GRUPPO BANCARIO
Credito Valtellinese

PRESS RELEASE

CONSOLIDATED PRELIMINARY RESULTS AS AT 31 DECEMBER 2014

- ✓ THE GOOD TREND OF THE OPERATING PROFIT WAS CONFIRMED, INCREASING SIGNIFICANTLY YEAR ON YEAR, SUPPORTED BY THE TREND IN NET INTEREST INCOME AND BY THE RESULTS OF THE FINANCING ACTIVITY
- ✓ EUR 400 MILLION CAPITAL INCREASE SUCCESSFULLY COMPLETED
- ✓ COMPREHENSIVE ASSESSMENT PASSED, TAKING INTO ACCOUNT ALL CAPITAL STRENGHTHENING MEASURE CARRIED OUT DURING 2014
- ✓ THE COVERAGE RATIO OF DOUBTFUL LOANS INCREASED SIGNIFICANTLY TO 37.2% (+ 3,5% COMPARED TO THE END OF 2013)
- ✓ THE SOUND EQUITY OF THE GROUP WAS CONFIRMED, WITH A PHASED IN COMMON EQUITY TIER 1 RATIO OF 11%, 11.1% FULLY LOADED FULLY INCORPORATING THE AQR
- ✓ FURTHER IMPROVEMENT OF THE LIQUIDITY PROFILE, WITH A LIQUIDITY COVERAGE RATIO OF 155% AT THE END OF 2014 AND A NET STABLE FUNDING RATIO SIGNIFICANTLY OVER 100%
- ✓ THE MANAGEMENT PROFILE OF OPERATING COSTS IMPROVED, IN PARTICULAR BY MEANS OF A NEW TRADE-UNION AGREEMENT SIGNED ON 3 DECEMBER FOR AN EARLY RETIREMENT PLAN FOR 244 EMPLOYEES. THE COST OF IMPLEMENTATION OF THE REDUNDANCY FUND, FULLY PAID DURING THE FINANCIAL YEAR, WITH RECURRING BENEFITS OF APPROXIMATELY EUR 18 MILLION WHEN FULLY IMPLEMENTED

THE OPERATING PROFIT INCORPORATES:

- ONE-OFF COSTS FOR THE IMPLEMENTATION OF THE REDUNDANCY FUND OF EUR 44 MILLION
- IMPAIRMENT LOSSES AT THE OUTCOME OF THE ASSET QUALITY REVIEW AS A WHOLE, TOTALLING EUR 330 MILLION
- GOODWILL IMPAIRMENT LOSSES AT THE OUTCOME OF THE IMPAIRMENT TEST OF EUR 131 MILLION

- Operating income: EUR 904 million (+ 9.2% y-o-y)
- Operating costs: EUR 559 million (+ 11.2% y-o-y, + 2.4% net of non-recurring expenses for the provisions to the Solidarity Fund for the personnel)
- **Operating profit: EUR 345 million (+ 6.1% y-o-y)**
- Impairment losses on loans and other financial assets: EUR 657 million
- Goodwill impairment losses: EUR 131 million
- Net loss: EUR - 325 million

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- ✓ Direct funding: EUR 20.7 billion (+ 0.4% compared to December 2013)
- ✓ Indirect funding: EUR 12.0 billion (+ 7.2% compared to December 2013)
- ✓ Loans and receivables with customers: EUR 19.0 billion (- 5.9% compared to December 2013)

Sondrio, 11 February 2015 - The Board of Directors of Credito Valtellinese approved the preliminary results as at 31 December 2014, which confirmed the good trend of the operating profit, supported by the positive trend in net interest income and by the results of the financing activity, whereas the persistent difficulties of the operating environment for banks still affect the comprehensive income. The operating profit for the year fully incorporated the results of the Asset Quality Review (AQR) carried out by the ECB during the year, of EUR 330 million, as well as the result of the impairment test on goodwill, which determined the recognition of further impairment losses of EUR 131 million.

The decisions taken on the recognition of impairment losses on loans and receivables totalling EUR 649 million allowed to increase the hedging degree of total impaired loans to 37.2%, albeit maintaining phased in CET1 ratio at 11%, level largely above the minimum regulatory limit and consistent with the objectives defined on capitalisation.

The financial statements – which will be definitively approved by the Board of Directors next 3 March – are a turning point, laying the foundations for a return to sustainable profitability already starting from the current year, in line with the targets set in the strategic plan.

Statement of financial position aggregates

As at 31 December 2014, **loans and receivables with customers** amounted to EUR 19 billion, down 5.9% compared to EUR 20.2 billion as at 31 December 2013. The trend, still in decline, albeit to a lesser extent compared to the first few months of the year, reflects the persistent weakness of the demand, especially of companies, due to the uncertainties of the economic situation also in the presence of a slight improvement of the credit squeeze.

Credit quality suffered from the effects of the prolonged recession, albeit some signs of a slowdown of new flows of problem loans, especially with regard to less risky categories. At the end of the period, impaired loans, net of impairment losses, totalled EUR 3.2 billion, compared to EUR 2.7 billion as at 31 December 2013.

In detail, net non-performing loans totalled EUR 1.1 billion, increasing by 36% compared to EUR 809 million as at 31 December 2013, and have a 56% hedging degree. Other doubtful loans totalled EUR 2,090 million compared to EUR 1,930 million at the end of 2013. Of these, EUR 1.3 billion - compared to EUR 1.1 billion at the end of December 2013 - were substandard loans, EUR 260 million - compared to EUR 216 million at the end of December 2013 - consisted of restructured loans, whilst EUR 512 million were past due loans, compared to EUR 572 million at the end of last year.

Direct funding amounted to EUR 20.7 billion, almost in line with that of December 2013.

Indirect funding amounted to EUR 12 billion at year-end, up by 7.2% compared to EUR 11.2 billion in December 2013, driven by the increase in the component referring to "managed funds", which totalled EUR 5.8 billion, up by 13.4% compared to EUR 5.2 billion at the end of last year.

Financial assets held for trading and available for sale amounted to EUR 6.9 billion. Of these, EUR 6.6 billion were represented by Italian government bonds, classified in the AFS (Available for sale) portfolio, with a duration of approximately 2.6 years, considering the transactions for interest-rate risk hedging. The valuation reserve on AFS securities, recorded among equity items, was positive by EUR 14 million compared to EUR - 36 million at the end of 2013.

The **liquidity position** further improved. The net balance of overall liquidity at three months is equal today to approximately EUR 4.3 billion. During the financial year, the Creval group subscribed EUR 1 billion for ECB's refinancing operations (TLTRO - Targeted Longer-Term Refinancing Operations) to which are added a residual EUR 2.2 billion in connection with the previous extraordinary refinancing operations (LTRO - Long Term Refinancing Operations), maturing in the first months of 2015.

The loans and receivables with customers/direct funding ratio stood at 91.6% as at 31 December 2014. The liquidity requirements – LCR and NSFR – were already widely in line with the minimum levels required by Basel 3.

Equity and capital ratios

The **equity** attributable to owners of the parent as at 31 December 2014 amounted to over EUR 2 billion. The common equity TIER1 amounted to 1.8 billion in connection with risk-weighted assets of EUR 16.6 billion.

The capital ratios amounted to:

- **11% for the phased in Common Equity Tier1** ratio,

- **14% for the phased in Total Capital** ratio.

Successful capital increase of EUR 400 million was concluded during the year.

Income statement

In 2014 **net interest income** amounted to EUR 479 million, up by 3.5% compared to EUR 463 million last year, with a quarterly performance reflecting the low level of short-term interests rates, the failure to recover the volumes and the reorganisation of the securities portfolio.

Net fee and commission income totalled EUR 269 million, showing a slight improvement compared to EUR 267 million of 2013.

Net trading and hedging income and profit on sales/repurchases grew significantly, reaching EUR 119 million, compared to EUR 73 million of the prior year. Net gains on equity-accounted investments contributed by EUR 20.4 million compared to EUR 5.7 million of 2013.

Operating income totalled EUR 904 million increasing by 9.2% compared to EUR 828 million of the prior year.

Operating costs totalled EUR 559 million compared to EUR 503 million of 2013, up by 11.2%; however, they include one-off costs of EUR 44 million for the provisions to the Solidarity Fund and retirement incentives as a result of the agreement signed with the Trade Unions last December. Personnel expenses were EUR 343 million, compared to EUR 297 million in 2013, whereas other administrative expenses totalling EUR 169 million were nearly unchanged. Depreciation/amortisation and net impairment losses on property, equipment and investment property and intangible assets of EUR 48 million compared to EUR 37 million last year, increased as a result of impairment losses on intangible assets (part of the customer lists) by approximately EUR 10 million. Significant improvement of the *cost / income ratio* that - net of non-recurring expenses related to the implementation of the Redundancy Fund and the impairment of the customer lists – equals to 55.8% compared to 60.7% in 2013.

The **operating profit** reached EUR 345 million, marking a significant increase of more than 6% compared to EUR 325 million in 2013.

Net impairment losses on loans and receivables and other financial assets increased considerably reaching EUR 657 million, also due to the recognition of the results of the AQR as a whole.

The persistent weakness of the macroeconomic context and of the sector, and the uncertainties on actual recovery prospects determined also the recognition of goodwill impairment losses of EUR 131 million, as a result of the impairment test carried out at the end of the year on goodwill recorded in the consolidated financial statements as at 31 December 2013 (totalling EUR 305 million).

Pre-tax loss from continuing operations amounted to EUR -433 million, considering also the provisions for risks and charges of EUR 4.6 million and net gains on sales of investments of EUR 14.5 million, almost entirely deriving from the conferment of the business unit in Alba Leasing completed during the financial year.

Income taxes for the year were positive by EUR 112 million. Considering the profit attributable to non-controlling interests of EUR 3 million, the **loss for the year** attributable to owners of the parent amounted to EUR 325 million.

Request for dissemination of information pursuant to Article 114, paragraph 5, of Italian legislative decree no. 58/98.

According to what is required by Consob with communication no. 7639/15 on 30 January 2015, the following information is also provided concerning the accounting effects of the quantity results of the Asset Quality Review carried out by the European Central Bank as part of the Comprehensive Assessment.

The quantity results of the AQR are summarised below:

(i) adjustments on the provisions on loans emerging from the Credit File Review (CFR) of EUR 164.92 million;

(ii) adjustments from the Projection of findings (PF) of the CFR of EUR 134.48 million;

(iii) adjustments from Collective provisioning (CP) review of EUR 29.35 million;

(iv) no adjustment related to the Fair Value Review area.

a) The adjustments applied on the positions selected within the CFR were examined in detail also in the light of their development during the financial year and of the conditions currently existing on the exposure.

The adjustments made by the ECB envisaged an increase in provisions amounting to EUR 164.9 million, divided among different positions classified in the Large SME (non real estate), Corporate Real estate related and Large corporate (non real estate) portfolios. In the consolidated income statement of 2014, impairment losses of EUR 253.1 million were recognised on these positions. On a marginal number of positions, it was not necessary to carry out impairment losses in AQR in view of the improved conditions currently existing on the position. The events occurred during the financial year and the application of the conservative policies of the Creval Group resulted as a whole in the need to make more adjustments compared to what was assumed during the CFR for an amount of EUR 88.2 million.

b) With reference to the *Projection of findings* (PF), all the positions not included in the CFR and included in the selected portfolios were examined analytically (Large SME - non real estate, Real estate related and Large corporate - non real estate), by adjusting the individual positions on the basis of the present situation. Consistent with the current policies on this matter, very prudential valuation methods were applied, especially with reference to the positions backed by securities on properties.

On the positions included in the portfolios at 31 December 2013 that were non performing in 2014, without considering the positions included in the CFR, impairment losses totalling EUR 220,8 million were recognised. The events occurred during the financial year and the application of the conservative policies of the Creval Group resulted as a whole in the need to make more adjustments compared to what was assumed during the PF for an amount of EUR 86,4 million.

c) Collective impairment losses are calculated by associating a one-year probability of default (PD), homogeneous by rating class, and a loss rate in case of default (LGD – Loss Given Default). The average delay between the deterioration of the financial conditions of a debtor and its classification among impaired exposures is the period of confirmation of the loss (LCP – Loss Confirmation Period). Collective impairment losses are determined as the product between the risk factors PD, LGD and LCP (expressed as a fraction of a year). This model was also used for determining impairment losses on committed lines by using the prescribed credit conversion factor (CCF).

The values of PD, LGD and LCP used were re-determined by incorporating the information related to 2013. Moreover, to make the model more compliant with the current conditions, the PD was calculated on the basis of historical evidence in default rates recognised over the last three years, by maintaining as minimum value what is estimated in the internal rating model.

The use of a higher PD, together with an increase of LGD and LCP resulting from the review of its estimates, led to an increase in the percentage of hedging of performing loans (for an amount of 0.8%) and committed lines with the need for other impairment losses recognised in the 2014 consolidated income statement for an amount of EUR 31 million.

In the first quarter of 2015, a further analysis will be carried out to identify any other adjustment that, without introducing factors of high volatility, could reflect even better the current conditions.

d) Within the AQR, no adjustments were required on “level 3” fair value asset valuation.

The information related to the Common Equity Tier 1 ratio as at 31 December 2014, subject-matter of the report to be sent to the prudential Supervisory Authorities, are included in this press release.

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Credito Valtellinese

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Declaration of the Manager in charge of financial reporting

The Manager in charge of financial reporting, Simona Orietti, hereby declares that, pursuant to Article 154-bis, paragraph 2 of the Consolidated Finance Act, the accounting information provided in this report matches the information reported in the company's documents, books and accounting records.

Signed Simona Orietti

The Managing Director, Miro Fiordi, will present the preliminary consolidated results as at 31 December 2014 to the financial community, during a conference call scheduled for tomorrow 12 February at 9.30 a.m. (CET).

Consolidated and separate highlights and reclassified Statement of financial position and Income Statement are set below. The audit activities are currently being carried out by the audit company.

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Credito Valtellinese

PRESS RELEASE

FINANCIAL STATEMENT HIGHLIGHTS AND PERFORMANCE INDICATORS

(figures in thousands of EUR)

STATEMENT OF FINANCIAL POSITION	31/12/2014	31/12/2013	% change
Loans and receivables with customers	19,004,863	20,197,033	-5.90
Financial assets and liabilities	6,539,442	3,788,365	72.62
Equity Investments	200,797	181,338	10.73
Total assets	28,813,556	27,198,703	5.94
Direct funding from customers	20,745,569	20,657,592	0.43
Indirect funding from customers	11,963,332	11,159,232	7.21
of which:			
- Managed funds	5,848,254	5,157,779	13.39
Total funding	32,708,901	31,816,824	2.80
Equity	2,020,106	1,908,071	5.87

SOLVENCY RATIOS	31/12/2014	31/12/2013
Common Equity Tier1 ratio	**11%**	**8.8%**
Total capital ratio	**14%**	**12.2%**

31/12/2013 figures recalculated on the basis of the transitional system related to 2014 envisaged by the new rules on the capital of the banks (Basel 3).

FINANCIAL STATEMENT RATIOS	31/12/2014	31/12/2013
Indirect funding from customers / Total funding	36.6%	35.1%
Managed funds / Indirect funding from customers	48.9%	46.2%
Direct funding from customers/ Total liabilities	72.0%	76.0%
Customer loans / Direct funding from customers	91.6%	97.8%
Customer loans / Total assets	66.0%	74.3%

CREDIT RISK	31/12/2014	31/12/2013	% change
Net non-performing loans (in thousands of EUR)	1,101,939	809,362	36.15
Other net doubtful loans (in thousands of EUR)	2,090,157	1,929,503	8.33
Net non-performing loans / Loans and receivables with customers	5.8%	4.0%	
Other net doubtful loans / Loans and receivables with customers	11.0%	9.6%	
Hedging of non-performing loans	56.0%	57.9%	
Hedging of other doubtful loans	18.9%	12.6%	
Cost of credit (*)	3.41%	1.32%	

(*) Calculated as the ratio between net impairment losses due to deterioration of loans and year-end loans.

ORGANISATIONAL DATA	31/12/2014	31/12/2013	% change
Number of employees	4,275	4,312	-0.86
Number of branches	539	543	-0.74
Banc@perta line users	243,557	222,530	9.45

OTHER FINANCIAL INFORMATION	2014	2013
Cost/Income ratio	**55.8%**	**60.7%**

2014 figures recalculated net of non-recurring expenses related to the implementation of the redundancy fund and the impairment of the customer lists; 2013 figures restated in accordance with the provisions of IFRS 5

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(figures in thousands of EUR)

ASSETS	31/12/2014	31/12/2013	% change
Cash and cash equivalents	194,289	204,947	-5.20
Financial assets held for trading	61,787	84,996	-27.31
Available-for-sale financial assets	6,789,606	3,877,889	75.09
Loans and receivables with banks	839,489	877,056	-4.28
Loans and receivables with customers	19,004,863	20,197,033	-5.90
Equity Investments	200,797	181,338	10.73
Property, equipment and investment property and intangible assets (1)	663,968	813,951	-18.43
Non-current assets held for sale and disposal groups	3,191	-	-
Other assets (2)	1,055,566	961,493	9.78
Total assets	**28,813,556**	**27,198,703**	**5.94**

(1) Include items “120. Property, equipment and investment property” and “130. Intangible assets”.
(2) Include items “140. Tax assets” and “160. Other assets".

LIABILITIES AND EQUITY	31/12/2014	31/12/2013	% change
Due to banks	4,837,374	3,494,050	38.45
Direct funding from customers (1)	20,745,569	20,657,592	0.43
Financial liabilities held for trading	3,233	7,723	-58.14
Hedging derivatives	308,718	166,797	85.09
Liabilities associated with disposal groups	573	-	-
Other liabilities	635,058	716,253	-11.34
Provisions for specific purpose (2)	258,471	243,029	6.35
Equity attributable to non-controlling interests	4,454	5,188	-14.15
Equity (3)	2,020,106	1,908,071	5.87
Total liabilities and equity	**28,813,556**	**27,198,703**	**5.94**

(1) Includes items 20 " Due to customers" and 30 " Securities issued".
(2) Include items 80 " Tax liabilities", 110” Post-employment benefits" and 120 " Provisions for risks and charges".
(3) Includes items 140 “Valuation reserves”, 170 “Reserves”, 180 “Share premium reserve”, 190 “Share Capital”, 200 “Treasury shares” and 220 “Profit (loss) for the year".

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RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(figures in thousands of EUR)

ITEMS	2014	2013	% change
Net interest income	**479,162**	**463,170**	**3.45**
Net fee and commission income	268,732	266,803	0.72
Dividends and similar income	1,345	737	82.50
Net gains on equity-accounted investments (1)	20,409	5,750	254.94
Net trading and hedging income (expense) and profit (loss) on sales/repurchases	118,650	73,292	61.89
Other operating net income (5)	15,887	18,441	-13.85
Operating income	**904,185**	**828,193**	**9.18**
Personnel expenses	(342,544)	(296,536)	15.52
Other administrative expenses (2)	(168,845)	(168,748)	0.06
Depreciation/amortisation and net impairment losses on property, equipment and investment property and intangible assets (3)	(47,557)	(37,437)	27.03
Operating costs	**(558,946)**	**(502,721)**	**11.18**
Operating profit	**345,239**	**325,472**	**6.07**
Net impairment losses on loans and receivables and other financial assets	(656,713)	(289,901)	126.53
Net accruals to provisions for risks and charges	(4,565)	(3,374)	35.30
Goodwill impairment losses	(131,344)	-	-
Net gains (losses) on sales of investments (4)	14,460	8,712	65.98
Pre-tax profit (loss) from continuing operations	**(432,923)**	**40,909**	**n/a**
Income taxes	111,731	(25,619)	-536.13
Post-tax profit (loss) from continuing operations	**(321,192)**	**15,290**	**n/a**
Profit (loss) from discontinued operations	(1,125)	(985)	14.21
Profit (loss) for the year attributable to non-controlling interests	(2,769)	(2,595)	6.71
Profit (loss) for the year	**(325,086)**	**11,710**	**n/a**

(1) Net gains on equity-accounted investments include net gains (losses) on equity-accounted investments included in item 240 "Net gains on investments";
(2) Other administrative expenses include recoveries of taxes and other recoveries recognised in item 220 "Other operating net income" (EUR 60,920 thousand in 2014 and EUR 56,914 thousand in 2013);
(3) Depreciation/amortisation and net impairment losses on property, equipment and investment property and intangible assets include items 200 “Depreciation and net impairment losses on property, equipment and investment property”, 210 “Amortisation and net impairment losses on intangible assets” and depreciation on costs incurred for leasehold improvements included under item 220 “Other operating net income” (EUR 3,739 thousand in 2014 and EUR 4,915 thousand in 2013);
(4) Net gains on sales of investments include the residual amount of item 240 "Net gains on investments" not included among net gains on equity-accounted investments, non-recurring income deriving from the conferment of the business unit in Alba Leasing recognised in item 220 "Other operating net income" (EUR 14,305 thousand in 2014), together with item 270 "Net gains on sales of investments";
(5) Other income and expenses correspond to item 220 “Other operating net income” after the above reclassifications.

The corresponding prior year figures were restated in accordance with the provisions of IFRS 5, as a result of the agreement signed on 22 December 2014 with the Cerved Group whose subject matter was the development of a long-term industrial partnership for the management of non-performing loans. This agreement also includes the sale of the subsidiary Finanziaria San Giacomo S.p.A..

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PRESS RELEASE

RECLASSIFIED STATEMENT OF FINANCIAL POSITION OF CREDITO VALTELLINESE S.C.

(figures in thousands of EUR)

During 2014, Credito Valtellinese incorporated the subsidiary Mediocreval S.p.A., with legal effects as from 1 August and with effective tax and accounting date as from 1 January 2014. The comparative figures as at 31 December 2013 refer exclusively to Credito Valtellinese S.c. and do not include the figures referring to the company merged in 2014.

ASSETS	31/12/2014	31/12/2013	% change
Cash and cash equivalents	133,552	143,964	-7.23
Financial assets held for trading	57,167	82,659	-30.84
Available-for-sale financial assets	6,789,572	3,877,605	75.10
Loans and receivables with banks	1,224,995	2,966,049	-58.70
Loans and receivables with customers	14,986,134	14,041,981	6.72
Equity Investments	507,457	764,225	-33.60
Property, equipment and investment property and intangible assets (1)	430,956	490,309	-12.11
Non-current assets held for sale and disposal groups	15,000	-	-
Other assets (2)	817,000	678,848	20.35
Total assets	**24,961,833**	**23,045,640**	**8.31**

(1) Include items 110 “Property, equipment and investment property” and 120 “Intangible assets”.
(2) Include items 130 “Tax assets” and 150 “Other assets".

LIABILITIES AND EQUITY	31/12/2014	31/12/2013	% change
Due to banks	5,870,828	4,430,701	32.50
Direct funding from customers (1)	16,163,823	15,958,569	1.29
Financial liabilities held for trading	6,260	12,807	-51.12
Hedging derivatives	308,718	166,797	85.09
Other liabilities	467,692	460,088	1.65
Provisions for specific purpose (2)	172,927	156,468	10.52
Equity (3)	1,971,585	1,860,210	5.99
Total liabilities and equity	**24,961,833**	**23,045,640**	**8.31**

(1) Includes items 20 “Due to customers” and 30 “Securities issued".
(2) Include items 80 “Tax liabilities”, 110 “Post-employment benefits” and 120 “Provisions for risks and charges".
(3) Includes items 130 “Valuation reserves”, 160 “Reserves”, 170 “Share premium reserve”, 180 “Share capital”, 190 “Treasury shares” and 200 “Profit (loss) for the year".

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RECLASSIFIED INCOME STATEMENT OF CREDITO VALTELLINESE S.C.

(figures in thousands of EUR)

During 2014, Credito Valtellinese incorporated the subsidiary Mediocreval S.p.A., with legal effects as from 1 August and with effective tax and accounting date as from 1 January 2014. The comparative figures of 2013 refer exclusively to Credito Valtellinese S.c. and do not include the figures referring to the company merged in 2014.

INCOME STATEMENT	2014	2013	% change
Net interest income	**357,588**	**331,479**	**7.88**
Net fee and commission income	176,428	175,392	0.59
Dividends and similar income	12,067	7,542	60.00
Net trading and hedging income (expense) and profit (loss) on sales/repurchases	118,185	71,398	65.53
Other operating net income (4)	15,010	13,392	12.08
Operating income	**679,278**	**599,203**	**13.36**
Personnel expenses	(220,696)	(187,199)	17.89
Other administrative expenses (1)	(149,893)	(145,032)	3.35
Depreciation/amortisation and net impairment losses on property, equipment and investment property and intangible assets (2)	(20,498)	(21,197)	-3.30
Operating costs	**(391,087)**	**(353,428)**	**10.66**
Operating profit	**288,191**	**245,775**	**17.26**
Net impairment losses on loans and receivables and other financial assets	(548,040)	(227,036)	141.39
Net accruals to provisions for risks and charges	(3,455)	(2,445)	41.31
Goodwill impairment losses	(75,000)	-	-
Net gains on sales of investments (3)	(98,145)	2,250	n/a
Pre-tax profit (loss) from continuing operations	**(436,449)**	**18,544**	**n/a**
Income taxes	93,920	(17,534)	-635.65
Profit (loss) for the year	**(342,529)**	**1,010**	**n/a**

(1) Other administrative expenses include recoveries of taxes and other recoveries recognised in item 190 “Other operating net income” (EUR 42,768 thousand in 2014 and EUR 39,546 thousand in 2013).

(2) Depreciation/amortisation and net impairment losses on property, equipment and investment property and intangible assets include items 170 “Depreciation and net impairment losses on property, equipment and investment property”, 180 “Amortisation and net impairment losses on intangible assets” and the accumulated depreciation of costs incurred for leasehold improvements, under item 190 “Other operating net income” (EUR 2,835 thousand in 2014 and EUR 4,046 thousand in 2013).

(3) Net gains on sales of investments also include non-recurring income deriving from the conferment of the business unit in Alba Leasing recognised in item 190 "Other operating net income" of EUR 14,305 thousand.

(4) Other income and expenses correspond to item 190 “Other operating net income” after the above reclassifications.