Agenzia Nazionale per l’Attrazione degli Investimenti e lo Sviluppo d’Impresa SpA (“Invitalia”)

Consolidated Financial Statements 2015

CONSOLIDATED BALANCE SHEET

(in thousands of Euro)

ASSETS	31.12.2015	31.12.2014
10 Cash and cash equivalents	126	94
20 Financial assets held for trading	56,690	53,762
30 Financial assets at fair value through profit or loss	24,418	34,393
40 Available-for-sale financial assets	8,496	8,141
50 Held to maturity investments	0	0
60 Loans and receivables	1,045,270	797,194
70 Hedging derivatives	0	0
80 Changes in fair value of financial assets in hedged portfolios	0	0
90 Equity investments	44,993	44,591
100 Property, plant and equipment	449,754	452,024
110 Intangible assets	44,432	35,818
120 Tax assets	24,405	26,402
a) current	18,061	19,649
b) deferred	6,344	6,753
130 Non-current assets and disposal groups classified as held for sale	73,947	56,263
140 Other assets	82,565	178,312
TOTAL ASSETS	**1,855,096**	**1,686,994**

CONSOLIDATED BALANCE SHEET

(in thousands of Euro)

	LIABILITIES AND EQUITY	31.12.2015	31.12.2014
10	Loans and payables	225,134	111,918
20	Securities issued	0	0
30	Financial liabilities held for trading	0	0
40	Financial liabilities at fair value through profit or loss	0	0
50	Hedging derivatives	0	0
60	Changes in fair value of financial assets in hedged portfolios	0	0
70	Tax liabilities	1,055	4,110
	a) current	*1,055*	*4,110*
	b) deferred	0	0
80	Liabilities included in non-current assets and disposal groups classified as held for sale	19,876	(29,607)
90	Other liabilities	831,466	719,371
100	Provision for employee termination indemnities	9,199	10,149
110	Provisions for risks and charges	8,868	10,804
120	Gains/(Losses) from acquisitions and disposals of financial assets and financial liabilities	836,384	836,384
130	Treasury shares	0	0
140	Equity instruments	0	0
150	Share premium	0	0
160	Reserves	(56,093)	(7,929)
170	Valuation reserves	(10,594)	(9,985)
180	Profit/(loss) for the year	(9,864)	(7,881)
190	Minority interests	(335)	49,660
	Total Liabilities and Equity	**1,855,096**	**1,686,994**

CONSOLIDATED INCOME STATEMENT

(in thousands of Euro)

	CONSOLIDATED INCOME STATEMENT	31.12.2015	31.12.2014
10	Interest and similar income	6,764	7,093
20	Interest and similar expenses	(1,727)	(2,447)
	NET INTEREST MARGIN	**5,037**	**4,646**
30	Fee and commission income	176,519	161,134
40	Fee and commission expenses	(83,339)	(64,915)
	NET FEE AND COMMISSION INCOME	**93,180**	**96,219**
50	Dividend and similar income	284	53
60	Net trading result	(835)	270
70	Fair value adjustments in hedge accounting	0	0
80	Gains/(Losses) on financial assets/liabilities at fair value through profit or loss	821	1,006
90	Profits/(Losses) on disposals/repurchases of:	69	3,736
	a) financial assets	*69*	*3,736*
	b) financial liabilities	0	0
	OPERATING INCOME	**98,556**	**105,930**
100	Impairment losses/recoveries on:	(1,587)	(2,356)
	a) financial assets	*(1,587)*	*(2,356)*
	b) other financial transactions	0	0
110	Administrative expenses:	(111,932)	(119,369)
	a) *personnel expenses*	*(78,755)*	*(77,837)*
	b) *other administrative expenses*	*(33,177)*	*(41,532)*
120	Impairment/recoveries on property, plant and equipment	(15,114)	(15,839)
130	Impairment/recoveries on intangible assets	(6,139)	(4,183)
140	Gains/(Losses) on tangible and intangible assets measured at fair value	0	0
150	Net provisions for risks and charges	(1,061)	(390)
160	Other operating income/expenses	23,736	31,316
	LOSS FROM OPERATIONS	**(13,541)**	**(4,891)**
170	Gains/(Losses) on equity investments	13	(1,427)
180	Gains/(Losses) on disposal of investments	0	0
	PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**(13,528)**	**(6,318)**
190	Income taxes from continuing operations	(918)	(3,182)
	PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS	**(14,446)**	**(9,500)**
	Profit/(Loss) after tax from discontinued operations		
	PROFIT/(LOSS) FOR THE YEAR	**(9,893)**	**(10,594)**
210	**Profit/(Loss) for the year attributable to minority interests**	(29)	(2,713)
220	**PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO THE PARENT**	**(9,864)**	**(7,881)**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of Euro)

Items		Net amount
10	Profit/(loss) for the year	(9,893)
20	Available-for-sale financial assets	(609)
30	Property, plant and equipment	0
40	Intangible assets	0
50	Hedges of overseas investments	0
60	Cash flow hedges	0
70	Exchange differences	0
80	Non-current assets and disposal groups classified as held for sale	0
90	Actuarial gains/(losses) on defined benefit plans	187
100	Share of valuation reserves from investments accounted for using the equity method	0
110	Total other comprehensive income	(422)
120	Comprehensive income (items 10+110)	(10,315)
130	Consolidated comprehensive income attributable to minority interests	(29)
140	Consolidated comprehensive income attributable to the Parent	(10,286)

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(in thousands of Euro)

Items	Opening balance as of 31.12.2013	Adjustments to opening balances	Closing balance as of 01.01.2014	Appropriation of prior year profit: Reserves	Appropriation of prior year profit: Dividends	Changes in equity: Change in reserves	Equity transactions: New shares issued	Equity transactions: Purchase of treasury shares	Equity transactions: Distribution of extraordinary dividends	Equity transactions: Change in equity instruments	Equity transactions: Other changes	Consolidated comprehensive income for the year	Equity attributable to the parent as of 31.12.2014	Equity attributable to minorities as of 31.12.2014	Total
Share capital	890,339		890,339										836,384	53,955	890,339
Share premium	1,259		1,259										0	1,259	1,259
Reserves	(19,410)		(19,410)	(4,640)		16,121							(7,929)	(2,841)	(10,770)
Retained earnings	46,262		46,262	(4,640)		(2,331)							39,291	(2,841)	36,450
Other reserves	(65,672)		(65,672)			18,452							(47,220)	0	(47,220)
Valuation reserves	(13,035)		(13,035)									3,050	(9,985)	0	(9,985)
Equity instruments	0		0										0	0	0
Treasury shares	0		0										0	0	0
Profit/(loss) for the year	(4,640)		(4,640)	4,640								(7,881)	(7,881)	(2,713)	(10,594)
Equity attributable to the Parent	**801,543**		**801,543**										**810,589**		**810,589**
Equity attributable to minority interests	**52,970**		**52,970**											**49,660**	**49,660**

Items	Opening balance as of 31.12.2014	Adjustments to opening balances	Closing balance as of 01.01.2015	Appropriation of prior year profit: Reserves	Appropriation of prior year profit: Dividends	Changes in equity: Change in reserves	Equity transactions: New shares issued	Equity transactions: Purchase of treasury shares	Equity transactions: Distribution of extraordinary dividends	Equity transactions: Change in equity instruments	Equity transactions: Other changes	Consolidated comprehensive income for the year	Equity attributable to the parent as of 31.12.2015	Equity attributable to minorities as of 31.12.2015	Total
Share capital	890,339		890,339								(53,955)		836,384	338	836,722
Share premium	1,259		1,259										0	0	0
Reserves	(10,770)		(10,770)	(10,594)	0	(34,916)	0	0	0	0	0	187	(56,093)	(644)	(56,737)
Retained earnings	*36,450*		*36,450*	(10,594)	0	(49,313)	0	0	0	0	0	0	*(23,457)*	7	*(23,450)*
Other reserves	*(47,220)*		*(47,220)*			14,397						187	*(32,636)*	(651)	*(33,287)*
Other reserves	0		0												*0*
Third party reserves (other)	0		0												*0*
Valuation reserves	(9,985)		(9,985)									(609)	*(10,594)*	0	*(10,594)*
Equity instruments	0		0										0	0	0
Treasury shares	0		0										0	0	0
Profit/(loss) for the year	(10,594)		(10,594)	10,594								(9,893)	(9,864)	(29)	(9,893)
Equity attributable to the Parent	**810,589**		**810,589**										**759,833**		**759,833**
Equity attributable to minority interests	**49,660**		**49,660**											**(335)**	**(335)**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of Euro)

D. OPERATING ACTIVITIES	31.12.2015	31.12.2014
1. Operations	12,709	14,567
- profit for the year (+/-)	(9,893)	(10,594)
- gains/losses on financial assets held for trading and on financial assets/liabilities at fair value through profit or loss (-/+)	14	(1,275)
- gains/losses on hedging activities (-/+)	0	0
- impairment losses/recoveries (+/-)	532	2,356
- impairment /write-backs on property, plant and equipment and intangible assets (+/-)	22,308	20,021
- net provisions for risks and charges and other expenses/revenues (+/-)	4,301	2,977
- unpaid taxes and duties (+)	0	0
- impairment/write-backs on discontinued operations net of tax effects (+/-)	(4,553)	1,082
- other adjustments (+/-)	0	0
2. Cash flows from/used by financial assets	45,068	(76,532)
- financial assets held for trading	(3,763)	(14,698)
- financial assets at fair value through profit or loss	10,796	(3,000)
- available-for-sale financial assets	(355)	1,009
- amounts due from banks	(367)	40,090
- amounts due from customers	(82,319)	(53,710)
- other assets	121,076	(45,953)
3. Cash flows from/used by financial liabilities	228,690	(69,431)
- amounts due to banks	0	0
- amounts due to financial institutions	0	0
- amounts due to customers	113,216	(9,185)
- securities issued	0	0
- financial liabilities held for trading	0	0
- financial liabilities at fair value through profit or loss	0	0
- other liabilities	115,474	(60,246)
Net cash flows from/used in operating activities	*286,467*	*(131,396)*
E. INVESTING ACTIVITIES		
1. Cash flows from	(1,920)	6,652
- disposals of equity investments	(1,920)	6,652
- dividends collected from equity investments	0	0
- sales of held to maturity investments	0	0
- sales of property, plant and equipment	0	0
- sales of intangible assets	0	0
- disposals of business segments	0	0
2. Cash flows used in	(28,653)	(20,674)
- purchases of equity investments	0	0
- purchases of held to maturity investments	0	0
- purchases of property, plant and equipment	(13,899)	(13,655)
- purchases of intangible assets	(14,754)	(7,019)
- purchases of business segments	0	0
Net cash flows from/used in investing activities	*(30,573)*	*(14,022)*
F. FUNDING ACTIVITIES		
- issues/purchases of treasury shares	0	0
- issues/purchases of equity instruments	0	0
- payment of dividends and other	(82,221)	16,276
Net cash flows from/used in funding activities	*(82,221)*	*16,276*
Net increase/decrease in cash liquidity	**173,673**	**(129,142)**

RECONCILIATION	Amount	
	31.12.2015	31.12.2014
Cash and liquidity at beginning of the year	339,036	468,178
Net increase/decrease in cash and liquidity	173,673	(129,142)
Cash and liquidity at the end of the year	*512,709*	*339,036*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Part A – ACCOUNTING POLICIES

A.1 – General

Section 1 – Statement of compliance with international financial reporting standards

As provided for in Regulation (EC) no. 1606 of 19 July 2002 (adopted in Italy by Legislative Decree No. 38 of 28 February 2005), the consolidated financial statements, which were approved by the Board of Directors on 21 June 2016, have been prepared in accordance with international financial reporting standards issued by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as endorsed by the European Commission and in effect at the reporting date.

The consolidated financial statements follow the statement formats and rules set forth in the instructions issued by the Governor of the Bank of Italy on 15 December 2015, "Instructions for the preparation of financial statements and reports of financial intermediaries under article 107 of the Consolidated Banking Act (T.U.B.), Payment Institutions, Electronic Money Institutions (IMELs), Asset Management Companies (SGRs) and Securities Investment Firms (SIMs)".

In this regard, it is noted that the Ministry of the Economy and Finance (MEF) Decree of 10 October 2012 exempts Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa SpA (the "Agency", the "Parent Company" or "Invitalia") from applying the rules set forth in Title V of the Consolidated Banking Act as it is subject to other equivalent forms of oversight (MEF and the Italian Audit Office - the "Corte dei Conti"). As confirmed by independent legal opinion, such exemption has no effect on the Agency's status as a "financial intermediary" or on the aforementioned guidance, which has been applied consistently over time in preparing the financial statements.

As required by IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), the following new and revised international accounting standards effective from 1 January 2015 are noted:

- Annual Improvements to IFRSs 2010-2012 and 2011–2013
- Defined benefit plans: Employee contributions (Amendment to IAS 19)

New standards and interpretations issued and endorsed by the European Union but not yet effective (effective for annual periods beginning on or after 1 January 2016) include:

- Commission Regulation (EU) no. 2015/2441 of 18 December 2015, published in the Official Gazette Law 336 of 23 December, adopts amendments to IAS 27 "Equity Method in Separate Financial Statements". The amendments allow use of the equity method, as described in IAS 28 "Investments in Associates and Joint Ventures" to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.
- Commission Regulation (EU) no. 2015/2406 of 18 December 2015, published in the Official Gazette Law 333 of 19 December, adopts amendments to IAS 1 "Presentation of financial statements": disclosure initiative. The amendments aim to

improve disclosure and encourage entities to apply professional judgement in disclosing information in accordance with IAS 1.

- Commission Regulation (EU) no. 2015/2343 of 15 December 2015, published in the Official Gazette Law 330 of 16 December, adopts the Annual Improvements to IFRSs - Cycle 2012-2014. The amendments contained in the Annual Improvements cycle 2012-2014 relate to IFRS 5, IFRS 7, IAS 19, IAS 34 and IFRS 15.
- Commission Regulation (EU) no. 2015/2231 of 2 December 2015, published in the Official Gazette Law 317 of 3 December, adopts amendments to IAS 16 "Property, plant and equipment" and IAS 38, "Intangible assets" on clarification of acceptable methods of depreciation and amortization.
- Commission Regulation (EU) no. 2015/2173 of 24 November 2015, published in the Official Gazette Law 307 of 25 November, adopts amendments to IFRS 11 "Joint Arrangements". The amendments provide guidance on accounting for acquisitions of interests in joint operations that constitute a business.
- Commission Regulation (EU) no. 2015/2113 of 23 November 2015, published in the Official Gazette Law 306 of 24 November, adopts amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture" on bearer plants. The IASB ruled that bearer plants (i.e. plants that are used in the production or supply of agricultural produce that is expected to bear produce for more than one period) should be accounted for as property, plant and equipment in accordance with IAS 16, as the function is similar to that of manufacturing products.

The following IFRS amendments were not considered in preparing the consolidated financial statements as of 31 December 2015 as they had not been endorsed by the European Union at the time the financial statements were prepared:

- IFRS 14 "Regulatory deferral accounts"
- IFRS 9, "Financial instruments: Disclosures"
- IFRS 15, "Revenue from Contracts with Customers"
- IFRS 16 "Leases"
- Amendments to IFRS 10 "Consolidated financial statements" and IAS 28, "Investments in associates and joint ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
- Amendments to IFRS 10, IFRS 12 and IAS 28: "Investment Entities – Applying the Consolidation Exception" (issued on 18 December 2014)
- Amendments to IAS 12: "Recognition of Deferred Tax Assets for Unrealised Losses"

Section 2 – Basis of preparation

The consolidated financial statements comply with the "Framework" for the preparation and presentation of financial statements. They are therefore prepared on an accruals and going concern basis and general principles of materiality and significance have been applied as has the principle of substance over form.

Each material class of items is presented separately and items of a dissimilar nature or function are presented separately unless they are immaterial. Assets and liabilities and income and expenses are not offset unless required or permitted by an IFRS or related interpretation. Prior year figures are reclassified solely for the purpose of ensuring year over year comparability of balance sheet and income statement items.

The consolidated financial statements include the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

In accordance with Art. 5, Paragraph 2 of Legislative Decree 38 of February 28, 2005, the financial statements are expressed in the functional currency of the Agency, which is the Euro.

Unless otherwise indicated, the financial statements and related notes are presented in thousands of Euros.

The consolidated financial statements were approved by the Board of Directors on 21 June 2016.

Section 3 – Significant events subsequent to the reporting date

Other than matters reflected in the Directors' Report on Operations, no events or facts occurred between the reporting date and the date the financial statements were approved that would require adjustment to the results of the consolidated financial statements for the year ended 31 December 2015.

Section 4 – Other matters

The consolidated financial statements have been audited by PricewaterhouseCoopers SpA.

Section 5 –Basis of consolidation

The consolidated financial statements incorporate the financial statements of the *Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa SpA* and entities controlled by the Agency directly or indirectly.

The scope of consolidation is based on the provisions of IFRS 10, IFRS 11 and IAS 28. An entity is considered to be controlled when the parent exercises its power, whether directly or indirectly, to determine the entity's financial and management policies. Subsidiaries are consolidated on a line-by-line basis. Consolidation of a subsidiary begins when the parent obtains control over the subsidiary and ceases when the parent loses control of the subsidiary.

In accordance with the principles of materiality and significance, controlling interests considered to be insignificant in the overall context of the consolidated financial statements are not consolidated on a line by line basis but are recognised on a net equity basis and reported under "Item 90 – Equity investments" on the consolidated balance sheet. The balances of entities consolidated on a line-by-line basis have been adjusted as necessary to bring them into line with the Company's accounting policies.

All assets, liabilities, revenues and expenses of companies consolidated on a line-by-line basis are aggregated in the consolidated financial statements, other than those relating to intragroup transactions, which are eliminated on consolidation.

Consolidated assets and liabilities reflect those reported in the individual financial statements of group companies, as approved by the respective Boards of Directors and/or shareholders' meetings. Where such individual financial statements were not available, reference is made to the most recently available accounting information. Any subsidiaries with immaterial amounts of assets and revenues, for which individual financial statements were not available, are recognised using the equity method, which recognises the Group's share of the company's income and net equity even if the assets, liabilities, revenues and costs are not recognized on a line by line basis. Non-elimination of intergroup transactions has had no impact on the consolidated results or equity and only marginal, insignificant impact on total consolidated assets and liabilities.

Equity and the result for the year attributable to minority interests are recognized separately in the consolidated balance sheet and income statement. In order to present the Group as a single entity, the carrying amount of investments in subsidiaries is offset against the corresponding portion of shareholders' equity. Any differences arising are treated in line with the IFRS 3 provisions on goodwill: if positive, goodwill is recognised as an intangible asset that is not amortized but, rather, tested for impairment at each reporting date; any negative goodwill is reflected in the income statement.

Assets and liabilities classified as held for sale are presented separately in the consolidated financial statements under line items 130 and 80 in assets and liabilities respectively. No subsidiaries were consolidated using the proportional consolidation method.

The following subsidiaries were consolidated on a line-by-line basis:

Company	Registered office	Type of relationship	Investment held by	% Holding	% Voting rights	A = controlled directly B = controlled indirectly
INFRATEL ITALIA S.p.A.	Roma	Majority voting rights at the ordinary shareholders' meetings	INVITALIA S.p.A.	100.00%	100.00%	A
INVITALIA PARTECIPAZIONI S.p.A.	Roma	Majority voting rights at the ordinary shareholders' meetings	INVITALIA S.p.A.	100.00%	100.00%	A
ITALIA TURISMO S.p.A.	Roma	Majority voting rights at the ordinary shareholders' meetings	INVITALIA S.p.A.	100.00%	100.00%	A
INVITALIA VENTURES S.p.A.	Roma	Majority voting rights at the ordinary shareholders' meetings	INVITALIA S.p.A.	100.00%	100.00%	A
GARANZIA ITALIA - CONFIDI	Roma	Majority voting rights at the ordinary shareholders' meetings	INVITALIA S.p.A.	100.00%	100.00%	A
MARINA DI PORTISCO S.p.A.	Portisco	Majority voting rights at the ordinary shareholders' meetings	INVITALIA S.p.A.	100.00%	100.00%	A
TRIESTE NAVIGANDO SRL (EX GALLIPOLI NAVIGA	Gallipoli	Majority voting rights at the ordinary shareholders' meetings	INVITALIA S.p.A.	100.00%	100.00%	A
AQUILA SVILUPPO S.p.A. in liquidazione	L'Aquila	Majority voting rights at the ordinary shareholders' meetings	INVITALIA PARTECIPAZIONI S.p.A.	90.00%	90.00%	B
SVILUPPO ITALIA CALABRIA S.c.p.A. in liquidazion	Cosenza	Majority voting rights at the ordinary shareholders' meetings	INVITALIA PARTECIPAZIONI S.p.A.	79.84%	79.84%	B
SVILUPPO ITALIA CAMPANIA S.p.A. in liquidazione	Napoli	Majority voting rights at the ordinary shareholders' meetings	INVITALIA PARTECIPAZIONI S.p.A.	99.88%	99.88%	B
SVILUPPO ITALIA SARDEGNA S.p.A. in liquidazione	Cagliari	Majority voting rights at the ordinary shareholders' meetings	INVITALIA PARTECIPAZIONI S.p.A.	100.00%	100.00%	B

A.2 – Main financial statement items

Criteria applied

The following paragraphs provide details of the accounting policies adopted in the preparation of the consolidated financial statements in terms of the criteria used for the recognition, classification, measurement, and derecognition of the various assets, liabilities, revenues and expenses.

Cash and cash equivalents

Cash and cash equivalents are recognised at nominal value and include short term deposits and deposits repayable on demand that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Financial assets held for trading

Includes financial instruments that are held for trading, independently of their technical nature, as well as any derivative instruments not used for hedging purposes.

Financial assets held for trading are initially recognized at fair value, which unless otherwise indicated usually corresponds to the amount paid, excluding transaction costs and income, which are recognized immediately in the income statement even if directly attributable to the financial assets.

Financial assets held for trading are subsequently measured at fair value through profit or loss at each reporting period.

The fair value of financial instruments listed on active markets is measured at market prices (bid/ask prices or, if unavailable, average prices).

In the absence of an active market, estimates and valuation models that consider both risk factors and observable market data are used. These include: methods based on quoted prices for similar assets or liabilities in active markets; discounted cash flows; methods used to determine option prices; and the values of recent similar transactions.

Only those securities and derivative instruments whose fair value cannot be determined reliably using such methods are measured at cost.

Financial assets held for trading are derecognized when the contractual rights have expired or when, as a result of being sold, substantially all the risks and rewards relating to these financial assets are transferred.

Realised gains/losses resulting from the sale/expiration of such assets and unrealised gains/losses relating to fair value adjustments are recognised in "Net trading result".

Financial assets held for trading are derecognised on sale at the transfer date (settlement date).

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include securities for which the fair value option is applied. The same recognition, measurement and derecognition criteria are applied as for financial assets held for trading and fair value is determined based on market value at the end of the period under review. Period over period changes in the fair value of such financial assets are recognised immediately in the income statement.

Held to maturity investments

The Group does not hold financial assets with the intention of holding them to maturity.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are not classified as financial assets held for trading, held to maturity investments, or financial assets at fair value through profit or loss or loans and receivables.

Available-for-sale financial assets also include unlisted equity investments not considered to be subsidiaries, associates or jointly controlled (minority shareholding).

Available-for-sale financial assets are initially recognized at the settlement date in the case of debt or equity instruments or the disbursement date in the case of loans and receivables. They are initially recognized at fair value, which reflects the consideration plus transaction costs and income directly attributable to the instrument.

Available-for-sale financial assets are subsequently re-measured at *fair value*, with the interest being recognized at amortized cost in the income statement. Gains or losses arising from changes in *fair value* are recognized in equity within item 170 "Valuation reserves" until the financial asset is derecognised or an impairment is recognised. At the time of such derecognition or recognition of impairment, the cumulative gains and losses are recognized in the income statement and the reserve is reduced to zero.

Equity instruments for which *fair value* cannot be reliably determined are measured at cost.

Available-for-sale financial assets are tested for impairment at the end of each reporting period.

Any reinstatement of value, following a previous impairment, cannot result in a carrying amount that exceeds what the amortized cost would have been had the impairment loss not been recognized.

Available-for-sale financial assets are derecognized when the contractual rights expire or when, following a sale, substantially all the risks and benefits relating to the financial asset are transferred.

Loans and receivables

Loans and receivables fall into the broader category of financial instruments and comprise those relationships through which the Agency has contractual rights to cash flows.

Whether disbursed directly or acquired from third parties, loans and receivables (due from customers, banks and financial institutions) are financial assets, with fixed or determinable payments, that are not quoted in an active market or initially classified as Available-for-sale financial assets.

Loans and receivables include trade receivables and repurchase agreements.

Loans and receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

Amortized cost is equal to the initial value of the instrument, net of any capital reimbursed, adjusted to reflect any revaluation or impairment and amortization of the difference between the amount disbursed and that reimbursable on maturity. The effective interest rate is the rate that exactly discounts the future cash flows through the expected life of the financial instrument to the net carrying amount of the financial instrument, including any directly related fees/income.

In the event of lending below market rates or rates usually set for similar lending, initial recognition is equal to the present value of future cash flows calculated at an appropriate rate, with any difference with respect to the disbursed amount being taken to the income statement. If the fair value on recognition of the financials instrument is less than the amount disbursed due to the rate applied being below market rates, then initial recognition is at the lower value, calculated by determining the present value of future cash flows at the market rate applicable to financial instruments with similar characteristics. Such adjustment is not made in the case of loans to be financed under existing laws or special subsidising laws on the assumption that the economic effects of such lending are absorbed by the funds in question or otherwise discounted in the conditions related to such lending.

Trade receivables which are expected to be received by their due dates are not discounted. At the end of each reporting period, trade receivables are tested for impairment.

Impaired receivables are remeasured and adjusted; the amount of the impairment loss recognised is the difference between the asset's carrying value at the measurement date (amortised cost) and the present value of expected future cash flows, discounted at the financial asset's original effective interest rate.

Expected future cash flows are based on expected recovery times, assumed realisable value, cost of guarantees and any other costs that will be incurred to recover outstanding amounts.

Cash flows relating to short-term receivables (due within 12 months) are not discounted.

The original effective interest rate of each financial asset remains unaltered over time even in the presence of changes to the contracted rate and even in the case the asset ceases to earn interest.

Impairment losses are recognised in profit or loss.

Impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss. Such recovery must not result in a carrying value that exceeds what the amortised cost would have been had the impairment not been recognised.

Receivables for which no specific evidence of impairment has been identified (i.e. performing loans and receivables) are assessed for impairment on a collective basis to identify inherent risk.

Impairment losses based on collective assessment are recognised in profit or loss.

Derivatives

Gains or losses on cash flow hedges – gains and losses linked to changes in the (present) fair value of the expected future cash flows of the hedged asset or liability from the beginning of the hedge - that are considered to be effective in accordance with the requirements of IAS 39, are recorded in equity in the valuation reserve and reported in the statement of changes in net equity. Speculative derivatives are measured at fair value through profit or loss.

Equity investments

Investments in companies subject to significant influence (associates) are measured using the equity method with the relevant share of gains or losses being recognised in profit or loss.

In measuring equity, consideration is given, as appropriate to "exit strategy" clauses (where these exist) that define timing and price determination methods based on agreed methodologies.

Investments in associates include those acquired while implementing national and/or EU funded concessions, where the risk remains wholly or in part with the related funds.

The risk of incurring losses greater than the carrying value of the investments is recognised in a dedicated provision to the extent that the investor has legal or constructive obligations, or is otherwise required to settle the losses.

Investments in subsidiaries that are not consolidated, as they are considered immaterial to a true and fair presentation of the Group's economic and financial situation, are measured using the equity method with the relevant share of gains or losses being recognised in profit or loss.

Property, plant and equipment

This item includes land, buildings, furniture and fittings, plant and machinery.

Property, plant and equipment is measured at cost, including any directly related transaction costs and finance charges incurred in the realisation of such assets. Assets acquired through business combinations prior to 1 January 2004 were initially recognised at their existing Italian GAAP book values at the time of the business combination rather than cost.

Asset cost as defined above is depreciated on a straight-line basis over the useful economic lives of the assets from when they are considered ready for use, using depreciation rates that reflect their remaining useful lives. If significant component parts of such assets have different economic lives, they are recognised and depreciated separately.

Land, irrespective of whether it is free of buildings or annexed to civil or industrial buildings, is not depreciated as it has an indefinite useful life.

Leased assets are not depreciated if the related lease contracts provide for the return of such assets in their original condition, subject as required to necessary renewals and replacement.

Depreciable value is determined net of any residual value, if significant. If residual value is equal to or greater than the carrying value, the depreciation rate is set at zero. In line with the specific nature of the individual assets, residual value is tested periodically for potential impairment.

Assets included in company lease contracts, under which lessees are obliged to return the assets in their original condition, are not depreciated as their book value is assumed to be equal to their realisable value at the end of the contract. Concession related assets are depreciated over the remaining life of the concession.

If there are indicators or evidence of potential impairment of items of Property, plant and equipment, impairment tests are performed to identify any loss in value. This involves estimating the asset's recoverable value (the higher of the asset's market value less costs of disposal and its value in use) and comparing it to the asset's book value. Book values, if higher, are adjusted to the recoverable amount. An asset's value in use is equal to the present value of its pre-tax future cash flows, calculated using a pre-tax discount rate that reflects the current market cost of money and the risk associated with the asset. Impairment losses are recognised in the income statement under "Impairment/write-backs on property, plant and equipment". Impairment losses are reversed if the conditions that gave rise to them no longer exist.

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance intended for use over a period of more than one year or indefinitely. They are initially recognised at cost as adjusted for any ancillary costs. Intangible assets are recognised at cost, adjusted for any ancillary charges only if it is probable that the future economic benefits attributable to the assets will be realised and if the cost of the asset may be reliably determined. If this is not the case, the cost of the intangible asset is recorded in the income statement in the year in which it was sustained.

Assets with finite useful life, are amortised on a straight-line basis from the moment they are available for use. Assets with indefinite useful life are not subject to systematic amortisation, but are periodically subjected to impairment testing, similar to that described above in relation to property plant and equipment.

Amortisation, impairment losses and recoveries are recorded in the income statement under "Impairment/recoveries on intangible assets".

Intangible assets are derecognised from the balance sheet on disposal or if no future economic benefits are expected. Intangible assets are recognised at cost, determined in the same way as for property plant and equipment.

Gains or losses on derecognition of an intangible asset are determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset; they are recognised in the income statement when the asset is derecognised.

Non-current assets and disposal groups classified as held for sale and related liabilities

This item includes non-current assets held for sale and assets and liabilities relating to discontinued operations for which disposal is deemed to be extremely probable. These include non-current assets/liabilities for which a disposal process has commenced based on a reorganisation plan, prepared pursuant to the 2007 Finance Act and the subsequent Ministry of Economic Development Decree of 27 March 2007. Such assets/liabilities are measured at the lower of their carrying amount and their fair value less costs to sell.

The income and charges attributable to Non-current assets and disposal groups classified as held for sale, or recorded as such during the year, are recognised under a separate line item in the income statement.

Contract work in progress

Construction contracts in progress (contract work in progress) are measured based on contracted revenues earned with reasonable certainty, given the stage of completion of contract activities (percentage of completion method) in such a way as to accrue revenues in line with work completed.

Positive or negative differences between the value of work in progress and advance/progress payments received are recognised as assets or liabilities in the balance sheet, considering also any reductions in value made to recognise risks associated with non-acceptance of work completed.

In addition to the initial amount of revenue agreed in the contract, contract revenues include variations in contract work, price revisions and claims, to the extent that it is probable that they will result in revenues that are capable of being reliably measured.

Any expected losses on construction contracts are immediately recognised as an expense, independently of the stage of completion of the contract.

Inventories

Inventories are stated at the lower of purchase cost and estimated net realisable value. Purchase cost is determined using the weighted average cost method or specific cost.

Payables and other liabilities

Payables and other liabilities are initially recognised at fair value, net of any directly related transaction costs. Subsequent to initial recognition, financial liabilities are measured at amortised cost using the original effective interest method.

Revocable payables and liabilities issued are treated as short term liabilities and not discounted. In the same way, trade payables with normal business cycle due dates are not discounted.

Provision for employee termination indemnities

The liability relating to employee termination indemnities is based on defined benefit plans and is recognized when the right is earned. It is stated net of any plan assets and advances paid and is calculated based on actuarial assumptions, using the projected unit credit method; it is accrued over the working lives of employees. Plan costs are recognised in the income statement when incurred.

Actuarial gains and losses are recognised in the period to which they relate and reported in equity.

The actuarial valuation is determined each year by an independent actuary

Provisions for risks and charges

Provisions for risks and charges are recognised when, and only when:

- there exists a present obligation (legal or constructive) resulting from a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Amounts are recognised based on best estimates at the reporting date of the expenditure required to settle such obligations or transfer them to third parties. Risks that may result in potential liabilities are disclosed without provision in the notes to the financial statements.

If the effect is significant, in determining provisions, future expected cash flows are discounted to present value using a discount rate that reflects the current market cost of money and the risk associated with the liability. If discounted in such manner, any increase in provisions related to the time value of money is recognized as a finance expense.

Current and deferred income taxes

Current and deferred income taxes, calculated in accordance with domestic tax regulations and relevant rates in force, are recognised on an accruals basis in line with recognition of the costs and income that generated them.

Income taxes, other than those relating to assets and liabilities recognised directly in equity, are recognised in the income statement.

Current tax assets and liabilities include the tax balances of the Group companies due to the relevant Italian and foreign tax authorities. More specifically, these items include the net balance of current tax liabilities for the year, calculated based on a prudent estimate of the tax charges due for the year, assessed according to the tax regulations currently in force, and the current tax assets represented by advances paid and other tax credits for withholding taxes borne or tax credits of previous years that the Group companies claimed against taxes payable in future years.

The provision for income taxes is based on prudent estimates of current tax expenses, deferred tax assets and deferred tax liabilities.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets and liabilities are updated to reflect changes in legislation and/or rates.

If deferred tax assets and liabilities relate to transactions and other events recognised in the income statement, any related tax effects are also recognised in the income statement. For transactions and other events not recognised in the income statement but directly in equity (such as measurement of available for sale financial instruments or cash flow hedges), any related tax effects are also recognised directly in equity in the relevant dedicated reserves.

Since 2004, the Parent has adopted domestic fiscal consolidation arrangements, governed by Articles 117 and 129 of the consolidated law on income tax (TUIR), introduced by Legislative Decree no. 344/2003.

Relations between the Agency and those subsidiaries that participate in such arrangements are regulated by contract.

Revenue recognition

Revenues are recognised to the extent the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company. Depending on the type of transaction, revenues are recognised as follows:

- Sale of goods - revenues are recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer.
- Rendering of services - revenues are recognised when the stage of completion of the transaction at the end of the reporting period can be measured reliably, as foreseen in the case of contract work in progress. If the outcome of the transaction cannot be estimated reliably, revenue shall be recognised only to the extent of recoverable expenses.
- Interest - revenue is recognised based on interest earned on the net value of the related financial assets, calculated using the effective interest method (which exactly discounts estimated future cash receipts through the expected life of the financial instrument).
- Dividends - dividends are recognised when shareholders' rights to receive payment are established.

Government grants are recognised at fair value when there is reasonable assurance that they will be received and that the conditions attached to them will be complied with.

When grants relate to cost components (e.g. income related grants) they are recognised under "Other operating income/expenses" and spread systematically across the various years in such a way that annual revenues from grants are in proportion to the costs they are intended to offset.

When grants relate to assets (e.g. capital grants), they are recognised as long-term liabilities and released progressively to the income statement as "Other income" in proportion to the useful economic life of the asset in question, in line with the related depreciation/amortization charges.

Grants awarded for the purpose of giving immediate financial support to an entity, rather than in relation to future or past costs, are recognised in the income statement during the year in which the entity qualifies to receive it.

Leasehold improvements

The costs of restructuring leased properties are capitalised based on the fact that for the duration of the lease contract the lessee controls and can derive future economic benefits from the asset. Such capitalised costs are recognised in "Property, plant and equipment" and depreciated over a period no longer than the duration of the relevant lease contract.

A.3 – Fair value

Fair value hierarchy

Fair value measurements are classified in terms of the following hierarchy, which categorises the inputs to valuation techniques used to measure fair value.

Level 1:

quoted prices in active markets – as defined in IAS 39;

Level 2:

inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices);

Level 3:

inputs not based on observable market data

Part B – Information on the Balance Sheet

ASSETS

Unless otherwise specified, all amounts in the notes to the financial statements are presented in thousands of Euro. Items 50, 70 and 80 in Assets, items 20, 30, 40, 50, 60, 130, 140 and 150 in Liabilities and items 70, 140 and 180 in the Income Statement are not commented on below as they were not used in either 2015 or 2014.

Item 10 - Cash and cash equivalents	**126**	**94**

	31.12.2015	**31.12.2014**
Item 10 - Cash and cash equivalents		
Cash	126	94
Post office current accounts		
Total	**126**	**94**

Section 2 - Item 20 - Financial assets held for trading	**56,690**	**53,762**

Financial assets held for trading comprise short-term securities, for the main part government bonds and domestic financial securities. The financial assets in question, which represented approximately one quarter of the Parent's interest generating liquidity, had an average duration of a little over eighteen months and an average rating of BB-. The performance of financial assets held for trading, at 1.54%, represented an improvement with respect to the previous year, with margins earned being used to refinance positions through repurchase agreements.

2.1. Financial assets: breakdown

	2015			**2014**		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Cash assets						
Debt securities						
. Structured securities	0	0	0	0	0	0
. Other debt securities	53,209	3,481	0	53,762	0	0
Equities and Units Held in Investment Funds ("CUI")	0	0	0	0	0	0
Loans	0	0	0	0	0	0
	53,209	**3,481**	**0**	**53,762**	**0**	**0**
Derivatives						
Financial derivatives	0	0	0	0	0	0
Credit derivatives	0	0	0	0	0	0
	0	**0**	**0**	**0**	**0**	**0**
Total	**53,209**	**3,481**	**0**	**53,762**	**0**	**0**

2.3 Financial assets held for trading:

Borrower/issuer breakdown

	2015	2014
Cash assets		
Governments and Central Banks	18,485	17,144
Other public entities	0	0
Banks	34,724	35,657
Financial institutions	0	0
Other issuers	3,481	961
	56,690	**53,762**
Derivatives		
Banks	0	0
Other counterparties	0	0
	0	**0**
Total	**56,690**	**53,762**

2.4 Annual changes

	Debt securities	Equities and CUI stock	Loans	Total
Opening balance	53,762	0	0	53,762
Increases				
Purchases	28,145	0	0	28,145
Positive fair value differences	232	0	0	232
Other changes	978	0	0	978
Decreases				
Sales	(14,156)	0	0	(14,156)
Reimbursements	(10,255)	0	0	(10,255)
Negative fair value differences	(913)	0	0	(913)
Other changes	(1,103)	0	0	(1,103)
Closing balance	**56,690**	**0**	**0**	**56,690**

See attachment A.1 for details of changes

Section 3 - Item 30 - Financial assets at fair value through profit or loss

Financial assets at fair value comprise capital redemption policies underwritten by the Parent with insurance companies. Amounts invested in capital redemption policies decreased during 2015 due to certain contracts expiring. During the first quarter of 2016, such decrease was reduced as a result of new policies being underwritten. The total amount invested in such policies at the end of the year was Euro 24 million, increasing to Euro 27 million at the end of the first quarter 2016. Investment in capital redemption policies improves total returns on Group liquidity without changing the risk profile, given the nature of the debt and stability of the internal plans. The average return on the policies portfolio was 3%.

3.1 Financial assets at fair value: *breakdown*

	2015			2014
	Level 1	Level 2	Level 3	Level 3
Debt securities				
. Structured securities	0	0	0	0
. Other debt securities	0	0	24,418	34,393
Equities and CUI stock	0	0	0	0
Loans	0	0	0	0
Total	**0**	**0**	**24,418**	**34,393**

3.2 Borrower/issuer breakdown

	2015	2014
Governments and Central Banks	0	0
Other public entities	0	0
Banks	0	0
Financial institutions	24,418	34,393
Total	**24,418**	**34,393**

3.3 Annual changes

	Debt securities	Equities and CUI stock	Loans	Total
Opening balance	34,393	0	0	34,393
Increases				
Purchases	2,000	0	0	2,000
Positive fair value differences	822	0	0	822
Other changes	0	0	0	0
Decreases				
Sales	0	0	0	0
Reimbursements	(12,792)	0	0	(12,792)
Negative fair value differences	0	0	0	0
Other changes	(5)	0	0	(5)
Closing balance	**24,418**	**0**	**0**	**24,418**

See attachment A.2 for details of changes. No financial assets at fair value were pledged as collateral for Group liabilities or commitments.

Section 4 – Item 40 - Available-for-sale financial assets **8,496** **8,141**

The item comprises units held in investment funds (CUI) held by the Parent, representing medium and long-term investments in closed end funds.

During 2015, a new "Fondo Italia Ventures I" fund was underwritten in the amount of Euro 50,000 thousand, using resources from the sustainable growth fund established under Ministerial Decree of 29 January 2015. The amount is included in Purchases, net of the amount still to subscribe.

Payments relating to the quotas subscribed and management commissions charged to the funds are reported as "Other increases".

	2015			2014
	Level 1	Level 2	Level 3	Level 3
Debt securities				
. Structured securities	0	0	0	0
. Other debt securities	0	0	0	0
Equities and CUI stock	0	8,496	0	8,141
Loans	0	0	0	0
Total	**0**	**8,496**	**0**	**8,141**

4.2 Borrower/issuer breakdown

	2015	2014
Governments and Central Banks	0	0
Other public entities	0	0
Banks	0	0
Financial institutions	0	0
Other issuers	8,496	8,141
Total	**8,496**	**8,141**

4.3 Annual changes

	Debt securities	Equities and CUI stock	Loans	Total
Opening balance	0	8,141	0	8,141
Increases				
Purchases	0	668	0	668
Positive fair value differences	0	46	0	46
Write-backs recognised in				
. income statement	0	0	0	0
. shareholders' equity	0	0	0	0
Transfers from other portfolios	0	0	0	0
Other increases	0	296	0	296
Decreases				
Sales	0	0	0	0
Reimbursements	0	0	0	0
Negative fair value differences	0	(655)	0	(655)
Impairment losses	0	0	0	0
Transfers to other portfolios	0	0	0	0
Other decreases	0	0	0	0
Closing balance	**0**	**8,496**	**0**	**8,496**

See attachment A.3 for details of Equities and CUI stock and related changes during the period.

Section 6 - Item 60 – Loans and receivables

1,045,270	797,194

The item is broken down by debtor as follows:

	2015	2014
Due from banks	518,542	344,534
Due from financial institutions	715	661
Due from customers	526,013	451,999
	1,045,270	797,194

6.1 Due from banks

	2015				2014			
	Book value	Fair Value			Book value	Fair Value		
		L1	L2	L3		L1	L2	L3
Current accounts and deposits	**512,583**			**512,583**	**338,942**			**338,942**
Loans	**0**			**0**	**0**			**0**
Reverse repurchase agreements	0			0	0			0
Finance leases	0			0	0			0
Factoring	**0**			**0**	**0**			**0**
. with recourse	0			0	0			0
. without recourse	0			0	0			0
Other loans	0			0	0			0
Debt securities	**2,990**			**2,990**	**4,944**			**4,944**
. Structured securities	0			0	0			0
. Other debt securities	2,990			2,990	4,944			4,944
Other assets	**2,969**			**2,969**	**648**			**648**
Total book value	**518,542**	**0**	**0**	**518,542**	**344,534**	**0**	**0**	**344,534**

"Current accounts and deposits" includes financial resources available on demand amounting to Euro 109,136 thousand and amounts totalling Euro 252,993 thousand in restricted, assigned funds relating to concessions financed by national and EU funds.

Assets with a total nominal value of Euro 122,400 thousand, based on market values as of 1 July 2008, were reclassified prior to 1 November 2008. The following table provides an overview of the amounts and related reclassifications as required by IFRS 7.

Technical nature	Type	Nominal value at transfer date	Book value at transfer date (30.6.2008)	Fair Value as of 31/12/10	Fair Value as of 31/12/11	Fair Value as of 31/12/12	Fair Value as of 31/12/13	Fair Value as of 31/12/14	Fair Value as of 31/12/15	Book value as of 31/12/15
Debt securities	Financial assets held for trading	32,500	30,647	16,217	11,557	4,123	4,530	4,808	2,946	2,990
Total		**32,500**	**30,647**	**16,217**	**11,557**	**4,123**	**4,530**	**4,808**	**2,946**	**2,990**

Fair value increases relating to securities in the "Financial assets held for trading" portfolio during the period 2014-2015 resulted in gains amounting to Euro 153 thousand. Adoption of the amortised cost method following the reclassification resulted in gains of Euro 84 thousand.

In summary:

		(Costs/revenues)
Without transfer		
Trading		153
Total		**153**
With transfer		
Trading		84
Total		**84**

6.2 Due from financial institutions

	2015						2014					
	Book value			Fair Value			Book value			Fair Value		
	Performing	Non-performing		L1	L2	L3	Performing	Non-performing		L1	L2	L3
		Purchased	Other					Purchased	Other			
1. Loans	**160**	**0**	**0**	**0**	**0**	**160**	**73**	**0**	**0**	**0**	**0**	**0**
1.1 Reverse repurchase agreements	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	0	0
1.2 Finance leases	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	0	0
1.3 Factoring	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
. with recourse	0	0	0	0	0	0	0	0	0	0	0	0
. without recourse	0	0	0	0	0	0	0	0	0	0	0	0
1.4 Other loans	160	0	0	**0**	**0**	**160**	73	0	0	0	0	0
2. Debt securities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
. Structured securities	0	0	0	0	0	0	0	0	0	0	0	0
. Other debt securities	0	0	0	0	0	0	0	0	0	0	0	0
3. Other assets	**555**	**0**	**0**	**0**	**0**	**555**	**661**	**0**	**0**	**0**	**0**	**661**
Total book value	**715**	**0**	**0**	**0**	**0**	**715**	**734**	**0**	**0**	**0**	**0**	**661**

6.3 Due from customers

	2015						2014					
	Book value			Fair Value			Book value			Fair Value		
	Performing	Non-performing		L1	L2	L3	Performing	Non-performing		L1	L2	L3
		Purchased	Other					Purchased	Other			
1. Loans	**76,656**	**0**	**50,891**	**0**	**0**	**127,547**	**84,815**	**0**	**48,559**	**0**	**0**	**133,371**
1.1 Finance leases	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
1.2 Factoring	**12,716**	**0**	**0**	**0**	**0**	**12,716**	**14,774**	**0**	**0**	**0**	**0**	**14,774**
. with recourse	8,161	0	0	0	0	8,161	9,982	0	0	0	0	9,982
. without recourse	4,555	0	0	0	0	4,555	4,792	0	0	0	0	4,792
1.3 Consumer credit	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
1.4 Credit cards	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
1.5 Finanz. per serv. pagam. Prestat	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
1.6 Other loans	**63,940**	**0**	**50,891**	**0**	**0**	**114,831**	**70,041**	**0**	**48,559**	0	0	**118,597**
Of which: enforcement of guarantees and commitments												
2. Debt securities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**129**	**0**	**0**	**129**
. Structured securities	0	0	0	0	0	0	0	0	0	0	0	0
. Other debt securities	0	0	0	0	0	0	0	0	**129**	0	0	129
3. Other assets	**385,466**	**0**	**13,000**	**0**	**0**	**398,466**	**306,102**	**0**	**12,394**	**0**	**0**	**318,495**
Total book value	**462,122**	**0**	**63,891**	**0**	**0**	**526,013**	**390,917**	**0**	**61,082**	**0**	**0**	**451,995**

The sub-item “Loans” includes loans disbursed under Law 181/89, for which the insolvency risk relating to the capital share is not borne by the Group.

Section 9

Item 90 – Equity investments

Item 90 – Equity investments	**44,993**	**44,591**

9.1 Equity investments: information on equity interests

	Book value	Company	% owned	% Votes available	Registered office
ACS ADVANCED COMPUTER SYSTEM SPA	360	INVITALIA PARTECIPAZIONI	29.49%	29.49%	Roma
ALA BIRDI SRL	1,514	INVITALIA PARTECIPAZIONI	30.00%	30.00%	Arborea
BOAT SERVICE NAVIGANDO SRL	-	INVITALIA PARTECIPAZIONI	30.00%	30.00%	Roma
C.R.A.A. SRL (in liquidation)	37	INVITALIA PARTECIPAZIONI	15.00%	15.00%	Roma
C.S.R.A. SRL IN CONCORD. PREV. (1)	620	INVITALIA	40.00%	40.00%	Massa
CARTONLEGNO GROUP SRL	200	INVITALIA	21.55%	21.55%	Massafra (Ta)
CATWOK SPA (in bankruptcy)	564	INVITALIA	23.11%	23.11%	Napoli
CFI - COOPERAZIONE FINANZA	623	INVITALIA PARTECIPAZIONI	0.65%	0.65%	Roma
CONSORZIO SPINNER	-	INVITALIA PARTECIPAZIONI	33.33%	33.33%	Roma
CONSORZIO EX CNOW	2	INVITALIA PARTECIPAZIONI	52.00%	52.00%	Roma
CMS SRL (in bankruptcy)	1,370	INVITALIA	19.22%	19.22%	Laterza (Ta)
DESIGN MANUFACTORING SPA	990	INVITALIA	7.93%	7.93%	Pozzuoli
ELA SPA (in bankruptcy)	-	INVITALIA	2.26%	2.26%	Napoli
ELETTRA SINCROTONE TRIESTE S.P.A.	1,817	INVITALIA PARTECIPAZIONI	3.82%	3.82%	Roma
ELMIRAD SERVICE SRL	120	INVITALIA	12.39%	12.39%	Taranto
FINMEK SOLUTIONS SPA IN PROC. CONC.(1)	-	INVITALIA PARTECIPAZIONI	30.00%	30.00%	L'Aquila
FONDERIE SPA (in bankruptcy)	-	INVITALIA	1.73%	1.73%	Roma
GRIMALDI SPA	534	INVITALIA	5.16%	5.16%	Capua
FONDERIT ETRURIA (in bankruptcy)	-	INVITALIA PARTECIPAZIONI	12.75%	12.75%	Roma
GUSTAVO DE NEGRI & ZA.MA. SRL	202	INVITALIA	20.20%	20.20%	Caserta
ISTITUTO DELLA ENCICLOPEDIA TRECCANI	3,474	INVITALIA	7.30%	7.30%	Roma
IDC- ITALIAN DISTRIBUTION	-	INVITALIA PARTECIPAZIONI	6.67%	6.67%	Roma
ITALIANA SERVIZI SRL	-	INVITALIA PARTECIPAZIONI	46.00%	46.00%	Roma
ITALIACAMP SRL	1	INVITALIA	5.00%	5.00%	Roma
JONICA IMPIANTI SRL	278	INVITALIA	8.70%	8.70%	Lizzano (Ta)
LAMEZIA EUROPA SCPA	702	INVITALIA PARTECIPAZIONI	20.00%	20.00%	Roma
LAMINAZIONE SOTTILE SPA	84	INVITALIA	1.01%	1.01%	S.Marco Evangelista
MARINA ARENELLA SRL	282	INVITALIA PARTECIPAZIONI	30.00%	30.00%	Palermo
MARINA DI MARGHERITA DI SAVOIA SRL	7	INVITALIA PARTECIPAZIONI	100.00%	100.00%	Margherita di Savoia
MARINA DI MONFALCONE SPA	-	INVITALIA PARTECIPAZIONI	75.07%	75.07%	Monfalcone
MARINA DI REGGIO CALABRIA SRL	30	INVITALIA PARTECIPAZIONI	72.12%	72.12%	Reggio Calabria
MARINA DI TRANI SRL SRL	-	INVITALIA PARTECIPAZIONI	100.00%	100.00%	Verona
MARINA DI VILLA IGIEA SPA	631	INVITALIA PARTECIPAZIONI	13.28%	13.28%	Palermo
MECCANO SCPA	76	INVITALIA PARTECIPAZIONI	4.43%	4.43%	Roma
METALFER SUD SPA (in bankruptcy)	697	INVITALIA	37.01%	37.01%	Torre Annunziata (Na)
MODOMEC BUILDING SRL	168	INVITALIA	7.47%	10.45%	Massafra (Ta)
NEW CEFALU' SRL	2	ITALIA TURISMO S.p.A.	55.00%	55.00%	Palermo
PERITAS SRL	326	INVITALIA	15.16%	15.16%	Brindisi
PRO.S.IT S.R.L.	499	INVITALIA	27.06%	27.06%	Napoli
SALVER SPA	2,524	INVITALIA	14.31%	14.31%	Roma
SASSI ON LINE SERVICE S.C.P.A. (in liquidation)	-	INVITALIA PARTECIPAZIONI	10.00%	10.00%	Bari
SIAPRA SPA	1,795	INVITALIA	6.13%	6.13%	Avezzano (Aq)
SICALP SRL (in bankruptcy)	1,033	INVITALIA	36.36%	36.36%	Campiglia Marittima
SICULIANA NAVIGANDO SRL	19	INVITALIA PARTECIPAZIONI	95.47%	95.47%	Cosenza
SKI TECNO SRL	1,107	INVITALIA	22.00%	22.00%	Portici (Na)
SIE-SOC.ITTICA EUROPEA IN PROC. CONCORS.(1)	-	INVITALIA	15.00%	15.00%	Roma
SIMPE SPA	3,600	INVITALIA	4.01%	4.01%	Acerra (Na)
SIRENA LAZIO	-	INVITALIA PARTECIPAZIONI			Roma
SISTEMA WALCON SRL	-	INVITALIA PARTECIPAZIONI	45.24%	45.24%	Cassana
SISTEX (in bankruptcy)	-	INVITALIA PARTECIPAZIONI	3.75%	3.75%	Roma
SOCIETA' PER CORNIGLIANO SPA	1,351	INVITALIA PARTECIPAZIONI	10.00%	10.00%	Roma
SURAL SPA (in bankruptcy)	253	INVITALIA	1.42%	1.42%	Taranto
T.E.S.S.-COSTA DEL VESUVIO SPA	-	INVITALIA PARTECIPAZIONI	9.14%	9.14%	Roma
TEKLA SRL	653	INVITALIA	26.33%	26.33%	Sarno (Sa)
TINTORIA STAMPERIA DEL MOLISE (in bankruptcy)	-	INVITALIA PARTECIPAZIONI	30.47%	30.47%	Boiano
TIRRENA MACCHINE SRL (in bankruptcy)	1,472	INVITALIA	44.19%	44.19%	Massa
TRADIZIONI DI CALABRIA SPA IN(in bankruptcy)	-	INVITALIA PARTECIPAZIONI	49.00%	49.00%	Cirò
TRADIZIONI ITALIANE SPA (in bankruptcy)	-	INVITALIA PARTECIPAZIONI	12.50%	12.50%	Cirò
TRAPANI NAVIGANDO SRL	234	INVITALIA PARTECIPAZIONI	100.00%	100.00%	Trapani
TURISMO E SVILUPPO SPA	1,142	INVITALIA PARTECIPAZIONI	33.60%	33.60%	Cosenza
VIVENDA SPA	13,600	INVITALIA PARTECIPAZIONI	30.00%	30.00%	Roma
WAHOO	-	INVITALIA PARTECIPAZIONI	17.60%	17.60%	Roma
	44,993				

9.2 Annual changes in equity investments:

Items/amounts	Total 31.12.2015	Total 31.12.2014
Previous Opening balance	**44,591**	**51,243**
Change to opening balance		
Opening balance	**44,591**	**51,243**
Purchases	4,215	4,770
Write-backs	842	9
Revaluations		-
Other increases	420	2,453
Decreases	**(5,075)**	**(13,884)**
Sales	(1,312)	(2,486)
Impairment losses	(86)	(569)
Other decreases	(3,677)	(10,829)
Closing balance	**44,993**	**44,591**

"Purchases" related almost exclusively to the Parent's acquisition of shares in a national cultural institution (Istituto della Enciclopedia Treccani) and acquisitions made with funds made available under Law 181/89. "Other increases" and "Write-backs" included an amount of Euro 1,262 thousand relating to the recalculation of the net equity of Group companies. "Other decreases" related to the reclassification to Item 130 of the company – IP Porto Romano – which operates in the tourist port business following restructuring of the port network.

Attachment A.5 provides details of changes in equity investments.

Section 10

Item 100 – Property, plant and equipment

	449,754	452,024

Items/amounts	31.12.2015		31.12.2014	
	Assets measured at cost	Assets measured at fair value	Assets measured at cost	Assets measured at fair value
Assets used in operations				
Owned	239,645		230,605	
Land	6,410		6,410	
Buildings	57,137		57,959	
Furniture	113		79	
Office equipment				
Other	175,984		166,157	
Acquired under finance lease				
Land				
Buildings				
Furniture				
Office equipment				
Other				
Total 1	**239,645**		**230,605**	
Assets related to finance leases				
Total 2				
Investment property				
Leased under operating lease				
Land				
Buildings				
Other				
Other investment properties	210,109		221,419	
Land	40,506		40,506	
Buildings	96,339		102,484	
Other	73,264		78,428	
Total 3	**210,109**		**221,419**	
Total (assets at cost and measured at fair value)	**449,754**		**452,024**	

"Other" assets used in operations mainly related to investments in the subsidiary Infratel's fibre-optic telecommunications network project, amounting to Euro 168,530 thousand.

"Investment properties" related to the assets of Italia Turismo, in respect of which an impairment test was performed to identify any evidence of impairment. The test involved estimation of the recoverable value of the assets (defined as the higher of the asset's fair value less costs of disposal and its value in use) and comparison of the latter with the asset's carrying amount. It is noted in this regard that, as a result of the economic recession and low levels of market activity, there have been a limited number of transactions in recent years involving knowledgeable and independent parties and this has made it difficult to determine the fair value of such assets using the "comparable transactions" method. The recoverable value of such assets, therefore, has been based solely on their value in use, equal to the present value of future cash flows, calculated using the Discounted Cash Flow (DCF) method. In the absence of implicit rates of return for similar activities, given the difficult market conditions, and considering the fact that certain tourist villages in question are located in places where only a public entity would invest, a weighted average cost of capital (WACC) considered appropriate for an investor willing to hold on to the investment until market conditions change has been used. Based on simulations and analysis, a weighted average cost of capital of 5.46% was selected.

"Other" assets included under "Investment properties" mainly related to plant, equipment and furnishings totalling Euro 38,167 thousand and construction in progress and progress payments amounting to Euro 34,891 thousand; these in turn related to the Simeri complex (Euro 16,905 thousand), the Sciacca site (Euro 4,668 thousand), costs linked to the division of the Sibari and the Simeri areas (Euro 6,511 thousand and Euro 1,505 thousand respectively) and the redevelopment and modernisation of the Pisticci village (Euro 3,448 thousand).

The sale of certain properties acquired in 2011 from CDP Immobiliare Srl and certain non-strategic properties held over the years by the company, which had already commenced during the second half of 2012 and which was conducted with the assistance of an internationally renowned advisor, did not produce the expected results, given the difficult conditions in the real estate market. It is noted that in December 2015, a small section (the tennis club area) of the Agropoli area was sold generating a capital gain of Euro 148 thousand and an agreement was reached regarding the sale of the Lido di Trentova property for Euro 550 thousand, the sale of which was finalized in February 2016.

Changes in property, plant and equipment are detailed in the following table:

Items/amounts	Land	Buildings	Furniture	Office equipment	Other	Total
Previous opening balance	46,916	160,469	79		244,560	**452,024**
Change to opening balance		1				**1**
Opening balance	**46,916**	**160,470**	**79**		**244,560**	**452,025**
Additions	1,602	6,176	106		22,660	30,543
Write-backs						
Positive fair value differences recognised in:						
Shareholders' equity						
Income statement						
Other increases		362			5	367
Decreases	**(1,602)**	**(13,532)**	**(72)**		**(17,976)**	**(33,182)**
Disposals		(313)			(150)	(463)
Depreciation		(2,523)	(72)		(12,362)	(14,958)
Impairment losses recognized in:					**(156)**	**(156)**
Shareholders' equity						
Income statement					(156)	(156)
Negative fair value differences recognised in:						
Shareholders' equity						
Income statement						
Other decreases	(1,602)	(10,696)			(5,308)	(17,606)
Closing balance	**46,916**	**153,476**	**113**		**249,249**	**449,754**

Property, plant and equipment pledged as collateral for Group liabilities and commitments

Items/amounts	31.12.2015	31.12.2014
Assets used in operations		
Owned		
Land		
Buildings		
Furniture		
Office equipment		
Other		
Acquired under finance lease		
Land		
Buildings		
Furniture		
Office equipment		
Other		
Assets related to finance leases		
Investment property	210,109	221,419
Leased under operating lease		
Land		
Buildings		
Other		
Other investment properties	210,109	221,419
Land	40,506	40,506
Buildings	96,339	102,484
Other	73,264	78,428
Total	**210,109**	**221,419**

This item relates to assets owned by Italia Turismo, which were mortgaged to the banks that finance the medium-long term credit agreement entered into in 2006 to partially fund the investment project.

Section 110 – Intangible assets

44,432	35,818

Items/amounts	31.12.2015		31.12.2014	
	Assets measured at cost	Assets measured at fair value	Assets measured at cost	Assets measured at fair value
Goodwill				
Other intangible assets:				
Owned	44,432		35,818	
- Internally generated	10,789		10,730	
- Other	33,644		25,089	
Acquired under finance lease				
Total	**44,432**		**35,818**	
Assets related to finance leases				
Assets granted under operating lease				
Total (1+2+3+4)	**44,432**		**35,818**	
Total (assets at cost and measured at fair value)		**44,432**		**35,818**

Internally generated intangible assets include the capitalisation of costs incurred to complete IT initiatives aimed at achieving efficiencies and cost savings.

"Other intangible assets" include Euro 31.4 million (of which approximately Euro 15 million added during the year) relating to the Indefeasible Right of Use (IRU) of telecommunication infrastructures acquired by the subsidiary Infratel. The consideration paid, which is typically in advance for annual rights, is reduced for amortisation, calculated based on the lower of the useful economic life of the infrastructure and the duration of the usage rights (normally 15 years for fibre optics).

11.2 Intangible assets: annual changes

Items/amounts	31.12.2015
Previous opening balance	**35,818**
Change to opening balance	
Opening balance	**35,818**
Increases	**14,754**
Additions	14,754
Write-backs	
Positive fair value differences recognised in:	
Shareholders' equity	
Income statement	
Other increases	
Decreases	**(6,139)**
Disposals	
Amortisation	(5,870)
Impairment losses recognized in:	(269)
Shareholders' equity	
Income statement	(269)
Negative fair value differences recognised in:	
Shareholders' equity	
Income statement	
Other decreases	
Closing balance	**44,432**

Section 12 - Item 120 – Tax assets **24,405** **26,402**

	31.12.2015	31.12.2014
Current	18,061	19,649
Deferred	6,344	6,753
Total	**24,405**	**26,402**

"Current" tax assets relate to tax credits due for the main part to the Parent and a consolidated subsidiary.

Item 130 –

73,947	**56,263**

Non-current assets and disposal groups classified as held for sale

The following table provides a breakdown of the item:

	31.12.2015	31.12.2014
Cash and cash equivalents	9	9
Financial assets held for trading		
Financial assets at fair value through profit or loss		
Available-for-sale financial assets	203	202
Held to maturity investments		
Loans and receivables	8,419	11,040
Equity investments	15,289	9,486
Property, plant and equipment	34,593	19,496
Intangible assets	132	265
Tax assets	450	310
Non-current assets and disposal groups classified as held for sale		
Other assets	14,851	15,455
Total	**73,947**	**56,263**

The item relates to companies identified as being held for sale in line with the restructuring and disposals plan approved by the Ministry of Economic Development by Ministerial Decree on 31 July 2007.

The item includes the following consolidated companies:

- Sviluppo Italia Campania SpA (in liquidation)
- Sviluppo Italia Sardegna SpA (in liquidation)
- Sviluppo Italia Calabria SpA (in liquidation)
- Aquila Sviluppo SpA (in liquidation)
- Marina di Portisco SpA
- Garanzia Italia Confidi (in liquidation)

The sub-item "Equity investments" represents the value of investments measured using the equity method. Attachments A.6, A.7 and A.8 show percentage ownership and changes during the year in the value of investments measured using the equity method.

As explained in the note on Item 80 in the Liabilities section, the increase in "Property, plant and equipment" was due mainly to the allocation of the consolidation difference arising on the elimination of the value of a subsidiary that had been consolidated on a line-by-line basis against net equity.

Section 14.1

Item 140 – Other assets | **82,565** | **178,312**

Breakdown:

	31.12.2015	31.12.2014
Inventories	39,822	158,034
- Raw materials, work in progress and finished goods	*7,341*	*63,360*
- Contract work in progress	*32,481*	*94,674*
Due from tax authorities in relation to indirect taxes	28,200	12,409
Due from social security entities	303	7
Supplier credits and advance payments	2,046	2,221
Fiscal consolidation related credit	-	-
Guarantee deposits	2,680	2,248
Accrued income	-	67
Prepayments	7,864	1,449
Other amounts receivable	1,650	1,877
Total	**82,565**	**178,312**

"Contract work in progress" includes:

- Euro 10 million representing the value of work performed and not yet billed by the Parent. Changes from period to period are mainly due to differences in contract reporting and billing dates;
- Euro 22 million relating to Infratel SpA's installation of broadband and ultra-broadband technology.

The decrease in contract work in progress with respect to the prior year was mainly the result of Infratel SpA having billed more on account in 2015.

As explained in further detail in the note on Item 90 "Other liabilities", it is noted that in 2014, Infratel SpA's on-account billing amounting to Euro 76,020 thousand was reclassified, thereby reducing contract work in progress.

"Raw materials, work in progress and finished goods" relate mainly to properties owned by Italia Turismo and held for sale.

The significant reduction in "Raw materials, work in progress and finished goods" was due to the sale of properties to CDP Immobiliare Srl, based on an agreement signed on 26 May 2015 and witnessed by the notary public on 24 June 2015. The properties in question, located in the municipalities of Trieste, Lerici, Volterra, Sansepolcro, Roma, Spezzano della Sila Brindisi and Palermo, were sold for a consideration totalling Euro 56,050 thousand, broadly in line with the amount paid for the same properties in 2011.

"Prepayments" were higher than as compared to the previous year end, mainly as a result of a reclassification of costs incurred by Infratel SpA, amounting to Euro 5.5 million, which had not been reported at the reporting date.

LIABILITIES

Section 1

Item 10 – Loans and payables

225,134	**111,918**

The following table provides a breakdown of the item by loan type:

1.1 Loans and payables

	2015			2014		
	Due to banks	Due to financial institutions	Due to customers	Due to banks	Due to financial institutions	Due to customers
Loans	**46,399**	**0**	**40,307**	**49,653**	**0**	**32,842**
. Repurchase agreements	0	0	0		0	
. Other loans	46,399	0	40,307	49,653	0	32,842
Other payables	**4,069**	**0**	**134,359**		**0**	**29,424**
Total	**50,468**	**0**	**174,666**	**49,653**	**0**	**62,266**
Fair Value level 1	**0**	**0**	**0**	**0**	**0**	**0**
Fair Value level 2	**0**	**0**	**0**	**0**	**0**	**0**
Fair Value level 3	**50,468**	**0**	**174,666**	**49,653**	**0**	**62,266**
Fair value	**50,468**	**0**	**174,666**	**49,653**	**0**	**62,266**

The sub-item "Other loans" includes the bank loans and mortgages of certain group companies.

Specifically, the amount includes a loan granted to Italia Turismo by a syndicate of banks led by Intesa Sanpaolo SpA, following suspension of the Sciacca initiative.

A request has been made to defer payment of amounts due in 2016. As of the date of preparing these financial statements, the request is still being considered by the banks.

"Other payables" relates mainly to advances received by the Parent from public entities and Ministries in relation to projects/orders in progress.

Item 70 – Tax liabilities

1,055	**4,110**

	31.12.2015	31.12.2014
Current	1,055	4,110
Deferred		
Total	**1,055**	**4,110**

Item 80 - Liabilities included in non-current assets and disposal groups classified as held for sale | **19,876** | **(29,607)**

	31.12.2015	31.12.2014
Payables	226	12
Tax liabilities	287	429
Other liabilities	17,868	21,078
Employee termination indemnities	258	266
Provisions for risks and charges	1,237	331
Reserves and equity attributable to third parties		(51,723)
Total	**19,876**	**(29,607)**

See the note relating to Item 130 in Assets for the list of companies to which the above amounts relate. "Reserves and equity attributable to third parties" in 2014 represented the retained earnings from previous years relating to companies held for sale, as well as the difference arising on the elimination of the book value of investments against the related net equity. The decrease in the item is due to its reclassification to Item 130 in Assets and Item 160 in liabilities.

Item 90 – Other liabilities | **831,466** | **719,371**

Breakdown:

	31.12.2015	31.12.2014
Due to third parties in relation to managed funds	342,599	250,279
Due to suppliers	77,947	95,299
Due to employees	7,901	6,367
Due to social security entities	4,932	5,034
Due to commissioning parties for contract work in progress	50,281	65,173
Accrued expenses	100	1
Deferred income relating to capital grants	303,110	184,667
Other deferred income	19,687	26,450
Due to tax authorities in relation to indirect taxes	2,123	4,234
Fiscal consolidation related payable	284	11
Guarantee deposits received	131	157
Other amounts payable	22,371	81,699
Total	**831,466**	**719,371**

"Due to third parties in relation to managed funds" relates to concessions where the Group is responsible for initiating actions provided for in the concession agreements. For further details, see Part D, "Other information", Section H.2.

"Due to commissioning parties for contract work in progress", amounting to Euro 50,281 thousand, relates to advance payments received, mainly by the subsidiary Infratel SpA, from commissioning parties, prior to the start of work on infrastructure installation. An amount of Euro 197,334 thousand relating to on-account invoices billed by Infratel SpA for work in progress has been reclassified as a reduction in inventories in Assets Item 140 "Other assets". A similar reclassification, amounting to Euro 76,020 thousand, was made in respect of 2014.

"Due to suppliers" relates to payables due for goods and services. The item includes both unpaid invoices received and accruals in respect of invoices to be received.

"Due to employees" includes amounts accrued in respect of accrued leave, 14th month salary payments, bonuses and performance based remuneration.

"Deferred income relating to capital grants" represents government grants received for investment purposes. Such grants are recognised in the income statement in line with the depreciation/amortization of the assets to which they relate.

Specifically, the grants included:

- a grant totalling Euro 8,166 thousand relating to the programme agreement for the reindustrialisation of the crisis-hit Ottana, Bolotana, Noragugume areas, aimed at acquisition of an industrial complex and works to address environmental security, fire prevention and other general infrastructure related issues;
- a grant pursuant to Article 83 of Law 289/02, funded by the Ministry of the Economy and Finance in 2003, amounting to Euro 10,000 thousand. In accordance with Decree Law no. 35 of 14 March 2005, the grant is to be used in order to set up incubators for production companies; the amount will be recognised in the income statement in line with the depreciation/amortization of the assets realised;
- a grant pursuant to Law 208/98, amounting to Euro 15,458 thousand, for the set-up of business incubators. The funds were provided by the Ministry of the Economy and Finance during 2005, as provided for in the agreement signed by Sviluppo Italia on 14 December 2004. The amount relates to the grant received, net of an amount credited to the income statement in relation to depreciation /amortization of business incubators already in place;
- the L.N.26/86 grant for the Trieste business incubator, amounting to Euro 775 thousand, which was transferred to the Agency by the Bic Friuli Venezia Giulia business unit;
- a grant totalling Euro 50,000 thousand, for the environmental recovery and urban regeneration of the area of significant national interest in Bagnoli-Coroglio, pursuant to Article 33 of Decree Law no. 133 of 12 September 2014, as converted into law with amendments by Law no. 164 of 11 November 2014.

Capital grants, amounting to Euro 196,378 thousand, related to sums granted by the Ministry of the Economy and Finance to Infratel for the creation of broadband and ultra broadband infrastructure.

"Other deferred income" related to the disposal of IRU related rights to use cable duct and fibre optic infrastructures.

Section 10

Item 100 - Provision for employee termination indemnities	**9,199**	**10,149**

The item relates to post-employment benefits and represents the share of amounts payable on termination of contract already earned by employees at the reporting date. In accordance with the requirements of IAS 19 regarding defined benefit plans, such amounts are measured at their present value at the reporting date, determined using the "Projected Unit Credit Method".

The amount accrued during the year includes the (notional) annual interest cost (Euro 10 thousand) that would have been incurred to borrow an amount equal to the defined benefit obligation at the beginning of the year, discounted at the relevant interest rate.

Factors increasing the amount include actuarial losses incurred due to changes in the actuarial assumptions with respect to those used in the previous year. Such amounts are recognised directly in an equity reserve.

Factors decreasing the amount relate mainly to amounts transferred to complementary pension schemes or to the Italian Social Security Institute (INPS) Treasury fund.

The main financial and demographic assumptions adopted in the actuarial calculations were as follows:

- Inflation: average rate equal to 1% in 2016 and 1.5% in future years, based on the "2015 Economic and Financial Update";
- Discount rate: based on the market yield of high-quality corporate bonds on the valuation date. Specifically, the composite yield curve of Euro area, corporate AA rated investment grade bonds as of 31 December 2015(Bloomberg) was used;
- Salary rate increases: as agreed with management, salary increases of 2.1% for 2016 (gross of inflation) and 1.5% for future years have been adopted for the purpose of estimating employee termination indemnities;
- Mortality rates: based on ISTAT (Italian national statistics institute) statistical tables up to 2014, by age and gender;
- Retirement: based on age limits set by relevant legislation;
- Likelihood of early retirement:
  - 2% per year in the case of Executives
  - 1% per year for other employees
- Advance payments: 3% of employees per year from the fifth year of employment and 70% of indemnities earned (maximum permitted by law).

The following table shows changes in employee termination indemnities during the year:

Changes	31.12.2015	31.12.2014
Previous opening balance	**10,149**	**9,617**
Change to opening balance		(413)
Opening balance	**10,149**	**9,204**
Accruals in the year	4,422	4,441
Other increases	148	1,720
Decreases	**(5,520)**	**(5,217)**
Benefits paid	(766)	(872)
Other decreases	(4,754)	(4,344)
Closing balance	**9,199**	**10,149**

Section 11

Item 110 – Provisions for risks and charges **8,868** **10,804**

	31.12.2015	31.12.2014
Other risks	8,868	10,804
Total	**8,868**	**10,804**

	Opening balance	Reclassifications and other changes	Accruals in the year	Uses	Total
Other risks	10,804	846	1,061	3,843	8,868
Total	**10,804**	**846**	**1,061**	**3,843**	**8,868**

Provisions for risks and charges are made in recognition of the risks associated with potential employment, civil and tax litigation as well as the risks associated with non-acceptance of costs for work completed. Releases during the year relate to the occurrence of events in respect of which provisions had been made.

Section 12 – Equity

Item 120 – Share capital **836,384** **836,384**

Share capital, amounting to Euro 836,384 thousand, comprises 1,257,637,210 ordinary shares of zero nominal value, held by the Ministry of the Economy and Finance.

No shares with dividend rights or convertible bonds have been issued.
As required by the new requirements issued by the Bank of Italy, comments on Liability

Items 160 and 170, “Reserves” and “Valuation reserves” respectively, are provided in Part D - Information on group consolidated capital.

Item 190 – Minority interests	**(335)**	**49,660**
Items/amounts	**31.12.2015**	**31.12.2014**
Share capital	338	53,955
Treasury shares		
Equity instruments		
Share premium		1,259
Reserves	(644)	(2,841)
Valuation reserves		
Profit/(Loss) for the year	(29)	(2,713)
Total	**(335)**	**49,660**

The decrease in equity attributable to minority interests is mainly related to CDP Immobiliare’s exit from the capital structure of Italia Turismo as a result of the Agency’s acquisition of the related shareholding.

Part C – Information on the Consolidated Income Statement

Section 1 – Interest - items 10 and 20

Item 10 – Interest and similar income

6,764	7,093

Items/technical nature	31.12.2015				31.12.2014
	Debt securities	Loans	Other transactions	Total	Total
Financial assets held for trading	1,606			1,606	1,293
Financial assets at fair value through profit and loss					
Available-for-sale financial assets					
Held to maturity investments					
Loans and receivables	73	2,305	2,619	4,997	5,682
- Due from banks	73		2,535	2,608	2,729
- Due from financial institutions					
- Due from customers	1	2,305	84	2,390	2,953
Other assets			160	160	118
Hedging derivatives					
Total	**1,680**	**2,305**	**2,779**	**6,764**	**7,093**

Interest income related mainly to the Parent company.

Item 20 – Interest and similar expenses

(1,727)	(2,447)

Items/technical nature	31.12.2015				31.12.2014
	Securities	Loans	Other transactions	Total	Total
Due to banks		(1,175)	(7)	(1,182)	(1,510)
Due to financial institutions					
Due to customers		(139)	(404)	(543)	(259)
Securities issued					
Financial liabilities held for trading					
Financial liabilities at fair value through profit and loss					
Other liabilities			(2)	(2)	(678)
Hedging derivatives					
Total		**(1,314)**	**(413)**	**(1,727)**	**(2,447)**

The item relates mainly to lines of credit granted by banks to certain subsidiaries.

Section 2 – Fee and commission income - Items 30 and 40

Item 30 - Fee and commission income	176,519	161,134

Details	31.12.2015	31.12.2014
Financial leasing activities		
Factoring activities	48	90
Consumer credit		
Merchant banking activities		
Guarantees given	-	12
Services:	167,334	151,385
- Fund management on behalf of third parties	166,941	151,192
- Currency dealing		
- Securities placement		
- Reimbursable emoluments	393	193
- Services related to reclamation activities		
- Property construction works		
- Real estate surveys		
- Other services		
Collection and payment services		
Servicing related to securitisations		
Other fees and commissions income	9,137	9,647
- Hotel rental charges	6,805	6,736
- Lease of business incubators		
- Other	2,332	2,911
Total	**176,519**	**161,134**

"Fund management on behalf of third parties" includes Euro 72 million relating to revenues earned by Infratel for the realisation of broadband-related infrastructures commissioned by regional administrative authorities and Euro 95 million for fund management services relating to the Parent.

Item 40 - Fee and commission expenses	(83,339)	(64,915)

Breakdown/sectors	31.12.2015	31.12.2014
Guarantees received	(86)	(78)
Third party services	(83,219)	(64,793)
Collection and payment services	-	(42)
Other fees and commissions expenses	(35)	(2)
Total	**(83,339)**	**(64,915)**

Item 50 - Dividend and similar income

284	53

Breakdown/sectors	31.12.2015		31.12.2014	
	Dividends	Income from CUI stock	Dividends	Income from CUI stock
Financial assets held for trading				
Available-for-sale financial assets				
Financial assets at fair value through profit and loss				
Equity investments	284		53	
- Merchant banking activities	284		53	
- Other activities				
Total	**284**		**53**	

Item 60 - Net trading result

(835)	270

4.1 Breakdown:

Breakdown/sectors	31.12.2015				
	Revaluations	Profits on trading	Write-downs	Losses on trading	Net result
Financial assets	232	54	(913)	(208)	(835)
Debt securities	232	54	(913)	(208)	(835)
Equities and CUI stock					
Loans					
Other					
Financial liabilities					
Debt securities					
Payables					
Other					
Financial assets and liabilities: exchange differences					
Financial derivatives					
Credit derivatives					
Total	**232**	**54**	**(913)**	**(208)**	**(835)**

The item represents the net balance resulting both from year end measurement of securities held resulting in a net write-down of Euro 681 thousand, and net losses on trading amounting to Euro 154 thousand.

Section 6

Item 80 –

821	1,006

Gains/(Losses) on financial assets/liabilities at fair value through profit or loss

Details	31.12.2015				
	Revaluations	Realised gains	Write-downs	Realised losses	Net result
Financial assets	705	116			821
Debt securities	705	116			821
Equities and CUI stock					
Loans					
Other					
Financial assets and liabilities: exchange differences					
Financial liabilities					
Payables					
Debt securities					
Other					
Credit and financial derivatives					
Total	**705**	**116**			**821**

The item relates to the positive change in the year-end valuation of capital redemption policies.

Item 90 – Profit/(Loss) on disposals/repurchases of financial assets and liabilities

69	3,736

Items/income components	31.12.2015			31.12.2014		
	Profits	Losses	Net result	Profits	Losses	Net result
Financial assets						
Loans and receivables	11		11	3,736		3,736
Available-for-sale financial assets	58		58			
Held to maturity investments						
Total (1)	69		69	3,736		3,736
Financial liabilities						
Payables						
Securities issued						
Total (2)						
Total	**69**		**69**	**3,736**		**3,736**

Item 100 –

Impairment losses/recoveries

(1,587)	**(2,356)**

Items/adjustments	31.12.2015					31.12.2014
	Specific impairment losses	Collective impairment losses	Specific recoveries	Collective recoveries	Total	Total
Due from banks						
Leasing						
Factoring						
Other						
Due from financial institutions						(13)
Leasing						
Factoring						
Other						(13)
Due from customers	(1,587)				(1,587)	(2,343)
Leasing						
Factoring						
Consumer credit						
Other	(1,587)				(1,587)	(2,343)
Total	**(1,587)**				**(1,587)**	**(2,356)**

Impairment losses represent the results of impairment tests and losses on loans and receivables. Recoveries reflect the fact that that the conditions that gave rise to impairment losses in previous years no longer exist.

Section 9 –

Item 110 – Administrative expenses

(111,932)	**(119,369)**

9.1. Breakdown of item 110.a. "personnel expenses"

Items/sectors	31.12.2015	31.12.2014
Personnel expenses (a)	(78,755)	(77,837)
Other administrative expenses (b)	(33,177)	(41,532)
Total	**(111,932)**	**(119,369)**

Items/sectors	31.12.2015	31.12.2014
Personnel	(74,459)	(72,029)
- Wages and salaries	(49,755)	(48,410)
- Social security charges	(17,767)	(16,919)
- Employee termination indemnities	(190)	(281)
- Supplementary benefits		
- Provision for termination indemnities	(3,240)	(2,574)
- Provisions for post-employment benefits		
. Defined contribution plans		
. Defined benefit plans		
- Payments to external pension funds	(1,444)	(1,282)
. Defined contribution plans	(1,444)	(1,282)
. Defined benefit plans		
- Other	(2,063)	(2,561)
Other personnel	(3,221)	(5,467)
Directors and statutory auditors	(1,037)	(1,098)
Early retirement costs		
Expenses recovered in relation to relocated employees	568	1,127
Expenses reimbursed in relation to relocated employees	(606)	(370)
Total	**(78,755)**	**(77,837)**

Average number of employees	31.12.2015	31.12.2014
Executives	61	64
Middle managers	240	213
Other employees	995	755

Number of employees by category	31.12.2015	31.12.2014
Executives	63	65
Middle managers	217	218
Other employees	864	734
	1,144	**1,017**

Breakdown of other administrative expenses:

Items/sectors	31.12.2015	31.12.2014
Consumables and other management costs	(1,159)	(527)
Association membership fees	(207)	(361)
Lease and rental costs	(5,554)	(5,991)
Indirect taxes and duties	(4,648)	(4,309)
Legal and notary public costs	(3,840)	(2,535)
Maintenance and utility costs	(4,478)	(3,566)
Insurance premiums	(683)	(1,691)
Third party services	(4,824)	(4,670)
Communication costs	(1,940)	(1,724)
IT costs	(2,009)	(1,476)
Other	(3,835)	(14,682)
Total	**(33,177)**	**(41,532)**

Section 10

Item 120 –

(15,114)	**(15,839)**

Impairment/recoveries on property, plant and equipment

Items/Impairment losses and recoveries	31.12.2015			
	Depreciation	Impairment losses	Recoveries	Net result
Assets used in operations	**(12,880)**			**(12,880)**
- Owned	(12,880)			(12,880)
. Land				0
. Buildings	(1,546)			(1,546)
. Furniture	(75)			(75)
. Office equipment				0
. Other	(11,259)			(11,259)
- Acquired under finance lease				
. Land				
. Buildings				
. Furniture				
. Office equipment				
. Other				
Assets relating to finance leases				
Assets held for investment purposes	**(2,078)**	**(156)**		**(2,234)**
Total	**(14,958)**	**(156)**	**0**	**(15,114)**

The item includes annual depreciation on owned assets (mainly business incubators and infrastructure).

Section 11

Item 130 –

Impairments/recoveries on intangible assets

(6,139)	**(4,183)**

Items/Adjustments and recoveries	31.12.2015			
	Amortisation	Impairment losses	Recoveries	Net result
Goodwill				
Other intangible assets	(5,870)	(269)	0	(6,139)
- Owned	(5,870)	(269)		(6,139)
- Acquired under finance lease				0
Assets relating to finance leases				
Assets under operating lease				
Total	**(5,870)**	**(269)**	**0**	**(6,139)**

Section 13

Item 150 –

Net provisions for risks and charges

(1,061)	**(390)**

	31.12.2015	31.12.2014
Net provision for other risks	(1,061)	(390)
Total	**(1,061)**	**(390)**

Section 14

Item 160 – Other operating income/expenses

23,736	**31,316**

14.1 Breakdown:

	31.12.2015	31.12.2014
Operating income	*26,843*	*32,188*
Rental income	1,513	1,044
Contract penalties	50	296
Grants	7,594	6,775
Recoveries		152
Other operating income	17,686	23,920
Operating expenses	*(3,106)*	*(872)*
Losses on other activities		
Other operating expenses	(3,106)	(872)
Total	**23,736**	**31,316**

The change in "Other operating income" relates to non-recurring income.

Item 170 – Gains/(Losses) on equity investments

13	**(1,427)**

Breakdown:

Items	31.12.2015	31.12.2014
Income	1,002	629
Revaluations		
Profits on disposal	57	541
Write backs	945	9
Other		79
Charges	(989)	(2,056)
Write-downs	(387)	(1,500)
Losses on disposal	(602)	(1,404)
Impairment losses		943
Other		(94)
Net result	**13**	**(1,427)**

Section 17

Item 190 – **(918)** **(3,182)**

Income taxes from continuing operations

17.1. Breakdown:

	31.12.2015	31.12.2014
Current taxes	(638)	(4,889)
Changes in current taxes of previous years		1,239
Reduction in current taxes		
Changes in deferred tax assets	(280)	454
Changes in deferred tax liabilities		14
Income taxes from continuing operations	**(918)**	**(3,182)**

The item comprises the tax charge for the year (IRAP) and changes in deferred tax assets.

Section 18

Item 200 – **4,553** **(1,094)**

Profit/(Loss) after tax from discontinued operations

The item relates mainly to profits on disposal of the company Porto Turistico di Capri.

18.1. Breakdown:

	31.12.2015	31.12.2014
Net interest margin	17	39
Net fees and commissions	3,567	3,611
Dividend and similar income		
Administrative expenses	(2,482)	(2,675)
Net adjustments to/recoveries on property, plant and equipment and intangible assets	(790)	(458)
Other valuation adjustments	(187)	(948)
Net provisions for risks	(498)	106
Other income	534	306
Other expenses	(799)	(642)
Profits/(losses) on equity investments	4,991	(484)
Profits/(losses) on disposal of investments	200	52
Taxes		(1)
Profit/loss on disposal/acquisition of assets and liabilities		
Profit/(Loss) after tax from discontinued operations	**4,553**	**(1,094)**

(29)	(2,713)

Item 210 –

Profit/(Loss) for the year attributable to minority interests

B – FACTORING AND ASSIGNMENT OF RECEIVABLES

Gross amount and book value

Gross amount and book value	31.12.2015 Gross amount	31.12.2015 Impairment	31.12.2015 Net value	31.12.2014 Gross amount	31.12.2014 Impairment	31.12.2014 Net value
Performing assets	**12,716**		**12,716**	**12,805**		**12,805**
. Exposure with the assignor (with recourse)	**8,161**		**8,161**	**8,012**		**8,012**
assignment of future receivables	5,594		5,594	6,145		6,145
other	2,567		2,567	1,867		1,867
. Exposure with the factor/buyer (without recourse)	**4,555**		**4,555**	**4,792**		**4,792**
Non-performing assets						
- doubtful loans and receivables						
. Exposure with the assignor (with recourse)						
assignment of future receivables						
other						
. Exposure with the factor/buyer (without recourse)						
purchased below nominal value						
other						
- unlikely to be repaid - substandard loans and receivables						
. Exposure with the assignor (with recourse)						
assignment of future receivables						
other						
. Exposure with the factor/buyer (without recourse)						
purchased below nominal value						
other						
- unlikely to be repaid - restructured exposures						
. Exposure with the assignor (with recourse)						
assignment of future receivables						
other						
. Exposure with the factor/buyer (without recourse)						
purchased below nominal value						
other						
- past due exposures						
. Exposure with the assignor (with recourse)						
assignment of future receivables						
other						
. Exposure with the factor/buyer (without recourse)						
purchased below nominal value						
other						
Total	**12,716**		**12,716**	**12,805**		**12,805**

With recourse factoring: advances and "factoring receivables"

With recourse factoring	- advances 31.12.2015	- advances 31.12.2014	- factoring receivables 31.12.2015	- factoring receivables 31.12.2014
- short-term			2,567	1,867
-up to 3 months				
-more than three months up to six months				
-from 6 months to one year				
- more than 1 year	5,594	6,145		
- unlimited duration				
Total	**5,594**	**6,145**	**2,567**	**1,867**

Without recourse factoring: exposures

Without recourse factoring	- exposures 31.12.2015	- exposures 31.12.2014
- short-term	4,555	4,792
- up to 3 months		
- more than three months up to six months		
- from 6 months to one year		
- more than 1 year		
- unlimited duration		
Total	4,555	4,792

Part D – Other information

Section 1 – Specific references to activities

Factored receivables

Factored receivables	Total 31.12.2015	Total 31.12.2014
- without recourse	7,791	7,770
- with recourse	21,409	20,186
Total	29,200	27,956

Nominal value of future receivables acquisition contracts

Nominal value of future receivables acquisition contracts	Total 31.12.2015	Total 31.12.2014
- contracts to acquire future receivables	0	0
- value of contracts in place	5,594	6,145
Total	5,594	6,145

D – GUARANTEES AND COMMITMENTS

Guarantees and commitments

Transactions	31.12.2015	31.12.2014
Financial guarantees given	356,460	356,460
- Banks	339,418	339,418
- Financial institutions	-	
- Customers	17,042	17,042
Commercial guarantees given	11,224	17,688
- Banks		
- Financial institutions		
- Customers	11,224	17,688
Irrevocable commitments to lend funds	778,337	963,535
- Banks		
. of certain use		
. of uncertain use		
- Financial institutions		
. of certain use		
. of uncertain use		
Customers	778,337	963,535
. of certain use	777,987	963,185
. of uncertain use	350	350
Underlying commitments on credit derivatives: protection sales		
Assets pledged as collateral of third party commitments		
Other irrevocable commitments	32,107	22,497
Total	**1,178,128**	**1,360,180**

The 2014 total included "Loan agreements signed" (amounting to Euro 100,747 thousand and reported under "Other irrevocable commitments") in relation to the concessions described below; the amounts are not shown in the table above as the Agency's commitments are already fully reported in the comments on the individual managed funds.

COMMITMENTS

Breakdown of "Other irrevocable commitments"

	2015	2014
Of certain use		
Funds managed under concession:		
- Single Fund - Art. 27, Para.11 of Law 488/1999	171,146	302,658
- EU funds	4,156	4,156
- Fertility Project QCS 89/94	3,343	4,166
- Young ideas change Italy	4,963	2,621
Interregional Operational Programme "Renewable energy and energy efficiency" ERDF 2007-2013:		
Axis I – "Production of energy from renewable sources"		
- Activity line 1.2		
- Rotating fund for subsidised loans	99,180	110,820
- Capital (plant) account grant	2,853	2,956
- Activity line 2.1		
- Rotating fund for subsidised loans	63,348	69,389
- Capital (plant) account grant	2,136	2,713
- Activity line 1.1 – Biomass		
- Rotating fund for subsidised loans	14,549	72,571
- Capital (plant) account grant	2,301	3,292
Interregional Operational Programme "Research and competitiveness" EDRF 2007 -2013:		
Axis I – Support for structural changes"		
- Rotating fund for development contracts	59,192	79,155
- Capital (plant) account development contracts	15,628	41,105
Axis II - "Support for innovation"		
- Rotating fund for subsidised loans	95,375	120,784
- Capital (plant) account grant	4,402	9,987
- Rotating fund for development contracts	44,808	46,292
- Capital (plant) account development contracts	26,515	32,000
Interregional Operational Programme " Cultural, Natural and Tourist Attractions " - Axis II		
- Rotating fund for subsidised loans	20,360	20,256
2013 Stability Law - Basilicata		
- Rotating fund for development contracts	2,592	2,583
- Capital (plant) account development contracts	1,728	1,722
2014 Stability Law		
- Rotary fund for development contracts	25,026	25,000
Smart & Start Titles II and III		
- Management expenses grant Tit. II (DM 06/03/2013)	6,581	2,316
- Capital (plant) account grant Tit. III (DM 06/03/2013)	13,611	6,643
"Fare Centro Nord"		
- Rotating fund for development contracts	54,751	
National Operational Programme – Local business development		
- Rotating fund for development contracts	5,017	
- Capital (plant) account development contracts	22,860	
Action and cohesion plan		
- Rotating fund for development contracts	3,008	
- Capital (plant) account development contracts	8,557	
Total	**777,987**	**963,185**
Of uncertain use		
Other	350	350
Total	**778,337**	**963,535**

COMMITMENTS

Single Fund - Art. 27, Para.11 of Law 488/1999

Commitments to third parties relating to management of concessions pursuant to Legislative Decree 185/2000 are described below. Title I relates to measures in support of entrepreneurship and Title II to those in support of self-employment.

	2015	2014
Interest bearing and non-interest bearing liquidity	215,565	314,423
Subsidies awaiting disbursement	(171,146)	(302,658)
Mortgages	2,062,293	1,942,647

As of 31 December 2015, receivables included Euro 1,942,647 thousand relating to mortgages disbursed (of which Euro 798,760 thousand relating to Title I and Euro 1,143,887 thousand relating to Title II). Such receivables will only truly become “available resources” when the amounts in question are reimbursed.

EU funds		
	2015	2014
Interest bearing and non-interest bearing liquidity	425	425
Payable - funds received	(4,156)	(4,156)

There have been no movements in such funds since 2009.

Fertility project

The following table shows commitments to third parties:

	2015	2014
Interest bearing and non-interest bearing liquidity	7,329	8,052
Subsidies awaiting disbursement	(3,343)	(4,166)

“Young ideas change Italy” project

The following table shows commitments to third parties:

	2015	2014
Interest bearing and non-interest bearing liquidity	5,780	7,281
Subsidies awaiting disbursement	(4,963)	(2,621)

Interregional Operational Programme "Renewable energy and energy efficiency"

ERDF 2007-2013: Axis I – Production of energy from renewable sources

The programme involves the financing of investment programmes relating to the production of capital assets to support the development of renewable energy sources and energy efficiency.

In this regard, two separately managed Rotating Funds were established for activity lines 1.2 and 2.1. Resources dedicated to the two activity lines for capital (plant) account grants amount to Euro 35 million for line 1.2 and Euro 22.5 million for line 2.1, while resources allocated to loans were reduced in 2014 to Euro 105 million for line 1.2 and Euro 67 million for line 2.1. As of 31 December 2015, 21 grant applications had been accepted under Ministerial Decree (DM) of 6 August 2010 and 251 initiatives undertaken under the Ministerial Decree of 5 December 2013.

Activity line 1.2 – Operations in support of developing enterprise linked to the research and application of innovative technologies in the renewable energy sources	2015	2014
Rotating fund for subsidised loans		
Interest bearing liquidity	110,820	110,526
Subsidies disbursed:		
POI EE 1.2 DM 06/08/10	(162)	(1,187)
POI 1.2 DM 05/12/13 Energy efficiency	(12,236)	
Reimbursements:		
POI EE 1.2 DM 06/08/10	111	
POI 1.2 DM 05/12/13 Energy efficiency	106	
Net charges	541	1,481
Final interest bearing liquidity	**99,180**	**110,820**
Capital (plant) account grant (DM 08/10)		
Interest bearing liquidity	2,956	
Funds received		5,150
Subsidies disbursed	(114)	(2,243)
Net charges	11	49
Final interest bearing liquidity	**2,853**	**2,956**
Due from Ministry (capital account)	29,850	29,850
Rotating fund for subsidised loans	**99,180**	**110,820**
Capital (plant) account grant (DM 08/10)	**2,853**	**2,956**

Activity line 2.1 - Operations in support of developing enterprise linked to energy efficiency with particular reference to the creation of businesses and networks	2015	2014
Rotating fund for subsidised loans		
Interest bearing liquidity	69,389	69,301
Subsidies disbursed:		
POI EE 1.2 DM 06/08/10	(1,323)	(856)
POI 2.1 DM 05/12/13 Energy efficiency	(5,094)	
Reimbursements:		
POI EE 1.2 DM 06/08/10	30	17
POI 2.1 DM 05/12/13 Energy efficiency	6	
Net charges	340	927
Final interest bearing liquidity	**63,348**	**69,389**
Capital (plant) account grant		
Interest bearing liquidity	2,713	
Funds received	1,250	5,050
Subsidies disbursed	(1,836)	(2,385)
Net charges	9	48
Final interest bearing liquidity	**2,136**	**2,713**
Due from Ministry (capital account)	16,200	17,450
Rotating fund for subsidised loans	**63,348**	**69,389**
Capital (plant) account grant	**2,136**	**2,713**

Figures showing the available liquidity on individual activity lines include interest earned and represent actual amounts available for the disbursement of subsidies.

Activity line 1.1 – Operations to activate biomass production supply chains that integrate energy, environmental and development objectives	2015	2014
Rotating fund for subsidised loans (DM 13/12/11)		
Interest bearing liquidity	72,571	72,845
Funds returned	(56,815)	
Subsidies disbursed	(1,585)	(1,452)
Reimbursements	143	1
Net charges	235	1,177
Final interest bearing liquidity	**14,549**	**72,571**
Capital (plant) account grant (DM 13/12/11)		
Funds received	3,292	3,908
Subsidies disbursed	(1,024)	(643)
Net charges	33	27
Final interest bearing liquidity	**2,301**	**3,292**
Rotating fund for subsidised loans (DM 13/12/11)	**14,549**	**72,571**
Capital (plant) account grant (DM 13/12/11)	**2,301**	**3,292**

The biomass supply chains involve the concession of resources to investment programmes for the start-up, reinforcement and support of such supply chains in the Campania, Calabria, Puglia and Sicilia regions. During 2015, three decrees approving subsidies were issued and two loan contracts signed.

National Operational Programme "Research and competitiveness" EDRF 2007 -2013 R&C
Axis I – Support for structural changes
Development contracts

Development contracts involve the granting of loans to investment and research and development programmes in the industrial, tourism and commercial sectors.

Operational objective 4.1.1.2 "Technology-production areas for system competitiveness"	2015	2014
Rotating fund for development contracts (DM 24/09/10)		
Interest bearing liquidity	79,155	56,662
Funds received		35,000
Subsidies disbursed	(21,750)	(13,379)
Reimbursements	1,115	16
Net charges	672	856
Final interest bearing liquidity	**59,192**	**79,155**
Capital (plant) account development contracts (DM 24/09/10)		
Interest bearing liquidity	41,105	12,057
Funds received		70,000
Subsidies disbursed	(25,513)	(41,165)
Net charges	36	213
Final interest bearing liquidity	**15,628**	**41,105**
Rotating fund for development contracts (DM 24/09/10)	**59,192**	**79,155**
Capital (plant) account development contracts (DM 24/09/10)	**15,628**	**41,105**

National Operational Programme "Research and competitiveness" ERDF 2007 -2013 R&C
Axis II– Support for innovation

The project has two investment programmes aimed at:

- industrialisation of the results of research programmes or experimental development;
- the pursuit of specific innovation, competitive improvement and environmental protection objectives.

A separately managed Rotating Fund with separate accounting was also established to disburse subsidies for this operational programme relating to operational objective 4.2.1.1.

Total financial resources allocated to this objective amount to Euro 430 million.

Operational objective 4.2.1.1 "Reinforcement of the production system"	**2015**	**2014**
RESOURCES AVAILABLE		
Rotating fund for subsidised loans (DM 06/08/10)		
Interest bearing liquidity	120,784	145,790
Subsidies disbursed	(27,410)	(25,783)
Reimbursements	1,422	103
Net charges	579	674
Final interest bearing liquidity	**95,375**	**120,784**
Capital (plant) account grant (DM 06/08/10)		
Interest bearing liquidity	9,987	14,043
Funds received	22,000	27,250
Subsidies disbursed	(27,627)	(31,404)
Net charges	42	98
Final interest bearing liquidity	**4,402**	**9,987**
Total liquidity DM 06/08/2010	**99,777**	**130,771**
Rotating fund for development contracts (DM 24/09/10)		
Interest bearing liquidity	46,292	49,065
Subsidies disbursed	(1,773)	(3,037)
Reimbursements	16	8
Net charges	273	256
Final interest bearing liquidity	**44,808**	**46,292**
Capital (plant) account development contracts (DM 24/09/10)		
Interest bearing liquidity	32,000	14,947
Funds received		32,000
Subsidies disbursed	(5,516)	(15,098)
Net charges	31	151
Final interest bearing liquidity	**26,515**	**32,000**
Total liquidity (DM 24/09/10)	**71,323**	**78,292**
Due from Ministry in respect of capital (plant) account grants disbursed	162,800	184,800
TOTAL FUNDS AVAILABLE	**333,900**	**393,863**
RESOURCES COMMITTED		
Subsidies to be disbursed:		
Rotating fund for subsidised loans (DM 06/08/10)	(95,375)	(120,784)
Rotating fund for development contracts (DM 24/09/10)	(44,808)	(46,292)
	(140,183)	**(167,076)**
NET RESOURCES AVAILABLE	**193,717**	**226,787**

Figures showing available liquidity include interest earned and represent actual amounts available for the disbursement of subsidies. With regard to National Operational Programme R&C Axis I and Axis II as of 31 December 2015, there were 21 development programmes at the start-up stage and 3 new loan contracts (in the context of Ministerial Decree of 6 August 2010) had been signed.

Inter-regional operational programme – "Cultural, Natural and Tourist Attractions"

Axis II – Competitiveness of companies in the tourism, culture and environmental sector and promotion of the regional offering (objective of the convergence programme)

Development contracts

Operational objective II.a, Operation line II.a.1	2015	2014
Rotating fund for subsidised loans		
Funds received	20,256	20,015
Net charges	104	241
Final interest bearing liquidity	**20,360**	**20,256**

These community programme funds support investments aimed at improving and innovating accommodation and hospitality services in the tourism and culture sector. During 2015, only 1 of the 5 initiatives proposed was approved to receive subsidies.

2013 Stability Law Basilicata

Development contracts

	2015	2014
Rotating fund for development contracts (Law 228/2012)		
Funds received	2,583	2,583
Net charges	9	0
Final interest bearing liquidity	**2,592**	**2,583**
Capital (plant) account development contracts (Law 228/2012)		
Funds received	1,722	1,722
Net charges	6	0
Final interest bearing liquidity	**1,728**	**1,722**

A development contract, which if approved to receive subsidies would absorb the entire funding available, is still in the process of being evaluated. The evaluation process has been extended as a result of changes made to the proposal and the lack of related financial cover.

2014 Stability Law

	2015	2014
Rotating fund for development contracts (Law147/2013)		
Funds received	25,000	25,000
Net charges	26	0
Final interest bearing liquidity	**25,026**	**25,000**

Of the 18 applications made, 2 are still at the evaluation phase, 1 was approved to receive subsidies through National Operational Programme local business development funding and 15 were rejected.

"Smart & Start" (Ministerial Decree 06/03/2013)

	2015	2014
Smart – Management expenses grant - Tit. II (DM 06/03/2013)		
Interest bearing liquidity	2,316	2,300
Funds received	5,100	
Subsidies disbursed	(854)	
Net charges	19	16
Final interest bearing liquidity	**6,581**	**2,316**
Start- Capital (plant) account grant Tit. III (DM 06/03/2013)		
Interest bearing liquidity	6,643	8,110
Funds received	15,900	
Subsidies disbursed	(9,013)	(1,519)
Net charges	36	52
Sundry receipts	45	
Final interest bearing liquidity	**13,611**	**6,643**

The programme includes 2 types of initiatives:

- assistance to newly established small enterprises (SMART);
- support for investment programmes undertaken by new digital and/or technology companies (START)

Online access to the first edition of SMART and START was terminated at the end of 2014; as of 31 December 2015, 442 companies (of the 1,252 that applied) had had their applications for subsidies approved.

"Fare Centro Nord" – Decree Law 69/2013

	2015	2014
Rotating fund for development contracts (DM 24/09/10)		
Funds received	100,000	
Subsidies disbursed	(48,565)	
Reimbursements	3,075	
Net charges	241	
Final interest bearing liquidity	**54,751**	
Capital (plant) account development contracts (DM 24/09/10)		
Funds received		
Subsidies disbursed		
Net charges		
Final interest bearing liquidity		
Rotating fund for development contracts (DM 24/09/10)	**54,751**	
Capital (plant) account development contracts (DM 24/09/10)		

12 programmes were approved to receive subsidies from this funding source and a further 7 programmes were rejected.

During the evaluation phase, 1 project was transferred to the 2014 Stability Law funds.

National Operational Programme – Local business development 2000-2006

	2015	2014
Rotating fund for development contracts (DM 24/09/10)		
Funds received	5,000	
Subsidies disbursed	0	
Reimbursements	0	
Net charges	17	
Final interest bearing liquidity	**5,017**	
Capital (plant) account development contracts (DM 24/09/10)		
Funds received	30,000	
Subsidies disbursed	(7,228)	
Net charges	88	
Final interest bearing liquidity	**22,860**	
Rotating fund for development contracts (DM 24/09/10)	**5,017**	
Capital (plant) account development contracts (DM 24/09/10)	**22,860**	

Five development programmes were approved to receive subsidies from this funding source.

Action and cohesion plan

	2015	2014
Rotating fund for development contracts (DM 24/09/10)		
Funds received	3,000	
Subsidies disbursed	0	
Reimbursements	0	
Net charges	8	
Final interest bearing liquidity	**3,008**	
Capital (plant) account development contracts (DM 24/09/10)		
Funds received	15,000	
Subsidies disbursed	(6,476)	
Net charges	33	
Final interest bearing liquidity	**8,557**	
Rotating fund for development contracts (DM 24/09/10)	**3,008**	
Capital (plant) account development contracts (DM 24/09/10)	**8,557**	

Five development programmes were approved to receive subsidies from this funding source and disbursements were made in respect of two of these.

Breakdown of “Other irredeemable commitments”

	2015	2014
Of certain use		
Customers	20,653	11,043
Banks	11,454	11,454
	32,107	**22,497**

“Other irredeemable commitments - Banks” relates to a Guarantee Fund of Euro 11 million established pursuant to Art. 25 of Law no. 196 of 24/06/1997, to support and develop companies benefitting from subsidies managed by the ex-Imprenditorialità Giovanile (Young Entrepreneurs).

“Other irredeemable commitments - Customers” relates to amounts of approximately Euro 10 million and Euro 11 million awaiting disbursement in relation to loan contracts entered into with companies benefitting under Law 181 relating to Italia Turismo SpA; the amounts represent a prudent estimate of the investments required to complete urbanisation works in certain municipalities in Calabria and Sicily.

Part D – Other information
Section 1 – Specific references to activities

E – MERCHANT BANKING

E.3 Annual changes in merchant banking equity investments

In thousands of Euro

Items/amounts	31.12.2015 TOTAL
Previous opening balance	**135,737**
Change to opening balance	0
Opening balance	**135,737**
Increases	**59,418**
Purchases	59,055
Write-backs	180
Revaluations	0
Other (positive) changes	183
Decreases	**(16,899)**
Sales	(1,312)
Impairment losses	(87)
Other (negative) changes	(15,500)
Closing balance	**178,255**

Attachment A.9 provides details of changes in merchant banking equity investments.

E.4 Financial assets and liabilities with merchant banking investee companies

	Assets				Liabilities				
	Loans		Securities		Payables		Subordinate liabilities	guarantees and commitments	
		Of which: subordinate		Of which: subordinate		Of which: securities			Of which, reported in the financial statements
C.S.R.A. SRL (in bankruptcy)	0	0	0	0	0	0	0	0	0
CATWOK SPA (in bankruptcy)	420	0	0	0	0	0	0	0	0
CECCARELLI INDUSTRIA S.R.L.	773	0	0	0	0	0	0	(19)	0
GUSTAVO DE NEGRI E ZA.MA. SRL MANIF	569	0	0	0	0	0	0	0	0
METALFER SUD S.P.A. (in bankruptcy)	3,103	0	0	0	0	0	0	0	0
PRO.S.IT. SRL (in bankruptcy)	1,498	0	0	0	0	0	0	0	0
TEKLA SRL EX MEXALL SISTEMI	924	0	0	0	0	0	0	541	0
Tintorie e Stamperie del Molise	2,730	0	0	0	0	0	0	0	0
TIRRENA MACCHINE SRL (in bankruptcy)	0	0	0	0	0	0	0	0	0

There were no loans and receivables, securities or subordinate liabilities with equity investment companies relating to merchant banking transactions.

The following table provides a breakdown of third party funds managed.

H. Operations with third party funds

H.1. Nature of funds and uses

	2015		2014	
	Public funds		Public funds	
		of which: at own risk		of which: at own risk
Performing assets				
. Finance leases	0	0	0	0
. Factoring	0	0	0	0
. Other loans	542,654	19,275	447,183	20,282
. Of which: enforcement of guarantees and commitments			0	0
. Equity investments	17,319	0	17,819	0
. of which: merchant banking	*16,792*	0	*17,292*	*0*
Guarantees and commitments	0	0	0	0
Non-performing assets				
Doubtful loans and receivables				
. Finance leases	0	0	0	0
. Factoring	0	0	0	0
. Other loans	44,395	0	46,166	0
. Of which: enforcement of guarantees and commitments	0	0	0	0
. Equity investments	2,218	0	2,218	0
. Guarantees and commitments	0	0	0	0
Unlikely to be repaid - substandard loans and receivables				
. Finance leases	0	0	0	0
. Factoring	0	0	0	0
. Other loans	0	0	0	0
. Of which: enforcement of guarantees and commitments				
. Guarantees and commitments	0	0	0	0
Unlikely to be repaid - restructured exposures				
. Finance leases	0	0	0	0
. Factoring	0	0	0	0
. Other loans	0	0	0	0
. Of which: enforcement of guarantees and commitments	0	0	0	0
. Guarantees and commitments	0	0	0	0
Past due exposures				
. Finance leases	0	0	0	0
. Factoring	0	0	0	0
. Other loans	0	0	0	0
. Of which: enforcement of guarantees and commitments	0	0	0	0
. Guarantees and commitments	0	0	0	0
Total	**606,586**	**19,275**	**513,386**	**20,282**

H.2 Gross and net assets at own risk

Breakdown:

Items/adjustments	Public funds		
	Gross amount	Write-downs	Net amount
Performing assets	**19,275**	**0**	**19,275**
Finance leases	0	0	0
Factoring	0	0	0
Other loans	19,275	0	19,275
- Other loans	19,275	0	19,275
- Loans relating to enforcement of guarantees and commitments			
Equity investments			
- Merchant banking equity investments			
- Other equity investments			
Guarantees and commitments			
Non-performing assets			
Finance leases			
Factoring			
Other loans			
- Other loans			
- Loans relating to enforcement of guarantees and commitments			
Guarantees and commitments			
Total	**19,275**		**19,275**

With regard to the funds and use of funds linked to management of other concessions recognised in the memorandum accounts, see the explanations provided in part D - Commitments.

"Payables relating to third party funds managed" relates to concessions for which Invitalia Group is responsible for launching the related initiatives.

The following table provides a breakdown of payables relating to third party funds managed.

Breakdown:

	2015	**2014**
Law 181/89	140,706	140,200
Rotating fund DPR 58/87	47,749	47,441
Regional Law.23/91 Art.8	1,984	1,984
Campania Region "Acerra crisis area"	191	191
Law 208/98	3,603	1,266
Venture Capital Rotating Fund	299	595
Promotion of tourism	2,217	2,217
L'Aquila Poli Museali Agreement	822	2,613
Patents convention	21,024	26,148
Reindustrialisation of the Ottana area	803	801
Creation of broadband and ultra broadband infrastructures	71,717	
Other	51,484	1,462
Total	**342,599**	**224,918**

Specifically:

- the Law 181/89 Fund is aimed at investment and employment programmes in areas affected by the crisis in the steel industry.

The aforementioned fund was assigned based on the CIPE (Inter-ministerial Committee on Economic Programming) decision of 20 December 1990. The decision was then confirmed by the CIPE on 3 August 1993 and reaffirmed by the implementation guidelines formulated by the Ministry for Industry in a letter dated 9 April 1994; it was again confirmed by Ministerial Decree 1123182/75 of 23 December 1996, which regulated the execution of Law 513/93, which in turn incorporated the regulations contained in Laws 181/89, 408/89 and 38/90. Losses incurred on the use of funds are accounted for as reductions in the item in question.

The following table provides a breakdown of the Law 181/89 Fund as of 31 December 2015:

	2015	2014
Funds received	632,416	607,917
Funds reimbursed to the Ministry of Production Activities	(114,878)	(107,946)
Grants disbursed	(362,108)	(346,814)
Losses on loans and receivables and equity investments	(14,724)	(12,957)
Total	**140,706**	**140,200**

"Funds reimbursed" relates to amounts returned to the Ministry for Economic Development in accordance with the terms of Ministerial Decree 1184605/75 of 9 March 2005 that established the Single Fund; such terms provide that the Agency shall, on a six-monthly basis, reimburse amounts received in relation to loans, cancelled grants and disposal of equity investments.

The following table provides details of movements in the Law 181/89 fund during 2015:

Balance as of 31 December 2014	**140,200**
Capital account grants disbursed and other uses	(15,295)
Funds received	24,500
Funds reimbursed to the Ministry of Production Activities	(6,932)
Losses on loans and receivables and equity investments	(1,767)
Balance as of 31 December 2015	**140,706**

As of 31 December 2015, funds received totalled Euro 632,417 thousand, net of reimbursements to the Ministry amounting to Euro 114,878 thousand; the balance was used as follows:

	2015	2014
Capital account grants	362,108	346,814
Amounts due from customers for pre-financing, loans and mortgages (net of repayments)	90,756	89,530
Equity investments (net of calls to pay)	18,522	19,022
Net loans and receivables due from credit institutions	31,428	31,648
Losses on loans and receivables and equity investments	14,719	12,952
Other uses	5	5
Total	**517,538**	**499,971**

- The DPR 58/87 Rotating Fund relates to amounts disbursed to provide financial assistance to investee companies operating in the tourist sector. The Fund was created through transfers from the ex-Agensud agency, pursuant to Art. 9 of Presidential Decree 58/87. A commission of 0.75% is recognised on a six-monthly basis, on the balance of loans made from the Fund.
- The Regional Law 23/91 Fund relates to capital grants disbursed in the past by Sicilia Region (ex L.15.05.91 n.23) net of the amount out of L.359/92. By an act of 9/04/2008, the Agency and Sicilia Region agreed to transfer the commitments and the residual amounts out of Law 23/91 to the regional administration. The amount written on the financial statements represents the residual financial resources to be transferred to the Region.
- Acerra crisis area relates to the capital grant provided by Campania Region pursuant to the programme agreement of 14 July 2005 for the coordinated launch of the operation in the Acerra area affected by the NGP SpA industrial crisis. The operation, which involved financing the industrial project proposed by Simpe in Fallimento SpA, was launched together with the Ministry for Economic Development. At the beginning of 2010, pending transfer of the latest instalments from the Campania Region and with the Region's agreement, a share of the funds (Euro 1,235 thousand) was used to pay subsidies to PRO.S.IT Srl, a company implementing an entrepreneurial project in the context of the programme agreement in question. Total amounts received in relation to this concession, plus interest earned on the dedicated current account, amounted to Euro 5,413 thousand, while amounts disbursed to beneficiaries totalled Euro 5,222 thousand, leaving a net amount payable of Euro 191 thousand.
- The Law 208/98 Fund relates to amounts disbursed by the Ministry of Production Activities to launch the investment "incentive fund" for companies in regional incubators and as capital grants for the construction of the incubators themselves.
- The Venture Capital Rotating Fund relates to ERDF grants assigned to the Agency to establish 50% of the 10-year Fund for venture capital operations. The final accounting for the fund was carried out during the early part of 2015 and the amount reported represents resources that will be transferred to the Ministry on receipt, through the recovery procedures underway, of the remaining shares of equity investments acquired.
- The Promotion of Tourism Fund relates to amounts disbursed to launch the CIPE (Inter-ministerial Committee on Economic Planning) decision of 25 March 1990 regarding the promotion of tourism in the South of Italy. The programme aims to increase levels of tourism in the South of Italy through the provision of adequate technical, organisational and coordination assistance to the initiatives identified. The approach involves the co-financing of initiatives identified by Regions, business associations and significant operators in the tourism sector. A commission of 10% of funds managed is recognised in respect of planning, organisation, coordination and quality control activities performed in relation to the initiatives. The balance reflects amounts received and interest earned totalling Euro 4,276 thousand, less benefits disbursed amounting to Euro 2,380 thousand.
- The Aquila Poli Museali Agreement includes amounts disbursed in relation to the restoration and renovation of the Abruzzo National Museum.
- The Patents convention relates to an agreement, signed by the Ministry for Economic Development and Invitalia on 17 December 2009, aimed at providing financial support to micro, small and medium sized enterprises and research centres for the realisation and development of innovative patent-based projects.
- The Fund for the Reindustrialisation of the Ottana area is aimed at the acquisition of real estate owned by the Consorzio ASI and the realisation of environmental security, fire prevention and general infrastructure operations.

- Funds for the realisation of broadband and ultra broadband infrastructures relates to sums provided by the Ministry to disburse grants to operators in the telecommunications industry in relation to the realisation of such infrastructures.

Section 3 – Information on risks and related hedging policies

Management has identified the following risks relating to Invitalia's specific operations and reference markets:

- credit risk
- market risk
- operational risk
- concentration risk
- counterparty risk
- interest rate risk
- liquidity risk
- strategic risk
- reputational risk
- property risk.

The risks in question are classified as follows:

- Quantifiable risks (in relation to which prudent capital requirements and/or internal capital can be quantified);
- Risks that can only be estimated (in relation to which such quantification is not possible).

Other than in the case of liquidity risk and property risk, which are not considered to be material/relevant in relation to the current asset allocation and regulatory capital, the relevance of the individual risks listed above has been analysed.

Quantifiable risks include: credit risk, counterparty risk, market risk, operational risk, concentration risk and interest rate risk on asset portfolios. Risks that can only be estimated include reputational risk and strategic risk.

Such analysis has enabled Invitalia to identify its potential exposure to the risks in question.

Overall, management has concluded that, given organisational controls and safeguards in place, the level of risk faced by Invitalia is limited and should be monitored and mitigated through minor corrective actions.

3.1. CREDIT RISK

QUALITATIVE INFORMATION

1. General

Credit risk is defined by the Parent Company as the risk of suffering losses due to the unexpected worsening of the creditworthiness of customers in receipt of loans or to breach of contract.

Credit risk is also linked to the risk of incurring losses (due to counterparty default or non-fulfilment of obligations) in relation to services and/or consultancy provided and the acquisition of trading portfolio equity investments that are not considered for regulatory purposes.

Loans are granted in the context of merchant banking activities and the management of concession laws. The former involves equity investment activities where repayment capacity and the magnitude of loans granted are considered as part of reviews performed prior to the operation.

Other than in relation to certain minor items, operations involving funds provided under laws and operations in the context of the management of concession laws do not, by their very nature, impact on the financial position or economic results of the Company.

2. Credit risk management policies

2.1 Organisation

The Company's structure of delegated authorities is aimed at containing the level of concentration of risk, from both a quantitative and a sectoral-economic viewpoint. Loans are granted in accordance with the delegated authorities approved by the Board of Directors and attributed to the business units involved in the evaluation process that precedes the disbursement of loans.

2.2 Management, measurement and control systems

The Parent quantifies the capital requirement associated with a given risk (i.e. the internal capital required to cover credit risk) using the standardised approach for determining prudent capital requirements (see Bank of Italy Circular 216/96, First Part, Chapter V, Section III).

Given the magnitude of the regulatory capital requirement, management does not believe it necessary to forecast internal capital requirements or carry out stress tests in relation to such risk.

Risk management and control activities involve systematic monitoring (on at least a six-monthly basis) of the results of investee companies.

2.3 Credit risk mitigation techniques

When considered necessary, corporate agreements include "exit strategy" clauses (that define disinvestment timing and price details in advance) and appropriate guarantees are requested.

2.4 Non-performing financial assets

Credit risk management is regulated by procedures that identify actions to be taken. Specifically, during the pre-litigation phase, the administrative function works together with the credit monitoring function to review outstanding exposures; subsequently, the legal function is responsible for credit recovery. Specific loss forecasts are formulated by the administrative function based on information regarding likely recoverability, provided by the operations function and/or the legal function.

QUANTITATIVE INFORMATION

1 Breakdown of financial assets by portfolio classification and credit quality

Breakdown of credit exposures by portfolio classification and credit quality:

	Doubtful loans and receivables	Unlikely to be repaid - substandard loans and receivables	Unlikely to be repaid - restructured exposures	Past due exposures	Other assets	Total
Financial assets held for trading	0	0	0	0	56,690	56,690
Financial assets at fair value through profit and loss	0	0	0	0	24,418	24,418
Available-for-sale financial assets	0	0	0	0	8,496	8,496
Held to maturity investments	0	0	0	0	0	0
Due from banks	0	0	0	0	518,542	518,542
Due from financial institutions	0	0	0	715	0	715
Due from customers	63,891	0	0	341,798	120,324	526,013
Hedging derivatives	0	0	0	0	0	0
Total	**63,891**	**0**	**0**	**342,513**	**728,470**	**1,134,874**

2.1 Credit exposures to banks and financial institutions: gross and net amounts

	Gross exposure	Individual adjustments	Collective adjustments	Net exposure
NON-PERFORMING ASSETS				
ON-BALANCE SHEET EXPOSURES:				
. Doubtful loans and receivables	0	0	0	0
. Unlikely to be repaid - substandard loans and receivables	0	0	0	0
. Unlikely to be repaid - restructured exposures	0	0	0	0
. Non-performing past due exposures	0	0	0	0
OFF-BALANCE SHEET EXPOSURES:				
. Doubtful loans and receivables	0	0	0	0
. Unlikely to be repaid - substandard loans and receivables	0	0	0	0
. Unlikely to be repaid - restructured exposures	0	0	0	0
. Non-performing past due exposures	0	0	0	0
Total	**0**	**0**	**0**	**0**
PERFORMING EXPOSURES:				
. Performing past due exposures	719	0	(4)	715
. Other exposures	0	0	0	0
Total	**719**	**0**	**(4)**	**715**
Total	**719**	**0**	**(4)**	**715**

2.2 Credit exposures to customers: gross and net amounts

	Gross exposure	Individual adjustments	Collective adjustments	Net exposure
NON-PERFORMING ASSETS				
ON-BALANCE SHEET EXPOSURES:				
. Doubtful loans and receivables	106,334	(42,443)	0	63,891
. Unlikely to be repaid - substandard loans and receivables	0	0	0	0
. Unlikely to be repaid - restructured exposures	0	0	0	0

. Non-performing past due exposures	0	0	0	0
OFF-BALANCE SHEET EXPOSURES:				
. Doubtful loans and receivables	0	0	0	0
. Unlikely to be repaid - substandard loans and	0	0	0	0
. Unlikely to be repaid - restructured exposures	0	0	0	0
. Non-performing past due exposures	0	0	0	0
Total	**106,334**	**(42,443)**	**0**	**63,891**
PERFORMING EXPOSURES:				
. Performing past due exposures	341,798	0	0	341,798
. Other exposures	121,131	(307)	(500)	120,324
Total	**462,929**	**(307)**	**(500)**	**462,122**
Total	**569,263**	**(42,750)**	**(500)**	**526,013**

3.1. MARKET RISK

Market risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

For the Parent Company, such risk is represented by the risk of unfavourable changes in the value of a financial instrument included in the trading portfolio for regulatory purposes, due to adverse movements in interest rates, exchange rates, inflation rates, volatility, equity prices, credit spreads, the prices of goods (generic risk) or the creditworthiness of the issuer (specific risk).

The parent quantifies the internal capital required to cover market risk using the standardised approach for determining prudent capital requirements (see Bank of Italy Circular263/2006, Second Part, Chapter IV, Section I). Given the magnitude of the regulatory capital requirement, management does not believe it necessary to forecast internal capital requirements or carry out stress tests in relation to such risk.

Market risk comprises three types of risk: interest rate risk, other price risk and currency risk.

3.1.1 INTEREST RATE RISK

QUALITATIVE INFORMATION

1. General

Interest rate risk is the current and future risk of volatility in values or future cash flows due to changes in market interest rates.

Asset allocation policies and portfolio risk limits are set by the Board of Directors. At present, approximately 61% of current assets are held in easily liquidated investments that maintain short-term financial equilibrium at almost zero cost.

In terms of the Parent’s financial assets, interest rate risk relates solely to risks regarding existing positions as the company does not hold positions indexed to other parameters (such as exchange rates, commodity prices, other indices etc.). The asset allocation is biased towards short term investments with maximum duration of three months: indeed, 44% of liquid assets are invested in restricted deposit accounts and current accounts and a further 22% in (investment grade, at least BBB- rated) trading securities with low interest rate risk exposure. The average financial duration is around 0.23 years (approximately three months) and the average residual life around 1 year.

Market risk is monitored several times during the year through (quarterly) liquidity performance reviews and through stress tests and sensitivity analyses performed on the securities portfolios.

2. *Models and methods used to measure and manage interest rate risk*

The parent quantifies the internal capital required to cover interest rate risk using the simplified approach described in Bank of Italy Circular 263/2006 Attachment C, Title III, Chapter I). Given the magnitude of the regulatory capital requirement, management does not believe it necessary to forecast internal capital requirements.

Use of the simplified approach described in Bank of Italy Circular 263/2006 involves performance of a stress test based on a ±200 basis points change in interest rates.

3.2.2 PRICE RISK

"Other price risk", as defined in Appendix A of IFRS 7, is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

In the Parent's case, such risk is limited to its equity investment operations. The selection of investee companies to acquire involves prior analysis by a specialised unit, including consideration of: the consistency of the industrial project in question; the adequacy of the expected internal rate of return on the investment with respect to the related risk; and the identification of appropriate and reasonably feasible exit strategies. Price risk is mitigated through the definition of corporate exit strategy agreements, supported by guarantees or penalties for breach of agreed conditions.

3.2.3 EXCHANGE RATE RISK

There are no assets or liabilities denominated in foreign currency.

3.3 OPERATIONAL RISKS

QUALITATIVE INFORMATION

1. *General information, management processes and methods used to measure operational risk*

Operational risk is the risk of losses stemming from inadequate or failed internal processes, people and systems or from external events. These include losses resulting from fraud, human error, interruptions in operations, non-availability of systems, breaches of contract and natural catastrophes. Operational risk includes legal risks but excludes strategic and reputational risk.

The parent quantifies the actual internal capital covering operational risk using the basic approach for determining prudent capital requirements (see Bank of Italy Circular 216/96). Given the magnitude of the regulatory capital requirement, management does not believe it necessary to forecast internal capital requirements or carry out stress tests in relation to such risk.

The Company's main processes are governed by dedicated internal documents. Together with IT procedures, such documents support the mitigation of operational risks linked to the occurrence of technical or human errors, during all phases of operations, which could give rise to damaging consequences from an economic and/or reputational viewpoint.

From an organisational viewpoint, the Internal Audit function is responsible for reviewing overall operations and evaluating the adequacy of the internal control system; this involves ensuring that all processes, actions and procedures put in place by the various corporate functions comply and are consistent with relevant norms, regulations, directives, delegations of authority and procedures as well as the requirements of Legislative Decree 231/2001.

In accordance with the requirements of Legislative Decree 231/01, the Company's Organisational, Management and Control Model, is based on:

1. adherence to the code of ethics, in particular regarding relations with the Public Authorities;
2. definition of written agreed operating procedures;
3. segregation of duties and responsibilities;
4. establishment of an autonomous and independent Supervisory Board; and
5. systematic review by the Supervisory Board and Internal Audit function of compliance with internal control procedures.

Section 4. Information on Group consolidated capital

4.1. Group consolidated capital

QUANTITATIVE INFORMATION

Breakdown of Group consolidated capital

Items/amounts	31.12.2015	31.12.2014
Share capital	836,384	836,384
Share premium reserve	0	0
Reserves	(56,093)	(7,929)
- from earnings	(23,458)	39,291
a) legal	873	873
b) statutory	0	0
c) treasury shares	0	0
d) other	(24,331)	38,418
- other	(32,635)	(47,220)
Treasury shares	0	0
Valuation reserves	(10,594)	(9,985)
- Available-for-sale financial assets	*(10,594)*	(9,985)
- Property, plant and equipment	0	0
- Intangible assets	0	0
- Legally-required revaluations	0	0
- Actuarial gains/(losses) on defined benefit plans	0	0
- Other valuation reserves	0	0
Equity instruments	0	0
Profit/(loss) for the year	(9,864)	(7,881)
Total	**759,833**	**810,589**

Valuation reserves of Available-for-sale financial assets: annual changes

Items/amounts	31.12.2015			
	Debt securities	Equity	CUI stock	Loans
Opening balance			(9,985)	
Positive fair value differences Fair value increases Reversal to the income statement of negative reserves - impairment Reversal to the income statement of negative reserves - disposals Other changes			46	
Negative fair value difference Fair value decreases Impairment losses Reversal to the income statement of positive reserves - disposal Other changes			(655)	
Closing balance			**(10,594)**	

Detailed statement of consolidated comprehensive income

	Items	Gross amount	Income tax	Net amount
10	**Profit/(loss) for the year**	**(8,975)**	**(918)**	**(9,893)**
	Other comprehensive income (net of tax) that may not be reclassified to the income statement			
20	**Available-for-sale financial assets:**			
	a) fair value changes	(609)		(609)
	b) reclassification to the income statement	0		
	- impairment losses	0		0
	- gains/losses on disposal	0		0
	c) other changes	0		0
30	**Property, plant and equipment**	**0**		**0**
40	**Intangible assets**	**0**		**0**
50	**Hedges of foreign investments**	**0**		**0**
	a) fair value changes	0		0
	b) reclassification to the income statement	0		0
	c) other changes	0		0
60	**Cash flow hedges**			
	a) fair value changes	0		0
	b) reclassification to the income statement	0		0
	c) other changes	0		0
70	**Foreign exchange differences**			
	a) fair value changes	0		0
	b) reclassification to the income statement	0		0
	c) other changes	0		0
80	**Non-current assets held for sale**			
	a) fair value changes	0		0
	b) reclassification to the income statement	0		0
	c) other changes	0		0
90	**Actuarial gains/(losses) on defined benefit plans**	**187**		**187**
100	**Share of valuation reserves linked to investments carried at equity**			
	a) fair value changes	0		0
	b) reclassification to the income statement	0		0
	- impairment losses	0		0
	- gains/losses on disposal	0		0
	c) other changes	0		0
110	**Total other comprehensive income**	**(422)**	**0**	**(422)**
120	**Total comprehensive income (items 10 + 110)**	**(9,397)**	**(918)**	**(10,315)**
130	Total comprehensive income attributable to minority interests	**(29)**	**0**	**(29)**
140	**Total comprehensive income attributable to the Parent**	**(9,368)**	**(918)**	**(10,286)**

Section 6 – Related party transactions

Related party transactions

The persons and legal entities that constitute related parties in the context of these financial statements have been identified in accordance with the guidance provided in IAS 24, as applied in relation to the Agency's particular organisational structure and governance arrangements.

Specifically, related parties include:

Entities exercising significant influence over the Company

The Company has a single shareholder, the Ministry of the Economy and Finance. In this regard, in accordance with current legislation, the shareholder's rights with respect to the Agency are exercised by the Ministry of the Economy and Finance in conjunction with the Ministry of Economic Development.

It follows that, from an operational viewpoint, the Ministry of the Economy and Finance, the Ministry of Economic Development, companies controlled by the Ministry of the Economy and Finance and companies controlled by the Ministry of Economic Development are all considered to be related parties.

Subsidiaries

These include the companies over which the Agency directly or indirectly exercises control as defined in IAS 27.

Associates

These include the companies over which the Agency directly or indirectly exercises significant influence as defined in IAS 28.

Key management personnel with strategic responsibilities and corporate control bodies

Key management personnel with strategic responsibilities are those persons who, directly or indirectly, have authority and responsibility for planning, managing and controlling the Agency's operations; they include the Agency's executive and non-executive directors. In addition to members of the Board of Directors, the Agency considers first organisational-level directors as having "strategic responsibilities".

Information on compensation of key management personnel with strategic responsibilities

As required by IAS 24 and in accordance with the provisions of Bank of Italy Circular no. 262 of 22 December 2005 (2nd update, dated 21 January 2014), the following table shows the amounts of compensation paid in 2015 to key management personnel with strategic responsibilities, including Directors and Statutory Auditors.

Compensation paid in 2015 to key management personnel with strategic responsibilities, including Directors and Statutory Auditors (in thousands of Euro)	
a) short-term benefits	3,129
b) post-employment benefits	90
of which, relating to defined benefit plans	-
of which, relating to defined contribution plans	*90*
c) other long-term benefits	-
d) termination benefits	148
e) share-based payments	-
Total	**3,367**

Transactions between group companies

As noted elsewhere in these notes to the consolidated financial statements, notwithstanding the fact that the restructuring plan is still ongoing, transactions between group companies continued seamlessly throughout the year. In this regard, it is noted that transactions between group companies reflect group level centralisation of management and control activities, as well as centralised direction and assistance in the form of legal, economic, organisational and HR consultancy support. Individual group companies, on the other hand, are responsible for managing their own products and services.

Transactions with related parties, including those between group companies, are neither atypical nor unusual; indeed, they fall within the scope of the Group's ordinary business activities and are usually entered into at arm's length. Services provided centrally to group companies by the Parent are charged on a (specific and general) cost recovery basis. When not charged at standard cost or as required by particular normative conditions, such services are charged at market prices. As described in the section on "Accounting Policies", loans granted by the Parent Company to subsidiaries and associates at more favourable (or indeed under non-interest bearing) conditions are recognised in accordance with IAS 39.

Information on transactions with related parties

All transactions with related parties are reported, even though they are conducted at arm's length and may involve insignificant amounts, as the relevance of the transactions relates to the motivation for entering into such transactions with related parties.

The following tables provide details of related party transactions, by nature and by counterparty:

Related party transactions: balance sheet items

	Loans	Doubtful loans and receivables	Equity investments	Other assets	Financial liabilities	Other liabilities	Guarantees given
A. Subsidiaries (directly and indirectly controlled)							
PORTO DELLE GRAZIE	325	0	95	3	0	0	0
TRIESTE NAVIGANDO SRL	0	0	130	1,558	0	0	112
	325	**0**	**225**	**1,561**	**0**	**0**	**112**

	Loans	Doubtful loans and receivables	Equity investments	Other assets	Financial liabilities	Other liabilities	Guarantees given
B. Companies subject to significant influence							
ANNAPAOLA S.R.L.	419	0	0	0	0	0	0
C.S.R.A. SRL (in bankruptcy)	0	122	0	0	0	0	0
CATWOK SPA (in bankruptcy)	0	679	0	0	0	0	0
CECCARELLI INDUSTRIA S.R.L.	753	0	0	0	0	0	0
GUSTAVO DE NEGRI E ZA.MA. SRL MANIF	569	0	0	0	0	0	0
IP PORTO ROMANO SRL	0	0	6,180	87	0	0	0
ISOLA DI PROCIDA NAVIGANDO SPA	0	0	0	31	0	0	0
LAMEZIA EUROPA SCPA	0	0	0	7	0	0	0
MARINA D'ARECHI S.P.A.	14,854	0	8,000	88	0	0	0
METALFER SUD S.P.A. (in bankruptcy)	0	5,035	0	0	0	0	0
PRO.S.IT. SRL (in bankruptcy)	0	2,305	0	0	0	0	0
SERICHIM SRL	0	0	0	1	0	0	0
SISTEMA WALCON SRL in Proc. Conc.	952	0	0	11	0	0	0
TEKLA SRL EX MEXALL SISTEMI	1,465	0	0	0	0	0	0
TIRRENA MACCHINE SRL (in bankruptcy)	0	466	0	0	0	0	0
	19,012	**8,607**	**14,180**	**225**	**0**	**0**	**0**

Related party transactions: profit and loss items

	Net interest and similar income	Net fees and commissions	Dividends	Administrative expenses	Sundry income
A. Subsidiaries (directly and indirectly controlled)					
PORTO DELLE GRAZIE SRL	(10)	0	0	0	0
	(10)	**0**	**0**	**0**	**0**

	Net interest and similar income	Net fees and commissions	Dividends	Administrative expenses	Sundry income
B. Companies subject to significant influence					
ANNAPAOLA S.R.L.	(5)	0	0	0	0
CECCARELLI INDUSTRIA S.R.L.	(14)	0	0	0	0
GUSTAVO DE NEGRI E ZA.MA. SRL MANIF	(10)	0	0	0	0
IP PORTO ROMANO SRL	0	0	0	(17)	0
MARINA D'ARECHI S.P.A.	(427)	0	0	(88)	0
SERICHIM SRL	0	0	0	0	0
TEKLA SRL EX MEXALL SISTEMI	(29)	0	0	0	0
	(485)	**0**	**0**	**(105)**	**0**

Section 7 – Other information

THE AGENCY'S CORPORATE GOVERNANCE ARRANGEMENTS

CORPORATE BODIES

The Shareholders' Meeting

In accordance with the law and the Articles of Association, the Ordinary Shareholders' Meeting is convened at least once per year to decide on the following:

- approval of the financial statements;
- appointment, removal and remuneration of Board Members; appointment and remuneration of the Statutory Auditors and appointment of the President of the Board of Statutory Auditors;
- appointment and remuneration of the independent auditors;
- responsibilities of Board Members and Statutory Auditors;
- all other matters attributed by law to the Shareholders' Meeting.

The Shareholders' Meeting decides on changes to the Articles of Association, the issue of convertible bonds and all other matters attributed by law to the Shareholders' Meeting.

Administrative bodies and related delegations of authority

Board of Directors

The Board of Directors has sole responsibility for managing the company. The Board of Directors is also responsible for updating the Articles of Association (giving due notice to shareholders) to reflect legally binding regulations where no discretion is permitted in how these are adopted.

The Board of Directors is also responsible for the review and approval of the most significant economic and financial transactions entered into with third parties or related parties.

The Board of Directors comprises the following 5 members who were appointed by the Shareholders' Meeting on 9 August 2013:

Chairman - Giancarlo Innocenzi Botti;
Chief Executive Officer (CEO) - Domenico Arcuri;
Board Members - Maria Emilia Masiello, Barbara Luisi and Stefano Di Stefano.

Chairman of the Board of Directors

Without prejudice to matters otherwise reserved by law or the Articles of Association, the Chairman of the Board of Directors is the Company's institutional representative (both in Italy and overseas) in all relations with institutions and political authorities and specifically with Parliaments, Governments, Ministries and Authorities and with the EU Commission and Commissioners. Together with the CEO, the Chairman is responsible for preparing reports for Government and Parliament (provided for in relevant legislation in force) and reports for Institutions and political and administrative authorities, as well as ensuring that company strategy is consistent with relevant Italian and EU legislation and the directives/guidelines that regulate its objectives.

Chief Executive Officer

The Board of Directors has delegated certain powers to the CEO, who is responsible for managing the company's operations; the CEO has been delegated authority for all ordinary and extraordinary administrative matters, without prejudice to limits imposed by law or statute and those matters reserved for the Shareholders' Meeting, the Chairman and the Board of Directors.

The Board of Statutory Auditors

As provided in the Articles of Association, the Board of Statutory Auditors has three members and two alternates.

The Board of Statutory Auditors is responsible for reviewing and ensuring:

- compliance with laws and the Articles of Association;
- compliance with proper administrative principles;
- the adequacy of the Company's organisational structure, with regard to competencies, internal control and accounting and administrative policies, procedures and systems; and
- the reliability of management reporting.

The Board of Statutory Auditors also performs the functions attributed to it by law and regulatory and oversight legislation in force.

INDEPENDENT AUDITORS

The independent audit of the company's financial statements is carried out by PricewaterhouseCoopers SpA. The total remuneration paid for such independent audit in 2014 amounted to Euro 58 thousand.

SELF-REGULATORY CORPORATE GOVERNANCE CODE

On 30 June 2004, the Parent Company adopted an Organisational, Management and Control Model to comply with the requirements of Legislative Decree no. 231 of 8 June 2001, which set forth the direct responsibility of companies in the case of offences committed by company directors or employees in carrying out their duties.

Compliance is achieved through adoption of the aforementioned Model, which includes the following documents:

Code of Ethics

The Code of Ethics outlines the behaviours expected of all Parent Company and Group company managers and employees and the standards and values underlying the Group's activities, in order that such activities be performed in accordance with the law and in line with clear and transparent rules.

Organisational, Management and Control Model

The document describes: the basic principles and objectives of the Model; the role and responsibilities of the Supervisory Board; the means of distributing and applying the

Model to both the Parent Company and group companies; the types of offence and related disciplinary sanctions. The Model also includes organisational procedures – based on a mapping of risk areas – aimed at ensuring the existence of adequate preventative controls. The Organisational, Management and Control Model was adopted to protect the Company's image as well as the interests and expectations of employees, shareholders, commissioning parties and the general public and also to make all partners and those who operate in the name of and on behalf of Invitalia aware of the importance of adopting appropriate behaviours and avoiding unlawful actions. The Agency has implemented the Organisational, Management and Control Model in line with the requirements of the Legislative decree and in accordance with the guidelines issued by Confindustria.

In accordance with Art. 6.1 of Legislative Decree no. 231 of 8 June 2001, which requires that the Model be adopted by Company management, the Model was approved and adopted by the Board of Directors. At the same time as adopting the Model and as required by Art. 6.1b of the same Legislative Decree, the Board of Directors established the Supervisory Board, a collective body comprising an external member of recognised professional standing, the Head of the Internal Audit function and the Head of the Parent Company's Corporate Legal Affairs function; the Supervisory Board is responsible for ensuring the Model's effectiveness as well as verifying compliance with the Model and updating it as required.

Attachments to the Notes to the Consolidated Financial Statements

Attachment A.1

Changes in "Financial assets held for trading"

In thousands of Euro

Debt securities – Public entities	Opening balance	Purchases	Positive fair value differences	Other (positive) changes	Reimbursements	Sales	Negative fair value differences	Other (negative) changes	Closing balance	Issuer's risk profile rating		
										MOODY'S	S&P	FITCH
BTP 12/11/17	6,227	-	11	17	-	-	-	(17)	6,238	Baa2	BBB-	BBB+
BTP 01/02/21 STRIP (ZC)	-	2,753	121	-	-	-	-	-	2,874	Baa2	BBB-	BBB+
BTP 01/08/2021 STRIP (ZC)	-	2,058	98	-	-	-	-	-	2,156	Baa2	BBB-	BBB+
BTP 15/05/16	2,053	-	-	-	-	(2,048)	-	(5)	-	Baa2	BBB-	BBB+
BTP 22/04/17	7,244	-	-	30	-	-	(27)	(30)	7,217	Baa2	BBB-	BBB+
CCTS EU 15/04/18	1,620	-	-	-	-	(1,616)	-	(4)	-	Baa2	BBB-	BBB+
Debt securities – Public entities	**17,144**	**4,811**	**230**	**47**	**-**	**(3,664)**	**(27)**	**(56)**	**18,485**			

Attachment A.1.1

Changes in "Financial assets held for trading"

In thousands of Euro

Debt securities – Private companies	Opening balance	Purchases	Positive fair value differences	Other (positive) changes	Reimbursements	Sales	Negative fair value differences	Other (negative) changes	Closing balance
BANCA POP. VICENZA 25/10/2018 5%	-	2,168	-	20	-	-	(260)	-	1,928
BANCO POPOLARE 14/03/19	3,748	-	-	100	-	-	(60)	(98)	3,690
BANCO POPOLARE 22/01/18	3,479	-	-	78	-	-	(14)	(49)	3,494
BPIM 3,75 28/01/16	5,708	-	-	191	-	-	(112)	(187)	5,600
CRED. VAL. 24/07/15	4,725	-	-	-	(4,644)	-	-	(81)	-
ICCREA 14/11/16	3,503	-	-	-	-	(3,490)	-	(13)	-
ICCREA 20/03/18 VAR	-	3,868	-	4	-	-	(14)	-	3,858
POP. VICENZA 20/01/17	3,045	-	-	101	-	-	(153)	(96)	2,897
POP. VICENZA 27/02/15	6,383	-	-	-	-	(6,042)	-	(341)	-
UNICREDIT 21/09/18 VAR	-	1,040	2	1	-	-	-	-	1,043
UNICREDIT 10/09/16 2,5%	-	1,222	-	9	-	-	(4)	-	1,227
UNIPOLSAI ASS.15/06/21	961	-	-	-	-	(960)	-	(1)	-
REGIONE UMBRIA 31/12/18 5,561%	-	4,039	-	-	(548)	-	(10)	-	3,481
VENETO BANCA 31/07/15 4%	-	5,063	-	-	(5,063)	-	-	-	-
VENETO BANCA 18/01/16 4,25%	-	5,934	-	240	-	-	(55)	-	6,119
VENETO BANCA 20/01/17	5,066	-	-	187	-	-	(204)	(181)	4,868
Debt securities – Private companies	**36,618**	**23,334**	**2**	**931**	**(10,255)**	**(10,492)**	**(886)**	**(1,047)**	**38,205**
Total	**53,762**	**28,145**	**232**	**978**	**(10,255)**	**(14,156)**	**(913)**	**(1,103)**	**56,690**

Attachment A.2

Changes in "Financial assets at fair value through profit and loss"

In thousands of Euro

Financial assets at fair value through profit and loss	Opening balance	Purchases	Positive fair value differences	Other changes	Reimbursements	Closing balance
INA ASSITALIA 23/10/2014	1,162	-	-	(1)	(1,161)	-
INA ASSITALIA 23/10/2014	1,162	-	-	- (1)	(1,161)	-
INA ASSITALIA 23/10/2014	1,162	-	-	- (3)	(1,159)	-
INA ASSITALIA 28/10/2015	1,128	-	24	-	(1,152)	-
INA ASSITALIA 28/10/2015	1,128	-	24	-	(1,152)	-
INA ASSITALIA 28/10/2015	1,128	-	24	-	(1,152)	-
CATTOLICA ASSICURAZIONI 25/3/2015	1,162	-	9	-	(1,171)	-
CATTOLICA ASSICURAZIONI 25/3/2015	1,162	-	9	-	(1,171)	-
CATTOLICA ASSICURAZIONI 25/3/2015	1,162	-	9	-	(1,171)	-
CATTOLICA ASSICURAZIONI 25/3/2015	1,162	-	9	-	(1,171)	-
CATTOLICA ASSICURAZIONI 25/3/2015	1,162	-	9	-	(1,171)	-
CATTOLICA ASSICURAZIONI 25/3/2015	-	1,000	22	-	-	1,022
CATTOLICA ASSICURAZIONI 25/3/2015	-	1,000	22	-	-	1,022
PRAMERICA LIFE SpA	7,948	-	294	-	-	8,242
ITAS VITA	5,597	-	156	-	-	5,753
UNIPOL ASSICURAZIONI SPA	5,168	-	142	-	-	5,310
UNIPOL ASSICURAZIONI SPA	1,000	-	23	-	-	1,023
UNIPOL ASSICURAZIONI SPA	1,000	-	23	-	-	1,023
UNIPOL ASSICURAZIONI SPA	1,000	-	23	-	-	1,023
Total Financial assets at fair value through profit and loss	**34,393**	**2,000**	**822**	**(5)**	**(12,792)**	**24,418**

Attachment A.3

Changes in " Available-for-sale financial assets "

In thousands of Euro

Available-for-sale financial assets	Opening balance	Purchases	Write-backs	Other changes	Reimbursements	Sales	Other (negative) chanes	Negtive fair value differences	Closing balance
Quote di O.I.C.R.									
FONDO QUADRIVIO	380	-	-	-	-	-	-	(90)	290
FONDO NEXT	1,454	-	46	120	-	-	-	-	1,62
FONDO NORDOVEST	6,307	-	-	176	-	-	-	(399)	6,08
FONDO ITALIA VENTURE I	-	50,000	-	668		-	(50,000)	(166)	502
	8,141	**50,000**	**46**	**964**	-	**-**	**(50,000)**	**(655)**	**8,496**

Attachment A.4

Changes in "Loans and receivables classified as debt securities"

In thousands of Euro

Loans and receivables: Debt securities	Opening balance	Positive changes	Reimbursements	Negative changes	Closing balance
Banks					
DEPFA BANKA 15/12/15 TV	1,967	23	(1,989)	(1)	-
SANPAOLO IMI FRN 20/02/18	2,977	16	-	(3)	2,990
Total debt securities	**4,944**	**39**	**(1,989)**	**(4)**	**2,990**

Attachment A.5

Investments

In thousands of Euro

Equity investments	Opening balance	Increases				Decreases			Book value as of 31/12/2015
		Increases	Write-backs	Revaluations	Other changes	Sales	Impairment losses	Other changes	
Companies subject to significant influence									
ACS ADVANCED COMPUTER SYSTEMS SPA	360	-	-	-	-	-	-	-	360
ALA BIRDI S.R.L.	1,514	-	-	-	-	-	-	-	1,514
ANNA PAOLA SRL	139	-	-	-	-	(139)	-	-	-
BOAT SERVICE NAVIGANDO SRL	-	-	-	-	-	-	-	-	-
C.R.A.A. SRL (in liquidation)	3	-	-	-	40	-	(6)	-	37
C.S.R.A. SRL IN CONCORD. PREV.	620	-	-	-	-	-	-	-	620
CARTONLEGNO GROUP SRL	-	200	-	-	-	-	-	-	200
CATWOK SPA	564	-	-	-	-	-	-	-	564
CFI - COOPERAZIONE FINANZA	651	-	-	-	-	-	(9)	(19)	623
CONSORZIO SPINNER	-	-	-	-	-	-	-	-	-
CONSORZIO EX CNOW	2	-	-	-	-	-	-	-	2
CMS SRL (in bankruptcy)	1,370	-	-	-	-	-	-	-	1,370
DESIGN MANUFACTORING SPA	990	-	-	-	-	-	-	-	990
ELA SPA (in bankruptcy)	-	-	-	-	-	-	-	-	-
ELETTRA SINCROTONE TRIESTE S.P.A.	1,817	-	-	-	-	-	-	-	1,817
ELMIRAD SERVICE SRL	120	-	-	-	-	-	-	-	120
FINMEK SOLUTIONS SPA IN PROC. CONC.	-	-	-	-	-	-	-	-	-
FONDERIE SPA (in bankruptcy)	-	-	-	-	-	-	-	-	-
GRIMALDI SPA	-	307	227	-	-	-	-	-	534
FONDERIT ETRURIA (in bankruptcy)	-	-	-	-	-	-	-	-	-
GUSTAVO DE NEGRI & ZA.MA. SRL	202	-	-	-	-	-	-	-	202
ISTITUTO DELLA ENCICLOPEDIA TRECCANI	-	3,440	34	-	-	-	-	-	3,474
IDC - ITALIAN DISTRIBUTION	-	-	-	-	-	-	-	-	-
ITALIANA SERVIZI SRL	-	-	-	-	-	-	-	-	-
IP PORTO ROMANO SRL	3,515	-	-	-	102	-	-	(3,617)	-
ITALIACAMP SRL	1	-	-	-	-	-	-	-	1
JONICA IMPIANTI SRL	278	-	-	-	-	-	-	-	278
LAMEZIA EUROPA SCPA	763	-	-	-	-	-	(27)	(34)	702
LAMINAZIONE SOTTILE SPA	-	100	-	-	-	-	(16)	-	84
MARINA ARENELLA SRL	303	-	-	-	-	-	(17)	(4)	282
MARINA DI MARGHERITA DI SAVOIA SRL	10	-	-	-	-	-	(1)	(2)	7
MARINA DI MONFALCONE SPA	-	-	-	-	-	-	-	-	-
MARINA DI REGGIO CALABRIA SRL	36	-	-	-	-	-	(6)	-	30
MARINA DI TRANI SRL SRL	-	-	-	-	-	-	-	-	-
MARINA DI VILLA IGIEA SPA	631	-	-	-	-	-	-	-	631
MECCANO SCPA	76	-	-	-	-	-	-	-	76
MEDIBEV SPA	663	-	-	-	-	(663)	-	-	-
METALFER SUD SPA (in bankruptcy)	697	-	-	-	-	-	-	-	697
MODO SRL	140	-	-	-	-	(140)	-	-	-
MODOMEC BUILDING SRL	-	168	-	-	-	-	-	-	168
NEW CEFALU'	3	-	-	-	3	-	(4)	-	2
PERITAS SRL	326	-	-	-	-	-	-	-	326
PRO.S.IT IN FALL.TO S.R.L.	499	-	-	-	-	-	-	-	499
SALVER SPA	2,524	-	-	-	-	-	-	-	2,524
SASSI ON LINE SERVICE S.C.P.A. (in liquidation)	-	-	-	-	-	-	-	-	-
SIAPRA SPA	1,570	-	27	-	198	-	-	-	1,795
SICALP SRL (in bankruptcy)	1,033	-	-	-	-	-	-	-	1,033
SICULIANA NAVIGANDO SRL	-	-	-	-	19	-	-	-	19
SKY TECNO SRL	692	-	375	-	40	-	-	-	1,107
SIE-SOC.ITTICA EUROPEA IN PROC. CONCORS.	-	-	-	-	-	-	-	-	-
SIMPE SPA	3,600	-	-	-	-	-	-	-	3,600
SIRENA LAZIO	1	-	-	-	-	-	-	(1)	-
SISTEMA WALCON SRL	-	-	-	-	-	-	-	-	-
SISTEX (in bankruptcy)	-	-	-	-	-	-	-	-	-
SOCIETA' PER CORNIGLIANO SPA	1,325	-	8	-	18	-	-	-	1,351
SURAL SPA	253	-	-	-	-	-	-	-	253
T.E.S.S.-COSTA DEL VESUVIO SPA	-	-	-	-	-	-	-	-	-
TEKLA SRL	653	-	-	-	-	-	-	-	653
TINTORIA STAMPERIA DEL MOLISE (in	-	-	-	-	-	-	-	-	-
TIRRENA MACCHINE SRL (in bankruptcy)	1,472	-	-	-	-	-	-	-	1,472
TRADIZIONI DI CALABRIA SPA (in bankruptcy)	-	-	-	-	-	-	-	-	-
TRADIZIONI ITALIANE SPA (in bankruptcy)	-	-	-	-	-	-	-	-	-
TRAPANI NAVIGANDO SRL	63	-	171	-	-	-	-	-	234
TURISMO E SVILUPPO SPA	1,142	-	-	-	-	-	-	-	1,142
VIVENDA SPA	13,600	-	-	-	-	-	-	-	13,600
WAHOO	-	-	-	-	-	-	-	-	-
ZANZAR SISTEM SPA	370	-	-	-	-	(370)	-	-	-
TOTAL	**44,591**	**4,215**	**842**		**420**	**(1,312)**	**(86)**	**(3,677)**	**44,993**

Attachment A.6

Non-current assets, disposal groups: information on investment relationships

in thousands of Euro

Name	Shareholding %	Book value
CONSORZIO MARINA DI PORTISCO	50.00%	10
I.T.S INFORMATION TECHNOLOGY SERVICES SPA	17.33%	300
IP PORTO ROMANO SRL	30.04%	3,603
MARINA DI ARECHI	16.00%	11,049
NATURAGEL SRL	29.85%	188
PORTO DELLE GRAZIE	51.00%	25
SALERNO SVILUPPO	20.00%	53
TRIESTE NAVIGANDO SRL	100%	61
Total other companies		**15,289**

Attachment A.7

Item 130 – Non-current assets and disposal groups classified as held for sale

In thousands of Euro

Name	Opening balance	Positive changes	Negative changes	Revaluations	Impairment losses	Closing balance as of 31/12/2015
CONSORZIO MARINA DI PORTISCO	10	-	-	-	-	10
I.T.S INFORMATION TECHNOLOGY	300	-	-	-	-	300
IP PORTO ROMANO SRL	-	3,617	-	-	(14)	3,603
MARINA D'ARECHI	6,943	4,000	-	107	-	11,050
MEC FOND SPA	430	-	(430)	-	-	-
NATURAGEL SRL	188	-	-	-	-	188
PORTO DELLE GRAZIE	-	25	-	-	-	25
P.T.C. PORTO TURISTICO DI CAPRI	1,493	-	(1,493)	-	-	-
SALERNO SVILUPPO	53	-	-	-	-	53
TRIESTE NAVIGANDO SRL	69	-	-	-	(8)	61
Total	**9,486**	**7,642**	**(1,923)**	**107**	**(22)**	**15,290**

Attachment A.8

Non-current assets and disposal groups classified as held for sale

Annual changes in available-for-sale financial assets

In thousands of Euro

Name	Opening balance	Increases	Decreases	Closing balance
CALPARK	26	-	-	26
CALU	75	-	-	75
CALZATURIFICIO DI LUZI	77	-	-	77
CROTONE SVILUPPO	13	-	-	13
PATTO TERR. A T.C.	-	-	-	-
POLLINO SVILUPPO	1	-	-	1
PROTEKOS	10	-	-	10
Total	**202**	**-**	**-**	**202**

Attachment A.9

In thousands of Euro

Equity investments	Opening balance	Increases				Decreases			Book value as of 31/12/2015
		Purchases	Write backs	Revaluations	Other changes	Sales	Impairment losses	Other changes	
Companies subject to significant									
ALA BIRDI S.R.L.	1,514	-	-	-	-	-	-	-	1,514
ANNA PAOLA SRL	139	-	-	-	-	(139)	-	-	-
C.R.A.A. SRL (in liquidation)	3	-	-	-	40	-	(6)	-	37
C.S.R.A. SRL IN CONCORD. PREV.	620	-	-	-	-	-	-	-	620
CARTONLEGNO GROUP SRL	-	200	-	-	-	-	-	-	200
CATWOK SPA	564	-	-	-	-	-	-	-	564
CONSORZIO EX CNOW	2	-	-	-	-	-	-	-	2
CMS SRL (in bankruptcy)	1,370	-	-	-	-	-	-	-	1,370
DESIGN MANUFACTORING SPA	990	-	-	-	-	-	-	-	990
ELA SPA (in bankruptcy)	-	-	-	-	-	-	-	-	-
ELETTRA SINCROTONE TRIESTE S.P.A.	1,817	-	-	-	-	-	-	-	1,817
ELMIRAD SERVICE SRL	120	-	-	-	-	-	-	-	120
FINMEK SOLUTIONS SPA IN PROC. CONC.	-	-	-	-	-	-	-	-	-
FONDERIE SPA (in bankruptcy)	-	-	-	-	-	-	-	-	-
GRIMALDI SPA	-	307	227	-	-	-	-	-	534
FONDERIT ETRURIA (in bankruptcy)	-	-	-	-	-	-	-	-	-
GUSTAVO DE NEGRI & ZA.MA. SRL	202	-	-	-	-	-	-	-	202
JONICA IMPIANTI SRL	278	-	-	-	-	-	-	-	278
LAMINAZIONE SOTTILE SPA	-	100	-	-	-	-	(16)	-	84
MECCANO SCPA	76	-	-	-	-	-	-	-	76
MEDIBEV SPA	663	-	-	-	-	(663)	-	-	-
METALFER SUD SPA (in bankruptcy)	697	-	-	-	-	-	-	-	697
MODO SRL	140	-	-	-	-	(140)	-	-	-
MODOMEC BUILDING SRL	-	168	-	-	-	-	-	-	168
PERITAS SRL	326	-	-	-	-	-	-	-	326
PRO.S.IT IN FALL.TO S.R.L.	499	-	-	-	-	-	-	-	499
SALVER SPA	2,524	-	-	-	-	-	-	-	2,524
SASSI ON LINE SERVICE S.C.P.A. (in	-	-	-	-	-	-	-	-	-
SIAPRA SPA	1,570	-	27	-	198	-	-	-	1,795
SICALP SRL (in bankruptcy)	1,033	-	-	-	-	-	-	-	1,033
SKYTECNO SRL	692	-	375	-	40	-	-	-	1,107
SIE-SOC.ITTICA EUROPEA IN PROC. CONCORS.	-	-	-	-	-	-	-	-	-
SIMPE SPA	3,600	-	-	-	-	-	-	-	3,600
SISTEX (in bankruptcy)	-	-	-	-	-	-	-	-	-
SOCIETA' PER CORNIGLIANO SPA	1,325	-	8	-	18	-	-	-	1,351
SURAL SPA	253	-	-	-	-	-	-	-	253
T.E.S.S.-COSTA DEL VESUVIO SPA	-	-	-	-	-	-	-	-	-
TEKLA SRL	653	-	-	-	-	-	-	-	653
TINTORIA STAMPERIA DEL MOLISE (in bankruptcy)	-	-	-	-	-	-	-	-	-
TIRRENA MACCHINE SRL (in bankruptcy)	1,472	-	-	-	-	-	-	-	1,472
TRADIZIONI DI CALABRIA SPA (in bankruptcy)	-	-	-	-	-	-	-	-	-
TRADIZIONI ITALIANE SPA (in bankruptcy)	-	-	-	-	-	-	-	-	-
TURISMO E SVILUPPO SPA	1,142	-	-	-	-	-	-	-	1,142
ZANZAR SISTEM SPA	370	-	-	-	-	(370)	-	-	-
TOTAL	**24,655**	**775**	**637**	**-**	**296**	**(1,312)**	**(22)**	**-**	**25,028**

INDEPENDENT AUDITORS' REPORT

To the shareholder of
Agenzia Nazionale per l'Attrazione degli Investimenti e lo Sviluppo d'Impresa SpA

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Agenzia Nazionale per l'Attrazione degli Investimenti e lo Sviluppo d'Impresa SpA (the "Company" and together with its subsidiaries the "Group") as of and for the year ended 31 December 2015, which comprise the consolidated balance sheet as of 31 December 2015, the consolidated income statement, consolidated statement of comprehensive income, statement of changes in consolidated equity and consolidated statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes (hereinafter the "Consolidated Financial Statements").

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in compliance with International Financial Reporting Standards as adopted by the European Union.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) drawn up pursuant to article 11, paragraph 3 of Legislative Decree No. 39 of 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The audit procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the financial position of the Group as of 31 December 2015 and of the result of its operations and cash flows for the year then ended in compliance with International Financial Reporting Standards as adopted by the European Union.

Rome, 8 July 2016

PricewaterhouseCoopers SpA

/s/ Leda Ciavarella

Leda Ciavarella
(Partner)