2016 ANNUAL REPORT

Sacred Conversation | Cima da Conegliano

FINANZIARIA INTERNAZIONALE

2016 Consolidated Financial Statements

37th year

Finanziaria Internazionale Holding S.p.A.
Via Vittorio Alfieri 1– 31015 Conegliano (TV)
www.finint.com

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Finanziaria Internazionale Holding S.p.A. Group

Corporate Bodies

<u>Board of Directors</u>

Giovanni Perissinotto
Chairman

Fabio Gallio
Director

Andrea De Vido
Director

Enrico Marchi
Director

<u>Board of Statutory Auditors</u>

Standing auditors

Lino De Luca - *Chairman*

Denis Bozzetto

Lodovico Tommaseo Ponzetta

<u>Independent Auditors</u>

Deloitte & Touche S.p.A.

Statement

MISSION

Finanziaria Internazionale aims to specialise in providing assistance to both Italian and foreign enterprises and entrepreneurs, for which we intend to be a key reference point, supporting their growth and development by providing the best financial and operating management.

VOCATION FOR INNOVATION

Our penchant for innovation and the constant search for better solutions are features we cannot forgo. The urge to improve and face new opportunities with a positive attitude helps enhance the proactive behaviour characterising our Group as an innovative and entrepreneurial player.

TERRITORIAL ROOTING AND INTERNATIONAL ORIENTATION

Having operated on the market since 1980, we have gained a deep knowledge of the country’s economic and industrial fabric, developing, at the same time, a natural network of contacts with important financial operators both on a national and international scale. We want to work in order to enable the enterprises of our country to explore potential business combinations so that, by joining forces, they can resume the leading and governing roles of the system lost in recent years.

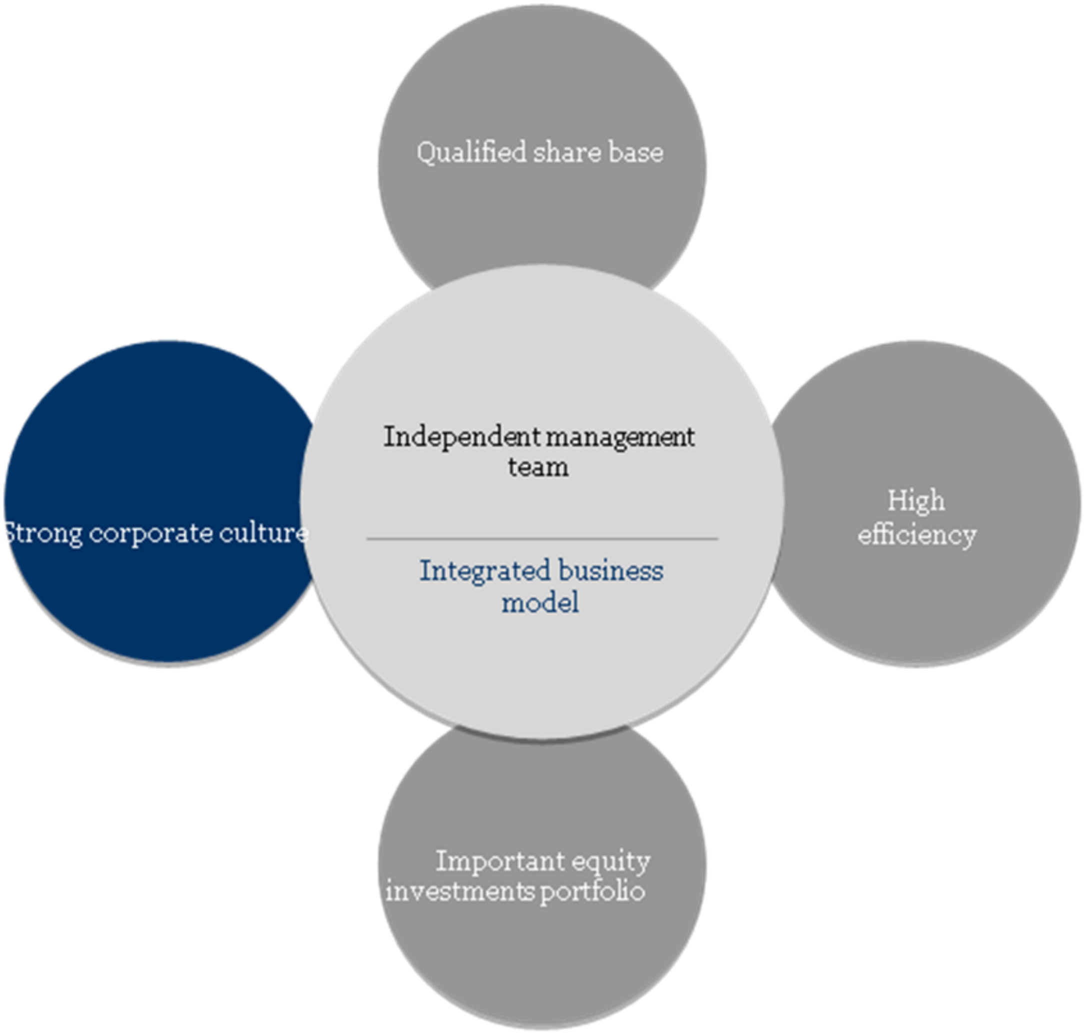
THE TEAM

The team comprises young, dynamic and motivated people who view study and research for innovation purposes as a means to grow in professional and personal terms as well as an opportunity to develop their customers’ business.

ATTENTION TO THE CUSTOMER

The ability to understand our customers’ needs is one of our strengths, and it is achieved by being constantly oriented to customers’ requirements and being able to interpret them, providing quality solutions which maximise trust and satisfaction.

Strengths


Qualified share base
Strong corporate culture
Independent management team
Integrated business model
High efficiency
Important equity investments portfolio

2016 Awards

The on-going growth and daily commitment in the quest for excellence have enabled the Group companies to again receive significant awards in the 2016 financial year. They prove the value and efficiency of the business while providing an incentive for constantly pursuing the improvement path undertaken to guarantee a standard of service that is always in line with the Customer's growing expectations.

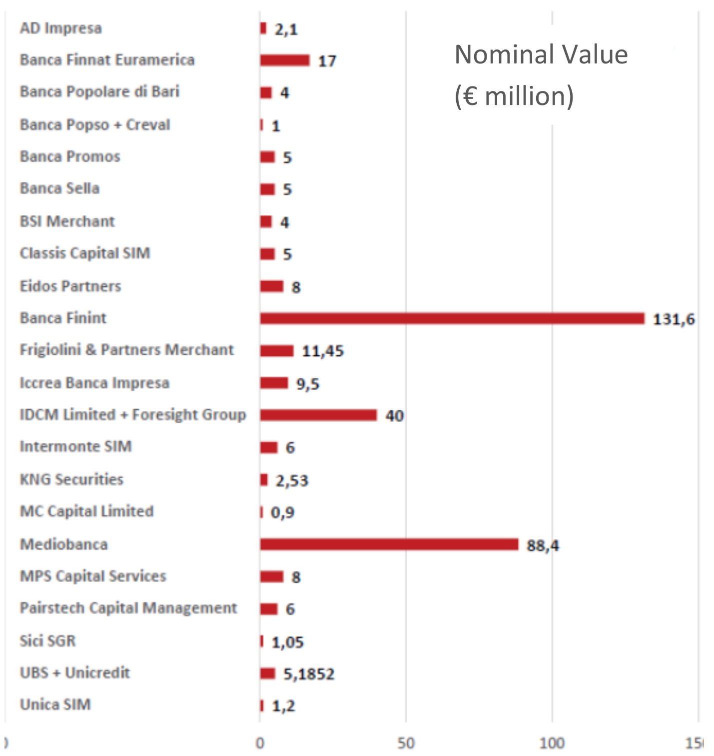
Business Process Outsourcing (BPO) Sector

Three companies belonging to the Group's BPO Sector (Agenzia Italia S.p.A., Finint Revalue S.p.A. and Fin.IT S.r.l.) attained the renewal of their Quality Certification in compliance with the UNI EN ISO 9001 standard (Certification Entity: DNV – Det Norske Veritas).

Investment Banking & Asset Management Sector

- ***Asset & Wealth Management***

Banca Finint and its Group are Number One as Minibond Arrangers



On 28 February 2017, at the Milan Polytechnic, the 3rd Italian Report on Minibonds was presented by the "Minibond Observatory" of the Milan Polytechnic.

Banca Finint and its Group are the leaders in 2016, taking into consideration the value of transactions with placements in the amount of €131.6 million, followed by Mediobanca and IDCM Limited/Foresight Group. Banca Finint comes second in terms of the number of placements with 10 placements.

2016 High Yield Award: Finint Bond

In March 2017, for the second consecutive year, the Finint Bond fund won the 2016 High Yield award from Sole 24 Ore (Multi-manager and Single Manager) in the hedge funds category. The fund was established in 2011 and since its inception has provided a cumulative return of 87.01% (in December 2016), an average annual return of 12.45% and moderate volatility.

- ***Structured Finance Services***

Standard & Poor’s confirmed the top international ranking for Securitisation Services S.p.A.

S&P Global
Ratings

RatingsDirect®

STRONG Rankings On Securitisation Services Affirmed As Master Servicer Of Unsecured And Secured Loans In Italy

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OVERVIEW

- We have affirmed our overall STRONG rankings on Securitisation Services as a master servicer of asset finance, residential mortgages, and commercial mortgages in Italy.
- The outlook is stable on all three rankings.
- Securitisation Services is a subsidiary of Banca Finint. It acts in several structured finance transactions in different counterparty roles, including master servicer of securitized portfolios backed by asset finance, residential, and commercial mortgages in Italy, with a focus on NPL transactions.

LONDON (S&P Global Ratings) July 19, 2016--S&P Global Ratings has affirmed its STRONG rankings on Securitisation Services SpA (SecServ) as a master servicer of asset finance, residential mortgages, and commercial mortgages in Italy. The outlook is stable on all three rankings.

Securitisation Services S.p.A. received, for the fifth consecutive year, the “Strong” ranking from Standard & Poor’s, the highest one in the scale adopted by the same agency, with reference to the Master Servicer activity relating to the management of residential mortgages, commercial loans and other types of loans.

The confirmation of the ranking was based on the continuous growth in all services offered, widely exceeding the budget forecasts, and on the strengthening of the organisational structure and operations, all supported by IT systems.

Finanziaria Internazionale and professional development

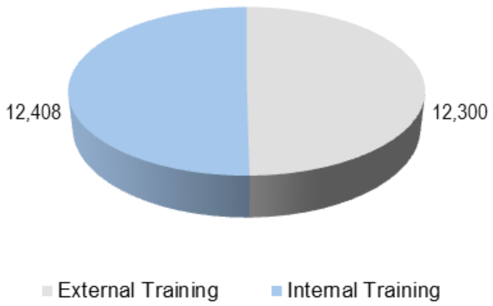
The Corporate University

For personnel development, from 2010 onwards the Finint University project was activated; it calls for high level meetings both on technical and general issues. The instructors are senior company personnel, whose goal is to transmit to their colleagues the technical skills acquired with field experience, but also to outside professionals with whom training projects, designed ad hoc according to the Group's requirements, are designed and implemented.

2016

- Strategic Board in Venice: Art Attack
- Macro-financial and banking scenario
- The new OIC accounting standards. News on the 2016 Financial Statements

TOTAL TRAINING HOURS*



2016 training program for employees

The business model

FINANZIARIA INTERNAZIONALE HOLDING

BUSINESS PROCESS OUTSOURCING	INVESTMENT BANKING & ASSET MANAGEMENT	PROPRIETARY INVESTMENTS
Automotive & Equipment Solutions	Private Banking	Infrastructures
Credit Management & NPLs	Structured Finance	Financial Investments
Real Estate Outsourcing & Agency	Asset Management	Equity Investment Portfolio
Consultancy Lean P & O	Corporate Finance	Real Estate
Front & Back Office Mortgages	Private Equity	
	Capital Markets	
	Trust Services	

Organisational chart

FINANZIARIA INTERNAZIONALE HOLDING

BUSINESS PROCESS OUTSOURCING	INVESTMENT BANKING & ASSET MANAGEMENT	PROPRIETARY INVESTMENTS
Agenzia Italia S.p.A.	Banca Finint S.p.A.	Agorà Investimenti S.p.A.
Finint Revalue S.p.A.	Finint S.p.A.	Marco Polo Holding S.r.l.
Global Point S.r.l.	Finint Investments SGR S.p.A.	SAVE S.p.A.
Finint Mediatore Creditizio S.p.A.	Finint Corporate Advisors S.r.l.	NEIP II S.p.A
Finleasing S.r.l	Finint & Partners S.r.l.	NEIP III S.p.A.
Finint & Wolfson Associati S.r.l.	Finvest Fiduciaria S.r.l.	Sipi Investimenti S.p.A.
Fin.it S.r.l.	Fisg S.r.l.	Rete S.p.A.
EVOLVE S.r.l.	Securitisation Services S.p.A.	Ferak S.p.A.
Safi Insurance S.r.l.		Effeti S.p.A.
		Finint RE S.r.l.
		Industrial Park Sofia AD

Board of Directors’ Report on Operations

Economic environment[1]

Global economic conditions improved slightly during 2016, compared to previous periods. Prospects remain, however, subject to factors of uncertainty; United States prospects depend on the economic policies of the new administration: an expansionary impact, which is currently difficult to quantify, may result from the actions announced in the area of budget policy, but adverse effects may arise from the adoption and dissemination of measures restricting trade. Global growth could be slowed by the onset of turbulence in emerging economies associated with the standardisation of monetary policy in the United States.

Growth in the eurozone continues at a moderate pace, although it is gradually consolidating. The risks of deflation are reduced; inflation rose in December, but that of the fund still remains low. To maintain expansionary monetary conditions, adequate to ensure an increase in inflation, the Governing Council of the ECB extended the duration of the programme for the purchase of securities until at least December 2017 or even beyond, if necessary.

The projections for the Italian economy, updated on the basis of more recent trends, indicate that the average GDP should increase by 0.9% in 2016 (based on the correct data for the number of working days); it should grow by around 0.9% in 2017 and 1.1 % in both 2018 and 2019. Economic activity would still be driven by domestic demand and, from 2017, by the gradual strengthening of foreign policy. GDP in 2019 would be even lower, by about 4 percentage points compared to 2007.

The Italian financial markets have experienced high volatility, mainly due to turbulence in the banking sector, which accounts for a particularly significant portion of the companies listed on the Italian Stock Exchange. On the other hand, in 2016 the recovery in property sales and purchases continued with a year-on-year increase of 19.2% compared to 2015. The change in property prices was still negative but showed a recovery with respect to the trend seen in previous years.

In terms of demand and consumption, recent years have seen the introduction of policies aimed at boosting consumption and reducing the tax burden on both individuals and businesses. These policies include cutting the tax wedge and corporate income tax (IRES), and the introduction of the new first house tax relief system, policies which reduced the tax burden to 42.9% in 2016, a decrease of 0.4 percentage points compared to 2015 (according to provisional data published by ISTAT in March 2017).

These measures, together with the continuation of the economic stagnation that began in 2011, have had a significant effect on public debt, which grew from 116% of GDP in 2011 to 133% in 2016.

The Italian banking market has, in recent years, been affected by certain trends that are causing a substantial shift in the business model and in economic fundamentals. Indeed, despite the push by the legislator and supervisory authorities towards greater concentration of the market (e.g. with the reform of cooperative banks and cooperative credit institutions), more than 600 operators are still active in Italy today, a concentration of physical branches considered too high (500 branches per million inhabitants) when compared with that of other more advanced European countries (around 420 in Germany or 183 in Sweden).

The factor weighing most heavily on the banking system, however, is the management of impaired loans. In recent years, we have seen a decisive worsening of the credit portfolio of all Italian banks, with the NPL ratio increasing from the 11.2% average of 2011 to 17.9% in June 2016 for the larger banks and 20.2% for the less significant institutions (LSI). That said, in 2015 and 2016 there was a considerable slowing down of input flows to impaired loans, and the consequent stabilisation of the stocks of non-performing loans.

It is estimated overall that, with respect to these projections, the risks for growth are still mainly on a downwards trend. In addition to financial conditions, the main factors of uncertainty come from the global context. There is a particularly high risk that the expansion of the global economy, with respect to projections, may be affected by the emergence and spread of protectionist measures, as well as possible turbulence in emerging economies.

[1] Source: Bank of Italy Bulletin

Activity performed and significant events in the year

In this macroeconomic environment, which remains uncertain, the Group's company continued to operate with satisfactory results in the reference sectors.

The macro-sectors on which the Group's business is focused are as follows:

1. *Business Process Outsourcing*

AUTOMOTIVE & EQUIPMENT SOLUTIONS	CREDIT MANAGEMENT & NPLs	REAL ESTATE OUTSOURCING & AGENCY	CONSULTANCY LEAN P&O	FRONT & BACK OFFICE MORTGAGES

2. *Investment Banking & Asset Management*

STRUCTURED FINANCE	CORPORATE FINANCE	PRIVATE EQUITY	CAPITAL MARKETS EQUITY AND DEBT	PRIVATE BANKING WEALTH MANAGEMENT	ASSET MANAGEMENT

3. *Investments*

INFRASTRUCTURES	FINANCIAL INVESTMENTS	EQUITY INVESTMENT PORTFOLIO	REAL ESTATE

- *Business Process Outsourcing*

The **Business Process Outsourcing** unit offers a wide range of outsourcing services such as administrative services for leasing companies, financial institutions and banking institutions; outsourcing of front and back office services in the mortgage and loan sector; out-of-court credit collection; business advisory services for lean production. The BPO area has also developed specific internal competence in the fields of information technology and document management.

- *Investment Banking & Asset Management*

Banking activities are carried out by the subsidiary Banca Finint S.p.A., with regard to lending, mainly in the Debt Capital Markets area, in the field of "Specialised Lending" and the placement of credit products, particularly to small and medium-sized enterprises backed by a surety offered by the National Guarantee Fund. In addition to basic banking services such as collection and payment services through current accounts, the Bank's activities are focused indirectly in the field of wealth management, by means of the agreement concluded with N.I.S. (Nuova Investimenti SIM).

Services for Structured Finance are carried out in close synergy by the subsidiaries FISG S.r.l. and Securitisation Services S.p.A., the leaders in Italy in the offer of services dedicated to planning, managing and monitoring structured finance transactions, particularly securitisations and covered bonds. The first is more focused on the preliminary phase of the study and design of operations, while Securitisation Services S.p.A. focuses its activities on performing the various roles and functions necessary for the management and monitoring of financial structures. As from 05.05.2016, Securitisation Services S.p.A. is included in the Register of Financial Intermediaries pursuant to Article 106 of the Consolidated Banking Act (TUB) for the performance of servicing activities in accordance with Law No. 130 of 1999. The Russian companies Securitisation Services AC and Securitisation Services MC, respectively 98% and 97% held by Securitisation Services S.p.A., offer services dedicated to structured finance in Russia.

The **Asset & Wealth Management** activity is carried out by the subsidiary Finanziaria Internazionale Investments SGR S.p.A. specialised in the management of investment and real estate funds with total assets under management amounting to approximately €1.95 billion. Established as a speculative SGR in 2004, in 2013 it obtained the authorisation to manage non-speculative funds as well.

The **Corporate Finance** sector provides advisory services for extraordinary financial transactions as well as mergers and acquisitions for business undertakings, whether multinational companies or small and medium-sized enterprises. The legal entity engaged in such activities is Finint Corporate Advisors S.r.l.

The subsidiary Finint & Partners S.r.l., a company that provides consulting services to investment companies, has been operating in the **Private Equity** sector for more than ten years. The first investment company was closed (NEIP I) and the second (NEIP II) is undergoing divestment, with very positive returns for both; the third company, NEIP III, began investing during 2015 and has a market capitalisation of €75 million.

Finvest Fiduciaria S.r.l. is the Group company that performs static **trust administration services**, executing fiduciary investment and divestment assignments of stocks or shares, according to the customers' specific directions. Since October 2016, Finvest Fiduciaria has been included in the separate section of the register pursuant to article 106 of the Consolidated Banking Law (TUB).

- *Investments*

The Group manages its airport **infrastructures** under concession via its main subsidiary, SAVE S.p.A. SAVE is the company that directly manages the Venice Marco Polo airport and the Treviso Antonio Canova airport. It also holds significant shareholdings in the Verona Valerio Catullo airport and in the Charleroi (Belgium) airport and in companies that operate in the field of airport management and related services.

The Group's **Financial Investments** consist of the proprietary equity portfolio and investments in mutual funds. The Group also holds bonds that are mainly made up of asset-backed securities issued as part of securitisation transactions, and bank bonds.

The Group's **Equity Investment Portfolio** consists of selected equity investments in service companies, credit institutions and industrial companies.

The **Real Estate** Area deals with the management and value enhancement of land suitable for construction purposes in Italy and abroad, as well as of commercial buildings in Italy.

Analysis of the results of the Finanziaria Internazionale Group

Illustrated below are the reclassified consolidated income statement and key capital and financial indicators for 2016 as compared to the 2015 financial year, with the most significant data.

It should be noted that as from financial year 2016, as a result of the abrogation of Legislative Decree 87/92, the annual financial statements of the Company and the consolidated annual financial statements of the respective group have been drawn up on the basis of IAS/IFRS. Consequently, the data concerning financial year 2015 have also been restated on the basis of the same accounting policies in order to enable a comparison.

For an analysis of the effects of the aforementioned changes and for further information, please refer to the notes to the section "Transition to International Accounting Standards (IAS/IFRS)".

Until the financial year ended 31 December 2015, Finanziaria Internazionale Holding S.p.A. prepared the statutory and consolidated financial statements on the basis of the national accounting standards regulated by Legislative Decree 87/92.

CONSOLIDATED RECLASSIFIED INCOME STATEMENT

(Euro/000)

	2016	2015	Change	% Change
Operating revenue and other income	**265,452**	**237,209**	**28,243**	**11.9%**
Raw and ancillary materials, consumables and goods	2,244	2,380	(136)	-5.7%
Services	66,564	58,817	7,747	13.2%
Lease and rental costs	12,734	11,121	1,613	14.5%
Personell costs	83,144	71,739	11,405	15.9%
Other charges	4,951	5,025	(74)	-1.5%
Provisions for risks	1,001	863	138	16.0%
Total operating costs	**170,638**	**149,945**	**20,693**	**13.8%**
EBITDA (*)	**94,814**	**87,264**	**7,550**	**8.7%**
Amortisation and write-downs of intangible fixed assets	25,662	23,586	2,076	8.8%
Amortisation and write-downs of tangible fixed assets	9,198	8,428	770	9.1%
Replacement provision	4,621	3,620	1,001	27.7%
Write-down of current assets	1,258	1,904	(646)	-33.9%
Total amortisation, depreciation and write-downs	**40,739**	**37,538**	**3,201**	**8.5%**
EBIT	**54,075**	**49,726**	**4,349**	**8.7%**
Financial income (expenses)	(22,679)	(18,893)	(3,786)	20.0%
Profit (loss) from associates and joint venture's carried at equity	(4,057)	4,750	(8,807)	-185.4%
PROFIT (LOSS) BEFORE TAXES	**27,339**	**35,583**	**(8,244)**	**-23.2%**
Taxes	14,626	9,047	5,579	61.7%
PROFIT (LOSS) ON CONTINUING OPERATIONS	**12,713**	**26,536**	**(13,823)**	**-52.1%**
Profit (loss) from discontinued operations/held-for-sale	(99)	1,390	(1,489)	-107.1%
NET PROFIT (LOSS)	**12,614**	**27,926**	**(15,312)**	**-54.8%**
Minority interest	18,088	19,997	(1,909)	n.a.
Group net profit (loss)	**(5,474)**	**7,929**	**(13,403)**	**n.a.**

(*) It should be noted that "EBITDA" means the result before amortisation, depreciation, allocations to the renewal provision for assets under concession, losses on loans, financial management and taxes.

2016 showed a Group consolidated net profit of €12,614 thousand, down by €15,312 thousand compared to the previous year. The Group consolidated results showed a loss of €5,474 thousand, versus the profit of €7,929 thousand in the comparison period. In view of the positive, growing results in all areas, the result of the year was affected by evaluation and implementation components of stock investments held by the Group.

Operating revenue and other income for the year increased by 11.9%, from €237,209 thousand in 2015, to €265,452 thousand in 2016. The data can be broken down as follows:

(Euro/000)	2016	2015	% Change
Business Process Outsourcing Area	42,109	36,818	14.4%
Investment Banking & Asset Management Area	37,261	35,559	4.8%
Proprietary Investments Area	188,166	166,387	13.1%
Eliminations/adjustments	(2,084)	(1,555)	n.a.
Operating revenue and other income	**265,452**	**237,209**	**11.9%**

All areas show significant top line growth; the item in question was affected in particular by the following:

- top line growth in the business process outsourcing sector due to the strengthening of the sales network and the good performance of the mortgage market, the increase in consulting services and the entry into operation of start-up firms during the previous financial year.
- the proprietary investments business includes mainly SAVE revenues, which are up thanks to the growth in aeronautical revenues as a result of the increase in the tariffs applied at Venice airport and the increase in passenger traffic and, for non-aeronautical revenues, thanks to the good performance of the car parks.

EBITDA amounted to €94,814 thousand, up by 8.7% compared to €87,264 thousand in 2015. The Group's operating costs, up in 2016 to €20,693 thousand, have followed the development of activities in the different business areas.

EBIT amounted to €54,075 thousand, up by 8.7% compared to €49,726 thousand in 2015. The increase in EBITDA was absorbed in part by higher amortisation/depreciation and allocations to the renewal provisions for assets under concession respectively equal to €2,846 thousand and €1,001 thousand subsequent to the commissioning of the significant investments made by the subsidiary SAVE over the past two years.

The **result of financial operations** was negative in the amount of €26,736 thousand (€14,143 thousand in the previous year). The item was significantly affected by non-recurring components such as losses arising from the sale of Monte dei Paschi di Siena stock, performed by two subsidiaries, equal to €7,595 thousand, following on from the write-downs applied in 2015 equal to €5,244 thousand. The valuation at equity of the investee Ferak S.p.A. also had a negative impact on the item under review in the amount of €7,244 thousand (compared to a revaluation of €2,744 thousand in 2015) and reflects in particular the adjustment to stock market values of the Assicurazioni Generali S.p.A. stock in which the investee invests (€14.12 per share at 31 December 2016 compared to €16.92 at the end of 2015).

Taxes amounted to €14,626 thousand, compared to €9,047 thousand in the 2015 financial year. In particular, current taxes decreased from €24,524 thousand to €21,848 thousand while the positive effect resulting from the inclusion of deferred tax assets and liabilities decreased in 2016 to €7,222 thousand compared to €15,477 thousand in 2015, with a negative effect on the income statement of €8,255 thousand.

The **result from discontinued operations/assets held for sale** was negative in the amount of EUR 99 thousand, mainly influenced by the result of the valuation of the equity investment held by SAVE in Centostazioni S.p.A., the sale of which was considered.

Consolidated Group loss amounted to €5,474 thousand, minority shareholders' profit equalled €18,088 thousand, mainly in relation to other SAVE shareholders, and the consolidated total result amounted to €12,614 thousand compared to €27,926 thousand in the previous financial year.

GROUP RECLASSIFIED BALANCE SHEET

(Euro/000)

	2016	2015	Change
Property, plant and equipment	83,112	79,273	3,839
Airport concession rights	729,488	674,091	55,397
Intangible fixed assets	80,106	79,150	956
Financial fixed assets	149,437	215,732	(66,295)
Deferred tax assets	36,119	33,406	2,713
TOTAL FIXED ASSETS	**1,078,262**	**1,081,652**	**(3,390)**
Reserve for termination indemnities and other employee provisions	(9,729)	(8,925)	(804)
Provision for risks and charges and deferred taxes liabilities	(148,303)	(147,588)	(715)
Other non-current financial assets	9,507	11,596	(2,089)
Assets held-for-sale	65,600	0	65,600
FIXED CAPITAL	**995,337**	**936,735**	**58,602**
Inventories	10,680	10,724	(44)
Trade receivables	76,263	76,881	(619)
Tax assets	10,338	11,096	(758)
Trade payables	(111,612)	(107,610)	(4,002)
Tax payables	(6,300)	(8,847)	2,547
Social security payables	(6,226)	(5,484)	(742)
Other payables	(27,229)	(24,301)	(2,928)
Liabilities related to assets held-for-sale	(399)	0	(399)
TOTAL NET WORKING CAPITAL	**(54,485)**	**(47,541)**	**(6,945)**
TOTAL CAPITAL EMPLOYED	**940,852**	**889,194**	**51,657**
Total Group's net equity	64,396	79,768	(15,372)
Minority interests	312,029	300,503	11,526
TOTAL NET EQUITY	**376,425**	**380,271**	**(3,846)**
Cash and cash equivalents	(113,807)	(102,945)	(10,862)
Bank payables - current portion	134,043	189,664	(55,621)
Bank payables - non-current portion	517,761	440,687	77,074
Equity securities and bonds	35,682	27,679	8,003
Financial receivables	(51,127)	(29,233)	(21,895)
Financial payables	97,607	47,884	49,723
Other financial assets	(55,732)	(64,813)	9,081
NET FINANCIAL POSITION	**564,427**	**508,923**	**55,503**
TOTAL FINANCING SOURCES	**940,852**	**889,194**	**51,657**

Fixed capital increased during the financial year by €58,602 thousand mainly due to investments made during the financial year by the subsidiary SAVE S.p.A.

Net working capital, negative in the amount of €54,485 thousand, increased due to the increase in trade payables, in relation to the aforesaid investments, and largely stable receivables from customers, despite an increase in revenues of approximately 11.9%.

Consolidated net equity went from €380,271 thousand in 2015 to €376,425 thousand in financial year 2016. It is also noted that during the year, the Parent Company distributed dividends of €1,603 thousand.

Net financial position

(Euro/000)	31/12/2016	31/12/2015	Change
Cash and cash equivalents	(113,807)	(102,945)	(10,862)
Bank payables - current portion	134,043	189,664	(55,621)
Bank payables - non-current portion	517,761	440,687	77,074
Equity securities and bonds	35,682	27,679	8,003
Financial receivables and financial payables	46,480	18,651	27,828
Other financial assets	(55,732)	(64,813)	9,081
Net financial position	**564,427**	**508,923**	**55,503**

Net debt increased from €508,923 thousand in the previous financial year to €564,427 thousand, a rise of €55,503 thousand.

The increase in the consolidated net financial position is due in large part to the significant investments made by the subsidiary SAVE S.p.A. The net debt excluding the subsidiary SAVE S.p.A. amounted to €326,233 thousand compared to €319,928 thousand in the previous financial year.

Payables represented by securities increased by €8,003 thousand as a result of the issue of the new debenture loan in March 2016, partly offset by the repayment on maturity of commercial papers issued previously.

Performance in the various business segments

The results and performance of the main business segments, within the three macro-sectors described above, are summarised below:

Business Process Outsourcing
- *Automotive & Equipment Solutions*
- *Credit Management & NPLs*
- *Real Estate Solutions*
- *Credit Mediation*
- *Lean P&O Consulting*
- *Credit Approval Process*

Investment Banking & Asset Management
- *Banking business*
- *Structured Finance Services*
- *Asset & Wealth Management*
- *Corporate Finance*
- *Private Equity*
- *Trust Services*
- *Structured Finance*

Investments
- *Infrastructure*
- *Financial Investments*
- *Equity Investment Portfolio*
- *Real Estate*

Business Process Outsourcing

The table below shows the financial results and key indicators at consolidated level, for 2016 with 2015 comparatives, of the companies in the BPO sector, i.e. the parent company Agenzia Italia S.p.A., the subsidiaries Evolve S.r.l. Finint Revalue S.p.A., Finint Revalue Agenzia Immobiliare S.r.l., Fin.it. S.r.l., Finint & Wolfson Associati S.r.l., Finint Mediatore Creditizio S.p.A., Finint Network S.r.l. (formerly Global Point S.r.l.), Safi Insurance S.r.l., Sidari Investimenti S.r.l. and the investees Altavelocità S.r.l. and Montello Trucks S.r.l. Agency Italia S.p.A. prepares its financial statements in accordance with the provisions of the Italian Civil Code, integrated on the basis of provisions of the accounting standards drawn up by the Italian Accounting Standard Authority, exercising the option not to publish consolidated financial statements.

(Euro/000)

BPO Business	2016	2015	% change
Operating revenues	**42,122**	**38,968**	**8%**
Operating expenses	**(38,572)**	**(32,474)**	**19%**
of which goodwill amortisation	*(1,030)*	*(1,037)*	
Operating profit	**3,550**	**6,494**	**-45%**
Investment income	262	0	
Other financial income	762	450	69%
Financial expenses	(429)	(608)	-29%
Write-down/up of financial assets	(116)	2	
Financial result	**479**	**(156)**	
Extraordinary items	739	376	97%
Profit (loss) gross	**4,768**	**6,714**	**-29%**
Taxes	(1,985)	(2,828)	-30%
Consolidated net profit (loss)	**2,783**	**3,886**	**-28%**
Group interest profit (loss)	3,047	4,212	-28%
Minority interests' profit (loss)	(264)	(326)	-19%
Consolidated net equity	**33,354**	**31,264**	**7%**
Group's shareholders' equity	32,308	30,261	7%
Minority interests' net equity	1,046	1,003	4%
Net financial position	**8,195**	**7,106**	**15%**
ROE	8.3%	12.4%	
Headcount at year end	420	390	

This statement is not subject to audit and was drawn up on the basis of national accounting standards.

The BPO area ended 2016 with net profit of €2,783 thousand (€3,886 thousand in 2015) and net equity of €33,368 thousand (€31,264 thousand in 2015).

Operating revenue amounted to €42,122 thousand (€38,968 thousand in the previous year), an increase of 8%.

The increase in operating costs is linked to the significant increase in the workforce, which grew from 390 at the end of 2015 to 420 at the end of 2016, in addition to an increase in operating costs to support the development of the business.

The sub-group’s share of the profit amounted to €3,047 thousand and the consolidated shareholders’ equity of the sub-group amounted to €32,308 thousand.

A description of the performance of the various businesses in the BPO sector is provided below.

Businesses of the BPO sector in 2016

The BPO sector consists of six business units:

AUTOMOTIVE & EQUIPMENT SOLUTIONS	CREDIT MANAGEMENT & NPLs	REAL ESTATE OUTSOURCING & AGENCY	CONSULTANCY LEAN P&O	FRONT & BACK OFFICE MORTGAGES

HIGHLIGHTS 2016

450,000 vehicles managed

9,500 lease contracts taken over

22,000 policies managed

124,000 debt collection files

110,000 centralised registrations and pre-stipulation

15,000 Real Estate events

78,000 leasing redemptions

Automotive & Equipment Solutions

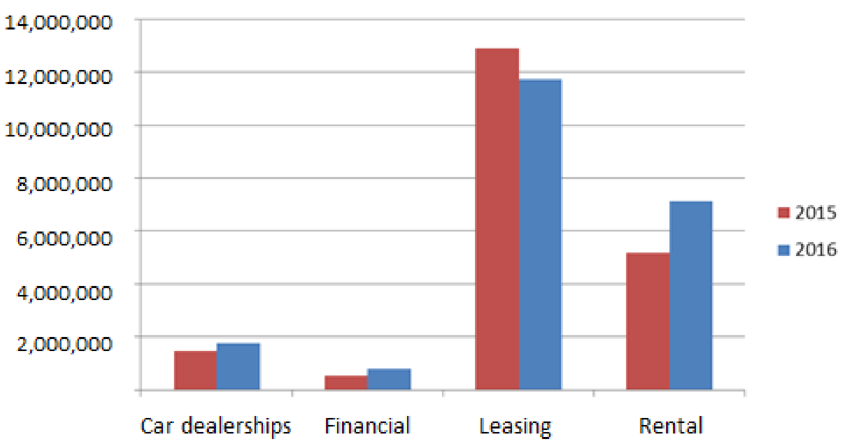
Agenzia Italia is the leading company of the Finanziaria Internazionale Group in the business process outsourcing sector and handles services for the automotive industry; its main customers are lease companies that have outsourced their back office to it. More recent are the centralised registration services for long-term rental companies and verification of the correct utilisation of the loans with anti-fraud services.

The offer of these services can be modulated and easily controlled by the customer through web-based technological supports. Their development is based on flexible programming and communication systems, to facilitate the subsequent phases of events management, productive cycles and operating structures of the customer.

In 2016, sales revenues deriving from core services and holding operations increased by 7.3%.

It is noted, in particular, that in 2016 turnover relating to services on registered goods and to capital equipment of leasing company customers decreased by 9% compared to the previous year, while services relating to the rental market saw strong growth (+37%). The significant increase in turnover in the rental sector in the last financial year is due to the implementation and development of new services.

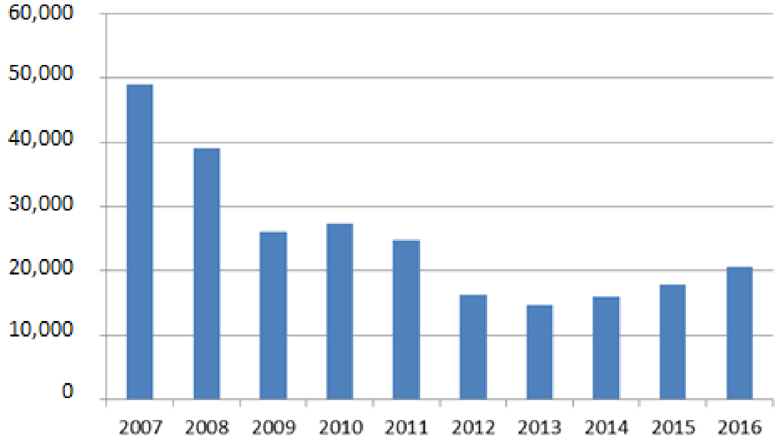
Figure 1. Weight on Agenzia Italia revenues by customer cluster



The leasing market achieved higher than expected growth in 2016, although pre-2011 values have not yet been reached.

The Italian leasing market has entered into a trend of progressive contraction after years of strong growth (2003-2007). The annual contract value has reduced by 58% since the beginning of the financial crisis in 2008, from almost €50 billion in 2007 to €21 billion in 2016.

Figure 3. Trend in lease contracts (values in thousands of euros)



Source: Assilea

Compared to 2015, there was a 17% increase in new contracts thanks to the automotive and capital equipment segments, which have driven growth since 2014, and the positive trend in the number of real estate leasing contracts (+6.7%).

Table 1 – Performance of lease contracts (€ million) and change compared to 2015

2016 LEASE CONTRACTS	Number	Value (€/000)	% Change No.	% Change Value
Cars	88,949	2,856,413	24.0%	24.4%
Commercial cars	36,720	901,720	23.9%	26.7%
Industrial Cars	22,041	2,103,403	44.7%	50.0%
Renting to M.T.	161,590	3,062,477	19.9%	19.6%
CARS	**309,300**	**8,924,013**	**23.0%**	**28.0%**
INSTRUMENTALS	**173,062**	**7,520,760**	**7.4%**	**14.9%**
AERONAUTICAL AND RAIL	**357**	**328,185**	**21.8%**	**2.0%**
REAL ESTATE	**4,258**	**3,806,741**	**6.7%**	**-0.6%**
ENERGY	**114**	**121,082**	**-11.6%**	**-38.8%**
TOTAL	**487,091**	**20,700,781**	**16.8%**	**15.9%**

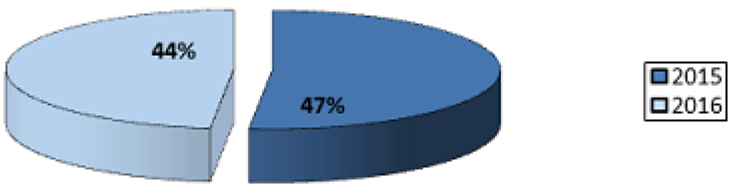
Source: Assilea

The automotive segment achieved the best results: +23.0% on contract numbers and +28.1% on contract value. Good performances were also achieved in the capital equipment leasing segment with an increase of 7.4% in the number of contracts and an increase of 14.9% in their value.

Aircraft and rolling stock leasing continues its positive trends (+21.8% and +2.0% in number and value), while energy has seen a negative trend.

Agenzia Italia increased its revenues from registrations and sales to long-term rental company customers, although the registrations market percentage decreased slightly compared to 2015, from 47% to 44%.

Figure 4. Agenzia Italia market share in registrations for LT rent companies



Credit Management & NPLs

The services of the credit collection area involve extra-judicial credit collection and remarketing.

The collection of credit through credit notices is carried out by mandate or through the management of the credit portfolio The contract staff are mostly historical suppliers chosen for their reliability and territorial coverage. Retrocession for their activity is variable and proportional to the recovered and/or moved amount for each individual case and may vary between 20% and 40% of the proceeds.

According to Bank of Italy data, at the end of 2016 bad loans amounted to over €201 billion gross (-0.7% compared to December 2015). A huge figure that also led to the credit crunch that crippled many Italian companies, leading to difficulties across the entire economic system: having failed to recover a substantial part of loans granted previously, banks were forced to disburse fewer loans, to the detriment of the entrepreneurial fabric (in the last year corporate loans to Italian companies decreased by €21 billion).

The Government put in place several reforms to deal with the significant volume of bad loans, including GACS (*Garanzia sulla Cartolarizzazione delle Sofferenze*)—the guarantee for securitised NPLs—, and support for the Atlante fund. The volume of sales is nevertheless lower than expected, in part because the sale of non-performing loans of MPS for €27.7 billion guaranteed by GACS did not materialise in 2016 due to political tensions and concerns over stable governance.

The high value of non-performing loans translates, for Finint Revalue, in the expansion of the potential market, albeit with increasingly tight profitability margins. Investment in the NPL sector becomes strategic in order to prevent competition from competitors.

Real Estate Solutions

The Real Estate business unit of Finint Revalue handles real estate back office services (title transfers, management of taxes, post-contractual events and condominium management); repossession, restoration and sale of unredeemed properties; property renovation and energy efficiency improvement.

Credit Mediation

The BPO area is active in the credit sector through the company Finint Mediatore Creditizio S.p.A., offering loan brokerage services to families, professionals and businesses, with various financing products as a result of agreements with the main credit institutions and insurance companies.

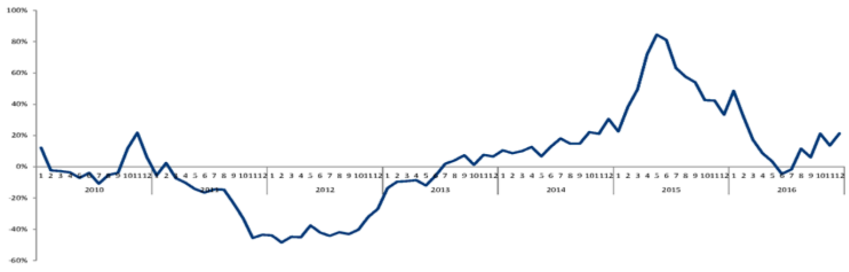
2016 saw the end of the continual decline that had characterised the sector since 2010. In the last year, the average value requested was equal to €123,324, a very slight increase of 0.9% compared to 2015.

For 2017, however, rates and spread are expected to increase due to the increase in inflation, economic recovery and tension on the markets. This could result in more costly conditions for the borrower, cooling the credit market at all levels.

The aim is to develop the services related to financing, such as insurance policies, creating ad hoc products in collaboration with Group agents and insurance brokers.

The following chart shows monthly percentage changes pertaining to the number of loan applications according to EURISC data.

Figure 5 - Loan demand trends



Source: Crif

Lean P&O Consulting

The BPO sector has long adopted lean organisation principles and methods and it intends to exploit this knowledge to support Italian enterprises. To enterprises, it proposes the re-engineering and design of major processes, of new product development of the supply chain and of operations. Advisory services carried out in this field range from high-level training for enterprises and public administration, to the application of lean production for front-office and back-office services.

These services are often also combined with document management services for paperless offices.

Investment Banking & Asset Management

The table below shows, at consolidated level, the financial results and key indicators for financial year 2016 compared with financial year 2015 in the Investment Banking & Asset Management business area, whose parent company Finint S.p.A. controls Banca Finint S.p.A., Securitisation Services S.p.A., Finanziaria Internazionale Investments SGR S.p.A., Finint Corporate Advisors S.r.l., Finint & Partners S.r.l., Finvest Fiduciaria S.r.l., Fisg S.r.l. and SVM Securitisation Vehicles Management S.r.l. For supervisory purposes, Finint S.p.A. draws up the consolidated financial statements, which are prepared in accordance with the IAS/IFRS issued by the International Accounting Standards Board (IASB) and subject to limited audit. Below are the consolidated financial data extracted from said statements.

(Euro/000)

Investment Banking & Asset Management Business	2016	2015
Net interest income (expenses)	1,457	1,152
Net commission income (expenses)	36,132	32,198
Total financial and service margin	**37,589**	**33,350**
Other financial income	(142)	259
Net value adjustments/revaluations due to impairment of receivables	(858)	(1,643)
Net profit (loss) form financial activities	**36,589**	**31,966**
Personell costs	(18,420)	(15,618)
Other administrative expenses	(11,994)	(9,460)
Amortisation, depreciation and write-downs	(280)	(266)
Other operating income (charges)	(64)	2,115
Overheads expenses	**(30,758)**	**(23,229)**
Profit (loss) gross	**5,831**	**8,737**
Taxes	**(1,354)**	**(2,714)**
Consolidated net profit (loss)	**4,477**	**6,023**
Minority interests' profit (loss)	**(379)**	**(1,630)**
Group interest profit (loss)	**4,098**	**4,393**
Consolidated net equity	**84,560**	**81,645**
Minority interests' net equity	11,498	16,980
Group's net equity	73,062	64,665

The data from these statements differ from those on page 22 insofar as they were drawn up taking into consideration a different scope of consolidation and are subject to different classification. These statements are subject to limited review by the independent auditors.

The results of the various sectors of activity headed by the Investment Banking & Asset Management sector are commented below.

Banking Business

Banca Finint (hereinafter also “the Bank”) ended financial year 2016 with a net profit of €1,803 thousand due to the significant contribution of the dividends of subsidiaries and the positive result in terms of taxes. The shareholders’ equity at 31 December 2016 amounted to €127,490 thousand. Based on the provisional data referred to 31 December 2016, the total capital ratio was substantially higher than the minimum regulatory values; the coefficient was equal to 58.41% at the individual level and 18.31% at the level of consolidated reporting (with reference to the sub-parent company Finint S.p.A.). With regard to individual TCR, of note is the considerable benefit resulting from registration in the Register of Banking Groups, following which the Bank no longer deducts controlling interests from own funds but weights them as though they were receivables.

During the financial year just ended, the Bank continued its development strategy both in the Debt Capital Markets sector and in the field of classic customer loans.

The objectives and strategic guidelines underpinning the business strategy of the bank are as follows:

- expansion of the services offered in the banking and financial field;
- a balanced development of funding, mainly with fixed maturity dates beyond 18 months and demand deposits from retail customers, so as to ensure adequate coverage of the liquidity ratios;
- use of specialised lending, financing of SMES, ABS securities and traditional forms of financing in particular high margin and/or suitably guaranteed operations;
- the construction of a solid risk monitoring system, with reorganisation of the control functions with a view to integration, management and coordination with the subsidiaries;
- the continuation of work to strengthen the management and commercial structure, the cornerstone of the bank’s business development.

Structured Finance Services

The Group operates in the field of structured finance through the two subsidiaries Securitisation Services S.p.A. and FISG S.r.l.

Financial year 2016 ended with highly positive results for Securities Services S.p.A., confirming the growth trend of the investee and widely exceeding the objectives set in the 2016 budget. The subsidiary maintained its leadership in the structured finance services market in Italy, developing new operating services. The financial statements for the year ended 31 December 2016 closed with net profit of €6,600 thousand and the shareholders' equity of the investee amounted to €13,346 thousand.

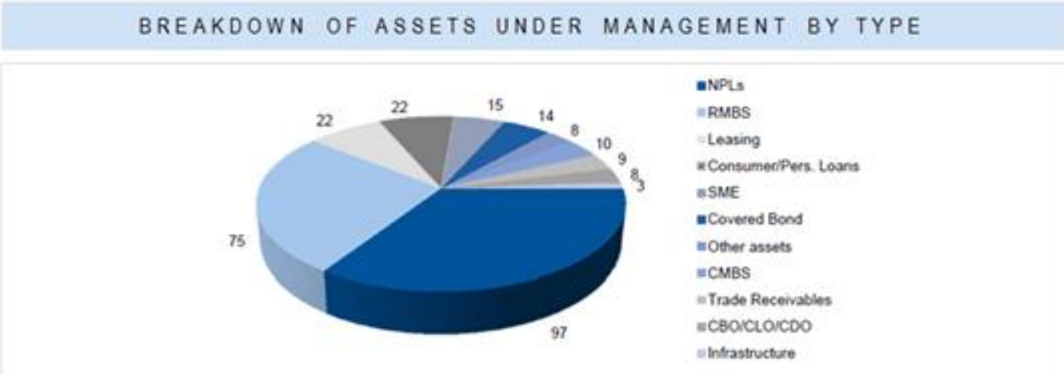
The company has a major market share: based on the list of the special purpose vehicles for securitisation, published on the website of the Bank of Italy, 37.3% of them (214 out of 574) are located at Securitisation Services S.p.A. This share increases further if one also considers the special purpose vehicles located at the selling company or located at other operators in favour of which services are performed.

The quality and professionalism of the services was once again attested by the results of the annual review carried out by the rating agency S&P, which for the fifth consecutive year confirmed the STRONG ranking (the highest one in the scale published by the agency itself) with reference to the service as master servicer pertaining to the management of residential mortgages, commercial loans and other types of loans.

The organisational structure of the subsidiary is consistent with the strategic objectives and in line with the separation between the operating and controlling functions.

The company, which is already entered in the General List and the Special List pursuant, respectively, to articles 106 and 107 of the Consolidated Banking Law (TUB) following the reform introduced by Legislative Decree 141/2010 and subsequent corrective decrees, is registered in the register of Financial Intermediaries pursuant to article 106 of the Consolidated Banking Law under No. 50, as from 05.05.2016.

Looking at the results for the financial year for FISG S.r.l. in all its compartments, activities focused on the structuring of securitisation transactions (both public and private and dedicated to promoting investment activities in specific asset classes by banks), of covered bonds and of related services (in particular for the roles of director/board member in special purpose vehicles). Of note is the service provided to support customers in obtaining guarantees (Innovfin, COSME) or funds (Private Finance for Energy Efficiency) by the European Investment Fund and the European Investment Bank in order to encourage the financing of SMES and energy efficiency. The activity supporting the banking system in the assignment of non-performing loans also continued.
FISG S.r.l. closed 2016 with a positive net result equal to €328 thousand and shareholders' equity equal to €2,318 thousand.



Asset & Wealth Management

Asset Management Services for Third Parties

The Asset Management activity for third parties and the management of the Group's financial assets is carried out by the subsidiary Finanziaria Internazionale Investments SGR S.p.A. (hereinafter SGR), which in the course of financial year 2016 continued to work on the establishment and launch of new products aimed at growing the assets under management of some funds, continuing simultaneously with the liquidation of other funds. Below are some of the data:

i) total assets under management including "committed capital" equal to €1.95 billion, the highest ever in 11 years of operation of the company;
ii) strengthening of the structure to up to 68 employees at the end of the year;
iii) capitalisation indices stable with regulatory capital 2.71x the minimum required.

For SGR, 2016 closed with net profit of €719 thousand, down with respect to the net result of 2015 (€1,278 thousand), due to a reduction in the commission income in the securities sector caused by a decrease in assets under management as a result redemptions, not offset by the excellent results achieved in the property sector. The decrease in the net result was also due to the costs necessary for the strengthening of the staff structure and operating costs incurred with regard to transactions that will produce revenue in financial year 2017.

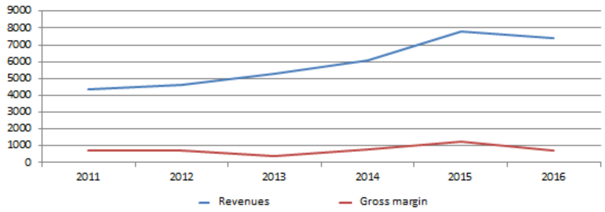
In the strategic area, in 2016 SGR pursued specialisation in alternative products in areas such as Private Debt funds (managed portfolio €103 million), NPLs (€600 million), Energy (€270 million), and the management of Social Housing funds (€310 million), and finally, in the property sector, development and conversion operations (property portfolio of €1.07 billion).

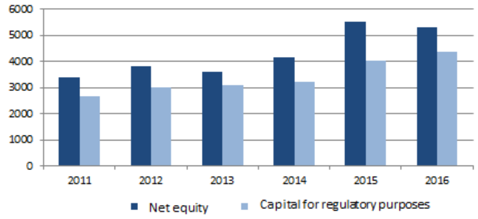
In implementation of the forthcoming provisions laid down by Mifid 2, from the perspective of the management of open architecture products, a great deal of attention has been paid to initiating collaboration agreements with external financial intermediaries in which SGR could take on the role of investment manager. Still with regard to the management of securities products, in March 2017, for the second consecutive year, the Finint Bond fund won the 2016 High Yield award from Sole 24 Ore (Multi-manager and Single Manager) in the hedge funds category. The fund was established in 2011 and since its inception has provided a cumulative return of 87.01% (in December 2016), an average annual return of 12.45% and moderate volatility.

In line with the strategic guidelines adopted by the company, particular attention was also paid in 2016 to strengthening the staff structure: on 31 December 2016 the subsidiary had 68 staff, in steady growth compared to previous years (the total staff as at 31 December 2015 was 64).

The reclassified income statement and statement of assets and liabilities with an overview of some key indicators are provided below to illustrate the financial performance of the company.

Riclassified Income Statement	2016	inc %	2015	inc %
(Euro/000)				
Management commissions	**6,554**	***89%***	**7,023**	***90%***
-Real estate	4,787	*65%*	3,899	*50%*
-Securities	1,656	*22%*	3,023	*39%*
-Asset Management	111	*2%*	101	*1%*
Other income	**840**	***11%***	**750**	***10%***
Income from performance	**7,394**	**100%**	**7,773**	**100%**
Personnel costs and directors' fees	-4,083	*55%*	-3,734	*48%*
Operating costs	-2,005	*27%*	-1,695	*22%*
Gross Margin (EBITDA)	**1,306**	***18%***	**2,344**	***30%***
Financial Margin	11	*0%*	20	*0%*
Amortis. and depreciation	-40	*1%*	-37	*0%*
Extraordinary management	-63	*1%*	-318	*4%*
Result before tax	**1,214**	***16%***	**2,009**	***26%***
Taxation	-495	*7%*	-731	*9%*
Net Profit	**719**	***10%***	**1,278**	***16%***





Reclassified Balance Sheet	2016	2015
(Euro/000)		
Non-current assets	**1,041**	**663**
- Intangible	0	0
- Tangible	159	96
- Financial	882	567
Current assets	**4,900**	**5,383**
- Other assets and liabilities	2,654	1,642
- Cash	2,246	3,741
Post-employment benefits	**-621**	**-522**
Net capital employed	**5,320**	**5,524**
Shareholders' equity (Hedging)	**5,320**	**5,524**

Capital for regulatory purposes/required by law	**2.71**	**2.87**

Dividends distributed during the financial year	**1,000**	**0**

Profitability highlights	2016	2015
R.O.I. (return on investment)	14.19%	21.58%
R.O.E. (return on equity)	13.26%	26.43%

Economic highlights	2016	2015
Operating income/net commissions	18.52%	28.61%
Labour cost/net commissions	55.92%	46.56%
Operating costs/net commissions	-30.59%	24.13%
Profit for the year/net commissions	10.97%	18.20%
Operating income net of interest margin/net commissions	18.36%	28.32%
Interest margin/net commissions	0.17%	0.28%

Capital ratios	2016	2015
Total debt quotient	0.49	0.59
Degree of financial independence	2.04	1.69
Safety quotient	2.66	2.76

As can be seen in the reclassified financial statements, revenues for financial year 2016 amounted to €7,394 thousand (down 5% compared to the previous year). It should be noted that the reduction in turnover in 2016 is mainly attributable to a decrease in the assets under management of certain investment funds due to redemptions occurring at the end of 2015.

In terms of margins, the gross margin for 2016 is equal to 18% of revenues while the result before tax is equal to 16%. The heavy investments made in 2016 also led to an increase in costs for staff and directors (+9%) and operating costs (+18%) related in part to operations that are expected to launch from financial year 2017.

Equity indicators are unchanged thanks to the company's already adequate level of capitalisation and the short and medium term indebtedness that has remained largely stable throughout the year.

The assets under management at the financial year-end are shown in the table below (values in euros):

Asset under management (AuM)	2016	2015
(Euro)		
Investment funds	261,107,995	217,491,386
Real estate investment funds	1,036,196,769	937,853,577
Asset management	410,117,029	191,254,271
TOTAL	**1,707,421,793**	**1,346,599,234**

The assets under management increased by €360,823 thousand compared to the previous financial year. This change was due to a widespread growth of the management of all the products: +€43,617 thousand from the management of the investment funds, +€98,343 thousand from the management of the real estate funds and +€218,863 thousand from asset management.

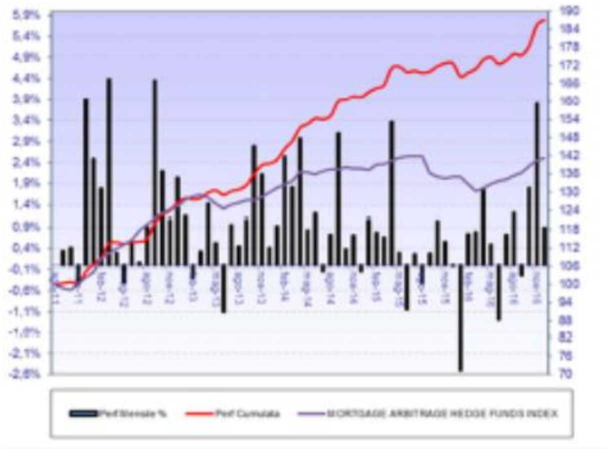
During the year, besides fund management, the company also operated as a consulting firm on financial matters, generating profits in the amount of €164 thousand, and on real estate matters for a profit of €676 thousand.

The activities carried out by the company in 2016 in the three sectors of activity are outlined below:

Personal property funds

The **Finint Bond** fund started activities in September 2011 and attention has been paid to creating a portfolio of Italian high-yield secured bonds. The fund belongs to the "open-end reserved FIA" and has two classes of units: Class A units, which are income units, and class B, which are distribution units (half-yearly). Since its establishment in 2011 and since its inception, the Finint Bond has provided a cumulative return of 87.01% (in December 2016), an average annual return of 12.45% and very low volatility (36-month Sharpe ratio at 2.13). The fund portfolio is focused on European asset-backed securities ("ABS"), asset classes which in recent years have shown high profitability and at the same time low volatility compared to the rest of the bond market. The performances recorded by the Fund are highly satisfactory and, as reported herein, the aforesaid fund received the 2016 high yield award from Il Sole 24 Ore as the best hedge fund in the single manager category.

Cumulative performance since the launching of the Finint Bond Fund



The closed-end securities funds reserved for qualified investors include the Finint Principal Finance 1 and the private debt funds: the Minibond PMI Italia (Italian SME Minibond) fund and Fondo Strategico del Trentino Alto Adige (Strategic Fund of Trentino Alto Adige). Some data on the performance during the year are provided below.

The **Finint Principal Finance 1** fund mainly targets assets originated by financial institutions and corporate companies that these entities may have an interest in liquidating in order to obtain liquidity, transfer risk, comply with regulatory capital requirements or regulations, to mention just a few of the possible targets.

The assets in which the fund invests are characterised by a low level of liquidity in relation to their nature and the absence of a secondary market in which they can be negotiated. For these reasons, the investment time horizon in these asset classes is medium-long term with a prevailing buy and hold strategy.

In 2016, new subscriptions amounting to €8.77 million were collected; total assets under management amount to €43.27 million. The following table shows the fund's performance at 31 December 2016 with respect to different time horizons of reference: the figure is calculated taking into account both the change in the unit over the time horizon under consideration and the profits distributed to participants over the same time horizon.

Finint Principal Finance 1 Performance

Finint Principal Finance 1 Performance

31/12/2016	Annualized Performance								
	36 months	*30 months*	*24 months*	*18 months*	*15 months*	*12 months*	*9 months*	*6 months*	*3 months*
Finint Principal Finance 1	11.15%	11.07%	11.46%	11.64%	11.67%	8.79%	8.53%	9.11%	10.37%

The main investment target of the **Minibond PMI Italia** fund is listed and unlisted minibonds, issued by Italian SMES. Minibonds represent a new market that has come about as a result of the possibilities introduced by Legislative Decree No. 83 of 22 June 2012 (the Development Decree) and the subsequent Legislative Decree No. 145 of 23 December 2013 (the 'Destinazione Italia' Decree) which outlined the possibility for unlisted small and medium-sized enterprises to have recourse to private debt, eliminating the limits laid down by Article 2412 of the Italian Civil Code and aligning with the tax benefits already in place for listed companies.

In order to promote the issue of these financial instruments, Borsa Italiana has organised and managed a system for the multilateral trading of financial instruments, accessible only to professional investors, named ExtraMOT Pro, where the above-mentioned financial instruments can be traded.

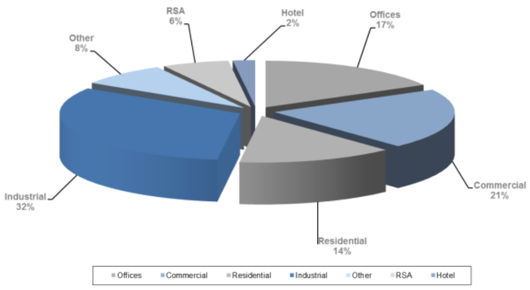
Subscriptions as at 31 December 2016 amounted to €64.9 million and are fully paid-up. The investment period is now complete and for the coming financial years management activities will continue for the monitoring of the portfolio and the return to subscribers of capital shares and income accrued. The performance recorded in 2016 was 4.41%. In February 2017, the Fund also begun to return capital shares to subscribers for 1.69% of the subscribed capital.

The **Fondo Strategico del Trentino Alto Adige** is the second private debt product and it mainly invests in debt instruments issued by the small and medium enterprises of Trentino Alto Adige as well as in other financial instruments and it was established in 2015. It is a multi-sector territorial fund dedicated to the autonomous Provinces of Trento and Bolzano. The fund is a partner for the growth of the enterprises and it promotes local development projects, providing positive effects on the economy as a whole, enabling the enterprises to access a new capital market and to obtain finance in the medium-long term to sustain investment and corporate growth projects. In addition, the SMEs' transparency and strategic planning is supported. The fund collected subscriptions totalling €224 million, of which €111 million already called up at 31 December 2016.

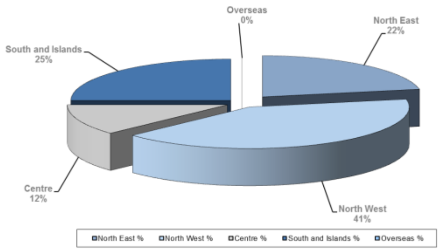
Real estate funds

As at 31 December 2016, the value of the assets of the real estate investment funds managed by Finanziaria Internazionale Investments SGR S.p.A. was €1.03 billion. The allocation of the real estate portfolio - by intended use and geographical sector – is shown below at year-end values.

Allocation by intended use



Allocation by geographical area



The majority of the premises in which the fund invests is industrial (32%), followed by commercial (21%) whilst the geographical areas concerned are mainly the North of Italy, especially the North-West area (41%).

The **property market** confirms the sharply upward trend. Among the factors underlying the consolidation of this upward trend are the persistence of particularly low interest rates on mortgages and the economic context in its entirety, factors which enhance the attractiveness of property investment, especially in a phase of the cycle which seems favourable (thanks also to the decline in nominal prices recorded by ISTAT in recent quarters). Growth was recorded in all segments of the market, with significant acceleration seen in the tertiary sector (+31.1%, more than double the rate of growth of the previous quarter) and the commercial sector (+12.9% to +23.3%); the other sectors saw more moderate, but nevertheless significant, growth starting with residential, which went from +22.9% in the previous half-year—the highest percentage increase in the time series in question— to +17.4%, enabling the sector to achieve the highest volume of sales since 2012[2].

[2] Source: Public Real Estate Registry Office – Performance of the real estate market in the third quarter of 2016 (Published on 5 December 2016).

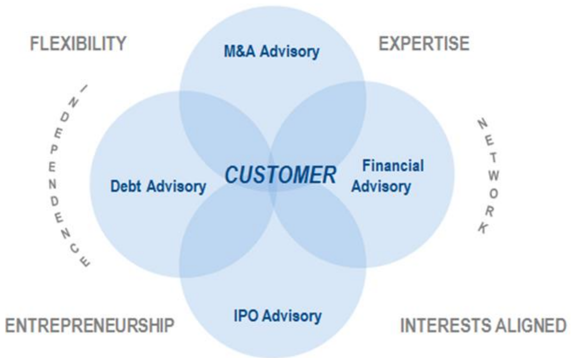
As regards the residential property market, in the third quarter of 2016, performance by macro geographical area shows generalised growth throughout the country. With reference to the commercial sector, there was a rapid increase in trading, with the rate of change almost doubling (+23.3%) the positive figure already recorded in the previous quarter (+12.9%).

Individual and collective portfolio management

In 2016, the asset management engagements remained stable; within the 10 asset managements active at 31 December 2016 there were three managements to be carried out on behalf of the Solidarietà Veneto Supplemental Pension Fund. The engagement entails the management of three separate areas called "income", "dynamic" and "prudent" with approximately €44 million total assets under management. The company also manages cash management mandates with a number of institutional investors for the management of any liquidity generated by the securitisation vehicles established and managed in accordance with Italian Law no. 130/99.

As at 31 December 2016, the individual assets under management amounted to €410.1 million and increased by €218 million compared to the previous year.

Corporate Finance



Finint Corporate Advisors S.r.l. provides advice on extraordinary finance transactions, on mergers and acquisitions for enterprises, both multi-nationals and small-medium sized enterprises. In particular, it provides assistance to major industrial and financial companies.

Finint Corporate Advisors consolidated its presence in Italy as a key player for SMEs and medium-sized groups in 2016, focusing heavily on geographical areas characterised by a high concentration of industries such as Triveneto, Lombardy and Piedmont.

Finint Corporate Advisors confirms its ambition to be a key player by offering a wide range of integrated assistance services in the following sectors:

- Mergers & Acquisitions (M&A);
- Stock Exchange listings (IPOs) and public offers of shares for sale;
- Stock Exchange transactions, delistings, takeover bids;
- Company reorganisations and turnarounds;
- Assistance with extraordinary finance transactions;
- Drafting Business Plans and financial planning;
- Debt financing organisation;
- Real estate finance;
- Corporate advisory services.

Finint Corporate Advisors performed positively in 2016 with a turnover of €3,703 thousand (with respect to a budget, set at the beginning of the year, of €2.5 million) and profit of €507 thousand. This performance is partly linked to the conclusion of several M&A transactions initiated in the second part of 2015 and to a shift to 2016 of the relative revenues.

In 2016 the company completed several significant M&A sell side mandates that led to the sale of shareholdings in important companies operating in the industrial sector and in medical care to private equity funds.

Two significant transactions were concluded in the IT sector: the purchase of two companies (one of which foreign) by an Italian group and the start of an industrial/commercial partnership between an Italian group and a Balkan company.

Finint Corporate Advisors also carried out activities for companies in the Finanziaria Internazionale Group and developed a number of new prospects both with regard to third-party customers and the Group, particularly in the second part of 2016. The current pipeline of assignments and projects is a good starting point for the results expected in 2017.

Private Equity

With reference to the performance of the Italian venture capital market, since the data relating to the 12 months were not available, a summary of the survey conducted by AIFI, in collaboration with PwC - Transaction Services, in relation to the activities recorded in the first half of 2016, has been provided.

With regard to investment activities, €4.9 billion of capital was invested during the first half-year (approximately +€3 billion compared with the first six months of 2015) mainly targeted at 11 major transactions (€4 billion), while other transactions totalled approximately €0.8 billion (compared to €1.4 billion in the first half of 2015). In terms of numbers, on the other hand, a decrease of approximately 20% was recorded (from 168 to 138).

Most of the resources invested were allocated to buy out transactions, with 69% of the total in the amount of €3.4 billion (value tripled compared to the same period of the previous year), and then to replacement transactions.

Good results were also recorded in the period for early stage and expansion transactions, the latter segment returning to growth following a period of decline.

Analysis of the distribution of investments across Italy shows that 79% of transactions involved companies located in the north of the country, followed by the Centre with 14%, while the regions of Southern Italy and the islands accounted for the remaining part.

With regard to businesses subject to investment, investments in businesses with less than €50 million in turnover (70% of the total number vs 75% in the first half of 2015) and active in the industrial goods and services sector prevailed.

With reference to disinvestments, the overall amount, calculated at historical acquisition cost, stood at €1.5 billion (-21% compared to the first half of 2015), on a total of 57 disinvestments. The type of sale that prevailed was the sale to other financial investors, followed by trade sale.

Funding activities registered a sharp decrease; 54% of fundraising was home lead with funds of funds (private and institutional) and family offices represented the main source with 63% of the total.

Within the Group, the activity is carried out by the subsidiary Finint & Partners S.r.l. which provides advisory services for some companies dedicated to making investments in the field of private equity.

Specifically:

- NEIP II S.p.A. – Infrastrutture e servizi (Infrastructures and services) (“NEIP II”) is an investment company focused in the infrastructure sector and related services, undergoing divestment. At the end of 2016, the portfolio of NEIP II comprised the residual equity investment in a facility management company, which Finint & Partners continued to monitor in the course of last year;

NEIP II S.P.A. – PORTAFOLIO OUTSTANDING	
TARGET:	**MANUTENCOOP FACILITY MANAGEMENT S.P.A.**
Business sector:	*Facility management*
Target description:	Manutencoop Facility Management, reporting to Gruppo Manutencoop, operates in the management and supply of integrated services for real estate for the territory and in support of health care activities (Integrated Facility Management). The Group is the leading Italian operator, as well as one of the main sector players at the European level.
Acquired percentage:	0.6%
Turnover 2015 (€/M):	955,7
Status:	Partially Disposed

NEIP II S.P.A. – PORTAFOLIO SOLD	
TARGET:	**BLUE FLAME (ASCOPIAVE S.P.A.)**
Business sector:	*Utilities, sale and supply of natural gas*
Acquired percentage:	34.17% in co-investment
Status:	Divested
Divestment date:	February 2014
TARGET:	**CMSR VENETO MEDICA S.R.L.**
Business sector:	*Healthcare, diagnostics*
Acquired percentage:	95.76%
Status:	Divested
Divestment date:	July2014

- NEIP III S.p.A. ("NEIP III"), an investment company with a capitalisation of € 75.2 million, with the objective of making minority or majority investments in Italian companies, preferably located in the North - North-East and in neighbouring regions, with revenues between € 10 and 100 million, active in industrial sectors in general and in services. In the course of 2016, the company analysed almost 80 dossiers on behalf of NEIP III, over 60 of which were analysed in depth, leading to the submission of seven expressions of interest and the realisation of two investments. NEIP III acquired a majority stake in two companies active respectively in the frozen bakery and mobile container handling equipment sectors. During the year the company also performed a second divestment (following the first sale in 2015). As a result of the investments and divestments performed during 2016, as at the end of December the company portfolio was composed of five shareholdings in companies operating in diversified industries.

NEIP III S.P.A. – INVESTMENTS

Target	Sector	Target description	Type of investment	Turnover (€/M)	Status
CVS FERRARI S.R.L. Roveleto di Cadeo (PC)	*Mobile container handling equipment*	Manufactuing of a complete range of container handling equipment	Buy Out	45	Portfolio
PANIFICIO SAN FRANCESCO S.P.A. Codevilla (PV)	*Frozen Bakery*	Manufacturing and distribution of partially baked and deep-frozen bread with «homemade» quality, mainly for large retailers	Buy Out	18,4	Portfolio
VIMEC S.R.L. Luzzara (RE)	*Mobility Solutions*	Design and implementation of systems for mobility and accessibility, such as home lifts, platforms and chairlifts, mainly dedicated to the elimination of architectural barriers in buildings	LBO	46	Portfolio
ABL S.P.A. Cavezzo (MO)	*Food Equipment*	Leader in projecting and supply fruit processing machineries and equipments.	LBO	12,7	Portfolio
FORNO D'ASOLO S.P.A. Maser (TV)	*Frozen Bakery*	Production and distribution frozen bakery products, especially products for breakfast. Forno d'Asolo also products savory bakery (as pizza, bread and ready cooked dishes).	LBO (co-investment with other private equity)	87,5	Portfolio
LAFERT S.P.A. San Donà di Piave (VE)	*Mechanical*	Production and sale of electric motors and servo motors for industrial application. Lafert Group is among the European leaders on customized high efficiency asynchronous motors sector.	Replacement	127	Divested
NUOVA GIUNGAS S.R.L. Formigine (MO)	*Oil & Gas*	Active in the worldwide niche of customized monolithic insulating joints applied to large gas, oil and water pipelines.	Buy Out	9	Divested

Trust Services

Finvest Fiduciaria S.r.l. provides asset management for third parties, organises the bookkeeping and auditing for businesses, and represents securities and bond holders pursuant to the decree of the Ministry of Industry, Trade and Small Businesses issued in agreement with the Ministry of Justice on 14 February 1989, pursuant to law No. 1966 of 23 November 1939.
As from 4 October 2016, the company obtained registration in the separate section of the register referred to in article 106 of the TUB (Consolidated Banking Law). Such entry derives from the regulatory provision introduced by Legislative Decree No. 141/2010, according to which trust companies that have certain requirements are required to enrol in the separate section of the register of Financial Intermediaries referred to in article 160 of Legislative Decree No. 385/93 (Consolidated Banking Law).
In 2016, Finvest Fiduciaria S.r.l. made a loss of €30 thousand and the shareholders' equity amounted to €208 thousand.
At 31 December 2016, the assets and values under trust administration amounted to €26 million.

Investments

Infrastructure: SAVE S.p.A.

The group operates in the infrastructures sector through its main investee, SAVE S.p.A. The following table shows the main economic and financial indicators taken from the consolidated financial statements of SAVE S.p.A..

(Euro/000)

SAVE S.p.A. - Consolidated financial statements	2016	2015	% Change
Operating revenues and other income	188,166	166,386	13.1%
EBITDA	87,722	73,723	19.0%
EBIT	63,943	53,518	19.5%
EBT	62,078	51,121	21.4%
Net profit (loss) on discontinued operations	(99)	1,391	n.a.
Group net profit (loss)	**42,049**	**29,229**	**43.9%**
Net financial position	238,194	188,995	26.0%
Group's net equity	222,504	211,462	5.2%
Total net equity	251,754	240,195	4.8%
Invested capital	**489,948**	**429,190**	**14.2%**
ROE	18.90%	13.82%	36.7%
Headcount at year end	1,027	988	3.9%

SAVE S.p.A. - a company listed on the Electronic Stock Market (MTA) of the Italian Stock Exchange – is an investment holding company that operates mainly in the field of airport management. The company directly manages the Venice Marco Polo airport and it controls the Treviso Antonio Canova airport. It also holds significant shareholdings in the Verona Valerio Catullo airport and in the Charleroi (Belgium) airport, and in companies that operate in the field of airport management and related services.

During financial year 2016, the SAVE Group continued its strategy of concentrating on airport management and the development of the North East airport hub, which comprises, in addition to Venice and Treviso, the airports of Verona and Brescia. The disposal of assets defined as non-strategic continued, resulting in the signing in

November of the contract with Ferrovie dello Stato Italiane S.p.A. for the sale of the shareholding in Centostazioni S.p.A. The agreement was subsequently concluded on 30 January 2017.

The results of the Save S.p.A. group are shown below.

At consolidated level, the 2016 financial statements highlight the following:

- consolidated net profit of €42.6 million (€29.8 million in the previous year);

- consolidated shareholders' equity of €252 million (€240 million in 2015).

Operating revenue and other consolidated income increased by 13.1%, from €166.4 million in 2015, to €188.2 million in 2016. Growth in 2016 was mostly determined by the application of the tariff applied for the Venice airport and the increase in the number of passengers, and the good performance of revenues from the operation of the car parks.

EBITDA amounted to €87.7 million, up by 19% compared to €73.7 million in 2015. Costs for the period increased, following the increase in the activities performed in the airports.

EBIT was approximately €63.9 million, up by 19.5% compared to €53.5 million in the previous year. The increase in the EBITDA was absorbed by higher amortisation, depreciation and allocations to the renewal provisions.

The net result, pertaining to the Group, was equal to €42 million, compared to €29.2 million reported in 2015, up by €12.8 million (+43.9%).

The net cash position increased the debt exposure from the negative balance of €189 million at the end of 2015 to the still negative balance of €238.2 million at the end of 2016, due to the significant investments carried out during the year for the development of the airport site in Venice.

The financial statements of the parent company SAVE S.p.A. based at Marco Polo Airport, Viale G. Galilei no. 30/1, Tessera (Venice), as at 31 December 2016, reported a net profit of €39.8 million, shareholders' equity of €174 million and a share capital of €36 million.

Infrastructure investments: renewable energies

Through Sviluppo 81 S.r.l., a sub-holding that holds stakes in different companies, the Group is engaged in the management and maintenance of photovoltaic plants as well as the production, distribution and sale of electricity generated by the photovoltaic plants.

Sviluppo 81 S.r.l. and the companies controlled by it prepare their annual financial statements in accordance with the provisions of the Italian Civil Code, integrated on the basis of provisions of the accounting standards drawn up by the Italian Accounting Standard Authority. Sviluppo 81 S.r.l. exercises the option not to publish consolidated financial statements.

The consolidated data for this segment, compared with the year 2015, are provided below:

(Euro/000)

Infrastructure and renewable energy investments - Consolidated financial highlights	**2016**	**2015**	**% Change**
Operating revenues	**11,674**	**7,382**	**58%**
Operating expenses	**(12,797)**	**(7,028)**	**82%**
Operating profit	**(1,123)**	**354**	**-417%**
Investment income	27	16	69%
Other financial income	3,045	1,393	119%
Financial expenses	(18)	(5)	260%
Financial result	**3,054**	**1,404**	**118%**
Extraordinary items	0	(29)	-100%
Profit (loss) gross	**1,931**	**1,729**	**12%**
Taxes	(137)	(71)	93%
Consolidated net profit (loss)	**1,794**	**1,658**	**8%**
Group profit (loss)	1,794	1,658	8%
Minority interests' profit (loss)	0	0	0%
Consolidated net equity	**5,102**	**3,308**	**54%**
Group's shareholders' equity	5,102	3,308	54%
Minority interests' net equity	0	0	0%
Net financial position	**4,874**	**4,148**	**18%**
ROE	35.2%	50.1%	-30%

This statement is not subject to audit and was drawn up on the basis of national accounting standards.

In 2016, all shares of the companies SR06 S.r.l., SR07 S.r.l., SR09 S.r.l., Simon Solar S.r.l. and Puglia New Energies N.1 S.r.l. were purchased; these companies work in the business of the design, construction and management of renewable energy power plants, as well as the marketing and sale of the power generated.

Equity Investment Portfolio

Finanziaria Internazionale directly holds equity investments in companies in the service and industrial sectors, as well as in credit institutions.

In the services sector, the Group holds an equity investment in TBS Group S.p.A., a company operating in the clinical engineering sector (1.04% interest held).

Among credit and financial institutions, the Group holds equity investments in:

- HBC Luxembourg S.à.r.l. — Luxembourg-based investment holding (24.4% interest held). Owns 41.50% of Banca Credinvest S.A., a bank based in Lugano (Switzerland);
- Ferak S.p.A. — investment holding based in Vicenza (voting rights: 24.01% - profit rights: 11.92%), owner of 0.93% of Assicurazioni Generali S.p.A.;
- Effeti S.p.A. — Vicenza-based financial company, established in 2010 and currently wholly owned by Ferak S.p.A.; it invests in Assicurazioni Generali shares and owns 0.3% of its share capital;
- Rete S.p.A. — bank investment holding (91% interest held) with investments in Intesa Sanpaolo and Assicurazioni Generali stock.

Investee companies operating in the services sector

(Euro/000)

TSB GROUP S.p.A. - Consolidated financial statements	2016	2015*	% Change
Revenues and other income	200,322	192,930	3.8%
EBIT	10,599	10,522	0.7%
Group net profit (loss)	**2,308**	**2,411**	**-4.3%**
Net financial position	66,984	84,494	-20.7%
Net equity	54,761	53,475	2.4%
Total liabilities and net equity	**244,750**	**265,508**	**n.a.**
ROE	**4.2%**	**4.5%**	**n.a.**

(*) Data restated as a result of the application of IFRS 5

The TBS group, of which the Group owns 1.04%, operates in the healthcare technology sector, offering integrated clinical engineering, e-Health and e-Government services to hospitals and healthcare units, both public and private, in Italy and abroad. The parent bank TBS Groups S.p.A. has been listed on the AIM Italy market of Borsa Italiana since December 2009.

The consolidated financial statements as at 31 December 2016 reported a profit of €2,729 thousand of which €2,308 thousand was attributable to the Group; a consolidated profit of €2,870 thousand was reported at the end of 2015, of which €2,411 thousand was attributable to the Group.

The TBS group ended the year with a growth of 3.8% in the value of production. Consolidated EBITDA amounted to €21,273 thousand, up relative to €19,623 thousand in 2015.

The official listing of TBS Group shares as at 31 December 2015 was €1.518 and its market capitalisation stood at approximately €64 million.

Investee companies operating in the credit and financial institution sector

The Group holds investments in a number of credit institutions including Banca Popolare di Vicenza, Cassa di Risparmio di Ferrara, Veneto Banca, Banca Popolare di Cividale, Banca Intesa Sanpaolo, Banca Valsabbina, Banca Credito Cooperativo di Verona, Banca Popolare dell'Alto Adige Scpa and, indirectly, Banca Credinvest S.A.; it also holds equity investments in financial companies such as Ferak S.p.A. and Effeti S.p.A.

The investment in Ferak S.p.A. represents 24.01% of the voting rights and 11.92% of the profit rights.

Ferak is the investment vehicle of a club of investors, the objective of which is to build a stable set of investments in listed companies with the aim of increasing their value in the medium to long term. In particular, the company focused its activities on building up a share portfolio of the listed company Assicurazioni Generali S.p.A., of which, at 31 December 2016, it held, jointly with the investee Effeti S.p.A., 1.38% of share capital.

The main economic and financial indicators of the Ferak group at 31 December 2016 are shown below.

(Euro/000)

FERAK S.p.A. - Consolidated financial statements	dec-16 *	jun-16	% Change
EBITDA	(368)	(543)	-32.2%
EBIT	(4,283)	8,179	-152.4%
EBT	(607)	(4,396)	-86.2%
Net profit (loss)	**(1,158)**	**(4,466)**	**-74.1%**
Investments	382,898	382,898	0.0%
Shares	7,212	17,573	-59.0%
Net financial position (**)	(42,928)	(92,568)	-53.6%
Net equity	475,214	476,372	-0.2%
ROE	-0.2%	-0.9%	n.a.

(*) The net financial position is represented by the net balance of banking exposures and payables to financial institutions. As at 31.12.2016, the negative balance represents liquid funds.
(**) Results shown for just six months as a result of changing the closing date of the financial year of Ferak S.p.A.

The results of Ferak S.p.A.'s latest approved consolidated financial statements at 31 December 2016, shown in the table, include the results of the investee Effeti S.p.A., in which Ferak S.p.A. holds 100% of the share capital; the period ended 31 December 2016, which shows the results for just six months as a result of changing the closing date of the financial year of Ferak S.p.A., reported a consolidated loss of €1,158 thousand, while the consolidated shareholders' equity stood at €475,214 thousand.

In the consolidated financial statements of Ferak S.p.A. as at 31 December 2016, the unit value of the Assicurazioni Generali stock amounted to €19.35 per share, against a stock market value at the same date of €14.12. The market prices of Assicurazioni Generali S.p.A. stock are still influenced by the fluctuating trend of price lists. In the course of 2016, and again in the early months of 2017, the market values of the stock varied widely and, at the date of preparing these financial statements, the price of Assicurazioni Generali stock was no different from the year-end price. In the measurement at equity of the investee Ferak S.p.A., the measurement of Assicurazioni Generali S.p.A. stock at market value was included in the Group financial statements.

Financial Investments

The Group's portfolio of financial instruments mainly includes fixed-income products, fund units and listed equities. A summary table is shown below:

Financial investments *	2016	2015
(Euro/000)		
Fixed Income products	29,605	25,183
Investment funds	14,320	12,977
Listed Equity	2,031	15,857

*The investment portfolio does not include the assets held by the Finint Bond Fund.

The Group's investment activity is entrusted to the treasury management structures run by the financial department with the advisory support of the "principal finance" team, the structured finance sector and the Group's asset management company.

1) Fixed-income products

The portfolio of fixed-income products held by the Group comprises:

- bonds totalling €29,746 thousand (recognised in the balance sheet item "Financial Assets");

The Group's bond portfolio at 31 December 2016 comprised 48 securities for a carrying value of €29,605 thousand, up compared to the carrying values at 31 December 2015 equal to €25,183 thousand.

As regards the ranking of the investment portfolio, the securities, for a carrying value of €8,960 thousand, are represented by mezzanine issues, whilst €8,064 thousand are represented by senior issues.

The estimated market value of the portfolio at 31 December 2016 (obtained using stock market prices and, failing these, pricing models mainly developed using parameters obtained from principal market surveys) is approximately €29,580 thousand, against a carrying value of approximately €29,605 thousand. The expected average life of the portfolio as at 31 December 2016 is estimated to be roughly 2.99 years.

As regards the criteria used to estimate the market value of the securities portfolio, it is worth noting that for 11 of these securities (corresponding to a book value of €7,026 thousand) the market value was estimated using executable bids or prices of market transactions completed towards the end of the year, whilst the remaining securities were estimated using evaluation models.

The following tables show the composition of the bond portfolio on the basis of rating class.

Rating class (*)	Book value 31.12.2016 €	%
AA+	112,928.00	0.38%
AA	150,510.00	0.51%
AA-	469,203.00	1.58%
A+	864,201.00	2.92%
A	701,825.68	2.37%
A-	613,259.00	2.07%
BBB+	572,942.00	1.94%
BBB	5,832,957.88	19.70%
BB+	1,632,588.64	5.51%
B	1,271,842.00	4.30%
B-	480,707.50	1.62%
NA	16,902,548.51	57.09%
Total	**29,605,513.21**	**100.00%**

* Rating Composite

The average rating of the portfolio is BBB. The amount of sub-investment grade securities (rating equal to or lower than BB+/Ba1) or unrated securities held in the portfolio is €20,288 thousand, thus 68.53% of the entire portfolio.

The following tables show the composition of the bond portfolio based on parameters such as asset class as collateral and geographical distribution.

Asset Class	Book value 31.12.2016 €	%
CDO	100,000.00	0.34%
CLO	150,459.53	0.52%
CMBS	455,454.75	1.56%
CORPORATE	1,700,000.00	5.82%
Lease	1,961,367.92	6.72%
NPLS	10,544,706.19	36.13%
RMBS	3,668,250.16	12.57%
SENIOR FINANCIAL	1,950,000.00	6.68%
SOVEREIGN BOND	5,256,500.00	18.01%
STRUCTURED NOTE	3,400,000.00	11.65%
Total	**29,186,738.55**	**100.00%**

Breakdown by asset class

Country	Book value 31.12.2016 €	%
ES	2,000,000.00	6.85%
FR	257,506.18	0.88%
IT	26,771,587.76	91.73%
PT	157,644.60	0.54%
Total	**29,186,738.55**	**100.00%**

Breakdown by country

The following table shows the main features of the individual securities comprising the bond portfolio.

ISIN	Security	Currency	Rating (M/F/S&P) 31.12.2016	Rating Composite 31.12.2016	Asset Class	Country	Outstanding 31.12.2016 €	Book value 31.12.2016	Market value 31.12.2016	Market value 31.12.2016 cent	Estim. average remaining life at 31.12.2016 (year)
XS1017615920	BCA POP VICENZA 3.50% 20/01/2017	Eur	NA/B-/NR	B	SENIOR FINANCIAL	IT	200,000	198,316	198,316	99.16	0.05
XS1205644047	BCA POP VICENZA 2,75% 20/03/20	Eur	NA/B-/NR	B	SENIOR FINANCIAL	IT	600,000	519,438	519,438	86.57	3.22
ES0312888029	BCJAF 9 B	Eur	Ba2/BBB/NA	BB+	RMBS	ES	2,000,000	1,455,291	1,459,920	73.00	10.17
IT0005005332	FENICE	Eur	NA	NA	NPLS	IT	887,341	887,343	887,341	100.00	1.60
IT0005066045	FENICE 2	Eur	NA	NA	NPLS	IT	1,493,944	2,689,100	2,689,100	110.42	2.33
IT0005237240	COMETA A2	Eur	NA	NA	NPLS	IT	684,000	684,000	684,164	100.02	3.20
IT0004787138	COSMICA 1 B	Eur	NA	NA	NPLS	IT	16,667	16,666	81,307	487.84	0.74
IT0004087190	CORDR 2 C	Eur	Ba1//BBB+/A	BBB+	RMBS	IT	450,000	422,820	422,820	93.96	6.22
IT0003575070	FEMO 1 B	Eur	Aa2/AA+/A	AA+	RMBS	IT	115,000	112,928	112,905	98.18	5.92
IT0003872717	FIPF 1 A1	Eur	Baa2/BBB+/BBB-	BBB	CMBS	IT	197,949	200,013	191,515	96.75	3.03
IT0003963359	ITALF 2005-1 A	Eur	Aa2/NR/AA-	AA-	Lease	IT	469,908	469,203	469,203	99.85	0.57
IT0003963409	ITALF 2005-1 B	Eur	A1/NR/A	A	Lease	IT	145,184	144,370	144,370	99.44	0.57
IT0003963433	ITALF 2005-1 C	Eur	A3/NR/BBB+	BBB+	Lease	IT	124,636	123,813	123,813	99.34	0.57
IT0003963474	ITALF 2005-1 D	Eur	A3/NR/BBB+	BBB+	Lease	IT	26,420	26,309	26,309	99.58	0.57
IT0004197254	ITALF 2007-1 A	Eur	A2/AA/NR	A+	Lease	IT	340,643	371,762	338,871	99.48	1.99
IT0004197270	ITALF 2007-1 B	Eur	Baa3/A-/NR	BBB	Lease	IT	341,495	359,046	323,020	94.59	2.24
IT0004197288	ITALF 2007-1 C	Eur	Ba2/BBB+/NR	BB+	Lease	IT	170,702	177,298	161,603	94.67	2.24
IT0004123722	LEASI 2 A	Eur	A1/NR/AA-	A+	Lease	IT	35,716	35,541	35,541	99.51	1.40
IT0004123748	LEASI 2 C	Eur	A1/NR/A	A	Lease	IT	35,252	34,209	34,209	97.04	1.24
IT0004153687	LOCAT 2006 4-B	Eur	A1/NR/A	A	Lease	IT	231,125	228,193	228,190	98.73	1.12
XS0222684655	MAGEL 3 A	Eur	A3/NR/A-	A-	RMBS	PT	157,645	151,445	138,964	88.15	6.49
IT0003444616	MARCH 1 B	Eur	Baa1/NR/A	A-	RMBS	IT	131,828	132,289	132,289	100.35	0.28
XS1069508494	VENETO BANCA SCPA	Eur	Na/Na/B	B	SENIOR FINANCIAL	IT	300,000	276,438	276,438	92.15	2.38
IT0003966485	ASTIF 1 B	Eur	Aa2/NR/A	A+	RMBS	IT	313,778	309,898	309,887	98.76	0.99
FR0010379347	INFIN CLAS A	Eur	A2/A/A	A	CMBS	FR	257,506	255,575	255,575	99.25	0.99
IT0004997786	QUADS 2014-1 A2B	Eur	NR/AAA/AA-	AA	CLO	IT	50,460	50,510	50,510	100.10	0.06
IT0005212813	VOBAF 6 A2	Eur	Aa2/AA/NA	AA	CLO	IT	100,000	100,000	100,000	100.00	1.64
XS0256815688	BCCM 1 B	Eur	Aa2/NR/BBB-	A-	RMBS	IT	350,000	329,525	329,525	94.15	2.99
IT0004180300	INTS 3 B	Eur	Aa2/NR/A	A+	RMBS	IT	150,000	147,000	147,000	98.00	1.77
IT0003242747	BTPS 08/17	Eur	Baa2/BBB+/BBB-	BBB	SOVEREIGN BOND	IT	5,500	5,537	5,537	100.66	1.21
IT0005056541	CCTS 12/20	Eur	Baa2/BBB+/BBB-	BBB	SOVEREIGN BOND	IT	1,000	999	999	99.91	2.09
IT0004123730	LEASI 2 B	Eur	A1/NR/A	A	Lease	IT	40,288	39,478	39,479	97.99	1.24
IT0005126989	CTZ 30/08/2017	Eur	Baa2/BBB+/BBB-	BBB	SOVEREIGN BOND	IT	2,750,000	2,755,140	2,755,500	100.20	2.68
IT0005089955	ICTZ 0 02/27/17	Eur	Baa2/BBB+/BBB-	BBB	SOVEREIGN BOND	IT	500,000	500,264	500,550	100.11	3.96
IT0005104473	CCTS FLOAT 06/15/22	Eur	Baa2/BBB+/BBB-	BBB	SOVEREIGN BOND	IT	2,000,000	2,011,960	2,022,040	101.10	3.59
XS1069508494	VENETO BANCA 4% 20/05/19	Eur	Na/Na/B	B	SENIOR FINANCIAL	IT	300,000	277,650	277,650	92.55	2.98
XS1205644047	BCA POP VICENZA 2,75% 20/03/20	Eur	NA/B-/NR	B-	SENIOR FINANCIAL	IT	300,000	266,250	266,250	88.75	3.60
XS1047552085	BCA POP VICENZA 3,74% 21/03/2019	Eur	NA/B-/NR	B-	SENIOR FINANCIAL	IT	250,000	214,458	214,458	85.78	2.61
IT0005094526	PASTA ZARA 6,5% 31/03/20	Eur	NA	NA	CORPORATE	IT	500,000	501,750	501,750	100.35	2.30
IT0005118523	CARTVILLALAGARINA 5% 15/06/20	Eur	NA	NA	CORPORATE	IT	300,000	307,170	307,170	102.39	2.01
IT0005124786	CARTVILLALAGARINA 5% 31/12/2021	Eur	NA	NA	CORPORATE	IT	200,000	204,280	204,280	102.14	2.71
IT0005029548	RIGONI 6,25% 18/07/2019	Eur	NA	NA	CORPORATE	IT	200,000	204,600	204,600	102.30	2.80
IT0005120511	FAB 5,25% 01/07/2020	Eur	NA	NA	CORPORATE	IT	500,000	507,950	507,950	101.59	2.10
IT0005155558	VAHB 1 A2	Eur	NA	NA	CDO	IT	100,000	105,500	105,500	105.50	16.70
IT0005202632	NPL ITALY	Eur	NA	NA	NPLS	IT	5,881,755	5,877,049	5,877,049	99.92	0.89
IT0005215386	SIRTI AS1	Eur	NA	NA	NPLS	IT	1,550,000	1,517,140	1,517,140	97.88	4.70
IT0005215394	SIRTI AS2	Eur	NA	NA	NPLS	IT	31,000	-	-	-	4.70
XS1089898313	SSF Zenone B	Eur	NR	NA	STRUCTURED NOTE	IT	3,400,000	3,400,000	3,400,000	100.00	4.25
							29,186,739	**29,605,513**	**29,580,044**		**2.99**

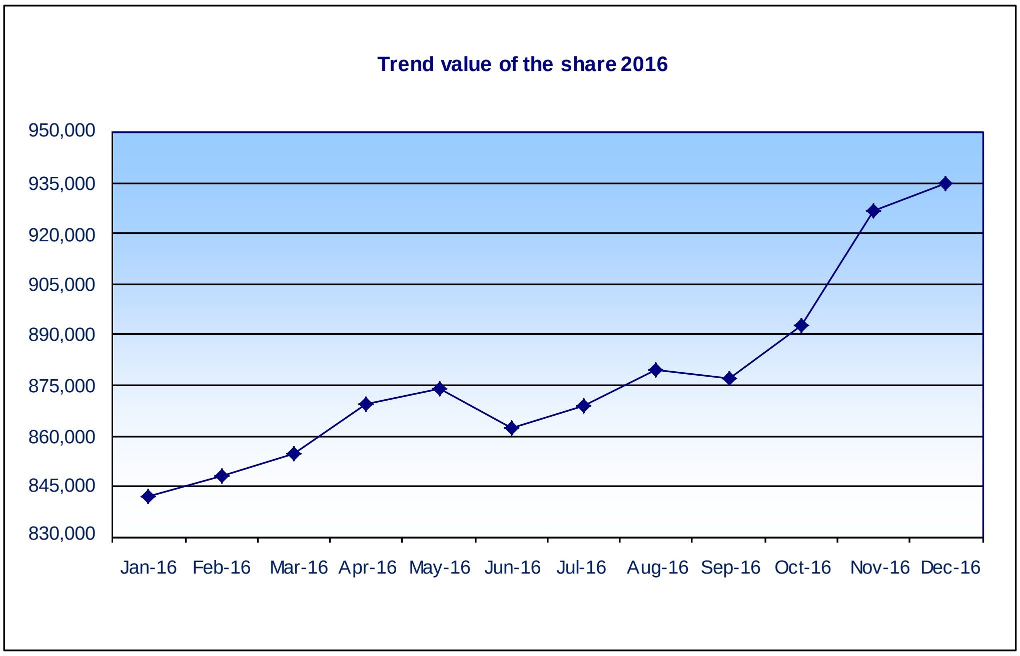
2) Units of Funds

The investment fund units relate to:

- reserved FIA investment fund called "Finint Bond Fund", totalling €13,447 thousand;
- reserved FIA real estate fund called "Fondo Copernico", totalling €383 thousand;
- reserved FIA real estate fund called "Fondo Smart Energy", totalling €283 thousand;
- reserved FIA investment fund called "Strategico TAA-TN", totalling €137 thousand;
- reserved FIA investment fund called "Strategico TAA-BZ", totalling €64 thousand;
- reserved FIA investment fund called "Networth", totalling €6 thousand;

The investment in the **Finint Bond I Fund amounted to €13,447 thousand**: this is the value of the units of the fund managed by the Asset Management Company of the Group. This fund invests its assets in asset-backed securities (ABS) and in other categories of financial instruments issued upon carrying out securitisation transactions. The unit value of the Finint Bond I Fund was €935,062.75 at 31 December 2016.

The performance in the Finint Bond I Fund unit in 2016 was as follows:



3) Listed Equities

The portfolio of Listed Equity products held by the Group comprises:

- **listed equities for a total of €1,874 thousand** and **unlisted securities** totalling €155 thousand (recognised in the balance sheet item "Financial Assets");

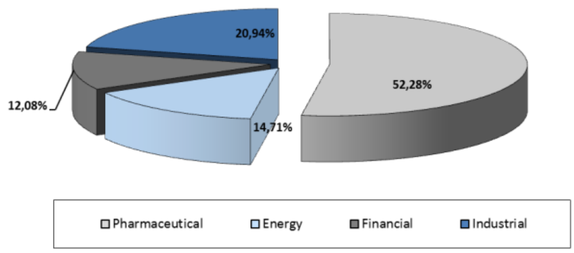
The Group's investment in listed shares aims at obtaining a so-called 'total return', a yield that is as immune as possible to market fluctuations and therefore independent from the reference benchmark.

To achieve this objective, the following steps are followed:

1. identification of securities with sound fundamentals
2. stock picking based on the "alpha factor";
3. use of derivative instruments (options) to hedge against the position or to promote a greater leverage effect on the portfolio exposure.

The fundamental and technical analysis as well as the investigation of the risk/yield ratio of the security or of the basket of securities is usually the first stage of the investigation. The pre-requisites of the investment, besides the economic and financial soundness of the issuer and a satisfactory dividend policy that guarantees high and constant dividend yields, are also linked to the possibility of negotiating options on the security. Once the securities are identified, the manager aims at building a target portfolio weighted by reference to the sectors displaying the highest growth rate.

At 31 December 2016, the equity exposure on listed equities at market values **was €1,874 thousand**. The breakdown of this exposure by sector was as follows:



The risk monitoring of said portfolio taking place during the year focused on liquidity risk and market risk.

Liquidity risk is the risk that a party may be unable to meet its cash commitments. In this regard, the company invests solely in listed financial instruments with standard features, that can be promptly converted into cash by selling them on the market if need be.

Market risk is the possibility that the financial instruments held in the portfolio may suffer a capital loss over their holding period. Considering the types of financial instruments that the Company invests in, the main factors causing exposure to such risk are basically the prices of the equities held in the portfolio and their expected volatility.

The VaR of the portfolio at 30 December 2016 was as follows:

VaR of the Portfolio at 30 December 2016	
VaR 1gg 95%	-2.07%
VaR 1gg 99%	-3.55%
VaR 5gg 95%	-4.63%
VaR 5gg 99%	-7.93%

VaR is a risk measure applied to financial investments and represents the potential loss on an investment that can occur with an appropriate confidence level, usually 99% or 95%, over a certain time horizon (1-5 days).
The VaR was calculated using non-parametric methods, considering a time interval of 2 years.

The Expected Shortfall (CVaR) of the portfolio at 31 December 2016 is also shown:

CVaR of the Portfolio at 30 December 2016	
CVaR 1gg 95%	-2.88%
CVaR 1gg 99%	-4.53%
CVaR 5gg 95%	-6.44%
CVaR 5gg 99%	-10.13%

The Expected Shortfall, unlike the VaR, is a consistent risk measurement. It indicates the expected loss, given a loss exceeding the VaR. In particular, it is a sub-additive measure of risk, which describes how wide the average losses are when they exceed the level of the VaR.
The CVaR was calculated using a historical simulation, considering a time interval of 2 years.

Performance and results of the Parent Company Finanziaria Internazionale Holding S.p.A.

The Income Statement and the Statement of Assets and Liabilities are illustrated below and reclassified for the year 2016, compared with the year 2015, with the most significant data and information taken from the charts of the Income Statement and the Statement of Assets and Liabilities used in the internal management reporting system concerning the performance of the Parent Company Finanziaria Internazionale Holding S.p.A.

Economic performance of the Parent Company

ECONOMIC PERFORMANCE OF THE PARENT COMPANY

(Euro/000)

	2016	2015	% change
Operating revenue	**3,055**	**2,212**	**38.11%**
Other income	**427**	**739**	**-42.22%**
Total operating revenue and other income	**3,482**	**2,951**	**17.99%**
Total operating costs	**6,565**	**6,292**	**4.34%**
EBITDA	**(3,083)**	**(3,341)**	**-7.72%**
Amortisation, depreciation and write-downs	**67**	**111**	**-39.64%**
EBIT	**(3,150)**	**(3,452)**	**-8.75%**
Financial income (expenses)	**(14,583)**	**(9,400)**	**55.14%**
of which write-downs of equity investments	(14,114)	(13,133)	7.47%
Profit (loss) before taxes	**(17,733)**	**(12,852)**	**37.98%**
Taxes	**(1,527)**	**(1,732)**	**-11.84%**
Net profit (loss)	**(16,206)**	**(11,120)**	**45.74%**

Operating revenue and other income for the financial year amounted to €3,482 thousand, up by 17.99% compared to the previous year.

EBITDA was negative and amounted to €3,083 thousand compared to -€3,341 thousand in 2015.

The **result of financial operations** was negative in the amount of €14,583 thousand (€9,400 thousand in the previous year). The item was significantly affected by the write-down of shareholdings for €14,114 thousand compared to €13,133 thousand in 2015.

Taxes are calculated on the basis of tax consolidation contracts structured within the Finanziaria Internazionale Group. “Taxes” recognises an income of €1,527 thousand, versus €1,732 thousand in 2015.

The financial year ended with a loss of €16,206 thousand, versus €11,120 thousand of the previous financial year.

Equity and financial position of the Parent Company

Reclassified Financial Statements	2016	2015	% change
(Euro/000)			
Equity and financial investments	174,189	168,081	3.6%
Net tangible and intangible fixed assets	74	153	-51.6%
Balance of operating receivables and payables, accrued income, prepayments and provisions	411	12,459	-96.7%
NET CAPITAL EMPLOYED	**174,674**	**180,693**	**-3.3%**
Financed by:			
Net equity	113,854	131,290	-13.3%
Net financial position	60,820	49,403	23.1%
	174,674	**180,693**	**-3.3%**

The Company distributed dividends in the amount of €1,603 thousand in the course of the financial year.

Net Financial Position	2016	2015	% change
(Euro/000)			
Cash and cash equivalents	364	1,153	-68.4%
Receivables from financial entities (third-party and fin. current accounts)	60,175	53,585	12.3%
Bonds and other financial assets	9,781	9,113	7.3%
Financial assets	**70,320**	**63,851**	**10.1%**
Payables to credit institutions	79,188	73,103	8.3%
Payables to financial entities	11,617	8,379	38.6%
Debenture loan and commercial papers	40,335	31,772	27.0%
Financial liabilities	**131,140**	**113,254**	**15.8%**
Net total financial position	**60,820**	**49,403**	**23.1%**

The net debt amounted to €60,820 thousand compared to €49,403 thousand in the previous financial year.

The increase is due to the increase in financial liabilities, particularly payables to banks as a result of the increase of the negative balance of intercompany third party current accounts which was greater than the increase in the balance of intercompany third party current accounts.

The change in the item "Debenture loan" is attributable to the new issue during financial year 2016 named "Finanziaria Internazionale Holding Tasso Fisso 4% 2016" for a total value of €40,000 thousand. In the previous financial year, the item also included three commercial papers regularly repaid upon maturity.

Total financing sources mainly include funds allocated by credit institutions amounting to €79,188 thousand, an increase compared to the 2015 balance of €73,103 thousand.

Statement of reconciliation between the shareholders' equity and results of the Parent Company and the consolidated shareholders' equity and results attributable to the Parent Company

	AT 31/12/2016		AT 31/12/2015	
(Euro/000)	Net equity	Profit (loss) for the year	Net equity	Profit (loss) for the year
Net equity and result for the year as shown in the Parent company's financial statements	**113,854**	**(16,206)**	**131,290**	**(11,120)**
Elimination of the book value of consolidated shareholdings	465,297	45,058	526,543	75,812
Elimination of dividends distributed to the Parent company by consolidated subsidiaries	6,633	(10,112)	(19,273)	(38,080)
Adjustment to the net book value of associated companies	(9,940)	(6,011)	(4,418)	3,141
Elimination of the effects of intragroup transactions	(199,199)	(115)	(253,651)	(1,827)
Deferred taxes on unallocated profits of associated companies valued at equity	(220)	-	(220)	-
Consolidated net equity and result for the year	376,425	12,614	380,271	27,926
Minority interest's share of net equity and result for the year	312,029	18,088	300,503	19,997
Group's share of net equity and result for the year	**64,396**	**(5,474)**	**79,768**	**7,929**

Other information

Holding and purchase of own shares of the Parent Company

No treasury shares are held presently, nor were they held during the financial year, either directly or through subsidiaries, associated companies, trust companies or through third parties.

Research and development activities

The Group confirmed its commitment to identifying new business areas and to developing and training human resources to maintain a high level of professionalism and innovatively to respond to market stimuli. From 2010 onwards the Finint University project was activated; it is the Group's Corporate University that calls for high level quarterly meetings dedicated mainly to managers and managerial staff, both on technical and general issues. Four meetings were held in 2016, two of which were of a technical nature and covered regulatory updates, and two of which pertained to cross-training/soft skills.

During the year, collaboration continued with universities and other institutions dedicated to academic and post-university specialised education in economic and financial subjects. In addition, the Finint Academy training course dedicated to newly hired personnel, in particular apprentices, was continued. The goal is to provide more comprehensive professional development for newly hired personnel, combining on-the-job technical training with IT, language and relational skills.

Information concerning human resources and the environment

The Group has always been attentive to the health and safety of its own workers, of outside workers and of the visitors it hosts at its premises.

The Group has always given first priority to innovation and creativity in finding new market solutions. Consequently, particular attention is paid to the risk assessment process, which must necessarily follow the innovation of the services offered, in such a way as to detect changes in the risk conditions (elimination of risks or emergence of new types of risk) and to implement suitable prevention and protection measures.

The Group invests in particular in training and informing its personnel, so that each of them is ready correctly to manage daily risks as well as the required actions in case of emergency or unforeseen needs.

As regards the management of buildings, the process to modernise and carry out extraordinary maintenance on the offices and the plants, in order to make improvements in terms of the management of the spaces and the comfort of the climate, continued.

During the financial year there were no events, accidents or other injuries to the Company's staff or former employees for which the Company could be held liable. Furthermore, no legal action was taken for any environmental damage caused by companies in the Group, nor was any penalty imposed for environmental offences or damage.

As at 31 December 2016, the Group employs 1,694 people. The number of employees per sector is shown in the following table:

	AT 31/12/2016	AT 31/12/2015	Change
Business Process Outsourcing Area	420	392	28
Investment Banking & Asset Management Area	247	222	25
Proprietary Investments Area	1,027	988	39
Other entities	40	47	(7)
TOTAL WORKFORCE	**1,694**	**1,602**	**92**

Main risks and uncertainties to which the Group is exposed

With regard to the information on the main risks and uncertainties to which the Bank and its subsidiaries are exposed, in compliance with the provisions of art. 2428 of the Italian Civil Code, it should be noted that the economic and financial situation is normally influenced by various factors that determine the general macro-economic picture.

In carrying out its activities, the Parent Company and its subsidiaries are generally exposed to different types of risks, which are mainly associated with the typical financial and commercial transactions and based on the typical business areas.

In addition to the operational and strategic risks, inherent to each business areas, the main categories of risk are market risk, credit risk and liquidity risk.

Operational risk is the risk that losses may be incurred due to inadequate or malfunctioning company procedures, errors or lack of human resources and internal systems, or external events.

However, the Group has implemented adequate organisational and IT structures at the main companies; the adequacy of these structures is checked on a regular basis so that any corrective action needed can be implemented.

Strategic risk is the current or prospective risk that the profits or the capital may fluctuate as a result of changes in the business environment or making poor business decisions, substandard execution of decisions or poor responsiveness to changes in the competitive environment.

In this regard, constant attention is paid to legal and market developments in the various fields of competence and the priority assigned to these issues, together with a system of delegation consistent with these objectives, allows the Group to take action in a timely manner, with an approach that is proactive and innovative, rather than simply reactive.

Credit risk is the risk that a borrower of the various companies fails to meet its obligations or that its creditworthiness is impaired. Such risk is managed by constantly monitoring the positions of the Group companies that can have credit positions that are potentially critical due to the contractual structure of the payment terms. It is noted in this regard that in Group companies where the magnitude of the risk in question justifies it, there is a procedure for monitoring and managing the recovery of debts.

Moreover, the Group invests in asset-backed securities. These investments are monitored over time, paying particular attention to the features of the securities purchased. In this regard, the concerned companies monitor the features and performance of the securities purchased over time in order to promptly identify any signs of impairment, also in light of potential credit risks.

Furthermore, in order to maximise the yield and ensure operationally flexibility, technical forms used to apply any liquidity available, even if just temporary, are negotiated as and when required.

In relation to these types of asset-backed securities or financial investments in general, the Group could be exposed to liquidity, credit and market risks.

Generally speaking, liquidity risk consists of the possible instability of the Group that can take place as a result of a negative mismatch and a different temporal dynamic between cash inflows and outflows and of the presence of assets that cannot be liquidated in the short term with respect to the related financing sources. Thus, liquidity risk means managing the hedging of temporal mismatches with the potential need to obtain new credit lines at potentially unfavourable conditions and the ability to renegotiate the maturing ones with the banks. In light of the structure of the Group’s net financial position, the management and support of the banks are important to ensure financial stability over the short and medium term.

The Group deals with this risk by centrally monitoring and managing its liquidity risk on a daily basis and in a detailed manner. More specifically, the monitoring procedures implemented ensure that group companies can avail of sufficient liquidity to face potential needs. Concerning the Group’s companies subject to prudential supervision, the management of the liquidity risk and the related controls are managed at the individual entity level. With particular reference to Banca Finint, the direct funding activity exercised by it with clients entails that the liquidity risk represents a significant risk factor. To ensure a correct and timely safeguard against this risk, Banca Finint monitors on a daily basis, as prescribed by its own internal procedure, the balance between sources and loans, subjecting the results of this analysis to appropriate stress test scenarios to ensure financial stability even if adverse potential scenarios occur.

Market risk is implied in the event that the value of a financial instrument or investment fluctuates as a result of changes in market prices, interest rates and exchange rates, whether the changes derive from specific factors of the single instruments or of its issuer, or from factors that affect all the instruments dealt on the market. This may result in the Group earning less revenue than expected and suffering losses in value.

The Group has management tools and standard reports that enable it to periodically verify the performance of its typical operations, the measurement of market changes on the results of the business sectors and to take any measures to support them.

The Group is also subject to the risks arising from the airport business area, such as the decline in the number of passengers or the amount of goods in transit at airports managed by the Group and the risks related to the regulatory framework. On the basis of the experience gained in the past, while not being able to be certain in this regard, the SAVE Group considers itself to be able to deal with the risk of reduction or interruption of flights by one or more of the airlines operating at the airports managed, including in consideration of the redistribution of passenger traffic between the airlines present on the market and the ability to attract new airlines to the airports operated by the Group itself.

Transactions with Group companies and related parties

Pursuant to IAS 24, information is provided below on statement of financial position and income statement transactions between related parties of Finanziaria Internazionale Holding S.p.A. and the Group, and the impact that these transactions have on the individual items of these consolidated financial statements.

In accordance with the provisions in force, it is noted that all transactions carried out by companies of the Group with related parties were made in respect of the criteria of substantive and procedural fairness, under conditions similar to those applied to transactions with independent third parties.

The transactions carried out by Finanziaria Internazionale Holding S.p.A. with its related parties relate to normal Group operations. All the operations relate to ordinary management and are regulated according to market conditions, i.e. to the conditions that are or would be applied between two independent parties. It should also be noted that all the operations are carried out in respect of the criteria of substantive and procedural fairness.

With regard to transactions between companies belonging to the scope of consolidation, it is noted that they are eliminated as laid down by the consolidation techniques for subsidiaries consolidated on a line-by-line basis. The table below shows the debit/credit and cost/revenue transactions carried out during the year with related parties other than subsidiaries belonging to the scope of consolidation.

Euro/000	Trade Receivables	Trade Payables	Costs	Revenues
Non-consolidated subsidiaries	1,034	2,443	101	366
Associated companies	6,428	4,073	3,502	12,811
Executives with strategic responsibilities	-	550	5,123	-
Other related parties	5,412	28	13	406

The main transactions are attributable to:

- current accounts and other types of relations that form part of banking activities and relative accrued interest;
- chargebacks for administrative services and IT services;
- financial advisory services;
- rental costs and expense charges for the management of property;
- directors' fees.

Data security and protection

Without prejudice to the cancellation of the obligation prescribed by law to "hold an updated security policy document - DPS", the companies in the Group regularly edit and update the aforesaid document on an annual basis, pursuant to Italian Legislative Decree No. 196 of 30 June 2003 – Personal Data Protection Code.

Other significant aspects

Some of the Group companies are involved in disputes of various natures as shown below.

Legal disputes

Banca Finint S.p.A.

1) Ministry of Economy and Finance

In 2010, before the Group acquired Banca Finint, four notices were notified, with communications for delayed reporting of suspicious transactions, based on which UIF started the Anti-Money Laundering procedure in the version in force at the time of the events. These notices had been notified to the Bank as jointly and severally liable.

At the beginning of 2015, the Bank's new management analysed the terms of the dispute and reactivated communication with the competent authorities.

At the beginning of July 2016, the Ministry of the Economy and Finance sent four decrees imposing sanctions on the former managing director involved in the ascertained violations, for a total of €3.2 million, to be paid within 30 days from the decree being served. The Directors appealed against the decrees in question, also requesting that the payment of the sanctions be suspended. The next hearing is scheduled for 13 September 2017 to analyse all the appeals. As the Bank is jointly and severally liable and there are no requests received from the subject primarily involved, the Directors are continuing to consider the potential liability as possible and, like in the past, they deem that the assumptions to make allocations in the accounts pursuant to IAS 37 are not met.

It is also specified that, in accordance with the contractual agreements signed at the time of acquiring the stake in the Bank, any potential liability connected to these disputes is covered by the guarantee of the previous shareholder, notwithstanding the right of recourse of the latter towards the principal.

2) Legislative Decree No. 231/2001

In 2012, the Bank was served a notice of investigation pursuant to Legislative Decree No. 231/01, regarding actions committed during the extraordinary administration ended on 31 January 2010, when judicial inquiries had been started that had involved the Bank's top positions (a former managing director and a former extraordinary commissioner in particular).

After the preliminary hearings, the examining judge at the court of Milan, in February of 2013, requested the indictment of the defendants, including the Bank.

On 28 January 2016, based on the outcome of the hearing, the court of Milan deemed the Bank liable for the administrative offence challenged, within the limits of the facts declared as non-prosecutable, applying a sanction of €200 thousand, with sentence to pay the legal fees. The decision was based on the fact that certain charges, relating to the administrative offence challenged, were established and that the Bank had not adopted an organisational model that was adequate to prevent said charges. In addition, the Bank was not able to benefit from the provision on time barred offences, unlike the natural persons.

The Bank has appealed and the date of the relevant hearing is still to be set. The risk of losing is considered probable but, as for the aforementioned dispute, any liabilities that would ensue would still be entirely covered by the guarantee given by the previous shareholder.

3) Dispute with customers

The dispute concerns the consideration accrued for the Bank by virtue of a 2009 professional assistance agreement for €300 thousand. In the first and second instance, the judgement was favourable to the Bank, which collected the amounts due. The counterparty presented an appeal to the Court of Cassation with deed served on 15 October 2013. The appeal, and the subsequent counter-applications, have not yet been assigned to any section of the Supreme Court for their handling. The risk is assessed as possible.

4) Confidi Rating Italia dipsute

With arraignment of 20 April 2015, Confidi Rating started a procedure to ascertain the invalidity and extinction of the surety issued by Confidi in the interest of a customer and the consequent conviction of the bank to repay € 80 thousand paid in relation to the surety in question. The Bank appeared in court on 9 October 2015, challenging the adversary deductions. The lawsuit has been pending since 5 November 2015, and the process of mediation between the parties closed with a negative outcome.

The risk, evaluated as possible and not probable, of having to repay the amount of €80 thousand, which had been subject to enforcement, cannot be excluded. Any contingent liability is however covered by the guarantee given by the previous shareholder Banca Arner S.A.

5) Disputes with former employees

In September 2009, following a termination measure, a former employee of the Bank claimed compensation for “unjust termination”. In 2010, the former employee presented an appeal to the Court of Milan, to obtain, *inter alia*, pay in lieu of notice (in the amount of €126 thousand), supplementary indemnity (in the amount of €397 thousand), and compensation for damages (in the amount €1 million).

At the hearing of 16 December 2014, the appeal made by the counterparty was rejected. Pending before the Court of Cassation is the appeal lodged by the former employee with regard to the challenge of the termination for just cause.

The Directors, supported by an external law firm, believe that the risk of losing is currently only possible but not probable. No provision was thus deemed necessary.

Tax audits

Tricolore S.r.l.

It should be noted that in 2016 the litigation management established in financial year 2010 by the Group company Tricolore S.r.l. continued. After an audit, the Treviso Inland Revenue Agency denied the fiscal deductibility for IRES purposes of the capital loss from the sale of a stake and the posting of bad debt connected to the same equity investment, accounted for in the 2004 tax period, from which tax losses derived, which can be posted in relation to the years 2004 and 2005, which were subsequently partially used to offset the taxable income generated by the investee.

In this respect, the company was served assessment notices for the years 2005, 2006, 2009, 2010, 2011, 2012 and 2013 to recover the income taxes offset. The Company lodged an appeal against them. After the positive outcome of the first instance regarding the years 2005, 2006, 2009 and 2010, the Venice Regional Tax Commission accepted the appeal submitted by the Inland Revenue Agency of the Province of Treviso. The company appealed to the Court of Cassation and is waiting for the hearing to be scheduled.

Consequently to the unfavourable judgement in the proceedings of second instance, the company was requested to pay approximately €428 thousand relative to 2009, €29 thousand relating to the years 2005 and 2006, while €246 thousand plus interest will be paid in 2017 with reference to the year 2010.

For the years 2011, 2012 and 2013, the assessment notices received in 2016 refer to objections totalling € 527 thousand, plus interest and sanctions. The appeal brought by the Company was discussed before the Provincial Tax Commission of Treviso on 14 November 2016: the Judges postponed proceedings pending the ruling of the Court of Cassation with reference to the years 2005, 2006 and 2009.

Therefore, the amounts ascertained and not allocated by the company total approximately €527 thousand, plus interest and sanctions.

In consideration of the progress made in the proceedings, convinced to have correctly applied the legal provisions to the challenged transactions, and taking into account the opinions of the professionals in charge of the defence, the risk of losing in the mentioned proceedings is not deemed probable, though possible. As a consequence, allocation in the company financial statements is not deemed necessary.

Moreover, the company kept receivables for advance taxes in the accounts for € 1,063 thousand at 31 December 2016, allocated in previous years in relation to the benefit connected to the reporting of the losses accrued, with the conviction that its reasons would be acknowledged in the last instance, even when considering the uncertain outcome of these proceedings. The amount posted reflects the amount that has been deemed to be recoverable with a reasonable certainty through future taxable income generated by the company.

Finanziaria Internazionale Holding S.p.A.

Following an audit conducted during 2015 by the Inland Revenue Agency - Treviso Provincial Revenue Service, in December 2015 the Company received an assessment notice regarding the year 2010, which challenged the fiscal treatment of a capital gain from the sale of an equity investment. In particular, the auditors objected to the existence of the requirements to apply the so-called participation exemption. The additional taxation ascertained amounted to a total of €2.3 million, plus sanctions and interest.

Following the launch of tax settlement proceedings with the Revenue Agency of Treviso and consequently to the negative outcome of the same, in the certainty of the correct application of the tax regulations in force at the time of selling the equity investment, the Company appealed to the Treviso Provincial Tax Commission, for the judges of the court of first instance to consider the assessment notice issued by the Inland Revenue Agency. On 15 February 2017, the Judges decided to postpone the relative hearing, the company having started a new attempt at conciliation with the Revenue Agency, which has not yet produced any results. In the meantime, the amount of €911 thousand has been registered at Equitalia corresponding to 1/3 of the amounts established as well as interest and fees, which the Company is paying in 72 monthly instalments as from 31 March 2017.

Having also taken into account the opinion of the professionals in charge of the defence, the Directors consider the risk of losing within this process to be currently possible and therefore did not consider it necessary to set aside in the accounts the amounts registered nor any further charges potentially resulting from such litigation.

With regard to the national tax consolidation regime the Company adhered to together with some Italian subsidiaries, the Company plays the role of consolidating party and is thus jointly and severally liable for any additional taxation ascertained on the total income posted in the tax consolidation consequently to objections pertaining to the subsidiaries. In this respect, in 2016 the Company received an assessment notice related to the objections raised by the Inland Revenue Agency – Treviso Provincial Revenue Service towards a subsidiary adhering to the tax consolidation regime for the treatment for tax purposes of the capital gain obtained in 2011 from the sale of an equity investment. Following the assessment notice, the first instance procedure took place before the Treviso Provincial Revenue Service, ruling in favour of the company and its subsidiary. In view of the positive outcome of the first instance ruling and convinced of having handled the contested transactions correctly with respect to the applicable legislation, it was not considered necessary to make any allocations in the accounts of the subsidiary. The Parent Company, in its role as consolidating party, adopted the same approach in the preparation of the financial statements and the consolidated financial statements as at 31 December 2016.

Significant events after the balance sheet date

After the closing date of these financial statements, the shareholders of the Parent Company signed an agreement concerning the equity restructuring which should take place by 30 July 2017, with possible extension to 30 August 2017. Upon the occurrence of the conditions precedent of said agreement, which the Company has promptly set about fulfilling, a second agreement shall be signed between the Parent Company and its subsidiaries with leading European infrastructure funds - managed by Deutsche Asset Management and InfraVia Capital Partners - for the sale of the controlling stake of SAVE to a newly created company jointly controlled by the Parent Company and said funds. As part of this operation, STAR Holdings B.V., a company controlled indirectly by Morgan Stanley Infrastructure that participates in the vehicle Agorà Investimenti S.p.A., has undertaken to sell its indirect shareholding in SAVE, simultaneously and subject to the completion of the above operation at the price of €21 per share. Upon execution of the agreements described above, as a result of the change of control exercised on the listed company, a mandatory public tender offer on SAVE shall be launched at the price of €21 per share.

The Parent Company will be able to significantly reduce its financial exposure as a result of the operation described above. As part of said operation, the Parent Company in currently in advanced negotiations with several leading banks aimed at concluding a new medium-long term financing agreement that will enable all short-term debt to be repaid.

In addition, in the first months of 2017 the SAVE group completed the sale of 40% of Centostazioni S.p.A. for a sum of €65.6 million, in line with the carrying value in the consolidated financial statements. The price of the transaction was collected on 30 January 2017.

Outlook

2016 was another year of growth for the Group’s business areas, with a positive margin in the income statement for the core headings, and marked the definitive end of certain investments of a financial nature such as Banca dei Monte Paschi di Siena which weighed heavily on the financial results for the year just ended, as well as those of previous years.
A return to positive results is expected as a result of this break-up.

The subsidiaries will continue with core business activities, as in the past.

The operations planned for financial year 2017 with reference to the shareholders will have a positive impact on the shareholders' equity of the Parent Company and will see the restructuring of unsecured debt.

Approval of the financial statements and proposed allocation of net income

The Board of Statutory Auditors, performing deputy administrative functions, decided to invoke the longer term of 180 days provided by Article 2364 of the Italian Civil Code and by Article 9 of the articles of association for the approval of the financial statements at 31 December 2016; this extension was deemed necessary to allow the collection of the information necessary to evaluate the Company’s investments, the preparation of the consolidated financial statements and the adoption of new accounting standards.

The financial statements show a loss of €16,205,912, which it is proposed should be carried forward.

Conegliano, 19 June 2017

On behalf of the Board of Directors

Giovanni Perissinotto
Chairman

FINANZIARIA INTERNAZIONALE GROUP

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

FINANZIARIA INTERNAZIONALE
Holding

JOINT-STOCK COMPANY (S.p.A.)
Head office in Conegliano Via Alfieri 1, Treviso-Belluno Companies' Register no. 01130140260
Tax code no. 01130140260 - VAT no. 00798100269
Share capital 1.859.630,00 fully paid-up
www.finint.com

CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2016

BALANCE SHEET

(Euro/000)

Assets

ASSETS	NOTE	AT 31/12/2016	AT 31/12/2015
Cash and cash equivalents	1	113,807	102,945
Other financial assets	2	54,794	63,841
Tax assets	3	10,338	11,096
Trade receivables	4	87,946	80,605
Inventories	5	10,680	10,724
Total current assets		277,565	269,211
Assets held-for-sale	6	65,600	0
Property, plant and equipment	7	83,112	79,273
Airport concession rights	8	729,488	674,091
Other intangible fixed assets with finite useful life	8	6,065	5,367
Goodwill - other intangible fixed assets with indefinite useful life	8	74,041	73,783
Equity investments in associates and joint venture's carried at equity	9	142,972	209,349
Other equity investments	9	6,465	6,383
Other non-current financial assets	10	938	972
Other non-current assets	11	48,951	37,105
Deferred tax assets	12	36,119	33,406
Total non-current assets		1,193,751	1,119,729
TOTAL ASSETS		1,471,316	1,388,940

BALANCE SHEET

(Euro/000)

Liabilities and Net Equity

LIABILITIES	NOTE	AT 31/12/2016	AT 31/12/2015
Trade payables	13	173,865	150,577
Tax payables	14	6,300	8,847
Bank payables - current portion	15	134,043	189,664
Other financial payables - current portion	16	43,620	35,200
Total current liabilities		357,828	384,288
Liabilities related to assets held-for-sale	17	399	0
Other non-current payables	18	51,994	17,377
Bank payables - non-current portion	19	517,761	440,687
Other financial payables - non-current portion	20	8,877	9,804
Deferred tax liabilities	21	117,341	122,029
Reserve for termination indemnities and other employee provisions	22	9,729	8,925
Other provisions for risks and charges	23	30,962	25,559
Total non-current liabilities		737,063	624,381
TOTAL LIABILITIES		1,094,891	1,008,669
NET EQUITY			
Share capital	24	1,860	1,860
Share premium reserve	24	22,770	22,770
Legal reserve	24	372	372
Other reserves and profit (loss) carried forward	24	44,868	46,837
Net profit (loss)	24	(5,474)	7,929
Total Group's Net Equity	24	64,396	79,768
Minority interests	24	312,029	300,503
TOTAL NET EQUITY	24	376,425	380,271
TOTAL LIABILITIES AND NET EQUITY		1,471,316	1,388,940

Consolidated Income Statement

INCOME STATEMENT

(Euro/000)

	NOTE	2016	2015
Operating revenue	**25**	**252,115**	**217,519**
Other income	**25**	**13,337**	**19,690**
Total operating revenue and other income		**265,452**	**237,209**
Raw and ancillary materials, consumables and goods	**26**	**2,211**	**2,485**
Services	**27**	**66,564**	**58,817**
Lease and rental costs	**28**	**12,734**	**11,121**
Personnel costs	**29**	**83,144**	**71,739**
wages and salaries and social security contributions	29	77,921	67,845
termination indemnity	29	3,932	3,482
other costs	29	1,291	412
Amortisation, depreciation and write-downs	**30**	**34,860**	**32,014**
intangible fixed assets	30	25,662	23,586
tangible fixed assets	30	9,198	8,428
Write-down of current assets	**31**	**1,258**	**1,904**
Change in inventories of raw and ancillary materials, consumables and goods	**32**	**33**	**(105)**
Provisions for risks	**33**	**1,001**	**863**
Replacement provision	**34**	**4,621**	**3,620**
Other charges	**35**	**4,951**	**5,025**
Total costs of production		**211,377**	**187,483**
EBIT		**54,075**	**49,726**
Financial income (expenses)	**36**	**(26,736)**	**(14,143)**
Financial income and write backs of financial assets	36	8,301	12,746
Interest, other financial charges and write-down of financial assets	36	(30,980)	(31,639)
Profit (loss) from associates and joint venture's carried at equity	36	(4,057)	4,750
Profit (loss) before taxes		**27,339**	**35,583**
Income taxes	**37**	**14,626**	**9,047**
current	37	21,848	24,524
deferred	37	(7,222)	(15,477)
Profit (loss) on continuing operations		**12,713**	**26,536**
Profit (loss) from discontinued operations/held-for-sale	**38**	**(99)**	**1,390**
Net profit (loss)		**12,614**	**27,926**
Minority interest		**18,088**	**19,997**
Group Net Profit (loss)		**(5,474)**	**7,929**

Consolidated Statement of Comprehensive Income

(Euro/000)	2016	2015
Net profit (loss)	12,614	27,925
Hedging instruments (cash flow hedges)	(1,502)	0
Gain/(loss) on available for sale financial assets	792	392
Actuarial gain/(loss) on defined benefit plans	(290)	173
Currency translation differences	17	(4)
Related tax effect	(168)	(59)
Total comprehensive income, net of taxes	11,463	28,427
Minority comprehensive income	17,375	19,992
Total comprehensive income (loss) pertaining to the Group	(5,912)	8,435

Consolidated Cash Flow Statement

CONSOLIDATED CASH FLOW STATEMENT

(Euro/000)

(Euro/000)	2016	2015
Operating activities		
Net profit (loss)	12,614	27,927
- Amortisation and depreciation of intangible and tangible fixed assets	30,501	28,315
- Net changes in termination indemnity	804	130
- Accrual of provisions for risks and charges	6,827	452
- (Profit) loss on disposal of tangible fixed assets	12	(874)
- (Income)/charges from securities and other financial assets	8,159	7,563
- Valuation of investments under the equity method	4,371	(12,088)
- Change in deferred taxes	(7,402)	(15,678)
Sub-total (A)	**55,886**	**35,747**
Decrease (increase) in trade receivables	(8,765)	4,549
Decrease (increase) in other current assets	44	(93)
Decrease (increase) in tax assets/liabilities	(1,789)	(1,798)
Increase (decrease) in trade payables	23,291	51,321
Sub-total (B)	**12,781**	**53,979**
CASH FLOW FROM OPERATING ACTIVITIES (A+B) = (C)	**68,667**	**89,726**
Investing activities		
Purchases of property, plant and equipment	(8,690)	(6,388)
Purchases of intangible fixed assets	(82,015)	(92,388)
Decrease (increase) in financial fixed assets	(6,451)	(67,338)
CASH FLOW FROM INVESTING ACTIVITIES (D)	**(97,156)**	**(166,114)**
Financing activities		
New loans from/(repayment to) other lenders	34,617	10,953
(Repayment) and other changes in loan	28,945	105,905
(Increase) decrease in financial assets	(20,242)	(29,681)
Dividends paid	(15,515)	(20,235)
Other changes in equity	(859)	(1,346)
CASH FLOW FROM FINANCING ACTIVITIES (E)	**26,946**	**65,596**
CASH FLOW FROM DISCONTINUED OPERATIONS (F)	**3,550**	**4,057**
NET CASH FLOW FOR THE YEAR (C+D+E+F)	**2,007**	**(6,735)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**100,704**	**107,439**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**102,711**	**100,704**

Consolidated Statement of Changes in Equity

Refer to Note 24

(Euro/000)	Share capital	Legal reserve	Share premium reserve	Currency translation reserve	Other reserves and profit (loss) carried forward	**Total Group's Net Equity**	**Minority interests**	**Total Net Equity**
Balance at January 1, 2015	**1,860**	**372**	**22,770**	**0**	**72,465**	**97,467**	**340,124**	**437,591**
Net profit (loss)					7,929	**7,929**	**19,997**	**27,925**
Other comprehensive profit (loss)				(3)	509	**506**	**(5)**	**501**
Other movements								
Total comprehensive income				(3)	8,438	**8,435**	**19,992**	**28,427**
Distribution of dividends					(2,008)	**(2,008)**	**(18,227)**	**(20,235)**
Increase in consolidated companies' share capital					(16,515)	**(16,515)**	**19,283**	**2,768**
Purchase/sale of stakes in consolidated companies					(6,664)	**(6,664)**	**(56,615)**	**(63,279)**
Other movements					(947)	**(947)**	**(4,054)**	**(5,001)**
Balance at December 31, 2015	**1,860**	**372**	**22,770**	**(3)**	**54,769**	**79,768**	**300,503**	**380,271**
Balance at January 1, 2016	**1,860**	**372**	**22,770**	**(3)**	**54,769**	**79,768**	**300,503**	**380,271**
Net profit (loss)					(5,474)	**(5,474)**	**18,088**	**12,614**
Other comprehensive profit (loss)				12	295	**307**	**44**	**351**
Other movements					(745)	**(745)**	**(757)**	**(1,502)**
Total comprehensive income				12	(5,924)	**(5,912)**	**17,375**	**11,463**
Distribution of dividends					(1,603)	**(1,603)**	**(13,912)**	**(15,515)**
Increase in consolidated companies' share capital					(7,541)	**(7,541)**	**7,960**	**419**
Purchase/sale of stakes in consolidated companies					96	**96**	**299**	**395**
Other movements					(412)	**(412)**	**(196)**	**(608)**
Balance at December 31, 2016	**1,860**	**372**	**22,770**	**9**	**39,385**	**64,396**	**312,029**	**376,425**

Notes to the Consolidated Financial Statements at 31 December 2016

General Information

In 2016, the Group's activities were concentrated in these business sectors:

- *Business Process Outsourcing*

  The Business Process Outsourcing area operates within the Automotive & Equipment Solutions, Credit Management & NPLs, Real Estate Solutions, Credit Mediation, Lean P&O Consulting and Credit Approval Process.

- *Investment Banking & Asset Management*

  The area includes Structured Finance Services, Asset & Wealth Management, Corporate Finance, Private Equity, Trust Services, and the Private Banking activity. Structured Finance transactions are also included in this area.

- *Investments*

  This area includes the management of Infrastructures, Financial Investments, Equity Investment Portfolio, and Real Estate.

The Parent Company of Finanziaria Internazionale Holding S.p.A. has its registered office in Conegliano and has no branch offices.

For the financial year ended 31 December 2015, Finanziaria Internazionale Holding S.p.A. drew up the consolidated financial statements of the Group and its own separate financial statements on the basis of the legislation referred to in Legislative Decree No. 87/92.
Starting from these consolidated financial statements and for the purposes of their preparation, exercising the option referred to in Articles 2 and 3 of Legislative Decree No. 38/2005, the Group has adopted the international accounting standards (IAS/IFRS) approved by the European Union. The consolidated financial statements at 31 December 2016 are therefore the first full consolidated financial statements drawn up in accordance with the IFRSs.

As part of the process of transition to IFRSs and for the purposes of drafting these Group consolidated financial statements, it was deemed necessary, on the basis of the aforesaid IFRSs and in particular in accordance with the standards and criteria chosen by the Parent Company, to revise the following accounting documents:

1. Consolidated statement of financial position at the date of transition to IFRSs (1 January 2015, the date of the start of the financial year, for which the data are presented for comparative purposes);

2. Consolidated statement of financial position, income statement and statement of cashflows for the financial year ended 31 December 2015.

Attached to these explanatory notes, in the document "Transition to International Financial Reporting Standards (IFRS)", are the statements of reconciliation, and the related notes, between the accounting data processed by the Finanziaria Internazionale group on the basis of IFRS and the corresponding consolidated data provided under previous accounting standards (consolidated net equity and consolidated net financial position as at 1 January 2015 and 31 December 2015, consolidated results for financial year 2015).

Accounting standards adopted in the preparation of the consolidated financial statements at 31 December 2016

Preparation criteria

These Group consolidated financial statements refer to the financial year ended 31 December 2016.
The general principle adopted in the preparation of these consolidated financial statements is that of historical cost, with the exception of those financial statement items which, according to IFRSs, must be recognised at fair value, as indicated in the valuation criteria for individual items.

The going-concern principle was used in drawing up the financial statements as, also in consideration of events occurring after the financial year end, upon drawing up the financial statements the Directors did not nor do not report any situations in the operational performance and in the progress of the financial situation and of the reference assets that could question the ability of the Parent Company and the subsidiaries to continue their normal operating business activities.

In particular, as discussed in more detail in the report on operations in the section on significant events occurring after the end of the financial year, the Group's shareholders have signed an agreement concerning the equity restructuring which should take place by 30 August 2017. Upon the occurrence of the conditions precedent of said agreement, which the Company has promptly set about fulfilling, a second agreement shall be signed for the sale of the controlling stake held by the Group in SAVE to a newly created company jointly controlled by the Parent Company and two leading European infrastructure funds. Upon execution of the agreements described above, as a result of the change of control exercised on the listed company, a mandatory public tender offer on SAVE shall be launched at the price of €21 per share.

The Parent Company will be able to significantly reduce its financial exposure as a result of the sale of the shareholding in SAVE. As part of this broader operation, the Parent Company is currently in advanced negotiations with several leading banks aimed at concluding a new medium-long term financing agreement that will enable all short-term debt to be repaid.

Given the advanced state of the ongoing procedures for the fulfilment of the above-mentioned conditions precedent, as well as the negotiations with the banking sector for the restructuring of the borrowings of the Company and the Group, the Directors believe that the operations described above will be implemented in the coming months, allowing for a significant improvement of the financial situation. Trusting, therefore, that Group operations will continue to be supported in the foreseeable future by lenders, the financial statements as at 31 December 2016 have been drawn up on a going concern basis.

Expression of compliance with IAS/IFRS and the measures adopted in implementation of article 9 of Legislative Decree 38/2005

In application of Regulation (EC) No. 1606/2002 of 19 July 2002 and Legislative Decree No. 38 of 28 February 2005, the Group consolidated financial statements at 31 December 2016 have been prepared in accordance with the international accounting standards (IAS/IFRS) endorsed by the European Commission within the meaning of Regulation (EC) No. 1602/2002, integrated with the related interpretations (Standing Interpretations Committee - SIC and International Financial Reporting Interpretations Committee - IFRIC) issued by the International Accounting Standards Board (IASB) and in force at the close of the financial year. No exceptions were made to the application of IAS/IFRS.

These consolidated financial statements were subject to audit by the auditing firm Deloitte & Touche S.p.A.

Contents and format of the consolidated financial statements

These consolidated financial statements include the statement of financial position, the separate and comprehensive income statements, the statement of cash flows, the statement of changes in equity and the explanatory notes.

The consolidated financial statements include the Parent Company Finanziaria Internazionale Holding S.p.A. and its subsidiaries included in the scope of consolidation and have been drawn up on the basis of the statements of the individual companies included in the consolidation, corresponding to the relevant separate financial statements, approved by their respective corporate bodies, suitably modified and reclassified, where necessary, to adapt them to the accounting standards adopted by the Group. These consolidated financial statements are accompanied by the Report on Operations.

Among the various options allowed by IAS 1, the Group has chosen to present balance sheet items by classifying assets and liabilities in accordance with the "current/non-current" criterion and the profit and loss account with allocation of income and expenses by nature. The financial statements have been prepared using the indirect method.

Where required, the diagrams and tables of notes also include comparative balances relating to the previous year.

The consolidated financial statements are drawn up clearly, and truthfully and accurately represent the assets and liabilities, the financial situation, the profit and loss result for the financial year and the changes in equity.

All values are shown in thousands of euros unless otherwise indicated. The Euro is the functional currency of the Group and is used for the presentation of the financial statements.

If, in exceptional cases, the application of a provision laid down by international accounting standards proves to be incompatible with the true and correct representation of the assets and liabilities, the financial and profit and loss result, it is not applied. The notes to the financial statements will include any necessary explanations of the reasons for possible exceptions and the effects on the representation of the assets, liabilities, financial position and profit or loss.

Described below are the main valuation criteria applied in the preparation of the consolidated financial statements at 31 December 2016, in line with those used for the preparation of the balance sheets and income statements used for transition to IFRSs on 1 January 2015 and 31 December 2015.

Scope of Consolidation

The following were used for the preparation of the consolidated financial statements:

• the draft financial statements at 31 December 2016 of the Parent Company Finanziaria Internazionale Holding S.p.A.;

• the draft financial statements at 31 December 2016, submitted for analysis and approval by the competent bodies, of the other companies consolidated on a line-by-line basis, suitably adjusted to take account of consolidation requirements and, where necessary, to align them with the Group's accounting standards;

• for those companies that approve their financial statements for the year at 30 June 2016, the statement prepared by the relevant board of directors on 31 December 2016 was also used.

The consolidation area is determined in accordance with the provisions of international accounting standard IFRS 10.

With regard to consolidation methods, subsidiary investments are consolidated line-by-line, while the interests over which the Group exercises a significant influence are accounted for using the equity method.

Subsidiaries

Entities in which the Parent Company exercises control, as defined by IFRS 10, both by virtue of the holding, directly or indirectly, of a majority of the exercisable voting rights, and by effect of the right to receive the variable returns deriving from its relationship with said entities, affecting these returns and exerting its power on the companies, are consolidated line-by-line.

Those entities whose inclusion, with reference to operating dynamics, would be irrelevant from the point of view of both quantity and quality for the purposes of a correct representation of the assets, liabilities, financial position and profit or loss of the Group, are excluded from line-by-line consolidation.

Subsidiaries are fully consolidated from the acquisition date, i.e. the date on which the Group acquires control, and cease to be consolidated on the date on which the Group loses control.

The carrying value of the equity investments included in the scope of consolidation is eliminated against the corresponding shareholders' equity and the assets and liabilities of the subsidiaries are consolidated on a line-by-line basis.
In accordance with IFRS 3, business combination transactions are accounted for by applying the purchase method, according to which the consideration transferred in a business combination is measured at the fair value, at the date of acquisition, of the assets transferred, the liabilities incurred or assumed and the equity instruments issued in exchange for control of the acquiree.
Any difference between the price paid for the acquisition and net equity of the subsidiaries at the time of acquisition of the equity investment is allocated to specific assets, liabilities or contingent liabilities of the acquired companies on the basis of their fair value at the acquisition date, and the remaining portion, if it complies with the conditions, is attributed to goodwill. In the case of the latter, these amounts are not amortised but are subjected to impairment testing at least on an annual basis and in any case whenever impairment indicators are identified.
Where the acquisition cost is less than the fair value of the Group share in the net assets of the subsidiary acquired, the difference is immediately charged to the income statement.

Ancillary costs related to the acquisition are recognised in the income statement at the date on which the services are rendered.

If the business combination is carried out in several phases, at the time of the acquisition of control, the shares held previously are re-measured at fair value and any difference is recognised in profit or loss.

The value of minority shareholdings is determined in proportion to the shares held by third parties in the net identifiable assets of the acquiree.

Acquisitions of minority interests related to entities for which control is already held, or disposals of minority interests that do not involve loss of control are considered shareholders' equity transactions; any difference between the cost of acquisition/disposal and the relative portion of net assets acquired/sold is therefore accounted for as a correction of Group shareholders' equity.

All balances and intra-group transactions, including any unrealised profits and losses arising from relations between Group companies are eliminated completely.

The balance sheet, statement of financial position and income statement of consolidated companies using an accounting currency other than the Euro are converted on the basis of the following rules:

- assets and liabilities are converted at the exchange rate at the end of the period;
- costs and revenues in the income statement are converted at the average exchange rates for the period;
- all exchange differences arising from the conversion are recognised in a specific and separate reserve forming part of shareholders' equity. This reserve is eliminated with simultaneous debit/credit to the profit and loss account at the time of the disposal of the shareholding.

It should be noted that the analyses conducted led to the following conclusion, relative to the scope of consolidation of the Finint Group:

- failure by the Group to exercise control over the special purpose vehicles for which the subsidiaries Securitisation Services S.p.A. and FISG S.r.l. provide services related to the various roles undertaken.

Listed below are the companies controlled by the Parent Company and the respective methods of consolidation:

Company	Currency	Share Capital as at 31/12/2016	Group Share As at 31/12/2016	Group Share As at 31/12/2015	Consolidation method as at 31/12/2016
PARENT COMPANY:					
Finanziaria Internazionale Holding S.p.A.	EUR	1,859,630			
its subsidiaries:					
ABS Funding S.A. [3]	EUR	31,000	100.00%	100.00%	fully consolidated
ACB Group Sviluppo S.p.A. [3]	EUR	120,000	95.00%	95.00%	fully consolidated
Agenzia Italia S.p.A. [3]	EUR	100,000	66.50%	66.50%	fully consolidated
Agorà Investimenti S.p.A. [3]	EUR	188,737	49.62%	49.62%	fully consolidated
Banca Finint S.p.A.	EUR	71,817,500	75.99%	75.55%	fully consolidated
CEU S.r.l.	EUR	-	0.00%	39.90%	(1)
Eufemia Investimenti S.r.l. in liquidazione (in liquidation)	EUR	-	0.00%	97.63%	(2)
Evolve S.r.l. (ex E-Masterit S.r.l.) [3]	EUR	475,186	39.21%	19.95%	fully consolidated (1)
Finanziaria Internazionale Consulting S.r.l. [3]	EUR	50,000	66.84%	99.35%	fully consolidated
Finanziaria Internazionale Investments SGR S.p.A.	EUR	2,000,000	75.99%	74.64%	fully consolidated
Fisg Partecipazioni S.p.A.	EUR	-	0.00%	79.51%	(3)
Fin.it S.r.l. [3]	EUR	26,000	76.55%	76.55%	fully consolidated
Finanziaria Internazionale Luxembourg S.A. [3]	EUR	9,969,000	100.00%	100.00%	fully consolidated
Finint & Partners S.r.l. [3]	EUR	50,000	68.39%	67.99%	fully consolidated
Finint & Wolfson Associati S.r.l. [3]	EUR	100,000	46.55%	46.55%	fully consolidated
Finint Corporate Advisors S.r.l. [3]	EUR	100,000	76.01%	75.57%	fully consolidated
Finint Finanziaria S.r.l. [3]	EUR	15,000	91.09%	61.84%	fully consolidated
Finint Immobiliare S.r.l. [3]	EUR	8,000,000	83.25%	83.25%	fully consolidated
Finint Mediatore Creditizio S.p.A. [3]	EUR	1,000,000	71.53%	72.83%	fully consolidated

(3) The data used for the consolidation arise from the results of the financial statements of the company appropriately adjusted to suit the Parent Company's accounting standards.

Company	Currency	Share Capital as at 31/12/2016	Group Share As at 31/12/2016	Group Share As at 31/12/2015	Consolidation method as at 31/12/2016
Finint Network S.r.l. (ex Global Point S.r.l.) [3]	EUR	100,000	66.50%	66.50%	fully consolidated
Finint Partecipazioni S.r.l. [3]	EUR	15,000	100.00%	100.00%	fully consolidated
Finanziaria Internazionale Real Estate S.r.l. [3]	EUR	10,000	100.00%	95.30%	fully consolidated
Finint Revalue Agenzia Immobiliare S.r.l. [3]	EUR	10,000	59.85%	59.85%	fully consolidated
Finint Revalue S.p.A. [3]	EUR	200,000	59.85%	59.85%	fully consolidated
Finint S.p.A.	EUR	240,651	83.11%	99.39%	fully consolidated
Finleasing S.r.l. in liquidazione (in liquidation)	EUR	-	0.00%	49.88%	(2)
Finvest Fiduciaria S.r.l. [3]	EUR	103,200	75.99%	75.55%	fully consolidated
FISG S.r.l. [3]	EUR	50,000	75.99%	0.00%	fully consolidated (4)
Fondo Finint Bond	EUR	16,411,096	71.20%	72.16%	fully consolidated
Industrial Park Sofia AD [3]	BGN	6,900,000	55.79%	53.41%	fully consolidated
Itaca S.r.l. [3]	EUR	30,000	33.92%	0.00%	fully consolidated (5)
Kosovo Real Estate S.r.l. in liquidazione (in liquidation)	EUR	-	0.00%	51.46%	(2)
Logoblu Investimenti S.r.l. [3]	EUR	15,000	100.00%	95.25%	fully consolidated
Marco Polo Holding S.r.l. [3]	EUR	5,115,000	49.62%	49.62%	fully consolidated
Progetto 3 S.r.l. [3]	EUR	10,400	83.25%	83.25%	fully consolidated
RETE S.p.A. [3]	EUR	100,000	91.00%	61.45%	fully consolidated
SA.FI. Insurance S.r.l. [3]	EUR	10,200	66.50%	66.50%	fully consolidated
SAVE S.p.A.	EUR	35,971,000	30.25%	30.21%	fully consolidated
its subsidiaries:					
Marco Polo Park S.r.l.	EUR	516,460	100.00%	100.00%	fully consolidated
Save International Holding S.A.	EUR	7,450,000	100.00%	100.00%	fully consolidated
Save Engineering S.r.l.	EUR	100,000	100.00%	100.00%	fully consolidated
N-Aitec S.r.l.	EUR	50,000	100.00%	100.00%	fully consolidated
Aer Tre S.p.A.	EUR	13,119,840	80.00%	80.00%	fully consolidated
Società Agricola Save a r.l.	EUR	75,000	100.00%	100.00%	fully consolidated
Triveneto Sicurezza S.r.l.	EUR	100,000	93.00%	93.00%	fully consolidated
Archimede 1 S.p.A.	EUR	25,000,000	60.00%	60.00%	fully consolidated
Save Cargo S.p.A.	EUR	1,000,000	100.00%	100.00%	fully consolidated
Archimede 3 S.r.l.	EUR	50,000	100.00%	100.00%	fully consolidated
Securitisation Services AC L.L.C. [3]	RUB	7,700,000	74.77%	73.31%	fully consolidated
Securitisation Services MC L.L.C. [3]	RUB	4,200,000	73.74%	73.31%	fully consolidated
Securitisation Services S.p.A.	EUR	2,000,000	76.02%	75.58%	fully consolidated
Sidari Investimenti S.r.l. in liquidazione [3] *(in liquidation)*	EUR	20,000	47.15%	45.22%	fully consolidated
Sipi Investimenti S.p.A. [3]	EUR	100,000	100.00%	95.25%	fully consolidated
Sviluppo 35 S.p.A. [3]	EUR	13,410	87.20%	87.20%	fully consolidated
Sviluppo 56 S.r.l. [3]	EUR	10,000	100.00%	95.30%	fully consolidated
Sviluppo 73 S.r.l.	EUR	-	0.00%	49.62%	(6)
Sviluppo 81 S.r.l. [3]	EUR	11,000	100.00%	100.00%	fully consolidated
Sviluppo 86 S.p.A. [3]	EUR	120,000	100.00%	100.00%	fully consolidated
Sviluppo 90 S.r.l.	EUR	-	0.00%	49.62%	(6)
Sviluppo 91 S.r.l.	EUR	-	0.00%	49.62%	(6)
SVM Securitisation Vehicles Management S.r.l. [3]	EUR	30,000	0.00%	0.00%	fully consolidated
Tricolore S.r.l. [3]	EUR	50,000	100.00%	100.00%	fully consolidated
Unicapital & Co S.C.P.A. [3]	EUR	31,000	100.00%	100.00%	fully consolidated
Unicapital S.A. [3]	EUR	32,000	100.00%	100.00%	fully consolidated

Notes:

(1) In December 2016 the company E-Masterit S.r.l. merged by incorporation into the company CEU S.r.l., changing name to Evolve S.r.l.
(2) Company deconsolidated in financial year 2016.
(3) In October 2016 the company FISG Partecipazioni S.p.A. (formerly Finanziaria Internazionale Securitisation Group S.p.A.) was merged by incorporation into Finint S.p.A.
(4) In February 2016, FISG Partecipazioni S.p.A. (formerly Finanziaria Internazionale Securitisation Group S.p.A.) formed the company FISG S.r.l. to which it simultaneously transferred the business unit that provides advisory services on structured finance issues.
(5) Companies valued at cost in financial year 2015.
(6) Companies merged into Agorà Investimenti S.p.A.

Equity investments in associated companies and joint ventures

Equity investments in associated companies and joint ventures are valued at equity in the consolidated financial statements, as provided for, respectively, by IAS 28 (Investments in associates and joint ventures) and by IFRS 11 (Joint arrangements).

An associated company is one over which the participating company, by virtue of its shareholding, exercises significant influence. Significant influence means the power of the investor to participate in the financial and operational decisions of the investee company, without this constituting, however, control or joint control. It is assumed that there is significant influence when the investor directly or indirectly holds at least 20% (10% if listed) of the voting rights in the shareholders' meeting of the investee.

Joint arrangements, on the basis of which control over activities is awarded jointly to two or more operators, are classified as joint operations or joint ventures on the basis of an analysis of the underlying contractual rights and obligations. Specifically, a joint venture is a joint arrangement in which the participants, despite having control of the major strategic decisions and financial resources through voting mechanisms that provide for unanimous decisions, do not have legally significant rights on the individual assets and liabilities of the joint venture. In this case, the object of the joint control is the net assets of the joint venture. This form of control is accounted for in the consolidated financial statements using the equity method. Joint operations, on the other hand, are joint arrangements in which the participants have rights over the assets and are directly liable for liabilities. In this case, entry in the consolidated financial statements is performed on a line-by-line basis for the relevant share of the assets and liabilities.

The equity method pursuant to IAS 28 provides that the initial accounting for investments occurs at cost and that this initial value is changed every year to take into consideration changes in the values of the related undertaking; these changes relate in particular to:

- the profit and loss result for the financial year of the investee, to be included, for the pertinent portion, in the income statement of the participant. Dividends received from an investee reduce the carrying amount of the equity investment;
- other components of the overall profit and loss result of the investee company.

Profits, losses, and any gains or losses realised between entities consolidated according to the equity method and other entities of the Group, also fully consolidated, are eliminated.

In the event that the shareholding loses part of its value, in excess of that possibly already recognised using the equity method, it is established whether any impairment is to be included in the income statement, determined as the difference between the recoverable amount of the shareholding and its carrying value. If the share of losses of an entity in an associated company or a joint venture is equal to or greater than its own interest in the associated company or in the joint venture, the entity discontinues recognition of its share of further losses. Having written off the shareholding, additional losses are allocated and recognised as liabilities, only to the extent that the entity has incurred legal or constructive obligations or made payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the entity continues to recognise its share of the profits only once said share equals the share of unrecognised losses.

Below are the details of companies consolidated using the equity method:

Company	Currency	Share Capital as at 31/12/2016	Group Share As at 31/12/2016	Group Share As at 31/12/2015	Consolidation method as at 31/12/2016
Altavelocità S.r.l.	EUR	24,000	16.63%	16.63%	equity method
Appula 1 Energia S.r.l.(*)	EUR	10,000	100.00%	100.00%	equity method
Appula 2 Energia S.r.l.(*)	EUR	10,000	100.00%	100.00%	equity method
Arotti S.r.l.(*)	EUR	10,000	100.00%	100.00%	equity method
Catalano Energia S.r.l.(*)	EUR	10,000	100.00%	100.00%	equity method
CGS Rinnovabili S.r.l.(*)	EUR	10,000	100.00%	100.00%	equity method
Evolve S.r.l. (ex E-Masterit S.r.l.)	EUR	-	-	19.95%	(1)
Milazzo Energie S.r.l.	EUR	10,000	49.00%	49.00%	equity method
Montello Trucks S.r.l.	EUR	100,000	19.15%	19.15%	equity method
Murge Energia S.r.l.(*)	EUR	10,000	100.00%	100.00%	equity method
Neip II S.p.A.	EUR	55,000	36.77%	48.09%	equity method
Padova Est S.p.A.	EUR	1,530,000	18.50%	18.50%	equity method
Persano Energy 2 S.r.l.(*)	EUR	10,000	100.00%	100.00%	equity method
Persano Energy S.r.l.(*)	EUR	10,000	100.00%	100.00%	equity method
Puglia New Energies N.1 S.r.l.(*)	EUR	10,000	100.00%	0.00%	equity method (2)

Company	Currency	Share Capital as at 31/12/2016	Group Share As at 31/12/2016	Group Share As at 31/12/2015	Consolidation method as at 31/12/2016
Simon Solar S.r.l.(*)	EUR	10,000	100.00%	0.00%	equity method (2)
Solar Carport S.r.l.	EUR	10,000	49.00%	49.00%	equity method
SRA 01 S.r.l.(*)	EUR	10,000	100.00%	100.00%	equity method
SR 06 S.r.l.(*)	EUR	25,000	100.00%	-	equity method (2)
SR 07 S.r.l.(*)	EUR	25,000	100.00%	-	equity method (2)
SR 09 S.r.l.(*)	EUR	10,000	100.00%	-	equity method (2)
Sunrain Energia S.r.l.(*)	EUR	10,000	100.00%	100.00%	equity method
Terra Mundus Operations S.r.l.(*)	EUR	10,000	100.00%	100.00%	equity method
SAVE associates and JV's					
Airest S.p.A.	EUR	10,629,000	0.00%	50.00%	equity method (3)
Airest Retail S.r.l.	EUR	1,000,000	50.00%	0.00%	equity method
GAP S.p.A.	EUR	510,000	49.87%	49.87%	equity method
Venezia Terminal Passeggeri S.p.A.	EUR	3,920,020	22.18%	22.18%	equity method
Nicelli S.p.A.	EUR	1,987,505	40.23%	40.23%	equity method
Brussels South Charleori SA	EUR	7,735,740	27.65%	27.65%	equity method
2A - Airport Advertising S.r.l.	EUR	10,000	50.00%	50.00%	equity method
Aeroporto Valerio Catullo di Verona Villafranca S.	EUR	52,317,408	40.30%	40.30%	equity method
Centostazioni S.p.A.	EUR	8,333,335	40.00%	40.00%	equity method

Notes:

(*) Companies measured at equity despite subsidiaries having assessed as irrelevant, from both a quantitative and a qualitative point of view, their measurement on a line-by-line basis.

(1) In December 2016 the company E-Masterit S.r.l. merged by incorporation into the company CEU S.r.l., changing name to Evolve S.r.l.

(2) Company acquired during financial year 2016.

(3) With the merger deed of 20 July 2016, Airest S.p.A. was merged by incorporation into the subsidiary Airest Retail S.r.l.

PRINCIPLES OF CONSOLIDATION

IFRS accounting standards, amendments and interpretations applied from 1 January 2016

Provided below is a summary of the accounting standards, interpretations or amendments thereof, issued by the IASB/IFRIC and approved by the European Commission, that are obligatorily applicable as from financial year 2016.

On 17 December 2014, the European Commission approved the following Regulations:

- **No. 28/2015** which introduces the 2010-2012 annual cycle of improvements to international accounting standards, developed as part of the ordinary activities of streamlining and clarification of the standards themselves. The main changes concern the following standards: IFRS 2 "Share-based payments", IFRS 3 "Business combinations", IFRS 8 "Operating segments", IAS 16 "Property, Plant and equipment" and IAS 38 "Intangible assets", IAS 24 "Related Party Disclosures";
- **No. 29/2015** which amends IAS 19 "Employee benefits". The amendments are designed to regulate the accounting treatment of employee (or third party) contributions in cases where defined benefit plans require them to contribute to the cost of the plan. The amendment allows the deduction from personnel costs only of contributions that are related to the service, during the period in which the service is provided (in the current version of the standard contributions are shown as a decrease in personnel costs in the period in which they are paid). Contributions that are related to the service, but that vary according to the duration of the service rendered, must be allocated in the service period, using the same method of allocation applied to the benefits.

On 24 November 2015, the European Commission approved Regulation (EU) **No. 2173/2015** ratifying the amendment, published by the IASB on 6 May 2014, to IFRS 11 "Joint arrangement". This amendment provides new guidelines concerning the accounting for acquisitions of interests in joint operations which constitute a business. The amended standard requires the application of the provisions of IFRS 3, in terms of purchase method, for the recognition of the purchase of the joint operation, to the extent of the share acquired. On the basis of the purchase method, the identifiable assets acquired (including any intangible assets not previously recognised by the acquiree) and the liabilities assumed (including contingent liabilities) must be recognised at the respective fair value at the date of acquisition.

On 2 December 2015, the European Commission approved Regulation (EU) **No. 2231/2015** ratifying the amendment, published by the IASB on 12 May 2014, to IAS 16 "Property, plant and equipment" and IAS 38 "Intangible assets". The amendment clarifies when a method of amortisation/depreciation based on revenues, i.e. on the basis of a plan that amortises/depreciates tangible/intangible assets on the basis of the revenue generated by the use of the same, may be appropriate.

On 15 December 2015, the European Commission approved Regulation (EU) **No. 2343/2015** introducing the 2012-2014 annual cycle of improvements to international accounting standards, the main amendments of which concern the following standards: IFRS 5 "Non-current assets held for sale and discontinued operations", IFRS 7 "Financial Instruments: additional information", IAS 19 "Employee Benefits", IAS 34 "Interim financial reporting".

On 18 December 2015, the European Commission approved the following Regulations:

- **No. 2406/2015** ratifying the amendment, published by the IASB on 18 December 2014, to IAS 1 "Presentation of financial statements". In the wider process of improvement of financial statement disclosures, the amendment makes limited modifications aimed at providing clarification on elements that can be perceived as impediments to a clear and intelligible drafting of financial statements;
- **No. 2441/2015** ratifying the amendment, published by the IASB on 12 August 2014, to IAS 27 "Separate financial statements". The amendment introduces the possibility of measuring, in the separate financial statements of the investor, equity investments in subsidiaries, jointly controlled or subject to significant influence, using the equity method.

On 23 September 2016, the European Commission published Regulation (EU) **No. 1703/2016** ratifying the amendment "*Investment entities: applying the consolidation exception*", published by the IASB on 18 December 2014, to IFRS 10 "Consolidated financial statements", IFRS 12 "Disclosure of interests in other entities" and IAS 28 "Investments in associates and joint ventures" aimed at regulating cases of exemption from consolidation envisaged for investment entities.

The adoption of the above-mentioned measures did not result in any appreciable effect on the financial statements of the Group and the Parent Company.

IFRS and IFRIC accounting standards, amendments and interpretations approved by the European Union, not yet obligatorily applicable and not adopted in advance by the Group and the Parent Company as at 31 December 2016

On 29 October 2016, the European Commission published Regulation (EU) **No. 1905/2016** ratifying IFRS 15 “Revenue from contracts with customers”, published by the IASB on 28 May 2014. This standard is intended to replace IAS 18 “Revenue” and IAS 11 “Construction Contracts”, as well as the interpretations IFRIC 13 “Customer Loyalty Programmes”, IFRIC 15 “Agreements for the construction of real estate”, IFRIC 18 “Transfers of assets from customers” and SIC 31 “Revenues - Barter Transactions Involving Advertising Services”.
The standard establishes a new model of revenue recognition, which will apply to all contracts concluded with customers except those that fall within the scope of other IAS/IFRS such as leasing contracts, insurance contracts and financial instruments. Based on this model, the entity must recognise revenues on the basis of the remuneration expected to be received for the goods and services supplied, determined on the basis of the following five steps:

- identification of the contract with the customer;
- identification of performance obligations laid down in the contract;
- identification of the consideration of the transaction;
- allocation of the consideration of the transaction to the contractual performance obligations;
- recognition of revenue on the basis of the fulfilment of the performance obligations.

Compulsory adoption is envisaged from 1 January 2018, but earlier application is permitted.

On 22 November 2016, the European Commission published Regulation (EU) **No. 2067/2016** ratifying IFRS 9 “Financial instruments”, published by the IASB on 24 July 2014. This standard includes the results of the stages relating to Classification and evaluation, Impairment, and Hedge accounting, of the IASB project aimed at replacing IAS 39:

- it introduces new criteria for the classification and valuation of financial assets and liabilities based on the business model and on the characteristics of the cash flows of the financial instrument, which provides for three accounting categories (amortised/depreciated cost, fair value with P&L impact, fair value with impact in a capital reserve - Other comprehensive income);
- With reference to the impairment model, the new standard requires that the estimate of losses on loans be made on the basis of the expected losses model (and not on the incurred losses model used by IAS 39), so as to guarantee a more immediate recognition of losses, using supportable information, available without unreasonable effort or expense, that includes historical, current and prospective data;
- it introduces a new model of hedge accounting (increase in the types of transactions eligible for hedge accounting, change of method for accounting of forward contracts and options when included in a hedge accounting report, changes to efficacy testing).

Compulsory adoption is envisaged from 1 January 2018, but earlier application is permitted.

IFRS accounting standards, amendments and interpretations not yet approved by the European Union

As at the date of these financial statements, the competent bodies of the European Union have not completed the approval process necessary for the adoption of the amendments and the standards described below.

- On 13 January 2016, the IASB published the standard **IFRS 16 “Leasing”** which is intended to replace IAS 17. The new standard introduces a criterion based on the control (right of use) of an asset in order to distinguish leasing contracts from contracts for services, establishing as discriminating factors: the identification of the asset, the right of substitution of the same, the right to obtain substantially all the economic benefits arising from the use of the asset and the right to manage the use of the asset underlying the contract. The standard establishes a unique model of recognition and evaluation of lease contracts for the lessee that provides for the inclusion of the asset subject to lease (including operating lease) under assets with contra-entry of a financial payable, additionally providing the possibility of not recognising as lease contracts those that have “low-value assets” as their object and those with a contract term less than or equal to 12 months. On the contrary, the standard does not include significant changes for lessors. The standard applies as from 1 January 2019 but advance application is permitted only in the case that IFRS 15 “Revenues from contracts with customers” is applied in advance.
- On 19 January 2016, the IASB published the document “Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)”, which contains amendments to **IAS 12 “Income taxes”**. The

changes made provide clarification with regard to the accounting of deferred tax assets on unrealised losses upon the occurrence of certain circumstances and the estimation of taxable income for future years. The new provisions shall apply as from 1 January 2017, but advance application is permitted.

- On 29 January 2016, the IASB published the document "Disclosure Initiative (Amendments to IAS 7)" that contains changes to **IAS 7 "Financial Statements"**. The document aims to provide clarifications in order to improve disclosures on financial liabilities. In particular, the amendments require the provision of a report to enable users of the financial statements to understand the changes in liabilities arising from loan transactions, including the changes arising from monetary movements and non-monetary movements. The presentation of comparative information relating to previous years is not required. The amendments will apply as from 1 January 2017 but earlier application is permitted.
- On 8 December 2016, the IASB published the document "Foreign Currency Transactions and Advance Consideration (**IFRIC Interpretation 22**)". The interpretation aims to provide guidance for transactions in foreign currency where non-monetary advances or payments on account are recognised in the financial statements, prior to recognition of the relative asset, cost or revenue. IFRIC 22 is applicable as from 1 January 2018, but earlier application is permitted.
- On 8 December 2016, the IASB published the document "Transfers of Investment Property (Amendments to IAS 40)" containing amendments to **IAS 40 "Real Estate Investments"**. These amendments clarify the transfer of property to, or from, investment property. Specifically, an entity must reclassify a property to, or from, investment property only when there is evidence that there is a change of use of the property. This change must be traced to a specific event that occurred and therefore should not be limited to a change of intention by the management of an entity. These changes are applicable from 1 January 2018, but earlier application is permitted.

Terms of approval of the financial statements

The Board of Statutory Auditors, performing deputy administrative functions, decided to invoke the longer term of 180 days provided by Article 2364 of the Italian Civil Code and by Article 9 of the articles of association for the approval of the financial statements at 31 December 2016; this extension was deemed necessary to allow the collection of the information necessary to evaluate the Company's investments, the preparation of the consolidated financial statements and the adoption of new accounting standards.

The financial statements show a loss of €16,205,912, which it is proposed should be carried forward.

Significant accounting estimates

The preparation of the consolidated financial statements in accordance with IAS/IFRS requires that the management makes estimates based on complex and/or subjective opinions.
The use of these estimates is reflected in the application of accounting standards and in the determination of the carrying amounts of assets and liabilities, income and expenditure and the information provided in the explanatory notes, including with reference to contingent assets and liabilities as at the close of the financial year.
The actual results may differ from those estimated due to the uncertainty of the assumptions and the conditions on which such estimates are based. However, the estimates and assessments are reviewed and updated periodically and the effects arising from any change thereof are immediately reflected in the financial statements.
A description is provided below of specific circumstances that, with regard to the business segments in which the Group and the Parent Company operate, require greater recourse to estimates and assessments and for which a change in the conditions underlying the assumptions used could have a significant impact on consolidated financial statement data.

Impairment losses on goodwill and other specific intangible assets
Goodwill is tested for possible impairment losses at least annually; said testing requires an estimate of the value in use of the cash-generating unit to which the goodwill is attributed, which in turn is based on the estimate of the expected cash flows from the unit and on their discounting based on an appropriate discount rate.
The methodology described in the paragraph "Impairment of tangible and intangible fixed assets" was used to test for possible impairment of the goodwill recognised in the Group's financial statements.

In relation to other specific intangible assets with a definite useful life, an annual review is performed of impairment on the residual value, resulting from the allocation of the greater value paid in the acquisition stage.

Deferred tax assets
Deferred tax assets relate to temporary differences between the financial statement values and the values recognised for tax purposes, attributable to costs with deferred deductibility, mainly concerning provisions for risks, and the carryforward of tax losses of some of the Group companies.
These assets are entered in the financial statements on the basis of a discretionary assessment by the directors of the probability of their recovery, assessed with particular regard to the ability of the Parent Company and its subsidiaries, including if tax consolidation is adopted, to generate ongoing positive taxable income. They must estimate the probable occurrence in time and the amount of the future taxable profits. The assessment was carried out on the basis of the tax rate expected for the financial year in which the repayment of the temporary difference is envisaged.

Pension funds and other post-employment benefits
Calculation of the liabilities associated with employee benefits, with particular reference to defined benefit and long-term benefit plans, involves a certain degree of complexity; the results of the actuarial valuation depend, to a large extent, on the actuarial assumptions used, both demographic (such as mortality and employee turnover) and financial (such as discount rates and inflation rates). The opinion expressed by the management in the selection of the technical bases most appropriate for the assessment of the case in question is therefore of fundamental importance; said opinion is influenced by the socio-economic context in which the Group operates, as well as the performance of financial markets.

Renewal provision for assets under concession
As regards property assets under concession, some group companies have allocated a dedicated fund that includes the amounts necessary for the first maintenance or replacement of every asset making up the infrastructure owned that should be returned to the State in perfect operating condition at the end of the concession.
The renewal fund is added to annually on the basis of a technical assessment of estimated future charges related to the cyclical maintenance required to maintain the assets to be returned free of charge at the end of the concession, and is used for maintenance operations carried out during the period. At 31 December the fund totalled €22,917 thousand.

Current taxes
Current taxes for the current financial year are valued at the amount expected to be recovered or paid to the tax authorities. The rates and tax regulations used to calculate the amount are those enacted or substantially enacted at the closing date of the consolidated financial statements. Current taxes relating to elements reflected directly in equity are recognised directly in equity and not in the income statement.

Impairment testing of the assets or groups of assets

Impairment tests were performed in order to evaluate the existence of any impairment loss with reference to the amounts allocated to Goodwill.
The testing was performed by comparing the carrying value of the asset or group of assets making up the cash generating unit (C.G.U.) with the recoverable amount of the same, determined as the value of the discounted net cash flows expected to be produced by the asset or group of assets making up the C.G.U. (value in use).

For more details please refer to the comments under the item in the notes to the financial statements.

Valuation criteria

The IAS/IFRS applied are indicated below.

Intangible assets

Intangible assets are non-monetary items without physical substance, that are clearly identifiable and capable of generating future economic benefits to the company.
The useful life of intangible assets is assessed as definite or indefinite.
Intangible assets with a definite useful life are recognised at purchase and/or production cost, including expenses directly attributable in the preparation stage to bring the asset into operation, net of cumulative amortisation and any impairment losses. Amortisation begins when the asset is available for use and is allocated systematically in relation to the residual possibility of use in accordance with IAS 36 and subjected to impairment testing whenever there are indications of a possible loss in value.
Intangible assets with an indefinite useful life are subject to annual impairment testing at individual level or at the level of the cash-generating unit.
For these assets, no amortisation is recognised. The useful life of an intangible asset with an indefinite useful life is reviewed every year in order to ensure that the conditions of this classification are still being met.
The item “Right of use of airport concessions” includes the value recognised in intangible assets for the airport infrastructures held in relation to the concession right acquired for the management of said infrastructures as a contra-entry to the right to charge users for the use of said infrastructures, in the execution of the public service, in accordance with IFRIC 12 - Service concession arrangements.

Business combinations and goodwill

The goodwill recognised in intangible assets relates to business combination transactions and represents the difference between the cost incurred for the acquisition of a company or of a branch of a company and the algebraic sum of the fair values assigned at the date of acquisition to the individual assets and liabilities making up the capital of that company or branch of the company.
Goodwill acquired in a business combination is not amortised; impairment testing is performed annually, or more frequently if specific events or changes in circumstances indicate that a reduction in value may have occurred in accordance with IAS 36 ”Impairment of assets”. For the purposes of determining the fair value of assets and liabilities and testing for impairment, directors’ valuations are supported with the intervention of independent experts.

Tangible assets

Tangible assets are valued at their purchase or production cost, less accumulated depreciation and any impairment losses. The cost includes any charge directly incurred to prepare assets for use as well as any charges for dismantling and removal that will be incurred to return the site to its original condition.
At the time of sale or when there are no future economic benefits expected from the use of an asset, it is eliminated from the financial statements and any loss or profit (calculated as the difference between the sale value and the carrying value) is recognised in the income statement in the year of the aforesaid elimination.
When the tangible asset is made up of several significant components with different useful lives, each component is depreciated separately. Land and tangible assets held for sale, which are valued at the lower of their carrying value and their fair value net of disposal costs, are not depreciated.
Maintenance and repair expenses that do not improve and/or extend the residual life of the assets, are paid in the year in which they are incurred; otherwise they are capitalised.

Leased assets

Assets acquired with leasing contracts, which transfer to the Group all the risks and benefits related to ownership of the leased asset, are capitalised as from the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments with simultaneous recognition in liabilities of the corresponding financial payable to the leasing companies. Lease payments are divided into principal and interest so as to obtain the application of a constant interest rate on the residual balance (principal amount). Borrowing costs are charged to the income statement. Capitalised leased assets are depreciated on the basis of the estimated useful life of the asset.

Impairment losses on tangible and intangible assets

Tangible and intangible assets are said to be impaired whenever the carrying value at which any such asset is recorded in the financial statements can no longer be recouped through use or sale thereof.

The aim of the impairment test pursuant to IAS 36 is to ensure that tangible and intangible fixed assets are not entered at a value higher than their recoverable value, represented by the greater between the fair value of the asset or cash-generating unit, less sale costs and its value in use.
If the carrying amount of an asset exceeds its recoverable amount, such asset has suffered a loss in value and is consequently written down until it returns to its recoverable amount. In determining the value in use, the Group discounts the expected cash flows using a discount rate before tax that reflects the current estimate of the market rate for risk-free investments adjusted to take into account the time and the risks specific to the asset.
Impairment losses on assets in operation are recognised in profit or loss in the cost categories consistent with the function of the asset that has demonstrated the impairment loss.
If the conditions that led to any such impairment are no longer met, the original value of assets previously depreciated is reinstated on a proportional basis, until reaching, at most, the value that such assets would have had, net of amortisation and depreciation calculated on the historical cost, had any such impairment losses not occurred. Reversals of impairment losses are recognised in the income statement.
Impairment losses on assets in operation are recognised in profit or loss in the cost categories consistent with the function of the asset that has demonstrated the impairment loss.

Non-current assets held for sale and discontinued operations

According to IFRS 5, an enterprise should classify a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition and the sale must be highly probable.
Such assets are valued at the lower of their carrying amount and fair value less sale costs.
In the consolidated income statement and the income statement for the comparison period of the previous year, the profits and losses of discontinued operations are represented separately from the profits and losses of operational activities, below the line of net profit after tax, even when the Group maintains a minority stake in the subsidiary after selling. The resulting profit or loss, net of taxes, is reported separately in the income statement.
Property, plant and equipment and intangible assets, once classified as held for sale, no longer need to be amortised.

Other financial assets

IAS 39 provides for the following types of financial instruments: financial assets at fair value with changes recognised in the income statement, loans and receivables, investments held until maturity and assets available for sale.
Initially, all financial assets are recognised at fair value plus, in the case of assets other than those measured at fair value through profit or loss, any ancillary costs. At the time of subscription, the Group considers whether a contract contains embedded derivatives.
Embedded derivatives are separated from the host contract if the latter is not measured at fair value whenever analysis shows that the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract.
The Group determines the classification of its financial assets after initial recognition and, where appropriate and allowed, revises this classification at the close of each financial year.

Financial assets at fair value with changes recognised in the income statement
This category includes assets held for trading and assets that upon initial recognition are designated as financial assets at fair value through profit or loss.
An asset is classified as held for trading if it is:

- acquired mainly in order to sell it in the near term;
- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent and effective strategy aimed at obtaining a profit in the short term;
- a derivative (except for a derivative that is designated as an effective hedging instrument).

The initial recognition of financial assets takes place on the settlement date for debt securities and equities, while derivatives are recognised at their agreement date.
At the time of initial recognition, financial assets held for trading are recognized at their fair value, which is normally the consideration paid, without considering the costs or the gains of the transaction directly attributable to the financial instrument, which are charged to the income statement. Embedded derivatives

present in hybrid contracts but not closely correlated with them and that meet the definition of a derivative are separated from the host contract and recognised at fair value, while the primary contract is accounted for using the appropriate standard.

Subsequent to initial recognition, financial assets held for trading are valued at fair value through profit or loss.

Market prices are used to determine the fair value of financial instruments that are traded on an active market. If an active market does not exist, the estimation and valuation methods applied take account of all the risk factors associated with the financial instruments.

Financial instruments for which it is not possible to reliably determine the fair value are kept at cost and written down in the event that impairment losses occur. Such impairment losses cannot subsequently be reversed.

Financial assets are derecognised when the contractual rights to the cash flows derived from the assets themselves expire or when the financial assets are sold by transferring substantially all the risks/benefits connected with them.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. After initial recognition, these assets are valued at amortised cost using the effective interest rate method, net of any provision for loss of value.

The amortised cost is calculated by taking into account any purchase discount or premium and includes commissions that are an integral part of the effective interest rate and transaction costs. Gains and losses are recorded in the income statement when the loans and receivables are eliminated by an accountant or when a loss of value occurs, as well as through the amortisation process.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity, which are intended to be, and capable of being, held to maturity, are classified in this category. If, as a result of a change in intention or capacity, it is no longer appropriate to maintain an investment as held-to-maturity, it is reclassified to assets available for sale.

The initial recording of financial assets occurs at the settlement date. At the time of initial recognition, financial assets classified in this category are recognised at fair value, which is normally the consideration paid, including any directly attributable costs and income.

If the recognition into this category is due to a reclassification from financial assets available for sale or held for trading, the fair value of the asset at the date of reclassification becomes its new amortised cost.

Subsequent to initial recognition, financial assets held to maturity are valued at amortised cost using the effective interest rate method. Gains or losses related to changes in the fair value of the assets held-to-maturity are recorded in the income statement at the time the assets are cancelled. A check is made for objective evidence of impairment when the interim and annual financial statements are prepared. If such evidence is found, the extent of the loss is measured as the difference between the carrying amount of the assets and the present value of the estimated future cash flows discounted at the original effective interest rate. The amount of the loss is recognised in the income statement. If the reasons for the loss of value are removed as a result of an event which occurred after the detection of impairment, write-backs are posted in the income statement.

Financial assets held until maturity are derecognised from the financial statements when the contractual rights to the cash flows expire or when the financial asset is sold with substantial transfer of all risks and benefits associated with the asset itself.

Available-for-sale financial assets

Available-for-sale financial assets are financial assets, excluding financial derivatives, that have been designated as such or are not classified in any of the other preceding categories.

In particular, included under this heading are equity interests that are not managed with the purpose of trading and are not qualifiable as controlling, associated or of joint control.

Initial recognition of the financial asset takes place on the settlement date for debt securities or equities, while financial assets not classified as loans are recognised at their disbursement date.

At the time of initial recognition, the assets are recorded at fair value, which is normally the consideration paid, including the costs or the gains of the transaction directly attributable to the instrument.

Subsequent to initial recognition, available-for-sale assets continue to be measured at fair value, with the share of interest resulting from the application of the amortised cost recognised in the income statement, while gains or losses deriving from changes in fair value are recognised in a specific equity reserve until the financial asset

is derecognised or an impairment loss is recognised, with consequent recording in the income statement of the difference between the carrying value and the sale price or fair value.
Verification of the existence of objective evidence of impairment is carried out at each balance sheet or interim report date. For debt securities, evidence of impairment loss is the existence of circumstances indicative of financial difficulties likely to jeopardise the collection of principal or interest. For equity instruments, the existence of impairment losses is evaluated taking into consideration, in addition to possible difficulties of the issuer, additional indicators such as the decline of fair value below cost.
If the reasons for the impairment no longer exist as a result of an event which occurred after detection, a write-back is entered in the income statement when it refers to debt securities or loans, or in a specific equity reserve in the case of equity securities. For debt securities and loans, said reversal of impairment loss should not in any case result in a carrying amount of the financial asset that exceeds what would have been the amortised cost if the loss had not been detected.
Financial assets are derecognised when the contractual rights to the cash flows expire or when the financial asset is sold with substantial transfer of all risks and benefits associated with the asset itself.

Impairment of financial assets

At each balance sheet date, the Group verifies whether a financial asset or group of financial assets has suffered a loss of value.

Assets measured at amortised cost
If there is an objective indication that a loan or receivable entered at amortised cost has suffered a loss of value, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding future credit losses not yet incurred) discounted at the original effective interest rate of the financial asset (i.e. the effective interest rate calculated as at the date of initial recognition). The carrying amount of the asset is reduced through the use of a provision and the amount of the loss is recognised in profit or loss.
The Group first assesses the existence of objective indications of impairment loss at individual level, for financial assets that are individually significant, and then either individually or collectively for financial assets that are not. In the absence of objective indications of impairment loss for a financial asset assessed individually, whether significant or not, said asset is included in a group of financial assets with similar credit risk characteristics and this group is tested for impairment loss collectively. Assets assessed individually and for which impairment loss is detected or continues to be detected will not be included in a collective assessment.
If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be objectively traced back to an event that occurred after the detection of impairment loss, the previously reduced value can be reinstated. Any subsequent reversals of impairment losses are recognised in profit or loss to the extent that the carrying amount of the asset does not exceed the amortised cost at the date of reversal.
With reference to trade receivables, a provision for loss of value is made when there is objective indication (such as, for example, the probability of insolvency or significant financial difficulties of the borrower) that the Group will not be able to recover all the amounts due according to the original terms of the invoice. The accounting value of the receivable is reduced through recourse to a special reserve. Receivables subject to impairment loss are written off when they are considered unrecoverable.

Available-for-sale financial assets
In the case of impairment of an available-for-sale financial asset, an amount is transferred from equity to the income statement equal to the difference between its cost (net of the capital repayment and of depreciation) and its current fair value, net of any impairment previously recognised in profit or loss.
Reversals of impairment losses related to equity instruments classified as available for sale are not recognised in profit or loss. Reversals of impairment losses related to debt instruments are recognised in the income statement if the increase in the fair value of the instrument can be objectively linked to an event that occurred after the loss was recognised in profit or loss.

Treasury shares

Repurchased treasury shares are measured at cost and deducted from shareholders' equity. Gains or losses on the purchase, sale or cancellation of treasury shares are not recognised in the income statement. The difference between the purchase value and the consideration, in the case of assignment, is recognised in the share premium reserve. The voting rights linked to the treasury shares are cancelled, as is the right to receive dividends. Share options exercised during the period are met with treasury shares.

Inventories

Inventories are carried at the lower of the cost, determined with reference to the weighted-average cost method, and the net realisable value, and do not include financial charges and overheads. Net realisable value is the selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cash and cash equivalents

These include money, deposits with banks or other institutions providing current account services, post office accounts and other cash equivalents as well as investments with a maturity within three months from the date of purchase. Cash and cash equivalents are recognised at fair value, which normally coincides with the nominal value.

Employee benefits

Guaranteed employee benefits disbursed at the time of or following termination of the employment relationship through defined benefit programmes (severance indemnity fund) or other long-term employee benefits are recognised in the period when the right accrues.
The relative liability, net of any plan assets, is determined on the basis of actuarial assumptions and is recognised on an accrual basis, in line with the performance of work necessary to obtain the benefits; the evaluation of liabilities is carried out by independent actuaries using the projected unit credit method. The amount reflects not only the liabilities accrued up to the consolidated balance sheet date, but also future wage increases (only for companies with fewer than 50 employees) and related statistical trends.

Provisions for risks and charges

Provisions for risks and charges relate to costs and liabilities of a given nature, whose existence is certain or probable, which, at the date of these consolidated financial statements, are undetermined in terms of amount or due date. Provisions are recognised when:

- (i) the existence of a current obligation, legal or implicit, deriving from a past event is probable;
- (ii) it is probable that the fulfilment of the obligation will be costly;
- (iii) the amount of the obligation can be reliably estimated.

Provisions are recorded at the value representing the best estimate, sometimes with the support of experts, of the amount that the company would have to pay to settle the obligation or transfer it to a third party at the end of the financial year. When the financial impact of the timing is significant, and the dates of payment of the obligations are estimated reliably, the provision is determined by discounting the anticipated cash flows determined taking into account the risks associated with the oblations; an increase in value of the provision, determined based on changes in the cost of money in time, is recognised in profit or loss under the headings “Financial Income” or “Financial charges”.
Provisions are periodically updated to reflect changes in the estimates of the costs, the timing and the discount rate; revisions of estimates are charged to the same profit or loss item that had previously included the provision.
When the liability relates to tangible assets (demolition of assets), the provision is recorded as a contra-entry to the asset to which it relates; charging the amount to the income statement takes place as depreciation.

Trade payables, other payables and other current and non-current financial liabilities

Trade payables, other payables and current and non-current financial liabilities are recognised when the Group becomes part of the relevant contractual clauses and are evaluated initially at fair value, adjusted by directly attributable transaction costs.
They are subsequently measured at amortised cost using the effective interest rate method.
The amortised cost is calculated taking into consideration any purchase discount or premium and fees or costs that are an integral part of the effective interest rate. Amortisation at the effective interest rate is recorded under financial charges in the income statement.
Gains and losses are recognised in profit or loss when the liability is settled, as well as through the amortisation process.

Cancellation of financial assets and liabilities

Financial assets

Financial assets are derecognised when one of the following conditions is met:

- the contractual right to receive the cash flows of the asset has expired;
- the Group has transferred substantially all the risks and benefits associated with the asset, giving up its rights to receive cash flows of the asset or assuming a contractual obligation to repay the cash flows received to one or more recipients by virtue of a contract that meets the requirements set out in IAS 39 ("pass through test");
- the Group has neither transferred nor substantially retained all the risks and benefits associated with the financial asset but it has ceded control.

In cases where the Group has transferred the rights to receive the cash flows from an asset and has neither transferred nor retained substantially all the risks and benefits or has not lost control over the same, the asset is recognised in the financial statements of the Group to the extent of its continuing involvement in the asset itself. Continuing involvement that takes the form of a guarantee on the transferred asset is measured at the lower of the initial carrying amount of the asset and the maximum value of the consideration that the Group could be required to pay.

Financial liabilities

A financial liability is derecognised from the financial statements when the obligation underlying the liability is settled, cancelled or fulfilled.

Derivative financial instruments and hedging transactions

A derivative is a financial instrument or other contract with the following characteristics:

- its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable (sometimes called the 'underlying');
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- it is settled at a future date.

Derivatives are classified as a financial asset or financial liability depending on whether the fair value is positive or negative and are classified as "held for trading" and measured at fair value with contra-entry in the income statement, except in the case where they qualify as effective instruments hedging a specific risk relating to underlying assets, liabilities or commitments.

Derivatives are classified as hedging instruments when the relationship between the derivative and the subject of the hedge is formally documented and the effectiveness of the hedge is high and is verified periodically. When hedging derivatives cover the risk of change in the fair value of the hedged item (fair value hedge; e.g. hedging of the variability of the fair value of fixed rate assets/liabilities), they are recognised at fair value and the effects charged to the profit and loss account; in line with this, hedged items are adjusted to reflect changes in the fair value associated with the hedged risk. When derivatives cover the risk of change in the cash flows of the hedged item (cash flow hedge; e.g. hedging of the variability of the cash flows of variable rate assets/liabilities due to the effect of fluctuations in interest rates), the changes in fair value are initially recognised in equity and subsequently charged to the income statement in line with the economic effects produced by the hedged transaction.

Changes in the fair value of derivatives with respect to the initial value that do not satisfy the conditions to qualify as hedging instruments are recognised in the income statement.

Accounting for positive income items

Revenues are recognised to the extent that it is possible to reliably determine the value (fair value) and it is likely that the relative economic benefits will materialise.

According to the type of transaction, revenues are recognised on the basis of the specific criteria given below:

- revenues from sales of goods are recognised when the risks and benefits of ownership of the asset are transferred to the purchaser;
- revenues from the provision of services are recognised when the service is performed;

- revenues for the provision of services related to contract work are recognised by reference to the stage of advancement of the activities on the basis of the same criteria for work in progress contracts.

Revenues are recognised net of returns, discounts, allowances, premiums and promotional costs directly related to the sales revenues, as well as directly related taxation.
Interest is recognised *pro rata temporis* on the basis of the contractual interest rate or the effective rate in the event of application of the amortised cost.
Interest on late payments is recorded in the income statement only at the time of its actual collection.
Dividends are recognised in the income statement in the separate financial statements at the time at which their distribution is approved and the right to receive the payment accrues.
Commissions for revenues from services are recognised on the basis of the existence of contractual agreements, in the period in which the services are provided.
Portfolio management commissions are recognised on the basis of the duration of the service.

Income taxes

Current taxes
Current taxes are determined on the basis of a realistic estimate of tax charges to be paid in application of current tax legislation or substantially approved at the closing date of the period. Current taxes relating to elements recognised directly in equity are recognised directly in equity and not in the income statement.

Deferred taxes
Deferred taxes are calculated using the so-called “liability method” on the temporary differences between the amount of the assets and liabilities in the consolidated financial statements and the corresponding values recognised for tax purposes.
The valuation of deferred tax assets and liabilities is performed by applying the rate that is expected in force at the time at which the temporary differences will be paid up; this forecast is carried out on the basis of the tax legislation in force or substantially in force at the period reference date.
Deferred tax assets are recognised only if it is likely that sufficient taxable income will be generated for the realisation of such assets in subsequent years.

Conversion of items denominated in foreign currencies

Transactions in foreign currency are recognised initially in the functional currency, applying the spot exchange rate at the trade date. Monetary assets and liabilities, denominated in a foreign currency are translated into the functional currency at the exchange rate at the balance sheet date. All exchange differences are recognised in the income statement. Non-monetary items valued at historical cost in a foreign currency are translated using the exchange rate at the date of initial recognition of the transaction. Non-monetary items entered at fair value in a foreign currency are translated using the exchange rate at the date of the determination of such value. The gains or losses that arise from the conversion of non-monetary items are handled in line with the recognition of gains and losses related to changes in the fair value of such items (translation differences on items whose change in fair value is recognised in the statement of comprehensive income or in the income statement are recognised, respectively, in the statement of comprehensive income or in the income statement).

Fees to statutory auditors

The fees paid to members of the Board of Statutory Auditors earned during the financial year amounted to €860 thousand, and in particular those earned by directors of the Parent Company amounted to €180 thousand, including €156 relating to the role undertaken within the meaning of article 2386, fifth paragraph, of the Italian Civil Code.

Compensation for accounts audit

Compensation paid for account auditing services for companies included in the scope of consolidation amounted to €416 thousand.

Commitments, guarantees and contingent liabilities

The Parent Company issued a letter of patronage, with which it undertakes to settle each debt assumed by the subsidiary Finint Immobiliare S.r.l. towards a bank.

As concerns the investee Agorà Investimenti S.p.A., an agreement is in place that foresees the commitment of the Parent Company to purchase the share held by minority interests, equal to a 43.09% stake of the same investee, at a price to be determined by the exiting shareholder based on its market value. The option may be exercised in January 2018 or even earlier in those cases of breaches by the Parent Company specifically provided for by the option contract or in case of failed renewal of the shareholder agreement (expiring in October 2019) at a price enabling the exiting shareholder to obtain the return on investment as set out and agreed. In the event the option is exercised by the minority shareholder, the Parent Company may activate the joint sale mechanism provided for by the option contract within the terms established. In the event that the joint sale mechanism process is not successful the automatic renewal of the option to sell expiring in August 2019 has been provided for. This option is not binding on the Group to purchase in that in the event the right is exercised by the minority shareholder, the Parent Company may in turn proceed to sell its shareholding, and as such this commitment is not a debt obligation towards the minority shareholder. It is also noted, as already described in the report on events after year end, that upon conclusion of the events described such agreement shall be terminated.

The subsidiary Finint S.p.A. issued a surety in the amount of €6,000 thousand to a bank on behalf of a subsidiary, Finanziaria Internazionale Investments SGR S.p.A. This guarantee was issued on 24 June 2014.

The subsidiary Banca Finint S.p.A. issued sureties in the amount of €21,963 thousand to its customers and other banks.

The shares of the two portfolio companies were pledged. The value of the collateral is equal to the value of the shares held by the participating company for a total amount equal to €35 thousand.

At 31 December 2016, the guarantees issued by the SAVE Group amounted to approximately €5.4 million and relate mainly to mortgages for €5.3 million to guarantee a loan that was fully repaid on 31 December 2016. The procedure to cancel the mortgage was consequently initiated.

Furthermore, in the context of the sale of the shareholding in Centostazioni, SAVE S.p.A. guaranteed the purchaser Ferrovie dello Stato Italiane S.p.A. by providing to the subsidiary Archimede 1, the seller, the necessary financial means to fulfil the obligations arising from the transfer agreement signed. Specifically, these are standard guarantees granted in the context of the transfer of a significant shareholding; such guarantees may not however exceed an amount equivalent to 25% of the consideration.

Information relating to the Operating Segments

This report is drawn up in accordance with the provisions of IFRS 8 “Operating segments”, which establishes that operating segments subject to financial reporting must be identified on the basis of internal reporting that is reviewed by top management in order to evaluate the performance of the segments.

An operating segment is a component of an entity:

- that engages in business activities from which it earns revenues and incurs expenses;
- whose operating results are regularly reviewed by the entity’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- for which separate balance sheet information is available.

The operating segments identified have similar economic characteristics, and are similar in each of the following respects:

- the nature of the products and services;
- the type of customer;
- the nature of the regulatory environment.

Summarised below are the segments in which the Group operates:

- *Business Process Outsourcing*
- *Investment Banking & Asset Management*
- *Investments.*

Segment assets are those used by the segment in the performance of its characteristic activity or that can reasonably be allocated to it based on its characteristic activity. Segment liabilities are those that result directly from the performance of the characteristic activity of the sector or that are reasonably allocated to it based on its characteristic activity. The segment assets and liabilities submitted are evaluated using the same accounting policies adopted for the preparation of the Group’s consolidated financial statements.

Below are the main balance sheet and income statement items by segment.

Analysis of revenues and margins by segment:

	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	Business Process Outsourcing	Business Process Outsourcing	Investment Banking & Asset Management	Investment Banking & Asset Management	Proprietary Investments	Proprietary Investments	Other business, eliminations/ adjustments	Other business, eliminations/ adjustments	Consolidated	Consolidated
OPERATING REVENUE AND OTHER INCOME	42,109	36,818	37,261	35,559	188,166	166,387	(2,084)	(1,555)	265,452	237,209
EBITDA	5,873	9,026	5,392	8,720	86,383	71,641	(2,827)	(2,123)	94,815	87,263
PROFIT (LOSS) BEFORE TAXES	5,392	8,379	7,171	11,465	37,659	27,173	(22,875)	(11,434)	27,339	35,584
NET PROFIT (LOSS)	3,357	5,511	5,810	8,660	22,887	23,558	(19,432)	(9,803)	12,614	27,926

The column Investments includes the SAVE S.p.A. Group and the chain of investors headed by Sviluppo 35 S.p.A. The SAVE S.p.A. group has a predominant impact within the reference segment. Other segments, eliminations and adjustments include the results of the finance and instrumental activities business area.

Statement of financial position by segment:

	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	Business Process Outsourcing	Business Process Outsourcing	Investment Banking & Asset Management	Investment Banking & Asset Management	Proprietary Investments	Proprietary Investments	Other business, eliminations/ adjustments	Other business, eliminations/ adjustments	Consolidated	Consolidated
CURRENT ASSETS	42,453	43,284	144,884	81,160	70,433	135,001	19,794	9,766	277,565	269,211
NON-CURRENT ASSETS	5,459	5,741	111,819	93,698	1,071,233	1,012,713	5,239	7,577	1,193,751	1,119,729
TOTAL ASSETS	47,913	49,025	256,703	174,859	1,141,667	1,147,714	25,034	17,342	1,471,316	1,388,940

	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	Business Process Outsourcing	Business Process Outsourcing	Investment Banking & Asset Management	Investment Banking & Asset Management	Proprietary Investments	Proprietary Investments	Other business, eliminations/ adjustments	Other business, eliminations/ adjustments	Consolidated	Consolidated
CURRENT LIABILITIES	21,902	22,000	74,578	36,145	179,444	222,148	81,904	103,996	357,828	384,288
NON-CURRENT LIABILITIES	10,447	14,030	56,593	18,587	582,428	534,865	87,595	56,898	737,063	624,380
TOTAL LIABILITIES	32,349	36,030	131,172	54,731	761,871	757,013	169,499	160,894	1,094,891	1,008,668

The column Investments includes the SAVE S.p.A. Group and the chain of investors headed by Sviluppo 35 S.p.A. Other segments, eliminations and adjustments include the results of the finance and instrumental activities business area.

Disclosures about major customers

With reference to the Parent Company Finanziaria Internazionale Holding S.p.A., analyses showed that, in general, there are no cases in which revenues from transactions with a single external customer are equal to or higher than 10 % of total revenues.
As regards subsidiaries, please refer to the table below.

COMPANY	EXTERNAL CLIENT	% ON TOTAL REVENUES
AERTRE S.P.A.	RYANAIR	62.80%
	WIZZ AIR	9.90%
AGENZIA ITALIA S.p.A.	ARVAL SERVICE LEASE ITALIA S.p.A.	11.22%
FINANZIARIA INTERNAZIONALE LUXEMBOURG SA	SECURISATION SERVICES FUNDING SA	17.83%
FINANZIARIA INTERNAZIONALE INVESTMENTS SGR S.P.A.	FININT PRINCIPAL FINANCE 1	10.36%
FININT & PARTNERS S.r.l.	Neip III S.p.A.	85.41%
FININT CORPORATE ADVISORS S.r.l.	ABGESTIONI S.r.l.	41.42%
	FGL HOLDING S.R.L.	19.75%
FININT MEDIATORE CREDITIZIO S.p.A.	ALBA LEASING S.p.A.	41.68%
FININT NETWORK S.r.l. (ex GLOBAL POINT S.r.l.)	TREE REAL ESTATE SRL	20.98%
FININT & WOLFSON ASSOCIATI S.r.l.	TENAX INTERNATIONAL S.r.l.	14.39%
	LAGOR S.r.l.	12.03%
FININT REVALUE AGENZIA IMMOBILIARE S.r.l.	A - REAL ESTATE - S.P.A.	31.42%
	BANCO POPOLARE SOCIETA' COOPERATIVA	14.54%
FININT REVALUE S.p.A.	AGOS DUCATO S.p.A.	15.18%
	MEDIOCREDITO ITALIANO S.p.A.	11.11%
	BMW BANK GMBH	10.06%
ITACA S.r.l.	AFI ESCA SA	44.01%
	NET INSURANCE S.p.A.	38.33%
	AFI ESCA IARD SA	11.57%
SAFI INSURANCE S.r.l.	ALLIANZ S.p.A.	81.32%

ANALYSIS OF THE MAIN BALANCE SHEET ITEMS

ASSETS

Current assets

	31/12/2016	31/12/2015	Change
1. CASH AND CASH EQUIVALENTS	**113,807**	**102,945**	**10,862**

The item shows the balances of current accounts held with certain banks and cash at the balance sheet date.

Cash and cash equivalents are stated at their balance sheet carrying amount, which is considered to be the fair value at the date of these consolidated financial statements.

	31/12/2016	31/12/2015	Change
2. OTHER FINANCIAL ASSETS	**54,794**	**63,841**	**(9,047)**

The item includes:

	31/12/2016	31/12/2015
Bonds	49,079	44,852
Listed equities	1,874	14,954
Unlisted equities	2,968	3,476
Investment funds	873	559
Total	***54,794***	***63,841***

Pledges imposed on the listed equities portfolio, undertaken in connection with loans with credit institutions, amounted to €10 thousand. Equity securities pledged as collateral in favour of credit lines granted by banks amounted to €1,138 thousand.

As regards the choices made for the classification and valuation of “Other financial assets”, reference is made to the statement in Annex No. 3.

	31/12/2016	31/12/2015	Change
3. TAX ASSETS	**10,338**	**11,096**	**(758)**

The item includes:

	31/12/2016	31/12/2015
Tax receivables accrued in the year	269	300
Tax receivables for claimed refunds	2,644	2,642
Tax receivables for IRES and IRAP carried forward	592	878
VAT receivables	1,388	1,749
Credits for advance taxes paid in the year	2,039	1,736
Other tax receivables	3,406	3,791
Total	***10,338***	***11,096***

The item “Other tax receivables” includes €2,696 thousand relating to the receivable for substitute tax for the Finint Bond Fund. On the basis of the provisions of the law converting Legislative Decree 225/2010, this receivable can be used without limitations by offsetting the withholding tax that will accrue through share redemption, as well as through the distribution of profits to subscribers of the investment funds managed by the subsidiary Finanziaria Internazionale Investments SGR S.p.A.

For an additional €400 thousand this refers to receivables for tax breaks on new investments provided for by Decree Law No. 91 of 24 June 2014 (Tremonti Quater).

	31/12/2016	31/12/2015	Change
4. TRADE RECEIVABLES	**87,946**	**80,605**	**7,341**

The item includes:

	31/12/2016	31/12/2015
Receivables from customers for performance of services	63,002	61,506
Trade receivables from related parties	6,997	6,949
Balances in related party current accounts	5,561	1,630
Other receivables current share	3,655	4,494
Receivables from customers for advances	2,615	1,601
Current accounts to customers	2,445	474
Other receivables from customers	1,453	1,033
Receivables from credit institutions	919	616
Financial receivables from third parties	680	659
Receivables from Veneto Region for contributions	619	1,643
Total	***87,946***	***80,605***

Receivables from customers for performance of services include receivables for consultancy services to customers and for other services provided to customers. It also includes loans to airlines for aviation activities and loans to sub-licensees of commercial spaces. Receivables from customers are recognised net of adjustments made to allow for risks of doubtful accounts based on available information at the time of drawing up the financial statements. The net book value is thus a reasonable estimate of the actual realizable value of receivables.

Trade receivables from related parties refers entirely to portfolio companies of the subsidiary SAVE S.p.A. that have not been fully consolidated. A breakdown is shown below.

	31/12/2016	31/12/2015
Airest Group	5,740	5,379
2A - Airport Advertising S.r.l.	677	796
Centostazioni S.p.A.	-	310
Nicelli S.p.A.	169	19
Aeroporto Valerio Catullo S.p.A.	224	251
Aeroporto Civile di Padova S.p.A. in liquidation	177	191
Other smaller companies of the SAVE Group	10	3
Total	***6,997***	***6,949***

The item “Balances in related party current accounts” relates mainly to the relationship with two companies belonging to the Parent Company’s corporate structure and to other non-consolidated Group companies. The current account balance includes interest accrued as at 31 December 2016; these relationships are at arm’s length.

“Other receivables current share” relates mainly to the balance of the suspense accounts of the subsidiary Banca Finint S.p.A. relating to incoming bank transfers, adjusted in the current accounts of the customers in the first few days of the year.

The balance of the item “Current accounts to customers”, inclusive of interest and fees to be debited to the customer, derives from the banking operations of the subsidiary Banca Finint S.p.A.

“Receivables from credit institutions” represent short-term loans for services rendered to banks transferring securitised portfolios.

“Receivables from Veneto Region for contributions” refers to contributions approved in favour of the subsidiary SAVE S.p.A. for the progress of works carried out at the premises in which the company operates.

	31/12/2016	31/12/2015	Change
5. INVENTORIES	**10,680**	**10,724**	**(44)**

The item includes:

	31/12/2016	31/12/2015
Inventories of raw, ancillary and consumable materials	1,202	1,248
Inventories of work in progress contracts	-	22
Inventories of finished products and goods	9,441	9,429
Inventories of work in progress and semi-finished products	37	25
Total	***10,680***	***10,724***

Inventories of finished products and goods relates mainly to land held by a foreign subsidiary.

Non-current assets

	31/12/2016	31/12/2015	Change
6. ASSETS HELD-FOR-SALE	**65,600**	**0**	**65,600**

This item refers to the exit value of an investee company of SAVE S.p.A. The contract for the sale of the stake was signed by SAVE S.p.A. in November 2016, while closing took place in January 2017. In accordance with IFRS 5, the value of the stake was therefore recognised in “Assets held for sale” and entered at the lower of its cost and the fair value.

	31/12/2016	31/12/2015	Change
7. PROPERTY, PLANT AND EQUIPMENT	**83,112**	**79,273**	**3,839**

€55,302 thousand (€58,427 thousand in the previous year) are for real estate, owned and leased assets where the main companies in the Group have their registered offices.

The remaining €27,810 thousand (€20,846 thousand last year) represent the tangible fixed assets used for the Group to do business.

For further details, please refer to the tangible assets table in Annex No. 2.

	31/12/2016	31/12/2015	Change
8. INTANGIBLE FIXED ASSETS	**809,594**	**753,241**	**56,353**

The item includes:

	31/12/2016	31/12/2015
Right of use of airport concessions	729,488	674,091
Goodwill - other intangible assets with an indefinite useful life	74,041	73,783
Start-up and expansion costs	53	21
Development costs	361	-
Industrial patent and intellectual property rights	3,817	3,772
Licences, trademarks and similar rights	1,330	1,244
Work in progress and advances	504	330
Total	***809,594***	***753,241***

The item “Right of use of airport concessions” includes the Venice Airport concession in the amount of €370,498 thousand recognised in the financial statements of Finanziaria Internazionale Holding S.p.A. in the reopening of the business combination and amortised annually for the duration of the concession.

For further details, please refer to the intangible assets table in Annex No. 1.

A breakdown of the item “Goodwill” is shown below:

	31/12/2016	*31/12/2015*
SAVE S.p.A.	49,223	49,223
Banca Finint S.p.A.	14,811	14,811
AerTre S.p.A.	6,937	6,937
Agenzia Italia S.p.A. and its subsidiaries	3,030	2,772
N-Aitec S.r.l.	40	40
Total	***74,041***	***73,783***

Pursuant to IAS 36, all intangible assets with an indefinite useful life must be subjected to impairment testing at least annually to verify the recoverability of the value entered in the financial statements.

If it is not possible to directly determine the recoverable value of the particular intangible asset entered in the financial statements, the recoverable value of the cash-generating unit to which the asset belongs should be determined. Goodwill acquired in a business combination should, from the date of acquisition, be allocated to each cash-generating unit of the buyer, or groups of cash-generating units, which will benefit from the synergies of the combination, regardless of the fact that other assets or liabilities of the acquiree are assigned to these units or groups of units.

Each unit or group of units to which the goodwill is so allocated must:

(a) represent the lowest level within the entity at which goodwill is monitored for internal management purposes;

(b) not be larger than an operating segment determined in accordance with IFRS 8 “Operating segments”.

In order to identify the cash-generating units (C.G.U.) to which the assets to be subjected to impairment testing are to be allocated, the units potentially identified must generate cash inflows that are largely independent of those from other units identified.

The testing was performed by comparing the carrying value of the asset or group of assets making up the cash generating unit (C.G.U.) with the recoverable amount of the same, determined as the greater of the value of the discounted net cash flows expected to be produced by the asset or group of assets making up the C.G.U. (value in use) and its fair value.

As described in more detail in the annex on the transition to international accounting standards, the company has decided to reopen the business combination relative to the acquisition of control over SAVE S.p.A. that took place in 2011. Accordingly, goodwill was allocated within the scope of the purchase price allocation process. As required by IAS 36, where the fair value of an asset, net of the cost of disposal, is higher than its carrying amount, the asset has not suffered impairment losses and therefore it is not necessary to proceed to the estimation of the value in use. As part of the assessment of the existence, or otherwise, of permanent impairment losses with reference to such goodwill, the market value of the subsidiary at 31 December 2016 (equal to €17.38 per share) was taken into consideration, in addition to the results of the impairment tests carried out by the subsidiary Save on its intangible assets with an indefinite useful life as described below. It was concluded that the value of goodwill entered in the consolidated financial statements of the Finanziaria Group was well founded and, as such, no impairment losses were recorded.

With reference to the item “**Goodwill - AerTre S.p.A.**”, the cash flows of the Cash Generating Unit were derived from the Business Plan, which covers a time horizon between 2016 and 2052, and the key elements of which include: (i) the presence of a full management forty-year concession, (ii) growth in sales revenues, thanks to appropriate investments, based on the development of traffic, (iii) the prudential revision, given the continuing difficult macroeconomic scenario, of some drivers of growth of revenues and related investments.
The reference period of the plan was divided into two stages: the first stage (2016-2030) refers to the explicit flows of the plan drawn up by the Management of SAVE S.p.A., the second stage (2031-2052) refers to the flows arising from the application of a growth rate (“g”) equal to 1% to the revenues for the year 2030, until the end of the concession duration.
The gross Weighted Average Cost of Capital (WACC), used for the discounting of the flows, is equal to 8.8%, corresponding to a WACC after taxes equal to 6.8%.
The analyses showed that the value in use determined in this way exceeds the carrying value of the C.G.U. by 20%. The value in use established is equal to €42.4 million, compared with a carrying value (or accounting value) equal to approximately €35 million. The sensitivity analyses applied to the change in the discounting rate

in the Plan assumption show that the WACC after taxes value that makes the value in use of the CGU equal to its carrying amount is equal to approximately 8.1%.

With reference to the item “**Concession Value** deriving from the acquisition of a minority stake in **Aeroporto Valerio Catullo S.p.A.**”, the cash flows of the Cash Generating Unit were obtained from the Business Plan approved by the Board of Directors of Catullo S.p.A., which covers a time horizon between 2017 and 2021. The second reference period of the plan, which runs from 2022 to the end of the concessions (2048 for Verona and 2053 for Brescia), refers to the flows arising from the application of a growth rate (“g”) equal to 1% of revenues and costs for the year 2021 until the end of the concession duration.
The following were used for the discounting of the flows: i) a gross Weighted Average Cost of Capital (WACC) equal to 8.7%, corresponding to a WACC after taxes equal to 6.8%, for the increase in value of consolidated flows undertaken to transpose a more conservative scenario of flows from the airport of Brescia, and (ii) a higher gross WACC equal to 17.8%, corresponding to a WACC after taxes equal to 14.3%, for the increase in value of the differential flows between the conservative scenario and the original plan scenario for flows from the airport of Brescia.
The analyses showed that the value in use determined in this way exceeds the carrying value of the C.G.U. recorded in the consolidated financial statements of SAVE S.p.A. by 59%. The value in use established is equal to €47.3 million, compared with a carrying value (or accounting value) in the consolidated financial statements equal to €29.8 million. The sensitivity analyses applied to the change in the two discounting rates used show that the WACC after taxes values that make the value in use of the CGU equal to the carrying amount are equal respectively to approximately 8.9% (compared to 6.8%) and 16.2% (compared to 14.2%).

With reference to the item “**Concession Value** relating to the minority interest in the **Airest group**”, the cash flows of the Cash Generating Unit were obtained on the basis of the 2017 budget, approved by the Board of Directors of Airest Retail, on the basis of which a financial plan was drawn up covering a time horizon between 2016 and 2028, which coincides with the duration of the sub-concession contract for the F&B and Retail spaces in the airports of Venice and Treviso.
The gross Weighted Average Cost of Capital (WACC), used for the discounting of the flows, is equal to 12.4%, corresponding to a WACC after taxes equal to 7%. The analyses showed that the value in use determined in this way exceeds the carrying value of the C.G.U. by 20%.
The value in use established is equal to €25.2 million, compared with a carrying value (or accounting value) equal to approximately €21 million. The sensitivity analyses applied to the change in the discounting rate in the Plan assumption show that the WACC after taxes value that makes the value in use of the CGU equal to its carrying amount is equal to approximately 9.3%.

The impairment tests described above were performed with the help of an independent advisor and through analyses carried out internally.

With reference to the item “**Goodwill - Banca Finint S.p.A.**”, the estimate of the recoverable amount was carried out on the basis of the value in use. The value in use of Banca Finint was determined by discounting, using an appropriate discount rate, the consolidated future profits of the banking group. The sum of the stand-alone value of Banca Finint and the values of the shareholdings of Banca Finint (intended as individual cash generating units), deriving from the impairment tests carried out on them, was used as a method of checking the results obtained. Taking into account the diversity of activities carried out by its subsidiaries, use of the market multiples method was not considered relevant. Given the valuation method used, the cost of capital is to be considered the cost of the equity with the following assumptions:
risk-free equal to 1.50% (calculated as the average over the last twelve months of the 10Y BTP (long-term treasury bond) yield and market risk premium equal to 5.5%. The normalised value for the calculation of the Terminal value was calculated generally as an average of 2018 and 2019 plus the expected rate of inflation.

The impairment test therefore showed no impairment losses to be included in the income statement.

The impairment test at 31 December 2016 for the verification of the goodwill entered in the consolidated financial statements was carried out with the help of a Group advisor.

With reference to the item “**Goodwill - Agenzia Italia S.p.A. and its subsidiaries**”, the asset side model was used, which considers Free cash flow from operations (Fcfo) arising from capital invested without taking into account the method of financing used to be an essential element for the valuation of the asset. Subsequently, the terminal value of the companies was established and a final verification of the impairment test was then performed, with no impairment losses having arisen and needing to be entered in the profit and loss account.

Finally, a sensitivity analysis was carried out, verifying the possible change in the differential between the recoverable amount and the reference carrying value in the assumption of an increase or decrease in the rate of growth (g) and/or the cost of capital (ke) with respect to the rates actually used. Using a maximum variation range of 0.5% of 'g', the test carried out confirmed the adequacy of the value recorded.

		31/12/2016	*31/12/2015*	*Change*
9.	**EQUITY INVESTMENTS IN ASSOCIATES AND JOINT VENTURE'S CARRIED AT EQUITY**	**142,972**	**209,349**	**(66,377)**

Below are the details of the Equity investments in associated companies and joint ventures accounted for using the equity method.

	Share %	*Carrying value at 31/12/2016*	*Carrying value at 31/12/2016*	*Change*
Subsidiaries				
Appula 1 Energia S.r.l.	100.00%	171	162	9
Appula 2 Energia S.r.l.	100.00%	155	156	(1)
Arotti S.r.l.	100.00%	496	512	(16)
Catalano Energia S.r.l.	100.00%	183	170	13
CGS Rinnovabili S.r.l.	100.00%	286	285	1
Murge Energia S.r.l.	100.00%	160	165	(5)
Persano Energy 2 S.r.l.	100.00%	335	298	37
Persano Energy S.r.l.	100.00%	326	239	87
Puglia New Energies N.1 S.r.l. (1)	100.00%	211	-	211
Simon Solar S.r.l. (1)	100.00%	749	-	749
SR06 S.r.l. (1)	100.00%	409	-	409
SR07 S.r.l. (1)	100.00%	202	-	202
SR09 S.r.l. (1)	100.00%	104	-	104
SRA01 S.r.l. (1)	100.00%	870	929	(59)
Sunrain Energia S.r.l.	100.00%	164	153	11
Terra Mundus Operations S.r.l.	100.00%	474	496	(22)
Associated companies				
Airest Retail S.r.l. (2)	50.00%	21,986	-	21,986
Airest S.p.A.	50.00%	-	21,010	(21,010)
Altavelocità S.r.l.	25.00%	2	3	(1)
Brussels South Charleroi Airport SA (3)	27.65%	17,701	17,338	363
Evolve S.r.l. (già E-Masterit S.r.l.) (4)	30.00%	-	96	(96)
Ferak S.p.A. (5)	11.92% (6)	43,228	50,453	(7,225)
GAP S.p.A.	49.87%	310	307	3
Milazzo Energie S.r.l.	49.00%	22	21	1
Montello Trucks S.r.l.	28.80%	53	30	23
Neip II S.p.A.	48.16%	2,734	2,794	(60)
Neip III S.p.A.	41.91%	13,160	7,020	6,140
Nicelli S.p.A.	49.23%	41	67	(26)
Padova Est S.r.l.	22.22%	141	-	141
Solar Carport S.rl.	49.00%	158	131	27
Venezia Terminal Passeggeri S.p.A.	22.18%	8,335	8,335	0
Joint Venture				
2A - Airport Advertising S.r.l.	50.00%	45	120	(75)
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.	40.30%	29,761	29,913	(152)
Centostazioni S.p.A. (7)	40.00%	-	68,146	(68,146)
Total		***142,972***	***209,349***	***(66,377)***

(1) Company acquired during financial year 2016.
(2) Merged into the subsidiary Airest Retail S.r.l.
(3) Through the agent Belgian Airport SA.

(4) Merged into the subsidiary CEU S.r.l.
(5) Includes measurement at equity of the subsidiary Effeti S.p.A.
(6) Voting rights in Ferak S.p.A. are 24.01% of the share capital
(7) Through the agent Archimede 1 S.p.A. The investment was qualified and represented in accordance with IFRS 5 as a result of an agreement signed in November 2016, which provides for the sale of the equity investment.

Ferak S.p.A. is the investment vehicle of a club of investors, the objective of which is to build a stable set of investments in listed companies with the aim of increasing their value in the medium to long term. In particular, the company focused its activities on building up a share portfolio of the listed company Assicurazioni Generali S.p.A., of which, at 31 December 2016, it held, jointly with the investee Effeti S.p.A., 1.38% of share capital.
The results of Ferak S.p.A.'s latest approved consolidated financial statements at 31 December 2016 reported a consolidated loss equal of €1,158 thousand and the consolidated shareholders' equity stood at €475,214 thousand. In the measurement at equity of the investee Ferak S.p.A., the measurement of Assicurazioni Generali S.p.A. stock at market value was included in the Group financial statements (€14.12 per share at 31 December 2016).

The increase in value of the associated company Neip III S.p.A. is mainly due to the payments made during the year as provided for in the investment agreement.

	31/12/2016	*31/12/2015*	*Change*
9. OTHER EQUITY INVESTMENTS	**6,465**	**6,383**	**82**

Below are the details of the item Other equity investments.

	Share %	*Carrying value at 31/12/2016*	*Carrying value at 31/12/2015*	*Change*
Altanova S.r.l. (già Sviluppo 89 S.r.l.)	100.00%	20	20	-
Banca Popolare dell'Alto Adige S.c.p.A.	0.08%	6	10	(4)
Danubio RE Management S.p.A.	34.00%	1	1	-
Emmessenne Solar S.r.l.	49.00%	15	15	-
Finleasing S.r.l. in liquidazione	75.00%	58	-	58
HBC Luxembourg S.à.r.l.	24.40%	2,382	2,377	5
Itaca S.r.l.	51.00%	-	15	(15)
Korei S.r.l. in liquidazione	54.00%	91	-	91
La Torre Solar S.r.l. in liquidazione	100.00%	-	8	(8)
Quarzo CL1 S.r.l.	100.00%	18	18	-
Solare Caltagirone S.r.l.	49.00%	15	15	-
Sviluppo Industrial Park S.r.l. in liquidazione	55.00%	2,046	2,046	-
TBS Group S.p.A.	1.20%	669	664	5
Other equity investments of SAVE S.p.A.	n.a.	1,144	1,194	(50)
Total		***6,465***	***6,383***	***82***

For details on the item, and the classification and measurement criteria used, see the table in Annex 4.

	31/12/2016	*31/12/2015*	*Change*
10. OTHER NON-CURRENT FINANCIAL ASSETS	**938**	**972**	**(34)**

The item includes:

	31/12/2016	*31/12/2015*
ABS-HTM securities	352	395
Other debt securities	586	577
Total	***938***	***972***

For details on the item, and the classification and measurement criteria used, see the table in Annex 3.

	31/12/2016	*31/12/2015*	*Change*
11. OTHER NON-CURRENT ASSETS	**48,951**	**37,105**	**11,846**

	31/12/2016	31/12/2015
Loans to SPV	23,548	20,668
Loans to customers	15,896	4,841
Guarantee deposits to Italian Civil Aviation Authority (ENAC)	2,876	2,876
Receivables for bond sales	2,788	4,192
Receivables for consultancy and performance of services	1,306	1,334
Financial receivables from third parties	1,035	1,622
Leasehold improvements	681	755
Other non-current receivables	428	698
Loans to associates	291	-
Sundry security deposits	102	119
Total	***48,951***	***37,105***

The item "loans to SPV" refers to loans disbursed in respect of vehicles for the securitisation of loans and others, falling in the bullet category, granted by the subsidiary Banca Finint S.p.A. Loans to customers mainly concern disbursements made to small and medium-sized enterprises guaranteed by the National Guarantee Fund, short-term loans acquired by Banca della Nuova Terra for certain transactions, or mortgage-backed loans.

The item "Guarantee deposits to Italian Civil Aviation Authority (ENAC)" refers to receivables for sums paid to ENAC by a subsidiary of SAVE S.p.A.

"Receivables for bond sales" concerns a receivable of the main foreign subsidiary in Luxembourg arising from the sale of SSF security shares.

"Financial receivables from third parties" relates entirely to receivables relating to a price supplement for the transfer of 16.40% of the equity investment in Agorà Investimenti S.p.A. accrued in 2008 and 2009, whose payment will become due on 30 June 2018. The balance includes delayed payment interests as of 31 December 2016 pursuant to the contract clauses.

The item "Loans to associates" refers to the loan granted to the associated company Padova Est S.r.l.

	31/12/2016	*31/12/2015*	*Change*
12. DEFERRED TAX ASSETS	**36,119**	**33,406**	**2,713**

Deferred tax assets arise from tax charges that concern future costs or benefits as compared to the year when incurred for:

- tax losses to be offset against future taxable income;
- tax increases generated by failure to deduct bad debts in the current year, write-downs of securities and equity investments, directors' salaries not yet paid, write-downs of intangible assets and other deductible depreciation in subsequent years, renewal provision for assets under concession and allocations to risk provisions;
- substitute tax for the redemption of the goodwill that emerged during the assignment of a company branch (pursuant to Article 176 paragraph 2-ter TUIR), accounted for on an accrual basis.
- deferred tax assets for the redemption of the higher values of the shareholdings, in application of article 15, paragraphs 10 bis and 10 ter, of Decree Law No. 185/2008;
- corrections relating to the application of international accounting standards.

These credits include €1,063 thousand, allocated by a subsidiary, Tricolore S.r.l., against tax losses, which can be indefinitely carried forward, subject to tax litigation, as better specified in the section on tax disputes. The balance reflects the amount that was deemed to be recoverable with a reasonable certainty through future taxable income generated by the company. Despite the uncertainty connected with the outcome of this proceeding, this amount remained unchanged compared to the previous year.

The tables below show the types that lead to the posting of deferred tax assets, distinguishing between IRES and IRAP.

(Euro/000)

DESCRIPTION OF TEMPORARY DIFFERENCES	AT 31/12/2015			INCREASES			DECREASES			AT 31/12/2016		
	TAXABLE	IRES	IRAP	TAXABLE	IRES	IRAP	TAXABLE	IRES	IRAP	TAXABLE	IRES	IRAP
PAYABLES TO DIRECTORS FOR SALARIES	2,766	761	0	409	112	0	(2,736)	(752)	0	439	120	0
GOODWILL	7,509	1,826	293	150	36	6	(30)	(9)	(1)	7,629	1,853	298
SET-UP AND DEVELOPMENT COSTS	809	193	32	1,427	346		(87)	(25)	(3)	2,149	514	29
AMORTISATION AND WRITE-DOWNS	66,626	15,987	143	2,794	671	106	(76)	(24)	0	69,344	16,634	249
INVESTMENT FUNDS SHARE VALUE ADJUSTMENTS	108	30	0	0	0	0	(74)	(20)	0	34	9	9
ADJ. PROVISION ON FIN. RECEIVABLES AND OTHER FIN. RISKS	5,328	1,465	0	137	38	0	(400)	(110)	0	5,065	1,393	0
PROVISIONS FOR RISKS AND CHARGES	4,690	1,188	62	2,286	555	56	(1,276)	(349)	(1)	5,700	1,394	117
CHARGES FOR VALUATION OF SECURITIES	27	7	0	112	31	6	0	0	0	139	38	6
IMPAIRMENT LOSSES ON RECEIVABLES (L. 214/2011)	41	12	2	0	0	0	(4)	(1)	0	37	11	2
WRITE-DOWNS OF RECEIVABLES	5,414	1,469	0	954	237	0	(2,298)	(632)	0	4,070	1,074	0
MAINTENANCE EXPENSES	4	2	0	6	2	0	(1)	(0)	0	7	3	0
WRITE-DOWNS OF EQUITY SECURITIES	3,384	931	93	29	8	0	(234)	(64)	0	3,179	875	93
FINANCIAL CHARGES	792	219	0	0	0	0	(786)	(217)	0	6	2	0
TAX LOSSES THAT MAY BE USED INDEPENDENTELY (NO FISC./CONS.)	11,160	2,937	0	254	67	0	(1,377)	(396)	0	10,037	2,608	0
TAX LOSSES ON NATIONAL TAX CONSOLIDATION	0	0	0	5,440	1,496	0	0	0	0	5,440	1,496	0
CAPITAL GAINS ON REAL ESTATE	49	12	1	0	0	0	(4)	(3)	0	45	10	1
TERMINATION INDEMNITY	181	51	0	392	102	0	(29)	(8)	(1)	544	145	(1)
ACE INCENTIVES	0	0	0	3,542	974	0	0	0	0	3,542	974	0
SUBSTITUTE TAX FOR GOODWILL REDEMPTION	0	305						(22)		0	283	0
REPLACEMENT PROVISION	17,673	4,633	544	2,373	562	185	(452)	(124)	(79)	19,594	5,071	650
OTHER CHANGES	633	174	7	312	85	2	(415)	(115)	(1)	530	144	8
IAS CHANGEOVER DIFFERENCES	93	25	3	0	0	0	(65)	(18)	(2)	28	7	1
TOTAL	127,287	32,226	1,180	20,617	5,322	361	(10,343)	(2,890)	(88)	137,559	34,657	1,461

Consolidated tax and fiscal transparency

Reference is made to the “Other Information” section of the financial statements.

LIABILITIES

Current liabilities

	31/12/2016	31/12/2015	Change
13. TRADE PAYABLES	**173,865**	**150,577**	**23,288**

The item includes:

	31/12/2016	31/12/2015
Trade payables to third parties	77,254	72,415
Current account overdrafts to customers	24,821	15,273
Payables for airport concession fees	19,633	16,955
Other payables	13,063	6,894
Amounts owed to employees	13,010	10,291
Payables to the Revenue Service for additional municipal tax	8,929	7,754
Payables to social security institutions	6,225	5,484
Payables to financial institutions	5,357	6,822
Amounts owed to related parties	4,108	4,003
Payables to corporate bodies	937	2,763
Payables for advances	260	253
Trade payables from Group companies	184	448
Payables to credit institutions	84	49
Amounts due to shareholders for dividends to be settled	-	1,173
Total	***173,865***	***150,577***

“Current account overdrafts” relate to current accounts held with customers of the subsidiary Banca Finint S.p.A. The increase recorded compared to the previous year is mainly due to the increase in operations of the subsidiary Banca Finint S.p.A.

“Other payables” includes the suspense accounts that had a credit-side balance at the end of the financial year, including €7,453 thousand due to bank transfers still to be finalised in the interbank network. These accounts relate to normal transit items that are reset to zero in the early days of the following year.

Payables to related parties refers entirely to portfolio companies of the subsidiary SAVE S.p.A. that have not been fully consolidated. A breakdown is shown below.

	31/12/2016	31/12/2015
Airest Group	2,029	1,548
2A - Airport Advertising S.r.l.	1,896	2,365
Brussels South Charleroi Airport (BSCA)	1	21
Aeroporto Valerio Catullo S.p.A.	175	8
Aeroporto Civile di Padova S.p.A. in liquidazione	-	18
Other related parties of the SAVE Group	7	43
Total	***4,108***	***4,003***

Amounts due to shareholders for dividends to be settled at 31 December 2015 related to dividends of the subsidiary Agenzia Italia S.p.A., paid in the course of financial year 2016 to its shareholders.

	31/12/2016	31/12/2015	Change
14. TAX PAYABLES	**6,300**	**8,847**	**(2,547)**

The item includes:

	31/12/2016	31/12/2015
Payables for IRES	2,434	4,291
Payables for IRAP	-	4
Other tax payables	2,896	2,162
Tax payables for third party withholding taxes	789	1,127
Reserve for current taxes	181	1,263
Total	***6,300***	***8,847***

	31/12/2016	31/12/2015	Change
15. BANK PAYABLES – CURRENT PORTION	**134,043**	**189,664**	**(55,621)**

The item includes:

	31/12/2016	31/12/2015
Current account overdrafts	16,418	30,145
Short-term borrowings	117,625	159,519
Total	***134,043***	***189,664***

The item includes the debit balances of the current accounts held with certain credit institutions, inclusive of interest accrued at 31 December 2016 and the share of financing granted by credit institutions with payment within the year.

The item includes a loan, for a total of €998 thousand and maturing on 19 June 2017, which is contractually subject to compliance with certain financial parameters. The loan agreement regulates the calculation of the parameters with the data and the information derived from the financial statements drawn up in accordance with the provisions of Legislative Decree No. 87/92, regulations applied by the Parent Company in the drafting of the separate financial statements and consolidated financial statements up to the year 2015. As a result of the issue of Legislative Decree No. 136/2015 which repealed Legislative Decree No. 87/92, as from financial year 2016 the Company prepares its financial statements in accordance with international accounting standards (IAS/IFRS). As a result of these changes, the Company has communicated to the credit institution the need to redefine the rules for determining the parameters, which at the date these financial statements had not yet been formulated; it is therefore not possible to make an assessment on compliance with the above mentioned parameters. It is noted, however, that said loan was repaid upon expiration.

Short-term borrowings at 31 December 2015 included the payable for the purchase of SAVE S.p.A. shares on 30 December 2015. This payable, equal to €57,087 thousand, was paid off in the February 2016.

	31/12/2016	31/12/2015	Change
16. OTHER FINANCIAL PAYABLES – CURRENT PORTION	**43,620**	**35,200**	**8,420**

The item includes:

	31/12/2016	31/12/2015
Debenture loan	35,682	18,204
Commercial paper	-	9,475
Amounts due to shareholders	6,821	6,412
Payables to leasing companies	898	878
Other financial liabilities	219	231
Total	***43,620***	***35,200***

The item “Debenture loan” includes the payable for a debenture loan issued in March 2016. This payable is entered with the depreciated cost criterion, which considers the costs directly attributable to the issuance of the loan. The debenture loan was traded on the ExtraMOT professional market segment (EXTRAMOT PRO), operated by Borsa Italiana S.p.A., and it is reserved for the subscription by qualified investors. The main features of the bonds are summarized in the table below:

Date of issue	17/3/2016 and 31/3/2016
Deadline	17/09/2017
Rate	annual 4%
Payment dates of interest	17/09/2016 – 17/03/2017 – 17/09/2017

The commercial papers in existence in the previous year were repaid regularly upon maturity.

The item “Amounts due to shareholders” includes payables to minority shareholders for loans to a subsidiary by SAVE S.p.A.

Non-current liabilities

	31/12/2016	31/12/2015	Change
17. LIABILITIES RELATED TO ASSETS HELD-FOR-SALE	**399**	**0**	**399**

In accordance with IFRS 5, the sale of an investee company of SAVE S.p.A. led to the classification of the shareholding in "Assets held for sale" and liabilities to be recognised under "Liabilities related to assets held for sale". Indeed, these operations qualify as Discontinued Operations, with consequent separate recognition in the consolidated financial statements of the values related to discontinued operations from those of businesses in operation as required by IFRS 5.

	31/12/2016	31/12/2015	Change
18. OTHER NON-CURRENT PAYABLES	**51,994**	**17,377**	**34,617**

The item includes:

	31/12/2016	31/12/2015
Term deposits to customers	44,617	10,262
Other payables to third parties	3,782	3,568
Payables to subsidiaries	2,293	2,215
Payables to associates (capital contribution - joint venture)	1,195	1,226
Security deposits payable	100	99
Payables to affiliates	7	7
Total	***51,994***	***17,377***

The balance of Term deposits to customers, including interest, derives from the operations of the investee Banca Finint S.p.A.

Payables to subsidiaries includes the outstanding amount, equal to €1,811 thousand, due to the subsidiary Sviluppo Industrial Park S.r.l. in liquidation for the purchase, in 2009, including interest accrued over the years, of the shareholding in Industrial Park Sofia AD. The item also includes, in the amount of €445 thousand, the outstanding amount due to the company Sviluppo Industrial Park S.r.l. in liquidation for the purchase of the receivable due to the latter by Industrial Park Sofia AD, including accrued interest. Lastly, the item includes a payable, amounting to €37 thousand, due to the subsidiary Sviluppo Industrial Park S.r.l. in liquidation for the purchase of a shareholder loan.

The item "Payables to associates (capital contribution - joint venture)" relates to a joint venture aimed at the investment in certain securities by the investee Agenzia Italia S.p.A.

The item "Payables to affiliates" refers to the payable for the residual capital to be paid to an associated company of Finint Real Estate S.r.l.

	31/12/2016	31/12/2015	Change
19. BANK PAYABLES – NON-CURRENT PORTION	**517,761**	**440,687**	**77,074**

Financial payables to banks net of current share are made up of the medium and long-term shares of subscribed loans, recognised at amortised cost.

The loan shares all mature beyond one year and within five years.

Against the bank loans, the Parent Company has:

- given as guarantee 307,058 Save shares and 2.21 units of the Finint Bond fund;
- granted to a credit institution a real guarantee for an amount of €38,000 thousand from the receivable due to the subsidiary Sipi Investimenti S.p.A. from its subsidiary Sviluppo 56 S.r.l., in turn supported by collateral made up of equity investments in Ferak S.p.A. held by the subsidiary;
- in the context of the Parent Company's financing operation, which provided for repayment of the lines of the subsidiary Sipi Investimenti S.p.A., granted a guarantee in favour of a lending institution for an amount

equal to €9,500 thousand.

The item includes a loan, for a total of €26 million, which is contractually subject to compliance with certain financial parameters. The loan agreement regulates the calculation of the parameters with the data and the information derived from the financial statements drawn up in accordance with the provisions of Legislative Decree No. 87/92, regulations applied by the Company in the drafting of the separate financial statements and consolidated financial statements up to the year 2015. As a result of the issue of Legislative Decree No. 136/2015 which repealed Legislative Decree No. 87/92, as from financial year 2016 the Company prepares its financial statements in accordance with international accounting standards (IAS/IFRS). As a result of these changes, the Parent Company has communicated to the credit institution the need to redefine the rules for determining the parameters, which at the date these financial statements had not yet been formulated; it is therefore not possible to make an assessment on compliance with the above mentioned parameters.

The value of the loan shares of the subsidiary SAVE S.p.A. with repayment within 1 year amounted to €40,483 thousand and those beyond 1 year amounted to €214,573 thousand, of which €248.5 million are subject to financial covenants, which had been complied with as at the balance sheet date.

The item Financial payables to banks net of current share includes:

- an unsecured loan signed by the subsidiary Sviluppo 35 S.p.A. This loan, granted by a lending institution on 19 December 2013, is guaranteed by a pledge on the shareholding in Agora Investimenti S.p.A. In the first months of 2016, in the context of a financing operation organised and structured by the subsidiary Agora, the subsidiary Sviluppo 35 S.p.A. Extended the loan until 30 June 2021. This loan, which amounted to €18,400 thousand, provides for compliance by the subsidiary with certain financial parameters (covenants), which were complied with in 2016;
- a loan signed in February 2016 by the subsidiary Agorà Investimenti S.p.A. in a structured financing transaction that involved the substitution of the bank financing previously in place headed by Agorà and its subsidiaries with a medium/long term loan granted by two lending banks and maturing on 30 June 2021 that provides for the pledge on all the SAVE shares held by Agorà and on the shares of the subsidiary Marco Polo Holding S.r.l., in addition to the observance of financial parameters and economic and disclosure requirements which the subsidiary must fulfil every six months starting from 30 June 2016. These financial and economic parameters were complied with both with reference to the data at 30 June 2016 and those at 31 December 2016. Loans at 31 December 2016 totalled €208,266 thousand.

	31/12/2016	*31/12/2015*	*Change*
20. OTHER FINANCIAL PAYABLES – NON-CURRENT PORTION	**8,877**	**9,804**	**(927)**

The item includes:

	31/12/2016	*31/12/2015*
Payables to leasing companies	8,840	9,765
Loans to shareholders	37	39
Total	***8,877***	***9,804***

Payables to leasing companies refer mainly to the lease contract stipulated in 2009 for the Group headquarters expiring in 2026.

	31/12/2016	*31/12/2015*	*Change*
21. DEFERRED TAX LIABILITIES	**117,341**	**122,029**	**(4,688)**

The tables below show the types that lead to the posting of the provision for tax liabilities, distinguishing between IRES and IRAP.

(Euro/000)

DESCRIPTION OF TEMPORARY DIFFERENCES	AT 31/12/2015			INCREASES			DECREASES			AT 31/12/2016		
	TAXABLE	IRES	IRAP	TAXABLE	IRES	IRAP	TAXABLE	IRES	IRAP	TAXABLE	IRES	IRAP
REVALUATION OF EQUITY SECURITIES	234	64	0	0	0	0	(234)	(64)	0	0	0	0
REVALUATION OF INVESTMENT FUND SHARE	4,908	1,303	111	1,030	231	56	(18)	(19)	(1)	5,920	1,515	166
5% DIVIDENDS RECOGNISED AT MATURITY	1,304	358	0	5	1	0	(1,295)	(356)	0	13	3	0
AMORTISATION AND DEPRECIATION	430	119					(18)	(6)		412	113	0
LEASING	8,275	2,017	333	201	45	7	(313)	(101)	(12)	8,163	1,961	328
GOODWILL	546	150	21	346	86	13	0	(5)	0	892	231	35
REPLACEMENT PROVISION	28,105	6,767	1,180	878	212	37	(482)	(133)	(21)	28,501	6,846	1,196
IAS CHANGEOVER DIFFERENCES	966	160	22	51	14	2	0	(3)	0	1,017	171	24
CONSOLIDATION DIFFERENCES - CONCESSION RIGHTS	344,297	94,682	14,460	0	0	0	(14,706)	(4,044)	(618)	329,592	90,638	13,843
OTHER CONSOLIDATION ADJUSTMENTS	749	206	0	0	0	0	(15)	(4)	0	734	202	0
OTHER CHANGES	252	66	9	0	0	0	(19)	(5)	(1)	233	61	8
TOTAL	390,066	105,893	16,137	2,511	589	115	(17,100)	(4,741)	(652)	375,477	101,741	15,600

		31/12/2016	*31/12/2015*	*Change*
22.	**RESERVE FOR TERMINATION INDEMNITIES AND OTHER EMPLOYEE PROVISIONS**	**9,729**	**8,925**	**804**

The change in the employee severance indemnity fund in the course of the financial year is as follows:

Provision as of 31/12/2015	***8,925***
Current cost	924
Interest payable	90
Liquidations carried out	(695)
Actuarial profit (loss)	423
Other changes	62
Provision as of 31/12/2016	***9,729***

The Group made use of an independent external actuary for calculating the actuarial value of the employee severance indemnity. The liability is estimated using the “Projected Unit Credit” method set forth in paragraphs 67-69 of IAS 19. This methodology differs depending if it is applied to companies with an average of at least 50 employees in the course of 2006 or with fewer than 50 employees in the course of 2006.

Using this method, the projection of the accrued benefit at the beginning and at the end of the year for all participants in the employee severance indemnity fund is calculated. The calculation of the projection of the benefit accrued is based on the formula of the benefits provided by the employee severance indemnity fund and on seniority at the beginning and at the end of the year, but using the average final wage projected at the moment in which it is assumed that the employee will stop work.

The liability of the fund is the current value of all projections of benefits accrued. The service cost is the increase in liabilities for having completed an additional year of service.

The actuarial gains and losses that are generated due to changes in actuarial assumptions, are recorded through an equity reserve.

The main actuarial assumptions used for the determination of the liability at the balance sheet date are set out below:

• Annual discounting rate (used for companies with the highest number of employees): 1.62%, determined by considering the average yields of the Iboxx Eurozone Corporate A index in line with the duration of the group of workers covered by the valuation;

• Annual inflation rate: with an increasing rate assumed, from 1.50% for 2016 up to 2% from 2020 onwards;

• Annual wage increase rate: with an assumed pay increase of 1% gross of inflation;

• Annual rate of increase of the employee severance indemnity: equal to 75% of inflation plus 1.5 percentage points, as foreseen by article 2120 of the Italian Civil Code.

The fund is unfunded. It is therefore not necessary to use additional assumptions about the expected rates of return on the financed assets of the Fund.

The employee severance indemnity is a lump sum Fund. As such, assumptions on the post-retirement mortality rate are not necessary.

Other demographic assumptions include an average rate of staff turnover equal to 5% for management, 10% for non-management and a rate of advance of 1%. These rates are applied between 20 and 60 years.

	31/12/2016	31/12/2015	Change
23. OTHER PROVISIONS FOR RISKS AND CHARGES	**30,962**	**25,559**	**5,403**

The item includes:

	31/12/2016	31/12/2015
Equity investment risk provision	-	312
Contingent liabilities risk provision	1,045	701
Other provisions	5,498	4,376
Derivative liabilities provision	1,502	-
Renewal provision for assets under concession	22,917	20,170
Total	***30,962***	***25,559***

The contingent liabilities risk provision includes, in the amount of €246 thousand, the provision made by the investee company Tricolor S.r.l. for taxes, penalties and interest, in the face of the notification received in the first months of 2017 of the unfavourable judgement issued by the Venice Regional Tax Commission on the litigation started by the Company in relation to the notice received in previous financial years in relation to the 2010 tax period. For more details please refer to the section “Other information - tax audits”.

Other provisions include the allocations intended to cover potential liabilities borne by the subsidiary SAVE S.p.A., mainly related to potential and ongoing disputes.

The derivative liabilities provision is constituted by the measurement at fair value of an IRS derivative for cash flow hedging, signed on a portion of a variable-rate loan taken out with two credit institutions in the month of February 2016 by the subsidiary Agorà Investimenti S.p.A.

The renewal provision for goods under concession was allocated by the investee SAVE S.p.A., for the maintenance of the property held under concession by some of the companies of the SAVE Group, since return free of charge is required at the end of the concession. This provision is used for maintenance operations carried out in the course of the financial year.

The change in the provision for risks and charges in the course of the financial year is shown below:

Balance as at 31/12/2015	**25,559**
Utilisation and other changes	(846)
Allocation to the renewal provision for assets under concession	2,747
Allocation to provisions for risks and charges from discontinued operations	1,000
Allocation to the derivative liabilities provision	1,502
Allocation to provision for future risks and charges	1,002
Balance as at 31/12/2016	***30,962***

NET EQUITY

	31/12/2016	31/12/2015	Change
24. SHARE CAPITAL	**1,860**	**1,860**	**0**

The share capital, equal to € 1,860 thousand, is comprised of 371,926 ordinary shares with nominal value of € 5.00.

	31/12/2016	31/12/2015	Change
24. SHARE PREMIUM RESERVE	**22,770**	**22,770**	**0**

These are the share premiums related to share capital increases resolved in previous years.

	31/12/2016	*31/12/2015*	*Change*
24. LEGAL RESERVE	**372**	**372**	**0**

The legal reserve did not change after having reached the limit referred to in article 2430 of the Italian Civil Code.

	31/12/2016	*31/12/2015*	*Change*
24. OTHER RESERVES AND PROFIT (LOSS) CARRIED FORWARD	**44,868**	**46,837**	**(1,969)**

The change in "Other reserves and profit (loss) carried forward" is mainly due to the result achieved in financial year 2015, the distribution of dividends and the effect of extraordinary operations that affected some subsidiaries during financial year 2016.

	31/12/2016	*31/12/2015*	*Change*
24. MINORITY INTERESTS	**312,029**	**300,503**	**11,526**

The item includes the shares of consolidated net equity attributable to minority shareholders in relation to the following segments:

	31/12/2016	*31/12/2015*
- Business Process Outsourcing	5,579	4,959
- Investment Banking & Asset Management	24,887	23,694
- Investments	280,750	276,503
- Others	813	(4,653)
TOTAL	**312,029**	**300,503**

The Investments segment mainly concerns the subsidiary SAVE S.p.A.

The change in minority interests is mainly attributed to the result achieved in the year, the distribution of dividends and extraordinary operations that affected some subsidiaries.

For changes in consolidated net equity, see the relevant table.

ANALYSIS OF THE MAIN INCOME STATEMENT ITEMS

OPERATING REVENUE AND OTHER INCOME

	31/12/2016	*31/12/2015*	*Change*
25. OPERATING REVENUE	**252,115**	**217,519**	**34,596**

The item includes:

	31/12/2016	*31/12/2015*
Earnings for servicing	16,757	16,003
Earnings for advisory and structuring activities	7,967	5,248
SGR - Banca Finint management fees	7,377	7,482
Earnings from performance of services	1,571	1,090
Other services supplied	39,934	31,886
Operating revenues SAVE Group	178,509	155,810
Total	***252,115***	***217,519***

	31/12/2016	*31/12/2015*	*Change*
25. OTHER INCOME	**13,337**	**19,690**	**(6,353)**

The item includes:

	31/12/2016	*31/12/2015*
Other income	5,748	12,517
Increases in internal work capitalised	4,569	3,727
Reversible fees	1,518	1,191
Reimbursement and recovery of expenses	954	765
Grants received pertaining to the current year	311	326
Release of credit risk provisions	204	198
Capital gains on disposals of assets	33	966
Total	***13,337***	***19,690***

Other income mainly includes chargebacks for building costs to sub-licensees of the subsidiary SAVE S.p.A.

COSTS OF PRODUCTION

	31/12/2016	*31/12/2015*	*Change*
26. RAW AND ANCILLARY MATERIALS, CONSUMABLES AND GOODS	**2,211**	**2,485**	**(274)**

	31/12/2016	*31/12/2015*	*Change*
27. SERVICES	**66,564**	**58,817**	**7,747**

The item includes:

	31/12/2016	*31/12/2015*
Miscellaneous expenses for personnel	3,496	2,403
Remuneration, contributions and fees to statutory auditors and directors	6,417	5,772
Insurances	1,540	1,539
Costs for utilities	7,598	7,489
Cost of services and consultancy	38,551	30,394
Fees to the external auditors	528	642
Costs for the development of airport traffic	3,505	3,547
Other business costs	3,940	5,868

Other costs for services	675	758
Other commission expense	77	162
Bank expenses	237	243
Total	***66,564***	***58,817***

	31/12/2016	*31/12/2015*	*Change*
28. LEASE AND RENTAL COSTS	**12,734**	**11,121**	**1,613**

The item includes:

	31/12/2016	*31/12/2015*
Rental charges and building expenses	1,311	833
Costs for rentals/leasing	1,381	1,046
Costs for software use	603	584
Airport concession fee	9,439	8,658
Total	***12,734***	***11,121***

	31/12/2016	*31/12/2015*	*Change*
29. PERSONNEL COSTS	**83,144**	**71,739**	**11,405**

The item includes:

	31/12/2016	*31/12/2015*
Wages and salaries and social security costs	77,921	67,845
Staff severance indemnity	3,932	3,482
Other costs	1,291	412
Total	***83,144***	***71,739***

	31/12/2016	*31/12/2015*	*Change*
30. AMORTISATION, DEPRECIATION AND WRITE-DOWNS	**34,860**	**32,014**	**2,846**

The item includes:

	31/12/2016	*31/12/2015*
Amortisation, depreciation and write-downs of tangible assets	25,662	23,586
Amortisation, depreciation and write-downs of intangible assets	9,198	8,428
Total	***34,860***	***32,014***

	31/12/2016	*31/12/2015*	*Change*
31. WRITE-DOWN OF CURRENT ASSETS	**1,258**	**1,904**	**(646)**

“Write-down of current assets” include allocations to doubtful debt provisions.

The allocations cover risks linked to specific positions, for which difficulties in the collection of the relative receivable are expected to arise.

	31/12/2016	*31/12/2015*	*Change*
32. CHANGE IN INVENTORIES OF RAW AND ANCILLARY MATERIALS, CONSUMABLES AND GOODS	**33**	**(105)**	**138**

The change in inventories refers mainly to stocks of consumables.

	31/12/2016	*31/12/2015*	*Change*
33. PROVISIONS FOR RISKS	**1,001**	**863**	**138**

In 2016, this item includes the provision made by the subsidiary SAVE S.p.A. with reference to Discontinued Operations.

	31/12/2016	31/12/2015	Change
34. REPLACEMENT PROVISION	**4,621**	**3,620**	**1,001**

These are allocations made by the subsidiary SAVE S.p.A. with reference to the renewal provision for goods under concession in relation to the costs envisaged for goods in concession subject to reversion free of charge.

	31/12/2016	31/12/2015	Change
35. OTHER CHARGES	**4,951**	**5,025**	**(74)**

The item includes:

	31/12/2016	31/12/2015
Other taxes and fees	1,517	1,776
Other indirect costs	1,046	1,079
Other charges	954	1,052
Other commissions	624	607
Losses on loans made	370	187
Depreciation of leasehold improvements	210	30
Stamp duty	141	138
Costs for securities operations	45	64
Losses on disposals of assets	44	92
Total	***4,951***	***5,025***

The item Other indirect costs mainly includes contributions to trade associations and charitable donations.

FINANCIAL INCOME AND EXPENSES AND PROFIT/LOSS FROM ASSOCIATES CARRIED AT EQUITY

	31/12/2016	31/12/2015	Change
36. FINANCIAL INCOME (EXPENSES)	**(26,736)**	**(14,143)**	**(12,593)**

The item includes:

	31/12/2016	31/12/2015
Financial income and write backs of financial assets	8,301	12,746
Interest, other financial charges and write-down of financial assets	(30,980)	(31,639)
Profit (loss) from associates and joint venture’s carried at equity	(4,057)	4,750
Total	***(26,736)***	***(14,143)***

Below is a breakdown of the item Financial income and write backs of financial assets.

	31/12/2016	31/12/2015
Interest and income from ABS securities	2,452	2,649
Interest income from loans to bank customers	1,369	241
Proceeds from disposals of equity securities	1,137	2,328
Proceeds from disposals of bond securities	686	1,844
Proceeds from disposals of mutual investment funds	-	265
Interest income on bank current accounts	564	1,276
Other profits from financial transactions	513	77
Dividends from shares	385	189
Other interest income	382	315
Dividends from investment securities	263	1,732

Income from principal finance and factoring transactions	146	183
Interest income on current accounts of other companies	97	36
Profits from derivatives	88	1,022
Revaluation of HFT securities	59	43
Other income	47	279
Interest income on current accounts of Group companies	33	32
Interest income from loans to the Group	27	69
Income from disposals of equity investments	27	147
Profits on foreign exchange	15	19
Income from AIP	11	-
Total	***8,301***	***12,746***

Below is a breakdown of the item Interest, other financial charges and write-down of financial assets.

	31/12/2016	*31/12/2015*
Interest payable on medium/long term bank loans	(14,699)	(14,946)
Write-downs and corrections of listed securities	(7,495)	(8,912)
interest expense on a debenture loan	(1,887)	(981)
Interest paid on loans	(1,410)	(1,282)
Losses from disposals of securities	(1,120)	(67)
Other financial charges	(916)	(1,072)
Interest payable on short term bank loans	(857)	(1,139)
Interest payable on bank current accounts	(657)	(628)
Interest payable on lease agreements	(542)	(30)
Interest payable on current accounts with bank customers	(481)	(104)
Losses from disposals of bond securities	(312)	(388)
Commissions on loans	(255)	(192)
Write-downs of equity investments	(179)	(242)
Interest payable on current accounts of other companies	(60)	-
Losses on derivatives	(48)	(870)
Other interest expense	(26)	(640)
Other losses on financial transactions	-	(126)
Losses on foreign exchange	(13)	(20)
Interest payable on current accounts of Group companies	(12)	-
Losses from disposals of equity investments	(11)	-
Total	***(30,980)***	***(31,639)***

A breakdown of profits and losses on investments accounted for using the equity method is provided below.

	31/12/2016	*31/12/2015*
SAVE associated companies	1,954	1,609
GAP S.p.A.	*3*	*(1)*
VTP S.p.A.	*702*	*569*
BSCA SA	*526*	*668*
2A	*(75)*	*28*
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.	*(152)*	*(160)*
Nicelli S.p.A.	*(26)*	*(300)*
Airest S.p.A.	*-*	*804*
Airest Retail S.r.l.	*976*	*-*
Simon Solar S.r.l.	738	-
SR06 S.r.l.	386	-
Puglia New Energies N.1 S.r.l.	200	-
SR07 S.r.l.	178	-
SR09 S.r.l.	94	-
Persano Energy S.r.l.	87	40
Persano Energy 2 S.r.l.	38	48

Solar Carport S.r.l.	27	124
SRA01 S.r.l.	25	933
Arotti S.r.l.	24	23
Terra Mundus Operations S.r.l.	18	278
Catalano Energia S.r.l.	13	14
Sunrain Energia S.r.l.	10	9
Appula 2 Energia S.r.l.	9	9
Appula 1 Energia S.r.l.	9	12
Murge Energia S.r.l.	9	11
Milazzo Energie S.r.l.	-	16
CGS Rinnovabili S.r.l.	-	297
Altavelocità S.r.l.	(1)	(1)
Montello Trucks S.r.l.	(6)	1
Neip II S.p.A.	(59)	(48)
Padova Est S.r.l.	(586)	(1,369)
Ferak S.p.A.	(7,224)	2,744
Total	***(4,057)***	***4,750***

The valuation using the equity method of the shareholding in Ferak S.p.A. resulted during the year in a reduction of value equal to €7,224 thousand mainly due to the decrease in the market price of the Assicurazioni Generali S.p.A. stock in which the investee invests. In the previous financial year, on the contrary, the market prices showed a positive trend with respect to the beginning of the year.

INCOME TAXES

	31/12/2016	*31/12/2015*	*Change*
37. INCOME TAXES	**14,626**	**9,047**	**5,579**

The item includes:

1. Current taxes (-)	21,806
2. Changes to current taxes in previous years (+/-)	42
3. Reduction in current taxes for the year (+)	-
3.*bis* Reduction in current taxes for the year for tax credits pursuant to L. 214/2011 (+)	-
4. Change in deferred tax assets (+/-)	(2,270)
5. Change in deferred tax liabilities (+/-)	(4,952)
6. Income taxes for the year (-) (-1+/-2+3+/-4+/-5)	**14,626**

The following statement shows the tax burden (effective tax rate) on the pre-tax profit, with respect to the 27.5% theoretical IRES rate in force in 2016.

	31/12/2016
(A) Profit (Loss) from continuing operations before tax	27,340
(B) Profit (Loss) of groups of assets classified as held for sale before tax	(397)
(A) Profit (Loss) before tax	26,943
Current IRES tax rate (%)	27.50%
Theoretical tax charge/income	7,409
Permanent differences	2,759
Other taxes	108
IRAP (ordinary)	4,350
Income taxes for the year	**14,626**

PROFIT/LOSS FROM DISCONTINUED OPERATIONS/ASSETS HELD-FOR-SALE

		31/12/2016	*31/12/2015*	*Change*
38.	**PROFIT (LOSS) FROM DISCONTINUED OPERATIONS/ ASSETS HELD-FOR-SALE**	**(99)**	**1,390**	**(1,489)**

This item refers to discontinued operations of the SAVE Group. A breakdown of the balance is shown below.

	31/12/2016	*31/12/2015*
Airest S.p.A.	(805)	(234)
Centostazioni S.p.A.	706	1,624
Total	***(99)***	***1,390***

Type and management of financial risks

The Group's strategy for the management of financial risks is compliant with business objectives and aims to minimise the interest rate risk and optimise the cost of debt, credit risk and liquidity risk.

Interest rate risk

The objectives of the management of interest rate risk are:

- hedging against changes in the interest rate of financial liabilities;
- observance, when hedging the risks, of the general criteria of balance between investments and uses for the Group (floating rate and fixed rate portion, short-term and medium/long-term portion).

Indebtedness towards the banking system exposes the Group to the risk of changes in interest rates. In particular, floating-rate financing is subject to a risk of change of cash flows. On 31 December 2016, the financial indebtedness of the Group towards the banking system amounted to €651.8 million and is only partially floating-rate. Short-term floating-rate indebtedness relates to ordinary business activities with frequent repayment and issuances in the course of the year.
In this context, in view of the expectations of stability in interest rate dynamics, which showed a negative Euribor rate in the course of the financial year, and the short-term maturity of the debt, the Group decided not to put in place generic hedging policies against the risk of changes in interest rates, with the exception of subsidiaries that have significant exposures in the medium to long-term towards the banking system.

Credit risk

Credit risk is the risk that a borrower of the various companies fails to meet its obligations or that its creditworthiness is impaired. Such risk is managed by constantly monitoring the positions of the Group companies that can have credit positions that are potentially critical due to the contractual structure of the payment terms.

Moreover, the Group invests in asset-backed securities. These investments are monitored over time, paying particular attention to the features of the securities purchased. In this regard, the concerned companies monitor the features and performance of the securities purchased over time in order to promptly identify any signs of impairment, also in light of potential credit risks.

Furthermore, in order to maximise the yield and ensure operationally flexibility, technical forms used to apply any liquidity available, even if just temporary, are negotiated as and when required.

These types of asset-backed securities or financial investments in general, could be exposed to liquidity, credit and market risks.

Liquidity risk

Generally speaking, liquidity risk consists of the possible instability of the Group that can take place as a result of a negative mismatch between cash inflows and outflows and of the presence of assets that cannot be liquidated in the short term with respect to the related financing sources. Thus, liquidity risk means managing the hedging of possible mismatches with the management of the potential need to obtain new credit lines at potentially favourable conditions and the ability to renegotiate the maturing ones with the banks. In light of the structure of the Group's net financial position, especially exposed through short-term debt, the management and support of the banks are important to ensure financial stability over the short and medium term.

The Group deals with this risk by centrally monitoring and managing its liquidity risk on a daily basis and in a detailed manner. More specifically, the monitoring procedures implemented ensure that group companies can avail of sufficient liquidity to face potential needs.
In this respect, reference is made to the comments in the report on operations with reference to subsequent events that are reasonably expected, on the basis of the advanced state of negotiations currently underway, to lead in the short-term to a reduction and a reworking of the indebtedness structure of the Group, with repayment of the short-term sources and the signing of a new medium/long term loan with a pool of financial institutions, in the context of the operation to modify the shareholding structure and reorganise the Group.
Concerning the Group's companies subject to prudential supervision, the management of the liquidity risk and the related controls are managed at the individual entity level. With particular reference to Banca Finint, the

direct funding activity exercised by it with clients entails that the liquidity risk represents a significant risk factor. To ensure a correct and timely safeguard against this risk, Banca Finint monitors on a daily basis, as prescribed by its own internal procedure, the balance between sources and loans, subjecting the results of this analysis to appropriate stress scenarios to ensure financial stability even if adverse potential scenarios occur.
For the SAVE Group, exposure to credit risk is mainly linked to the commercial activity of selling aviation services and real estate activities.
In order to control this risk, the SAVE Group has implemented procedures and actions for the assessment of customers, on the basis of which to assess the level of attention.

Market risk

Market risk is implied in the event that the value of a financial instrument or investment fluctuates as a result of changes in market prices, interest rates and exchange rates, whether the changes derive from specific factors of the single instruments or of its issuer, or from factors that affect all the instruments dealt on the market. This may result in the Group earning less revenue than expected and suffering losses in value.

The Group has management tools and standard reports that enable it to periodically verify the performance of its typical operations, the measurement of market changes on the results of the business sectors and to take any measures to support them.

Hierarchical levels of fair value measurement

IFRS 13 - "Fair Value Measurement" defines fair value as the price that would be achieved for the sale of an asset or that would be paid for the transfer of a liability in a regular transaction between market operators at the valuation date. This value therefore constitutes an "exit price" that reflects the characteristics of the asset or liability subject to valuation that would be considered by a third-party market operator (market participant view).

The fair value measurement refers to an ordinary transaction performed or executable between market participants, where market shall mean:

1) the main market, i.e. the market with the greatest volume and level of transactions for the asset or liability in question to which the Bank has access;
2) or, in the absence of a main market, the more advantageous market, i.e. one in which it is possible to obtain the highest price for the sale of an asset or the lowest purchase price for a liability, also taking into consideration the transaction costs and transport costs.

With the aim of maximising the consistency and comparability of fair value measurements and related disclosures, IFRS 13 establishes a fair value hierarchy (already introduced by IFRS 7), which subdivides the parameters used to measure the fair value into three levels:

- Prices observed on active markets (Level 1):

The evaluation is the market price of the financial instrument that is the subject of the valuation, which can be deduced from the prices quoted by an active market.

- Measurement methods based on observable market parameters (level 2):

The valuation of the financial instrument is not based on the market price of the instrument itself but on valuations deducible from the market prices of similar assets or through valuation techniques for which all relevant factors, including credit and liquidity spreads, are derived from observable market data. This level entails a limited level of discretion, since all the benchmarks used are obtained on the market (for the same or similar securities) and the calculation methods make it possible to replicate estimates on active markets.

- Measurement methods based on non-observable market parameters (Level 3):

The calculation of the fair value makes use of rating techniques mainly using significant inputs that cannot be observed on the market and that are therefore significant estimates and assumptions on the part of the management.

This classification has the objective of establishing a hierarchy in terms of objectivity of the fair value as a function of the degree of discretion used, giving priority to the use of parameters observable on the market that reflect the assumptions that market participants would use in the valuation of assets and liabilities. The fair value hierarchy is defined on the basis of the input data (with reference to their origin, type and quality) used in the models for determining the fair value and not on the basis of the valuation models themselves; with this in mind, top priority is given to level 1 input.

Supplementary statements

SUMMARY STATEMENT OF CHANGES IN INTANGIBLE FIXED ASSETS

(Euro/000)

Description	Net Book Value at 31/12/2015	2016 Financial Year							Net Book Value at 31/12/2016
		Increases	Decreases	Amortisation	Write-downs	Change in scope of consolid.	Reclassifications	Other changes	
Airport concession rights	674,091	79,937	(52)	(22,894)	-	-	(1,159)	(435)	729,488
Goodwill - other intangible fixed assets with indefinite useful life	73,783	395	-	(137)	-	-	-	-	74,041
Set-up costs	21	-	-	-	-	-	53	(21)	53
Development costs	-	521	-	(107)	-	-	(53)	-	361
Industrial patents and intellectual property rights	3,772	1,936	(25)	(2,140)	-	-	274	-	3,817
Concessions, licences, trademarks and similar rigths	1,244	489	(6)	(469)	-	-	29	43	1,330
Assets under development and payments on account	330	462	-	-	-	-	(288)	-	504
Other intangible fixed assets	-	-	-	-	-	-	-	-	-
TOTAL	**753,241**	**83,740**	**(83)**	**(25,747)**	**-**	**-**	**(1,144)**	**(413)**	**809,594**

"Other changes" refer to: contributions on airport concession rights and to the merger of CEU S.r.l. with E-Masterit S.r.l. (now Evolve S.r.l.).

SUMMARY STATEMENT OF CHANGES IN TANGIBLE FIXED ASSETS

(Euro/000)

Description	Historical cost								Accumulated depreciation								31/12/2016
	Value at 31/12/2015	Increases	Decreases	Write-downs	Change scope of consolid.	Reclassifications	Other changes	Value at 31/12/2016	Value at 31/12/2015	Increases	Decreases	Amortisation	Change scope of consolid.	Reclassifications	Other changes	Value at 31/12/2016	Net Book Value Year Ended
Land and buildings	62,827	356	(51)	(2,519)	0	0	208	60,821	4,400	0	0	1,104	0	0	15	5,519	55,302
Plant and machinery	51,568	5,924	(192)	0	0	1,914	377	59,591	38,456	133	(171)	3,429	0	0	170	42,017	17,574
Industrial and commercial equipment	5,780	337	(33)	0	0	123	(1)	6,206	4,358	0	(36)	385	0	0	(2)	4,705	1,501
Other tangible fixed assets	22,790	3,722	(1,656)	0	0	367	251	25,474	18,387	86	(1,639)	1,507	0	110	169	18,620	6,854
Assets under finance lease contracts	1,099	71	(46)	0	0	(110)	(77)	937	727	19	(13)	156	0	(110)	(49)	730	207
Assets under development and payments on account	1,536	1,524	0	0	0	(1,386)	0	1,674									1,674
TOTAL	**145,600**	**11,934**	**(1,978)**	**(2,519)**	**0**	**908**	**758**	**154,703**	**66,328**	**238**	**(1,859)**	**6,581**	**0**	**0**	**303**	**71,591**	**83,112**

The summary statement includes fully amortisated and depreciated assets.
"Write-downs" refer to SAVE's plant and equipment.
"Other changes" mainly refer to the merger of CEU S.r.l. with E-Masterit S.r.l. (now Evolve S.r.l.).

BREAKDOWN OF OTHER FINANCIAL ASSETS

(Euro/000)

Financial assets available for sale	AT 31/12/2016				AT 31/12/2015			
	Book value	*Fair value*			Book value	*Fair value*		
		L1	L2	L3		L1	L2	L3
1. Debt securities	**49,079**	**9,862**	**30,035**	**9,182**	**44,852**	**11,699**	**29,480**	**3,673**
a) Governments and Central Banks	5,268	5,268	-	-	5,266	5,266	-	-
b) Other public entities	-	-	-	-	-	-	-	-
c) Banks	6,955	4,241	2,714	-	6,120	5,551	569	-
d) Other issuers	36,856	353	27,321	9,182	33,466	882	28,911	3,673
2. Equity instruments	**4,208**	**1,227**	**97**	**2,884**	**18,024**	**14,550**	**828**	**2,646**
a) Banks	222	131	89	2	10,272	9,452	820	-
b) Other issuers:	3,986	1,096	8	2,882	7,752	5,098	8	2,646
- insurance companies	-	-	-	-	-	-	-	-
- financial companies	2,908	131	-	2,777	2,541	-	-	2,541
- non-financial companies	1,008	965	8	35	5,146	5,098	8	40
- other	70	-	-	70	65	-	-	65
3. UCIT units	**873**	**-**	**-**	**873**	**560**	**-**	**-**	**560**
4. Loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Governments and Central Banks	-	-	-	-	-	-	-	-
b) Other public entities	-	-	-	-	-	-	-	-
c) Banks	-	-	-	-	-	-	-	-
d) Other parties	-	-	-	-	-	-	-	-
Total	***54,160***	***11,089***	***30,132***	***12,939***	***63,436***	***26,249***	***30,308***	***6,879***

Financial assets held for trading	AT 31/12/2016				AT 31/12/2015			
	Book value	*Fair value*			Book value	*Fair value*		
		L1	L2	L3		L1	L2	L3
1. Debt securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Governments and Central Banks	-	-	-	-	-	-	-	-
b) Other public entities	-	-	-	-	-	-	-	-
c) Banks	-	-	-	-	-	-	-	-
d) Other issuers	-	-	-	-	-	-	-	-
2. Equity instruments	**634**	**634**	**-**	**-**	**405**	**405**	**-**	**-**
a) Banks	84	84	-	-	93	93	-	-
b) Other issuers:	550	550	-	-	312	312	-	-
- insurance companies	-	-	-	-	-	-	-	-
- financial companies	-	-	-	-	-	-	-	-
- non-financial companies	550	550	-	-	312	312	-	-
- other	-	-	-	-	-	-	-	-
3. UCIT units	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
4. Loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	***634***	***634***	***-***	***-***	***405***	***405***	***-***	***-***

Financial assets held to maturity	AT 31/12/2016				AT 31/12/2015			
	Book value	*Fair value*			Book value	*Fair value*		
		L1	L2	L3		L1	L2	L3
1. Debt securities	**938**	**7**	**913**	**-**	**972**	**7**	**941**	**-**
a) Governments and Central Banks	7	7	-	-	7	7	-	-
b) Other public entities	-	-	-	-	-	-	-	-
c) Banks	-	-	-	-	-	-	-	-
d) Other issuers	931	-	913	-	965	-	941	-
2. Loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Governments and Central Banks	-	-	-	-	-	-	-	-
b) Other public entities	-	-	-	-	-	-	-	-
c) Banks	-	-	-	-	-	-	-	-
d) Other parties	-	-	-	-	-	-	-	-
Total	***938***	***7***	***913***	***-***	***972***	***7***	***941***	***-***

Annex no. 4 to the Consolidated Financial Statements at 31.12.2016

EQUITY INVESTMENTS OF FINANZIARIA INTERNAZIONALE HOLDING S.p.A.'S GROUP

Company name	Head office	Business sector	Share capital (*)	Net profit (loss) for the year (*)	Last full business year	Consolidation method	Holder	% held
Finanziaria Internazionale Holding S.p.A.	Conegliano (TV)	Holding company	1,860	(16,206)	01/01/2016 31/12/2016	Fully consolidated	Parent Company	
ABS Funding S.A.	Lussemburgo	Securitisation vehicle	31	0	01/01/2016 31/12/2016	Fully consolidated	Finanziaria Internazionale Luxembourg S.A.	100.00%
ACB Group Sviluppo S.p.A.	Milano (MI)	Consulting	120	5	01/01/2016 31/12/2016	Fully consolidated	Finanziaria Internazionale Holding S.p.A.	95.00%
Aeroporto Civile di Padova S.p.A. in liquidazione	Padova (PD)	In liquidation	526	(1)	01/01/2016 31/12/2016	Measured at cost	SAVE S.p.A.	71.74%
Aeroporto "Valerio Catullo" di Verona Villafranca S.p.A.	Sommacampagna (VR)	Airport management company	52,317	109	01/01/2016 31/12/2016	Equity method	SAVE S.p.A.	40.30%
Aer Tre S.p.A.	Treviso (TV)	Airport management company	13,120	844	01/01/2016 31/12/2016	Fully consolidated	SAVE S.p.A.	80.00%
Agenzia Italia S.p.A.	Conegliano (TV)	Automobile document management and services	100	4,479	01/01/2016 31/12/2016	Fully consolidated	Finanziaria Internazionale Holding S.p.A.	66.50%
Agorà Investimenti S.p.A.	Conegliano (TV)	Holding company	189	(6,484)	01/01/2016 31/12/2016	Fully consolidated	Sviluppo 35 S.p.A.	56.91%
Airest Retail S.r.l.	Gaggio di Marcon (VE)	Food & beverage and retail	1,000	2,225	01/01/2016 31/12/2016	Equity method	SAVE S.p.A.	50.00%
Altavelocità S.r.l.	Milano (MI)	Consulting	24	(4)	01/01/2016 31/12/2016	Equity method	Agenzia Italia S.p.A.	25.00%
Appula 1 Energia S.r.l.	Altamura (BA)	Renewable energies	10	8	01/01/2016 31/12/2016	Equity method	Sviluppo 81 S.r.l.	100.00%
Appula 2 Energia S.r.l.	Altamura (BA)	Renewable energies	10	8	01/01/2016 31/12/2016	Equity method	Sviluppo 81 S.r.l.	100.00%
Archimede 1 S.p.A.	Venezia Tessera (VE)	Holding company	25,000	245	01/01/2016 31/12/2016	Fully consolidated	SAVE S.p.A.	60.00%
Archimede 3 S.r.l.	Venezia Tessera (VE)	Purchase of direct property for rental	50	(7)	01/01/2016 31/12/2016	Fully consolidated	SAVE S.p.A.	100.00%
Arotti S.r.l.	Conegliano (TV)	Renewable energies	10	24	01/01/2016 31/12/2016	Equity method	Sviluppo 81 S.r.l.	100.00%
Banca Finint S.p.A.	Conegliano (TV)	Bank	71,818	1,803	01/01/2016 31/12/2016	Fully consolidated	Finint S.p.A.	91.43%
Banca Popolare dell'Alto Adige S.p.A.	Bolzano (BZ)	Bank	199,440	7,722	01/01/2016 31/12/2016	Measured at cost	Sipi Investimenti S.p.A.	0.08%
Belgian Airport S.A.	Belgio	Vehicle company	5,600	144	01/01/2016 31/12/2016	Fully consolidated	SAVE International Holding S.A.	65.00%
Catalano Energia S.r.l.	Altamura (BA)	Renewable energies	10	13	01/01/2016 31/12/2016	Equity method	Sviluppo 81 S.r.l.	100.00%
Centostazioni S.p.A. (1)	Roma (RM)	Managing assets owned by Rete Ferroviaria Italiana S.p.A.	8,333	9,131	01/01/2015 31/12/2015	IFRS 5, lower value between the book value and the fair value	Archimede 1 S.p.A.	40.00%
CGS Rinnovabili S.r.l.	Conegliano (TV)	Renewable energies	10	0	01/01/2016 31/12/2016	Equity method	Sviluppo 81 S.r.l.	100.00%
Danubio RE Management S.p.A.	Bulgaria	Real estate company	26	0	01/01/2015 31/12/2015	Measured at cost	Finanziaria Internazionale Real Estate S.r.l.	34.00%
Emmessenne Solar S.r.l.	Foggia	Renewable energies	27	348	01/01/2016 31/12/2016	Measured at cost	Sviluppo 81 S.r.l.	49.00%
Evolve S.r.l. (ex E-Masterit S.r.l.)	Conegliano (TV)	Management and marketing of data processing services	475	(209)	01/01/2016 31/12/2016	Fully consolidated	Agenzia Italia S.p.A.	58.96%
Ferak S.p.A. (2)	Vicenza (VI)	Financial investments	212,132	(1,158)	01/07/2016 31/12/2016	Equity method	Sviluppo 56 S.r.l.	24.01%
Finanziaria Internazionale Consulting S.r.l.	Conegliano (TV)	Consultancy services	50	(1)	01/01/2016 31/12/2016	Fully consolidated	Agenzia Italia S.p.A. Sipi Investimenti S.p.A.	99.00% 1.00%
Finanziaria Internazionale Investments SGR S.p.A.	Conegliano (TV)	Investment company	2,000	719	01/01/2016 31/12/2016	Fully consolidated	Banca Finint S.p.A.	100.00%
Fin.it S.r.l.	Conegliano (TV)	IT consultancy	26	8	01/01/2016 31/12/2016	Fully consolidated	Agenzia Italia S.p.A. Finanziaria Internazionale Holding S.p.A.	70.00% 30.00%
Finanziaria Internazionale Luxembourg S.A.	Lussemburgo	Holding company	9,969	221	01/01/2016 31/12/2016	Fully consolidated	Finanziaria Internazionale Holding S.p.A.	100.00%

Company name	Head office	Business sector	Share capital (*)	Net profit (loss) for the year (*)	Last full business year	Consolidation method	Holder	% held
Finint & Partners S.r.l.	Conegliano (TV)	Management of investments by mandate	50	179	01/01/2016 31/12/2016	Fully consolidated	Banca Finint S.p.A.	90.00%
Finint & Wolfson Associati S.r.l.	Conegliano (TV)	Consultancy business	100	44	01/01/2016 31/12/2016	Fully consolidated	Agenzia Italia S.p.A.	70.00%
Finint Corporate Advisors S.r.l.	Conegliano (TV)	Consultancy services	100	507	01/01/2016 31/12/2016	Fully consolidated	Banca Finint S.p.A.	99.90%
Finint Finanziaria S.r.l.	Conegliano (TV)	Financial instrument negotiation on its own behalf	15	326	01/07/2015 30/06/2016	Fully consolidated	Rete S.p.A. Finanziaria Internazionale Holding S.p.A.	99.00% 1.00%
Finint Immobiliare S.r.l.	Conegliano (TV)	Real estate company	8,000	142	01/01/2016 31/12/2016	Fully consolidated	Finanziaria Internazionale Holding S.p.A.	83.25%
Finint Mediatore Creditizio S.p.A. (3)	Conegliano (TV)	Credit mediation	1,000	(731)	01/01/2016 31/12/2016	Fully consolidated	Agenzia Italia S.p.A. Finint Partecipazioni S.r.l.	84.98% 15.02%
Finint Partecipazioni S.r.l.	Conegliano (TV)	Holding company	15	(15,357)	01/01/2016 31/12/2016	Fully consolidated	Finanziaria Internazionale Holding S.p.A.	100.00%
Finanziaria Internazionale Real Estate S.r.l.	Conegliano (TV)	Real estate investments	10	(218)	01/01/2016 31/12/2016	Fully consolidated	Sipi Investimenti S.p.A. Finanziaria Internazionale Holding S.p.A.	99.00% 1.00%
Finint Revalue Agenzia Immobiliare S.r.l.	Conegliano (TV)	Real estate activities	10	111	01/01/2016 31/12/2016	Fully consolidated	Finint Revalue S.p.A.	100.00%
Finint Revalue S.p.A.	Conegliano (TV)	Services for real estate businesses	200	(49)	01/01/2016 31/12/2016	Fully consolidated	Agenzia Italia S.p.A.	90.00%
Finint S.p.A.	Conegliano (TV)	Holding company	241	439	01/01/2016 31/12/2016	Fully consolidated	Finanziaria Internazionale Holding S.p.A. Sipi Investimenti S.p.A.	72.43% 10.68%
Finleasing S.r.l. in liquidazione	Conegliano (TV)	In liquidation	52	(40)	01/01/2016 31/12/2016	Measured at cost	Agenzia Italia S.p.A.	75.00%
Finvest Fiduciaria S.r.l.	Conegliano (TV)	Trust services	103	(30)	01/01/2016 31/12/2016	Fully consolidated	Banca Finint S.p.A.	100.00%
FISG S.r.l.	Conegliano (TV)	Organization of securitisation transactions	50	(271)	01/01/2016 31/12/2016	Fully consolidated	Banca Finint S.p.A.	100.00%
Fondo Finint Bond	Conegliano (TV)	Hedge fund	17,762	1,351	01/01/2016 31/12/2016	Fully consolidated	(4)	
Finint Network S.r.l. (ex Global Point S.r.l.)	Conegliano (TV)	Business services	100	(78)	01/01/2016 31/12/2016	Fully consolidated	Agenzia Italia S.p.A.	100.00%
G.A.P. S.p.A.	Pantelleria (TP)	Land airport assistance activities	510	5	01/01/2015 31/12/2015	Equity method	SAVE S.p.A.	49.87%
HBC Luxembourg S.à.r.l.	Lussemburgo	Holding company	24	1	01/01/2016 31/12/2016	Measured at cost	Finanziaria Internazionale Luxembourg S.A.	24.40%
Idea 2 S.r.l.	Venezia Tessera (VE)	Purchase of direct property for rental	10	12	01/01/2016 31/12/2016	Fully consolidated	Archimede 3 S.r.l.	100.00%
Industrial Park Sofia AD	Bulgaria	Real estate investments	3,528	(461)	01/01/2016 31/12/2016	Fully consolidated	Finanziaria Internazionale Real Estate S.r.l. Finanziaria Internazionale Holding S.p.A.	50.72% 5.07%
Itaca S.r.l.	Milano (MI)	Insurance mediation	30	(58)	01/01/2016 31/12/2016	Fully consolidated	Agenzia Italia S.p.A.	51.00%
Kosovo Real Estate Investment S.r.l. in liquidazione	Conegliano (TV)	In liquidation	100	(7)	01/01/2016 31/12/2016	Measured at cost	Finanziaria Internazionale Real Estate S.r.l.	54.00%
Logoblu Investimenti S.r.l.	Conegliano (TV)	Financial instrument negotiation on its own behalf	15	88	01/01/2016 31/12/2016	Fully consolidated	Sipi Investimenti S.p.A.	100.00%
Marco Polo Holding S.r.l.	Conegliano (TV)	Holding company	5,115	(1,700)	01/01/2016 31/12/2016	Fully consolidated	Agorà Investimenti S.p.A.	100.00%
Marco Polo Park S.r.l.	Venezia Tessera (VE)	Airport parking	516	1,403	01/01/2016 31/12/2016	Fully consolidated	SAVE S.p.A.	100.00%
Milazzo Energie S.r.l.	Roma (RM)	Renewable energies	10	1	01/01/2016 31/12/2016	Equity method	Sviluppo 81 S.r.l.	49.00%
Montello Trucks S.r .l.	Nervesa della Battaglia (TV)	Automobile services	100	(21)	01/01/2016 31/12/2016	Equity method	Agenzia Italia S.p.A.	28.80%
Murge Energia S.r.l.	Altamura (BA)	Renewable energies	10	8	01/01/2016 31/12/2016	Equity method	Sviluppo 81 S.r.l.	100.00%
N-AITEC S.r.l.	Venezia Tessera (VE)	Implementation of IT projects for airports	50	716	01/01/2016 31/12/2016	Fully consolidated	SAVE S.p.A.	100.00%
Neip II S.p.A.	Conegliano (TV)	Equity investment management	55	(123)	01/01/2016 31/12/2016	Equity method	Banca Finint S.p.A.	48.39%
Neip III S.p.A.	Conegliano (TV)	Equity investment management	2,239	(3,213)	01/01/2016 31/12/2016	Measured at cost	Finanziaria Internazionale Holding S.p.A.	41.91%

Company name	Head office	Business sector	Share capital (*)	Net profit (loss) for the year (*)	Last full business year	Consolidation method	Holder	% held
Nicelli S.p.A.	Venezia Lido (VE)	Airport management company	53	32	01/01/2016 31/12/2016	Equity method	SAVE S.p.A.	49.23%
Padova Est S.p.A.	Ponte di Piave (TV)	Real estate development	1,530	(2,640)	01/01/2016 31/12/2016	Equity method	Finint Immobiliare S.r.l.	22.22%
Persano Energy 2 S.r.l.	Milano (MI)	Renewable energies	10	38	01/01/2016 31/12/2016	Equity method	Sviluppo 81 S.r.l.	100.00%
Persano Energy S.r.l.	Milano (MI)	Renewable energies	10	86	01/01/2016 31/12/2016	Equity method	Sviluppo 81 S.r.l.	100.00%
Progetto 3 S.r.l.	Conegliano (TV)	Holding company	10	(18)	01/01/2016 31/12/2016	Fully consolidated	Finint Immobiliare S.r.l.	100.00%
Puglia New Energies N.1 S.r.l.	Brescia (BS)	Renewable energies	10	(782)	01/01/2016 31/12/2016	Equity method	Sviluppo 81 S.r.l.	100.00%
Quarzo CL1 S.r.l.	Milano (MI)	Securitisation vehicle	10	0	01/01/2016 31/12/2016	Measured at cost	Sipi Investimenti S.p.A.	100.00%
RETE S.p.A.	Conegliano (TV)	Purchase of investments and negotiation of financial instruments	500	(21,332)	01/07/2015 30/06/2016	Fully consolidated	Sipi Investimenti S.p.A.	91.00%
SA.FI. Insurance S.r.l.	Conegliano (TV)	Insurance	10	(19)	01/01/2016 31/12/2016	Fully consolidated	Agenzia Italia S.p.A.	100.00%
SAVE S.p.A.	Venezia Tessera (VE)	Airport management company	35,971	39,801	01/01/2016 31/12/2016	Fully consolidated	Marco Polo Holding S.r.l. Agorà Investimenti S.p.A. Finanziaria Internazionale Holding S.p.A.	51.23% 7.82% 0.59%
SAVE Cargo S.p.A.	Venezia Tessera (VE)	Cargo and postal assistance services	1,000	(211)	01/01/2016 31/12/2016	Fully consolidated	SAVE S.p.A.	100.00%
SAVE Engineering S.r.l.	Venezia Tessera (VE)	Design and coordination of airport development programmes	100	414	01/01/2016 31/12/2016	Fully consolidated	SAVE S.p.A.	100.00%
SAVE International Holding S.A.	Bruxelles (BE)	Holding company	7,450	19	01/01/2016 31/12/2016	Fully consolidated	SAVE S.p.A.	100.00%
Securitisation Services AC L.L.C.	Russia	Servicing	13	(3)	01/01/2016 31/12/2016	Fully consolidated	Securitisation Services S.p.A.	98.36%
Securitisation Services MC L.L.C.	Russia	Servicing	13	(0)	01/01/2016 31/12/2016	Fully consolidated	Securitisation Services S.p.A.	97.00%
Securitisation Services S.p.A.	Conegliano (TV)	Servicing of securitisation transactions	2,000	6,600	01/01/2016 31/12/2016	Fully consolidated	Banca Finint S.p.A. Finanziaria Internazionale Holding S.p.A.	99.87% 0.13%
Sidari Investimenti S.r.l. in liquidazione	Conegliano (TV)	Holding company	20	(1)	01/01/2016 31/12/2016	Fully consolidated	Agenzia Italia S.p.A. Evolve S.r.l. (ex E-Masterit S.r.l.)	65.00% 10.00%
Simon Solar S.r.l.	Milano (MI)	Renewable energies	10	81	01/01/2016 31/12/2016	Equity	Sviluppo 81 S.r.l.	100.00%
Sipi Investimenti S.p.A.	Conegliano (TV)	Purchase of investments and negotiation of financial instruments	100	(15,107)	01/01/2016 31/12/2016	Fully consolidated	Finint Partecipazioni S.r.l.	100.00%
Società Agricola SAVE a r.l.	Venezia Tessera (VE)	Agricultural activity	75	37	01/01/2016 31/12/2016	Fully consolidated	SAVE S.p.A.	100.00%
Solare Caltagirone S.r.l.	Caltagirone (CT)	Renewable energies	30	171	01/01/2016 31/12/2016	Measured at cost	Sviluppo 81 S.r.l.	49.00%
Solar Carport S.r.l.	Roma (RM)	Renewable energies	10	55	01/01/2016 31/12/2016	Equity method	Sviluppo 81 S.r.l.	49.00%
SRA01 S.r.l.	Conegliano (TV)	Renewable energies	10	25	01/01/2016 31/12/2016	Equity method	Sviluppo 81 S.r.l.	100.00%
SR06 S.r.l.	Brescia (BS)	Renewable energies	25	(1,146)	01/01/2016 31/12/2016	Equity method	Sviluppo 81 S.r.l.	100.00%
SR07 S.r.l.	Brescia (BS)	Renewable energies	25	(470)	01/01/2016 31/12/2016	Equity method	Sviluppo 81 S.r.l.	100.00%
SR09 S.r.l.	Brescia (BS)	Renewable energies	10	(338)	01/01/2016 31/12/2016	Equity method	Sviluppo 81 S.r.l.	100.00%
Sunrain Energia S.r.l.	Altamura (BA)	Renewable energies	10	10	01/01/2016 31/12/2016	Equity method	Sviluppo 81 S.r.l.	100.00%
Sviluppo Industrial Parks S.r.l. in liquidazione (4)	Conegliano (TV)	In liquidation	40	88	22/12/2015-21/12/2016	Measured at cost	Finanziaria Internazionale Real Estate S.r.l. Finanziaria Internazionale Holding S.p.A.	50.00% 5.00%
Sviluppo 35 S.p.A.	Conegliano (TV)	Holding company	13	660	01/01/2016 31/12/2016	Fully consolidated	Finanziaria Internazionale Holding S.p.A. Sviluppo 86 S.p.A.	76.10% 11.10%
Sviluppo 56 S.r.l.	Conegliano (TV)	Purchase of investments and negotiation of financial instruments	10	(685)	01/01/2016 31/12/2016	Fully consolidated	Sipi Investimenti S.p.A. Finanziaria Internazionale Holding S.p.A.	99.00% 1.00%

Company name	Head office	Business sector	Share capital (*)	Net profit (loss) for the year (*)	Last full business year	Consolidation method	Holder	% held
Sviluppo 81 S.r.l.	Conegliano (TV)	Holding company	11	81	01/01/2016 31/12/2016	Fully consolidated	Finanziaria Internazionale Holding S.p.A. Finint Partecipazioni S.r.l.	90.91% 9.09%
Sviluppo 86 S.p.A.	Conegliano (TV)	Holding company	120	(390)	01/01/2016 31/12/2016	Fully consolidated	Finanziaria Internazionale Holding S.p.A.	100.00%
Altanova S.r.l. (ex Sviluppo 89 S.r.l.)	Conegliano (TV)	Financial assets	10	(2)	01/01/2016 31/12/2016	Measured at cost	Finanziaria Internazionale Holding S.p.A.	100.00%
SVM Securitisation Vehicles Management S.r.l. (5)	Conegliano (TV)	Management of investments in securitisation vehicles	30	4	01/01/2016 31/12/2016	Fully consolidated	Stichting Cima	0.00%
TBS Group S.p.A.	Trieste (TS)	Clinical engineering	4,142	(6,605)	01/01/2016 31/12/2016	Measured at cost	Sipi Investimenti S.p.A.	1.20%
Terra Mundus Operations S.r.l.	Bolzano (BZ)	Renewable energies	10	18	01/01/2016 31/12/2016	Equity method	Sviluppo 81 S.r.l.	100.00%
Tricolore S.r.l.	Conegliano (TV)	Financial instrument negotiation on its own behalf	50	293	01/01/2016 31/12/2016	Fully consolidated	Unicapital & Co. S.C.P.A.	99.99%
Triveneto Sicurezza S.r.l.	Venezia Tessera (VE)	Airport security control	100	136	01/01/2016 31/12/2016	Fully consolidated	SAVE S.p.A.	100.00%
Unicapital & Co S.C.P.A.	Lussemburgo	Holding company	31	324	01/01/2016 31/12/2016	Fully consolidated	Unicapital S.A. Finanziaria Internazionale Luxembourg S.A.	51.00% 49.00%
Unicapital S.A.	Lussemburgo	Holding company	32	(45)	01/01/2016 31/12/2016	Fully consolidated	Finanziaria Internazionale Holding S.p.A.	100.00%
Venezia Terminal Passeggeri S.p.A.	Venezia (VE)	Embarkation-disembarkation services	3,920	3,165	01/06/2015 31/05/2016	Equity method	SAVE S.p.A.	22.18%
2A Airport Advertising S.r.l.	Venezia Tessera (VE)	Management of advertising spaces	10	(149)	01/01/2016 31/12/2016	Equity method	SAVE S.p.A.	50.00%

*Values expressed in euro thousands

(1) On 31 January 2017 the sale of the shareholding to the Ferrovie dello Stato Group was completed. The shareholding in Centostazioni S.p.A. was qualified and represented in accordance with IFRS 5.

(2) The data shown above relate to the consolidated company Ferak at 31.12.16.

(3) The percentage indicated refers to voting rights and is the share used to assess net assets.

(4) The company prepared the initial liquidation financial statements as at 8 October 2010. The data shown relate to the financial year 22/12/2015 – 21/12/2016.

(5) SVM Securitisation Vehicles Management S.r.l. falls within the scope of consolidation, despite the absence of a shareholding relationship, owing to the presence of a financing relationship with Finint S.p.A., meaning it plays a part in the economic results.

APPENDIX

Transition to International Accounting Standards (IAS/IFRS)

Transition to International Accounting Standards (IAS/IFRS)

Introduction

Following the entry into force of Legislative Decree No. 136 of 18 August 2015, which repealed Legislative Decree No. 87/92, in accordance with the provisions of which the consolidated financial statements for previous years were drawn up, the Finanziaria Internazionale Group opted for the application of IAS/IFRS.
The first annual financial statements of the Finanziaria Internazionale Group drawn up in accordance with international accounting standards are those for the financial year ended 31 December 2016.
The transition date, i.e. the opening date of the year previous to that of first-time adoption of IAS/IFRS, is 1 January 2015. At this date, the opening consolidated balance sheet must be revised in accordance with International Accounting Standards as if they had always been applied, except for the mandatory and optional functions provided for by IFRS 1.

First-time adoption of international accounting standards (IFRS 1)

IFRS 1 requires that the opening statement of financial position at the date of transition to IFRSs (1 January 2015) is drawn up on the basis of the following criteria:

- all assets and liabilities whose posting is required by IFRSs, including those not provided for in the application of Italian accounting principles, have been collected and evaluated in accordance with IFRSs;
- all assets and liabilities whose posting is required by Italian accounting principles, but is not allowed by IFRS, have been eliminated;
- some financial statement items have been reclassified in accordance with IFRSs;
- all assets and liabilities have been assessed in accordance with IFRSs.

The effect of the adjustment of the opening balances of assets and liabilities to the new standards have been recognised in equity in a specific reserve for income carried forward net of the tax effect. The transition to IAS/IFRS has entailed maintaining the estimates made previously according to the Italian Accounting Standards, unless the IFRS required the formulation of estimates made according to different methods.

This annex shows the impact that conversion to these standards has had, with reference to financial year 2015, on the financial and equity position and the economic performance reported.

The following have been prepared in this respect:

- notes about the rules of first-time application of IAS/IFRS (IFRS 1) and of the other IAS/IFRS selected;
- reconciliations between the consolidated balance sheets prepared in accordance with Italian accounting standards and those prepared in accordance with IAS/IFRS as at 1 January 2015 and 31 December 2015;
- reconciliation between the income statement prepared in accordance with Italian accounting standards and the IAS/IFRS income statement for the financial year ended 31 December 2015;
- reconciliation of shareholders' equity as at 1 January 2015 and 31 December 2015 and reconciliation of the economic result for the financial year ended 31 December 2015 between Italian accounting standards and IAS/IFRS;
- explanations of the main adjustments made to balance sheet and income statement items.

It highlights how such statements, having been provided only for the purposes of inclusion in the prospectus for the drafting of the first full consolidated financial statements at 31 December 2016 in accordance with the IFRS endorsed by the European Commission, lack the comparative data and the necessary explanatory notes that would be required for a complete representation of the financial position and financial performance of the Finanziaria Internazionale Group in accordance with IFRS.

It should be noted, furthermore, that such statements have been prepared in compliance with the IAS/IFRS that are used for the purposes of the preparation of the comparative data of the first consolidated financial statements under IAS/IFRS as at 31 December 2016.

Obligatory exemptions adopted by the Group

For the purposes of the first application of IFRSs, the Group applied the following obligatory exemptions provided for by IFRS 1:

- Derecognition of financial assets and liabilities: a first-time adopter shall apply the provisions on derecognition in IAS 39 (IFRS 9) prospectively for transactions occurring after the date of transition. In other words, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before the date of transition, it shall not recognise those assets and liabilities in accordance with IFRSs (unless they qualify for recognition as a result of a later transaction or event).
- Hedge accounting: as required by IAS 39, at the date of transition to IFRSs, an entity shall:
  - measure all derivatives at fair value; and
  - eliminate all deferred losses and gains arising on derivatives that were reported in accordance with previous GAAP as if they were assets or liabilities.

  An entity shall not reflect in its opening IFRS statement of financial position a hedging relationship of a type that does not qualify for hedge accounting in accordance with IAS 39;
- the estimates made by the Group in accordance with IFRSs, at the date of transition to IFRSs, are in accordance with the estimates made for the same date under previous GAAP. In accordance with IFRS 1, the estimates made in previous financial statements must only be modified to take into account differences between the accounting standards used previously and IFRS or if there is objective evidence that those estimates were in error. Estimates made in previous years should not be altered in relation to information subsequent to the date of the previous estimate;
- classification and valuation of financial assets;
- embedded derivatives;
- government contributions;
- minority: a first-time adopter shall apply the provisions of IFRS 10 prospectively from the date of transition to IFRSs.

Accounting options taken during first-time adoption of IAS/IFRS

At the time of first-time application, the revision of the statement of financial position at the date of transition to the new standards required certain preparatory choices to be made, including the optional exemptions provided for by IFRS 1.
The main options chosen by the Finanziaria Internazionale Group were:

- for the layout of the balance sheet, “current/non-current” criterion was chosen, while for the income statement the layout with costs classified by nature was chosen;
- the application of IAS 32 and IAS 39, relating to the classification, measurement and valuation of financial assets and financial liabilities, starting from 1 January 2015. IAS 32 and IAS 39 were applied for the opening statement of financial position at 1 January 2015:
  - the recognition and measurement at fair value of available-for-sale assets with effects charged to the statement of comprehensive income and, therefore, to a specific equity reserve;
  - application of the amortised cost principle in the valuation of financial assets and liabilities, which provides in particular for the booking of ancillary financing charges to the income statement as a function of the debt repayment plan;
- cumulative actuarial gains and losses in favour of employees from the inception of the plan until the date of transition to IFRSs, are charged directly to equity.

Scope of Consolidation

In accordance with Article 28 of Legislative Decree 87/92, now repealed, companies that, although subsidiaries, carry out dissimilar activities, were accounted for using the equity method while companies whose activities, although dissimilar, are instrumental to the activities of the group were consolidated on a line-by-line basis. IFRS 10 makes no distinction in relation to types of activities and defines the scope of consolidation in accordance with the methods with which the parent company is able to control, or to have a significant influence or share control over entities that are part of a group.

Subsidiaries

Entities in which the Parent Company Finanziaria Internazionale Holding S.p.A. exercises control, as defined by IFRS 10, both by virtue of the holding, directly or indirectly, of a majority of the exercisable voting rights, and by effect of the right to receive the variable returns deriving from its relationship with said entities, affecting these

returns and exerting its power on the companies, are consolidated line-by-line.
Subsidiaries are fully consolidated from the acquisition date, i.e. the date on which the Group acquires control, and cease to be consolidated on the date on which the Group loses control.
Those entities whose inclusion, with reference to operating dynamics, would be irrelevant from the point of view of both quantity and quality for the purposes of a correct representation of the assets, liabilities, financial position and profit or loss of the Group, are excluded from line-by-line consolidation.

Associated companies and joint ventures

Equity investments in associated companies and joint ventures are valued at equity in the consolidated financial statements, as provided for, respectively, by IAS 28 (Investments in associates and joint ventures) and by IFRS 11 (Joint arrangements).

Shown below are the changes to the consolidation area at 1 January 2015 and 31 December 2015.

Company name	Post-transition consolidating method at 01.01.2015	Pre-transition consolidating method at 01.01.2015
Finanziaria Internazionale Holding S.p.A.	Fully consolidated	Fully consolidated
ABS Funding S.A.	Fully consolidated	Measured at cost
ACB Group Sviluppo S.p.A.	Fully consolidated	Equity method
Agenzia Italia S.p.A.	Fully consolidated	Equity method
Agorà Investimenti S.p.A.	Fully consolidated	Fully consolidated
Altanova S.r.l. (ex Sviluppo 89 S.r.l.)	Measured at cost	Measured at cost
Altavelocità S.r.l.	Equity method	Equity method
Appula 1 Energia S.r.l.	Equity method	Equity method
Appula 2 Energia S.r.l.	Equity method	Equity method
Arotti S.r.l.	Equity method	Equity method
Banca Finint S.p.A.	Fully consolidated	Fully consolidated
Catalano Energia S.r.l.	Equity method	Equity method
Danubio RE Management S.p.A.	Measured at cost	Measured at cost
Effeti S.p.A.	Equity method	Equity method
Emmessenne Solar S.r.l.	Measured at cost	Measured at cost
Evolve S.r.l. (ex E-Masterit S.r.l.)	Equity method	Equity method
Eufemia Investimenti S.r.l. in liquidazione (in liquidation)	Fully consolidated	Fully consolidated
Ferak S.p.A.	Equity method	Equity method
Finanziaria Internazionale Consulting S.r.l.	Fully consolidated	Equity method
Finanziaria Internazionale Investments SGR S.p.A.	Fully consolidated	Fully consolidated
Fin.it S.r.l.	Fully consolidated	Equity method
Finanziaria Internazionale Luxembourg S.A.	Fully consolidated	Fully consolidated
Finint & Partners S.r.l.	Fully consolidated	Fully consolidated
Finint & Wolfson Associati S.r.l.	Fully consolidated	Equity method
Finint Corporate Advisors S.r.l.	Fully consolidated	Fully consolidated
Finint Finanziaria S.r.l.	Fully consolidated	Fully consolidated
Finint Immobiliare S.r.l.	Fully consolidated	Fully consolidated
Finint Mediatore Creditizio S.p.A.	Fully consolidated	Equity method
Finint Partecipazioni S.r.l.	Fully consolidated	Fully consolidated
Finanziaria Internazionale Real Estate S.r.l.	Fully consolidated	Fully consolidated
Finint Revalue S.p.A.	Fully consolidated	Equity method
Finint S.p.A.	Fully consolidated	Fully consolidated
Finleasing S.r.l. in liquidazione (in liquidation)	Fully consolidated	Equity method
Finvest Fiduciaria S.r.l.	Fully consolidated	Equity method
FISG S.p.A.	Fully consolidated	Fully consolidated
Fondo Finint Absolute Return Europa	Fully consolidated	-
Fondo Finint Bond	Equity method	-
Finint Network S.r.l. (ex Global Point S.r.l.)	Fully consolidated	Equity method
HBC Luxembourg S.à.r.l.	Measured at cost	Measured at cost
Industrial Park Sofia AD	Fully consolidated	Equity method
Kosovo Real Estate Investment S.r.l. in liquidazione (in liquidation)	Fully consolidated	Fully consolidated
La Torre Solar S.r.l.	Measured at cost	Measured at cost
Logoblu Investimenti S.r.l.	Fully consolidated	Fully consolidated
Marco Polo Holding S.r.l.	Fully consolidated	Fully consolidated
Matala Investimenti S.r.l.	Equity method	Equity method
Montello Trucks S.r .l.	Equity method	Equity method

Company name	Post-transition consolidating method at 01.01.2015	Pre-transition consolidating method at 01.01.2015
Murge Energia S.r.l.	Equity method	Equity method
Neip II S.p.A.	Equity method	Measured at cost
Neip III S.p.A.	Measured at cost	Measured at cost
Padova Est S.p.A.	Equity method	Equity method
Persano Energy 2 S.r.l.	Equity method	Equity method
Persano Energy S.r.l.	Equity method	Equity method
Progetto 3 S.r.l.	Fully consolidated	Fully consolidated
Regent S.r.l.	Fully consolidated	Equity method
RETE S.p.A.	Fully consolidated	Fully consolidated
SA.FI. Insurance S.r.l.	Equity method	Equity method
SAVE S.p.A.	Fully consolidated	Equity method
Securitisation Services S.p.A.	Fully consolidated	Fully consolidated
Sidari Investimenti S.r.l. in liquidazione (in liquidation)	Fully consolidated	Fully consolidated
Sipi Investimenti S.p.A.	Fully consolidated	Fully consolidated
Solare Caltagirone S.r.l.	Measured at cost	Measured at cost
Sunrain Energia S.r.l.	Equity method	Equity method
Sviluppo Industrial Parks S.r.l. in liquidazione (in liquidation)	Measured at cost	Measured at cost
Sviluppo 35 S.p.A.	Fully consolidated	Fully consolidated
Sviluppo 56 S.r.l.	Fully consolidated	Fully consolidated
Sviluppo 73 S.r.l.	Fully consolidated	Fully consolidated
Sviluppo 81 S.r.l.	Fully consolidated	Fully consolidated
Sviluppo 86 S.p.A.	Fully consolidated	Fully consolidated
Sviluppo 90 S.r.l.	Fully consolidated	Fully consolidated
Sviluppo 91 S.r.l.	Fully consolidated	Fully consolidated
SVM Securitisation Vehicles Management S.r.l.	Fully consolidated	-
Tricolore S.r.l.	Fully consolidated	Fully consolidated
Unicapital & Co S.C.P.A.	Fully consolidated	Fully consolidated
Unicapital S.A.	Fully consolidated	Fully consolidated

Company name	Post-transition consolidating method at 31.12.2015	Pre-transition consolidating method at 31.12.2015
Finanziaria Internazionale Holding S.p.A.	Fully consolidated	Fully consolidated
ABS Funding S.A.	Fully consolidated	Measured at cost
ACB Group Sviluppo S.p.A.	Fully consolidated	Equity method
Agenzia Italia S.p.A.	Fully consolidated	Equity method
Agorà Investimenti S.p.A.	Fully consolidated	Fully consolidated
Altanova S.r.l. (ex Sviluppo 89 S.r.l.)	Measured at cost	Measured at cost
Altavelocità S.r.l.	Equity method	Equity method
Appula 1 Energia S.r.l.	Equity method	Equity method
Appula 2 Energia S.r.l.	Equity method	Equity method
Arotti S.r.l.	Equity method	Equity method
Banca Finint S.p.A.	Fully consolidated	Fully consolidated
Catalano Energia S.r.l.	Equity method	Equity method
CEU S.r.l.	Fully consolidated	Equity method
CGS Rinnovabili S.r.l.	Equity method	Equity method
Danubio RE Management S.p.A.	Measured at cost	Measured at cost
Effeti S.p.A.	Equity method	Equity method
Emmessenne Solar S.r.l.	Measured at cost	Measured at cost
Evolve S.r.l. (ex E-Masterit S.r.l.)	Equity method	Equity method
Eufemia Investimenti S.r.l. in liquidazione (in liquidation)	Fully consolidated	Fully consolidated
Ferak S.p.A.	Equity method	Equity method
Finanziaria Internazionale Consulting S.r.l.	Fully consolidated	Equity method
Finanziaria Internazionale Investments SGR S.p.A.	Fully consolidated	Fully consolidated
Fin.it S.r.l.	Fully consolidated	Equity method
Finanziaria Internazionale Luxembourg S.A.	Fully consolidated	Fully consolidated
Finint & Partners S.r.l.	Fully consolidated	Fully consolidated
Finint & Wolfson Associati S.r.l.	Fully consolidated	Equity method

Company name	Post-transition consolidating method at 31.12.2015	Pre-transition consolidating method at 31.12.2015
Finint Corporate Advisors S.r.l.	Fully consolidated	Fully consolidated
Finint Finanziaria S.r.l.	Fully consolidated	Fully consolidated
Finint Immobiliare S.r.l.	Fully consolidated	Fully consolidated
Finint Mediatore Creditizio S.p.A.	Fully consolidated	Equity method
Finint Partecipazioni S.r.l.	Fully consolidated	Fully consolidated
Finanziaria Internazionale Real Estate S.r.l.	Fully consolidated	Fully consolidated
Finint Revalue Agenzia Immobiliare S.r.l.	Fully consolidated	Equity method
Finint Revalue S.p.A.	Fully consolidated	Equity method
Finint S.p.A.	Fully consolidated	Fully consolidated
Finleasing S.r.l. in liquidazione (in liquidation)	Fully consolidated	Equity method
Finvest Fiduciaria S.r.l.	Fully consolidated	Equity method
FISG Partecipazioni S.p.A.	Fully consolidated	Fully consolidated
Fondo Finint Bond	Fully consolidated	-
Finint Network S.r.l. (ex Global Point S.r.l.)	Fully consolidated	Equity method
HBC Luxembourg S.à.r.l.	Measured at cost	Measured at cost
Industrial Park Sofia AD	Fully consolidated	Equity method
Itaca S.r.l.	Measured at cost	Measured at cost
Kosovo Real Estate Investment S.r.l. in liquidazione (in liquidation)	Fully consolidated	Fully consolidated
La Torre Solar S.r.l.	Measured at cost	Measured at cost
Logoblu Investimenti S.r.l.	Fully consolidated	Fully consolidated
Marco Polo Holding S.r.l.	Fully consolidated	Fully consolidated
Milazzo Energie S.r.l.	Equity method	Equity method
Montello Trucks S.r .l.	Equity method	Equity method
Murge Energia S.r.l.	Equity method	Equity method
Neip II S.p.A.	Equity method	Measured at cost
Neip III S.p.A.	Measured at cost	Measured at cost
Padova Est S.p.A.	Equity method	Equity method
Persano Energy 2 S.r.l.	Equity method	Equity method
Persano Energy S.r.l.	Equity method	Equity method
Progetto 3 S.r.l.	Fully consolidated	Fully consolidated
RETE S.p.A.	Fully consolidated	Fully consolidated
SA.FI. Insurance S.r.l.	Fully consolidated	Equity method
SAVE S.p.A.	Fully consolidated	Equity method
Securitisation Services AC L.L.C.	Fully consolidated	Fully consolidated
Securitisation Services MC L.L.C.	Fully consolidated	Fully consolidated
Securitisation Services S.p.A.	Fully consolidated	Fully consolidated
Sidari Investimenti S.r.l. in liquidazione (in liquidation)	Fully consolidated	Fully consolidated
Sipi Investimenti S.p.A.	Fully consolidated	Fully consolidated
Solare Caltagirone S.r.l.	Measured at cost	Measured at cost
Solar Carport S.r.l.	Equity method	Equity method
SRA 01 S.r.l.	Equity method	Equity method
Sunrain Energia S.r.l.	Equity method	Equity method
Sviluppo Industrial Parks S.r.l. in liquidazione (in liquidation)	Measured at cost	Measured at cost
Sviluppo 35 S.p.A.	Fully consolidated	Fully consolidated
Sviluppo 56 S.r.l.	Fully consolidated	Fully consolidated
Sviluppo 73 S.r.l.	Fully consolidated	Fully consolidated
Sviluppo 81 S.r.l.	Fully consolidated	Fully consolidated
Sviluppo 86 S.p.A.	Fully consolidated	Fully consolidated
Sviluppo 90 S.r.l.	Fully consolidated	Fully consolidated
Sviluppo 91 S.r.l.	Fully consolidated	Fully consolidated
SVM Securitisation Vehicles Management S.r.l.	Fully consolidated	-
Terra Mundus Operations S.r.l.	Equity method	Equity method
Tricolore S.r.l.	Fully consolidated	Fully consolidated
Unicapital & Co S.C.P.A.	Fully consolidated	Fully consolidated
Unicapital S.A.	Fully consolidated	Fully consolidated

Principles of consolidation

Subsidiaries

Application of the line-by-line consolidation method consists in the elimination of the equity investment value against the assets and liabilities of subsidiaries at their current value at the date of acquisition of control. Any difference between the cost of the acquisition and net equity of the subsidiaries at the time of acquisition of the equity investment is allocated to specific assets, liabilities or contingent liabilities of the acquired companies on the basis of their fair value at the acquisition date, and the remaining portion, if it complies with the conditions, is attributed to goodwill. In this case, these amounts are not amortised but are subjected to impairment testing at least on an annual basis and in any case whenever impairment indicators are identified.

Where the acquisition cost is less than the fair value of the Group share in the net assets of the subsidiary acquired, the difference is immediately charged to the income statement.

Associated companies and joint ventures

Equity investments in associated companies and joint ventures are valued at equity in the consolidated financial statements, as provided for, respectively, by IAS 28 (Investments in associates and joint ventures) and by IFRS 11 (Joint arrangements).

The equity method provides that the initial accounting for investments occurs at cost and that this initial value is changed every year to take into consideration changes in the values of the related undertaking.

Reconciliation between the balance sheet prepared in accordance with Italian accounting standards and that prepared in accordance with IAS/IFRS as at 1 January 2015

Reconciliation with IFRSs of the different balance sheet items at 1 January 2015 is as follows:

Euro/000	**01/01/2015 D.Lgs 87/92**	**IAS/IFRS Reclassifications**	**IAS/IFRS Adjustments**	**01/01/2015 IAS/IFRS**
Current assets				
Cash and cash equivalents	18,432	-	89,652	108,084
Other financial assets	69,297	281	(18,428)	51,150
Tax assets	4,805	-	2,555	7,360
Trade receivables	37,416	(5)	49,636	87,047
Inventories	283	-	10,348	10,631
Total current assets	**130,233**	**276**	**133,763**	**264,272**
Non-current assets				
Assets held-for-sale	-	-	24,472	24,472
Property, plant and equipment	19,257	285	57,199	76,741
Airport concession rights	-	-	609,350	609,350
Concession rights	-	-	1	1
Other intangible fixed assets with finite useful life	365	-	3,068	3,433
Goodwill - other intangible fixed assets with indefinite useful life	88,742	-	(17,088)	71,654
Equity investments in associates and joint venture's carried at equity	180,040	- 39	10,241	190,242
Other equity investments	-	626	9,995	10,621
Other non-current financial assets	8,296	- 869	(6,969)	458
Other non-current assets	6,225	- 284	3,009	8,950
Deferred tax assets	6,952	0	30,075	37,027
Total non-current assets	**309,877**	**(281)**	**723,353**	**1,032,949**
TOTAL ASSETS	**440,110**	**(5)**	**857,116**	**1,297,221**

Euro/000	01/01/2015 D.Lgs 87/92	IAS/IFRS Reclassifications	IAS/IFRS Adjustments	01/01/2015 IAS/IFRS
Liabilities				
Current liabilities				
Trade payables	13,416	-	85,840	99,256
Tax payables	6,164	-	744	6,908
Bank payables - current portion	76,980	-	25,601	102,581
Other financial payables - current portion	19,179	(5)	4,065	23,239
Total current liabilities	**115,739**	**(5)**	**116,250**	**231,984**
Non-current liabilities				
Liabilities related to assets held-for-sale	-	-	-	-
Other non-current payables	12,535	-	(6,113)	6,422
Bank payables - non-current portion	234,484	-	199,537	434,021
Other financial payables - non-current portion	(602)	-	10,680	10,078
Deferred tax liabilities	2,383	-	138,945	141,328
Reserve for termination indemnities and other employee provisions	3,193	-	5,603	8,796
Other provisions for risks and charges	610	-	26,391	27,001
Total non-current liabilities	**252,603**	**-**	**375,043**	**627,646**
TOTAL LIABILITIES	**368,342**	**(5)**	**491,293**	**859,630**
Net equity				
Share capital	1,860	-	-	1,860
Share premium reserve	22,770	-	-	22,770
Legal reserve	372	-	-	372
Reserve for treasury shares in portfolio	-	-	-	-
Other reserves and profit (loss) carried forward	43,663	-	34,359	78,022
Net profit (loss)	2,979	-	(8,536)	(5,557)
Minority interests	124	-	340,000	340,124
TOTAL NET EQUITY	**71,768**	**-**	**365,823**	**437,591**
TOTAL LIABILITIES AND NET EQUITY	**440,110**	**(5)**	**857,116**	**1,297,221**

Reconciliation between the income statement prepared in accordance with Italian accounting standards and the IAS/IFRS income statement for financial year 2015

Reconciliation with IFRSs of the different 2015 income statement items is as follows:

Euro/000	2015 D.Lgs 87/92	IAS/IFRS Reclassifications	IAS/IFRS Adjustments	2015 IAS/IFRS
Operating revenue	31,222	-	186,297	217,519
Other income	5,180	-	14,510	19,690
Total operating revenue and other income	**36,402**	**-**	**200,807**	**237,209**
Raw and ancillary materials, consumables and goods	96	-	2,389	2,485
Services	12,214	-	46,603	58,817
Lease and rental costs	1,280	-	9,841	11,121
Personnel costs	15,805	-	55,934	71,739
Amortisation, depreciation and write-downs	6,512	-	25,502	32,014
intangible fixed assets	5,648	*(86)*	*18,024*	*23,586*
tangible fixed assets	864	*86*	*7,478*	*8,428*
Write-down of current assets	1,547	-	357	1,904
Change in inventories of raw and ancillary materials, consumables and goods	-	-	(105)	(105)
Provisions for risks	-	-	863	863
Replacement provision	-	-	3,620	3,620
Other charges	10,055	-	(5,030)	5,025
Total costs of production	**47,509**	**-**	**139,974**	**187,483**
EBIT	**(11,107)**	**-**	**60,833**	**49,726**
Financial income and write backs of financial assets	9,589	-	3,157	12,746
Interest, other financial charges and write-down of financial assets	(28,745)	-	(2,894)	(31,639)
Profit/(losses) from associates and joint venture's carried at equity	22,299	-	(17,549)	4,750
Profit (loss) before taxes	**(7,964)**	**-**	**43,547**	**35,583**
Income taxes	(692)	-	(8,355)	(9,047)
Profit (loss) on continuing operations	**(8,656)**	**-**	**35,192**	**26,536**
Profit (loss) from discontinued operations/held-for-sale	**-**	**-**	**1,390**	**1,390**
Net profit (loss)	**(8,656)**	**-**	**36,582**	**27,926**
Minority interest	**4,206**	**-**	**15,791**	**19,997**
Group Net Profit (loss)	**(12,862)**	**-**	**20,791**	**7,929**

Reconciliation between the balance sheet prepared in accordance with Italian accounting standards and that prepared in accordance with IAS/IFRS as at 31 December 2015

Reconciliation with IFRSs of the different balance sheet items at 31 December 2015 is as follows:

Euro/000	31.12.2015 D.Lgs 87/92	IAS/IFRS Reclassifications	IAS/IFRS Adjustments	31.12.2015 IAS/IFRS
Current assets				
Cash and cash equivalents	26,809	-	76,136	102,945
Other financial assets	54,919	533	8,389	63,841
Tax assets	3,459	-	7,637	11,096
Trade receivables	33,089	(67)	47,583	80,605
Inventories	283	-	10,441	10,724
Total current assets	**118,559**	**466**	**150,186**	**269,211**
Non-current assets				
Assets held-for-sale	-	-	-	-
Property, plant and equipment	18,023	162	61,088	79,273
Airport concession rights	-	-	674,091	674,091
Concession rights	-	-	-	-
Other intangible fixed assets with finite useful life	313	-	5,054	5,367
Goodwill - other intangible fixed assets with indefinite useful life	118,586	-	(44,803)	73,783
Equity investments in associates and joint venture's carried at equity	190,438	(39)	11,930	202,329
Other equity investments	-	-	13,403	13,403
Other non-current financial assets	10,750	(495)	(9,283)	972
Other non-current assets	30,168	(162)	7,099	37,105
Deferred tax assets	6,773	-	26,633	33,406
Total non-current assets	**375,051**	**(534)**	**745,212**	**1,119,729**
TOTAL ASSETS	**493,610**	**(68)**	**895,398**	**1,388,940**

Euro/000	31.12.2015 D.Lgs 87/92	IAS/IFRS Reclassifications	IAS/IFRS Adjustments	31.12.2015 IAS/IFRS
Liabilities				
Current liabilities				
Trade payables	88,767	-	61,810	150,577
Tax payables	2,905	-	5,942	8,847
Bank payables - current portion	102,345	-	87,319	189,664
Other financial payables - current portion	27,485	(68)	7,783	35,200
Total current liabilities	**221,502**	**(68)**	**162,854**	**384,288**
Non-current liabilities				
Liabilities related to assets held-for-sale	-	-	-	-
Other non-current payables	21,453	-	(4,077)	17,376
Bank payables - non-current portion	208,727	-	231,962	440,689
Other financial payables - non-current portion	-	-	9,803	9,803
Deferred tax liabilities	2,231	-	119,798	122,029
Reserve for termination indemnities and other employee provisions	3,123	-	5,802	8,925
Other provisions for risks and charges	494	-	25,065	25,559
Total non-current liabilities	**236,028**	**-**	**388,353**	**624,381**
TOTAL LIABILITIES	**457,530**	**(68)**	**551,207**	**1,008,669**
Net equity				
Share capital	1,860	-	-	1,860
Share premium reserve	22,770	-	-	22,770
Legal reserve	372	-	-	372
Reserve for treasury shares in portfolio	-	-	-	-
Other reserves and profit (loss) carried forward	45,218	-	1,619	46,837
Net profit (loss)	(12,862)	-	20,791	7,929
Minority interests	(21,278)	-	321,781	300,503
TOTAL NET EQUITY	**36,080**	**-**	**344,191**	**380,271**
TOTAL LIABILITIES AND NET EQUITY	**493,610**	**(68)**	**895,398**	**1,388,940**

	OPENING NET EQUITY		
Note	*Euro/000*	**01/01/2015**	**31/12/2015**
	Net Equity according to D. LGS. 87/1992	**71,768**	**36,080**
	Group	71,644	57,358
	Minority	124	(21,278)
	IAS/IFRS Adjustments	**365,823**	**344,191**
1.	IAS 38 - Intangibles Assets	(541)	(419)
2.	IAS 39/IAS 32 - Financial Instruments	(5,942)	(3,021)
3.	IAS 17 - Leases	791	794
4.	IAS 19 - Employee Benefits	(148)	(58)
5.	IAS 37 - Provisions, Contingent Liabilities and Contingent Assets	110	115
6.	IAS 28 - Investments in Associates and Joint Ventures	(12,658)	(7,205)
7.	IFRS 10 - Change in scope/method of consolidation	(41,260)	(34,372)
8.	IAS 12 - Income Taxes	(666)	(503)
9.	IFRS 3 - Business Combinations	426,200	388,395
	Other adjustments	(63)	465
	Net Equity according to IAS/IFRS	**437,591**	**380,271**
	Group	97,467	79,768
	Minority	340,124	300,503

Notes to the main IAS/IFRS adjustments made to the financial statement values drawn up in accordance with Italian accounting standards

Below is a summary of the main IAS/IFRS adjustments made to the values present in the balance sheet at 1 January 2015 and 31 December 2015 and drawn up in accordance with Italian accounting standards.

1. *Start-up and expansion costs*

In accordance with IAS 38, start-up and expansion costs cannot be capitalised and must therefore be charged to the income statement.
This different accounting treatment with respect to Italian accounting standards resulted in:

- a negative effect on shareholders' equity at 1 January 2015 of €541 thousand equal to the net carrying value on that date of that previously capitalised;
- a negative effect on shareholders' equity at 31 December 20135 of €419 thousand and a positive effect of €259 thousand positive on the 2015 result due to the cancellation of the related depreciation.

2. *Ancillary charges on loans and measurement of available-for-sale assets*

In the past, the Group capitalised charges linked to the entry into financing contracts with credit institutions to intangible assets.
IAS 38 provides that such costs may not be entered in intangible assets but must be deducted directly from the loan. Subsequently, the financial liability is assessed on the basis of the amortised cost criterion using the effective interest method (IAS 39) which therefore entails both a different temporal dynamic of the charging to the income statement of these costs and a different classification.
IAS 39 also provides that available-for-sale assets are valued at fair value with effects charged to the statement of comprehensive income and, therefore, to a specific equity reserve.
Impact:

- a negative effect on shareholders’ equity at 1 January 2015 of €5,942 thousand;
- a negative effect on shareholders’ equity at 31 December 2015 of €3,021 thousand with an improvement in the 2015 annual result of €2,546 thousand.

3. *Financial leases*

These are effects due to the recognition of said transactions according to the so-called “financial method” (IAS 17).
Impact:

- a positive effect on shareholders' equity at 1 January 2015 of €791 thousand;
- a positive effect on shareholders' equity at 31 December 2015 of €791 thousand;

4. Discounting of employee benefits

As provided for by Italian accounting standards, the employee severance indemnity accrued by employees was allocated in the accounts on the basis of the nominal value of the liability determined on the closing date of the period. Under IAS 19, employee severance indemnities accrued up to the date of 31 December 2006 (or until the next date of accession to the supplementary pension fund) is configurable as a defined benefit plan, subject to actuarial valuation based on specific demographic and financial assumptions (relating to corporate population) to express the current value of the benefit payable at the end of the employment relationship, that employees have accrued at the balance sheet date. The gain or loss arising from the execution of the actuarial calculation is recognised in full in the income statement in the year of reference, taking account also of the relative deferred tax effect.

Impact:

- a negative effect on shareholders' equity at 1 January 2015 of €148 thousand;
- a negative effect on shareholders' equity at 31 December 2015 of €58 thousand, of which €36 thousand negatively affecting the 2015 result.

5. Provisions, liabilities and contingent assets

IAS 37 provides for stricter conditions with respect to national accounting standards for the inclusion of provisions for liabilities, insofar as a provision should be recognised only if there is a current obligation as a result of a past event, when it is likely that an outflow of resources embodying economic benefits will be required to settle the obligation, or when a reliable estimate can be made of the amount of the obligation.

During transition the Group therefore proceeded to delete from liabilities certain provisions not meeting the requirements set out in IAS 37.

Impact:

- a positive effect on shareholders' equity at 1 January 2015 of €110 thousand;
- a positive effect on shareholders' equity at 31 December 2015 of €115 thousand, of which €5 thousand positively affecting the 2015 result.

6. Equity investments in associates

In accordance with IAS 28, the shareholders' equities of investments in associates were adjusted to adapt them to the criteria provided for by IFRS.

This item mainly shows the measurement at fair value of the investee Ferak S.p.A., which reflects in the income statement the stock market performance of the Assicurazione Generali stock in which the investee invests.

Impact:

- a negative effect on shareholders' equity at 1 January 2015 of €12,658 thousand;
- a negative effect on shareholders' equity at 31 December 2015 of €7,205 thousand, of which €5,453 thousand positively affecting the 2015 result.

7. Changes in the scope of consolidation

In accordance with Article 28 of Legislative Decree 87/92, companies that, although subsidiaries, carry out dissimilar activities, were accounted for using the equity method. IFRS 10 makes no distinction in relation to types of activities and defines the scope of consolidation in accordance with the methods with which the parent company is able to control, or to have a significant influence or share control over entities that are part of a group. Pursuant to IFRS 10, an investor therefore controls an entity that is the object of investment if, and only if, it simultaneously possesses the following elements:

- power over entities that are the object of investment;
- exposure to the risk or to the rights arising from the variable returns linked to its involvement;
- ability to exercise its power over the entity that is the object of investment in order to affect its returns.

Furthermore, international standards stipulate, differently from Legislative Decree 87/92, that a parent company that draws up the consolidated financial statements should consolidate all subsidiaries, foreign and domestic, not providing therefore for cases of exclusion.

The changes to the consolidation criteria therefore generated very significant effects on the shareholders' equity at the date of transition.

For a breakdown of the changes to the method of consolidation, see the tables above.

Impact:

- a negative effect on shareholders' equity at 1 January 2015 of €41,260 thousand;
- a negative effect on shareholders' equity at 31 December 2015 of €34,372 thousand, of which €4,084 thousand positively affecting the 2015 result.

8. Tax effects

The adjustments described above necessitated an analysis of their treatment in fiscal terms. In this regard, with Legislative Decree No. 38 of 28 February 2005, the regulator made the changes to presidential decree No. 917 of 22 December 1986 and Legislative Decree No. 46 of 15 December 1997 necessary to define, within the framework of the existing IRES and IRAP tax guidelines, treatment methods for the impacts arising from the introduction of IAS/IFRS. The new tax provisions introduced are generally aimed at neutralising the effects of the application of IAS/IFRS on the determination of taxable income. Indeed, they stipulate that corrections entered directly as changes in shareholders' equity during first-time application must be recognised as an increase/decrease in taxable income determined pursuant to article 83 of Presidential Decree No. 917/1986. In view of the above-mentioned standard, during first-time application the assets and liabilities were calculated for deferred and advance taxes relating to specific gross corrections credited/debited directly to the relevant equity reserves.

Impact:

- a negative effect on shareholders' equity at 1 January 2015 of €666 thousand;
- a negative effect on shareholders' equity at 31 December 2015 of €503 thousand;
- a positive effect on the 2015 result of €163 thousand;

9. IFRS 3 - Business combinations

The Group's decision to reopen the acquisitions occurring before the date of transition to IAS/IFRS resulted in a recalculation of the combinations occurring in the consolidated financial statements.

In addition, previous accounting standards foresaw the amortisation of goodwill. In accordance with IAS/IFRS, goodwill is considered an intangible asset with an indefinite useful life and is consequently not amortised but subject to periodic verification of any reductions in value (IAS 36 Impairment of assets).

Specifically, the acquisitions reopened during first-time application of IAS/IFRS that generated effects on opening shareholders' equity at 01.01.2015 were the following:

- accounting for the business combination relative to the acquisition of control over the listed company SAVE S.p.A. in July 2011 with the de facto control statement issued by Finanziaria Internazionale Holding S.p.A., and therefore different accounting of acquisitions made after that date of shares relating to the subsidiary;
- acquisition of the remaining 20% of Finint Revalue S.p.A. (formerly Eurisko Italia S.r.l. before mergers of 2014) and the remaining 24.5% of Finint Revalue S.p.A. (formerly Sogepim R.E. S.p.A. before mergers of 2014) occurred in the course of financial year 2013;
- The acquisition of Banca Finint S.p.A. in financial year 2014.

SAVE S.p.A. is a company listed on Borsa Italiana S.p.A.'s screen-based stock exchange (MTA) and operates mainly in the field of airports. The declaration of control occurred through an official communication in accordance with Consob provisions and through the request to the Competition and Market Regulatory Authority (anti-trust), which gave its approval on 16 December 2011. No buy transactions were carried out during the period by the Finanziaria Group.

Although the acquisition under examination took place without payment of a fee, the transaction is considered a Business Combination insofar as it falls under the cases set forth in paragraph 43 of IFRS 3. In this case, for the purposes of recognising goodwill, instead of the consideration paid the acquirer shall use the Fair Value ("FV") of the shareholding acquired (IFRS 3, paragraph 33). Reference to the FV is made in IFRS 13, which establishes, *inter alia*, a hierarchy between the possible ways of determining the same.

Since SAVE S.p.A. is a company listed on a regulated market, a Level 1 fair value would have been available. It can be observed, however, that in the period in which control was declared:

- the free float at date of declaration of control was equal to approximately 19%. This share did not allow the contestability of control of the company the main shareholders being, in addition to Finanziaria Internazionale, public entities (Municipality of Venice, Province of Venice, Foundation of Venice, Municipality of Treviso) interested in a stable presence in the share capital of SAVE;

- indicators commonly used to check the liquidity of equities (e.g.: turnover and bid-ask spread) calculated on SAVE differed significantly from those relating to the companies primarily exchanged on the Italian Stock Exchange (companies that make up the FTSE MIB);
- the target prices of SAVE shares published by financial analysts in the reference period were higher than stock prices;
- the multipliers implicit in the valuation of the SAVE security were significantly lower than those expressed by the market capitalisation of the main airport operators in Europe;
- the transaction multiples relating to businesses comparable to Save S.p.A. showed very different market values for this business type with respect to the market price for the period.

Furthermore, stock market pricing typically does not include value components associated with the exercise of control over the companies to which the securities relate (as in the case of all the SAVE shares held by Finanziaria Internazionale).

It was therefore considered that the market price was not representative of the actual fair value of the subsidiary SAVE S.p.A. A valuation approach that would require the application of market multipliers (stock market and M&A) and comparable transactions was therefore adopted. Based on the circumstances listed above and at the reopening date of the business combination, such methods were considered to provide evidence consistent with that prescribed by IFRS 13.

At the end of the valuations, the majority shareholding was revealed to have a value of €13.6 per share, while for the remaining shares a minority discount of 20% was applied, resulting in a value of €10.9 per share.

In view of these estimates, the analysis was focused on the management activities of Venice airport, the only significant business that has not been the subject of recent acquisition. Other assets such as Treviso airport and Charleroi airport were not valued since they had already been approximated at fair value.

Intangible assets acquired in the course of a business combination are recognisable separately only if they meet the identifiability criteria, if control over the resource in question exists, if future economic benefits exist and if the fair value can be measured. The management of Finanziaria Internazionale Holding identified the Venice Airport concession and the workforce as intangible assets.

The fair value of SAVE's concessions was estimated at €451 million, while the fair value of the existing workforce at the date of valuation was reasonably estimated to be equal to €4.1 million. The net overall fair value of the SAVE Group in the period prior to the revision of the airport tariff system was estimated at around €660 million.

The difference between the fair value valuation of the Group's profit share in SAVE at the reference date and the fair value of the net assets acquired at the same date, recordable for accounting purposes as goodwill, amounted to €83 million. The goodwill attributable to minorities would also be equal to €24 million.

The main effects of the reopening of the SAVE Business Combination on the opening balance sheet as at 01.01.2015 are summarised below:

- line-by-line consolidation of the SAVE S.p.A. Group and no longer carried at equity;
- restatement of Goodwill according to the "Full goodwill" method, which at the opening date amounted to €56.2 million compared to €76.5 of differences recorded in the financial statements drawn up in accordance with the Legislative Decree 87/92;
- posting of intangible assets, concessions, for €399.9 million;
- posting of the provision for deferred tax liabilities for €126.8 million;
- an increase in Group equity amounting to €31.2 million and an increase in minority interests amounting to €391.7 million.

As required by IFRS 3, acquisitions of minority interests related to entities for which control is already held, or disposals of minority interests that do not involve loss of control are not considered to be business combinations; any difference between the cost of acquisition/disposal and the relative portion of net assets acquired/sold is therefore accounted for as a correction of Group equity without effect on the profit and loss account and without an analytical process for the allocation of the differential. Consequently, minority interests increase or decrease depending on whether they are an acquisition or a disposal. At the end of financial year 2015, the Group purchased 5,150,779 SAVE shares, increasing its share in profits by 9.44%. This resulted in a decrease of minority interests in the amount of €60.7 million and a decrease in Group shareholders' equity equal to €6.8 million.

The reopening of the Business Combination relating to the acquisition of an additional 20% of Finint Revalue S.p.A. (formerly Eurisko Italia S.r.l. before mergers of 2014) and the remaining 24.5% of Finint Revalue S.p.A.

(formerly Sogepim R.E. S.p.A. before mergers of 2014) occurred in the course of financial year 2013, did not have a significant impact.

Finally, the acquisition of Banca Finint, which occurred in the course of financial year 2014, resulted in:

- an increase in goodwill for a total of €3.2 million due to the reversal of the deduction from minority interests of goodwill as provided for by the accounting provisions of Legislative Decree 87/92;
- an increase in Group equity totalling €0.4 million;
- an increase in minority interests equal to €2.8 million due to the effect of the cancellation of the deduction from minority interests of the consolidation differences as provided for by the accounting provisions of Legislative Decree 87/92.

FINANZIARIA INTERNAZIONALE HOLDING S.p.A.

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

Introductory Notes

The financial statements as at 31 December 2016 have been drawn up by implementing prudent evaluation criteria and pursuant to the law provisions, in consideration of the need to provide the clarity and truthfulness needed on their formal aspect and content, as well as a correct presentation of the asset, financial and economic situation of the Company.
Up to the financial year ended 31 December 2015, Finanziaria Internazionale Holding S.p.A. prepared its financial statements in accordance with the provisions of Legislative Decree No. 87 of 27 January 1992, issued in implementation of EEC Directive 86/635, and in accordance with the Banca d'Italia regulation of 31 July 1992 and subsequent modifications.
Starting from these financial statements and for the purposes of their preparation, exercising the option referred to in Articles 2 and 3 of Legislative Decree No. 38/2005, the Company has adopted the international accounting standards (IAS/IFRS) approved by the European Union. The annual financial statements at 31 December 2016 are therefore the first financial statements drawn up in accordance with the IFRSs.

During the process of transition to IFRSs and for the purposes of drafting these financial statements it was necessary to revise the following accounting documents:

1. Statement of financial position at the date of transition to IFRSs (1 January 2015, the date of the start of the financial year, for which the data are presented for comparative purposes);
2. Statement of financial position, income statement and statement of cashflows for the financial year ended 31 December 2015.

Attached to these explanatory notes, in the document "Transition to International Financial Reporting Standards (IFRS) by Finanziaria Internazionale Holding S.p.A.", are the statements of reconciliation, and the related notes, between the main accounting data processed by Finanziaria Internazionale Holding S.p.A. on the basis of IFRSs and the corresponding data provided under previous accounting standards (net equity and net financial position as at 1 January 2015 and 31 December 2015, results for financial year 2015).

These financial statements relate to the period from 1 January 2016 to 31 December 2016. The figures disclosed are compared with the results of the financial statements of the previous year related to the period from 1 January 2015 to 31 December 2015.
The financial statements have been drawn up in euro units, and therefore the amounts quoted in the Statement of Assets and Liabilities and in the Income Statement are expressed in euro units, whereas the amounts quoted in the Explanatory Notes are expressed in thousands of euro, pursuant to art. 16 of Legislative Decree 213/1998 and to art. 2423 of the Italian Civil Code.
The general principle adopted in the preparation of these consolidated financial statements is that of historical cost, with the exception of those financial statement items which, according to IFRSs, must be recognised at fair value, as indicated in the valuation criteria for individual items.

In application of Regulation (EC) No. 1606/2002 of 19 July 2002 and Legislative Decree No. 38 of 28 February 2005, the financial statements at 31 December 2016 have been prepared in accordance with the international accounting standards (IAS/IFRS) endorsed by the European Commission within the meaning of Regulation (EC) No. 1602/2002, integrated with the related interpretations (Standing Interpretations Committee - SIC and International Financial Reporting Interpretations Committee - IFRIC) issued by the International Accounting Standards Board (IASB) and in force at the close of the financial year. No exceptions were made to the application of IAS/IFRS.

The Annexes listed below are also an integral part of the financial statements:

Annex 1	Statement of analysis of origin, availability and distribution options of shareholders' equity items as at 31 December 2016;
Annex 2	Statement of movement of tangible assets at 31 December 2016;
Annex 3	Breakdown of financial activities;
Annex 4	Statement of changes in equity investments in Group companies;
Annex 5	Statement of changes in equity investments held in other companies;
Annex 6	Analysis report of deferred and advance taxes;
Annex 7	Breakdown of the credits, debts, costs and revenues with Group companies.

These financial statements were audited by Deloitte & Touche S.p.A.
A copy of the External Auditors' Report is enclosed after the Financial Statement Annexes.

Financial statements of Finanziaria Internazionale Holding S.p.A. at 31 December 2016

FINANZIARIA INTERNAZIONALE
Holding
JOINT-STOCK COMPANY (S.p.A.)
Head office in Conegliano Via Alfieri 1, Treviso-Belluno Companies' Register no. 01130140260
Tax code no. 01130140260 - VAT no. 00798100269
Share capital 1.859.630,00 fully paid-up
www.finint.com

FINANCIAL STATEMENTS AT 31 DECEMBER 2016

BALANCE SHEET

(Euro)

Assets

ASSETS	NOTE	AT 31/12/2016	AT 31/12/2015
Cash and cash equivalents	1	364,543	1,152,735
Other financial assets	2	9,781,277	9,113,508
Tax assets	3	865,300	1,326,386
Other receivables	4	63,844,721	66,436,043
Total current assets		74,855,841	78,028,672
Tangible fixed assets	5	73,169	146,355
Other intangible assets with a definite useful life	6	557	7,311
Equity investments	7	174,187,556	168,075,864
Other financial assets	8	1,368	5,499
Other non-current assets	9	1,573,656	8,347,118
Deferred tax assets	10	1,954,120	1,066,303
Total non-current assets		177,790,426	177,648,450
TOTAL ASSETS		252,646,267	255,677,122

BALANCE SHEET

(Euro)

Liabilities and Net Equity

LIABILITIES	NOTE	AT 31/12/2016	AT 31/12/2015
Trade payables	11	12,835,482	12,410,940
Tax payables	12	46,671	884,346
Bank payables - current portion	13	47,582,329	67,761,834
Other financial payables - current portion	14	40,336,641	31,773,278
Total current liabilities		100,801,123	112,830,398
Other non-current payables	15	4,536,587	4,533,618
Bank payables - non-current portion	16	31,606,048	5,340,709
Other financial payables - non-current portion	17	45,610	105,086
Deferred tax liabilities	18	971,166	798,090
Reserve for termination indemnities and other employee provisions	19	691,536	647,943
Other provisions for risks and charges	20	140,065	131,619
Total non-current liabilities		37,991,012	11,557,065
TOTAL LIABILITIES		138,792,135	124,387,463
NET EQUITY			
Share capital	21	1,859,630	1,859,630
Share premium reserve	21	22,769,719	22,769,719
Legal reserve	21	371,926	371,926
Other reserves and profit (loss) carried forward	21	105,058,769	117,408,712
Net profit (loss)	21	(16,205,912)	(11,120,328)
TOTAL NET EQUITY	21	113,854,132	131,289,659
TOTAL LIABILITIES AND NET EQUITY		252,646,267	255,677,122

INCOME STATEMENT

(Euro)

	NOTE	2016	2015
Operating revenue	**22**	**3,055,487**	**2,212,287**
Other income	**23**	**426,870**	**738,485**
Total operating revenue and other income		**3,482,357**	**2,950,772**
Raw and ancillary materials, consumables and goods	**24**	**17,970**	**30,675**
Services	**25**	**3,514,403**	**2,895,962**
Lease and rental costs	**26**	**236,420**	**320,099**
Personnel costs	**27**	**2,508,606**	**2,659,716**
wages and salaries and social security contributions	27	2,378,088	2,510,713
termination indemnity	27	125,823	137,855
other costs	27	4,695	11,148
Amortisation, depreciation and write-downs	**28**	**66,692**	**111,352**
intangible fixed assets	28	1,020	12,419
tangible fixed assets	28	65,672	98,933
Other charges	**30**	**288,112**	**385,099**
Total costs of production		**6,632,203**	**6,402,903**
EBIT		**(3,149,846)**	**(3,452,131)**
Financial income (expenses)		**(14,582,970)**	**(9,400,336)**
Financial income and write backs of financial assets	31	5,355,396	10,986,334
Interest, other financial charges and write-down of financial assets	32	(19,351,642)	(19,802,060)
Profit/(losses) from associates and joint venture's carried at equity	32	(586,724)	(584,610)
Profit (loss) before taxes		**(17,732,816)**	**(12,852,467)**
Income taxes	**33**	**(1,526,904)**	**(1,732,139)**
current	33	(625,605)	(1,176,717)
deferred	33	(901,299)	(555,422)
Profit (loss) on continuing operations		**(16,205,912)**	**(11,120,328)**
Profit (loss) from discontinued operations/held-for-sale			
Net profit (loss)		**(16,205,912)**	**(11,120,328)**

STATEMENT OF COMPREHENSIVE INCOME

(Euro)

	NOTES	2016	2015
Net profit (loss)		**(16,205,912)**	**(11,120,328)**
- Gain/(loss) on available for sale financial assets		584,808	439,672
- Related tax effect		(193,396)	(53,886)
Total other components of comprehensive income that will be reclassified in profit (loss) for the year		**391,412**	**385,786**
- Actuarial gain/(loss) on defined benefit plans		(24,865)	5,672
- Related tax effect		6,838	(1,560)
Total other components of comprehensive income that will not be reclassified in profit (loss) for the year		**(18,027)**	**4,112**
Total comprehensive income		**(15,832,527)**	**(10,730,430)**

CASH FLOW STATEMENT

(Euro)

	2016	2015
Operating activities		
Net profit (loss)	(16,205,912)	(11,120,328)
- Amortisation and depreciation of intangible and tangible fixed assets	66,692	111,352
- Net changes in termination indemnity	25,566	(75,508)
- Accrual of provisions for risks and charges	1,597	
- (Gains)/losses on disposals		
- (Income)/charges from equity investments and other financial assets	12,394,036	6,520,463
- Change in deferred taxes	(714,741)	(499,975)
Sub-total (A)	**(4,432,762)**	**(5,063,996)**
Decrease (increase) in trade receivables	4,155,263	3,303,313
Decrease (increase) in other current assets	(15,458,307)	25,361,356
Decrease (increase) in tax assets/liabilities	(376,589)	(1,439,687)
Increase (decrease) in trade payables	335,662	391,818
Increase (decrease) in amounts payable to social security institutions	(34,457)	(4,360)
Increase (decrease) in other payables	8,099,976	(24,474,323)
Sub-total (B)	**(3,278,452)**	**3,138,117**
CASH FLOW FROM OPERATING ACTIVITIES (A+B) = (C)	**(7,711,214)**	**(1,925,879)**
Investing activities		
Purchases of property, plant and equipment	7,514	94,826
Disposals of property, plant and equipment		
Purchases of intangible fixed assets	5,734	(10,270)
Disposals of intangible fixed assets		
Change in trade payables for investing activities		
Decrease in financial fixed assets		3,193,500
(Increase) in financial fixed assets	(6,236,467)	(10,875,207)
Dividends received	1,942,702	4,831,403
CASH FLOW FROM INVESTING ACTIVITIES (D)	**(4,280,517)**	**(2,765,748)**
Financing activities		
New loans from other lenders	2,969	39,101,106
Repayment loans to other lenders	(20,238,981)	(85,101)
(Refund) and other changes in funding		
New funding	26,265,338	(30,854,982)
(Increase) decrease in financial assets	6,777,593	(1,544,374)
Dividends paid	(1,603,380)	(2,008,400)
Purchase of own shares		
CASH FLOW FROM FINANCING ACTIVITIES (E)	**11,203,539**	**4,608,249**
CASH FLOW FROM DISCONTINUED OPERATIONS (F)		
NET CASH FLOW FOR THE YEAR (C+D+E+F)	**(788,192)**	**(83,378)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**1,152,735**	**1,236,113**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**364,543**	**1,152,735**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Euro)

	Share Capital	*Share Premium Reserve*	*Legal Reserve*	*Provision for general financial risks*	*Extraordinary Reserve*	*Other Reserves*	*Profit/(Loss) for the year*	*Total Shareholders' Equity*
BALANCE AS AT 1/1/2015	**1,859,630**	**22,769,719**	**371,926**		**79,023,797**	**29,146,963**	**10,856,454**	**144,028,489**
date: 26/06/2015 Shareholders' Meeting held to approve the financial statements: - allocation of the profit for the 2014 year: allocation to reserve					10,856,454		(10,856,454)	
date: 10/09/2015 Shareholders' Meeting for distribution of dividend:					(2,008,400)			(2,008,400)
Profit (Loss) for the year ended 31/12/15						389,898	(11,120,328)	(10,730,430)
BALANCE AS AT 31/12/15	**1,859,630**	**22,769,719**	**371,926**		**87,871,851**	**29,536,861**	**(11,120,328)**	**131,289,659**
date: 05/07/2016 Shareholders ' meeting for prior year result allocation					144,093	(11,264,421)	11,120,328	
Shareholders' Meeting for distribution of dividend:					(1,603,001)			(1,603,001)
Profit (Loss) for the year ended 31/12/16						373,386	(16,205,912)	(15,832,526)
BALANCE AS AT 31/12/16	**1,859,630**	**22,769,719**	**371,926**		**86,412,943**	**18,645,826**	**(16,205,912)**	**113,854,132**

Notes to the Financial Statements at 31 December 2016

PREPARATION CRITERIA

In application of Legislative Decree No. 38 of 28 February 2005 "Exercise of the options provided for in Article 5 of European Regulation No. 1606/2002 in matters of international accounting standards", the Company prepared these separate financial statements at 31 December 2016 in accordance with International Financial Reporting Standards (hereinafter also IFRS), as well as those issued by the International Accounting Standards Board (IASB) and approved by the European Union on the date of approval of these financial statements.
IFRS also means all international accounting standards (IAS) and all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously named "Standard Interpretations Committee" (SIC).

The Company's annual financial statements are made up of the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Cash Flow Statement, the Statement of Changes in Shareholders' Equity and the Notes to the Financial Statements.
These financial statements are presented in comparison form with the previous financial year.
The currency used by the Company for the presentation of the financial statements for the financial year is the Euro and all values are expressed in euro units unless otherwise indicated.
The company has opted for the income statement layouts indicated as preferable in IAS 1, considering these to be more effective in representing company activities.
The balance sheet is divided into current and non-current assets and liabilities, the income statement shows income and expenses by nature and the analysis of financial flows is divided into operating, investment and financing activities.
The financial statements were prepared using the indirect method.
The financial statements were drawn up on the basis of the conventional criterion of historical cost, except for the assessment of financial assets and financial liabilities, in cases where application of the criterion of fair value is required.
The going-concern principle was used in drawing up the financial statements as, also in consideration of events occurring after the financial year end, upon drawing up the financial statements the Directors did not nor do not report any situations in the operational performance and in the progress of the financial situation and of the reference assets that could question the ability of the Company to continue their normal operating business activities. The Company owns significant equity investments and has granted considerable financial resources to a few investee companies, for which reimbursement will not be requested in the short term, in consideration of their use being made for activities that cannot be paid in the short term. Though considering the asymmetry in the financing sources mainly represented by short-term debts and also used to finance activities that cannot be paid in the short term, the Directors trust that the Company's activities will continue to be supported by the banks in the foreseeable future.
In particular, as discussed in more detail in the report on operations in the section on significant events occurring after the end of the financial year, the Company's shareholders have signed an agreement concerning the equity restructuring which should take place by 30 August 2017. Upon the occurrence of the conditions precedent of said agreement, which the Company has promptly set about fulfilling, a second agreement shall be signed for the sale of the controlling stake held by the Group in SAVE to a newly created company jointly controlled by the Company and two leading European infrastructure funds. Upon execution of the agreements described above, as a result of the change of control exercised on the listed company, a mandatory public tender offer on SAVE shall be launched at the price of €21 per share.
The Company will be able to significantly reduce its financial exposure as a result of the sale of the shareholding in SAVE. As part of this broader operation, the Company is currently in advanced negotiations with several leading banks aimed at concluding a new medium-long term financing agreement that will enable all short-term debt to be repaid.

Given the advanced state of the ongoing procedures for the fulfilment of the above-mentioned conditions precedent, as well as the negotiations with the banking sector for the restructuring of the borrowings of the Company and the Group, the Directors believe that the operations described above will be implemented in the coming months, allowing for a significant improvement of the financial situation.

ASSESSMENT CRITERIA

The accounting standards and valuation criteria adopted are consistent with those used in the preparation of the consolidated financial statements, to which reference should be made, except for the standards set out below:

Equity investments in subsidiaries and associates

Subsidiaries are companies over which the Company has the power to determine strategic choices in order to obtain the corresponding benefits. This generally assumes the existence of control when it holds, directly or indirectly, more than half of the voting rights exercisable in the shareholders' meeting. Associates are companies over which the Company has significant influence in determining the strategic choices of the company, while not having control; significant influence is presumed when the company directly or indirectly holds more than 20% of voting rights exercisable in the ordinary shareholders' meeting.
Equity investments in subsidiaries and associates are recorded at adjusted cost in the presence of impairment losses. The positive difference, emerging at the time of acquisition, between the cost of acquisition and the share of equity at current values of the investee with the company is, therefore, included in the carrying value of the equity investment.
Investments in subsidiaries and associated companies are carried at purchase cost, reduced where appropriate in the case of distribution of capital or capital reserves, i.e. in the presence of impairment losses determined by applying impairment testing. The cost is reinstated in subsequent years if the reasons that led to such a write-down no longer exist.

Losses of value (impairment)

An equity investment undergoes a reduction in value when its carrying amount exceeds its recoverable amount. The carrying values of equity investments are subject to assessment whenever there are clear internal or external indicators that indicate the possibility of a reduction in the value of the equity investment or group of equity investments, as set out in IAS 36 - Impairment of Assets.
In particular, among the indicators analysed to assess whether an equity investment has suffered a loss of value, it should be considered whether the parent has recognised a dividend obtained from the equity investment and whether there is evidence that:

- the carrying value of the equity investment in the separate financial statements exceeds the carrying values in the consolidated financial statements of the net assets of the subsidiary, including its goodwill;

or,

- the dividend exceeds the total profits of the subsidiary in the financial year to which the dividend refers.

The recoverable amount is the higher of its fair value less costs to sell and its value in use.
Fair value is the price that would be achieved for the sale of an asset or that would be paid for the transfer of a liability in a regular transaction between market operators at the transaction date.
The value in use and the current value of the future cash flows expected to be derived from an asset.
In determining the value in use, the future estimated cash flows are discounted to their current value using a pre-tax rate that reflects current market assessments of the cost of money and the risks specific to the asset.
If the recoverable amount of an asset is estimated to be less than the relevant accounting value, the latter is reduced to the recoverable amount with impairment loss recognised in the profit and loss account.
When a write-down is no longer necessary, the carrying amount of the asset is increased to the new value deriving from the estimate of its recoverable amount, but not beyond the original cost, with the value being restored to profit or loss.

Dividends

Revenues for dividends are recognised when the right of shareholders to receive payment arises, following a resolution by shareholders of the investee companies.
Dividends payable by the Company are represented as a movement of equity in the financial year in which they are approved by the General Meeting of shareholders and are represented as a liability when the destination of the dividend is approved.

RELATIONS WITH GROUP COMPANIES

These Explanatory Notes describe relations with the Group's companies on a separate basis, in special tables in Annex 8, by distinguishing each business relationship currently maintained. All relations are managed according to the market conditions.

OTHER INFORMATION

Tax consolidation

By means of formal communication to the Inland Revenue Agency on 30 September 2016, when submitting the form UNICO 2016, the Parent Company renewed the Italian National Tax Consolidation Convention ruled by articles 117 - 129 of the Italian Consolidated Law on Income Tax (TUIR) for the financial period 2016 and for the next two years, with the following companies: Finint Revalue S.p.A., Agenzia Italia S.p.A., Fin.it S.r.l., FISG Partecipazioni S.p.A. (merged by incorporation into Finint S.p.A.), Finanziaria Internazionale Investments SGR S.p.A., Finint & Partners S.r.l., Finint Partecipazioni S.r.l, Sipi Investimenti S.p.A., Logoblu Investimenti S.r.l., Finanziaria Internazionale Real Estate S.r.l., Sviluppo 35 S.p.A., Securitisation Services S.p.A., FISG S.r.l.

For the same three-year period, Finanziaria Internazionale Holding S.p.A. also exercised its right to implement tax consolidation with the following companies: Finint Revalue Agenzia Immobiliare S.r.l., S.A.FI Insurance S.r.l., CEU S.r.l., Finint Network S.r.l. (formerly Global Point S.r.l.), Finint S.p.A., Banca Finint S.p.A.

Following the notice of 30 September 2015, when submitting the form UNICO 2015, the consolidation regime will continue during the three-year period 2015-2016-2017 with the following companies: Sviluppo 86 S.p.A., Eufemia Investimenti S.r.l. in liquidation, Progetto 3 S.r.l., Sviluppo 81 S.r.l..

Following the announcement by the Inland Revenue Agency on 16 June 2014, the consolidation regime will continue during the three-year period 2014-2015-2016 with the following companies: Finanziaria Internazionale Consulting S.r.l., Finint Immobiliare S.r.l., Finvest Fiduciaria S.r.l., ACBGroup Sviluppo S.p.A., Finint Mediatore Creditizio S.p.A., Finint Corporate Advisors S.r.l., La Torre Solar S.r.l. in liquidation, Sviluppo 56 S.r.l., Sviluppo 89 S.r.l..

For the sake of completeness, it is worth noting that when the three-year option expired (2012-2013-2014), the tax consolidation regime was not renewed with Sunrain Energy S.r.l. and Catalano Energia S.r.l. and that, due to the effect of the merger by incorporation into Evolve S.r.l. (formerly E-Masterit S.r.l.), a company that does not belong to the institution in question, the consolidated regime with CEU S.r.l. was halted in the course of 2016.

The companies, both adhering to the tax consolidation and merged by incorporation during the year, are shown hereunder:

- FISG Partecipazioni S.p.A. merged by incorporation into Finint S.p.A.;

The companies dissolved during the financial year, by effect of the completion of the voluntary liquidation procedure, are as follows:

- Eufemia Investimenti S.r.l. in liquidation;
- La Torre Solar S.r.l. in liquidation.

Acceptance of the Italian National Tax Consolidation Regime involves entering in the balance sheet any payables to and receivables from fiscally consolidated companies against positive or negative taxable amounts transferred from these companies. Transfer is also made for amounts related to tax receivables, withholdings and advances paid for by the subsidiaries.

Tax audits

Following an audit conducted during the year by the Inland Revenue Agency - Treviso Provincial Revenue Service, in December 2015 the Company received an assessment notice regarding the year 2010, which challenged the fiscal treatment of a capital gain from the sale of an equity investment. In particular, the

auditors objected to the existence of the requirements to apply the so-called participation exemption. The additional taxation ascertained amounted to a total of €2.3 million, plus sanctions and interest.
Following the launch of tax settlement proceedings with the Revenue Agency of Treviso and consequently to the negative outcome of the same, in the certainty of the correct application of the tax regulations in force at the time of selling the equity investment, the Company appealed to the Treviso Provincial Tax Commission, for the judges of the court of first instance to consider the assessment notice issued by the Inland Revenue Agency. On 15 February 2017, the Judges decided to postpone the relative hearing, the company having started a new attempt at conciliation with the Revenue Agency, which has not yet produced any results. In the meantime, the amount of €911 thousand has been registered at Equitalia corresponding to 1/3 of the amounts established as well as interest and fees, which the Company is paying in 72 monthly instalments as from 31 March 2017. Having also taken into account the opinion of the professionals in charge of the defence, the Directors consider the risk of losing within this process to be currently possible and therefore did not consider it necessary to make provisions in the Company and Group accounts.

With regard to the national tax consolidation regime the Company adhered to together with some Italian subsidiaries, the Company plays the role of consolidating party and is thus jointly and severally liable for any additional taxation ascertained on the total income posted in the tax consolidation consequently to objections pertaining to the subsidiaries. In this respect, in 2016 the company received an assessment notice related to the objections raised by the Inland Revenue Agency – Treviso Provincial Revenue Service towards a subsidiary adhering to the tax consolidation regime for the treatment for tax purposes of the capital gain obtained in 2011 from the sale of an equity investment; the matter was first handled before the Treviso Tax Commission which ruled in favour of the subsidiary, rejecting the objections raised by the Inland Revenue Agency. In consideration of the positive outcome of the first instance ruling and convinced of having treated the challenged transactions in line with applicable regulations, the investee made no allocations in the accounts and the Company, in its role as consolidating party, adopted the same structure in preparing the financial statements as at 31 December 2016.

ANALYSIS OF THE MAIN BALANCE SHEET ITEMS

(unless otherwise stated, amounts are shown in thousands of euro)

ASSETS

Current assets

	31/12/2016	*31/12/2015*	*Change*
1. CASH AND CASH EQUIVALENTS	**364**	**1,153**	**(789)**

This amount mainly concerns the availability of cash on hand at the Company and the positive balances of current accounts maintained with a few banks, including accrued interests as at 31/12/2016.

	31/12/2016	*31/12/2015*	*Change*
2. OTHER FINANCIAL ASSETS	**9,781**	**9,113**	**668**

The item includes:

	31/12/2016	*31/12/2015*
- listed securities	704	654
- unlisted securities	5	4
- investment funds	7,881	7,277
- ABS BCJAF 9B	876	876
- receivables for loans	313	300
- receivables for options	2	2
TOTAL	**9,781**	**9,113**

The item “Listed securities” relates to 168,000 Enel shares entered at the market price at 31 December 2016 of €4.188 each. These shares are pledged in favour of a bank. This security has been classified as held for trading. As required by IAS 39, changes in fair value related to these securities are recognised in the income statement. Unlisted securities consist of shares of Banca di Cividale, BCC Verona and Banca Popolare di Vicenza, the latter being fully written down. The item also includes fully written down shares of Cassa di Risparmio di Ferrara.

The item “ investment funds” refers to 8,428,281 shares of the Finint Bond Fund, corresponding to a book countervalue of €7,881 thousand. This is the open-end speculative mutual fund, launched on 30 September 2005 by the Group’s company Finanziaria Internazionale Investments SGR S.p.A. This fund implies an equity investment in asset backed securities (“ABS”) and in the other types of financial instruments issued during securitisation transactions. As at 31/12/2016, the unit value of the shares amounts to €935,062.75. The adjustment of the carrying value to this unit price led to a revaluation for €603 thousand. Some of the units of the Finint Bond fund were pledged to two banks as collateral for potential commitments whose occurrence is deemed as remote.

The asset backed BCJAF 9 B security (ES0312888029), with a par value of € 1.2 million, was purchased at a value of € 649 thousand (unit price of € 71 cents). This is a security issued as part of a securitisation transaction having as underlying a portfolio of mortgage loans to private Spanish debtors. The security subscribed by the Company refers to the mezzanine tranche. The expected maturity of the security is 2024. The security is posted at the market value at 31 December 2016, equal to €0.7299 inclusive of appropriation of the pertaining trading spread. This security is pledged in favour of a bank.

The asset-backed BCJAF 9 B security and the shares of the investment fund were classified among available-for-sale assets and assessed, as required by IAS 39 which provides that available-for-sale assets are valued at fair value with effects charged to the statement of comprehensive income and, therefore, to a specific equity reserve.

Further details regarding the classification and valuation of securities, investment funds and the BCJAF security can be found in Annex 4.
The item Receivables for loans includes a loan granted to a related company maturing on 31 December 2017, including the accrued interest at 31 December 2016. Interest is accrued at market conditions.

	31/12/2016	*31/12/2015*	*Change*
3. TAX ASSETS	**865**	**1,326**	**(461)**

The balance can be broken down as follows:

	31/12/2016	*31/12/2015*
- tax receivables for IRES and IRAP to be offset	507	203
- advance payments for IRES tax	234	1,013
- advance payments for IRAP tax	0	88
- VAT receivable	124	22
TOTAL	**865**	**1,326**

	31/12/2016	*31/12/2015*	*Change*
4. OTHER RECEIVABLES	**63,845**	**66,436**	**(2,591)**

The balance is made up of trade receivables for €1,316 thousand and other receivables for €62,529 thousand, the breakdown of which is provided below.

Other receivables

	31/12/2016	*31/12/2015*
- balance of third party current accounts with Group companies	55,476	52,713
- balance of third party current accounts	4,699	872
- receivables for dividends – Group companies	0	2,327
- other receivables from companies of the Group	0	10
- national tax consolidation receivables	2,285	4,919
- deferrals for services	48	91
- sundry receivables	21	33
TOTAL	**62,529**	**60,965**

This item includes receivables, totalling €82,761 thousand, related to balances from current accounts at Group companies and other companies, including fees accrued as at 31/12/2016 and paid at arm's length. This amount includes a total value adjustment equal to €22,586 thousand which reflects write-downs made to the value of subsidiary equity investments for the part exceeding the cost of equity investments themselves.
The breakdown of the amount due from Group companies is shown in Annex 7 a).
Receivables for dividends as at 31 December 2015 relate to loans to the subsidiary Agenzia Italia S.p.A. that were paid in the course of 2016.
Tax consolidation-related receivables are related to income taxes, transferred by Group companies to the consolidating company Finanziaria Internazionale Holding S.p.A. following adhesion to the National Tax Consolidation.

Trade receivables

Below is the breakdown of trade receivables:

	31/12/2016	*31/12/2015*
- trade receivables from Group companies	887	4,008
- trade receivables from third parties	429	1,463
TOTAL	**1,316**	**5,471**

Trade receivables relate mainly to receivables resulting from the performance of administrative services by the Company in favour of subsidiaries.
Trade receivables from third parties also include receivables for customer consultancy services and other services provided to customers. These are recognised net of adjustments made to allow for risks of doubtful accounts based on available information at the time of drawing up the financial statements. The net book value is thus a reasonable estimate of the actual realizable value of receivables.
The details of the amounts due from Group companies is shown in the summary table in Annex 8 of these Explanatory Notes.

Below is a breakdown of trade receivables from third parties and the relative adjustment funds:

	gross balance	**provision for bad debts**	**net balance as at 31/12/2016**	**net balance as at 31/12/2015**
- receivables for the provision of administrative services	408	0	408	475
- receivables for consultancy services	100	(83)	17	17
- commercial papers	0	0	0	950
- receivables for reversible fees	4	0	4	21
TOTAL	**512**	**(83)**	**429**	**1,463**

There were no changes to the bad debt provision during the financial year. The value entered in the balance sheet is considered reasonable on the basis of the estimates of recovery of such trade receivables.

Non-current assets

	31/12/2016	*31/12/2015*	*Change*
5. TANGIBLE FIXED ASSETS	**73**	**146**	**(73)**

The details of the breakdown of tangible assets is set out in Annex 3 which shows the data relating to historical cost, depreciation and amortisation and the residual values to be depreciated/amortised, broken down into individual categories.

	31/12/2016	*31/12/2015*	*Change*
6. OTHER INTANGIBLE ASSETS WITH A DEFINITE USEFUL LIFE	**1**	**7**	**(6)**

This item includes costs incurred, net of amortisation, for the purchase of software. These costs are amortised over a period of 5 years at the date in which the cost is incurred.
The following table details the changes in intangible fixed assets during the financial year:

Description	**balance as at 31/12/2015**	**Incr./decr.**	**depreciation**	**balance as at 31/12/2016**
Software	7	(5)	(1)	1
TOTAL	**7**	**(5)**	**(1)**	**1**

	31/12/2016	31/12/2015	Change
7. EQUITY INVESTMENTS	**174,188**	**168,076**	**6,112**

The balance refers to equity investments in subsidiaries and associates, the details of which are provided below. As better specified in the *"Valuation criteria"* section, equity investments in subsidiaries are recorded at purchase cost with possible corrections if there are impairment losses.

Equity investments in subsidiaries

	% of ownership	31/12/2016	31/12/2015
- Agenzia Italia S.p.A.	66.50%	23,360	23,360
- Sviluppo 35 S.p.A. (già Sviluppo 35 S.r.l.)	76.10%	64,316	64,316
- Save S.p.A. (*)	0.59%	3,861	3,861
- Finanziaria Internazionale Luxembourg S.A.	100.00%	11,668	11,668
- Sviluppo Industrial Parks S.r.l. in liquidazione (*)	5.00%	183	183
- Eufemia Investimenti S.r.l.	0%	0	10
- Finanziaria Internazionale Real Estate S.r.l. (*)	1.00%	0	1
- Fin.it S.r.l. (*)	30.00%	8	8
- Sviluppo 56 S.r.l. (*)	1.00%	0	0
- Securitisation Services S.p.A. (*)	0.13%	2	2
- Unicapital S.A.	100.00%	0	0
- ACB Group Sviluppo S.p.A.	95.00%	120	24
- Finint Immobiliare S.r.l.	83.25%	7,076	7,076
- Sviluppo 81 S.r.l. (*)	90.91%	110	110
- Sviluppo 86 S.p.A.	100.00%	310	310
- Sviluppo 89 S.r.l.	100.00%	20	20
- Finint S.p.A. (*)	72.43%	49,311	49,311
- Finint Partecipazioni S.r.l.	100.00%	0	0
- Finint Finanziaria S.r.l. (*)	1.00%	23	23
- Industrial Park Sofia A.D. (*)	5.07%	660	772
TOTAL EQUITY INVESTMENTS IN GROUP COMPANIES		**161,028**	**161,055**

(*) direct share. The Company indirectly holds additional equity investment shares, as described below.

Unless otherwise stated, the above mentioned equity investments are considered as financial fixed assets and therefore long-term investments.
For data relating to equity investments and to their handling, see Annex 5.

- ***Agenzia Italia S.p.A.*** ***Carrying value €23,360 thousand***

Agenzia Italia S.p.A., in which the company holds 66.50% share capital, performs asset and lease contract management through outsourcing (property redemption management, checking correctness of heading of documents of vehicles at public offices, management of fines, robberies and damages, payment of duties). It recently introduced the supply of centralized new vehicle registration for long-term hiring companies and checking of the correct use of loans through anti-cheat services.
For Agenzia Italia S.p.A., financial year 2016 was positive with a 7.3% increase in sales revenues deriving from core services and holding company operations.
The company is the holding company of the Business Process Outsourcing (BPO) business area. Agenzia Italia S.p.A., also through its investees, supplies high-value services to banks, lease companies, long-term rental companies. financial companies and businesses. The above-mentioned services are connected with the following segments:
- Automotive & Equipment Solutions;
- Credit Management & NPLs;
- Real Estate Solutions;
- Credit Mediation;

- Lean P&O Consulting;
- Credit Approval Process.

The financial statements, closed as at 31/12/2016, of Agenzia Italia S.p.A disclose a profit of €4,479 thousand, share capital of €100 thousand and shareholders' equity of €31,819 thousand.

Despite differing from the relevant shareholders' equity, the carrying value of the equity investment can nonetheless be confirmed in view of the higher implicit values relating to the subsidiary itself and the equity investments it owns, as well as on the basis of the income expectations established with regard to the subsidiary and its investee companies. Below are notes on the main investee companies of Agenzia Italia S.p.A.:

- ***Finint Revalue S.p.A.*** ***Carrying value in Agenzia Italia €9,596 thousand***

The company operates in the production, sale and support to IT and operating services, technological solutions and services created for the management of real estate properties and is active in the extra judicial credit collection on behalf of third parties.

The company is 90% held by Agenzia Italia S.p.A. and is organised into three business units:

- the real estate division for back office activities for leasing companies, banks and private individuals;
- the transaction & advisory division for support services to banks for the management of portfolios;
- the credit management division for extra-judicial credit collection and remarketing.

The investee closed financial year 2016 with a loss of €49 thousand (profit of €222 thousand in the previous year) and a shareholders' equity of €4,863 thousand (€4,912 thousand in the previous year). The value of the shareholding is greater than the corresponding portion of shareholders' equity attributable to Agenzia Italia S.p.A.; on the basis of the income expectations established with regard to the investee, it is considered that this difference does not represent an impairment loss.

- ***Finint Revalue Agenzia Immobiliare S.r.l.***
Book value of Finint Revalue S.p.A. €33 thousand

This company, indirectly held by Agenzia Italia S.p.A. through the company Finint Revalue S.p.A., has its registered offices in Conegliano, Via Alfieri 1 and was established on 11 June 2012.

The investee carries out brokerage activities in the real estate sector as set out and governed by current regulations.

The company closed financial year 2016 with a profit of €110 thousand (loss of €0.3 thousand in the previous year) and a share capital of €10 thousand and shareholders' equity of €129 thousand (€18 thousand in the previous year).

- ***Fin.It S.r.l.*** ***Carrying value in Agenzia Italia S.p.A. €256 thousand***

Fin.it S.r.l. provides information technology services for the Group Finanziaria Internazionale. The equity investment share is 70% of the share capital. A further 30% equity investment share is held by Finanziaria Internazionale Holding S.p.A.

The company manages the Group's IT systems, develops applications within the AS400, Windows and Prolog environments and provides consultancy services to third party clients.

The company closed financial year 2016 with a net profit equal to €8 thousand (profit of €106 thousand in the previous year) and shareholders' equity of €252 thousand (€244 thousand in the previous year). The value of shareholding is greater than the corresponding portion of shareholders' equity attributable to the Company; this difference is not considered to represent an impairment loss.

- ***Sidari Investimenti S.r.l.*** ***Carrying value in Agenzia Italia €66 thousand***

The company has its registered offices in Conegliano, via V. Alfieri 1, and is a holding company 65% owned directly by Agenzia Italia S.p.A. and 10% owned by Evolve S.r.l. (a 58.96% subsidiary of Agenzia Italia S.p.A.).

The investee closed financial year 2016 with a loss of €1 thousand (loss of €0.21 thousand in the previous year), share capital of €20 thousand and shareholders' equity of €548 thousand (€549 thousand in the previous year).

The general shareholders' meeting of 2 March 2017 put the company into liquidation with effect from 14 March 2017.

- ***Finint & Wolfson Associati S.r.l.*** ***Carrying value in Agenzia Italia €91 thousand***

It operates in the consulting sector for the reorganization of production processes, specifically concerning business process verification through value flow analysis to define improvement plans and programming, using the most appropriate tools for the creation of more efficient processes.

The investee closed financial year 2016 with a profit for the year of €44 thousand (loss of €134 thousand in the previous year) and a share capital of €100 thousand and shareholders' equity of €174 thousand (negative in the amount of €20 thousand in the previous year).

- ***Finint Mediatore Creditizio S.p.A.*** ***Carrying value in Agenzia Italia €962 thousand***

The company has its registered offices in Conegliano, Via Alfieri n. 1, and 84.98% of its share capital is held by Agenzia Italia S.p.A. and 15.02% by Finint Partecipazioni S.r.l. It is a loan brokerage company, working through an integrated business model, which brings the skills of expert managers and a technological platform together to offer private parties and households the best tools to compare and select credit proposals available on the Italian market.
In October 2012, the company officially entered the Register of Credit Brokers of the OAM (Agents and Brokers' Association) by relying on a traditional sales network, and since then it has been doing business through a sole agent-based sales network.
With reference to the average value of the loans requested, 2016 saw the end of the continual decline that had characterised the sector since 2010.
The company closed financial year 2016 with a loss of €731 thousand (loss of €1,142 thousand in the previous year), a share capital of €1,000 thousand and shareholders' equity of €386 thousand (€117 thousand in the previous year) despite operating revenues of €6.386 million, doubled compared to the previous year (€3.2 million in the previous year). This result derives mainly from the increase in overall costs, due in particular to the retrocession of commissions to brokers. The value of the shareholding held by Agenzia Italia S.p.A. is greater than the corresponding portion of equity attributable to Agenzia Italia S.p.A.; the investee is considered strategic for the BPO group and in view of the improvement in the results achieved compared to the previous year and the prospects of development of the business planned for 2017 reflected in director valuations, this difference is not considered to represent an impairment loss.

- ***Finint Network S.r.l. (formerly Global Point S.r.l.)*** ***Carrying value in Agenzia Italia €101 thousand***

This company has its registered offices in Conegliano, Via V. Alfieri 1. It is wholly owned by Agenzia Italia S.p.A.
The company operates in the segment related to administrative, commercial, management and coordination services to third parties such as, the organization of marketing and sales networks, the organization and development of offices or points of sale in general, technical and commercial assistance, technical support and assistance in the real estate and construction sector in general, technical assistance for calls for tender awards and contracts in general. In recent years, it has also changed its business strategy, from service company for real estate agencies to project manager for energy restructuring and requalification.
The company closed financial year 2016 with a loss of €78 thousand (loss of €66 thousand in the previous year) and a share capital of €100 thousand and shareholders' equity of €22 thousand (€101 thousand in the previous year). The value of the shareholding is greater than the corresponding portion of shareholders' equity attributable to Agenzia Italia S.p.A.; on the basis of the income expectations established with regard to the investee, it is considered that this difference does not represent an impairment loss.

- ***Safi Insurance S.r.l.*** ***Carrying value in Agenzia Italia €184 thousand***

This company's registered offices are in via della Costituzione 26, Spinea (VE) and it is 100% owned by Agenzia Italia S.p.A.
The company operates in the field of insurance brokerage. The financial statements as at 31/12/2016 showed a loss of €19 thousand (profit of €12 thousand as at 31/12/2015) and shareholders' equity of €156 thousand (€175 thousand as at 31/12/2015).

- ***Itaca S.r.l.*** ***Carrying value in Agenzia Italia €15 thousand***

The Company was incorporated on 14 May 2015 and exclusively works as multi-mandatory agency in the insurance sector. Agenzia Italia S.p.A. holds 51% of the company stakes. The investee is based in Milan (MI), via Orefici, 2.
The financial statements as at 31 December 2016 showed a loss of €58 thousand, a share capital of €30 thousand and a negative net equity of €35 thousand.

- ***Evolve S.r.l.*** ***Carrying value in Agenzia Italia €896 thousand***

On 16 December, CEU S.r.l. was merged by incorporation into E-Masterit S.r.l., both held 80% and 30%, respectively, by Agenzia Italia.

At the same time, the incorporating company expanded its corporate purpose and changed its name to Evolve S.r.l. As a result of this transaction, the company is 58.96% held by Agenzia Italia S.p.A.
The company carries out the physical storage and dematerialisation of documents, back office activities and digital preservation according to law. During 2016 it also achieved ISO 27001 certification and accreditation by AgID (Agenzia per l'Italia Digitale [Agency for Digital Italy]), which lays down the minimum requirements for participation in public tenders for the digital preservation of documents.
The financial statements as at 31/12/2016 show a loss of €209 thousand and shareholders' equity of €466 thousand. The carrying amount of the equity investment is higher than the share of the shareholders' equity. On the basis of the income expectations established with regard to the investee, it is considered that this difference does not represent an impairment loss. On the basis of Director valuations, the extraordinary transaction, which referred to the investee company, is expected to result in a rationalisation of costs and the generation of synergies, as well as an improvement in future profitability.

- ***Finleasing S.r.l. in liquidation*** ***Carrying value in Agenzia Italia €58 thousand***

It provides leasing and consumer credit brokerage services. The company is 75% held by Agenzia Italia S.p.A.
The company is penalised by the current leasing market situation and the regulations relating to the one-firm relationship. After the revocation of the mandate that the company managed, the turnover decreased significantly and in October 2016 it was placed into liquidation. The financial statements as at 31 December 2015 showed a loss of €70 thousand, a share capital of €52 thousand and a net equity of €427 thousand.

- ***Sviluppo 35 S.p.A.*** ***Carrying value €64,317 thousand***

The company has its registered offices in Conegliano (TV) and operates in the business of equity investment management. 76.10% of its share capital is held directly; another 11.10% is held indirectly through the investee Sviluppo 86 S.r.l. so that the total stake of the group related to the Company equals 87.20%.
On 15 March 2017, the Shareholders' Meeting resolved to transform the company into a company limited by shares under the name Sviluppo 35 S.p.A. and approved a free increase of share capital from €13,410 to €50,000 with use of the share-premium reserve. On 31 March 2017, the Company purchased own shares equal to 12.83% of the share capital from minority shareholders outside of the group to which it belongs. These own shares were subsequently cancelled without reduction of share capital.
The financial statements closed on 31/12/2016 reported profits for the year amounting to €660 thousand, and shareholders' equity of €79,603 thousand.
The investee company directly holds a 56.91% interest in the share capital of Agorà Investimenti S.p.A., which holds a direct shareholding corresponding to 7.815% of the share capital and 7.909% of the income of SAVE S.p.A. and, indirectly through its subsidiary Marco Polo Holding S.r.l., a shareholding corresponding to 51.234% of capital and 51.85% of the income of SAVE.
Sviluppo 35 S.p.A. has in place a bank loan amounting to €18,400 thousand. This debt is guaranteed by a pledge on the shareholding in Agorà Investimenti S.p.A. In the first months of 2016, in the context of a financing operation organised and structured by the subsidiary Agorà Investimenti S.p.A., the company Sviluppo 35 S.p.A. extended the loan until 30 June 2021. This loan provides for compliance by the Company with certain financial parameters (covenants), which were complied with in financial year 2016;

- ***Save S.p.A.*** ***Carrying value €3,861 thousand***

The shareholding corresponds to 326,942 shares of Save S.p.A., equal to 0.591% of the share capital and 0.598% of the profits of the listed company. This purchase was finalised at the market price of the security.
SAVE S.p.A. The company manages Venice Marco Polo airport services and is also the holding company of an integrated group that provides services to travellers mainly under concession contracts.
The company indirectly holds 59.64% of the share capital and 60.36% of profits of the listed company.
Since 16 November 2011, SAVE S.p.A. equity investment has been considered as a "subsidiary".
The main performance indicators of the SAVE Group for the year 2016, compared with the previous year, are stated below:

(Euro/000)

SAVE S.p.A. - Consolidated financial statements	2016	2015	Var. %
Operating revenues and other income	188,166	166,386	13.1%
EBITDA	87,722	73,723	19.0%
EBIT	63,943	53,518	19.5%
EBT	62,078	51,121	21.4%
Net profit (loss) on discontinued operations	(99)	1,391	n.a.
Group net profit (loss)	**42,049**	**29,229**	**43.9%**
Net financial position	238,194	188,995	26.0%
Group's net equity	222,504	211,462	5.2%
Total net equity	251,754	240,195	4.8%
Invested capital	**489,948**	**429,190**	**14.2%**

(*) The application of IFRS 5 as regards the shareholding in Centostazioni S.p.A. resulted in the restatement of the comparison income statement, through the restatement of the economic effects linked to it.

In the year under evaluation, the SAVE Group reported a total net profit of €42 million, compared to €29.2 million of the previous year, a 43.9% growth.

From an economic point of view, consolidated turnover amounted to €188.2 million with a 13.1% increase compared to 2015.
Growth in 2016 was mostly determined by the rising aeronautical revenue due to the increase in tariff applied for the Venice airport and the increase in the number of passengers. In addition, non-aeronautical revenues increased, particularly revenues derived from the management of car parks, which offset the decrease in advertising revenues, penalised by the large construction sites. Other revenues decreased as a result of the valuation by directors in view of the dispute concerning the contribution to the so-called “Firefighting service provision”.
In 2016, the Venice – Treviso airport system recorded a 10.1% rise in the number of passengers, both at national level and on international destinations of Venice airport.
On 10 March 2017, SAVE S.p.A.’s Board of Directors proposed the distribution of a dividend totalling €35 million and equal to €0.63245 per share.

- ***Finanziaria Internazionale Luxembourg S.A.*** ***Carrying value €11,668 thousand***

This is a holding company based in Luxembourg and a full subsidiary (100% owned).
The latest financial statements approved for the year ended on 31/12/2016 showed a profit of €221 thousand and shareholders’ equity of €11,944 thousand.
The company holds 24.40% of the capital of HBC Luxembourg S.à.r.l., which in turn holds 41.50% of Banca Credinvest S.A. Finanziaria Internazionale Luxembourg S.A.’s interest in Banca Credinvest S.A. is therefore 10.13%.
The company also owns 100% of the share capital of ABS Funding S.A. and 49% of Unicapital & Co. S.C.P.A..
Among equity investments held by Finanziaria Internazionale Luxembourg S.A., the following is the most significant one:

- ***HBC Luxembourg S.à.r.l.*** ***Book value in F.I.L. €2,382 thousand***

This business is an equity investment holding company resident in Luxembourg, incorporated in 2013 after the assignment by Finanziaria Internazionale Luxembourg S.A. and other parties of the equity investments held in Banca Credinvest S.A.; following that transaction, the investee holds 41.50% of Banca Credinvest S.A.
The financial statements as at 31/12/2016 showed a net profit of €1 thousand and shareholders’ equity of €9,667 thousand.
Equity investments in Banca Credinvest S.A. are recorded for € 9,695 thousand.
Banca Credinvest is a Swiss bank based in Lugano and operating in the management and administration of private and institutional client assets.
Banca Credinvest operates in the fields of *Private Banking*, *Asset Management,* and *Corporate Banking*.
The financial statements of the Bank as at 31/12/2016 showed a profit of CHF 2,036,226 thousand and shareholders’ equity of CHF 31,810,180 thousand.

- ***Sviluppo Industrial Parks S.r.l. in liquidation*** ***Carrying value €183 thousand***

Sviluppo Industrial Parks S.r.l. is a direct subsidiary of the Company, which holds 5% of its capital, and indirectly holds 50% through the indirect subsidiary Finanziaria Internazionale Real Estate S.r.l.
In 2010, it was placed in voluntary liquidation, following a corporate reorganization process implemented in 2009, following which its corporate objective and purpose no longer existed.
The investee has registered offices at Via Vittorio Alfieri no. 1 in Conegliano (TV) and share capital of € 40 thousand. The financial statements as at 21/12/2016 show profits of €88 thousand and shareholders' equity of €4,083 thousand.
The book value of the equity investment is in line with the corresponding portion of shareholders' equity owned by the Company.

- ***Finanziaria Internazionale Real Estate S.r.l.*** ***Carrying value €0 thousand***

Finanziaria Internazionale Holding S.p.A. holds 1% of the capital of this company, while the remaining 99% is held by the subsidiary Sipi Investimenti S.p.A., which operates in the real estate sector, with the management of equity investments in the companies Sviluppo Industrial Parks S.r.l. (in liquidation), Industrial Park Sofia AD, Kosovo Real Estate Investment S.r.l. and Danubio RE Management AD.
The latest financial statements approved by the company for the year ended 31 December 2016 showed a loss for the year of €218 thousand (€964 thousand in the previous year), share capital of €10 thousand and shareholders' equity of €160 thousand (€58 thousand in the previous year).
At year end the Company zeroed the carrying value of the equity investment and entered a provision for risks of €2 thousand for the loss in excess of the carrying amount of the equity investment directly held.

- ***Sviluppo 56 S.r.l.*** ***Carrying value €0 thousand***

Sviluppo 56 S.r.l. is a direct subsidiary of Finanziaria Internazionale Holding S.p.A., which holds 1% of its share capital, whereas the remaining 99% is indirectly owned through Sipi Investimenti S.p.A.
The latest financial statements approved for the year ended 31 December 2016 showed a loss for the year of €685 thousand (loss of €,705 thousand at 31/12/2015), share capital of €10 thousand and negative shareholders' equity of €429 thousand (€256 thousand at 31/12/2015). Sviluppo 56 S.r.l. operates in the management of equity investments and in the direct investment of equity securities.
Sviluppo 56 S.r.l. invested mainly in the purchase of an equity investment equal to 24.01% of the capital (but with a profit right of 11.92%) of Ferak S.p.A., which is the investment vehicle, whose aim is the purchase, sale and management of investments in listed securities. Specifically, the company has focused its activity on accumulating a portfolio of shares issued by the listed entity Assicurazioni Generali, held directly and indirectly through its subsidiary Effeti S.p.A. The most recently approved annual financial statements of Ferak S.p.A. refer to the six-month period 01/07/2016 - 31/12/2016, the company having changed the financial year closing date from 30 June to 31 December of each year. The financial statements as at 31 December 2016 showed net equity of €464,478 thousand (€470,786 thousand as at 30/06/2015), share capital of €212,132 thousand and operating loss of €2,100 thousand (€39,172 thousand as at 30/06/2015).
Ferak S.p.A. holds 100% of the share capital of the company Effeti S.p.A. This company provides financial services and invests in Assicurazioni Generali S.p.A. securities, like the parent company.
The consolidated financial statements of Ferak S.p.A. as at 31/12/2016, which include the results of the subsidiary Effeti S.p.A., showed a loss of €1,158 thousand and a total shareholders' equity of €475,214 thousand.
At 31 December 2016, the Ferak Group directly held 21.5 million shares, equal to 1.381% of the share capital of Assicurazioni Generali S.p.A., for a total value of €416.7 million, corresponding to an average unit value of €19.35 per share compared to the market value at the same date of €14.2. The total difference compared to the market values equalled €112.6 million, €13.42 million of which pertain to Sviluppo 56 S.r.l.
It is noted that in order to adapt the book value of the shareholding to the relevant portion of consolidated shareholders' equity, Sviluppo 56 S.r.l. carried out a further write-down of €656 thousand at year end. The investee did not consider it appropriate to recognise further write-downs compared to the carrying value, insofar as it considered the reasons for which Ferak S.p.A. kept the Assicurazioni Generali S.p.A. security recorded in its financial statements at a value greater than the current market values of the same to be relevant. In particular, the considerations made in this regard, without prejudice to the uncertainties related to unpredictable or unquantifiable external macro-economic factors, derive from the assumption that the investment is long-term and its disposal is not envisaged in the short term. Furthermore, it is estimated that in the medium to long-term the security will appreciate significantly, a valuation supported by analyses carried

out by independent third parties with regard to the reference market and on the basis of the positive economic and financial results of the issuer.
For the purposes of valuing the investment in the investee Ferak S.p.A., it is pointed out that the prices of Assicurazioni Generali S.p.A. stock are still affected by the fluctuating trend of price lists. In the course of 2016, and again in the early months of 2017, the market values of the stock varied widely and, at the date of preparing these financial statements, the price of Assicurazioni Generali stock was around €14.30, with a spread, with respect to the consolidated book value, equal to approximately €108.7 million, of which €12.9 million related to the share held by the Company. It should be noted, however, that at its meeting of 16 March the Board of Directors of the Insurance Group, in view of the positive results of financial year 2016, resolved to propose to the next General Shareholders' Meeting a dividend of €0.80 per share; as such, in May the Ferak S.p.A. Group collected dividends of approximately €17.2 million.

- ***Securitisation Services S.p.A.*** ***Carrying value €2 thousand***

The company is 99.87% held by Banca Finint S.p.A., is based in Conegliano, via V. Alfieri, works mainly in the market of the services connected to the management of structured finance transactions and is a leader in the activity linked to the management of securitisation transactions. A further 0.13% stake is held by Finanziaria Internazionale Holding S.p.A.
The company manages the Special Purpose Vehicles, established pursuant to law 130/99 and plays roles of Servicer, Computation Agent, Program Administrator, Cash Manager, Corporate Servicer and Representative of Security Holders. The company is registered in the special General Roll of Financial Intermediaries pursuant to Article 107 of the Consolidated Banking and Lending Law. Being a member of this Special List is a prerequisite in accordance with Law 130/99 establishing the role of the Servicer within securitisation transactions.
The company has belonged to the "Banca Finanziaria Internazionale" group since 2 May 2016 following its registration in the Register of Banking Groups under number 3266.
During 2016, the company maintained a steady trend of growth in sales for its core business, thanks to the opportunities that use of Law 130/99 represented for a growing number of financial operators. In 2016, management commission income grew from €16,583 thousand at 31 December 2015 to the current €18,291 thousand.
The company ended financial year 2016 with a net profit of €6,600 thousand (the result at 31 December 2015 was a net profit of €6,248 thousand) and shareholders' equity of €13,346 thousand (€11,698 thousand at 31 December 2015).

- ***Unicapital S.A.*** ***Carrying value €0 thousand***

Unicapital S.A. is a holding company based in Luxembourg.
The company is a full subsidiary (100% owned) and the carrying value of the investee in previous years was adjusted for the entire amount, taking account of losses reported by the company.
The financial statements approved for the year ended 31/12/2016 showed a loss of €45 thousand and negative shareholders' equity of €84 thousand.

- ***ACBGroup Sviluppo S.p.A.*** ***Carrying value €120 thousand***

The company, 95% investee, provides consulting services and assistance to companies in the fields of corporate requirements, finance, economics, technology, marketing, communication, planning and organization.
The company also manages assets allocated to a specific business project within the meaning of article 2447-Bis(a) of the Italian Civil Code named "ACB International", constituted for the performance of consultancy services at international level in favour of businesses.
During the year, the Company made a payment in favour of an investee amounting to €100 thousand.
The financial statements as at 31/12/2016 showed a profit of €5 thousand (loss of €90 thousand as at 31/12/2015) and shareholders' equity of €127 thousand (€26 thousand as at 31/12/2015). In consideration of the investee's losses at year end, the Company made a further write-down of the equity investment in the amount of €4 thousand.

- ***Finint Immobiliare S.r.l.*** ***Carrying value €7,076 thousand***

Finint Immobiliare S.r.l. is an 83.25% subsidiary and operates in property management, both directly and through the holding of equity investments. The company has and manages the properties where the group companies have their offices and has some active equity investments in the real estate sector.

The latest financial statements of Finint Immobiliare S.r.l. for the year ended 31/12/2016 showed a profit for the year of €142 thousand (€96 thousand in the previous year) and shareholders' equity of €8,507 thousand (€8,365 thousand at 31/12/2015).
As at 31/12/2016, the company held the following equity investments:
Progetto 3 S.r.l. for a book value of € 332 thousand;
Padova Est S.r.l for a book value of €145.

- ***Sviluppo 81 S.r.l.*** ***Carrying value €110 thousand***

The subsidiary, which is 90.91% owned directly and 9.09% indirectly through the subsidiary Finint Partecipazioni S.r.l., is a holding company with equity investments in companies operating in the photovoltaic business, through the design, production and management of installations producing renewable energy, and the marketing and/or sale of energy produced.
Sviluppo 81 S.r.l. holds the following equity investments:
- Sunrain Energia S.r.l. (100%);
- Catalano Energia S.r.l. (100%);
- Murge Energia S.r.l. (100%);
- Appula 1 Energia S.r.l. (100%);
- Appula 2 Energia S.r.l. (100%);
- Arotti S.r.l. (100%);
- Persano Energy S.r.l. (100%);
- Persano Energy 2 S.r.l. (100%);
- Emmessenne Solar S.r.l. (49%);
- Solare Caltagirone S.r.l. (49%).
- Terra Mundus Operations S.r.l. (100%);
- Milazzo Energie S.r.l. (49%);
- CSG Rinnovabili S.r.l. (100%);
- SRA01 S.r.l. (100%);
- Solar Carport S.r.l. (49%);
- SR07 S.r.l. (100%);
- SR06 S.r.l. (100%);
- SR09 S.r.l. (100%);
- Puglia New Energies N.1 S.r.l.;
- Simon Solar S.r.l. (100%);

The equity investment in Sviluppo 81 S.r.l. is entered in the balance sheet at the subscription cost plus capital contributions paid in the following financial years. The company's financial statements as at 31/12/2016 showed a profit of €81 thousand (loss of €14 thousand in the previous year) and shareholders' equity of €177 thousand (€95 thousand as at 31/12/2015).
This equity investment is earmarked for disposal in the future.

- ***Sviluppo 86 S.p.A.*** ***Carrying value €310 thousand***

This company is a full subsidiary (100%), and its corporate purpose is the purchase of equity investments in companies, also listed ones. The company has its registered offices in Conegliano (TV), via V. Alfieri, no. 1.
The company holds 11.1% of Sviluppo 35 S.p.A. which, as shown above, holds 56.91% of Agorà Investimenti S.p.A., which, in turn, indirectly holds 51.234% of the capital and 51.85% of the profit rights of SAVE S.p.A., through the subsidiary Marco Polo Holding S.r.l.
The company's financial statements as at 31/12/2016 showed a loss of €390 thousand (loss of €451 thousand in the previous year), while shareholders' equity amounted to €3 thousand (€393 thousand as at 31/12/2015). The book value is considered recoverable in view of the appreciation of the market price of the indirect investment held in Save S.p.A.

- ***Sviluppo 89 S.r.l.*** ***Carrying value €20 thousand***

The company, 100% owned, has its registered offices in Conegliano (TV), via V. Alfieri, 1.
On 21 February 2017, the company was sold to the Group company Neip III S.p.A. for €14 thousand, a capital loss of €6 thousand.

The financial statements as at 31/12/2016 showed a loss of €2 thousand and shareholders' equity of €14 thousand.

- ***Finint S.p.A.*** ***Carrying value €49,312 thousand***

Finint S.p.A., of which the company owns 72.43% of the share capital, is an equity investment holding company, with registered offices in Conegliano (TV), Via V. Alfieri no. 1.
On 25 February 2016 a transfer deed was concluded, with effect from 1 March 2016, with which the subsidiary FISG Partecipazioni S.p.A. transferred to FISG S.r.l. the branch of the company concerning consultancy activities. In October, the equity investment in FISG S.r.l. was transferred through the capital increase of Banca Finint S.p.A., bringing the share of FISG Partecipazioni in Banca Finint S.p.A. from 74.57% to 76.02%.
In October 2016, a business combination was carried out, as a result of which the Company incorporated the subsidiary FISG Partecipazioni S.p.A. of which is held 80% of the share capital.
The merger became effective for accounting and tax purposes from on 1 January 2016.
Following the above-mentioned transactions, Finint S.p.A. become the direct parent of Banca Finint S.p.A., holding 91.43% of the share capital.
With effect from 2 May 2016, the Bank of Italy entered the Banca Finint Group in the Register of Banking Groups pursuant to article 64 of the Consolidated Banking Law (TUB), with Banca Finint in the role of parent company.
The latest Finint S.p.A. financial statements for the year ended 31 December 2016 showed a profit of €439 thousand, share capital of €241 thousand and shareholders' equity of €67,677 thousand.
At 31/12/2016 Finint S.p.A. held the following equity investments:

- ***Banca Finint S.p.A.*** ***Carrying value in Finint S.p.A. €55,660 thousand***

The company has its registered offices in Conegliano, via V. Alfieri 1 and is 91.43% owned by Finint S.p.A.
2016 was characterised by significant authorisation, organisation and corporate events.
Indeed, the Banking Group was included in the list pursuant to the Consolidated Banking Law (TUB) and Banca Finint, in relation to the new role of Parent Company, launched a program of organisational measures to exercise its functions management, control and governance in respect of its subsidiaries.
The 2017/2019 Business Plan confirms the mission of the Banking Group as a highly specialised operator in assistance for institutional, corporate and private customers, integrating the services traditionally offered by Subsidiaries with banking services, including "specialised lending" lines and innovative solutions for debt.
The leadership positions in the national market in certain sectors such as the placement of Minibonds and management of securitisation transactions were maintained in 2016 and attested by public recognition.
During the financial year just ended, the Bank continued its development strategy both in the Debt Capital Markets sector and in the field of classic customer loans.
The Bank closed financial year 2016 with a net profit of €1,803 thousand (€3,150 thousand in the previous year) as a result of the contribution of dividends of subsidiaries and of the positive result in terms of taxes. Shareholders' equity at 31 December 2016 amounted to €127,490 thousand (€124,324 thousand in the previous year).
As at 31 December 2016, the consolidated financial statements of the Bank showed a consolidated net profit of €4 million (€4.8 million in 2015) and shareholders' equity of €131.6 million (€126.6 as at 31/12/2015).
Banca Finint S.p.A. holds the following equity investments:

- ***Securitisation Services S.p.A.*** ***Book value in Banca Finint S.p.A. €90,280 thousand***

The company is 99.87% held by Banca Finint S.p.A. and has its registered offices in Conegliano, Via V. Alfieri no. 1. For the residual 0.13%, the company is held directly by Finanziaria Internazionale Holding S.p.A.

- ***Finanziaria Internazionale Investments SGR S.p.A.***
  Carrying value in Banca Finint S.p.A. €12,308 thousand

In February 2016, Banca Finint purchased 10% of the subsidiary Finanziaria Internazionale Investments SGR S.p.A. from a related party, obtaining full ownership of the company.
The company has as its corporate purpose the collective management of savings through the creation and management of speculative and non-speculative investment trusts and real estate investment funds. The company was issued the required license by the Bank of Italy to operate in this field, under the order dated 30 December 2004. Following the order issued on 24 July 2012 and delivered to the company on 2 August 2012, the Bank of Italy authorized the Company to widen its operations to non-speculative funds as well.

In the course of financial year 2016, Finanziaria Internazionale Investments SGR S.p.A. continued to work on the establishment and launch of new products aimed at growing the assets under management of some funds, continuing simultaneously with the liquidation of other funds. Below are some of the data:
i) total assets under management including "committed capital" equal to €1.95 billion, the highest ever in 11 years of operation of the company;

ii) strengthening of the structure to up to 68 employees at the end of the year;

iii) capitalisation indices stable with regulatory capital 2.71x the requirement.

In the strategic area, in 2016 the Company pursued specialisation in alternative products in areas such as Private Debt funds (managed portfolio €103 million), NPLs (€600 million), Energy (€270 million), and the management of Social Housing funds (€310 million), and finally, in the property sector, development and conversion operations (property portfolio of €1.07 billion).
Financial year 2016 closed with net profit of €719 thousand (€1,278 thousand in the previous year) and shareholders' equity of €5,320 thousand (€5,524 thousand in the previous year).

- ***Finint & Partners S.r.l.*** ***Carrying value in Banca Finint S.p.A. €2,700 thousand***

The company - of which Banca Finint S.p.A. holds 90% of the share capital – has its registered offices in Conegliano, Via Alfieri no. 1, and its corporate purpose is the performance of financial and service activities by purchasing equity investments, organizing financial transactions for subsidiaries and/or third parties, and receiving agencies for the purchase of equity investments.
The financial statements as at 31 December 2016 showed a profit of €178 thousand and shareholders' equity of €517 thousand.

- ***Finint Corporate Advisors S.r.l.*** ***Carrying value in Banca Finint S.p.A. €3,700 thousand***

Finint Corporate Advisors S.r.l. is 99.9% controlled by Banca Finint S.p.A.; its registered offices are in Conegliano, Via Alfieri no. 1, and it is the company of the Finanziaria Internazionale Group performing Corporate Finance activities.
Finint Corporate Advisors S.r.l. provides advice on extraordinary finance transactions, on mergers and acquisitions for enterprises, both multi-nationals and small-medium sized enterprises. In particular, it provides assistance to major industrial and financial companies. Finint Corporate Advisors S.r.l. consolidated its presence in Italy as a key player for SMEs and medium-sized groups in 2016, focusing heavily on geographical areas characterised by a high concentration of industries such as Triveneto, Lombardy and Piedmont.
The financial statements as at 31 December 2016 showed a profit of €507 thousand (loss of €451 thousand in the previous year), share capital of €100 thousand and shareholders' equity of €2,962 thousand (€2,455 thousand at 31/12/2015). The result for financial year 2016 is in part linked to the closing in the first half of 2016 of certain M&A transactions started in 2015.

- ***Finvest Fiduciaria S.r.l.*** ***Carrying value in Banca Finint S.p.A. €251 thousand***

The company, 100% subsidiary of Banca Finint S.p.A., with registered offices in Conegliano, Via Alfieri no. 1, provides asset management for third parties, it organizes the bookkeeping and audits for businesses, it acts as representative of securities and bond holders pursuant to the Decree of the Ministry of Industry, Trade and Small Enterprises issued in agreement with the Ministry of Justice on 14 February 1989, pursuant to law no. 1966 dated of 23 November 1939.
As from 4 October 2016, the Company obtained registration in the separate section of the register referred to in article 106 of the TUB (Consolidated Banking Law).
The financial statements as at 31/12/2016 show a loss of €30 thousand and shareholders' equity of €208 thousand.
At 31 December 2016, the assets and values under trust administration amounted to €26 million.

- ***FISG S.r.l*** ***Carrying value in Finint S.p.A. €2,169 thousand***

A wholly owned subsidiary of Banca Finint S.p.A., the company has its registered offices in Conegliano, via V. Alfieri 1. It handles structured finance transactions and, in particular, provides advisory services for the development and organisation of securitisation transactions. The company was founded following the transfer of the consultancy business unit from FISG Partecipazioni S.p.A. on 25 February 2016, with effect from 1 March 2016.

In 2016 the company's activities focused on the structuring of securitisation transactions (both public and private and dedicated to promoting investment activities in specific asset classes by banks), of covered bonds and of related services (in particular for the roles of director/board member in special purpose vehicles). The company also provides support to customers for obtaining guarantees (Innovfin, COSME) or funds (Private Finance for Energy Efficiency) by the European Investment Fund and the European Investment Bank in order to encourage the financing of SMES and energy efficiency.
FISG S.r.l. closed 2016 with a positive net result equal to €328 thousand and shareholders' equity equal to €2,318 thousand.

- ***Finint Partecipazioni S.r.l.*** ***Carrying value €0 thousand***

This 100% subsidiary is an equity investment holding; it manages the equity investments in its portfolio and the liquidity ratios with the Group companies.
The financial statements ended 31/12/2016 showed a loss of €15,357 thousand, while the shareholders' equity was negative at €14,816 thousand.
The loss for the year was affected by the value adjustment of the equity investment in Sipi Investimenti S.p.A., in the amount of €15,160 thousand following the company's negative results. During the financial year closed on 31 December 2016 the company business focussed on the management of the equity investments in its portfolio.
Impairment testing resulted in an adjustment of the valuation of the investee for €13,990 thousand. The valuation was carried out taking into consideration the recoverable value of the equity investments held directly and indirectly by the investee.
The main equity investment held is in the company:

- ***Sipi Investimenti S.p.A.*** ***Carrying value in Finint Partecipazioni S.r.l. €2,151 thousand***

The company is based in Conegliano, Via Alfieri 1 and mainly invests in securities and equity investments.
During the year the Directors of the Company called an Extraordinary Shareholders' Meeting, which was held on 21 June 2016, to take the measures referred to in article 2447 of the Italian Civil Code on the basis of a statement of financial position as at 30 April 2016 that showed non-covered losses for a total of €20,605,326.
The resolution provided for the coverage of losses using the available asset reserves and the residual loss was covered with the payment by the shareholder Finint Partecipazioni S.r.l. of €4,000,326, the writing off of the share capital and the recovery of €100,000 with a share-premium for €2,295,000, to be offered as an option to shareholders. Said increase was subscribed and paid in full by the shareholder Finint Participations S.p.A.
In December 2016, Finint Partecipazioni S.p.A. carried out a payment towards future capital increase in favour of the investee for a total of €14,000.
2016 ended with a loss of €15,107 and shareholders' equity of €2,151.
This result derives mainly from the significant value adjustments made to investments held through the subsidiary Rete S.p.A. and the equity investment in Sviluppo 56 S.r.l. and direct equity investments.
The main equity investments, held by SIPI Investimenti S.p.A. for long-term investment purposes, and thus considered as financial fixed assets, are Finint S.p.A, Sviluppo 56 S.r.l., Rete S.p.A., Finint Real Estate S.r.l. and TBS Group S.p.A.
The subsidiary Finanziaria Internazionale Real Estate S.r.l. continued to manage its equity investments in the year, particularly for Industrial Park Sofia A.D., a company regulated under the Bulgarian law, with registered offices in Sofia, Bulgaria, which the Group holds a 50.72% stake in, and whose business mainly focuses on enhancing the value of an estate located close to the capital city. For a description of the investment, reference is made to the indications in this notes.
At year end the Company adjusted the carrying value of the equity investment in Finanziaria Internazionale Real Estate S.r.l., amounting to €215 thousand, to put the book value in line with the corresponding portion of shareholders' equity.
Rete S.p.A. is engaged in the investment, on its own behalf, in financial or similar instruments of various types and focused its activity on accumulating a portfolio of shares issued by the listed company Banca Monte dei Paschi di Siena.
On 23 December 2016, Rete S.p.A. sold all its shares in Monte dei Paschi di Siena entered in the financial statements under equity investments, resulting in an overall loss in the financial year equal to €20,592 thousand. With the liquidity deriving from the sale, the investee bought Intesa San Paolo and Assicurazioni Generali shares for trading purposes.
On 21 December 2016, the company recapitalised the investee with a payment towards future capital increase and loss cover in the amount of €17,646 thousand.

Indeed, on 22 December 2016 the Shareholders’ Meeting of Rete S.p.A. resolved to cover the losses using the share premium reserve and the share capital for the full amount. The residual loss, equal to €17,555 thousand, was covered through the use of the payment towards future capital increase and loss cover carried out by its shareholders and the share capital was reconstituted for €100,000.
In order to take into account the losses made by the investee, the Company wrote off the carrying value of the investee company for a total of €17,434 thousand.
Finint Partecipazioni S.r.l. also holds a 9.09% stake in Sviluppo 81 S.r.l. entered in the balance sheet at €12 thousand, 0.10% in Finint Corporate Advisors S.r.l. entered in the balance sheet at €0.1 thousand, and 15.02% in Finint Mediatore Creditizio S.p.A. entered in the balance sheet at €58 thousand.

- ***Finint Finanziaria S.r.l.*** ***Carrying value €23 thousand***

The company, of which 1% of the share capital is held, performs investments on its own behalf into financial or comparable instruments, generally securities listed on the Italian and European stock markets.
The latest approved financial statements relate to the financial year from 01/07/2015 to 30/06/2016, and they report a net profit of €326 thousand and shareholders’ equity of €11,108 thousand.

- ***Industrial Park Sofia AD*** ***Carrying value €660 thousand***

The company Industrial Park Sofia AD (IPS) is a company regulated under the Bulgarian law with registered offices in Sofia; the Group holds a 5.07% stake in its share capital. Its mission is to enhance the value of a large estate located close to the capital city and previously used as military airport.
The land can be built on and has obtained all the necessary authorisations from the local authorities. The development breakdown is as follows: 2/3 of the area may be used for logistics/industrial purposes whilst 1/3 must be multifunctional (offices/stores/accommodations). The investee company, having brought an administrative lawsuit against the Bulgarian Ministry of Culture, which had objected citing cultural restrictions on the owned land, obtained a final judgement on 3 December 2013, which cannot be appealed to the Administrative Supreme Court, recognising all of the requests it made in regards and nullifying any of the restrictions imposed. Despite this ruling, in October 2015 the company was notified of the start of a new assessment procedure by the Bulgarian Ministry of Culture about the existence of cultural interest in the area. Industrial Park Sofia, and its Italian shareholders, are therefore engaged in fighting this additional procedure, deemed entirely unlawful, although it has not resulted in any formal act against the company. In 2016 an international arbitration procedure was therefore launched within the meaning of the Treaty for the Protection of Investments signed between Italy and Bulgaria. This procedure is established in Stockholm and is expected to end with the judgement of the Court of Arbitration by the end of 2018.
The draft financial statements for the financial year closed on 31 December 2016 report a share capital of €3,528 thousand and shareholders’ equity of €339 thousand. In the course of 2016, the company rescheduled the bank loan, extending repayment to 31 December 2018. The 2016 financial year closed with a loss of €490 thousand. The figures shown represent the exchange value in Euro of the financial statements figures stated in Bulgarian LEV.
This year the company adjusted the book value of the equity investment for €112 thousand to adjust it to the updated economic value of the investee, also in consideration of the valuations available on the owned land, as recently updated. At the end of the year, the book value of the equity investment held in Industrial Park Sofia A.D. is higher than the portion of shareholders' equity of the investee. However, the differential is supported by the economic value of the investment of the investee as confirmed by a recent appraisal by an independent expert. In consideration of the characteristics of the land and the uncertainty of the outcome of the administrative dispute described above, the terms and realisation value of the investment are difficult to forecast.

- ***Eufemia Investimenti S.r.l.*** ***Carrying value €0 thousand***

The company was placed in voluntary liquidation on 28 June 2016 and was removed from the Companies Register on 6 December 2016. Finanziaria Internazionale Holding S.p.A. made a loss of €6 thousand from the liquidation of the company.

Equity investments in associates

	% of ownership	*31/12/2016*	*31/12/2015*
- Neip III S.p.A.	41.91%	13,160	7,021
- Padova Est S.r.l.	0.00%	0	0
- M.T.D.A. S.r.l.	0.33%	0	0
TOTAL EQUITY INVESTMENTS		**13,160**	**7,021**

Unless otherwise stated, the above mentioned equity investments are considered as financial fixed assets.
Annex 6 contains more details related to changes in equity investments, and data concerning the location of equity investments and their movements.
The following is a summary of the main information concerning the economic trends of investees and of business developed during the financial year under review.

- ***NEIP III S.p.A.*** ***Carrying value €13,160 thousand***

The company operates in the private equity investment sector.
On 28 June 2016, the Company purchased 200,475 shares of the investee totalling €590 thousand, obtaining 41.91% of the share capital.
NEIP III's purpose is specifically to acquire qualified minority stakes in companies that have already completed the start-up phase, are located in the Italian market and are active in the industrial sector and services in general, without pursuing any specific product specialisation.
In 2015, the Company, with the support of the Advisor Finint & Partners S.r.l., analysed almost 90 files, 60 of which examined in detail, resulting in seven expressions of interest and the realisation of two investments.
In the course of the year, the company acquired a majority stake in two companies active respectively in the frozen bakery sector and the mobile container handling equipment sector and also carried out the second disinvestment (after the first sale in 2015) in the oil & gas sector.
As a result of the investments and divestments performed during 2016, as at the end of December the company portfolio was composed of five shareholdings in companies operating in various industries.

- **Panificio San Francesco S.p.A. (Panificio San Francesco)** a company indirectly owned by NEIP III through the company V.M.E. S.p.A. with a share equal to 75% of the share capital. V.M.E. holds 100 % of the share capital of Panificio San Francesco, a company based in Codevilla (PV), one of the main operators at national level in the production and distribution of pre-baked and frozen bread for large-scale retail trade.
- The financial statements of Panificio San Francesco ended 31 December 2016 showed a turnover of €19,408 thousand, a profit for the year of €1,316 thousand, share capital of €120 thousand and shareholders' equity of €5,051 thousand.
  The financial statements of V.M.E. ended 15/10/2016 showed profit of €29 thousand, a share capital of €100 thousand and a shareholders' equity of €15,382 thousand.
- **Forno d'Asolo S.p.A. ("Forno d'Asolo")**, a company indirectly held by NEIP III through the company FDAH S.p.A. with a minority share of 3% of the share capital, entered with a book value of €2,000 thousand. Forno d'Asolo is leader in Italy in the frozen bakery segment, and mainly operating in the production and sale of frozen confectionery products, above all products for breakfast. The latest available financial statements of Forno d'Asolo relating to the financial year ended 31 December 2015 showed a turnover of €87,477 thousand, a profit for the year of €5,956 thousand, share capital of €1,000 thousand and shareholders' equity of €72,900 thousand.
- **ABL S.r.l. ("ABL")**, a company directly held with a stake of 44.25%, entered with a book value of €5,000 thousand. ABL designs, manufacturers and markets fruit processing machinery, and is a reference operator for the processing of fruit to be consumed fresh. The financial statements as at 31/12/2015 showed profits of €791 thousand, a share capital of €120 thousand and a shareholders' equity of €12,091 thousand.
- **Vimec S.r.l. ("Vimec")**, a company directly held by NEIP III with a stake of 32%, entered with a book value of €4,800 thousand. Vimec is among the leading operators in Europe in designing, manufacturing and marketing mobility and accessibility installations for residential and commercial buildings. The financial statements as at 31/12/2016 of Vimec S.r.l. showed profit of €1,399 thousand, a share capital of €1,000

thousand and shareholders' equity of €19,071 thousand. NEIP III made the investment in the company in May, achieving capital gains of €4,874 thousand.

- **CVS Ferrari S.r.l. ("CVS")** a company purchased in December 2016 by means of the vehicle ECH S.r.l. in which NEIP III holds a majority shareholding equal to 58.97%. ECH S.r.l. holds 100 % of the share capital of CVS, a company headquartered in Roveleto (PC) and active in the production of machinery for the handling of containers inside of ports or intermodal terminals (mobile container handling equipment sector). ECH S.r.l. will close its first annual financial statements at 31 December 2017.

The financial statements as at 31/12/2016 of Neip III S.p.A. reported a loss of €3,213 thousand and shareholders' equity of €31,587 thousand.
During the year, the Company made additional capital payments in favour of an investee totalling €5,549 thousand, as envisaged by the investment agreement.
The company is continuing its investment period and, in relation to the current measurement prospects, there are no reasons to believe that the difference between the equity investment book value and the relevant share of shareholders' equity might correspond to an impairment loss.

- ***Padova Est S.r.l.*** ***Carrying value €0 thousand***

The company is owned by the subsidiary Finint Immobiliare S.r.l. with which the Company has signed a subordinated loan agreement that gives the Company the income and charges relating to the investment in the company Padova Est S.r.l. for an initial investment of €1,700 thousand. The agreement stipulates that any change in the carrying value of the investment would entail a corresponding modification of the amount of financing; remuneration of the same is related to income from the investment and repayment is related to the realisation of the investment. For this reason, the Company reclassified the loan receivables to Equity investments.
Padova Est S.r.l. manages a property for commercial use in the Padua municipality. The carrying value of the property in the financial statements, equal to €13.3 million, derives from an independent assessment by the directors of the investee who decided to write it down by €1.2 million. The purchase of the property was financed with a bank debt, the residual balance of which at 31 December 2016 was equal to €9.99 million, and for the remainder by resources provided by shareholders. Since part of the year-end bank debt has expired, the company is negotiating its restructuring in order to align the repayment schedule with the flows expected from the investment realised. In March 2016, Finint Immobiliare S.r.l., together with the other shareholders of Padova Est S.r.l., covered the losses of the latter by foregoing the loans granted previously.
The company's financial statements at 31 December 2016 showed an operating loss of €2,640 thousand, shareholders' equity of €636 thousand and share capital of €1,530 thousand. In order to adjust the book value of the equity investment to the portion of shareholders' equity held, Finint Immobiliare S.r.l. made an adjustment at year-end for €587 thousand. By effect of the contractual provisions contained in the subordinated financing agreement signed with Finint Immobiliare S.r.l. , the Company increased the book value of the shareholding and posted a payable to the subsidiary for the same amount.

	31/12/2016	*31/12/2015*	*Change*
8. OTHER FINANCIAL ASSETS	**1**	**5**	**(4)**

The item includes the equity investments in certain securitisation vehicles:

- Casa Finance S.r.l.	0%	0	2
- Trevi Finance n. 3 S.r.l.	0%	0	2
- CR Firenze Mutui S.r.l.	10.00%	1	1
- Other equity investments		0	0
Total		**1**	**5**

These are SPVs – special purpose vehicle companies set up and regulated by Law no. 130 of 1999 concerning securitisation transactions carried out in Italy. Equity investment shares are entered in the balance sheet at the subscription value. Pursuant to the provisions of the above-mentioned Law 130 and to the provisions issued by the Bank of Italy, securitisation companies operate exclusively in securitisation transactions and cannot assume any direct risk since all their bonds have limited recourse on securitised assets. In particular, pursuant to the

Bank of Italy instructions, securitisation companies must indicate the figures separately relating to transactions carried out which, for all intents and purposes, represent “separate wealth,” in the Explanatory Notes to their financial statements.
Equity investments in companies operating in the securitisation of receivables are short-term based, as at the end of managed transactions their complete transfer is planned. In some cases, the Company has made a formal and specific commitment towards the originator concerning the sale of these investments.
During the financial year, the subsidiaries Casa Finance S.r.l. and Trevi Finance n.3 S.r.l. were liquidated.
With reference to a few “active” equity investments (with at least one securitisation transaction completed), the Group has acquired putability and sold callability rights with respect to the selling company, which can be exercised once the transaction has been completed and for a value not lower than the nominal value.
Owing to the specific profile of operational activities, equity investments are all intended for sale and, as such, they have to be considered as entered into the current assets. The equity investment shares are recorded in the balance sheet at the subscription value, as it is lower or equal to the estimated realizable value.
Annex 6 contains more details related to changes in equity investments, and data concerning the location of equity investments and their movements.

	31/12/2016	*31/12/2015*	*Change*
9. OTHER NON-CURRENT ASSETS	**1,574**	**8,347**	**(6,773)**

The balance can be broken down as follows:

	31/12/2016	*31/12/2015*
- Receivables for loans from Group companies	540	378
- Financial receivables from third parties	1,034	973
- Guarantee loans on security lending transactions	0	6,996
TOTAL NON-CURRENT ASSETS	**1,574**	**8,347**

Receivables for loans from Group companies relate to the interest-bearing loan granted to Industrial Park Sofia AD for €195 thousand and to a loan granted to the subsidiary Finint Immobiliare S.r.l. for €345 thousand, of an amount equal to the loan that the subsidiary Finint Immobiliare S.r.l. granted to the investee Padova Est S.r.l. This loan is regulated by the subordinated loan agreement with Finint Immobiliare S.r.l. and is paid under the same conditions as the loan granted by Finint Immobiliare S.r.l. and Padova Est S.r.l.
The item financial receivables from third parties includes €1,034 thousand for the third party receivables relating to the transfer price of the 16.40% shareholding in Agorà Investimenti S.p.A. accrued in 2008 and 2009, the payment of which will become due on 30 June 2018. The balance includes delayed payment interests as of 31 December 2016 pursuant to the contract clauses.

	31/12/2016	*31/12/2015*	*Change*
10. DEFERRED TAX ASSETS	**1,954**	**1,066**	**888**

The item “Deferred tax assets” relates to taxes calculated on temporary differences, which will be deductible in future years.
For further details, please refer to the “Tax” section in the Income statement and in Annex 6.

LIABILITIES

Current liabilities

	31/12/2016	*31/12/2015*	*Change*
11. TRADE PAYABLES	**12,835**	**12,411**	**424**

Trade payables

Below is the breakdown of trade payables:

	31/12/2016	*31/12/2015*
- trade payables to third parties	543	283
- trade payables from Group companies	598	521
TOTAL	**1,141**	**804**

Trade payables relate mainly to the provision of services and consultancy to the Company.

The amounts owed to the company by the Group are set out in detail in Annex 7 a).

Other payables

Below is the breakdown of other payables:

	31/12/2016	*31/12/2015*
- intercompany current accounts	7,034	3,740
- payables for tax consolidation	2,584	4,123
- payables to subsidiaries	1,008	422
- payables to staff	659	689
- payables to Directors	110	2,230
- payables to the Board of Statutory Auditors	24	24
- amounts payable to pension and social security institutions	229	264
- other payables	46	115
TOTAL	**11,694**	**11,607**

The item intercompany current accounts includes payables on demand to Group companies related to the balances of third-party current accounts, including interest accrued as at 31/12/2016. These relationships are governed at arm's length.
The liability under the national tax consolidation regime relates to the withholding taxes on bank interest income levied to the consolidated companies during the year; and to the amount representing tax losses transferred to Finanziaria Internazionale Holding S.p.A. following adherence to the national tax consolidation regime. These debts are to fall due within three months.
The item payables to subsidiaries includes the amounts due to the subsidiary Finint Immobiliare S.r.l. recognised as a result of the provision of the subordinated loan agreement with the company.
The detail of payables to Group companies is shown in Annex 8 of these Explanatory Notes.

	31/12/2016	31/12/2015	Change
12. TAX PAYABLES	**47**	**884**	**(837)**

The item "Tax payables" includes payables for withholding taxes on income from self-employed and employed work in the amount of €47 thousand.

	31/12/2016	31/12/2015	Change
13. BANK PAYABLES – CURRENT PORTION	**47,582**	**67,762**	**(20,180)**

The balance can be broken down as follows:	*31/12/2016*	*31/12/2015*
- current account overdrafts	34,694	44,788
- short-term portion of bank financing	12,888	22,974
TOTAL	**47,582**	**67,762**

The item includes the debit balances of the current accounts held with certain credit institutions, inclusive of interest accrued at 31/12/2016 and the share of financing granted by credit institutions with payment within the year. Bank loans are entered in the balance sheet according to the amortised cost method which considers initial ancillary costs at the time of the granting of the loan.
The item includes a loan, for a total of €998 thousand and maturing on 19 June 2017, which is contractually subject to compliance with certain financial parameters. The loan agreement regulates the calculation of the parameters with the data and the information derived from the financial statements drawn up in accordance with the provisions of Legislative Decree No. 87/92, regulations applied by the Company in the drafting of the separate financial statements and consolidated financial statements up to the year 2015. As a result of the issue of Legislative Decree No. 136/2015 which repealed Legislative Decree No. 87/92, as from financial year 2016 the Company prepares its financial statements in accordance with international accounting standards (IAS/IFRS).
As a result of these changes, the Company has communicated to the credit institution the need to redefine the rules for determining the parameters, which at the date of these financial statements had not yet been formulated; it is therefore not possible to make an assessment on compliance with the above mentioned parameters.
It should be noted, however, that the debt was repaid upon maturity.

	31/12/2016	31/12/2015	Change
14. OTHER FINANCIAL PAYABLES – CURRENT PORTION	**40,337**	**31,773**	**8,564**

Below is the breakdown of other financial liabilities:

	31/12/2016	*31/12/2015*
- debenture loan	40,335	20,272
- commercial papers	0	11,500
- other payables	2	1
TOTAL	40,337	31,773

The item debenture loan includes the payable for a debenture loan issued on 17 March 2016 for €35,000 thousand and on 31 March 2016 for a further €5 thousand. The payable is entered with the depreciated cost criterion, which considers the costs directly attributable to the issuance of the loan.
In particular, the debenture loan was renamed "Finanziaria Internazionale Holding Tasso Fisso 4% 2016" for a total maximum value of €40,000 thousand, comprising 800 bonds with a nominal value of €50,000 thousand. The debenture loan was traded on the ExtraMOT professional market segment (EXTRAMOT PRO), operated by Borsa Italiana S.p.A., and it is reserved for the subscription by qualified investors. The main features of the bonds are summarized in the table below:

Date of issue	17/3/2016 and 31/3/2016
Deadline	17/09/2017
Rate	annual 4%
Payment dates of interest	17/09/2016 – 17/03/2017 – 17/09/2017

The commercial papers in existence in the previous year were repaid regularly upon maturity.
The item other payables includes the payable for the sale of call options for the purchase of shares in certain companies.

Non-current liabilities

	31/12/2016	*31/12/2015*	*Change*
15. OTHER NON-CURRENT PAYABLES	**4,537**	**4,534**	**3**

The item includes €4,500 thousand for a loan granted to the subsidiary Agorà Investimenti S.p.A., maturing on 30 June 2021 and adjusted to market conditions. The item also includes €37 thousand toward the Group company Sviluppo Industrial Park S.r.l. for the purchase of a shareholder loan.

	31/12/2016	*31/12/2015*	*Change*
16. BANK PAYABLES – NON CURRENT PORTION	**31,606**	**5,341**	**26,265**

Financial payables to banks net of current share are made up of the medium and long-term shares of subscribed loans, recognised at amortised cost.
The loan shares all mature within five years.
Against bank loans, the Company gave as guarantee 168,000 ENEL shares, 307,058 Save shares and 6,218,213 shares in the Finint Bond fund.
The item includes a loan, for a total of €26 million, which is contractually subject to compliance with certain financial parameters. The loan agreement regulates the calculation of the parameters with the data and the information derived from the financial statements drawn up in accordance with the provisions of Legislative Decree No. 87/92, regulations applied by the Company in the drafting of the separate financial statements and consolidated financial statements up to the year 2015. As a result of the issue of Legislative Decree No. 136/2015 which repealed Legislative Decree No. 87/92, as from financial year 2016 the Company prepares its financial statements in accordance with international accounting standards (IAS/IFRS).
As a result of these changes, the Company has communicated to the credit institution the need to redefine the rules for determining the parameters, which at the date of these financial statements had not yet been formulated; it is therefore not possible to make an assessment on compliance with the above mentioned parameters.

	31/12/2016	*31/12/2015*	*Change*
17. OTHER FINANCIAL PAYABLES – NON-CURRENT PORTION	**46**	**105**	**(59)**

The item includes the shares of payables toward leasing companies with repayment beyond the year.

	31/12/2016	*31/12/2015*	*Change*
18. DEFERRED TAX LIABILITIES	**971**	**798**	**173**

The deferred tax provision is calculated on the basis of the new IRES rate equal to 24%, which enters into force from 01/01/2017, as provided for by paragraph 61 of Law No. 208 of 28 December 2015 (2016 Stability Law).
The detailed breakdown of the deferred tax reserve is to be found in Annex 7.

	31/12/2016	*31/12/2015*	*Change*
19. RESERVE FOR TERMINATION INDEMNITIES AND OTHER EMPLOYEE PROVISIONS	**692**	**648**	**44**

During the financial year, this reserve underwent the following changes:

Provision as of 31/12/2015	**648**
- current cost	80
- interest payable	12
- liquidations carried out	(73)
- actuarial profit (loss)	25
Provision as of 31/12/2016	**692**

The item liquidations carried out represents the benefits paid to employees during the financial year.
In accordance with paragraph 83 of IAS 19, the interest rate used for discounting was deduced from the IBOXX Corporate AA 10+ index at the date of the valuation equal to 1.31% at 31 December 2016 (2.03% at 31 December 2015).
The actuarial assumptions used for the valuation of the provision at the financial statements reference date are set out below:
- discounting rate: 1.62%;
- annual wage increase rate: 1%, determined on the basis of information from Company managers;
- annual inflation rate: 1.50% for 2016; 1.80% for 2017; 1.70% for 2018; 1.60% by 2019; 2.00% from 2020 onwards, determined on the basis of the current economic situation, which shows particular volatility in most of the economic indicators.
- frequency advances: 1.30%; turnover: 10.00%. These assumptions are derived from historical experiences of the Group and from frequencies arising from M&P experience on a significant number of similar businesses.
- demographic techniques used: for 'Death' the RG48 mortality tables published by the State General Accountancy; for 'Disability' INPS tables, divided by age and sex; for 'Retirement' 100% upon achievement of AGO (compulsory general insurance) requirements.

	31/12/2016	*31/12/2015*	*Change*
20. OTHER PROVISIONS FOR RISKS AND CHARGES	**140**	**132**	**8**

The item includes the adjustment of value of the equity investments in Finint Real Estate S.r.l. and Sviluppo 56 S.r.l. for the excess part with respect to the carrying amount of the subsidiaries.

	31/12/2016	*31/12/2015*	*Change*
21. TOTAL NET EQUITY	**113,854**	**131,290**	**(17,436)**

Shareholders' equity at 31 December 2016 is made up of the items discussed below.
Details of the changes in shareholders' equity are provided in the financial statements and information concerning the origin, availability and distribution of shareholders' equity, as well as their use in the three preceding years is provided in Annex 1.

	31/12/2016	*31/12/2015*	*Change*
SHARE CAPITAL	**1,860**	**1,860**	**0**

The share capital, equal to € 1,859,630.00, is comprised of 371,926 ordinary shares with nominal value of € 5.00.

	31/12/2016	*31/12/2015*	*Change*
SHARE PREMIUM RESERVE	**22,770**	**22,770**	**0**

This is the share premium related to the capital increases resolved in the previous financial years.

	31/12/2016	*31/12/2015*	*Change*
LEGAL RESERVE	**372**	**372**	**0**

The legal reserve reached the limit referred to in article 2430 of the Italian Civil Code.

	31/12/2016	*31/12/2015*	*Change*
OTHER RESERVES AND PROFIT (LOSS) CARRIED FORWARD	**105,059**	**117,409**	**(12,350)**

Other reserves consist of:

	31/12/2016	31/12/2015
- extraordinary reserve	86,413	87,872
- restatement reserve	29,147	29,147
- fair value valuation reserve	777	386
- valuation reserve for actuarial gains (losses)	(14)	4
- losses carried forward	(11,264)	0
TOTAL	**105,059**	**117,409**

For a discussion of the effects resulting from the transition to IAS/IFRS, from which the restatement reserve originated, please refer to the appropriate Annex.

The reduction of the extraordinary reserve derives mainly from the distribution of dividends to shareholders agreed in the year in the amount of €1,603 thousand.

The fair value valuation reserve refers to the assessment of assets classified as “Available for sale” and the actuarial valuation of the employee severance indemnity fund.

ANALYSIS OF THE MAIN INCOME STATEMENT ITEMS

(unless otherwise stated, amounts are shown in thousands of euro)

OPERATING REVENUE AND OTHER INCOME

	31/12/2016	*31/12/2015*	*Change*
22. OPERATING REVENUE	**3,055**	**2,212**	**843**

The item includes:

	31/12/2016	*31/12/2015*
- fees for the provision of administrative services	2,938	1,900
- fees for the provision of internal audit and compliance	0	120
- fees for other services	0	42
- fees for sureties	117	150
TOTAL	**3,055**	**2,212**

The item provision of administrative services refers to the provision of services that the Company provides in respect of other companies in the Group on the basis of agreements entered into between the parties at market conditions.
The item “Fees for sureties” includes the annual fee that a subsidiary must pay to the Company for the commitment to hold the subsidiary harmless from any change in its financial structure.
The relationships with Group companies are shown in Annex 8 of these Explanatory Notes.

	31/12/2016	*31/12/2015*	*Change*
23. OTHER INCOME	**427**	**738**	**(311)**

The item mainly includes reversible fees of directors for €357 thousand and various chargebacks to Group companies.
The detail of revenues owed by Group companies is shown in Annex 8 of these Explanatory Notes.

COSTS OF PRODUCTION

	31/12/2016	*31/12/2015*	*Change*
24. RAW AND ANCILLARY MATERIALS, CONSUMABLES AND GOODS	**18**	**31**	**(13)**

The item includes the costs incurred for purchases of stationery and consumables.

	31/12/2016	*31/12/2015*	*Change*
25. SERVICES	**3,514**	**2,896**	**618**

The item includes:

	31/12/2016	31/12/2015
- directors' fees and expenses	1,648	1,278
- consultancy and services	764	777
- auditing and accounting controls	50	64
- IT services	303	293
- Statutory Auditors' fees	180	24
- insurances	52	41
- management costs related to the Company's cars	56	78
- other expenses for personnel	236	51
- travel expenses	56	92
- advertising, entertainment expenses and gifts	13	42
- telephone bills	29	38
- maintenance costs	49	63
- stationery, printed materials and consumables	13	14
- other expenses	4	10
- commissions on sureties	29	0
- bank expenses	33	32
TOTAL	**3,514**	**2,896**

The detail of costs received from Group companies is shown in the summary table in Annex 8 of these Explanatory Notes.
The item "Consultancy and services" includes €159 thousand related to charges received from the Group companies.
The balance amount of the item "consultancy and services", equal to €577 thousand, refers to legal advice received from third parties and sundry services received.
The item "IT services" refers mainly to the amounts invoiced by the subsidiary Fin.It S.r.l.
The Other expenses for personnel mainly include costs for staff seconded to the Company, research and training expenses for staff, and personnel administration costs.

	31/12/2016	31/12/2015	Change
26. LEASE AND RENTAL COSTS	**236**	**320**	**(84)**

The item consists mainly of:

- costs for the lease and building expenses for the premises in which it carries out company activities charged by the subsidiary Finint Immobiliare S.r.l. in the amount of €209 thousand;
- costs for the rental of photocopiers and printers for €16 thousand;
- costs for the rental of software licenses charged by the group company Fin.it S.r.l. for €13 thousand.

	31/12/2016	31/12/2015	Change
27. PERSONNEL COSTS	**2,509**	**2,660**	**(151)**

The breakdown of the item in question is provided below:

	31/12/2016	31/12/2015
- salaries and wages	1,858	1,953
- social security contributions	520	558
- staff severance indemnity	126	138
- other staff costs	5	11
TOTAL	**2,509**	**2,660**

	31/12/2016	31/12/2015	Change
22. AMORTISATION, DEPRECIATION AND WRITE-DOWNS	**67**	**111**	**(44)**

The item shows:

	31/12/2016	31/12/2015
- depreciation of tangible fixed assets	66	99
- depreciation of multiannual charges	1	12
TOTAL	**67**	**111**

For a detailed breakdown of depreciation by fixed assets class, please refer to Annex 3.

	31/12/2016	31/12/2015	Change
23. OTHER CHARGES	**288**	**385**	**(97)**

A breakdown of the item in question is provided below:

	31/12/2016	31/12/2015
- excises and taxes due	222	291
- company car costs	18	19
- legal representation, advertising and entertainment expenses	15	16
- association fees	12	10
- other expenses	17	28
- fees paid to Consob	4	5
- losses on loans	0	16
TOTAL	**288**	**385**

FINANCIAL INCOME AND EXPENSES

	31/12/2016	31/12/2015	Change
31. FINANCIAL INCOME AND WRITE BACKS OF FINANCIAL ASSETS	**5,355**	**10,986**	**(5,631)**

This item includes:

	31/12/2016	31/12/2015
On fixed income securities		
- interest and negotiation spread on Asset-Backed Securities	330	121
- other interests	169	122
- interest on bank accounts	4	1
- interest on third-party accounts:		
- to Group companies	2,661	3,383
- to related companies	97	36

- delayed payment interests	101	111
- dividends from equity investments	0	1,732
- dividends from shares	42	24
- dividends from investments in the Group's companies	1,900	3,076
- valuation of securities posted in current assets	50	33
- capital gains on the sale of equity investments	1	2,253
- profit from closing of options	0	14
- swaps active spread on foreign exchange	0	80
TOTAL INTEREST INCOME AND SIMILAR REVENUE	**5,355**	**10,986**

Interest and negotiation spread on Asset-Backed Securities refers to the remuneration of the ABS securities recorded for maturity, with reference to the income accrued on the asset underlying the ABS security. In the previous financial year the item also included the remuneration earned for the period on the ABS SSF ABS1 B security which was repaid on 16 December 2015.
Delayed payment interests refer, in the amount of €39 thousand, to interest accrued on the delayed payment granted to Rete S.p.A. and, in the amount of €62 thousand, to delayed payment interests accrued on the receivables for the sale of an equity investment in Agorà Investimenti S.p.A.
The item "other interests" includes interest on securities lending in the amount of €142 thousand and on active loans in the amount of €27 thousand. Interest on securities lending refers, in the amount of €32 thousand, to a loan agreement on listed equity securities concluded with the company Group Sipi Investimenti S.p.A., and in the amount of €110 thousand to the loan agreement on listed securities in place with the Group company Rete S.p.A.
The item "Interest on loans granted" relates, in the amount of €9 thousand, to interest accrued on the loan granted to Industrial Park Sofia A.D., in the amount of €14 thousand to interest accrued on a third party loan, and for the remaining amount, to the interest accrued on the loans granted to Finint Immobiliare S.r.l. and linked to the equity investment held in Padova Est S.r.l.
The detail of interest expense to Group companies is shown in Annex 8 of these Explanatory Notes.
The dividends from investments in the Group's companies refer to the dividends resolved by the following companies:

- Securitisation Services S.p.A. for €6 thousand;
- Finanziaria Internazionale Luxembourg S.A. for €1,050 thousand;
- Agenzia Italia for €665 thousand;
- Save S.p.A. for €179 thousand.

	31/12/2016	*31/12/2015*	*Change*
32. INTEREST, OTHER FINANCIAL CHARGES AND WRITE-DOWN OF FINANCIAL ASSETS	**19,352**	**19,802**	**(450)**

Financial charges are divided as follows:

	31/12/2016	*31/12/2015*
- interest on payables to banks on demand	299	200
- interest on short-term payables to banks	619	675
- interest on medium-term payables to banks	1,371	2,011
- interest on unsecured loans	288	29
- commissions on loans	145	161
- interest on the bond loan and commercial papers	2,060	1,093
- interest on relationships in third-party current account	256	1,043
- interest on cash transfer agreement	174	165
- interest for payment extension	8	8

- interest on lease agreements	3	8
- to Revenue Service on delayed tax pay	0	16
- write-down of investments in subsidiaries	14,114	13,132
- swaps passive spread on foreign exchange	0	80
- charges for valuation of securities	0	1,181
- loss from the sale of ABS securities	8	0
- capital loss on disposal of subsidiaries	7	0
Total	**19,352**	**19,802**

The item "write-down of investments in subsidiaries" includes the following write-downs of equity investments:

	31/12/2016	*31/12/2015*
- Sviluppo 56 S.r.l.	7	19
- ACB Group Sviluppo S.r.l.	4	81
- Finint Partecipazioni S.r.l.	13,990	13,002
- Industrial Park Sofia A.D.	112	19
- Eufemia Investimenti S.r.l.	0	1
- Finint Real Estate S.r.l.	1	10
TOTAL	**14,114**	**13,132**

The write-down of Finint Partecipazioni S.r.l. derives from the losses made by the subsidiary SIPI Investimenti S.p.A. with reference in particular to the negative result of the investment in Banca Monte dei Paschi di Siena, sold on the market in the course of 2016 incurring significant losses. Also taken into account for the valuation of the shareholding was the current market value, represented by stock market prices, of Assicurazioni Generali stock, in which SIPI Investimenti S.p.A. has invested indirectly through the associate shareholding in Ferak S.p.A.
The write-down on the equity investment held in Industrial Park Sofia A.D. reflects the updating of the value assigned to the land owned by the investee, as emerging from a recent survey. This aspect was also taken into account in the valuation of Finint Partecipazioni S.r.l. since the investment is held, as well as directly with a minority share, also indirectly through Finint Partecipazioni S.r.l., SIPI Investimenti S.p.A. and Finanziaria Internazionale Real Estate S.r.l.
In 2015, the item "charges for valuation of securities" mainly referred to the write-down of the shares held in Banca Popolare di Vicenza.
The detail of interest expense to group companies is shown in Annex 8 of these Explanatory Notes.

	31/12/2016	*31/12/2015*	*Change*
32. PROFIT (LOSS) FROM ASSOCIATES AND JOINT VENTURE'S CARRIED AT EQUITY	**587**	**585**	**2**

This item includes the charge resulting from the write-down carried out on Padova Est S.r.l., entered into force by the subordinated loan agreement with the subsidiary Finint Immobiliare S.r.l. which provides that charges related to the write-down that Finint Immobiliare S.r.l. has had to carry out with reference to such shareholding should be transferred to the Company.

	31/12/2016	*31/12/2015*	*Change*
33. INCOME TAXES	**1,527**	**1,732**	**(205)**

The breakdown of this item is as follows:

	31/12/2016	31/12/2015
current taxes:		
- IRES to be paid in the year	0	811
- charges (Income) from tax consolidation	(632)	(1,984)
- taxes from tax consolidation in the previous year	6	(4)
Total current taxes	**(626)**	**(1,177)**
advance taxes:		
- adjustments to advanced taxes	620	17
- deferred tax assets	(1,521)	(632)
deferred taxes:		
- adjustment to deferred tax liabilities	0	(24)
- deferred tax liabilities	0	84
Total deferred tax liabilities/assets	**(901)**	**(555)**
TOTAL TAXES	**(1,527)**	**(1,732)**

As the consolidator, the company participates in the "Domestic tax consolidation" scheme, within the meaning of article 114 et seq. of the TUIR (Consolidated Income Taxes Act). This scheme allows offsetting between the taxable income and tax losses of the companies that participate in the tax consolidation scheme.
Income from domestic tax consolidation therefore refers to the part of negative taxable amount of the Company that is offset with the positive taxable amount transferred by the consolidated companies as part of consolidated tax return transactions.
Advance taxes were allocated against the benefits related to the Company's tax losses, which will be recovered from the future income base.
For further details, please refer to Annex 6.

Below is an analysis of the theoretical and actual tax charge.

	31/12/2016
(A) Profit (Loss) from continuing operations before tax	(17,733)
(B) Profit (Loss) of groups of assets classified as held for sale before tax	
(A) Profit (Loss) before tax	(17,733)
Current IRES tax rate (%)	27.50%
Theoretical tax charge/income	(4,877)
Permanent differences	3,609
Tax consolidation effect	(632)
Other	373
IRAP (ordinary)	
Income taxes for the year	**(1,527)**

Income items/Segments	**31/12/2016**
1. Current taxes (-)	(632)
2. Changes to current taxes in previous years (+/-)	6
3. Reduction in current taxes for the year (+)	-
3.*bis* Reduction in current taxes for the year for tax credits pursuant to L. 214/2011 (+)	-
4. Change in deferred tax assets (+/-)	(901)
5. Change in deferred tax liabilities (+/-)	
6. Income taxes for the year (-) (-1+/-2+3+/-4+/-5)	**(1,527)**

COMMITMENTS

The Company issued surety bonds to:

	31/12/2016	*31/12/2015*
- Banks for lines of credit granted to Group companies	348,024	47,210
- Lease companies for guarantees issued to Group companies	9,432	10,224
TOTAL	**357,356**	**57,434**

The guarantees to the benefit of banks were issued to the subsidiary Finint Immobiliare S.r.l. for €1,724 thousand, to the subsidiary Agorà Investimenti S.p.A. for the amount of €289,900 thousand, to the subsidiary Sviluppo 35 S.r.l. for €18,400 thousand, and to the subsidiary Sipi Investimenti S.p.A. for the amount of €38,000 thousand.
The guarantee issued by the Company for €9,432 thousand relates to a property leasing agreement on the building where the Group Finanziaria Internazionale Holding S.p.A. has its historical headquarters. This agreement was entered into by a company of the Group. The amount is the sum of the leasing instalments due.

As concerns the investee Agorà Investimenti S.p.A., an agreement is in place that foresees the commitment of the Company to purchase the share held by minority interests, equal to a 43.09% stake of the same investee, at a price to be determined by the exiting shareholder based on its market value. The option may be exercised in January 2018 or even earlier in those cases of breaches by the Company specifically provided for by the option contract or in case of failed renewal of the shareholder agreement (expiring in October 2019) at a price enabling the exiting shareholder to obtain the return on investment as set out and agreed. In the event the option is exercised by the minority shareholder, the Company may activate the joint sale mechanism provided for by the option contract within the terms established. In the event that the joint sale mechanism process is not successful the automatic renewal of the option to sell expiring in August 2019 has been provided for. This option is not binding on the Group to purchase in that in the event the right is exercised by the minority shareholder, the Company may in turn proceed to sell its shareholding, and as such this commitment is not a debt obligation towards the minority shareholder. It is also noted, as already described in the report on events after year end, that upon conclusion of the events described such agreement shall be terminated.

RISK MANAGEMENT

The main classes of risk to which the Company is exposed are interest rate risk and liquidity risk.

Interest rate risk

The objectives of the management of interest rate risk are:
- hedging against changes in the interest rate of financial liabilities;
- observance, when hedging the risks, of the general criteria of balance between investments and uses for the Company (floating rate and fixed rate portion, short-term and medium/long-term portion).

Indebtedness towards the banking system exposes the Company to the risk of changes in interest rates. In particular, floating-rate financing is subject to a risk of change of cash flows. On 31 December 2016, the financial indebtedness of the Company towards the banking system amounted to €79.2 million and is only partially floating-rate. Floating-rate indebtedness is short-term and relates to ordinary business activities with frequent repayment and issuances in the course of the year.
In this context, in view of the expectations of stability in interest rate dynamics, which showed a negative Euribor rate in the course of the financial year, and the current concentration of short-term maturities, the Company decided not to put in place generalised hedging policies against the risk of changes in interest rates.

Liquidity risk

Liquidity risk is the risk of not having the funds needed to fulfil payment obligations arising from operating and investment activities and from the maturity of financial instruments.
The Company uses specific Group policies and procedures for the purposes of monitoring and managing this risk, including:

- centralised management of financial payables and cash;
- liquidity management within the Group through intragroup current accounts;
- the raising of medium and long-term finance on capital markets;
- the obtaining of short-term credit lines that allow wide room for manoeuvre for the purposes of managing working capital and cash flows;
- monitoring of current and forecast financing needs and distribution within the Group.

The Company has short-term bank credit lines, which are used to finance working capital and other operating needs.
It is considered that these lines of credit, together with the funds that will be generated by operating activities, will allow the Company to meet the annual requirements arising from the activities of management of working capital, investment and repayment of debts at their natural due date.

HIERARCHICAL LEVELS OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

In relation to financial instruments as at 31 December 2016 valued at fair value, IFRS 7 requires that these values are classified on the basis of a hierarchy of levels that reflects the significance of the inputs used in the determination of fair value. Distinction is made between the following levels:

- level 1: prices quoted on active markets for identical assets or liabilities;
- level 2: input data different from the prices quoted referred to level 1 that are observable for the asset or liability, either directly or indirectly
- level 3: input data relating to assets or liabilities that are not based on observable market data

For more details on the levels of fair value used, please see Annex 4.

OTHER INFORMATION

Employees

As at 31/12/2016 the Company employed no. 34 employees, of whom no. 32 were hired as white collars and no. 2 as managers. As at 31/12/2015, the employed staff was of 44 persons.
The change during the financial year was as follows:

	Employees	Managers	Total
Opening balance	**41**	**3**	**44**
Resignations and promotions	(11)	(1)	(12)
Hiring and promotions	2	0	2
Closing balance	**32**	**2**	**34**

Average number of employees during the financial year: 38.

Fees to Directors and Statutory Auditors

The fees resolved for the Company Directors amount to €1,490 thousand overall.

Fees to Statutory Auditors

The fees paid to members of the Board of Statutory Auditors earned during the financial year amounted to €180 thousand, of which €156 thousand related to the role undertaken within the meaning of article 2386, fifth paragraph, of the Italian Civil Code for a part of financial year 2016.

Fees to the External Auditors

The fees to be paid to the External Auditors, entrusted with the legal auditing of accounts, amount to € 46 thousand overall.

Parent Company

The Company, as the Parent Company of a group consisting of multiple companies, prepared the consolidated financial statements.

Agreements not recorded in the financial statements

Pursuant to par. 22-ter of article 2427 of the Italian Civil Code, there is no agreement not recorded in the Statement of Assets and Liabilities and in these Explanatory Notes, the effects of which are significant and which must be reported in order to correctly assess the financial and equity position and the economic performance of the Company.

Related party transactions

During the financial year, the usual relations with the companies of the Group continued in order to perform treasury management and streamline financial flows. These relations are performed by means of third-party accounts regulated under market terms. For specific details on the type and nature of these transactions, please refer to Annexes 8 and 9 and the information in the Explanatory Notes. Unless otherwise specified, “related parties” means companies and/or persons attributable to the corporate structure of the Parent Company.

Conegliano, 19 June 2017

On behalf of the Board of Directors

Giovanni Perissinotto
Chairman

Supplementary statements

Annex n. 2 to the Financial Statements as of 31.12.2016

BREAKDOWN OF THE ORIGIN, AVAILABILITY AND DISTRIBUTION OPTIONS OF SHAREHOLDERS' EQUITY ITEMS

(Euro/000)

	Balance as of 31.12.16	Possible use	Distributable amount	Use made in the three previous years	
				For loss coverage	For other reasons
Share Capital	1,860				
Capital reserves:					
Share Premium Reserve	22,770	A,B,C	22,770		
Profit reserves:					
Legal reserve	372	B			
Extraordinary reserve	86,413	A,B,C	86,413		4,202
FTA reserve	227	B			
FTA reserve	28,920	B			
OCI reserve	763				
Profit (loss) carried forward	(11,264)				
TOTAL	**130,061**		**109,183**		
Non-distributable amount			0		
Distributable residual amount			109,183		
Total reserves			**109,183**		

A: for share capital increase
B: for loss coverage
C: for distribution to shareholders

Annex n. 3 to the Financial Statements as of 31.12.2016

BREAKDOWN OF FINANCIAL ASSETS

ITEM	Portfolio value as of 31/12/2015			Purchases in 2016			Divestiture in 2016				Adj/Value recovery in 2016	Portfolio value as of 31/12/2016			Fair value level
	Quantity	Fair value	Book value	Quantity	Average price	Total purchase price	Quantity	Average selling price	Selling countervalue	Profit (loss)		Quantity	Fair value	Book value	
BANCA POPOLARE DI VICENZA	21,941	0.10	2,194									21,941	0	2,194	2
BANCA DI CIVIDALE	100	19.60	1,960									100	20	1,960	2
BCC VERONA				10	90	900						10	90	900	2
CASSA DI RISPARMIO DI FERRARA SPA	47,619	-	-									47,619	-	-	2
ENEL	168,000	3.89	653,856								49,728	168,000	4	703,584	1
FONDO FININT BOND	8.4283	863,523.17	7,278,016								602,956	8.4283	935,063	7,880,972	2
ABS BCJAF 9 B	1,200,000	0.73	875,400								546	1,200,000	0.73	875,946	2
TOTAL			**8,811,426**	-	-	-	-		-	-	**603,502**			**9,465,556**	

Annex n. 4 to the Financial Statements as of 31.12.2016

CHANGES IN THE EQUITY INVESTMENTS HELD BY THE GROUP IN ITS COMPANIES

(Euro/000)

Company name	Registered office	Type of Business	OPENING BALANCE				CHANGES DURING THE FINANCIAL YEAR					CLOSING BALANCE				Share of the Net Equity pertaining to the Group	LATEST FINANCIAL STATEMENTS		
			% of ownership	Book value	(Adjustments) Value recovery	Balance-sheet value	Purchases and other increases %	Purchases and other increases value	Divestiture and other decreases %	Divestiture and other decreases value	Profit (loss)	% of ownership	Book value	(Adjustments) Value	Balance-sheet value		Latest fin. statements approved	Net equity	Net profit (loss)
Agenzia Italia S.p.A.	Conegliano (TV)	Automobile document management and services	66.50	23,360		23,360						66.50	23,360		23,360	21,160	31/12/2016	31,819	4,479
SAVE S.p.A.	Venezia (VE)	Airport management company	0.558	3,861		3,861						0.591	3,861		3,861	1,488	31/12/2015	251,754	42,049
Sviluppo 35 S.r.l.	Conegliano (TV)	Holding company	76.10	64,316		64,316						76.10	64,316		64,316	60,578	31/12/2016	79,603	660
Finanziaria Internazionale Luxembourg S.A.	Lussemburgo	Holding company	100.00	20,318	(8,650)	11,668						100.00	20,318	(8,650)	11,668	11,944	31/12/2016	11,944	221
Sviluppo Industrial Parks S.r.l. in liquidazione	Conegliano (TV)	In liquidation	5.00	210	(27)	183						5.00	210	(27)	183	204	21/12/2016	4,083	88
Eufemia Investimenti S.r.l.	Conegliano (TV)	Other financial activities	50.00	100	(89)	11				(11)	(6)								
Finanziaria Internazionale Real Estate S.r.l.	Conegliano (TV)	Real estate investments	1.00	33	(33)							1.00	33	(33)		(2)	31/12/2016	(160)	(218)
Fin.it S.r.l.	Conegliano (TV)	IT consultancy	30.00	8		8						30.00	8		8	76	31/12/2016	252	8
Sviluppo 56 S.r.l.	Conegliano (TV)	Investments and negotiation of financial instruments	1.00	176	(174)	2				(2)		1.00	176	(176)		(3)	31/12/2016	(291)	(547)
Securitisation Services S.p.A.	Conegliano (TV)	Servicing of securitisation transactions	0.13	2		2						0.13	2		2	17	31/12/2016	13,346	6,600
Unicapital S.A.	Lussemburgo	Holding company	100.00	10	(10)							100.00	10	(10)		(84)	31/12/2016	(84)	(45)
ACBGroup Sviluppo S.r.l.	Milano (MI)	Consulting	95.00	1,122	(1,098)	24		100		(4)		95.00	1,222	(1,102)	120	121	31/12/2016	127	5
Finint Immobiliare S.r.l.	Conegliano (TV)	Real estate company	83.25	7,076		7,076						83.25	7,076		7,076	7,082	31/12/2016	8,507	142
Sviluppo 81 S.r.l	Conegliano (TV)	Holding company	90.91	110		110						90.91	110		110	161	31/12/2016	177	81
Sviluppo 86 S.p.A.	Conegliano (TV)	Holding company	100.00	310		310						100.00	310		310	3	31/12/2016	3	(390)
Altanova S.r.l. (formerly Sviluppo 89 S.r.l.)	Conegliano (TV)	Financial assets	100.00	20		20						100.00	20		20	14	31/12/2015	14	(2)
Finint S.p.A.	Conegliano (TV)	Holding company	72.42	49,311		49,311						72.42	49,311		49,311	49,012	31/12/2016	67,677	439
Finint Partecipazioni S.r.l.	Conegliano (TV)	Holding company	100.00	4,407	(4,407)							100.00	4,407	(4,407)		(14,816)	31/12/2016	(14,816)	(15,356)
Finint Finanziaria S.r.l.	Conegliano (TV)	Financial instrument negotiation on its own behalf	1.00	23		23						1.00	23		23	111	30/06/2016	11,109	326
Industrial Park Sofia A.D.	Sofia	Real estate investments	5.07	791	(19)	772				(131)		5.07	791	(131)	660	17	31/12/2016	339	(490)
Total equity investments in the Group's companies				**175,564**	**(14,507)**	**161,057**		**100**		**(148)**	**(6)**		**175,564**	**(14,536)**	**161,028**				

Annex n. 5 to the Financial Statements as of 31.12.2016

CHANGES IN THE EQUITY INVESTMENTS HELD IN OTHER COMPANIES

(Euro/000)

Company name	Registered office	Type of Business	OPENING BALANCE % of ownership	Book value	(Adjustments) Value recovery	Balance-sheet value	CHANGES DURING THE FINANCIAL YEAR Purchases/other increases %	value	Reclassifications %	value	Divestiture/other decreases %	value	Profit (loss)	CLOSING BALANCE % of ownership	Book value	(Adjustments) Value recovery	Balance-sheet value	Share of the Net Equity pertaining to the Group	LATEST FINANCIAL STATEMENTS Latest fin. statements approved	Net equity	Net profit (loss)
Equity investments in associates																					
Neip III S.p.A.	Conegliano (TV)	Equity investment management	36.79	7,021		7,021		6,139						41.91	13,160		13,160	13,351	31/12/2016	31,856	(3,213)
Marche Mutui S.r.l.	Conegliano (TV)	Securitisation of receivables (L. 130/99)	1.00	0.1		0.1								1.00	0.1		0.1	0.1	31/12/2016	10	0
Tersicore Finance S.r.l.	Conegliano (TV)	Securitisation of receivables (L. 130/99)	1.00	0.1		0.1								1.00	0.1		0.1	0.1	31/12/2016	10	0
Padova Est S.p.A.			22.20	2,858	(2,858)	0		587						22.20	3,445	(3,445)	0	141.2	31/12/2016	636	(2,640)
Total equity investments in associates						**7,021**											**13,160**				
Other financial assets																					
Casa Finance S.r.l.	Conegliano (TV)	Securitisation of receivables (L. 130/99)	20.00	2		2						(2)									
Marca Trevigiana Distressed Assets S.p.A.	Conegliano (TV)	Securitisation of receivables (L. 130/99)	0.33	0		0								0.33	0.1		0.1	1	30/06/2016	167	2
Trevi Finance n. 3 S.r.l.	Conegliano (TV)	Securitisation of receivables (L. 130/99)	20.00	2		2						(2)									
CR Firenze Mutui S.r.l.	Conegliano (TV)	Securitisation of receivables (L. 130/99)	10.00	1		1								10.00	1		1	1	31/12/2016	10	0
Total other financial assets						**5**											**1**				

Annex no. 6 to the Financial Statements as of 31.12.2016

ANALYSIS REPORT OF DEFERRED AND ADVANCE TAXES

(Euro/000)

	As at 31.12.15			Increases for the year 2016			Decreases for the year 2016			As at 31.12.16		
	Amount of temporary differences	Tax effect		Amount of temporary differences	Tax effect		Amount of temporary differences	Tax effect		Amount of temporary differences	Tax effect	
		IRES (27.5%)	IRAP (5.57%)		IRES (27.5%)	IRAP (5.57%)		IRES (27.5%)	IRAP (5.57%)		IRES (27.5%)	IRAP (5.57%)
Advance taxes:												
Directors' fees	2,246	618		90	25		(2,226)	(612)		110	31	
Value adjustment of ABS fund units	101	28					(74)	(20)		27	8	
Write-down of current securities	1,455	400								1,455	400	
Maintenance expenses				1						1		
Loans	26	7	1				(21)	(6)	(1)	5	1	
Termination indemnity	41	11		24	7					65	18	
Leasing	4	1					(3)	(1)		1		
Total	**3,873**	**1,065**	**1**	**115**	**32**		**(2,324)**	**(639)**	**(1)**	**1,664**	**458**	
Deferred taxes:												
Dividends not collected				1						1		
Fair value of ABS BCJAF9B	193	53	11				(18)	(5)	(1)	175	48	10
Revaluation of ABS - I	2,778	723	11	603	145	34				3,381	868	45
Total	**2,971**	**776**	**22**	**604**	**145**	**34**	**(18)**	**(5)**	**(1)**	**3,557**	**916**	**55**
Net advance (deferred) taxes	**902**	**289**	**(21)**	**(489)**	**(113)**	**(34)**	**(2,306)**	**(634)**		**(1,893)**	**(458)**	**(55)**
Advance taxes on losses for the year												
Advance taxes on losses realted to previous years (national tax consolidation)				**5,440**	**1,496**					**5,440**	**1,496**	
Temporary differences excluded from calculation of advance (deferred) taxes												

Annex no. 7 a) to the Financial Statements as of 31.12.2016

Finanziaria Internazionale Holding S.p.A.

RECEIVABLES AND PAYABLES FROM SUBSIDIARY COMPANIES

(Euro/000)

	RECEIVABLES	PAYABLES
ACB GROUP SVILUPPO S.P.A.	130	104
ACB INTERNATIONAL	6	-
AGENZIA ITALIA S.P.A.	862	200
AGORA' INVESTIMENTI S.P.A.	-	4,586
BANCA FININT S.P.A.	1,446	-
CGS RINNOVABILI S.R.L.	2	-
EVOLVE S.R.L.	42	-
EFFETI S.P.A.	37	-
FI CONSULTING S.R.L.	9	6
FIN.IT S.R.L.	464	82
FINANZIARIA INT.LE INVESTM. SGR S.P.A.	91	-
FINANZIARIA INT.LE LUXEMBURG S.A.	1,519	-
FISG S.R.L.	14	-
FININT & PARTNERS S.R.L.	16	-
FININT CORPORATE ADVISORS S.R.L.	14	81
FININT FINANZIARIA S.R.L.	2	-
FININT IMMOBILIARE S.R.L.	328	3,303
FININT MEDIATORE CREDITIZIO S.R.L.	17	-
FININT PARTECIPAZIONI S.R.L.	21,783	4,792
FININT REAL ESTATE S.R.L.	12	5
FININT REVALUE S.P.A.	19	44
FININT REVALUE AGENZIA IMMOBILIARE S.P.A.	4	-
FININT S.P.A.	158	-
FINLEASING S.R.L. IN LIQUIDAZIONE	6	-
FINVEST FIDUCIARIA S.R.L.	5	-
GLOBAL POINT S.R.L.	8	-
INDUSTRIAL PARK SOFIA AD	309	-
ITACA S.R.L.	11	-
LOGOBLU INVESTIMENTI S.R.L.	39	-
KOREI S.R.L. IN LIQUIDAZIONE	4	-
PERSANO ENERGY 2 S.R.L.	0	-
PERSANO ENERGY S.R.L.	0	-
PUGLIA ENERGIES S.R.L	1	-
PROGETTO 3 S.R.L.	4	7
RETE S.P.A.	24	-
SAFI INSURANCE S.R.L.	3	-
SECURITISATION SERVICES S.P.A.	45	-
SIDARI INVESTIMENTI S.R.L. IN LIQUIDAZIONE	-	4
SIMON SOLAR S.R.L.	1	-
SIPI INVESTIMENTI S.P.A.	38,573	2,350
SR 06 S.R.L.	1	-
SR 07 S.R.L.	1	-
SR 09 S.R.L.	1	-
SRA 01 S.R.L.	2	-
SVILUPPO 35 S.R.L.	(6)	89
SVILUPPO 56 S.R.L.	(5)	10
SVILUPPO 81 S.R.L.	168	7
SVILUPPO 86 S.P.A.	15,537	23
SVILUPPO 89 S.R.L.	-	4
SVILUPPO INDUSTRIAL PARK S.R.L.	-	180
TERRA MUNDUS OPERATIONS S.R.L.	2	-
TRICOLORE S.R.L.	-	4,668
	81,707	**20,545**

Annex no. 7 b) to the Financial Statements as of 31.12.2016

Finanziaria Internazionale Holding S.p.A.

REVENUES AND COSTS FROM SUBSIDIARY COMPANIES

(Euro/000)

	REVENUES	COSTS
ACBGROUP SVILUPPO S.P.A.	33	28
AGENZIA ITALIA S.p.A.	2,830	218
AGORA INVESTIMENTI S.P.A.	235	174
BANCA FININT S.P.A.	256	1,826
CGS RINNOVABILI S.R.L.	2	-
EFFETI S.P.A.	30	-
EVOLVE S.R.L.	45	-
EUFEMIA INVESTIMENTI S.r.L.	10	8
FERAK S.P.A.	25	-
FIN.IT SRL	83	341
FINANZIARIA INT.LE INVESTM. SGR S.P.A.	754	-
FINANZIARIA INTERNAZIONALE CONSULTING S.R.L.	30	6
FINANZIARIA INTERNAZIONALE LUXEMBOURG S.A.	1,072	-
FINANZIARIA INTERNAZIONALE REAL ESTATE S.R.L.	37	5
FININT & PARTNERS S.r.l.	137	-
FININT & WOLFSON ASSOCIATI S.R.L.	29	-
FININT CORPORATE ADVISORS S.R.L.	313	78
FININT FINANZIARIA S.R.L.	2	-
FININT IMMOBILIARE SRL	187	310
FININT MEDIATORE CREDITIZIO S.P.A.	60	230
FININT PARTECIPAZIONI S.R.L.	243	188
FININT REVALUE AGENZIA IMMOBILIARE S.P.A.	66	-
FININT REVALUE S.P.A.	175	-
FININT S.P.A.	450	185
FINLEASING S.r.L.	-	-
FINVEST FIDUCIARIA S.P.A..	22	12
FISG S.R.L.	186	-
GLOBAL POINT S.R.L.	20	22
KOSOVO REAL ESTATE S.R.L.	9	-
INDUSTRIAL PARK SOFIA A.D.	13	-
ITACA S.R.L.	9	-
LOGOBLU INVESTIMENTI S.r.l.	45	-
MARCO POLO HOLDING S.R.L.	29	-
NEIP II S.P.A.	8	-
NEIP III S.P.A.	10	-
PROGETTO 3 S.r.l.	11	7
PUGLIA NEW ENERGIES S.R.L.	-	-
RETE S.p.A.	173	-
SAFI INSURANCE S.R.L.	11	5
SAVE S.P.A.	179	13
SECURITISATION SERVICES S.P.A.	2,880	-
SIDARI INVESTIMENTI S.r.L.	2	-
SIMON SOLAR S.R.L.	1	-
SIPI INVESTIMENTI S.P.A.	1,855	2,374
SR 06 S.R.L.	1	-
SR 07 S.R.L.	1	-
SR 09 S.R.L.	1	-
SRA 01 S.R.L.	2	-
SVILUPPO 35 S.r.L.	30	57
SVILUPPO 56 S.r.l.	18	10
SVILUPPO 81 SRL	26	7
SVILUPPO 86 S.R.L.	637	23
TERRA MUNDUS OPERATIONS S.R.L.	2	-
TRICOLORE S.r.l.	17	182
	13,302	**6,309**

Annex no. 8) to the Financial Statements as of 31.12.2016

Finanziaria Internazionale Holding S.p.A.

TRANSACTIONS WITH RELATED PARTIES

(Euro/000)

	RECEIVABLES	PAYABLES	COSTS	REVENUES
55.11 S.R.L.	-	6	-	14
ABBACUS COMM. FIN. S.P.A.	4,483	4	4	131
APRILE S.P.A.	-	-	-	13
CADORFIN S.R.L.	5	-	-	3
D.P.F. S.R.L.	5	-	-	11
DAVID CAPITAL S.P.A.	13	-	-	56
DAVID S.P.A.	15	-	-	39
DEMAR S.R.L.	-	14	-	1
EFFETI S.P.A.	37	-	-	30
EMMESSENNE SOLAR S.R.L.	-	-	-	20
FINITALIA INVESTIMENTI S.R.L.	-	-	-	8
FINT LUX S.A.	314	-	-	14
GLAMPART S.R.L.	-	4	-	2
ITANOS INVESTIMENTI S.R.L.	216	-	-	8
M.T.D.A. S.R.L.	3	-	-	6
MAGGIO S.R.L.	-	-	-	7
MARCHI GIOVANNI & C. S.R.L.	57	-	-	47
MEDCENTRO S.R.L.	4	-	-	3
NEIP II S.P.A.	8	-	-	8
NEIP III S.P.A.	10	-	-	10
SOLARE CALTAGIRONE S.R.L.	-	-	-	20
SVILUPPO 99 S.R.L.	257	-	-	2
TIZPAR S.P.A.	14	-	-	23
	5,439	**28**	**4**	**474**

APPENDIX

Transition to International Accounting Standards (IAS/IFRS)

Following the entry into force of Legislative Decree 136/2015 which repealed Legislative Decree No. 87/92, starting from the financial statements as at 31 December 2016 the company prepares its financial statements in accordance with international accounting standards (IAS/IFRS).

The transition date, i.e. the opening date of the year previous to that of first-time adoption of IAS/IFRS, is 1 January 2015. At this date, the opening balance sheet must be revised in accordance with International Accounting Standards as if they had always been applied, except for the mandatory and optional functions provided for by IFRS 1.

First-time adoption of international accounting standards (IFRS 1)

IFRS 1 requires that the opening statement of financial position at the date of transition to IFRSs (1 January 2015) is drawn up on the basis of the following criteria:

- all assets and liabilities whose posting is required by IFRSs, including those not provided for in the application of Italian accounting principles, have been collected and evaluated in accordance with IFRSs;
- all assets and liabilities whose posting is required by Italian accounting principles, but is not allowed by IFRS, have been eliminated;
- some financial statement items have been reclassified in accordance with IFRSs;
- all assets and liabilities have been assessed in accordance with IFRSs.

The effect of the adjustment of the opening balances of assets and liabilities to the new standards have been recognised in equity in a specific reserve for income carried forward net of the tax effect. The transition to IAS/IFRS has entailed maintaining the estimates made previously according to the Italian Accounting Standards, unless the IFRS required the formulation of estimates made according to different methods.
This annex shows the impact that conversion to these standards has had, with reference to financial year 2015, on the financial and equity position and the economic performance reported.

The following have been prepared in this respect:

- notes about the rules of first-time application of IAS/IFRS (IFRS 1) and of the other IAS/IFRS selected;
- the statements of reconciliation between equity under previous GAAP and that detected in accordance with IFRSs on the following dates:
  - the date of transition to IFRSs (1 January 2015)
  - closing date of the last financial year for which the financial statements were drawn up in accordance with

  previous GAAP (31 December 2015):
- the statements of reconciliation of the economic results prepared under previous GAAP with those arising from the application of IAS/IFRS for financial year 2015;
- notes to the statements of reconciliation.

It highlights how such statements, having been provided only for the purposes of the transition project for the drafting of the first full financial statements at 31 December 2016 in accordance with IFRSs, lack the comparative data and the necessary explanatory notes that would be required to fully represent the financial position and financial performance of Finanziaria Internazionale Holding S.p.A. in accordance with IFRSs.

It should be noted, furthermore, that such statements have been prepared in compliance with the IAS/IFRS that are used for the purposes of the preparation of the comparative data of the first financial statements under IAS/IFRS as at 31 December 2016.

With reference to the main optional exemptions provided for by IFRS 1 during first-time application, the choices made are described below:

- valuation of intangible assets at cost. The carrying value determined on the basis of previous GAAP was considered as the deemed cost.
- valuation of property, plant and equipment and intangible assets: IFRS1 allows for the assumption of the fair value or, in the presence of certain requirements, the revalued cost as the replacement value for the amortised historical cost. The Company does not exercise this exemption because it has

adopted the amortised historical cost criterion for the purposes of the valuation of tangible and intangible fixed assets.

- Valuation of equity investments. As shown in more detail below, for two equity investments the fair value at the date of transition was taken into consideration as the deemed cost in place of the carrying value on the basis of previous GAAP.
- Date of designation of financial instruments as instruments measured at fair value with changes directly charged to the income statement or as available-for-sale. IAS 39 allows for the recognition of a financial instrument at the time of its first recognition either in the class of financial assets and financial liabilities measured at fair value with changes directly charged to the income statement, or in the class of assets available for sale. IFRS 1 allows such designations to be performed at the date of transition to IAS/IFRS; the Company exercises this exemption.
- Employee benefits: cumulative actuarial gains and losses in favour of employees from the inception of the plan until the date of transition to IFRSs, are charged directly to equity.

Finanziaria Internazionale Holding S.p.A. prepared the opening financial statements as at 1 January 2015 in accordance with IAS/IFRS. The international accounting standards used in the preparation of the opening statement of financial position are different from previous accounting standards applied in the drafting of the financial statements as at 31 December 2014. The effect of the adjustment of the opening balances of assets and liabilities to the new standards, net of the related tax effect, was recognised directly in equity in a special FTA reserve.

In order to illustrate the effects of the transition from previous GAAP to IAS/IFRS on the statement of financial situation and on financial performance, the reconciliations provided for by IFRS 1 were prepared.

Main impacts arising from the application of IFRSs on the opening statement of financial position at 1 January 2015 and on the financial statements at 31 December 2015

OPENING NET EQUITY

(Euro)	**01/01/2015**	**IAS/IFRS adj.**	**31/12/2015**
NET EQUITY ACCORDING TO D.LGS. 87/1992	**114,881,526**	**-**	**113,017,219**
IAS/IFRS Adjustments			
a) Financial leasing (IAS 17)	(6,845)	2,085	(4,760)
b) Employee benefits (IAS 19)	(32,333)	2,654	(29,679)
c) Financial instruments (IFRS 9)	226,799	(99,149)	127,650
d) Valuation of trading activities (IAS 39)	(26,082)	32,928	6,846
e) Non-current financial liabilities (IAS 39)	14,472	(11,539)	2,934
f) Reversal of dividends recognised on an accrual basis (IAS 18)	-	(1,715,000)	(1,715,000)
g) Valuation of equity investments in subsidiaries and associates (IFRS 1)	29,040,259	(9,125,015)	19,915,244
h) Income taxes (IAS 12)	(69,307)	38,513	(30,794)
NET EQUITY ACCORDING TO IAS/IFRS	**144,028,489**	**(10,874,523)**	**131,289,659**

Notes on the main IFRS adjustments made to balance sheet entries as at 1 January 2015 and 31 December 2015

Below are notes on the main adjustments resulting from the application of IFRSs with respect to the values determined in accordance with the accounting principles applied previously:

a) **Financial leasing (IAS 17):** IAS 17 provides that assets held by means of a finance lease, through which substantially all of the risks and benefits linked to the asset are transferred to the company, are recognised as assets of the company at their fair value or, if lower, the present value of the minimum lease payments. The corresponding liability towards the lessor is represented in the financial statements in the financial liabilities. Leases in which the lessor retains substantially all the risks and

benefits linked to ownership of the asset are classified as operating leases. The costs related to operating leases are recognised on a straight-line basis in the income statement over the duration of the contract. The application of IAS 17 resulted in the following impacts:
- on shareholders' equity at 1 January 2015: reduction of €6,845;
- on shareholders' equity at 31 December 2015: reduction of €4,760;
- on the 2015 net result: lower costs in the amount of €2,085.

b) **Discounting of employee benefits (IAS 19)**: Italian accounting standards require that liabilities for employee severance indemnities are recognised at nominal value calculated in accordance with the provisions of the Italian Civil Code, while in accordance with IFRSs employee termination indemnity falls within the category of plans subject to actuarial valuation, with recognition at the date of transition of all actuarial gains and losses.
Impact:
- on shareholders' equity at 1 January 2015: reduction of €32,233 net of the tax effect;
- on shareholders' equity at 31 December 2015: reduction of €29,679 net of the tax effect;
- on the 2015 net result: greater costs in the amount of €2,112.

c) **Available-for-sale securities (IAS 39).** Investments of liquid assets in securities have been reclassified in the category specified under IAS 39 as "Financial assets available for sale" and consequently measured at fair value, with possible impact at net equity, while previously entered at the lower of market value and cost.
Impact:
- On shareholders' equity at 1 January 2015: increase of €226,799;
On shareholders' equity at 31 December 2015: increase of €127,650;
- On the 2015 net result: reduction of €473,686.

d) **Valuation of trading activities (IAS 39**). Investments in listed securities are classified as securities held for trading. As required by IAS 39, changes in fair value related to these securities are recognised in the income statement.
Impact:
- on shareholders' equity at 1 January 2015: reduction of €26,082;
- on shareholders' equity at 31 December 2015: increase of €2,934;
- on the 2015 net result: increase of €32,928.

e) **Non-current financial liabilities (IAS 39):** IAS/IFRS provide for the application of the amortised cost method on the basis of the effective interest criterion.
Impact:
- on shareholders' equity at 1 January 2015: increase of €14,472;
- on shareholders' equity at 31 December 2015: increase of €2,934;
- on the 2015 net result: reduction of €11,716.

f) **Reversal of dividends recognised on an accrual basis (IAS18):** Italian standards allowed the recognition of revenues for dividends from subsidiaries to be brought forward to the year of accrual of the relative gains if the balance of the subsidiary had been approved by the competent administrative body, prior to the date of approval of the financial statements by the administrative body of the parent company. IFRSs do not allow for such a possibility. As such, receivables for dividends maturing present at 1 January 2015 have been adjusted.
Impact:
- on shareholders' equity at 31 December 2015: reduction of €1,715,000;
- on the 2015 net result: reduction of €1,715,000.

g) **Valuation of equity investments in subsidiaries and associates (IAS 27):** equity investments in subsidiaries, associates and joint arrangements must be alternatively accounted for at cost, in accordance with IFRS 9, or with the equity method, in accordance with IAS 28.

h) During transition, IFRS 1 allows for the valuation of controlling interests at cost in accordance with IAS 27 or at deemed cost. The deemed cost of equity investment must be: (i) its fair value at the date of transition of the entity to IFRSs in its separate financial statements or, (ii) its carrying amount under previous standards as at said date. IFRS 1 also makes it possible to choose which criterion to adopt for each equity investment. The company therefore chose to recognise equity investments at the carrying amount entered in the financial statements prepared under previous GAAP at the transition date (1 January 2015) with the exception of two subsidiaries, Sviluppo 35 S.p.A. and Sviluppo 86 S.p.A., for which the decision was made to use the fair value as deemed cost. In order to determine the fair value of said subsidiaries, reference was made to the techniques provided for by IFRS 13. A (level 3) fair value was established for the subsidiaries, taking as a starting point the fair value at the date of transition of the single investment indirectly held by them,

constituted by the equity investment in SAVE S.p.A. for which, being a listed company, the market value at the date of transition was taken into consideration (level 1 fair value). Save S.p.A. After the transition date, the equity investments were valued using the cost criterion, adjusted in the event that indicators of impairment losses arise. The impacts arising from the valuation carried out during transition and from subsequent valuations of subsidiaries (impairment) resulted in the following impacts:

- on shareholders’ equity at 1 January 2015: increase of €29,040,259;
- on shareholders’ equity at 31 December 2015: reduction of €19,915,244;
- on the 2015 net result: reduction of €9,125,015.

i) **Tax effects of adjustments made necessary by the introduction of IAS/IFRS**. The adjustments described above necessitated an analysis of their treatment in fiscal terms. In this regard, with Legislative Decree No. 38 of 28 February 2005, the regulator made the changes to presidential decree No. 917 of 22 December 1986 and Legislative Decree No. 46 of 15 December 1997 necessary to define, within the framework of the existing IRES and IRAP tax guidelines, treatment methods for the impacts arising from the introduction of IAS/IFRS. The new tax provisions introduced are generally aimed at neutralising the effects of the application of IAS/IFRS on the determination of taxable income. Indeed, they stipulate that corrections entered directly as changes in shareholders’ equity during first-time application must be recognised as an increase/decrease in taxable income determined pursuant to article 83 of Presidential Decree No. 917/1986. In view of the above-mentioned standard, during first-time application the assets and liabilities were calculated for deferred and advance taxes relating to specific gross corrections credited/debited directly to the relevant equity reserves.

Impact:
- on shareholders’ equity at 1 January 2015: reduction of €69,307;
- on shareholders’ equity at 31 December 2015: reduction of €30,794;
- on the 2015 net result: increase of €27,818.

IFRS consolidated statements of financial position at 1 January and 31 December 2015, IFRS income statement IFRS for the financial year ended 31 December 2015

In addition to the reconciliations of shareholders’ equity and net result, accompanied by explanatory notes on the adjustments made to the balances according to Legislative Decree 87/1982, the statements of financial position at 1 January and 31 December 2015 are presented along with the income statement for financial year 2015, with the following evidence, for each entry in the individual columns:
- the values according to Legislative Decree 87/1992 reclassified according to IFRS formats;
- reclassifications for adjustments to IFRSs;
- corrections for adjustments to IFRSs;
- values according to IFRSs.

BALANCE SHEET AS AT 01/01/2015

(Euro)	01/01/2015 D.Lgs 87/92	IAS/IFRS Reclassification	IAS/IFRS Adjustments	01/01/2015 IAS/IFRS
Cash and cash equivalents	1,236,113			1,236,113
Other financial assets	11,900,683	1,588,964	200,716	13,690,364
Tax assets	-	2,703,796		2,703,796
Other receivables	88,985,523	(881,462)	(254,341)	87,849,720
Total current assets	**102,122,319**	**3,411,299**	**(53,625)**	**105,479,992**
Tangible fixed assets	141,492		198,622	340,114
Other intangible assets with a definite useful life	9,460			9,460
Equity investments	133,499,817	536,498	29,040,259	163,076,574
Other financial assets	-	11,665		11,665
Other non-current assets	19,433,115	(4,393,807)		15,039,308
Deferred tax assets	-	434,346	18,221	452,567
Total non-current assets	**153,083,884**	**(3,411,298)**	**29,257,102**	**178,929,687**
TOTAL ASSETS	**255,206,203**	**0**	**29,203,477**	**284,409,680**

	01/01/2015 D.Lgs 87/92	IAS/IFRS Reclassification	IAS/IFRS Adjustments	01/01/2015 IAS/IFRS
Trade payables	60,693,493	5,285,890		65,979,383
Tax payables	-	3,513,339		3,513,339
Bank payables - current portion	1,577,465	40,425,105		42,002,570.00
Other financial payables - current portion	-			-
Total current liabilities	**62,270,958**	**49,224,334**	**-**	**111,495,292**
Other non-current payables	9,691,185	(5,285,890)	195,091	4,600,386.15
Bank payables - non-current portion	63,557,164	(40,425,105)	(258,438)	22,873,620.95
Other financial payables - non-current portion	-			-
Deferred tax liabilities	-	609,065	75,264	684,329.19
Reserve for termination indemnities and other employee provisions	682,966		44,597	727,563
Other provisions for risks and charges	4,122,404	(4,122,404)		-
Total non-current liabilities	**78,053,719**	**(49,224,334)**	**56,514**	**28,885,899**
TOTAL LIABILITIES	**140,324,677**	**-**	**56,514**	**140,381,191**
Share capital	1,859,630			1,859,630.00
Share premium reserve	22,769,719			22,769,719
Legal reserve	371,926			371,926
FTA reserve	-		29,146,963	29,146,963
Other reserves and profit (loss) carried forward	79,023,797			79,023,797
Net profit (loss)	10,856,454			10,856,454
TOTAL NET EQUITY	**114,881,526**	**0**	**29,146,963**	**144,028,489**
TOTAL LIABILITIES AND NET EQUITY	**255,206,203**	**0**	**29,203,477**	**284,409,680**

BALANCE SHEET AS AT 31/12/2015

(Euro)	31/12/2015 D.Lgs 87/92	IAS/IFRS Reclassification	IAS/IFRS Adjustments	31/12/2015 IAS/IFRS
Cash and cash equivalents	1,152,735			1,152,735
Other financial assets	8,913,878		199,630	9,113,508
Tax assets	1,326,386			1,326,386
Other receivables	76,900,431	(8,595,834)	(1,868,554)	66,436,043
Total current assets	**88,293,430**	**- 8,595,834**	**(1,668,923)**	**78,028,673**
Tangible fixed assets	39,806		106,548	146,354
Other intangible assets with a definite useful life	7,311			7,311
Equity investments	132,412,781	7,020,386	28,642,697	168,075,864
Other financial assets	7,025,885	(7,020,386)		5,499
Other non-current assets	8,347,118	(0)		8,347,118
Deferred tax assets	1,045,586		20,717	1,066,303
Total non-current assets	**148,878,487**	**(0)**	**28,769,962**	**177,648,449**
TOTAL ASSETS	**237,171,917**	**(8,595,834)**	**27,101,039**	**255,677,122**

(Euro)	31/12/2015 D.Lgs 87/92	IAS/IFRS Reclassification	IAS/IFRS Adjustments	31/12/2015 IAS/IFRS
Trade payables	44,182,744		(178)	44,182,566
Tax payables	884,346			884,346
Bank payables - current portion	67,761,834			67,761,834
Other financial payables - current portion	1,652			1,652
Total current liabilities	**112,830,576**	**-**	**(178)**	**112,830,398**
Other non-current payables	4,533,618			4,533,618
Bank payables - non-current portion	5,490,797		(150,088)	5,340,709
Other financial payables - non-current portion	-		105,086	105,086
Deferred tax liabilities	692,702		105,388	798,090
Reserve for termination indemnities and other employee provisions	607,006		40,937	647,943
Other provisions for risks and charges	-	(8,595,834)	8,727,453	131,619
Total non-current liabilities	**11,324,123**	**(8,595,834)**	**8,828,776**	**11,557,065**
TOTAL LIABILITIES	**124,154,699**	**(8,595,834)**	**8,828,598**	**124,387,463**
				-
Share capital	1,859,630			1,859,630
Share premium reserve	22,769,719			22,769,719
Legal reserve	371,926			371,926
FTA reserve	87,871,851		389,898	88,261,749
Other reserves and profit (loss) carried forward	-		29,146,963	29,146,963
Net profit (loss)	144,093		(11,264,421)	(11,120,328)
TOTAL NET EQUITY	**113,017,219**	**0**	**18,272,440**	**131,289,659**
TOTAL LIABILITIES AND NET EQUITY	**237,171,918**	**(8,595,834)**	**27,101,038**	**255,677,122**

INCOME STATEMENT 2015

(Euro)	2015 D.Lgs 87/92	IAS/IFRS Reclassification	IAS/IFRS Adjustments	2015 IAS/IFRS
Operating revenue	2,829,352	(617,065)		2,212,287
Other income	121,110	617,065	311	738,486
Total operating revenue and other income	**2,950,462**	**0**	**311**	**2,950,773**
Raw and ancillary materials, consumables and goods	-			-
Services	3,705,457	(560,509)	(185,641)	2,959,307
Lease and rental costs	-	320,099		320,099
Personnel costs				
wages and salaries and social security contributions	2,510,713			2,510,713.00
termination indemnity	135,843		2,012	137,855
other costs	-			-
Amortisation, depreciation and write-downs				
intangible fixed assets	12,419			12,419
tangible fixed assets	15,720		83,213	98,933
Write-down of current assets	600,860	(600,860)		-
Provisions for risks	-			-
Other charges	39,247	256,660	(25,108)	270,799
Total costs of production	**7,020,259**	**(584,610)**	**(125,524)**	**6,310,125**
EBIT	**(4,069,797)**	**584,610**	**125,835**	**(3,359,352)**
Financial income and write backs of financial assets	13,142,092		(2,155,758)	10,986,333
Interest, other financial charges and write-down of financial assets	(10,632,523)	(584,610)	(9,262,316)	(20,479,449)
Profit/(losses) from associates and joint venture's carried at equity	-			-
Profit (loss) before taxes	**(1,560,228)**	**0**	**(11,292,239)**	**(12,852,468)**
Income taxes	1,704,321		27,818	1,732,139
current	1,176,717		-	1,176,717
deferred	527,604		27,818	555,422
NET PROFIT (LOSS)	**144,093**	**0**	**(11,264,420)**	**(11,120,328)**

Main changes in the classification criteria and representation in the financial statements

The application of IAS/IFRS involves, in addition to what has already been described, further important changes which, despite having no impact on the shareholders' equity or on the profit and loss resulting from the application of previous accounting standards, substantially change the usual ways in which balance sheet and profit and loss data are classified and represented in financial statements.

The company has opted for the layouts it considers to be more effective for representing company activities. The balance sheet is divided into current and non-current assets and liabilities, the income statement shows income and expenses by nature and the analysis of financial flows is divided into operating, investment and financing activities.

The layouts proposed are significantly different to those envisaged by the regulations issued on the basis of the delegation provided for by Legislative Decree No. 87 of 27 January 1992. The main changes that led to the reclassification of the balances of the items provided for by the layouts previously used are summarised below:

Statement of financial position

- In accordance with the provisions of IAS 32 and IAS 39, financial instruments are recognised on the basis of the purpose for which they are held rather than on the basis of their nature;
- the item equity investments is intended to include exclusively investments in equity securities of subsidiaries, associates or joint arrangements;
- items on the liabilities side of the balance sheet that are part of equity have been redefined as compared with the previous formats in order to accommodate the new and specific reserves provided by the application of IASs such as, for example, the reserve relating to the valuation of financial assets available for sale or the reserve for the equity component of convertible bonds.
- accruals and deferrals were assigned to a separate item more frequently and differently with respect to as occurred on the basis of previously applicable rules.

Income statement

- The proposed layout no longer provides separated evidence of the benefits arising from extraordinary operations. Income and charges usually included within the scope of this aggregate value in accordance with previous GAAP have therefore been reallocated by nature to specific detailed items. A separate inclusion was maintained only for the profit arising from the sale of investments and the profit resulting from non-current assets held for sale net of related taxes.

Main adjustments resulting from the application of IAS/IFRS

- Other financial assets - Financial assets available for sale: this item undergoes the adjustment arising from the measurement at fair value of securities available for sale in accordance with IAS 39. The item includes the Finint Bond fund, whose valuation at fair value in accordance with IAS 39 “Financial assets available for sale” was classified to valuation reserves, net of tax effect, while under previous GAAP it was recognised in the income statement.
- Other receivables: the item includes the effects of the adjustment of the recognition of receivables for dividends recognised on an accrual basis according to previous accounting standards and which, by effect of the application of IAS 18, may not be recognised.
- Equity investments: this item includes the corrections of the value of equity investments during first-time application to international accounting standards as at 1 January 2015, in addition to the value adjustments made in case of impairment losses made with reference to 31 December 2015 and 31 December 2015.
- Tax assets and tax liabilities: the item includes the tax effects arising from the corrections made in various entries as a result of the application of IFRSs.
- Financial payables to banks: the item includes the adjustments resulting from the application of the amortised cost criterion for the recognition of financial payables to banks in application of IAS 39.
- Payables and other liabilities: changes in this item refer to the accounting of lease liabilities on the basis of IAS 17.
- Provisions for employee benefits: changes in this item are attributable to the actuarial valuation of the employee severance indemnity fund, resulting from the application of IAS 19.
- Other provisions for risks and charges: corrections of this item are attributable to losses of the value of equity investments in excess of the carrying amount of the same in the financial statements.

Main reclassifications resulting from the application of IAS/IFRS

- Other receivables: the item includes the reclassification of the value adjustment for the shareholding in Finint Partecipazioni S.r.l. for the share in excess of the carrying amount by reducing the receivables for the intercompany current account with the company.
- Equity investments: The item includes the reclassification of the equity investment in NEIP III.
- Available-for-sale securities: investments of liquid assets in securities were reclassified in the category specified under IAS 39 “Available-for-sale financial assets” and consequently the valuation at “fair value” had an impact on equity, while under previous GAAP they were recognised in the income statement.