

33.2 Financial expense

Financial expense totals €68.6 million compared to €49.8 million for the corresponding period of 2015 and is made up as follows:

(€'000)	1st half 2016	1st half 2015	Variation
Intragroup interest and other expense	(52)	(102)	50
Interest and other financial expense	(68,587)	(49,699)	(18,888)
- Bank interest on accounts and financing	(41,059)	(25,129)	(15,930)
- Interest on bonds	(14,104)	(15,364)	1,260
- Interest on tax liabilities	(712)	(625)	(87)
- Default interest	(631)	(9)	(622)
- Discounting	(182)	(141)	(41)
- Bank fees	(1,400)	(1,154)	(246)
- Charges on sureties	(984)	(518)	(466)
- Other loans and borrowings	(1,383)	(999)	(384)
- Factoring and leases	(3,056)	(5,026)	1,970
- Other	(5,076)	(734)	(4,342)
Total	(68,639)	(49,801)	(18,838)

Financial expense increased by €18.8 million, mainly due to the increase of €15.9 million in interest expense on bank accounts and financing as a result of the Group's higher debt following the acquisition of Lane.

Interest expense on other loans and borrowings principally refers to the financial liabilities for the factoring of tax and trade receivables. The increase relates to the high speed/capacity Milan - Genoa railway section contract.

"Other" includes the loss of €1.9 million on the securities of the Colombian company Yuma Concessionaria S.A..

In addition:

- bank interest on accounts and financing of €41.1 million includes €13.5 million arising from the application of the amortised cost method, including €5.7 million which did not entail cash outlays during the period as it was paid in full in previous years, while €7.8 million was paid in 2015 and during the period, recognised in full in profit or loss in the period in conjunction with the financing agreed to acquire Lane Group;
- interest on bonds of €14.1 million includes €1.7 million arising on the calculation of amortised cost.