS**	**1.932.422**	**0,59%**	**2.118.237**	**0,83%**
	TOTAL ASSETS	**329.238.573**		**255.435.926**	

LIABILITIES

		12/31/2014	Impact	12/31/2013	Impact
	Debts with banks	1.459.611	0,44%	201.559	0,08%
	Debt with customers	118.494.351	35,99%	90.061.426	35,26%
	Debts represented by securities	163.097.001	49,54%	122.597.148	48,00%
	Subordinated liabilities	3.001.705	0,91%	3.000.000	1,17%
PO	**BEARING LIABILITIES**	**286.052.668**	**86,88%**	**215.860.133**	**84,51%**
	Other liabilities	18.876.636	5,73%	16.041.397	6,28%
	Accrued expenses and deferred revenues	115.257	0,04%	1.412.406	0,55%
	Staff retirement allowances	228.541	0,07%	208.117	0,08%
	Risks and costs funds	240.650	0,07%	279.989	0,11%
PNO	**NON-BEARING LIABILITIES**	**19.461.084**	**5,91%**	**17.941.909**	**7,02%**
	Fund for general banking risk	1.500.000	0,46%	500.000	0,20%
	Corporate capital	20.000.000	6,07%	20.000.000	7,83%
	Reserves	1.133.885	0,34%	111.163	0,04%
	Profits (Losses)for the financial year	1.090.936	0,33%	1.022.721	0,40%
PAT	**ASSETS**	**23.724.821**	**7,21%**	**21.633.884**	**8,47%**
	TOTAL LIABILITIES	**329.238.573**		**255.435.926**	

RECLASSIFIED INCOME STATEMENTS

		12/31/2014	Variation	12/31/2013
	Interest received and proceeds	9.881.320	36,76%	7.225.317
	Interest paid and cost	(6.140.645)	28,58%	(4.775.807)
MI	**INTEREST MARGIN**	**3.740.675**	**52,71%**	**2.449.510**
	Commissions earned	815.086	28,90%	632.317
	Commissions paid	(309.042)	6,08%	(291.331)
CN	**NET COMMISSIONS**	**506.044**	**48,41%**	**340.986**
	Profits/Losses from financial operations	2.114.860	(31,82%)	3.101.788
MINT	**INTERMEDIATION MARGIN**	**6.361.579**	**7,96%**	**5.892.284**
	Administrative costs	(3.760.834)	8,31%	(3.472.394)
	Value adjustments on intangible fixed assets	(181.156)	9,21%	(165.876)
	Value adjustments on tangible fixed assets	(3.949.980)	42,36%	(2.774.661)
	Other operating proceeds/costs	4.039.061	41,64%	2.851.669
CO	**OPERATING COSTS**	**(3.852.909)**	**8,19%**	**(3.561.262)**
RG	**GROSS OPERATING PROFIT**	**2.508.670**	**7,62%**	**2.331.022**
	Value adjustments on credits	(1.500.000)	(22,53%)	(1.936.161)
	Extraordinary proceeds/costs	1.253.951	203,22%	413.549
	Variation to the fund for general banking risks	(1.000.000)	100,00%	(500.000)
RL	**PROFIT FOR THE FINANCIAL YEAR**	**1.262.621**	**309,40%**	**308.410**
	Financial taxes	(171.685)	(124,04%)	714.311
RN	**PROFIT FOR THE FINANCIAL YEAR**	**1.090.936**	**6,67%**	**1.022.721**

HIGHLIGHTS

Key balance sheet figures (in EUR)

	12/31/2014	12/31/2013	12/31/2012	12/31/2011
Total assets	329.238.573	255.435.926	175.791.589	126.336.091
Net lending	94.934.639	76.613.886	49.327.929	32.142.283
Net non-performing loans	8.424.740	7.168.593	6.573.251	11.783.243
Provision for adjustments on doubtful loans	4.381.359	3.071.272	2.328.107	1.079.089
Direct collection	284.727.515	215.697.939	146.560.317	102.107.309
Indirect collection:	165.677.178	117.310.468	89.111.117	62.014.090
- operated	71.404.369	55.416.355	17.264.481	-
- managed	94.272.809	61.894.113	71.846.636	62.014.090
Net equity	23.724.821	21.633.884	16.311.163	14.443.103

Main structural and operational highlights

	12/31/2014	12/31/2013	12/31/2012	12/31/2011
Number of employees	35	30	24	10
Counters	4	4	3	1

Main economic and operation data (in EUR)

	12/31/2014	12/31/2013	12/31/2012	12/31/2011
Interest margin	3.740.675	2.449.510	1.330.766	1.030.862
Intermediation margin	6.361.579	5.892.284	3.920.148	2.180.409
Administrative costs	3.760.834	3.472.394	2.949.731	1.878.250
Personnel costs	2.593.841	2.398.424	1.937.031	690.602
Operating costs	3.852.909	3.561.262	2.975.066	2.034.960
Profit for the financial year	1.090.936	1.022.721	106.685	3.693

RATIOS

Structural ratios (%)

	12/31/2014	var.	12/31/2013	var.	12/31/2012	var.	12/31/2011
Direct collection / Total assets	86,48	2,04	84,44	1,07	83,37	2,55	80,82
Net lending / Total assets	28,83	(1,16)	29,99	1,93	28,06	2,62	25,44
Net lending / Direct collection	33,34	(2,18)	35,52	1,86	33,66	2,18	31,48
Managed collection / Indirect collection	43,10	(4,14)	47,24	27,86	19,37	19,37	-
Operated collection / Indirect collection	56,90	4,14	52,76	(27,86)	80,63	(19,37)	100,00
Net equity / Total assets	7,21	(1,26)	8,47	(0,81)	9,28	(2,15)	11,43
Net equity/ Net lending	24,99	(3,25)	28,24	(4,83)	33,07	(11,87)	44,93

Indicators of the quality of credit (%)

	12/31/2014	var.	12/31/2013	var.	12/31/2012	var.	12/31/2011
Net NPLs / Net lending	2,89	2,17	0,72	(0,98)	1,70	(12,53)	14,23
Net problem loans / Net lending	0,46	(1,52)	1,98	(9,62)	11,60	7,20	4,40
Net doubtful credits / Net lending	8,87	(0,48)	9,36	(3,97)	13,33	(23,33)	36,66
Net NPLs / Net equity	11,56	8,95	2,61	(2,54)	5,15	(26,52)	31,67

Profitability ratios (%)

	12/31/2014	var.	12/31/2013	var.	12/31/2012	var.	12/31/2011
Interest margin / Intermediation margin	58,80	17,23	41,57	7,62	33,95	(13,33)	47,28
Interest margin / Interest-bearing assets	1,22	0,17	1,04	0,22	0,82	(0,04)	0,86
Intermediation margin / Interest-bearing assets	2,07	(0,44)	2,51	0,09	2,42	0,61	1,81
Administrative costs / Intermediation margin	59,12	0,19	58,93	(16,32)	75,25	(10,89)	86,14
Cost / Income [cost/income]	60,57	0,13	60,44	(15,45)	75,89	(17,44)	93,33
Net profit / (Net equity – Net profit) [R.O.E.]	4,82	(0,27)	5,09	4,43	0,66	0,63	0,03
Net profit / Total Assets [R.O.A.]	0,33	(0,07)	0,40	0,34	0,06	0,06	0,00

Efficiency ratios (in thousands of EUR)

	12/31/2014	var.	12/31/2013	var.	12/31/2012	var.	12/31/2011
Total deposits per employee	12.869	1.768	11.100	1.281	9.820	(6.592)	16.412
Net loans per employee	2.712	159	2.554	498	2.055	(1.159)	3.214
Intermediation margin per employee	182	(15)	196	33	163	(55)	218
Average personnel costs	74	(6)	80	(1)	81	12	69
Total operating costs per employee	110	(9)	119	(5)	124	(80)	203

STATEMENT OF CASH FLOW

		2014		2013
Funds generated and collected		**7.152.764**		**6.593.432**
Profit for the financial year	1.090.936		1.022.721	
Value adjustments on intangible fixed assets	4.131.136		2.940.537	
Value adjustments on credits and provisions for guarantees and commitments	1.500.000		2.150.896	
Provision for severance pay	228.541		208.117	
Provision for risks and charges	202.151		271.161	
Increase in funds collected		**73.027.774**		**79.018.693**
Debts with banks	1.258.052		47.481	
Debts with customers	28.432.925		47.238.700	
Debts evidenced by securities	40.499.853		27.104.048	
Other liabilities	2.835.239		4.570.588	
Accrued expenses and deferred revenues	-		57.876	
Subordinated liabilities	1.705		-	
Decrease in funds invested		**1.707.205**		**7.975.592**
Inter-bank loans	-		7.975.592	
Accrued expenses and deferred income	1.707.205		-	
Variation to net equity		**1.000.001**		**4.300.000**
Share capital	-		3.800.000	
Reserves	1		-	
Variation of the general banking risks fund	1.000.000		500.000	
Total funds generated and collected		**82.887.744**		**97.887.717**

Write-backs and use of funds generated from management operations		**449.607**		**411.090**
Write-backs	-		214.735	
Use of provisions for risks and charges	241.490		21.906	
Use of the provision for severance pay	208.117		174.449	
Increase in funds invested		**81.140.988**		**92.496.627**
Cash and cash equivalents	339.857		401.949	
Inter-bank loans	3.987.257		-	
Customer loans	17.494.713		23.063.859	
Bonds and other debt securities	49.005.470		49.901.176	
Shares, quotas and other stock items	1.045.880		4.065.343	
Holdings	811.848		-	
Intangible fixed assets	131.587		277.807	
Tangible fixed assets	6.139.774		9.456.059	
Other assets	2.184.602		4.655.318	
Accrued revenues and deferred expenses	-		675.116	
Decrease in funds collected		**1.297.149**		**4.980.000**
Accrued revenues and deferred expenses	1.297.149		-	
Subordinated liabilities	-		4.980.000	
Total funds used and invested		**82.887.744**		**97.887.717**

Section A
ASSESSMENT CRITERIA

The Financial Statements related to the financial year ended on 12/31/2014 were prepared in accordance with the provisions of Regulation no. 2008-02 on the preparation of the financial statements of banks issued on September 23, 2008 (and updated on December 7, 2012) from the Central Bank of the Republic of San Marino, in accordance with Article 39 of Law No. 165 dated November 17, 2005.
The Financial Statements include the Balance Sheet, the Guarantees and Commitments, the Income Statement and the Notes to the accounts. The Financial Statements shall be accompanied by the report of the Directors on the management, the report of the Statutory Auditors and the Report of the Independent Auditors.
The Financial Statements shall be drawn up clearly and give a true and fair view of the assets, the financial situation and the result of its operations.
The values shown are expressed in Euros and are compared with those of the previous financial year. We also apply the regulations issued by the Central Bank, Supervision Division.
The algebraic sum of the differences arising from the rounding of the items is recorded under "Other assets / liabilities" in the balance sheet and under "Extraordinary income/expenses" in the Income Statement.
The various items of the Financial Statement are reflected in the corporate accounting which was prepared in compliance with the various administrative events occurred during the period.
The true and fair representation is made according to the provisions of the Law; in the event of an exception, the reasons and the relevant influence on the representation of the balance sheet, the financial position and the results of operations are explained in the notes to the accounts.
In order to improve the level of clarity and truth of the Financial Statements, the accounts were prepared in such a way, where possible, to privilege the representation of the substance over form. In order to provide a representation of the financial position closer to the actual movements of the financial balance sheet of the bank, accounts "above the line" are prepared to give preference, where possible, to the time of settlement of transactions rather than the bargaining one.
The recognition of income and expenses is in accordance with the accrual principle, regardless of the collection date and payment date, and the principle of prudence. Priority is given to the latter principle, provided that there is no explicit formation of reserves.
In order not to reduce the information content of the Financial Statements data according to the principles of truth and clarity, no item compensations were made.
The depreciation and amortization of assets are carried out solely by the direct adjustment decreasing the value of these elements.

Section 1 – Presentation of the assessment criteria

The assessment of assets and liabilities shown in the Financial Statements and out of them are carried out according to the principle of prudence and the going concern basis.

* Cash and cash equivalents (item 10 of assets)

This item includes legal currency, including banknotes and coins in foreign currency, money orders, cashier's and postal checks as well as similar securities, warrants and securities due on demand. It also includes coins and collection medals as well as gold, silver and stamps.

* Inter-bank loans (item 20 of assets)

This item includes all amounts due from banks, regardless of their technical form, except those represented by financial instruments that must be allocated to the item no. 40 "Bonds and other debt instruments" and are recorded at their estimated realizable value.
Receivables from banks include the counter value of the repurchase agreements, in which the assignee bank has the obligation to resell the securities to the transferor bank. The amount is equal to the price paid in cash. The assets transferred continue to appear in the portfolio held by the transferor bank.

* Customer loans (item 30 of assets)

This item includes credits arising from contracts of financing to customers, whatever is their technical form, and provided that, to the extent that, there was the actual disbursement of the loan. The credits not yet disbursed, although recognized under accounting records as "contract date", are not included in this item, but in the relevant item of the securities. The credits represented by securities are recorded under item 40 "Debt securities and other debt instruments."
The partial payments received for past due or overdue directly reduce the value of the receivables. Payments received in advance against receivables not yet due are included in liabilities, "due to customers" or "other liabilities", depending on whether the payments themselves are bearing interest or not.
This item also includes credits arising from finance leases for installments due and not yet received and related receivables for default interest.
Among the "Credits to customers" there is the value of the repurchase agreements, in which the customer has the obligation to repurchase the underlying securities to the bank. The amount recorded is equal to the price paid in cash.
The credits are recorded in the balance sheet according to the estimated realizable value determined on the basis of the solvency of the debtor and, at a flat rate, depending on the situation of debt-servicing difficulties faced by the country of residence of the debtor.
The determination of the net realizable value is made based on an evaluation of all the elements characterizing the trend of the relationships, supported by the balance sheet, income statement and financial debtors' information, by the nature of the business and any guarantees given.

In detail:

- Non performing loans: they identify the area of the credits, regardless of the forecast of potential losses to persons in a state of insolvency, even if not established by a court, or in similar situations; this item includes the entire exhibition before interests accounted and recognized for expenses incurred in the recovery activities of the ground portion of the interest deemed not recoverable. The assessment of non-performing credits is analyzing the chances of recovery on an individual basis and determining the relative loss alleged.

- Substandard loans: they are loans to borrowers under temporary difficulties, which it is expected to be resolved within a reasonable period of time. The assessment is carried out on an individual basis. Furthermore, the Substandard loans as a result of Regulation no. 2008-02, also include funding for which they were due and not paid, even if only partially:
3 half-yearly installments or 5 quarterly installments for the loans of original maturity of more than 36 months
2 half-yearly installments or 3 quarterly installments whose duration is less than or equal to 36 months
If the amortization schedule of the loan provided monthly installments, the number of overdue and unpaid fees considered is as follows:
equal to 7 for loans longer than 36 months
equal to 5 for the loans of less than 36 months.

- Past due and/or overrun loans: they identify with all exposures to individual customers holding cash and off-balance sheet loans, other than the doubtful and substandard ones, which, to date, have expired or overdue on an ongoing basis by more than 90 days; if such exposures amount to 20% of overall exposure, a write-down was expected for these loans.

- Loans to countries at risk: they are exposures due from borrowers belonging to the countries of Zone B; this category is a residual part of loans, so a general write-downs was made.

- Restructured loans: these are the cash and "off balance sheet" loans for which a bank, due to the deterioration of the financial situation of the borrower, agrees to modify the original contractual terms (i.e., rescheduling of deadlines, debt and/or interest reduction, etc.) that give rise to a loss. Excluded are loans to companies for which it is provided for the cessation of the activity (for example, cases of voluntary liquidation or similar situations). The assessment also excludes the loans whose anomalous situation is due solely to factors pertaining to the country risk.

- Restructured receivables to ex Gruppo Delta: they refer to all receivables subject to the restructuring agreement of Delta Group, pursuant to article 182 bis of the Italian Bankruptcy Law. Taking into account the particular nature of the exposures (“Plusvalore Spa” and “Carifin Italia Spa”), these credits cannot be included in the categories listed in Regulations no. 2008-02, and a dedicated category was created in the Explanatory Notes.

- Performing loans: these are written down based on a standard method, to ensure coverage of the so-called "inherent risk"; the impairment of receivables is performed with downward adjustment of the value recorded in the balance sheet.

*** Bonds and other debt securities (item 40 of assets)**

The securities portfolio consists of securities held for investment and trading securities held for trading and treasury.
This item includes all debt instruments held in the portfolio of the bank, comprising tangible and intangible assets, such as government bonds, bonds, certificates of deposit and other financial instruments at fixed or variable income.
The assessments were performed in accordance with Regulation no. 2008-02 dated 09/23/2008 by the BCSM on the preparation of the Financial Statements of the banks.

Stocks, shares and other capital instruments (item no. 50)

The item includes all FINANCIAL INSTRUMENTS having nature of trading capital securities (stocks and shares), as well as CIU shares.

Holdings
This item includes all rights, whether represented by securities or not, in the capital of other companies, that create a long-term relationship with the bank.

Investment portfolio
The financial instruments of the investment portfolio, including all listed and unlisted financial instruments intended to be held for long term by the bank (until the natural expiry, unless exceptional events) are valued at their acquisition cost. They are written down in the event of permanent impairment of the ability to repay the debt by the issuer and the related country risk. These write-downs will be eliminated at if their reasons lack. Listed and unlisted financial instruments on organized (regulated) markets, which are "off balance sheet" transactions related to the investment portfolio, apply the same accounting policies as set forth above.
Please note that the long-term active and / or passive accrued expense depending on the result achieved by the difference between the cost to book and the nominal repayment amount divided by the remaining life of the security.

Trading portfolio
This portfolio includes all financial instruments held for investment purposes but for trading purposes to meet the cash and trading requirements.
The financial instruments which form part of the trading portfolio, listed or unlisted on an organized (regulated) market, are valued at market value. For the listed financial instruments, the market value is the value of listing. For the unlisted financial instruments, the market value is determined based on the value of similar listed and unlisted instruments or if this is not possible, based on reasonable estimates.
The determination of the value of trading securities is made by reference to the value determined at the date of the balance sheet.

The capital gains and losses, arising from the comparison between the market value at the date of December 31, 2012 with the latest book value, have been accounted for in the income statement.

* Intangible fixed assets (item 80 of assets)

Intangible assets are recorded at their original acquisition cost, adjusted for amortization carried out directly, systematically, based on the expected remaining life. The ordinary annual depreciation rate is 20%. With reference to the intangible assets related to contracts, the depreciation was calculated based on the duration of the latter.

* Tangible fixed assets (item 90 of assets)

Tangible fixed assets are recorded at their purchase cost, including ancillary costs and any additional expenses to increase.
The depreciation of fixed assets is carried out systematically with direct adjustment of the value by using the tax rates established by the Rey Decree no. 3 dated January 20, 1986, deemed adequate and representative of the value corresponding to the remaining useful life of the asset. If the asset has a value below the cost, we proceed to its devaluation. The impairment losses recognized in prior periods are not maintained if the reasons lack.
Please note that the letter Prot. 5584 dated 05/18/2012 by Tax Office of the Republic of San Marino has authorized the request of the bank to use depreciation equal to one half of the ordinary fee in relation to all durable goods acquired during the year to enhance the technical infrastructure of the Institute, so taking into account the actual useful life of the assets.

* Financial lease (leasing)

The amount of the assets under finance leases is recorded in item 90 of "tangible assets". Loans related to finance lease transactions are determined using the financial method, as provided by Law no. 115 dated 11/19/2001, and recorded as assets for the algebraic balance obtained by the difference between the capital funded or the historical cost of the asset and the related accumulated amortization powered by the principal amount of the fees due.
The interests of the fees accrued during the financial year are under item 10 of the income statement "Interest income and similar income on receivables" and, the capital is under items 70 "Other operating income" and 110 "Value adjustments on tangible assets" for the same amount with a neutral effect on the operating result.

* Assets and liabilities in currency

The assets and liabilities and the off balance sheet transactions are valued at the spot rate as at the balance sheet date, as set out in art. III.II.6 of Regulation no. 2008-02. The effect of this valuation is recognized in the income statement.
Foreign currency "off balance sheet" transactions are recorded at the spot rate of exchange as at the balance sheet date; in the case of spot transactions not yet settled or "hedging" transactions. In the latter case, the spreads between spot exchange rate and term to maturity of the contracts are recorded in the income statement according to criteria of timing and complement the interest on the assets and liabilities being hedged: it shall be counted in the income statement 10 and 20 "Interest income (expense) and income (expense)".

* “Off balance sheet" transactions (other than those on currency)

Off balance sheet transactions are assessed using the same criteria as for the assets / liabilities recognized in the financial statements according to whether they are recorded as intangible assets or non-constituent fixed assets.
The contracts for the sale of (spot or forward) securities, not yet settled at the balance sheet date, are assessed using criteria consistent with those adopted for the assessment of the securities in the portfolio.

* Debts to banks (item 10 of liabilities)

This item includes all amounts due to banks, regardless of their technical form, except those represented by financial instruments that should be brought under item 30.
Amounts due to banks include the amount of the value of the securities received by the originating bank in the operations of repurchase agreements and swaps in which the assignee bank assumes the obligation to resell.
The above items are recorded at their nominal value.

* Debts to customers (item 20 of liabilities)

This item includes all amounts due to customers, regardless of their technical form, except those represented by financial instruments that must be allocated to the item no. 30.
Amounts due to customers include the amount of the counter value of the securities received by the originating bank in the operations of repurchase agreements and swaps in which the client transferee customer assumes the obligation to resell.
The above items are recorded at their nominal value.

* Debts represented by securities (item 30 of liabilities)

Debts represented by financial instruments are recorded at their nominal value.
This item, as well as bonds and certificates of deposit, includes in the item "other financial instruments", their acceptances as well as atypical securities traded in Art. II.III.8 of Regulation no. 2007-07. Also included are financial instruments of debt that, at the date of the balance sheet, have not yet been repaid.
The "Repurchase agreements" operations on securities with customers, which provide that the transferee is obliged to resell the securities involved in the transaction, shown as "Term or with deposit due to customers b)" and are recorded at their "spot" value, while the underlying securities are shown under the item "Bonds and other debt securities."

* Other assets – Other liabilities (item 120 of assets – item 40 of liabilities)

This item includes all assets and liabilities not attributable to other assets or liabilities. It includes also balances ("debit balance" or "credit balance") of temporary or suspense items not allocated to destination accounts. Among other liabilities, the means of payment drawn on the bank, such as bank drafts, are also under detection.

*** Accrued expenses and deferred income (items 130 and 50 of liabilities)**

They are recognized in accordance with the principle of accrual, however, the principle adopted for accounting of all income and expenses, the share of interest income and expense and other income and expenses.
In compliance with the amendments made to article art. IV.I.13 of the Regulation, asset and liability accounts were adjusted directly, upwards or downwards, in the following cases:
a) in assets accounts, in relation to interest accrued on loans and securities;
b) in liability accounts, in relation to interest accrued on payables, whether or not represented by securities, which include “advance” interest, including issue discounts on bonds and on certificates of deposit.

*** Employee severance indemnity (liability item no. 60)**

The item shows the overall amount of severance pay shares for employees of the bank.

*** Provisions for risks and charges (item 70 of liabilities)**

These funds are intended solely to cover the losses, expenses or debts of a specific nature, either probable or certain, but for which, at the balance sheet date, have an uncertain amount and date of occurrence.
Provisions for risks and charges include:
- Provisions made for taxes to be paid, calculated based on a realistic estimate of the tax burden, in relation to the tax provision in force;
- Provisions to cover potential liabilities of which the exact amount or date of occurrence is not known;
- Provisions on implicit leasing receivables.

*** Provisions for general banking risks**

The function of this item Provisions for general banking risks is to cover the general business risk to which the bank is exposed. As they are similar to a capital reserve, these provisions represent a positive component of the tier one supervisory capital (cf. article VII.II.2 of REGULATION 2007/07). The balance of allocations and withdrawals (net variation) recorded by the fund during the year is recorded, with the relevant algebraic sign, in item 230 of the profit and loss account “Variation in the provisions for general banking risks”. Therefore, the constitution, provision and utilisation of the fund cannot take place during the allocation of the operating profit.

*** Guarantees**

This item includes all the guarantees provided by the bank as well as the assets sold as guarantee obligations of third parties.

*** Commitments**

This item includes every irrevocable certain or uncertain commitment, which may give rise to credit risks (i.e. margins available on irrevocable lines of credit granted to customers or banks).
The commitments arising from derivative contracts are valued in relation to their notional value.
Guarantees issued and commitments are recorded as follows:
- The contracts of deposit and loan based on the amount to be given;
- The irrevocable lines of credit based on the residual amount to be used;
- Other commitments and guarantees based on the value of the contractual commitment by the Bank.

Section 2 – Adjustments and tax provisions

No provisions and value adjustments solely for tax purposes were performed.

Section B/1

INFORMATION ON THE STATEMENT OF ASSETS AND LIABILITIES: ASSETS

Cash and cash equivalents (item 10 of assets)

Table 1.1
Breakdown of assets item 10 “Cash and cash equivalents”

			Variations	
	12/31/2014	12/31/2013	Amount	%
Banknotes and coins in Euros	1.155.261	903.288	251.973	27,90%
Foreign currency cash	114.773	15.539	99.234	638,61%
Other	-	11.350	(11.350)	(100,00%)
Total	**1.270.034**	**930.177**	**339.857**	**36,54%**

The item 10 "Cash and cash equivalents" includes all of the money and coins in Euros and foreign currency lying in the branches of the Institute.

Inter-bank loans (item 20 of assets)

Table 2.1
Breakdown of assets item 20 “Inter-bank loans”

	12/31/2014		12/31/2013		Variations	
	Euros	Currency	Euros	Currency	Amount	%
Sight credits:	**33.177.437**	**2.164.064**	**39.323.985**	**2.759.899**	**(6.742.383)**	**(16,02%)**
- Current accounts for performed services	6.753.347	2.164.064	30.933.841	-	(22.016.430)	(71,17%)
- Current accounts	-	-	8.390.144	2.759.899	(11.150.043)	(100,00%)
- Other	26.424.090	-	-	-	26.424.090	-
Other credits:	**16.167.096**	**904.085**	**5.545.478**	**796.063**	**10.729.640**	**169,20%**
- Term deposits	16.167.096	904.085	5.545.478	796.063	10.729.640	169,20%
- Current accounts	-	-	-	-	-	-
- Repos and reverse repos	-	-	-	-	-	-
- Other	-	-	-	-	-	-
Total	**49.344.533**	**3.068.149**	**44.869.463**	**3.555.962**	**3.987.257**	**8,23%**

The item 20 "Loans to banks" includes all amounts due from banks, regardless of their technical form, with the exception of loans represented by securities which are returned to item 40 of assets. These receivables are stated at their estimated realizable value.

The item “Sight credits” includes all current accounts and demand deposits held with other foreign and San Marino banks in Euro and in foreign currency.

Table 2.2
Breakdown of cash credits to banks

	12/31/2014			12/31/2013		
	Gross exposure	Total value adjustments	Net exposure	Gross exposure	Total value adjustments	Net exposure
Doubtful loans:	**-**	**-**	**-**	**-**	**-**	**-**
- Non-performing loans	-	-	-	-	-	-
- Substandard loans	-	-	-	-	-	-
- Restructured loans	-	-	-	-	-	-
- Past due/ overrun loans	-	-	-	-	-	-
- Unsecured loans to countries at risk	-	-	-	-	-	-
Performing loans	**52.412.682**	**-**	**52.412.682**	**48.425.425**	**-**	**48.425.425**
Total	**52.412.682**	**-**	**52.412.682**	**48.425.425**	**-**	**48.425.425**

The loans shown under “Performing loans” are considered collectable and therefore no further adjustments have not made.

Table 2.3
Changes in bad and doubtful loans to banks

	Non-performing loans	Substandard loans	Restructured loans	Past due/ overrun loans	Unsecured loans to countries at risk
Opening gross exposure	**-**	**-**	**-**	**-**	**-**
of which: for past-due interests	-	-	-	-	-
Increases :	**-**	**-**	**-**	**-**	**-**
- inflow from loans	-	-	-	-	-
- past-due interests	-	-	-	-	-
- other increases	-	-	-	-	-
Decreases :	**-**	**-**	**-**	**-**	**-**
- outflow to loans	-	-	-	-	-
- write-offs	-	-	-	-	-
- collections	-	-	-	-	-
- arising from sales	-	-	-	-	-
- other decreases	-	-	-	-	-
Closing gross exposure at 12/31/2014	**-**	**-**	**-**	**-**	**-**
of which: for past-due interests	-	-	-	-	-

Table 2.4
Changes in total value adjustments on “Inter-bank loans”

	Non-performing loans	Substandard loans	Restructured loans	Past due/ overrun loans	Unsecured loans to countries at risk	Performing loans
Opening total adjustments	**-**	**-**	**-**	**-**	**-**	**-**
Increases :	**-**	**-**	**-**	**-**	**-**	**-**
- Value adjustments	-	-	-	-	-	-
of which: for past-due interests	-	-	-	-	-	-
- Utilization of allowance for possible loan losses	-	-	-	-	-	-
- Transfers from other categories of loans	-	-	-	-	-	-
- Other increases	-	-	-	-	-	-
Decreases :	**-**	**-**	**-**	**-**	**-**	**-**
- Value recoveries from valuation	-	-	-	-	-	-
of which: for past-due interests	-	-	-	-	-	-
- Value recoveries from collection	-	-	-	-	-	-
of which: for past-due interests	-	-	-	-	-	-
- Write-offs	-	-	-	-	-	-
- Transfers from other categories of loans	-	-	-	-	-	-
- Other decreases	-	-	-	-	-	-
Closing total adjustments at 12/31/2014	**-**	**-**	**-**	**-**	**-**	**-**
of which: for past-due interests	-	-	-	-	-	-

Table 2.5
Composition of item “Inter-bank loans” according to residual life

	12/31/2014	12/31/2013
Sight	43.508.597	42.083.884
From 1 day to 3 months	3.000.000	5.520.478
From 3 months to 6 months	3.000.000	25.000
From 6 months to 1 year	2.000.000	-
From 1 year to 18 months	-	-
From 18 months to 2 years	-	-
From 2 years to 5 years	-	-
5 years+	-	-
No term	904.085	796.063
Total	**52.412.682**	**48.425.425**

The residual life corresponds to the time interval between the date of the financial statements and the contractual maturity of each transaction. In the case of bound operations, the deadline does not exceed 6 months. The security deposit to guarantee the operations of prepaid credit cards was brought under the item “Maturity not posted”.

Customer loans (item 30 of assets)

Table 3.1
Breakdown of assets item 30 "Customer loans"

	12/31/2014		12/31/2013		Variations	
	Euros	Foreign currency	Euros	Foreign currency	Amount	%
Sight / non-revolving loans :	**56.363.410**	**341**	**45.580.056**	**367**	**10.783.328**	**23,66%**
- Current accounts	15.260.710	341	17.910.344	367	(2.649.660)	(14,79%)
- Other	41.102.700	-	27.669.712	-	13.432.988	48,55%
Other loans :	**22.413.772**	**133.101**	**17.084.601**	**250.887**	**5.211.385**	**30,06%**
- Current accounts	6.330.488	-	3.846.322	-	2.484.166	64,59%
- Discounted portfolio and subject to collection	9.525.245	-	7.476.899	-	2.048.346	27,40%
- Repos and reverse repos	-	-	-	-	-	-
- Other loans	6.558.039	133.101	5.761.380	250.887	678.873	11,29%
Total	**78.777.182**	**133.442**	**62.664.657**	**251.254**	**15.994.713**	**25,42%**

The item 30 "Loans to customers" is the collection of credits arising from loan agreements entered into with customers, whatever is their technical form, and are stated at their estimated realizable value.
The items "C/c assets (at sight/other receivables)" include the summation of the debit balances on current accounts, including interest, in the form of current account according to the maturity of the loan itself.
The items "Other", "Discounted portfolio and subject to collection" and "Other loans" include credits arising from financing import / export transactions, open positions for portfolio advances, mortgage relationships with amortization schedule, grants and the loans.

Table 3.2
Secured customer loans

			Variations	
	12/31/2014	12/31/2013	Amount	%
From mortgages	**17.871.805**	**8.818.707**	**9.053.098**	**102,66%**
From pledges on :	**4.249.146**	**4.933.551**	**(684.405)**	**(13,87%)**
- Cash deposits	3.183.845	3.414.849	(231.004)	(6,76%)
- Securities	1.063.169	1.518.702	(455.533)	(29,99%)
- Other valuables	2.132	-	2.132	-
From guarantees by :	**23.576.980**	**19.749.428**	**3.827.552**	**19,38%**
- States	3.941.293	1.886.243	2.055.050	108,95%
- Other government bodies	-	-	-	-
- Banks	-	-	-	-
- Other finance companies	-	-	-	-
- Other issuers	19.635.687	17.863.185	1.772.502	9,92%
Total	**45.697.931**	**33.501.686**	**12.196.245**	**36,40%**

This table indicates the total amount of "Loans to customers" that are assisted, in whole or in part, by real and personal guarantees. If a credit is partially guaranteed, only the amount of loans guaranteed has been shown.

Table 3.3
Breakdown of cash credits to customers

	12/31/2014			12/31/2013		
	Gross exposure	Overall total adjustments	Net exposure	Gross exposure	Overall total adjustments	Net exposure
Bad and doubtful loans :	**12.417.555**	**3.992.815**	**8.424.740**	**9.690.925**	**2.522.332**	**7.168.593**
of which: from financial leases	*211.004*	*22.673*	*188.331*	-	-	-
- Non-performing loans	5.601.578	2.859.761	2.741.817	1.394.206	843.413	550.793
of which: from financial leases	*134.361*	*10.054*	*124.307*	-	-	-
- Substandard loans	579.981	142.888	437.093	2.271.327	756.665	1.514.662
of which: from financial leases	*12.518*	*38*	*12.480*	-	-	-
- Restructured loans	5.733.164	965.469	4.767.695	5.417.317	896.267	4.521.050
of which: credits to ex Gruppo Delta	*4.613.498*	*854.645*	*3.758.853*	*5.334.073*	*854.645*	*4.479.428*
of which: from financial leases	*37.500*	*11.250*	*26.250*	-	-	-
- Past due / overrun loans	493.163	24.658	468.505	502.761	25.138	477.623
of which: from financial leases	*26.625*	*1.331*	*25.294*	-	-	-
- Unsecured loans to countries at risk	9.669	39	9.630	105.314	849	104.465
Performing loans	**86.898.443**	**388.544**	**86.509.899**	**69.994.233**	**548.940**	**69.445.293**
of which: from financial leases	*16.040.787*	*80.204*	*15.960.583*	*13.873.315*	*6.446*	*13.866.869*
Total	**99.315.998**	**4.381.359**	**94.934.639**	**79.685.158**	**3.071.272**	**76.613.886**

The table shows the situation of cash credits for each category of credit, as dictated by art. I.I.2 of Regulation no. 2007-07. The table also includes credit deriving from financial leases; therefore, the final net exposure coincides with the sum of items no. 30 “Loans to customers”, no. 80 “Intangible fixed assets” (a + b) and no. 90 “Tangible fixed assets” (a + b).
The write-backs for general risks on credits equal 0.5% of the same credits. The institute proceeded to the classification of receivables claimed to the ex Gruppo Delta among the restructured loans giving specific reports by creating the appropriate subheading.

Table 3.4
Changes in bad and doubtful loans to customers

	Non-performing loans	Substandard loans	Restructured loans	Past due/ overrun loans	Unsecured loans to countries at risk
Opening gross exposure	**1.394.206**	**2.271.327**	**5.417.317**	**502.761**	**105.314**
of which: for past-due interests	*43.269*	*1.386*	-	-	-
Increases :	**4.637.425**	**554.485**	**1.059.584**	**484.435**	**9.669**
- inflow from performing loans	3.804.189	382.019	899.892	484.163	-
- past-due interests	27.920	1.498	14	210	-
- other increases	805.316	170.968	159.678	62	9.669
Decreases :	**430.053**	**2.245.831**	**743.737**	**494.033**	**105.314**
- outflow to loans	-	1.601.508	-	227.381	-
- write-offs	145.218	-	-	-	-
- collections	284.835	7.032	743.737	52.860	105.314
- arising from sales	-	-	-	-	-
- other decreases	-	637.291	-	213.792	-
Closing gross exposure at 12/31/2014	**5.601.578**	**579.981**	**5.733.164**	**493.163**	**9.669**
of which: for past-due interests	*68.519*	*1.997*	*14*	*267*	-

This table provides a representation of the up and down changes that occurred during the financial year in the amount of gross exposures of doubtful credits.
During 2014, the Institute has been revised in full all amounts receivable in an analytical way, providing for their reclassification taking into account the risk involved.

Table 3.5
Changes in total value adjustments on customer loans

	Non-performing loans	Substandard loans	Restructured loans	Past due/ overrun loans	Unsecured loans to countries at risk	Performing loans
Opening total adjustments	**843.413**	**756.665**	**896.267**	**25.138**	**849**	**548.940**
Increases :	**2.167.703**	**138.114**	**71.805**	**24.223**	**39**	**252.574**
- Value adjustments	2.157.083	127.959	71.805	21.249	39	251.272
of which: for past-due interests	*20.523*	-	-	-	-	-
- Utilization of allowance for possible loans	-	-	-	-	-	-
- Transfers from other categories of loans	10.620	10.155	-	2.974	-	1.302
- Other increases	-	-	-	-	-	-
Decreases :	**151.355**	**751.891**	**2.603**	**24.703**	**849**	**412.970**
- Value recoveries	-	751.618	2.603	15.293	849	349.955
of which: for past-due interests	-	-	-	-	-	-
- Value recoveries from collection	6.137	273	-	-	-	2.681
of which: for past-due interests	-	-	-	-	-	-
- Write-offs	145.218	-	-	-	-	44.694
- Transfers to other categories of loans	-	-	-	9.410	-	15.640
- Other decreases	-	-	-	-	-	-
Closing total adjustments at 12/31/2014	**2.859.761**	**142.888**	**965.469**	**24.658**	**39**	**388.544**
of which: for past-due interests	*50.295*	-	-	-	-	-

This table shows the changes that occurred during the year in the amount of the total value adjustments on cash.

Table 3.6
Composition of assets item “Customer loans” according to residual life

	12/31/2014	12/31/2013
Sight	20.010.910	21.859.442
From 1 day to 3 months	13.236.553	9.899.459
From 3 months to 6 months	4.798.101	4.998.527
From 6 months to 1 year	8.226.859	3.553.265
From 1 year to 18 months	3.726.269	2.708.091
From 18 months to 2 years	3.535.110	3.762.550
From 2 years to 5 years	14.920.599	12.129.940
5 years+	23.636.823	16.901.084
No term	2.843.415	801.528
Total	**94.934.639**	**76.613.886**

The term "residual life" means the time interval between the date of the financial statements and the contractual maturity of each transaction. In particular, for transactions with repayment plans, reference was made to the remaining duration of a single instalment.

Table 3.7
Breakdown of “Loans to customers” (net values) by economic activity sector

	12/31/2014	12/31/2013
Government and public sector	2.835.750	10
Financial companies	3.800.676	62.720
Non-financial companies	56.246.863	47.484.089
- industry	21.649.103	21.191.992
- building	3.546.203	2.368.667
- services	31.051.330	23.923.430
- other	227	-
Families	31.977.666	24.379.670
Other	73.684	4.687.397
Total	**94.934.639**	**76.613.886**

Bonds and other debt securities and shares, quotas and other capital securities (items 40 and 50 of assets)

Table 4.1
Composition of investment and trading securities

	Investment	Trading
Bonds and other debt securities :	**40.168.496**	**114.924.536**
- issued by public bodies	9.811.443	19.063.632
- issued by banks	17.282.476	70.666.651
- issued by financial institutions	5.358.274	8.616.595
- issued by other bodies	7.716.303	16.577.658
Shares, quotas and other capital securities	**-**	**5.111.223**
Total at 12/31/2014	**40.168.496**	**120.035.759**

The securities in the portfolio are exclusively owned bonds issued by sovereign states, banks and private companies belonging to zone A.
The trading portfolio consists of securities held for trading and/or maintained for the cash requirements. The investment portfolio, as required by law, is valued at purchase or transfer value from another portfolio, while the trading portfolio is valued at its market value.

Table 4.2
Breakdown of investment securities

		12/31/2014		12/31/2013
	Book Value	Market Value	Book Value	Market Value
Debt securities :	**40.168.496**	**40.291.649**	**37.374.111**	**37.553.018**
- Bonds	40.168.496	40.291.649	37.374.111	37.553.018
listed	33.552.045	33.847.973	30.342.814	30.350.818
unlisted	6.616.451	6.443.676	7.031.297	7.202.200
- Other debt securities	-	-	-	-
listed	-	-	-	-
unlisted	-	-	-	-
Capital securities :	**-**	**-**	**-**	**-**
- listed	-	-	-	-
- unlisted	-	-	-	-
Total	**40.168.496**	**40.291.649**	**37.374.111**	**37.553.018**

Investment securities are composed of bonds issued by sovereign states and banks for about 80%, the remaining part consists of bonds issued by private companies in which a stake is held by the States.

Table 4.3
Annual variations to investment securities

	12/31/2014	12/31/2013
Opening balance	**37.374.111**	**14.182.678**
Increases :	**19.339.612**	**37.627.456**
- Purchases	3.868.846	-
of which: debt securities	*3.868.846*	-
- Value recoveries	-	-
- Transfers from trading portfolio	13.243.011	36.973.660
- Other variations	2.227.755	653.796
Decreases :	**16.545.227**	**14.436.023**
- Sales	15.325.452	11.292.379
of which: debt securities	*15.325.452*	*11.292.379*
- Redemptions	-	-
- Value adjustments	-	-
of which: lasting devaluations	-	-
- Transfers to trading portfolio	574.548	3.108.695
- Other variations	645.227	34.949
Closing balance	**40.168.496**	**37.374.111**

In order to achieve a proper management policy and in particular to reduce and optimize the strong imbalance between deposit volumes and reduced loans, as provided for by article IV.V.1 of BCSM Regulation no. 2008-02, it should be noted that the following actions were carried out during the year:
- investment securities were sold in advance for a total of about 15.3 million Euros: this transfer generated extraordinary positive income components amounting to about 1.3 million Euros and negative ones amounting to about 0.1 million Euros;
- securities were transferred from the free portfolio to the investment portfolio for a total of about 13.2 million Euros: in the absence of such transfer, the value of the securities would have been, as of 31/12/2014, down by about 1.3 million Euros, while overall, the valuation at market prices of the entire investment security portfolio as of 31/12/2014 was up by about 0.1 million Euros.
- securities were transferred from the investment portfolio to the free portfolio for a total of about 0.6 million Euros: this transfer generated extraordinary negative income components amounting to about 0.1 million Euros.

Table 4.4
Breakdown of "Trading securities"

	12/31/2014	12/31/2013
	Market Value	Market Value
Debt securities :	**114.924.536**	**68.713.451**
- Bonds	114.924.536	68.713.451
listed	105.071.486	53.823.748
unlisted	9.853.050	14.889.703
- Other debt securities	-	-
listed	-	-
unlisted	-	-
Capital securities :	**5.111.223**	**4.065.343**
- listed	5.111.223	4.065.343
- unlisted	-	-
Total	**120.035.759**	**72.778.794**

Table 4.5
Annual variations to “Trading securities”

	12/31/2014	12/31/2013
Opening balance	**72.778.794**	**42.003.708**
Increases :	**291.923.205**	**335.721.451**
- Purchases	283.878.190	328.710.102
of which: debt securities	*258.796.717*	*303.215.736*
of which: capital securities	*25.081.473*	*25.494.366*
- Value recoveries and revaluation	2.138.228	747.419
- Transfers from investment portfolio	574.548	3.108.695
- Other variations	5.332.239	3.155.235
Decreases :	**244.666.240**	**304.946.365**
- Sales and redemption	228.727.348	267.189.584
of which: debt securities	*204.536.618*	*245.691.160*
of which: capital securities	*24.190.730*	*21.498.424*
- Value adjustments and revaluation	2.014.707	605.496
- Transfers to investment portfolio	13.243.011	36.973.660
- Other variations	681.174	177.625
Closing balance	**120.035.759**	**72.778.794**

The valuation of investment securities is based on market value as at 12/31/2014. The effect of this method finds its effects under the item "Write-downs and write-ups" and "Value adjustments and write-downs."

Transactions on own shares (item 110 of assets)

During 2014, repurchase and sale of own shares in the portfolio have not been entered.

Investments (items 60 and 70 of assets)

Table 6.1
Holdings

Denominations	Headquarters	Activity performed	Net equity	Profit / Loss	Share %	Book Value
Companies of the banking group :						
No investment						
Other subsidiaries :						
No investment						
Other investee companies :						
S.P.A. Central Bank of the Republic of San Marino	Via del Voltone, 120 (San Marino)	Bank	81.361.159	293.890	1,00%	811.848

In December 2014, the Bank signed the purchase of 1% of the shares of the Central Bank of the Republic of San Marino.

Table 6.2
Comparison between net equity valuation and cost valuation

Denomination	Activity performed	Share capital	Share %	Net equity share (a)	Book value share (b)	Comparisons (a) – (b)
S.P.A. Central Bank of the Republic of San Marino	Bank	12.911.425	1,00%	813.615	811.848	1.767

Table 6.3
Composition of item 60 “Holdings”

	12/31/2014	12/31/2013
In banks	811.848	-
- listed	-	-
- unlisted	811.848	-
In other financial companies	-	-
- listed	-	-
- unlisted	-	-
Other	-	-
- listed	-	-
- unlisted	-	-
Total	811.848	-

Table 6.4
Annual changes of item 60 “Holdings”

	12/31/2014
Opening balance	-
Increases :	811.848
- Purchases	811.848
- Writebacks	-
- Revaluations	-
- Other changes	-
Decreases:	-
- Sales	-
- Value adjustments	-
of which: permanent writedowns	-
- Other changes	-
Closing balance	811.848
Total revaluations	-
Total adjustments	-

Table 6.6
“Assets and liabilities to holdings” of item 60

	12/31/2014
Assets	9.623.947
- loans to banks	9.623.947
of which: subordinate	-
- loans to other financial companies	-
of which: subordinate	-
- loans to other companies	-
of which: subordinate	-
- bonds and other debt financial instruments	-
of which: subordinate	-
Liabilities	-
- amounts due to banks	-
- amounts due to other financial companies	-
- amounts due to other companies	-
- subordinate liabilities	-
Guarantees and commitments	-
- guarantees given	-
- commitments	-

Intangible fixed assets (item 80 of assets)

Table 7.1
Movements and description of assets item 80 “Intangible fixed assets”

	12/31/2014	Leased assets	Assets to be leased	Of which assets resulting from annulled lease contracts for breach of tenant	Start-up costs	Other deferred charges
Opening balance	**857.770**	**-**	**-**	**-**	**-**	**857.770**
Increases :	**131.587**	**-**	**-**	**-**	**-**	**131.587**
- Purchases	131.587	-	-	-	-	131.587
- Value recoveries	-	-	-	-	-	-
of which for credit rating	-	-	-	-	-	-
- Revaluations	-	-	-	-	-	-
- Other variations	-	-	-	-	-	-
Decreases :	**181.156**	**-**	**-**	**-**	**-**	**181.156**
- Sales	-	-	-	-	-	-
- Value adjustments	181.156	-	-	-	-	181.156
of which, depreciations	*181.156*	-	-	-	-	*181.156*
of which, lasting devaluations	-	-	-	-	-	-
of which for credit rating	-	-	-	-	-	-
- Other variations	-	-	-	-	-	-
Closing balance at 12/31/2014	**808.201**	**-**	**-**	**-**	**-**	**808.201**

This table shows the change of the intangible assets in the balance sheet at their acquisition cost, net of direct straight-line depreciation.
The item “Purchases” mainly consists of costs incurred for software implementations.

Tangible fixed assets (item 90 of assets)

Table 8.1
Movements and description of assets item 90 "Tangible fixed assets"

	12/31/2014	Leased assets	Assets to be leased	Of which assets resulting from annulled lease contracts for breach of tenant	Real estate	Other tangible
Opening balance	**14.958.442**	**13.697.975**	**-**	**-**	**-**	**1.260.467**
Increases :	**9.666.633**	**9.517.264**	**102.473**	**102.473**	**-**	**46.896**
- Purchases	8.797.423	8.750.527	-	-	-	46.896
- Value recoveries	-	-	-	-	-	-
of which for credit rating	-	-	-	-	-	-
- Revaluations	766.737	766.737	-	-	-	-
- Other variations	102.473	-	102.473	102.473	-	-
Decreases :	**7.476.839**	**7.293.390**	**307**	**307**	**-**	**183.142**
- Sales	1.892.676	1.892.676	-	-	-	-
- Value adjustments	4.011.940	3.828.491	307	307	-	183.142
of which, depreciations	*3.949.980*	*3.766.838*	-	-	-	*183.142*
of which, lasting devaluations	-	-	-	-	-	-
of which for credit rating	*61.960*	*61.653*	*307*	*307*	-	-
- Other variations	1.572.223	1.572.223	-	-	-	-
Closing balance at 12/31/2014	**17.148.236**	**15.921.849**	**102.166**	**102.166**	**-**	**1.124.221**

The table below shows the movements in property, plant and equipment recorded in the balance sheet at their acquisition cost, net of accumulated depreciation.
It should be noted that almost all of the "Purchases" are related to the acquisition of new assets leased to third parties for financial leasing contracts.

Other assets (items 120 and 130 of assets)

Table 9.1
Breakdown of assets item 120 "Other assets"

	12/31/2014	12/31/2013
Maintenance margins	-	-
Premiums paid for options	-	-
Others :	17.340.632	15.156.030
- Effects received from correspondent banks	1.163.522	1.036.900
- Effects from SBF customers	10.685.341	9.523.304
- Effects after collection from customers	1.501.847	1.861.512
- Illiquid effects	2.298.033	1.346.942
- Transitional accounts-items to be settled	138.772	68.664
- I.G.R. advances and withholding of the Tax Office	538.328	303.019
- Anticipated taxes as per Art. 40 Law no. 150/2012	1.014.639	1.014.639
- Other items	150	1.050
Total	**17.340.632**	**15.156.030**

Table 9.2
Composition of assets item 130 “Accrued revenues and deferred expenses”

	12/31/2014	12/31/2013
Accrued revenues on :	**215.712**	**1.919.689**
- on loans and grants	-	42.293
- on foreign transactions	34.875	24.275
- on banks	111.027	-
- on securities	-	1.807.950
- on leasing transactions	525	2.624
- on other transactions	69.285	42.547
Deferred expenses	**116.348**	**119.577**

With particular reference to this item, it should be noted that, for the year 2014, the Bank, where possible, adjusted upwards or downwards the asset accounts to which accrued income and prepaid expense refer, pursuant to article IV.I.13 of Regulation no. 2008-02 of the Central Bank.

Section B/2

INFORMATION ON THE STATEMENT OF ASSETS AND LIABILITIES: LIABILITIES

Debts with banks (item 10 of liabilities)

Table 10.1
Description of item 10 of liabilities “Debts with banks”

	12/31/2014		12/31/2013		Variations	
	Euro	Foreign Currency	Euro	Foreign Currency	Amount	%
Sight debts :	**1.459.611**	**-**	**201.559**	**-**	**1.258.052**	**624,16%**
- Current accounts overdrafts	198.109	-	201.559	-	(3.450)	(1,71%)
- Demand deposits	1.261.502	-	-	-	1.261.502	-
- Other	-	-	-	-	-	-
Term or notice debt :	**-**	**-**	**-**	**-**	**-**	**-**
- Current accounts overdrafts	-	-	-	-	-	-
- Time deposits	-	-	-	-	-	-
- Repos and reverse repos	-	-	-	-	-	-
- Other loans	-	-	-	-	-	-
Total	**1.459.611**	**-**	**201.559**	**-**	**1.258.052**	**624,16%**

The table shows the debts that the Institute has towards San Marino and foreign banks.

Table 10.2
Composition of debts with banks according to residual life

	12/31/2014	12/31/2013
Sight	1.459.611	201.559
From 1 day to 3 months	-	-
From 3 months to 6 months	-	-
From 6 months to 1 year	-	-
From 1 year to 18 months	-	-
From 18 months to 2 years	-	-
From 2 years to 5 years	-	-
5 years+	-	-
No term	-	-
Total	**1.459.611**	**201.559**

Please note that "residual life" means the time interval between the date of the financial statements and the contractual maturity of each transaction.
As can be seen, the Institute does not have debts to other banks other than those relating to the ordinary operation.

Debts with customers (item 20 of liabilities)

Table 11.1
Breakdown of item 20 of liabilities "Debts with customers"

		12/31/2014		12/31/2013
	In euros	In foreign currency	In euros	In foreign currency
Sight debts :	**75.259.936**	**4.048.130**	**59.125.020**	**2.923.217**
- Current accounts overdrafts	74.822.051	4.048.130	58.079.738	2.923.217
- Sight savings deposits	319.744	-	236.131	-
- Other	118.141	-	809.151	-
Term or notice debts:	**39.157.519**	**28.766**	**28.013.189**	**-**
- Time deposits	-	-	-	-
- Time savings deposits	-	-	-	-
- Repos and reverse repos	34.898.519	-	26.771.070	-
- Other funds	4.259.000	28.766	1.242.119	-
Total	**114.417.455**	**4.076.896**	**87.138.209**	**2.923.217**

This table lists all the amounts due to customers regardless of their technical form, except those represented by financial instruments which are brought back to item 30 of liabilities.
Compared to 2013, there was a strong increase in both debts in sight and term debts, due to the constant increase in direct revenues.

Table 11.2
Composition of debts with customers according to residual life

	12/31/2014	12/31/2013
Sight	79.308.065	62.048.237
From 1 day to 3 months	861.057	2.290.289
From 3 months to 6 months	10.984.085	2.049.293
From 6 months to 1 year	26.511.144	23.673.607
From 1 year to 18 months	150.000	-
From 18 months to 2 years	680.000	-
From 2 years to 5 years	-	-
5 years+	-	-
No term	-	-
Total	**118.494.351**	**90.061.426**

The table shows how the amounts due to customers have maturity up to 2 years.

Funds (items 60, 70 and 80 of liabilities)

Table 12.1
Movements of item 60 of liabilities “Staff retirement allowances”

	12/31/2014	12/31/2013
Opening balance	**208.117**	**174.449**
Increases :	**228.541**	**208.117**
- Provisions	228.541	208.117
- Other variations	-	-
Decreases :	**208.117**	**174.449**
- Utilization	208.117	174.449
- Other variations	-	-
Closing balance	**228.541**	**208.117**

As required by law, the TFR is paid annually to employees of the Institute. Accordingly, the balance at the end of 2014 coincides with the relative share of the current year to be settled within the next year.

Table 12.2
Breakdown of item 70 of liabilities “Risks and fees funds”

	12/31/2014	12/31/2013
Taxes and fees fund	171.685	210.801
Fund for post-employment benefits and similar obligations	-	-
Other funds :	68.965	69.188
- Fund for paid and unused leave	68.965	69.188
Total	**240.650**	**279.989**

The amount of the tax liability will be partially compensated by the use of deferred tax assets in accordance with the rules laid down by art. 40 of the Finance Act 2013 (No. 150/2012).

Table 12.3
Breakdown of “Tax reserves”

	12/31/2014	12/31/2013
Opening balance	**210.801**	**-**
Increases:	**171.685**	**210.801**
- Provisions	171.685	210.801
- Other variations	-	-
Decreases:	**210.801**	**-**
- Utilization	210.801	-
- Other variations	-	-
Closing balance	**171.685**	**210.801**

Table 12.4
Shifting of sub-item c) “Other provisions”

	12/31/2014	12/31/2013
Opening balance	**69.188**	**30.734**
Increases:	**30.466**	**60.360**
- Provisions	30.466	60.360
- Other variations	-	-
Decreases:	**30.689**	**21.906**
- Utilization	30.689	21.906
- Other variations	-	-
Closing balance	**68.965**	**69.188**

The table represents the movements in the "Fund untaken leave" in 2014.

Other liabilities (items 40 and 50 of liabilities)

Table 13.1
Composition of item 40 of liabilities “Other liabilities”

	12/31/2014	12/31/2013
Maintenance margins	-	-
Premiums received for options	-	-
Other :	18.876.636	16.041.397
- Cheques in circulation	134.458	39.365
- Transferor of SBF effects	14.147.512	11.839.618
- Transferor of After-collection effects	2.277.423	2.361.623
- Due to Tax Office	549.011	483.119
- Transitional accounts and items to be settled	611.610	122.829
- Other creditors	1.156.622	1.194.843
Total	**18.876.636**	**16.041.397**

The sub-item "Due to Tax Office" includes the liabilities against the State relating to withholdings made on interest, premium and other income paid by the Institute to its customers as required under the Tax Law. This item also includes debts for single-phase tax and withholding tax on income from employment.
The sub-item "Sundry creditors" is consists of the following:

	Amount
Supplier invoices to be received	62.448
Payables to I.S.S.	70.479
Payables to F.S.S.	2.329
Payables to C.S.U.	385
Employees payroll account	175.815
Payables to suppliers	637.644
Amounts in favour of third parties	207.522
Total sub-item	**1.156.622**

Table 13.2
Composition of item 50 of liabilities "Accrued expenses and deferred revenues"

	12/31/2014	12/31/2013
Accrued expenses on :	**103.501**	**1.402.717**
- on certificates of deposit	-	1.188.772
- on savings deposits	-	139.688
- on bonds	-	2.083
- other transactions	103.501	72.174
Deferred revenues	**11.756**	**9.689**

Please note that, as for item 50 of the assets, the Institute has not adjusted directly the increased or decreased liability accounts to which accruals and deferrals relate as provided by art. IV.I.13 of Regulation no. 2008-02 of the Central Bank. "Deferred income" mainly refers to advance payments and fees on endorsement loans.

Corporate capital, Reserves, Issue premium, Subordinated liabilities, Fund for general banking risks and Profit for the financial year (items 90, 100, 110, 120, 130, 150 and 160 of liabilities)

Table 14.1
Composition of item 90 of liabilities "Fund for general banking risks"

	12/31/2014	12/31/2013
Opening balance	**500.000**	**-**
Inflow in the financial year	1.000.000	500.000
Utilization in the financial year	-	-
Closing balance	**1.500.000**	**500.000**

''General and banking risks fund'' has been reconstituted with a contribution amounting to € 1.000.000 as approved by the Board of Directors of 12/12/2014 in order to strengthen the capital. Therefore, the Fund in question shows a final balance of 1,500,000 Euros.

Table 14.2
Breakdown of item 100 of liabilities "Subordinated liabilities"

			Variations	
	12/31/2014	12/31/2013	Amount	%
Subordinated liabilities	3.001.705	3.000.000	1.705	0,06%

The difference compared the year 2013 is due to the direct adjustment of accrued interest as at the reference date.

Table 14.3
Breakdown of item 110 of liabilities “Corporate capital or endowment fund”

	12/31/2014	12/31/2013	Variation Amount	Variation %
Number of shares	20.000	20.000	-	-
Nominal value	1.000	1.000	-	-
Corporate capital	**20.000.000**	**20.000.000**	**-**	**-**

Table 14.5
Breakdown of item 130 of liabilities “Reserves”

	12/31/2014	12/31/2013	Variations Amount	Variations %
Ordinary reserve	226.620	22.075	204.545	926,59%
Extraordinary reserve	88.302	88.302	-	-
Reserve for own transactions	-	-	-	-
Other reserves	818.963	786	818.177	104093,77%
Total	**1.133.885**	**111.163**	**1.022.722**	**920,02%**

With a resolution dated May 26, 2014, the shareholders' meeting approved the allocation of profits of the year 2013 as follows:
- contribution of EUR 204.545 to the “Ordinary reserve";
- contribution of EUR 818.177 to the “Extraordinary reserve”.

Table 14.7
Breakdown of item 160 “Profit (Loss) for the financial year”

	12/31/2014	12/31/2013	Variations Amount	Variations %
Profit/Loss for the year	1.090.936	1.022.721	68.215	6,67%

Table 14.8
Variation to net equity in the last 4 years

	12/31/2014	12/31/2013	12/31/2012	12/31/2011
Corporate capital	20.000.000	20.000.000	16.200.000	13.000.000
Uncalled capital	-	-	-	-
Issue premium	-	-	-	-
Ordinary reserve	226.620	22.075	738	445.866
Other reserves	907.265	89.088	3.740	743.544
Operating performance	1.090.936	1.022.721	106.685	3.693
Profits (Losses) carried forward	-	-	-	-
Fund for general banking risks	1.500.000	500.000	-	250.000
Total	**23.724.821**	**21.633.884**	**16.311.163**	**14.443.103**

Table 14.9
Table of net equity variations

	Value at 12/31/2013	Profit allocation	Other variations	Profit for the financial year	Value at 12/31/2014
Fund for general banking risks	500.000	-	1.000.000	-	1.500.000
Corporate capital	20.000.000	-	-	-	20.000.000
Issue premium	-	-	-	-	-
Reserves:	111.163	1.022.721	1	-	1.133.885
a) Ordinary reserve	22.075	204.544	1	-	226.620
b) Extraordinary reserve	88.302	-	-	-	88.302
c) Other reserves	786	818.177	-	-	818.963
Profit (Loss) for the financial year	1.022.721	(1.022.721)	-	1.090.936	1.090.936
Total Net Equity	**21.633.884**	**-**	**1.000.001**	**1.090.936**	**23.724.821**

We summarize the key events that have characterized the changes in shareholders' equity during the financial year:
- allocation of the financial year 2013 profit entirely in capital reserves for EUR 1.022.721 as approved by the shareholders meeting on May 26, 2014;
- establishment of banking risks reserve for € 1.000.000 as approved by the BOARD OF DIRECTORS of December 12, 2014.

Revaluation reserves (item 140 of liabilities)

None.

Prudential aggregates

Table 16.1
Prudential aggregates

	Amount - %
Regulatory capital	
- Basic assets	22.916.620
- Supplementary assets	-
- Elements to be deducted	2.676.803
- Assets for supervisory purposes	20.239.817
Assets at risk and capital adequacy ratio	
- Weighted risks assets	154.019.093
- Assets for supervisory purposes/Weighted risks assets	13,14%

Guarantees and Commitments

Table 17.1
Composition of "Guarantees issued"

	12/31/2014	12/31/2013	Variations Amount	Variations %
Endorsement credits of a trade nature	1.233.786	1.470.121	(236.335)	(16,08%)
Endorsement credits of a financial nature	388.169	349.601	38.568	11,03%
Assets pledged as collateral security	-	-	-	-
Total	**1.621.955**	**1.819.722**	**(197.767)**	**(10,87%)**

Table 17.2
Composition of credit commitments

	12/31/2014	12/31/2013	Variations Amount	%
Credit commitments of a trade nature :	**1.233.786**	**1.470.121**	**(236.335)**	**(16,08%)**
- Acceptances	40.074	187.552	(147.478)	(78,63%)
- Guarantees and endorsements	944.353	904.424	39.929	4,41%
- Strong comfort letter	-	-	-	-
- Other	249.359	378.145	(128.786)	(34,06%)
Credits commitments of a financial nature :	**388.169**	**349.601**	**38.568**	**11,03%**
- Acceptances	-	-	-	-
- Guarantees and endorsements	388.169	349.601	38.568	11,03%
- Strong comfort letter	-	-	-	-
- Other	-	-	-	-
Total	**1.621.955**	**1.819.722**	**(197.767)**	**(10,87%)**

Table 17.5
Composition of "Spot commitments"

	12/31/2014	12/31/2013	Variations Amount	%
Commitments to grant finance certain to be called on	**-**	**-**	**-**	**-**
of which: commitments for financing to be granted	-	-	-	-
Commitments to exchange financial instruments certain to be called on	**-**	**200.216**	**(200.216)**	**(100,00%)**
Commitments to grant finance not certain to be called on :	**896.174**	**1.521.034**	**(624.860)**	**(41,08%)**
of which: passive margins usable on credit lines	*896.174*	*1.521.034*	*(624.860)*	*(41,08%)*
of which: put option issued		-	-	-
Commitments to exchange financial instruments not certain to be called on	**4.259.000**	**-**	**4.259.000**	**-**
Other commitments	**-**	**-**	**-**	**-**
Total	**5.155.174**	**1.721.250**	**3.433.924**	**199,50%**

The item "Commitments to disburse funds for uncertain use" includes available margins on lines of credit granted by the customer.

Table 17.6
Composition of "Forward commitments"

	Coverage	Negotiations	Other transactions
Trades :	**3.885.359**	**556.307**	**-**
- Financial instruments	-	556.307	-
purchases	-	277.861	-
sales	-	278.446	-
- Currencies	3.885.359	-	-
currency against currency	-	-	-
purchases against EUR	753.360	-	-
sales against EUR	3.131.999	-	-
Deposits and loans :	**-**	**-**	**-**
- to be given	-	-	-

- to be received	-	-	-
Derivative contracts	**-**	**-**	**-**

The item "Trades" lists all the outstanding off-balance transactions at year-end relating to contracts of sale not yet settled. The contracts involving the exchange of two currencies have been shown with reference to the single currency to be purchased.

Concentration and distribution of assets and liabilities

Table 18.1
Major risks

			Variations	
	12/31/2014	12/31/2013	Amount	%
Amount	22.185.861	20.557.997	1.627.864	7,92%
Number	7	8	(1)	(12,50%)

Table 18.2
Risks with related parties

			Variations	
	12/31/2014	12/31/2013	Amount	%
Amount	8.675.900	10.108.415	(1.432.515)	(14,17%)
Number	10	10	-	-

Table 18.3
Distribution of customer loans for main debtor categories

	Total	Sight	From 1 day to 3 months	From 3 months to 6 months	From 6 months to 1 year	From 1 year to 18 months	From 1 year to 18 months	From 18 months to 2 years	From 18 months to 2 years	From 2 years to 5 years	From 2 years to 5 years	More than 5 years	More than 5 years	No term
						F	V	F	V	F	V	F	V	
ASSETS:														
Inter-bank loans	52.412.682	43.508.597	3.000.000	3.000.000	2.000.000	-	-	-	-	-	-	-	-	904.085
Customer loans	94.934.639	20.010.910	13.236.553	4.798.101	8.226.859	647.437	3.078.832	581.560	2.953.550	1.532.016	13.388.583	111.700	23.525.123	2.843.415
Bonds and other debt securities	155.093.032	-	9.437.261	3.804.129	16.197.138	1.087.789	7.033.257	3.557.713	7.112.393	27.708.480	13.213.627	24.906.666	41.034.579	-
Off-balance sheet operations	9.596.840	1.452.481	4.968.573	2.804.460	371.326	-	-	-	-	-	-	-	-	-
LIABILITIES:														
Debts with banks	1.459.611	1.459.611	-	-	-	-	-	-	-	-	-	-	-	-
Debts with customers	118.494.351	79.308.065	861.057	10.984.085	26.511.144	150.000	-	680.000	-	-	-	-	-	-
Debts represented by securities:														
- bonds	28.775.742	-	-	-	-	-	-	-	-	28.775.742	-	-	-	-
- certificates of deposit	134.321.259	3.873.067	41.942.863	38.379.129	22.384.997	18.526.934	-	1.371.368	-	7.842.901	-	-	-	-
- other securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities: cheques in circulation	134.458	134.458	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated liabilities	3.001.705	-	3.001.705	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet operations	9.596.840	1.452.481	4.968.573	2.804.460	371.326	-	-	-	-	-	-	-	-	-

This table shows a time cross-section of the remaining life of the asset and liability of the balance sheet. The column "Deadline not conferred" shows the doubtful credits and receivables for which there was found an appropriate allocation of temporal relevance.

Suspence accounts

Table 19.1
Suspence accounts

	12/31/2014	12/31/2013
Asset management :	**71.404.369**	**55.416.355**
- Customer asset management	71.404.369	55.416.355
of which cash	*9.834.402*	*7.247.443*
of which debt securities issued by the reporting institution	*9.834.402*	*7.247.443*
of which debt securities	*51.440.082*	*35.072.364*
of which debt securities issued by the reporting institution	*355.000*	-
of which capital securities and CIU shares	*10.129.885*	*13.096.548*
of which cash deposited at the reporting institution	-	-
- Portfolios managed by third parties	-	-
Securities custody and management :	**252.020.313**	**172.047.018**
- Deposited third party securities	94.272.809	61.894.113
of which: owned issued securities (debts)	*31.386.000*	*3.000.000*
of which: owned issued securities (equities)	*17.800.000*	*16.726.000*
of which: third party securities deposited with third parties	*41.145.871*	*38.454.564*
- Owned securities deposited with third parties	157.747.504	110.152.905
Securities and other values related to the custodian bank's activity	**-**	**-**
- Cash	-	-
of which cash deposited by the reporting institution	-	-
- Debt securities	-	-
of which debt securities issued by the reporting institution	-	-
- Capital securities, CIU shares, other financial instruments	-	-
of which capital securities issued by the reporting institution	-	-
- Assets other than financial instruments and cash	-	-

The Institute has set Asset Management among its products whose item "Asset management", at the end of the year, shows a total amount of EUR 71.404.369, consisting of cash, deposited entirely at our Institute, and equity financial instruments and debt issued by us.
The item "Financial instruments held on deposit - of which fin. tools and other securities issued by the bank (equity securities)" also include some BSI shares for a value of EUR 17.800.000

Section C
INFORMATION ON THE STATEMENT OF EARNINGS

Interests (items 10 and 20 of profit and loss account)

Table 20.1
Breakdown of item 10 "Interests received and proceeds"

	12/31/2014	12/31/2013	Variations Amount	Variations %
On inter-bank loans :	**439.320**	**705.461**	**(266.141)**	**(37,73%)**
- Current accounts	320.070	183.936	136.134	74,01%
- Deposits	119.250	521.525	(402.275)	(77,13%)
- Other loans	-	-	-	-
of which: on financial leases	-	-	-	-
On customer loans:	**4.192.640**	**2.854.686**	**1.337.954**	**46,87%**
- Current accounts	1.281.457	1.086.569	194.888	17,94%
- Deposits	-	-	-	-
- Other loans	2.911.183	1.768.117	1.143.066	64,65%
of which: on financial leases	*611.644*	*434.332*	*177.312*	*40,82%*
On debt securities from banks :	**-**	**-**	**-**	**-**
- Certificates of deposit	-	-	-	-
- Bonds	-	-	-	-
- Other securities	-	-	-	-
On debt securities from customers (other issuers) :	**5.249.360**	**3.665.170**	**1.584.190**	**43,22%**
- Bonds	5.249.360	3.665.170	1.584.190	43,22%
- Other securities	-	-	-	-
Total	**9.881.320**	**7.225.317**	**2.656.003**	**36,76%**

The general increase of the items listed below is mainly attributable to the increase in the number of customers and volumes, the result of a successful business strategy.

Table 20.2
Breakdown of item 20 "Interest paid and costs"

	12/31/2014	12/31/2013	Variations Amount	Variations %
On debts with banks :	**12.386**	**4.331**	**8.055**	**185,98%**
- Current accounts overdrafts	884	3.876	(2.992)	(77,19%)
- Deposits	11.502	455	11.047	2.427,91%
- Other debts	-	-	-	-
On debts with customers :	**1.963.356**	**818.871**	**1.144.485**	**139,76%**
- Current accounts overdrafts	917.211	804.481	112.730	14,01%
- Deposits	65.876	14.390	51.486	357,79%
- Other debts	980.269	-	980.269	-
On debts represented by securities with banks:	**-**	**-**	**-**	**-**
of which: on certificates of deposit	-	-	-	-
On debts represented by securities with customers:	**4.139.811**	**3.889.180**	**250.631**	**6,44%**

of which: on certificates of deposit	*4.114.504*	*3.631.963*	*482.541*	*13,29%*
On subordinated liabilities	**25.092**	**63.425**	**(38.333)**	**(60,44%)**
Total	**6.140.645**	**4.775.807**	**1.364.838**	**28,58%**

"Interest expense and similar charges" are increasing compared to last financial year. This increase is due to payables represented by financial instruments to customers for customers' investments in certificates of deposit. Please note that the item "other amounts due to customers" consists of repurchase agreement interest expense which, due to the change in the table pursuant to the new legislation in the year 2013, was classified under the item "interest expense on payables represented by financial instruments to customers". The amount of repurchase agreement interest expense for the year 2013 was 257,216 Euros.

Dividends and other revenues (table for item 30)

Table 21.1
Breakdown of item 30 "Dividends and other revenues"

			Variations	
	12/31/2014	12/31/2013	Amount	%
On shares, quotas and other capital financial instruments	-	-	-	-
On holdings	-	-	-	-
On holdings in bank group companies	-	-	-	-
Total	**-**	**-**	**-**	**-**

Commissions (table for items 40 and 50)

Table 22.1
Breakdown of item 40 "Commissions earned"

			Variations	
	12/31/2014	12/31/2013	Amount	%
Guarantees issued	18.622	13.884	4.738	34,13%
Credit derivatives	-	-	-	-
Investment services:	71.470	61.586	9.884	16,05%
- receipt and transmission of orders (let. D1 enc. 1 LISF)	58.463	49.681	8.782	17,68%
- execution of orders (let. D2 enc. 1 LISF)	13.007	11.905	1.102	9,26%
- management of securities portfolio (let. D4 enc.1 LISF)	-	-	-	-
- placement of securities (let. D5 and D6 enc.1 LISF)	-	-	-	-
Consultancy services	-	-	-	-
Distribution of third-party services and products other than placement :	129.347	99.479	29.868	30,02%
- asset management	129.347	99.479	29.868	30,02%
- insurance products	-	-	-	-
- other services or products	-	-	-	-
Collection and payment services	269.547	238.807	30.740	12,87%
Custodian bank services	-	-	-	-
Securities custody and management	44.430	36.734	7.696	20,95%
Trust services	20.189	26.684	(6.495)	(24,34%)
Operation of tax services and treasury	-	-	-	-
Currency transactions	32.519	31.870	649	2,04%
Other services	228.962	123.273	105.689	85,74%
Total	**815.086**	**632.317**	**182.769**	**28,90%**

Table 22.2
Breakdown of item 50 "Commissions paid"

	12/31/2014	12/31/2013	Variations Amount	Variations %
Guarantees received	390	150	240	160,00%
Credit derivatives	-	-	-	-
Investment services :	118.994	107.368	11.626	10,83%
- receipt and transmission of orders (let. D1 enc.1 LISF)	-	-	-	-
- order execution (let. D2 enc. 1 LISF)	21.930	23.741	(1.811)	(7,63%)
- management of securities portfolios (let. D4 enc.1 LISF) :	97.064	83.627	13.437	16,07%
own portfolio	13.186	52.313	(39.127)	(74,79%)
third-party portfolio	83.878	31.314	52.564	167,86%
- placement of securities (let. D5 and D6 enc. 1 LISF)	-	-	-	-
Door-to-door sale of financial instruments, products and services	-	-	-	-
Collection and payment services	92.224	85.317	6.907	8,10%
Other services	97.434	98.496	(1.062)	(1,08%)
Total	**309.042**	**291.331**	**17.711**	**6,08%**

Profits and losses from financial operations (table for item 60)

Table 23.1
Composition of item 60 "Profits (Losses) from financial operations"

	Securities transactions	Currency transactions	Other transactions
Revaluations	2.138.228		-
Write-downs	2.014.707		-
Other profits / losses (+/-)	2.279.081	(287.742)	-
Total by operative division	**2.402.602**	**(287.742)**	**-**
of which: government securities	*168.259*		
of which: other debt-based financial instruments	*2.079.207*		
of which: capital financial instruments	*155.136*		
of which: contracts derived from financial instruments	-		

Under the heading "Revaluations" and "Writedowns/Impairment losses", the capital gains and losses recognized on the value of securities in the trading portfolio at 12/31/2014. The item "Other gains/losses" reports profits and losses deriving from trading and trading of financial instruments and transactions of buying and selling of currencies other than the Euro..

Administrative costs (table for item 90)

Table 24.1
Number of employees by category

	Average	Number as at 12/31/2014	Number as at 12/31/2013
Senior managers	12	12	12
Managers	2	2	2
Remaining personnel :	19	21	16
- office employees	19	21	16
- other personnel	-	-	-
Total	**33**	**35**	**30**

The employed personnel increased of 5 units as a result of the development plan, bringing the total number of employees from 30 at the end of the year 2013 to the current number of 35. The workforce consists of 12 directors (1 general manager, 3 deputy general managers and 8 officials responsible for the operational areas and branches), 2 managers and 19 employees. 71% of current employees are male while the remaining 29% are women.

Table 24.2
Breakdown of sub-item “b) Other administrative expenses”

	12/31/2014	12/31/2013	Variations Amount	Variations %
Services	202.691	246.813	(44.122)	(17,88%)
Consumable materials	67.414	58.407	9.007	15,42%
Rental expenses	162.404	157.440	4.964	3,15%
Network service fees	275.640	247.832	27.808	11,22%
Insurance	70.504	54.640	15.864	29,03%
Maintenance and repair	36.911	29.318	7.593	25,90%
Utilities and service fees	83.377	86.867	(3.490)	(4,02%)
Supervisory and associative burdens	136.250	101.217	35.033	34,61%
Taxes and duties	13.613	9.111	4.502	49,41%
Other general expenses	118.189	82.325	35.864	43,56%
Total	**1.166.993**	**1.073.970**	**93.023**	**8,66%**

The item under consideration, which has remained almost unchanged from the previous year despite the significant increase in the number of customers, demonstrates a proper policy for the management and monitoring of costs.

Adjustments, write-backs and provisions (items 100, 110, 120, 130, 140, 150, 160 and 170 of profit and loss account)

Table 25.1
Composition of items 100 and 110 “Value adjustments on tangible and intangible fixed assets”

	12/31/2014	12/31/2013	Variations Amount	Variations %
Value adjustments on intangible fixed assets :	**181.156**	**165.876**	**15.280**	**9,21%**
- Software	108.989	109.104	(115)	(0,11%)
- Multi-year fees	72.167	56.772	15.395	27,12%
Value adjustments on tangible fixed assets :	**3.949.980**	**2.774.661**	**1.175.319**	**42,36%**
- Furniture	61.903	62.012	(109)	(0,18%)
- Systems and technical equipment	82.270	64.446	17.824	27,66%
- Electronic office devices	29.815	24.426	5.389	22,06%
- Vehicles	9.154	6.962	2.192	31,49%
- Goods in leasing	3.766.838	2.616.815	1.150.023	43,95%
Total	**4.131.136**	**2.940.537**	**1.190.599**	**40,49%**

The difference compared to the previous financial year is due to the value adjustments on the purchase of new capital equipment to carry out the banking activity in addition to net value of the assets held under finance leases reported in items 80 and 90 of Assets in the Balance Sheet. The latter will not have an impact on the operating result as they will be offset from registration under the item 70 "Other operating income" of the part of capital relating to finance lease.

Table 25.4
Composition of item 140 “Value adjustments on credits and provisions for guarantees and commitments”

			Variations	
	12/31/2014	12/31/2013	Amount	%
Value adjustments on credits	**1.500.000**	**2.150.896**	**(650.896)**	**(30,26%)**
of which: lump-sum adjustments for country risk	-	-	-	-
of which: other lump-sum adjustments	-	*379.145*	*(379.145)*	*(100,00%)*
Provisions for guarantees and commitments	**-**	**-**	**-**	**-**
of which: lump-sum adjustments for country risk	-	-	-	-
of which: other lump-sum provisions	-	-	-	-
Total	**1.500.000**	**2.150.896**	**(650.896)**	**(30,26%)**

With a view to controlling and managing the Bank made prudent provisions, based on presumable realizable value, to cover the insolvency risks, posted/entered in the relevant item of the income statement.

Table 25.5
Different types of movement of the financial year

		12/31/2014	12/31/2013		Variations
	Analytical	Lump sum		Amount	%
Total cash credit write-downs:	**1.310.088**	**-**	**716.533**	**593.555**	**82,84%**
- Non performing loans	1.310.088	-	337.388	972.700	288,30%
- Substandard loans	-	-	-	-	-
- Other loans	-	-	379.145	(379.145)	(100,00%)
Total losses on cash credits :	**189.912**	**-**	**1.434.363**	**(1.244.451)**	**(86,76%)**
- Non performing loans	145.218	-	1.344.794	(1.199.576)	(89,20%)
- Substandard loans	-	-	89.569	(89.569)	(100,00%)
- Other loans	44.694	-	-	44.694	-
Total cash value adjustments	**1.500.000**	**-**	**2.150.896**	**(650.896)**	**(30,26%)**
Total advances on guarantees and commitments:	**-**	**-**	**-**	**-**	**-**
- Guarantees	-	-	-	-	-
- Commitments	-	-	-	-	-
Total	**1.500.000**	**-**	**2.150.896**	**(650.896)**	**(30,26%)**

Table 25.6
Composition of item 150 “Value adjustments and provisions for guarantees and commitments.

			Variationss	
	12/31/2014	12/31/2013	Amount	%
Writebacks	**-**	**214.735**	**(214.735)**	**(100,00%)**
of which on non-performing loans	-	-	-	-
Of which on impaired loans	-	-	-	-
Of which on other receivables/credits	-	*214.735*	*(214.735)*	*(100,00%)*

Table 25.7
Composition of item 160 "Value adjustments on financial fixed assets"

	12/31/2014	12/31/2013	Variations Amount	Variations %
Value adjustments	**-**	**-**	**-**	**-**
of which on investments	-	-	-	-
of which on investments in group companies	-	-	-	-
of which on other equity instruments	-	-	-	-
of which on debt instruments	-	-	-	-
of which on derivative financial instruments	-	-	-	-

Other items in the profit and loss account (items 70, 80, 190 and 200 of profit and loss account)

Table 26.1
Composition of item 70 "Other operating proceeds"

	12/31/2014	12/31/2013	Variations Amount	Variations %
Proceeds for recovery expenses	272.226	234.854	37.372	15,91%
Other proceeds lease principal	3.766.835	2.616.815	1.150.020	43,95%
Total	**4.039.061**	**2.851.669**	**1.187.392**	**41,64%**

As shown in the footnote to Table 25.1, this item includes the share capital of the finance lease payments accrued during the financial year and is the greater impact part of this item.

Table 26.3
Composition of item 190 "Extraordinary proceeds"

	12/31/2014	12/31/2013	Variations Amount	Variations %
Extraordinary proceeds	1.513.197	486.860	1.026.337	210,81%
Total	**1.513.197**	**486.860**	**1.026.337**	**210,81%**

The above items include also gains on disposal of investment securities for EUR 1.322.434, capital gains for EUR 121.337 and other extraordinary income for EUR 69.426.

Table 26.4
Composition of item 200 "Extraordinary costs"

	12/31/2014	12/31/2013	Variations Amount	Variations %
Non-deductible bank tax	-	-	-	-
Other contingent liabilities	259.246	73.311	185.935	253,62%
Total	**259.246**	**73.311**	**185.935**	**253,62%**

The item is characterized by losses on investment securities for EUR 215.815 and for EUR 43.431 from costs/expenses pertaining to previous years.

Section D
OTHER INFORMATION

Directors and statutory auditors

Table 27.1
Remuneration

			Variations	
	12/31/2014	12/31/2013	Amount	%
Directors	-	-	-	-
Statutory auditors	32.694	26.466	6.228	23,53%
Total	**32.694**	**26.466**	**6.228**	**23,53%**

As shown in the table, no fees were given during this financial year to the Directors as a result of their formal renunciation.

Other information

BANCA SAMMARINESE DI INVESTIMENTO S.P.A.

Via Monaldo da Falciano no. 3 - Rovereta (R.S.M.)

Statutory Request 05/29/2002 – Company Registration no. 2771

Share Capital EUR 20.000.000 (i.v.) - C.O.E. SM18493

*** *** ***

REPORT OF THE BOARD OF AUDITORS ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 12.31.2014

*** *** ***

Dear shareholders,

The draft financial statements for the year ended at 31 December 2014, that the Chairman of Board of Directors submits for your approval in a timely manner, has been prepared in accordance with the provisions of Law no. 47, dated February 23, 2006 and its subsequent amendments, the Law 165/2005 (LISF) and the regulations issued by the Central Bank - Supervision Division and, in particular, the Regulation 2/2008 on the Explanatory Notes.

The aforementioned document is thus made up of the balance sheet, the income statement and the explanatory notes.

The Board of Auditors was also provided with the report of the independent auditors containing the compliance assessment of the financial statements for the year ended at 12/31/2014 with the rules governing reporting criteria.

The report contains a concise summary in relation to the early transfer of investment securities (€ 15.3 million), to the transfer of securities from the unrestricted portfolio to the investment portfolio (€ 13.2 million) and vice versa (€ 0.6 million) and a further summary in relation to on the handling of the general banking risks fund (which has increased for € 1 million).

The financial statements, the explanatory notes and the report of the Board of Directors for the 2014 financial statements were made available to the Board of Auditors in respect of the deadline imposed by art. 83 paragraph 1 of Law 47/2006.

The Balance Sheet and the Income Statement show, in summary, the following data:

Balance Sheet:		
ASSETS		
Intangible assets	Euro	808.201
Tangible fixed assets net of provisions	Euro	17.148.236
Current assets: Cash and cash equivalents	Euro	53.682.716
Current assets (net of the provision for write-downs on current receivables): receivables and securities	Euro	257.267.359
Accrued income and deferred charges	Euro	332.061
TOTAL ASSETS	**Euro**	**329.238.573**
Net Assets		
Share capital	Euro	20.000.000
Other reserves	Euro	1.133.885
Operating profit (loss)	Euro	1.090.936
LIABILITIES		
Termination indemnity, severance pay, leaving indemnity	Euro	228.541
Provisions for risks and charges	Euro	240.650
Fund for general banking risks	Euro	1.500.000
Subordinated debt	Euro	3.001.705
Bank payables	Euro	1.459.611
Payables to customers, debt securities and other	Euro	300.467.988
Accrued expenses/adjustment accounts	Euro	115.257
TOTAL LIABILITIES	**Euro**	**329.238.573**
Guarantees, commitments, risks and other memorandum accounts	Euro	11.218.795
Income Statement:		
Positive components	Euro	18.363.524
Negative components	Euro	17.272.588
Operating profit (loss)	Euro	1.090.936

The Board of Auditors has to fulfil its duties in accordance with the regulatory provisions in force and in accordance with the provisions of Law 47/2006 and subsequent amendments, while the functions relating to the accounting control were specifically assigned to the independent auditors.

SUPERVISORY ACTIVITIES

During the financial year ended at December 31, 2014 we have monitored the compliance with the law and the bylaws, we have verified the compliance with the principles of sound administration and also supervised, to the extent of our competence, the adequacy of the accounting system in accordance with the principles set out by professional bodies.

With regard to the performance of our duties, we inform you that:

- we attended the meetings of the shareholders and of the Board of Directors;
- we got information from the administrative body about the activities and operations of major economic, financial and capital significance made by the company, in order to be able to ensure the compliance with the law and the statute;
- during the supervisory activities, we received no complaints pursuant to art. 65 of Law 47/2006, and there were no reports submitted pursuant to art. 66 of the Law 47/2006;
- we have not heard of any omissions, reprehensible actions, limitations, exceptions or irregularities that would require express comments herein;
- we verified the appropriateness of the accounting system and its capacity to correctly represent operational events by examining the company documents.

With regard to overall activity, the Board of Statutory Auditors has nothing to report.

As for the financial year ended at December 31, 2014, we monitored its general approach as well as its compliance with the provisions of law relating to its formation and structure. It should be noted that the draft financial statement has been prepared with adequate and correct assessment criteria, consistent with those adopted in previous years.

We have no particular indications/warnings to report.

The year 2014 shows a positive result of EUR 1.090.936 and the Board of Directors, in the explanatory notes, illustrated the evaluation criteria adopted for the various items and has provided the required information both on the balance sheet and the income statement.

During the financial year, there were no exceptional circumstances that would require the use of derogations under Article. 75 of Law no. 47/2006.

We ascertained that the financial statements correspond to the facts and information that we obtained through the activities required by our assignment and we have no warnings/indications to report.

In conclusion, based on the information received from the Company and obtained through the supervisory activities carried out by us, there are no criticisms or reservations to report.

We therefore propose to the Assembly to proceed with the approval of the financial statements prepared by the Board of Directors as at December 31, 2014, along with the proposed allocation of the Profit for the year, as formulated in the foot note of the "Report of the Board of Directors on the financial statements for the year ended at 12.31.2014".

San Marino, April 20, 2015

The Board of Auditors

Dr. Amici Alfredo (Chairman)

Acc. Marco Cevoli

Dr. Giuseppe Dini

BANCA SAMMARINESE DI
INVESTIMENTO S.p.A.

Via Monaldo da Falciano, 3
47891 – ROVERETA
Republic of San Marino

REPORT OF THE INDEPENDENT AUDITORS
Pursuant to Art. 33
of the Law on Companies and Banking, Finance and Insurance Services
(LISF – Law no.165 dated 11/17/2005)
Balance closed at 12/31/2014

REPORT OF THE INDEPENDENT AUDITORS

To the Shareholders of
BANCA SAMMARINESE DI INVESTIMENTO S.p.A.

1. We have conducted our audit of the financial statements of BANCA SAMMARINESE DI INVESTIMENTO S.p.A. for the year ended on December 31, 2014. The responsibility for the preparation of financial statements lies with the Directors of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

2. Our audit was conducted in accordance with International Standards on Auditing (ISA) and with reference to the laws of the Republic of San Marino governing the financial statements. In compliance with these principles, the audit was planned and performed to obtain the information necessary to determine whether the financial statements are free of material misstatement and, taken as a whole, reliable. The auditing procedure includes examining, on random checks basis, the evidence supporting the amounts and information contained in the financial statements, as well as evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors. We believe that our audit provides a reasonable basis for expressing our professional opinion.

   For the opinion on the financial statements of the prior period, whose data are presented for comparative purposes as required by law, we refer to our report dated May 2, 2014.

3. In our opinion, the financial statement of BANCA SAMMARINESE DI INVESTIMENTO SpA for the year ended on December 31, 2014, as a whole, complies with the regulations governing reporting criteria; therefore it is drawn up clearly and provides a true and fair view of the net worth and financial situation and the net result of the Company.

1 Attention is drawn on the following information provided by the directors in the Explanatory Note.

   1 During the year, the Bank has ceased investment securities for a total of approximately 15.3 million euros, has transferred securities from the free portfolio to the investment portfolio for a total of

approximately 13.2 million euros, and from the investment portfolio to the free portfolio for about 0.6 million euros. The reasons for and the effects of these transfers are shown in the notes.

2 The fund for general banking risks, as permitted by law, has been moved with effects on the income statement for the year, for the reasons set out in the Explanatory Notes.

AUDIT WORLD S.r.l.

Alessia Scarano
Auditor

San Marino, April 7, 2015