Annual Report

CARIPARMA
CRÉDIT AGRICOLE

Cassa di Risparmio di Parma e Piacenza S.p.A.
Joint-stock company – Registered office Via Università 1 – 43121 Parma, Italy
Phone +39/0521/912111 - Telex 530420 RISPAR
Share Capital € 785,065,789.00 fully paid-up
Entered in the Business Register of Parma, Italy, Tax ID and VAT registration No. 02113530345
Member of the Interbank Deposit Protection Fund – Registered in the Register of Banks at No. 5435
Parent Company of the Cariparma FriulAdria Banking Group entered in the Register of Banking Groups
Subject to the direction and coordination activity of Crédit Agricole S.A.

Annual Report 2009

2009 Report and Consolidated Financial Statements of the Cariparma FriulAdria Banking Group

2009 Report and Financial Statements of Cariparma

Contents

Contents

Report and financial statements of Cariparma

Annexes

Letter from the Chairperson

The year 2009 was characterized by the full blow on real economy of the financial crisis begun in 2008. The scenario was difficult for all the world economies, and for Italy, too, which recorded a GDP contraction by over 5% (the worst figure from the beginning of statistical surveys), the industrial turnover and exports went down by 19%, the family consumptions by 2%.

Facing such a substantial crisis, the Cariparma FriulAdria Banking Group was not caught off-guard and reacted promptly and forcefully, closing the financial year with sound asset ratios and a still-growing financial statement (with a record net profit of 311 million Euro). These results were achieved thanks to the strengthening of the relations with the areas it is active in, as well with the Customers, to a careful control on operating costs, even though making significant investments, and on riskiness costs, thanks to a closer and closer monitoring of the single positions from the very first warning signals detected by the riskiness indexes.

Equity soundness and a careful liquidity management were also the features allowing the Group, in this year of difficulty for families and enterprises, to ensure the necessary support to get over the current phase to its Customers. This support included a number of agreements with Local Bodies and Institutions (Municipalities, Provincial and Regional governments), with trade associations (joining, for example, ABI's (Italian Banking Association) Piano Famiglie (Family relief plan) or the Joint Communication from Abi, Confindustria (the main Italian organization representing Italian manufacturing and services companies) and the Italian Ministry of Economy for the suspension of companies' debt), with Confidi (Italian consortium for overdraft collective guarantees) and through the production and supply of ad hoc products (such as Cariparma Si Può and FriulAdria Si Può).

The Bank wanted to prove its attention and its commitment to the protection of its customers also through the Tender Offer on the Policies with undelying securities of the Icelandic Glitnir Banki HF, which, even though without any specific legal obligations, Cariparma proposed to preserve the close trust relation that has always marked its relationship with families and enterprises.

Oriented, as it has always been, to improving the supply of products and services to its Customers, the Group has further strengthened its connection with Crédit Agricole's "products factories" in Italy, such as Agos-Ducato (consumer credit), Eurofactor (factoring), Amundi (asset management), CA CIB (corporate&investment banking) and CALIT (which has joined the Cariparma FriulAdria Banking Group in September 2009), and in the Bank Insurance market with Crédit Agricole Vita and Crédit Agricole Assicurazioni.

The Group's excellent economic-financial performances and its on-going research for product innovation are acknowledged also by the market, which has awarded Cariparma FriulAdria Banking Group with the top position of the Lombard superindex for 2009 and won with Conto Vyp the MF Innovation Award 2009 (for the young people 18-30 and family target).

Finally, for the Group, 2009 was also the year of the development of the new governance model, which will start to produce its benefits already in 2010. In the financial year just closed, indeed, the Group worked to create a single governance structure, carrying out the alignment of the two Banks in terms of both approach and processes, thus achieving a more streamlined but even sounder structure. With the contribution of a staff consisting of professional figures of undisputed value, the Group is ready to meet the 2010 challenge, which will mean not only facing a still difficult year in terms of economic scenario, but also seizing the external growth opportunities that allow us to come close to 1000 sale points, which had already be envisaged in the three-year plan.

The Chairperson
Ariberto Fassati

BOARD OF DIRECTORS

Chairperson	* Ariberto FASSATI
Managing Director	* Guido CORRADI
Deputy Chairpersons	* Giancarlo FORESTIERI * Fabrizio PEZZANI
Directors	Anna Maria ARTONI Gian Domenico AURICCHIO Philippe BRASSAC * Marc CARLOS Federico FALCK Joël FRADIN Marco GRANELLI Claude HENRY Bernard MARY Germano MONTANARI Michel PELOSOFF Daniele PEZZONI Marco ROSI Jean-Louis ROVEYAZ

** Members of the Executive Committee*

BOARD OF AUDITORS

Chairperson	Marco ZILIOTTI
Statutory Auditors	Paolo ALINOVI Giancarlo DUCCESCHI Angelo GILARDI Umberto TOSI
Alternate Auditors	Luigi BUSSOLATI

SENIOR MANAGEMENT

General Manager	Giampiero MAIOLI
Assistant General Manage	Philippe VOISIN

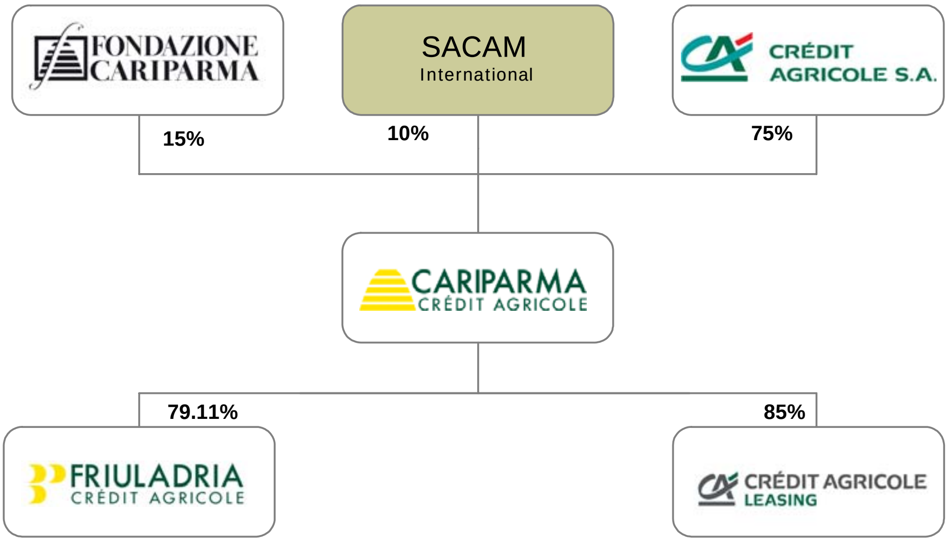
MANAGER RESPONSIBLE FOR THE PREPARATION OF THE COMPANY ACCOUNTING DOCUMENTATION

Pierre DEBOURDEAUX

INDEPENDENT AUDITOR

Reconta Ernst & Young S.p.A

Group Structure



As at 31 December 2009, the Cariparma FriulAdria Banking Group, of which Cariparma is the Parent Company, had 7,637 staff, more than 1,410,000 Customers, with an extensive branch network:

- 729 branches subdivided as follows:
  - 537 Cariparma
  - 192 FriulAdria
- 23 Private Banking Centres:
  - 17 Cariparma
  - 6 FriulAdria
- 24 Enterprise Centres:
  - 17 Cariparma
  - 7 FriulAdria
- 6 Corporate Areas:
  - 5 Cariparma
  - FriulAdria

The Group ranks ninth in Italy by number of branches and is present in the nine regions of key interest for the domestic market (7 for Cariparma + 2 for FriulAdria), with market shares in volumes greatly exceeding its shares in terms of branches, which is evidence of the longstanding link to the community and the high standard of customer service developed by Cariparma and FriulAdria. In 2009, the Group opened 6 new branches, of which 2 in Central Italy and 4 in the North.

Retail Branches	Regions	Provinces	Millions of Customers
729	9	54	1.4

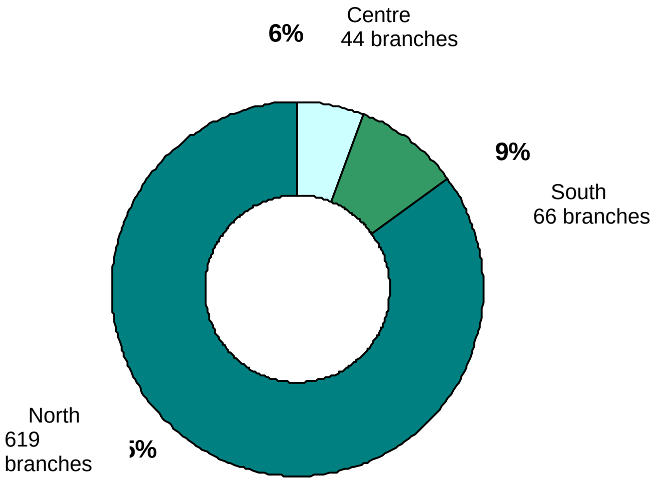
Branch Distribution

The Cariparma FriulAdria Banking Group holds a 2.1% market share at a national level (calculated as a percentage of branches, with peak shares in Parma of up to 25.0%, in Piacenza of 24.9% and in Pordenone of 18.8%). In terms of market shares, the Group stabilizes at 1.6% for Loans to Customers (with peak shares of 27.3% in Piacenza, 26.6% in Parma and 25% in Pordenone) and at 1.8% for Deposits from Customers (with peaks of 53.4% in Parma, 40.1% in Piacenza and 45.4% in Pordenone).

The Group's distinguishing characteristics include:

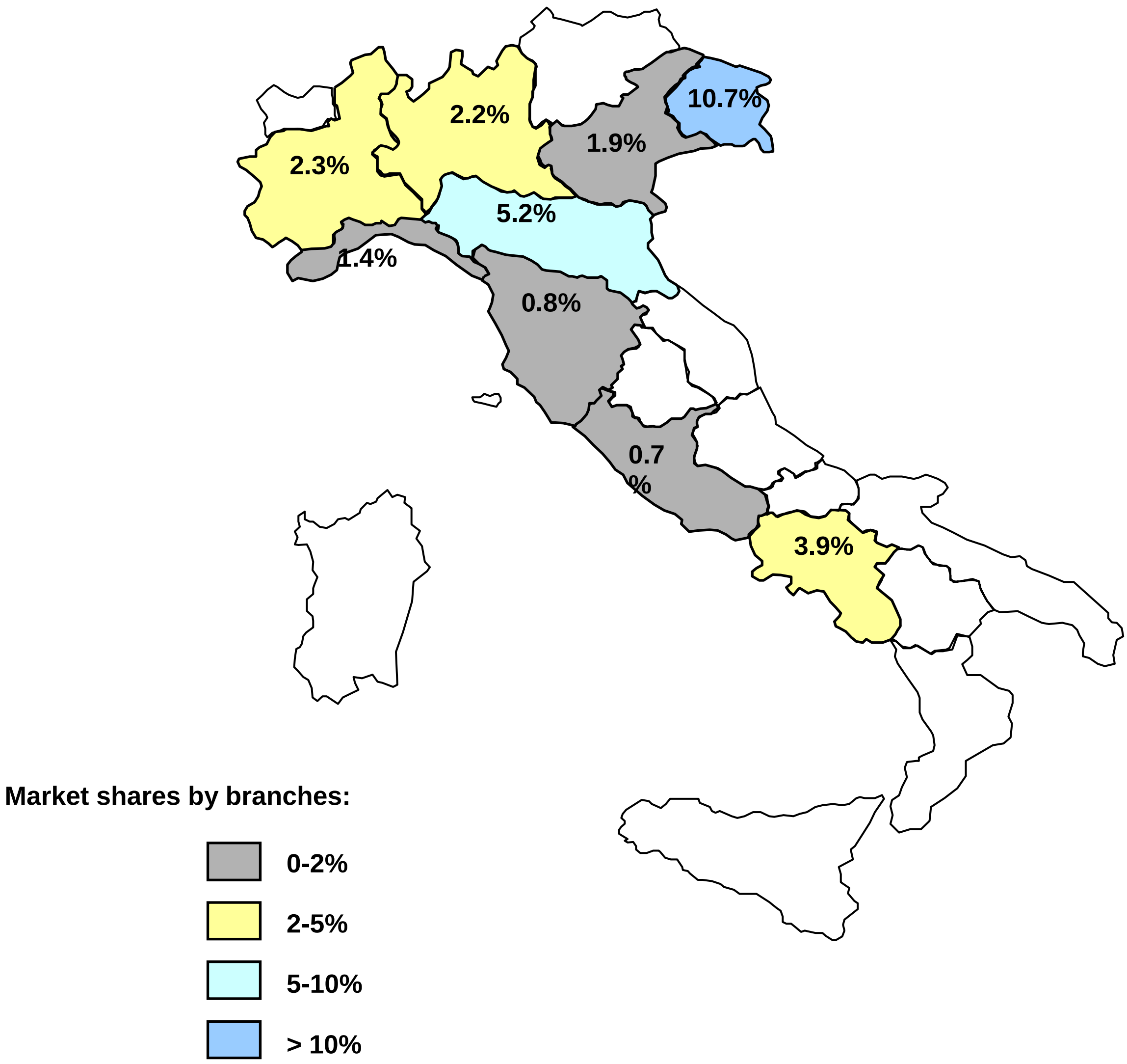
- a broad funding base;
- a diversified ratio of funding to lending.

BRANCH DISTRIBUTION AS AT 31 DECEMBER 2009



Branch distribution by region

Total Branches: 729



Group financial highlights and ratios

Financial Statement items (*)	31/12/2009	31/12/2008 (1)	Change	
			Total	%
Income statement (thousands of euros)				
Net Interest	983,537	1,075,477	-91,940	-8.5
Net Commissions	475,689	469,065	6,624	1.4
Dividends	2,157	2,106	51	2.4
Gain (loss) on trading activities	44,126	10,365	33,761	
Other operating revenues (expenses)	(12,259)	(20,155)	-7,896	-39.2
Net operating revenues	1,493,250	1,536,963	-43,713	-2.8
Operating expenses	(842,003)	(882,442)	-40,439	-4.6
Operating profit	651,247	654,521	-3,274	-0.5
Provisions for liabilities and contingencies	(14,583)	(129,370)	-114,787	-88.7
Net impairment adjustments of loans	(208,652)	(138,405)	70,247	50.8
Net profit (loss) for the year pertaining to shareholders of the parent company	310,971	294,919	16,052	5.4
Balance sheet (thousands of euros)				
Loans to customers	28,924,793	27,416,334	1,508,459	5.5
Net financial assets/liabilities held for trading	68,906	307,039	-238,133	-77.6
Financial assets available for sale	3,887,426	1,592,326	2,295,100	
Net loans to banks	-	30,354	-30,354	
Equity investments	134,999	91,123	43,876	48.2
Property, plant and equipment and intangible assets	1,795,160	1,790,700	4,460	0.2
Total net assets	36,180,460	32,621,895	3,558,565	10.9
Funding from customers	29,163,305	26,401,086	2,762,219	10.5
Indirect funding from customers	43,661,015	39,884,904	3,776,111	9.5
of which: asset management	*16,231,468*	*14,830,419*	1,401,049	9.4
Net due to banks	1,549,229	-	1,549,229	0.0
Equity pertaining to shareholders of the parent company	3,717,578	3,645,363	72,215	2.0
Operating structure				
Number of employees	7,694	7,829	-135	
Average number of employees	7,416	7,278	138	
Number of branches	729	723	6	

(*) Income Statement and Balance Sheet figures are drawn from the restated reclassified financial statements on pages 22 and 29.
(1) Restated following the acquisition of 85% of Calit, occurred in September 2009 effective 1 December 2008 and recorded as business combination of entities under common control.

Group financial highlights and and ratios

Ratios (*)	31/12/2009	31/12/2008 (1)
Balance sheet ratios		
Loans to customers / Total net assets	79.9%	84.0%
Direct customer deposits / Total net assets	80.6%	80.9%
Asset management / Indirect funding from customers	37.2%	37.2%
Loans to customers / Direct customer deposits	99.2%	103.8%
Total assets / Equity (leverage)	11.0%	10.1%
Profitability ratios		
Net interest income / Net operating revenues	65.9%	70.0%
Net commissions income / Net operating revenues	31.9%	30.5%
Cost / income	56.4%	57.4%
Net income / Average equity (ROE)[a]	8.4%	8.2%
Net profit (loss) for the year pertaining to shareholders of the parent company/Total assets (ROA)	0.8%	0.8%
Net profit (loss) for the year pertaining to shareholders of the parent company/ Risk-weighted assets	1.1%	1.2%
Risk ratios		
Net bad debts / Net loans to customers	0.9%	0.5%
Adjustment of loans / Net loans to customers	0.7%	0.5%
Cost of risk [b] / Operating profit	34.3%	40.9%
Net bad debts / Total regulatory capital [C]	10.0%	6.4%
Net impaired loans / Net loans to customers	3.0%	1.8%
Impairment adjustments of loans/ Gross impaired loans	38.8%	44.5%
Productivity ratios		
Operating expenses / No. of employees (average)	113.5	121.2
Operating revenues / No. of employees (average)	201.4	211.2
Loans to Customers / No of employees (average)	3,900.4	3,767.0
Direct deposits from clients / No of employees (average)	3,932.6	3,627.5
Capital ratios		
Tier 1 capital [d] / Risk-weighted assets	7.5%	8.0%
Total regulatory capital [e] / Risk-weighted assets	9.2%	8.6%
Risk-weighted assets (thousands of euro)	27,489,811	25,288,708

(1) The ratios are based on the income statement and balance sheet figures that are restated in the reclassified Financial Statements on pages 22 and 29.
(1) Restated following the acquisition of 85% of Calit, occurred in September 2009 effective as at 1 December 2008 and recorded as business combination under common control.
(a) Ratio of net profit to weighted average share capital, share premium, valuation reserves and reserves from retained earnings.
(b) Risk cost includes provisions for liabilities and contingencies and net adjustments on loans.
(c) Tier-1 Capital plus revaluation reserves, with the application of the so called "prudential filters", net of property and equity investments exceeding the threshold set out by Supervisory regulations.
(d) Paid-in share capital, share premium and reserves from retained earnings net of treasury shares, goodwill, intangible fixed assets and after the application of the so called "prudential filters" required under the Supervisory regulations.

Crédit Agricole group, a leader in Europe.

Retail bank leader in France[1] **and in Europe**[2]**,** Crédit Agricole is a first-class partner for the economies in which it operates.

The strength of its retail banks including 11,500 branches worldwide and the **expertise of its specialised subsidiaries** give Crédit Agricole an effective presence in all areas of banking and finance. More than 160,000 employees work to satisfy the banking requirements of **59 million customers** in 70 countries.

Crédit Agricole intends to fulfil its role as a leading European player with global scale, while complying with the commitments that stem from its **mutualist background.** Its development is focused on servicing the real economy and it is commited to the principle of **responsible growth.** It is well positioned in three major sustainable development indices[3].

(1) by customer bank deposits, source: Banque de France
(2) by retail banking revenues and the number of branches, source: company data
(3) ASPI Eurozone since 2004; FTSE4Good since 2005; DJSI since 2008.

28%
of the household market in France

59 million customers
worldwide

70
countries

€2.7 billion
net income - group share

€68.8 billion
shareholders' equity - group share

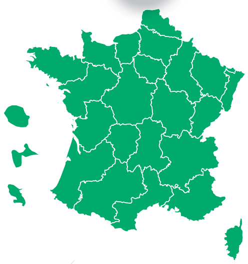
9.7%
tier 1 ratio

The Group's organisation

6.2 million cooperative shareholders
elect the 32,600 Local Banks directors

The Fédération Nationale du Crédit Agricole (FNCA)
acts as a consultative and representative body and a forum for the Regional Banks

2,544 Local Banks hold the bulk of the Regional Banks' share capital. The Local Bank directors are key players in France's local communities and enable Crédit Agricole to tailor its product and service offering to customer requirements



39 Crédit Agricole Regional Banks
As cooperative societies and fully-fledged banks, they propose a wide offering of banking products and financial services to their customers. Together, they hold 55.2% of Crédit Agricole S.A. share capital via SAS Rue La Boétie.

Float represents 44.4% of Crédit Agricole S.A. share capital

- **Institutional investors: 31.2%**
- **Individual shareholders: 8.6%**
- **Employees via employee mutual funds: 4.6%**

Listed since December 2001, **Crédit Agricole S.A.** ensures the cohesion of the strategic development and the Group's financial unity. **Crédit Agricole S.A.** manages and consolidates its subsidiaries organised into 3 business lines.

3 BUSINESS LINES:

RETAIL BANKING

- **In France**
  - 25% of the Regional Banks (excl. the Regional Bank of Corsica)
  - LCL
- **International retail banking**
  - Cariparma FriulAdria
  - Emporiki
  - Crédit du Maroc
  - Crédit Agricole Egypt.
  - Lukas Bank

SPECIALISED BUSINESS LINES

- **Specialised financial services**
  - Consumer finance
  - Leasing
  - Factoring
- **Savings management**
  - Asset management
  - Insurance
  - Private banking

CORPORATE AND INVESTMENT BANKING

- Coverage and Investment Banking
- Equity Brokerage and Derivatives
- Fixed Income Markets
- Structured Finance

SPECIALISED SUBSIDIARIES: Crédit Agricole Immobilier, Crédit Agricole Private Equity, Idia - Sodica, Uni-Editions.

Consolidated Report and Financial Statements of the Cariparma Friuladria Banking Group

THE MACROECONOMIC SCENARIO AND BANKING SYSTEM IN 2009

Macroeconomic developments

In the first part of the year 2009, the public authorities have relentlessly worked to make the world economy overcome the worst recession from world war II .The generalized distrust wave following Lehman Brothers bankruptcy in September 2008 contaminated also economic operators, causing a crash of global demand and the paralysis of international trade.

GDP contraction was particularly pronounced in the first quarter of the year: from -5.3% (annualized quarterly rate) of France up to -13.4% in Germany, or -6.4% of the USA.

Enormous resources were deployed to stabilize financial markets and to reduce the impact on economic activity. Central Banks lowered their reference rate quite aggressively to the all-time low (a 0-0.25% fork for the Fed Funds from December 2008, 0.5% in the United Kingdom and 1.0% in Europe from the first half of 2009).Once these “traditional” ammunition used up their effects, Central Banks implemented non-conventional interventions, so-called “*quantitative easing*”, to continue backing up the economy through an active management of their financial statement. The ECB focused its efforts on the (ri-)financing of banks through fixed-rate supplies, for unlimited amounts and with maturities up to 12 months (this policy proved more effective for European economies, for which the weight of financial intermediation is still very significant).

The FED and Bank of England intervened more directly on the markets injecting liquidity and financing the segments that had been more affected by the crisis, aiming at stopping the depression spiral on the assets prices and at lowering risk premiums and, finally, allowing a better transmission of the traditional monetary policy actions (through the channel of rates and credit). The Bank of England and the FED opted also for the purchase of government securities, for directly acting on the formation of market rates.

Neither did governments spare on the means to be deployed to support global demand and the financial sector in its entirety. Banks generally received support from the States, in the form of capital contributions (where necessary) and of different guarantee mechanisms, not to mention the measures taken to make liquidity procurement easier. Ambitious programmes for the revival of public expenditure were also implemented, giving priority to the typical measures for reviving demand (tax reductions and credits, increase public expenditure, cash bonus).

This hyper-activity of the public authorities allowed the vicious circle to be broken in which the economy and finance has sunk, by acting in particular on the operators’ psychology and inspiring confidence. After envisaging the worst at the beginning of the year, the markets started to progressively expect the end of the crisis, as shown by the quick increase in all classes of assets starting from the month of May. The operators’ confidence surveys showed also an about-turn towards a mitigation of the recession, later confirmed by the growth data recorded in the second quarter (- 0.7% for the United States and -0.5% in the Eurozone, data on a yearly-base). If some Countries, such as France and Germany, stood out for recording positive growth data already in the second quarter of 2009, it was necessary to wait for the third quarter for the trend to extend to the all the developed economies, thus marking the end of the recession and the beginning of the recovery. Based on the data available at the end of 2009, the cyclic quick increase is still rather limited if compared with the rhythm usually recorded after so hard a recession. The implemented policies (for budget and monetary) allowed the building of growth to be supported but, at the same time and rather everywhere, the ongoing increase in the unemployment rate, credit shortage and production overcapacity handed down by the crisis are still affecting the recovery process.

In this context of fragile recovery, long-term rates gradually adjusted upwards and were below 4% on both sides of the Atlantic Ocean as at the year end. With the return of an appetite for risk, the Dollar has gradually lost its attraction as store of value. The Euro-Dollar exchange rate went up to 1.50 (at the beginning of December) before going back to about 1.435 at the end of the year (due to exchange arbitrages).

The data relating to the Italian economy in 2009 show a trend substantially in line with the other EU Countries, that is a revival in the economic activity starting from the third quarter of the year (the first after five subsequent negative quarters), with the 2009 GDP estimated as contracting by -5.1% compared with 2008 (-1.0% last year). Overall, the strong decrease in foreign demand (mostly from the EU and the USA) caused a marked downturn in the Italian export (-19.1% compared with 2008). As to the domestic demand, families’ consumptions, after the strong contraction recorded in the first two quarters of the year (especially in the second one), starting from the third quarter gave indications of stability, thanks also to the low inflation rate (estimated at +0.8% in 2009 vs. +3.3% in 2008) and to the expansive tax policy measures implemented by the Government, recording a lower downturn (-1.8%) compared with the forecasts at the beginning of the year. More marked was the contraction of investments (-12.2% vs. 2008), both in the operating assets component and in the building component (residential and non-residential).

The Italian banking system in 2009[1]

The Italian banking system, although in the difficult context of the financial market crisis and the worsening of the real economy, in terms of operations was less affected than other Countries, thanks mostly to a intermediation model that is more oriented towards more traditional activities. Moreover, Banks gave their contribution for supporting the weaker economic operators, entering into agreements with the Government and with the trade associations for the postponement of payment for SMEs' payables and families' mortgages.

In 2009 the increase in investment volumes reflects the current economic situation of the real economy, showing overall a strong slowdown compared with 2008 (+2.3% vs. +4.9%). This figure is essentially ascribable to the downturn in loans to enterprises (estimated at -0.8% at the end of the year vs. 2008), which reflects the decrease in investments. The financing to families, even though with the uncertainty pervading the real estate market, were driven by the assignment of mortgages for house purchasing, recording an increase estimated at +5.8% (+0.9% in 2008). In terms of duration, the loans downturn was more marked in the shorter-term component than in the beyond-one year one, reflecting on the one hand the lesser demand for liquid assets (direct consequences of the adverse economic cycle) and, on the other hand, the current phase of restructuring of the enterprise debt. Consumer credit, despite the drive resulting from the car incentives, given the private consumption trend, should give an essentially insignificant contribution to the growth of loans to families.

The banking system's credit quality continued the progressive worsening trend begun in the last months of 2008: during the year the figure on new non-performing loans (especially in the segment of loans to enterprises) adjusted based on the loan amounts, reached the highest value since 1998.

As for loans, also for what deposits are concerned, volumes were observed to be growing overall at a slower pace compared with the values of 2008 (+6.1% vs. +16.2%) and, as last year, the deposit development is entirely ascribable to the performance of the domestic fund-raising (+12.4%); conversely, fund-raising abroad is still on the downturn (-8.3%). In terms of technical forms the Customers seemed to prefer shorter-term instruments, with deposits estimated on the increase by +15.3% (thanks also to deposits on current accounts consisting of funds brought back to Italy within the scope of the tax shield), whereas bonds, even though recording all the same substantial expansion rates (+11.2%), seem to be decidedly slowing down compared with the values recorded in 2008 (+20.4%).

As a lever to face the liquidity crisis, Italian Banks continued the subscription of securities deriving from internal securitization operations, in order to have securities available to be allocated in financing operations at the ECB.

Finally, among the investment management products, starting from the second half of the year (thanks to the excellent performances recorded on the markets), a recovery of the collective investment scheme industry was observed, and, more in general, of the asset management.

In terms of economic results, the slowdown in the volume growth (of investments and deposits) and the spread contraction between rates of interest receivable and rates of interest payable, unavoidably affected the interest margin trend, estimates as strongly contracting compared with 2008 (-5.6%). Conversely, the net banking income shows a more contained downturn (estimated at -0.8%), thanks to the revenues from trading, which off-set also the decrease in commissions for services. Given the pressure on revenues, in 2009 Banks focused even more on costs, both staff and other costs (estimates respectively at -0.9% and -1.1%). The factor having the strongest influence on the 2009 FY result, though, consists of adjustments on receivables and provisions, which should absorb about one half of the operating result.

Outline of the macroeconomic scenario expected for 2010[2]

If 2009 marked a growth revival after a historical recession for extent and duration, 2010 is expected to be the year of consolidation.

The United States should record a growth close to 3% in 2010, which is a significant figure but lower than the US cyclic recovery standard. Growth in the Eurozone should barely exceed 1%, due to a certain heterogeneity of the economic situations in the various Countries getting over the crisis; the mosre cyclic countries, such as Germany, can take advantage of the improved world situation, whereas those that have overtaxed the leverage effect to grow (Spain or Ireland) will have difficulties in overcoming recession.

However, there is still a long way to go before achieving a self-fuelling recovery. On the one hand, the cycle strength (stock cycle which has again become favourable and latent demand waiting only to speak out) combined with the actions resolved by the public authorities fuels the economic engine. These are the ingredients for a V-shaped recovery, which can fully operate when nothing perturbs these cyclic forces. On the other hand, strong structural bonds should harness this

[1] All estimates are taken from: ABI, " AFO - Rapporto di Previsione 2009-2011", dicembre 2009 e Prometeia, "Rapporto di Previsione", gennaio 2010.

[2] All forecasts contained in this paragraph are made by Crédit Agricole S.A., February 2010.

recovery process. Excess debt, yesterday private today public, shall be reduced within a timeframe sufficiently long to dilute over time the cost of adjustment to a world economy stuck on a weak, post-bubble growth pace regime.

The balancing of private accounts has already started but it is still at the beginning, as shown by the still high level of debt, in particular in the Anglo-Saxon Countries (with high leverage degree). For the US, the diet should not be immediate in order not to impair the possibility of recovery with a premature contraction in public expenditure. This element, on the other hand, shall not prevent credible exit strategies to be defined, aimed at keeping the spectre of bond market crash at bay. The markets have difficulties in adapting to the notion of duration. Indeed, as the world economy recovers the debate on the withdrawal of monetary stimulus.

However, the health of global finances and its dependence on the injected antidotes are still quite uncertain. This leads to favour a prudential and gradual approach. The holding of the markets will partially influence the speed at which the intervention policies could be ceased, since the forecast on inflation and credit development are the decisive variables . The UCB, which seems by now directed towards a preventive approach (in order not to fuel new bubbles), should quickly go back to more traditional procedures for interbank liquidity management, before modifying the rates at the end of 2010. The FED should abandon the financing facilities implemented but, worried for the growth frailty, it should postpone as much as possible (first part of 2011) the first turn of the screw on monetary policy.

Since there are no inflationary tendency in the developed economies, long-term rates should go up in line with the economic cycle, however remaining on tendentially low levels (American and German 10-year rates are expected to be respectively 4.3% and 4.0% in the middle of the year). At the beginning of the year, on the wave of growing worries for the solvency of some States in the Eurozone, aversion to risk has increased, penalizing the single currency, which has significantly weakened vs. the dollar. However, this excess of pessimism should return to normal. The dollar could then lose its attraction as store of value and go back to a down-trend vs. the Euro. Later, the exchange market will change perspective, giving more importance to growth differences and to advanced interest rates, thus favouring the dollar (expected at 1.35 vs. Euro at the end of 2010).

Italy, where the revival measures implemented by the Government are progressively running out (the manoeuvre margins are quite limited, compared to other Countries, for the high weight of public debt) and less favourable forecasts on income are taking shape (due to the unemployment and inflation increase, the latter expected at +1.4%), should record a GDP growth rate lower than the average figure of the Eurozone Countries (+0.6% vs. +1.2%).

The new legislative framework

In the banking and financial sectors many regulatory interventions took place, mainly aiming at implementing measures to curb the economic crisis and at enhancing consumer customer protection. Compliance with the rules and principles of transparency and fairness in the relations with the Customers allows both legal and reputation risks to be reduced and an healthy and prudential management of Banks to be achieved in a perspective of overall balance in the credit system.

The main developments introduced in 2009 are summarized hereinafter.

Regulatory function

In July the Bank of Italy issued the new “provisions on transparency of banking and financial operations and services”, aiming at providing Customers with clarity and access to the information supplied by the intermediaries, comprehensibility of the rights and costs, as well as an easier comparison between the different products available on the market. The reform principles envisage, moreover, specific organizational requirements aimed at ensuring an effective defence from risks.

In august 2009 the Bank of Italy issued instructions for the recording of the average overall effective rates (TEGM) pursuant to the regulations on usury, essentially renovating the rate calculation methods.

The Commissione Nazionale per le Società e la Borsa (CONSOB) (the Italian Securities and Exchange Commission), with resolutions No. 16840 and No. 16850, has made various amendments to the Consob Regulation on Issuers regarding statements and transparency, with which also Cariparma shall comply, both as Parent Company, and on its on its own behalf, in its capacity as issuer of financial instruments available to the public.

CONSOB, on 2 March 2009, also issued communication 9019104, defined of Level 3 – Regulation on Intermediaries, relating to the latter’s duty to behave with fairness and transparency when distributing illiquid financial products.

Law 2/2009, turning the Legislative Decree 185/2008 with amendments into law, later integrated again with Legislative Decree 78/2009, set new rules for the application of the maximum overdraft commission and for the general control of banking commissions. With the same Legislative Decree 185/2008 the maximum interest rate has been set applicable to the instalments becoming due in 2009 for specific types of mortgages, with taking over of the difference by the State; in particular, the measure concerns non-fixed rate mortgages taken out no later than 31 October 2008 by natural persons to purchase their first house.

Cariparma has joined the Arbitro Bancario Finanziario (ABF), a system for out-of-court settlement of litigations relating to bank operations and services set up in 2009 by the Bank of Italy. ABF user's guide is available for Customers on the Bank's website and at all its branches.

Always with reference to litigation settlement, law 2/2009 has envisaged the setting up, at the Prefectures in the Regional capitals, of special Observatories/ monitoring centres on credit with the task of monitoring the performance of credit flows on the area and of receiving complaints relating to litigations on credit granted arising between Customers (individuals and enterprises) and Banks, to promote a prompt settlement of the same.

Self-regulation of the banking system

In December 2009 ABI entered into an agreement with the Associations of Consumers to suspend mortgages instalments due for 12 months for consumer families having difficulties caused by the financial crisis, within the scope of the more extensive intervention programme for supporting the retail credit market ("Family plan"): said agreement will produce its effects in 2010.

The Ministry of Economy and Finances, the Italian Banking Association (ABI) and the other Association representing the enterprises that underwrote a Joint Communication on 3 August 2009 for the suspension of Small Medium Enterprises (SMEs) payables to the credit system (so-called SMEs debt postponement). The agreement aims at giving financial relief to the enterprises having difficulties, in particular to SMEs, which have temporary financial difficulties due to the crisis, envisaging the postponement of short-term payables due date and a 12-month suspension of the payment of the mortgages capital share.

Cariparma has joint both the above-mentioned self-regulating initiatives.

The Bank has moreover confirmed its support to the Consorzio Patti Chiari (a Consortium of Italian banks with the mission of providing citizens with tools for understanding financial products to make better choices according to their needs), which in 2009 restructured its plan of action, through the preparation of "30 Commitments for quality" which integrate the initiatives previously with the purpose of improving the relations between Customers and Banks.

Internal regulatory Structure

In 2009 the Cariparma FriulAdria Banking Group revised the "Internal Code of Conduct" and adopted a "Code of Ethics", which expresses the set of reference values and the principles marking the relationship with the different stakeholders. In particular, the intention was to further enhance the Group's rooting in the area, attention to social needs and the awareness of the impact on the community of enterprise activity.

Specific policies have been adopted at Group level, revising or updating what was essentially already existing in compliance with the Italian Law at the two Banks, considering also Crédit Agricole stance on: personal operations; market abuse; incentive management; reception, transmission and execution of financial instruments orders; conflict of interest management. A specific policy, moreover, regulates the purchase and sale of Crédit Agricole shares by the bank's "sensitive" subjects. Finally, in compliance with the regulations currently in force, the Security Planning Document underwent its yearly revision and the measures and devices provided for by the Italian Privacy Authority for System Administrators.

On 1 March 2010 in Italy, the decree implementing the European Directive on payment services (PSD), aimed at harmonizing the relevant laws within Europe. The adoption of the directive shall involve substantial interventions in 2010 at contractual and economic level in relations with Customers, aimed at guaranteeing definite time for the execution of payment services, among other things, and higher condition transparency.

From 1 January 2010 the class action shall be available for exercise, as envisaged by law No. 99/2009 amending the regulation included in the Consumer Code. The action may be started by consumers on their own or giving mandate to an association, for compensation of damage resulting, among other things, from unfair conducts or business practices or unfair competition.

THE PERFORMANCE OF THE CARIPARMA FRIULADRIA GROUP

Overview

In 2009 the Cariparma FriulAdria Banking Group consolidated the development undertaken in 2007, the year in which the Group was incorporated, continuing to pursue soundness and sustainable growth to ensure value creation for all stakeholders, as well as to propose itself as reference financial partner for enterprises and families.

In 2009 the Cariparma FriulAdria Banking Group confirmed its commitment for the suspension of mortgages refunding by the families having difficulties, in the reference areas where it has long been active offering anti-crisis packages and credit plafond, and joined the Avviso comune Abi-Confindustria-Ministero dell'Economia for the suspension of enterprise payables, as well as ABI Piano Famiglie: over 15,000 Customers, indeed, benefited from the facilities envisaged by the social finance projects proposed by the Group.

As to the agreement entered into by the Italian Banking Association and the Ministry of Economy and Finances aiming at supporting SMEs, as at the Financial Statement closing date, over one thousand application has been received corresponding to over 1,600 loans and to a total exposure exceeding 550 million relating, almost all, to medium/long-term operations. The applications received were almost all granted and involved Customers allocated in the different risk classes, both "investment" and "non investment grade".

The actions autonomously promoted by the Cariparma FriulAdria Banking Group continued supporting Families through re-tuning of mortgages (finalized over 750 operations for a countervalue of over 70 million) and suspensions of capital share payments envisaged by the products "Cariparma Si Può" and "FriulAdria Si Può" , in the scope of which over 2.000 applications were approved for a countervalue exceeding 200 million. Conversely, subrogations finalized in 2009 concerned about 3,500 mortgages for a countervalue of about 400 million.

The development course took shape thanks to a balanced expansion of the intermediation activity with the Customers and with a steady growth in volumes, which confirmed the excellent self-funding ability of the Group. The project targets have been consolidated, such as the centralization of the Group IT division in Parma and the Board of Directors approved a new governance model aiming at creating a single governance structure at Group level, to ensure higher operational defence, to eliminate double activities with the other companies in the Group and to generate economies of scales. In September Cariparma acquired 85% of the share capital of CALIT (Crédit Agricole Leasing Italia Srl) from Crédit Agricole Leasing SA, which still has a15% shareholding. This operation allowed the synergic development with Crédit Agricole "product factories" to be extended – with regard to both those already existing and those founded in 2009 – in the segments of Insurance, Asset Management, Specialized Financial Services, Lending and Investment Bank, consumer credit through Agos – Ducato S.p.A. and Private Equity with CA Agro-Alimentare (C3A), the new Group structure specializing in investments in the agricultural-food sector of which Cariparma is part together with Fondazione Cariparma and FriulAdria.

In November, Cariparma launched a voluntary exchange tender offer on CA Vita Policies, sold by Cariparma itself to its Customers, with embedded securities Glitnir Banki HF, former Islandsbanki HF (Glitnir).

The exchange tender offer represents an initiative by the Bank, even without any specific obligations, aimed at protecting its Customers' interests, following the situation of the Icelandic entity and considering that there is the solid possibility that Glitnir cannot fulfil its obligations on maturity.

The scope of consolidation consists of the Parent Company Cariparma, the subsidiaries FriulAdria, CALIT and Mondo Mutui, which have been consolidated with full [consolidation] method, of CA Vita Compagnia di Assicurazioni S.p.A., affiliate company that has been consolidated with the shareholders' equity method and of CA Agro-Alimentare, also consolidated with the shareholders' equity method.

The Cariparma FriulAdria Banking Group's economic results and balance sheet figures for the FY 2009, as set forth in the following tables, comply with IAS/IFRS; the comparison figures of 2008 have been restated following the acquisition of 85% of CALIT, occurred in September 2009 and recognized in the accounts as "business combination under common control" and recorded in the Cariparma Group Consolidated Financial Statement since 1st December 2008, date on which Calit was acquired by the Crédit Agricole Group.

Income Statement Reclassification

To supply a more immediate picture of the performance a Summary Income Statement has been drawn up, through suitable reclassifications and according to descriptive criteria more suitable to picture the content of the items according to management standardization principles.

The reclassification concerned the following:

- The recovery of the time value component on loans was entered in net interest income rather than allocated to the net impairment adjustments of loans and/or to other income, since this arises directly from applying the amortized cost method if there are no changes in expected future cash flows;

- Net profit on trading activity and the net result of the hedging operations were allocated in the financial Income;
- gains and losses on the sale or repurchase of financial assets available for sale and of financial liabilities were re-allocated to the net profit (loss) on trading activity;
- the recovery of expenses and taxes has been posted as direct reduction of administration expenses rather than being reported under other operating revenues/expenses;
- Net impairment adjustments of financial assets available for sale were recorded in the item other operating revenues/expenses;
- net impairment adjustments of other financial transactions, mainly relating to guarantees and commitments, have been recorded to the net impairment adjustments of loans.

Reclassified Consolidated Income Statement

	31/12/2009	31/12/2008 (*)	Change	%
Net interest	983,537	1,075,477	(91,940)	-8.5
Net commission income	475,689	469,065	6,624	1.4
Dividends	2,157	2,211	(54)	-2.4
Gain (loss) on trading activities	44,126	10,365	33,761	
Other operating revenues (expenses)	(12,259)	(20,155)	(7,896)	-39.2
Net operating revenues	**1,493,250**	**1,536,963**	**(43,713)**	**-2.8**
Staff expenses	(512,000)	(524,100)	(12,100)	-2.3
Administrative expenses	(262,923)	(300,375)	(37,452)	-12.5
Depreciation and amortization	(67,080)	(57,967)	9,113	15.7
Operating expenses	**(842,003)**	**(882,442)**	**(40,439)**	**-4.6**
Net operating profit	**651,247**	**654,521**	**(3,274)**	**-0.5**
Net provisions for liabilities and contingencies	(14,583)	(129,370)	(114,787)	-88.7
Net adjustments of loans	(208,652)	(138,405)	70,247	50.8
Profit (loss) on financial assets held to maturity and other investments	26,148	(31,266)	(5,118)	-183.6
Profit (loss) before tax on continuing operations	**454,160**	**355,480**	**98,680**	**27.8**
Income tax for the period on continuing operations	(136,409)	(50,453)	85,956	
Net profit (loss) for the period	**317,751**	**305,027**	**12,724**	**4.2**
Net profit (loss) pertaining to minority interests	(6,780)	(10,108)	(3,328)	-32.9
Net profit for the period pertaining to shareholders of the Group	**310,971**	**294,919**	**16,052**	**5.4**

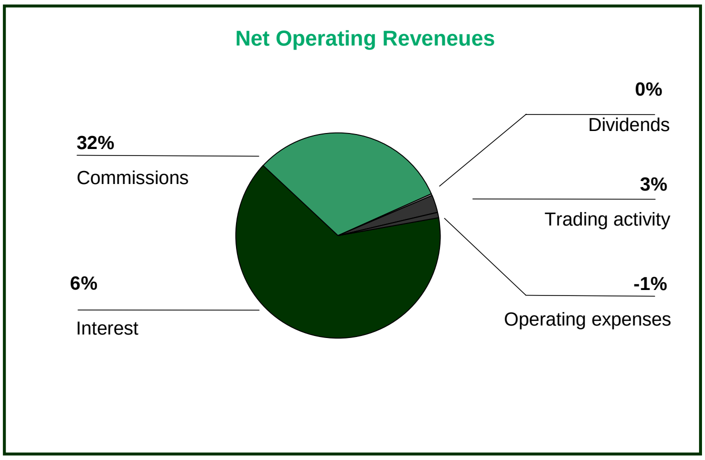
(*) Re-stated following the acquisition of 85% of Calit, occurred in September 2009 and recorded in accounts as "*business combination under common control* " becoming effective on 1st December 2008, date on which the Crédit Agricole Group acquired Calit.

Reconciliation between the Official and the Reclassified Income Statement

	31/12/2009	31/12/2008
Net interest	**983,537**	**1,075,477**
30. Interest margin	971,604	1,065,008
130. Net impairment adjustments of: a) loans of which time value on impaired loans	11,933	10,469
Net commissions = item 60	**475,689**	**469,065**
Dividends = item 70	**2,157**	**2,211**
Gain (loss) on trading activities	**44,126**	**10,365**
80. Net gain (loss) on trading activities	23,943	14,706
90. Net gain (loss) on hedging activities	9,439	(10,251)
100. Profit (loss) on disposal or repurchase of: b) financial assets available for sale	8,307	4,202
100. Profit (loss) on disposal or repurchase of: d) financial liabilities	2,437	1,708
Other operating revenues (expenses)	**(12,259)**	**(20,155)**
220. Other operating revenues (expenses)	140,061	72,053
to be deducted: recovery of expenses	(150,638)	(92,111)
to be deducted: time value on Calit impaired loans	(1,169)	(97)
130. Net impairment adjustments of: b) financial assets available for sale	(513)	-
Net operating revenues	**1,493,250**	**1,536,963**
Staff expenses = 180 a)	**(512,000)**	**(524,100)**
Administrative expenses	**(262,923)**	**(300,375)**
180. Administrative expenses b) other administrative expenses	(413,561)	(392,486)
190. Other operating income/costs: recovery of expenses	150,638	92,111
Depreciation of property, plant and equipment and intangible fixed assets	(67,080)	(57,967)
200. Net adjustments of property, plant and equipment	(26,376)	(23,448)
210. Net adjustments of intangible assets	(40,704)	(34,519)
Operating expenses	**-842,003**	**-882,442**
Net operating profit	**651,247**	**654,521**
Net provisions for liabilities and contingencies = Item 190	**(14,583)**	**(129,370)**
Net adjustments of loans	**(208,652)**	**(138,405)**
100. Profit/loss on disposal of: a) loans	(7,685)	(2,669)
130. Net impairment adjustments of: a) loans	(187,616)	(124,547)
130. Net impairment adjustments of: a) loans of which time value on impaired loans	(10,764)	(10,373)
130. Net impairment adjustments of: d) financial transactions	(2,587)	(816)
Profit (loss) on financial assets held to maturity and other investments	**26,148**	**(31,266)**
240. Gain (loss) on equity investments	26,114	(31,342)
270. Gain (loss) on disposal of investments	34	76
Profit (loss) before tax on continuing operations	**454,160**	**355,480**
Income tax for the period on continuing operations	(136,409)	(50,453)
Profit for the period	**317,751**	**305,027**
Net profit (loss) pertaining to minority interests	(6,780)	(10,108)
Net profit for the period pertaining to shareholders of the Group	**310,971**	**294,919**

Net Operating Revenues

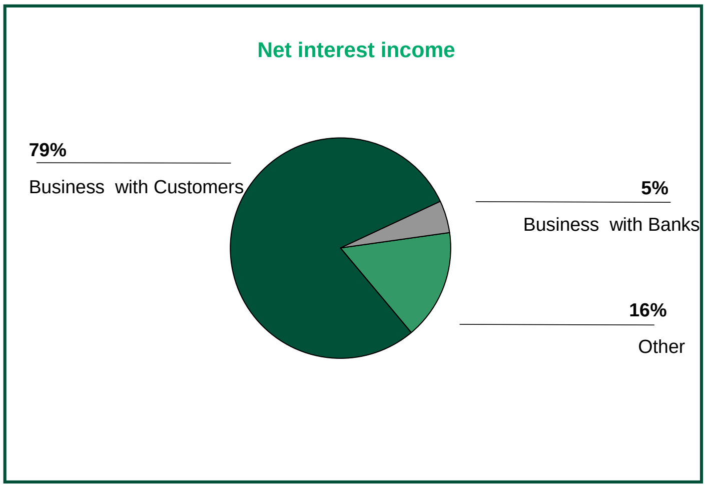
The economic recession that characterized the entire 2009 affected the performance of the net operating revenues that were 1,493.3 million down by 43.7 million (-2.8%) compared with the previous year. The year trend, although benefiting from the favourable performance of the trading activity, up by 33.8 million, of net commissions, up by 6.6 million (+1.4%), from the lower operating expenses, down by 7.9 million (-39.2%), recorded a decrease in net interest income, down by 91.9 million (-8.5%) essentially due to the market rate trend.



Items	31/12/2009	31/12/2008	Change	
			assolute	%
Business with customers	1,059,802	1,341,401	(281,599)	-21.0
Business with banks	46,405	180,835	(134,430)	-74.3
Securities issued	(282,050)	(419,369)	(137,319)	-32.7
Differences on hedging derivatives	80,094	(37,797)	117,891	
Financial assets held for trading	2,860	8,285	(5,425)	-65.5
Financial assets held to maturity	-	-	-	
Financial assets available for sale	76,394	1,077	75,317	
Other net interest	32	1,045	(1,013)	-96.9
Net interest income	**983,537**	**1,075,477**	**-91,940**	**-8.5**

Net Interest Income

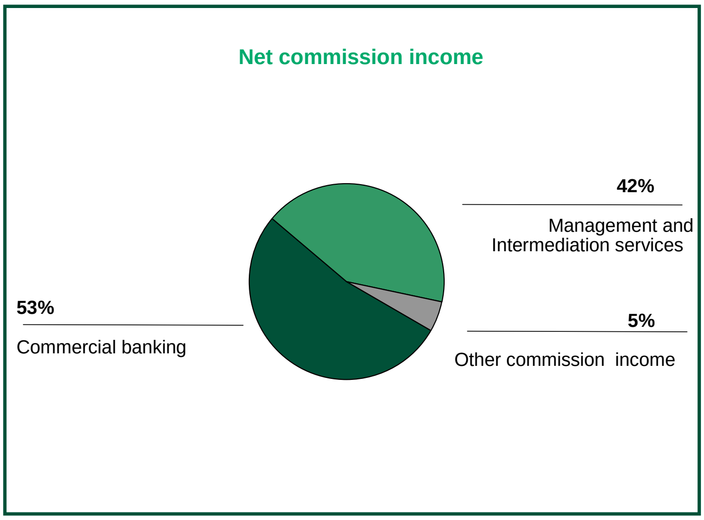
Net Interest income amounted to 983.5 million, down by 91.9 million (-8.5%), compared with 2008. Decrease by 144.3 million (-15.6%) in the Customer component which was significantly affected by the spread reduction, despite the significant growth in the handled volumes (Customers' deposits +10.5% and Loans to customers +5.5%). This component, starting from the second half of the year, is affected by the elimination of maximum overdraft commissions. Also the interbank sector contribution is down by 134.4 million (-74.3%). The performance of differences on hedging derivatives, up by 117.9 million and the interests on financial assets available for sale, mainly consisting of Italian government bonds, up by 75.3 million, is against the current trend.



Net Commission income

Items	31/12/2009	31/12/2008	Change total	Change %
- guarantees issued	9,726	10,710	(984)	-9.2
- collection and payment services	36,406	37,276	(870)	-2.3
- current accounts	174,700	142,127	32,573	22.9
- debit and credit card services	30,534	34,843	(4,309)	-12.4
Commercial banking activities	251,366	224,956	26,410	11.7
- securities intermediation and placement	87,310	94,727	(7,417)	-7.8
- foreign currency	4,740	4,723	17	0.4
- asset management	8,247	11,982	(3,735)	-31.2
- distribution of insurance products	92,548	102,510	(9,962)	-9.7
- other intermediation/management commissions	8,060	6,611	1,449	21.9
Management, intermediation and advisory services	200,905	220,553	(19,648)	-8.9
Tax collection services	-	5	(5)	
Other net commissions	23,418	23,551	(133)	-0.6
Total net commission income	**475,689**	**469,065**	**6,624**	**1.4**

Net commission income amounted to 475.7 million, up by 6.6 million (+1.4%) compared with the twelve months before. Increase ascribable to higher revenues on commercial banking activity amounting to 26.4 million (+11.7%) following the increase of the commissions on current accounts amounting to 32.6 million (+22.9%). The management, intermediation and consultancy activities, down by 19.6 million (-8.9%), which continued to be affected by the difficult macroeconomic scenario, went against the trend. Within the scope of said activities the development of the non-life insurance line is to be noted, which allowed the lower contribution from the life line to be almost totally absorbed, where the placement of insurance products having lower risk content had a considerable weight, even with placed volumes in line with the previous year.



Net gain (loss) on trading activities

Voci	31/12/2009	31/12/2008	Change total	Change %
Interest rate assets	19,631	17,862	1,769	9.9
Share assets	3,474	-544	4,018	
Currency assets	2,160	(1,052)	3,212	
Commodities	1,114	148	966	
Trading credit derivatives	-	-	-	
Total gain (loss) on financial trading activities	26,379	16,414	9,965	60.7
Total gain (loss) on hedging activities	9,441	(10,250)	19,691	
Gain (loss) on disposal of financial assets available for sale	8,306	4,201	4,105	97.7
Risultato dell'attività finanziaria	**44,126**	**10,365**	**33,761**	

The net gain on trading activities amounting to 44.1 million, recorded an increase by 33.8 million compared with the previous year as resulting from the increase by 10.0 million in the results of financial trading operations, from 19.7 million of the contribution of the hedging derivatives and from 4.1 million of profits from transfer of financial assets available for sale, due also to the sale by Cariparma of the equity investments in Centrale Bilanci S.r.l.

Other operating revenues (expenses)

Other operating revenues and expenses show a negative balance amounting to 12.3 million, increasing by 7.9 million (39.2%) compared with the figure of last year. The item includes operating revenues such as rents, non-recurrent and various revenues, and expenses deriving from the amortization of leasehold improvement costs and other costs, including customer refunds.

Operating Expenses

Items	31/12/2009	31/12/2008	Change	
			total	%
- wages and salaries	(366,542)	(355,486)	11,056	3.1
- social security contributions	(97,749)	(94,756)	2,993	3.2
- other staff expenses	(47,709)	(73,858)	(26,149)	-35.4
Staff expenses	**(512,000)**	**(524,100)**	**(12,100)**	**-2.3**
- general operating expenses	(105,165)	(97,511)	7,655	7.8
- IT services	(69,490)	(103,846)	(34,356)	-33.1
- direct and indirect taxes	(69,377)	(70,824)	(1,447)	-2.0
- facilities management	(50,113)	(45,934)	4,179	9.1
- legal and other professional services	(25,946)	(31,618)	(5,672)	-17.9
- advertising and promotion costs	(16,769)	(14,667)	2,102	14.3
- indirect staff expenses	(10,720)	(11,538)	(818)	-7.1
- other expenses	(82,624)	(37,419)	45,205	
- recovery of expenses and charges	167,281	112,980	54,301	48.1
Administrative expenses	**(262,923)**	**(300,375)**	**(37,452)**	**-12.5**
- intangible assets	(40,704)	(34,518)	6,186	17.9
- property, plant and equipment	(26,376)	(23,449)	2,927	12.5
Depreciation and amortization	**(67,080)**	**(57,967)**	**9,113**	**15.7**
Operating expenses	**(842,003)**	**(882,442)**	**(40,439)**	**-5**

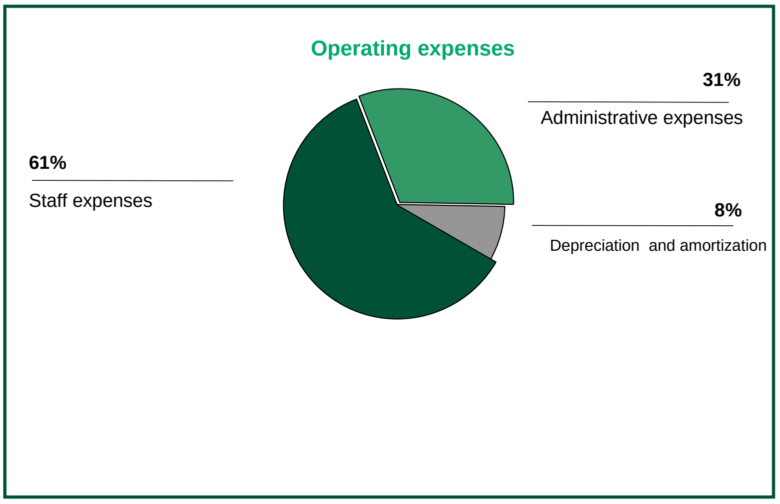
Operating expenses, consisting of staff expenses, administration expenses, depreciation and amortization, amounted to 842.0 million down by 40.4 million (-4.6%).

Operating cost control brought about an improvement in the weight of the operating expenses on the net banking income, bringing the cost/income ratio to 56.4% vs. 57.4% of the previous year.

Total staff expenses amounted to 512.0 million decreasing by 12.1 million (-2.3%) following the favourable effects resulting from the discounting back of the Severance Benefit fund and of the retirement funds, which offset the increase in costs resulting from the higher staff number (+138 medium-level resources) and from the renewal of the National Labour Contract.

Administrative expenses amounted to 262.9 million, down by 37.5 million (-12.5%). This variation is ascribable to a careful cost management aiming at rationalizing projects and ordinary activities, at controlling costs for IT services, which last year recorded higher costs borne to set up a single IT centre for the Group.

The increase in depreciations in 2009 by 9.1 million (+15.7%) is essentially ascribable to higher investments in the last two-year period for software and hardware.



Net Operating profit

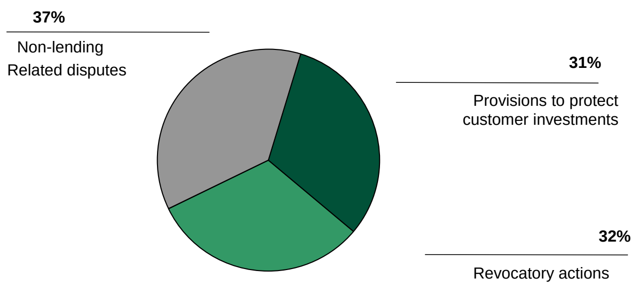
The downturn in net operating profit by 43.7 million (-2.8%) and the operating cost control by 40.4 million (-4.6%), generated a net operating profit amounting to 651.2 million, down by 3.3 million (-0.5%) compared with the previous year figure.

Net Provisions for liabilities and contingencies

Net provisions for liabilities and contingencies amounted to 14.6 million and include the following: 4.6 million for revocations, 5.4 million for non credit litigations and 4.6 million for provisions for Customer protection.

In 2009 a decrease in the provisions for liabilities and contingencies was recorded by 114.8 million vs. the FY 2008 when provisions were made, although not required by law, to safeguard Customers, who, having made transactions in securities, insurance policies and derivatives, were affected by the impact of the global financial crisis.

Net provisions for liabilities and contingencies



Net impairment adjustments of loans

Items	31/12/2009	31/12/2008	Variations	
			absolute	%
- non-performing loans	(115,023)	(59,997)	55,026	91.7
- other impaired loans	(111,241)	(67,859)	43,382	63.9
- performing loans	19,889	(9,733)	29,622	
Net adjustments for loan impairment	(206,065)	(137,589)	68,476	49.8
Net adjustments to guarantees and loans	(2,587)	(816)	1,771	
Net value adjustments on receivables/credit	**(208,652)**	**(138,405)**	**70,247**	**50.8**

Net impairment adjustments on loans amounted to 138.1 million vs. 101.2 million in the previous FY.

This increase, by 36.9 million, reflects the fact that a high level of hedging of impaired loans was kept for protection against the worsening of credit quality connected to the worsening of the macroeconomic situation.

Profit before tax on continuing operations

Profit before tax on continuing operations amounted to 454.2 million up by 98.7 million vs. 2008 (+27.8%). This was achieved after recognising provisions and net adjustments for 223.2 million and net profits on financial assets held until maturity and on other investments for 26.1 million.

Income taxes on continuing operations

Current and deferred taxes amounted to 136.4 million, with a difference of 86 million vs. 50.4 million relating to the previous twelve months. With regard to this, the specific and different extraordinary components linked to taxes are to be considered, which weighed on the result of the two FYs. More precisely, in 2008 the effects of the decision to realign civil law value and tax values on 75% of the goodwill value deriving from the neutral transfer of the branches received in 2007 from Intesa Sanpaolo, was recorded, whose benefit in terms of Income Statement amounted to 85 million, as well as the exercise of

some options of detaxation and realignment of tax and financial reporting figures applied on FY 2008, entailing further benefits, amounting to about 32 million, resulting from the excess of the allocated deferred taxes fund over the substitute taxes actually due.
Conversely, in the FY 2009 a further tax realignment was performed of the remaining goodwill value generated by the above-mentioned transfer, for which the true and fair view principle adopted last year and admitted by the Italian Accounting Body (OIC) was confirmed, and due to which the weight on the Income Statement is given by the algebraic sum of taxes due for the defined partial detaxation and the savings on future taxes calculated as absolute value resulting from only tax depreciation of said goodwill, with a resulting benefit close to 31 million. Due to the realignment made between 2008 and 2009 on the entire goodwill in question, starting from 2010, lower current taxes shall be recognised in the Income Statement for the FY and for the following eight years, for a value amounting to about 25.5 million a year, whose positive value shall be balanced by the absence of the corresponding registered credit. In 2009, the residual detaxation was made of values not considered for tax purposes on specific assets, for a total benefit on the Income Statement for the FY amounting to about 3 million. Again, tax credits were used resulting from energy savings upgrade interventions for about 1.2 million Euro, as well as a re-entry in the Income Statement of tax surplus allocated to provisions at FriulAdria for about 1.3 million.
Net of the above-mentioned extraordinary components recorded in the two FYs, the lower tax percentage charge actually referring to 2009 resulted, in particular, from the different FY income achieved by the company in which stakes are held, CA Vita, whose net profit value is registered in the gross result, without affecting the taxes due, and from the better composition of the IRAP taxable base recorded in 2009 vs. the previous FY.

Net Profit

The Financial Statement of Cariparma FriulAdria Banking Group closed with a net profit attributable to the Group amounting to 311.0 million, up by 16.1 million (+5.4%) vs. the previous FY, after recording profits attributable to minority interests for 6.8 million. This profit, expressing the profitability and soundness of the Group even in a deep economic recession, was achieved thanks to a careful policy for cost management, able to control the operating income contraction.

Comprehensive Income Statement

In compliance with IAS 1 revised a comprehensive profitability statement was drawn up, which considers the positive and negative income components whose effects are directly attributed to the Group’s shareholders’ equity.
In particular, the Group’s comprehensive profitability stands at 354.8 million after having recorded positive components, such as the calculation of the fair value of assets available for sale amounting to 33.5 million, of which 32.7 million of positive fair value of Long-Term Treasury Bonds (BTP), and the effects of the calculation of the shareholding in CA Vita Assicurazioni S.p.A. in the shareholders' equity amounting to 18.4 million. Among the negative components negative impacts are recorded for 2.8 million mainly ascribable to re-attribution to the Income Statement of AFS reserves relating to assets transferred during the FY.

PERFORMANCE OF THE BALANCE-SHEET AGGREGATES

Reclassification of the Balance Sheet

To favour a more direct reading of the Group's balance sheet and financial situation, a summary reclassified balance sheet was prepared by subdividing its entries into specific groups. The groups refer to:

- indication of financial Assets/Liabilities held for trading on a net basis;
- indication of net due from/to banks;
- inclusion of the net value in the fair value hedge derivatives with the respective assets/liabilities being hedged;
- inclusion of the adjustment to financial liabilities hedged collectively in the respective liabilities being hedged;
- inclusion of intangible assets and property, plant and equipment into a in a single aggregate;
- inclusion of "cash and cash equivalents" in the residual item "Other Assets";
- grouping in the item "Customer deposits" of the item "Payables due to customers" and "Securities Issued";
- grouping of specific-purpose provisions (employee severance benefits and provisions for liabilities and contingencies) into a single aggregate.

Consolidated Reclassified Balance Sheet

Assets	31/12/2009	31/12/2008 (*)	Changes	%
Net financial assets/liabilities held for trading	68,906	307,039	(238,133)	-77.6
Financial assets available for sale	3,887,426	1,592,326	2,295,100	144
Net interbank lending	-	30,354	(30,354)	-
Loans to Customers	28,924,793	27,416,334	1,508,459	5.5
Equity investments	134,999	91,123	43,876	48.2
Property, plant and equipment and intangible assets	1,795,160	1,790,700	4,460	0.2
Tax assets	621,886	566,718	55,168	9.7
Non-current assets or groups of assets being divested	-	-	-	0.0
Other assets	747,290	827,301	(80,011)	-9.7
Total net assets	**36,180,460**	**32,621,895**	**3,558,565**	**10.9**

Liabilities	31/12/2009	31/12/2008 (*)	Changes	%
Net due to banks	1,549,229	-	1,549,229	
Funding from customers	29,163,305	26,401,086	2,762,219	10.5
Net trading financial liabilities	-	-	-	-
Tax liabilities	314,743	456,874	(142,131)	-31.1
Liabilities associated with assets being divested	-	-	-	-
Other liabilities	1,017,739	1,570,755	(553,016)	-35.2
Specific-purpose provisions	256,272	380,874	(124,602)	-32.7
Share capital	785,066	785,066	-	-
Reserves (net of treasury shares)	2,569,368	2,551,108	18,260	0.7
Valuation reserves	52,173	14,270	37,903	-
Minority interests	161,594	166,943	(5,349)	-3.2
Net profit (loss) for the period	310,971	294,919	16,052	5.4
Total net liabilities and equity	**36,180,460**	**32,621,895**	**3,558,565**	**10.9**

(*) Re-stated following the acquisition of 85% of Calit, occurred in September 2009 and recorded in accounts as "*business combination under common control* " becoming effective on 1st December 2008, date on which the Crédit Agricole Group acquired Calit.

Reconciliation between the Official Balance Sheet and the reclassified Balance Sheet

Assets	31/12/2009	31/12/2008
Net financial assets/liabilities held for trading	68,906	307,039
20. Financial assets held for trading	388,956	620,236
40. Financial liabilities held for trading	(320,050)	(313,197)
Financial assets available for sale	3,887,426	1,592,327
40. Financial assets available for sale	3,896,348	1,592,327
80. Hedging derivatives (assets): hedging of AFS securities	(8,922)	-
Net loans to banks	-	30,354
60. Loans to banks	-	3,825,661
10. Due to banks	-	(3,795,307)
Loans to customers	28,924,793	27,416,334
70. Loans to customers	28,932,934	27,422,736
Hedging derivatives – mortgage loans	(8,141)	(6,402)
Equity investments	134,999	91,123
100. Equity investments	134,999	91,123
Property, plant and equipment and intangible assets	1,795,160	1,790,700
120. Property, plan and equipment	349,426	356,073
130. Intangible Assets	1,445,734	1,434,627
Tax assets	621,886	566,718
140. Tax assets	621,886	566,718
Other assets	747,290	827,300
10. Cash and cash equivalents	220,398	223,470
160. Other assets	526,892	603,830
Total assets	**36,180,460**	**32,621,895**

Liabilities	31/12/2009	31/12/2008
Net interbank funding	1,549,229	-
60. Loans to banks	(3,969,680)	-
10. Due to banks	5,518,909	-
Funding from customers	29,163,305	26,401,086
20. Due to customers	17,740,325	15,724,308
30. Securities issued	11,633,764	10,809,016
60. Hedging derivatives	16,108	12,398
70. Adjustment of financial liabilities hedged generically	76,037	45,973
80. Hedging derivatives	(285,866)	(184,207)
60. Hedging derivatives (liabilities): mortgage hedging	(8,141)	(6,402)
80. Hedging derivatives (assets): hedging of AFS securities	(8,922)	-
Tax liabilities	314,743	456,874
80. Tax liabilities	314,743	456,874
Liabilities in respect of assets being divested		-
Other liabilities	1,017,739	1,570,755
100. Other liabilities	1,017,739	1,570,755
Specific-purpose provisions	256,272	380,874
110. Employee severance benefits	131,190	141,786
120. Provisions for liabilities and contingencies	125,082	239,088
Share capital	785,066	785,066
190. Share capital	785,066	785,066
Reserves (net of treasury shares)	2,569,368	2,551,108
170. Reserves	474,894	456,634
180. Share premium reserve	2,094,474	2,094,474
Valuation reserves	52,173	14,270
140. Valuation reserves	52,173	14,270
Assets pertaining to minority interests	161,594	166,943
210.Minority interests	161,594	166,943
Net profit (loss) for the period	310,971	294,919
220. Net profit (loss) for the period	310,971	294,919
Total liabilities and shareholders' equity	**36,180,460**	**32,621,895**

Loans to customers

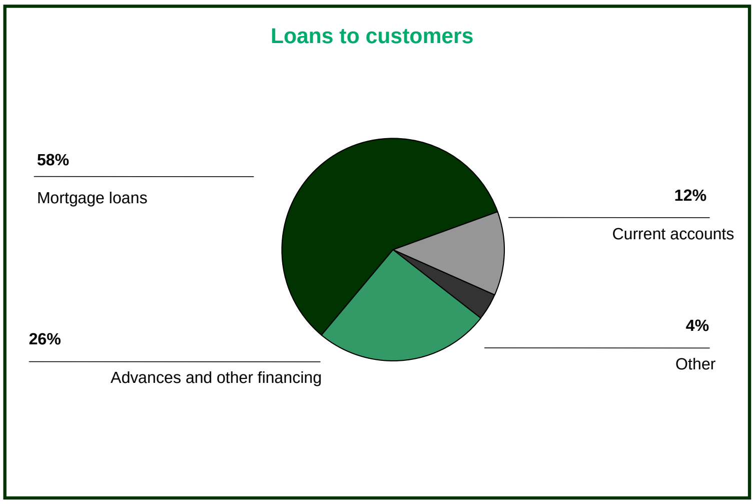
Items	31/12/2009	31/12/2008	Change	
			Total	%
- current accounts	3,585,991	4,796,341	(1,210,350)	-25.2
- mortgage loans	16,850,243	14,434,730	2,415,513	16.7
- advances and other loans	7,428,346	7,527,909	(99,563)	-1.3
- Impaired loans	894,833	495,903	398,930	80.4
Loans	**28,759,413**	**27,254,883**	**1,504,530**	**5.5**
Loans represented by securities	**165,380**	**161,451**	**3,929**	**2.4**
Loans to customers	**28,924,793**	**27,416,334**	**1,508,459**	**5.5**

Loans to customers amounted to 28,925 million increasing by 1,508 million (+5.5%) vs. the previous financial year, which concerned mainly the mortgage loan segment. In more detail: mortgage loans went up by 2,416 million (+16.7%), whereas current accounts went down by 1,210 million (-25.2%) and advances and other financing went down by 100 million (-1.3%).

Following the variations occurred during the year, the composition of the loan portfolio was as follows: mortgage loans (58%), advances and other financing (26%), current accounts (12%) and other (4%).

In 2009 the Cariparma FriulAdria Banking Group joined the Avviso comune Abi-Confindustria-Ministero dell'Economia for the suspension of enterprise debt payments aiming at giving financial relief to enterprises having suitable economic prospects. Moreover, the Group participates in ABI Piano Famiglie for the suspension of mortgages refunding granted to families faced with difficulties caused by the crisis.

Voluntary postponement agreements exist, as well as rescheduling plans of debt refunding due dates, also known as "standstill", whose total amount at the FY end is equal to 237 million Euro.



Loans to customers: Credit Quality

Items	31/12/2009			31/12/2008		
	Gross exposure	Total adjustments	Net exposure	Gross exposure	Total adjustments	Net exposure
- Bad debts	1,931,079	1,178,400	752,679	1,174,260	760,707	413,553
- Substandard loans	1,620,177	472,896	1,147,281	1,273,794	432,510	841,284
- Restructured loans	12,816	9,066	3,750	26,529	6,132	20,397
- Past-due / overlimit loans	797,892	17,103	780,789	241,593	10,365	231,228
Impaired loans	**4,361,964**	**1,677,465**	**2,684,499**	**2,716,176**	**1,209,714**	**1,506,462**
of which expired by transaction	*197,697*	*4,408*	*193,289*	-	-	-
impaired loans minus past-due by transaction	*1,256,291*	*554,747*	*701,544*	*905,392*	*403,238*	*502,154*
performing loans	**- 397,172**	**13,224**	**- 410,396**	**- 6,820**	**-**	**- 6,820**
Net value of fair value hedge derivative contracts			**-**			**-**
Total	**3,964,792**	**1,690,689**	**2,274,103**	**2,709,356**	**1,209,714**	**1,499,642**

Impaired loans, net of writedowns, amounted to 895 million vs. 502 million for the previous FY. More specifically, bad debts came to 251 million, substandard loans to 382 million, restructured loans to 1 million and past-due/overlimit loans to 260 million. Total net impaired loans showed an adequate coverage ratio of 38%, calculated as the ratio of writedowns to gross exposure, whereas the weight on the total net loan portfolio was 3.1%. The coverage ratio of net bad debts is 61% with a 0.9% weight. Substandard loans have a 29% coverage ratio and represent 1.3% of the loans portfolio.

The cumulative amount of the adjustment of performing loans, sufficient to face the expected riskiness inherent in loans with standard course, amounts to about 136 million and represents 0.48% of the nominal value of performing positions.

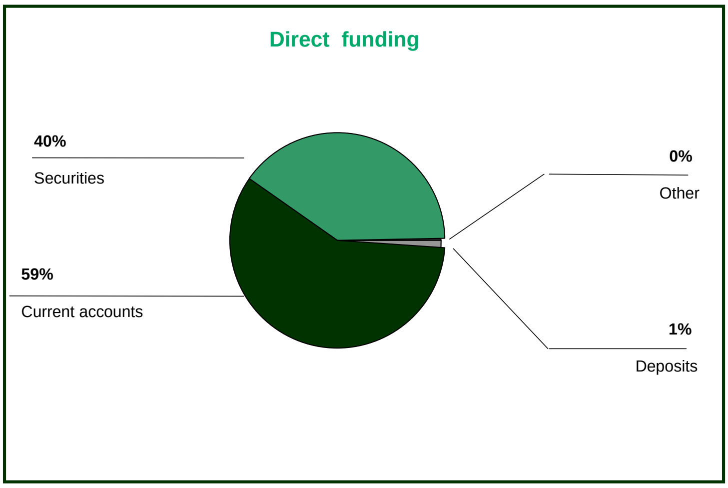
Following the implementation of Bank of Italy Circular letter No. 272 of 30 July 2008 – 1st revision of 10 December 2009, - envisaging that past-due/overlimit loans should include, in addition to overlimit loans for overall position, also those for single transaction relating to the segment of exposures secured by real estate and expired for 90 days – an increase in weight of past-due/overlimit loans was recorded over total loans. Net of said regulatory change, total net impaired loans would weigh over the total loans portfolio by 2.5% with a coverage ratio of 43%.

Due to Customers

Items	31/12/2009	31/12/2008	Change Total	Change %
- Deposits	346,438	374,677	-28,239	-7.5
- Current accounts and other accounts	17,109,496	14,959,476	2,150,020	14.4
- Other accounts	65,265	27,589	37,676	
- Repurchase agreement operations	219,127	362,566	-143,439	-39.6
Due to customers	**17,740,326**	**15,724,308**	**2,016,018**	**12.8**
Securities issued	**11,633,763**	**10,809,015**	**824,748**	**7.6**
Adjustment of financial liabilities macro - hedged (+/-)	**76,037**	**45,973**	**30,064**	**65.4**
Net value of fair value hedge derivative contracts	**-286,821**	**-178,210**	**108,611**	**60.9**
Total direct deposits	**29,163,305**	**26,401,086**	**2,762,219**	**10.5**
Indirect funding	**43,661,015**	**39,884,904**	**3,776,111**	**9.5**
Total funding	**72,824,320**	**66,285,990**	**6,538,330**	**9.9**

Direct funding reached 29,163 million up by 2,762 million (+10.5%) compared with the previous year. This development allows an excellent liquidity level (Loans to customers/direct funding from Customers amounting 0.99%) at Group level. The increase of deposits on current accounts, up by 2,150 million, that is up by 14.4%, decidedly contributed to this upturn, as well as the increase in bond funding for 825 million, that is 7.6%.

Assets administered of 72.824 million Euro have increased by 6,538 million (+9.9%) compared with last year's figure, as a result of the increase both in direct and indirect funding, which has recorded a considerable increase, in spite of the persistence of the financial market crisis.



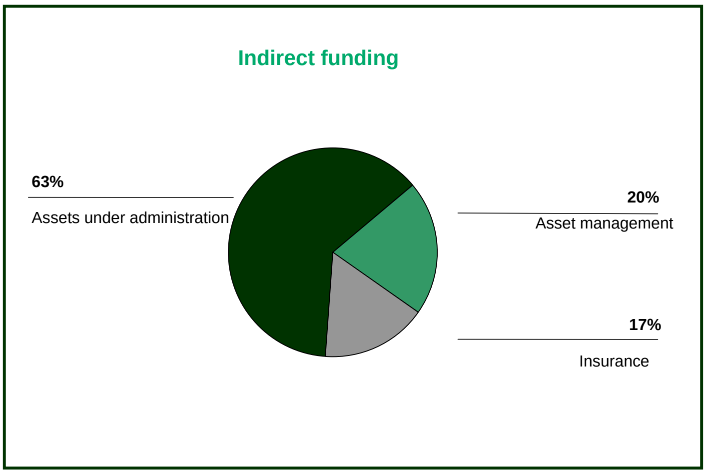
Indirect funding

Items	31/12/2009	31/12/2008	Change Total	Change %.
- Asset management products	9,058,663	8,261,217	797,446	9.7
- Insurance products	7,172,805	6,569,202	603,603	9.2
Total assets under management	**16,231,468**	**14,830,419**	**1,401,049**	**9.4**
Deposits under administration	**27,429,547**	**25,054,485**	**2,375,062**	**9.5**
Indirect funding	**43,661,015**	**39,884,904**	**3,776,111**	**9.5**

Indirect funding at market value represented 60.0% of the administered funding and is equal to 43,661 million, up by 3,776 million (+9.5%) compared with last year's figure.

Up by 1,401 million is managed funding, driven by both the contribution of managed assets, amounting to 9,059 million, up by 797 million (+9.7%), and by the insurance segment, which has reached 7,173 million, up by 604 million (+9.2%) compared with 2008.

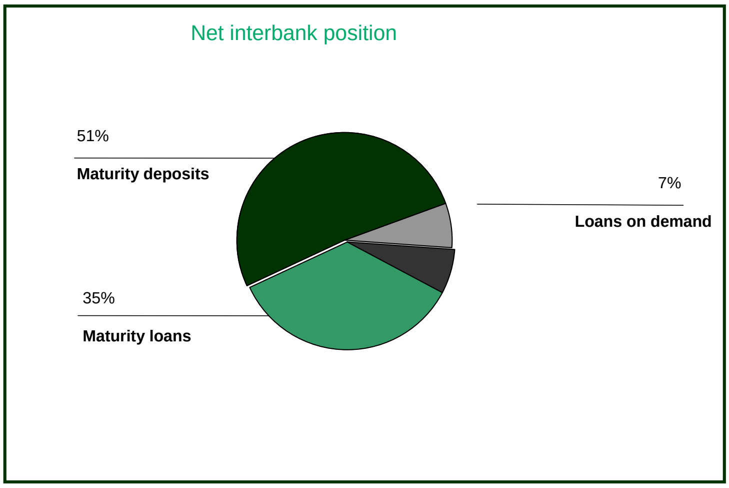
The contribution of the administered segment, which has amounted to 27,430 million up by 2,375 million (+9.5%) compared with last year's figure, has been positive.



Net interbank position

Items	31/12/2009	31/12/2008	Change	
			Total	%
- Loans	621,821	961,002	-339,181	-35.3
- Deposits	645,392	1,639,809	-994,417	-60.6
Net interbank debt position on demand	**23,571**	**678,807**	**655,236**	**-96.5**
- Loans	3,347,859	2,864,659	483,200	16.9
- Deposits	4,873,517	2,155,498	2,718,019	
Net interbank debt/credit position at maturity	**1,525,658**	**709,161**	**2,234,819**	
Net interbank debt/credit position at maturity	**1,549,229**	**30,354**	**1,579,583**	

The net interbank position showed a negative net balance of 1,549 million as at 31 December 2009 ascribable mainly to the net interbank position at maturity.
Compared with the previous year, a decrease by 1,580 million has been recorded following the increase of deposits over net interbank position at maturity, mainly due to refinancing operation with repurchase agreements of the BTP portfolio.



Shareholders' equity

Items	31/12/2009	31/12/2008	Change	
			Total	%
Share capital	785,066	785,066	-	
Share premium reserve	2,094,474	2,094,474	-	
Reserves	474,894	456,634	18,260	4.0
Valuation reserves for financial assets available for sale:	52,173	14,270	37,903	
Profit for the year	310,971	294,919	16,052	5.4
Total equity	**3,717,578**	**3,645,363**	**72,215**	**2.0**

As at 31 December 2009, the shareholders' equity of the Cariparma FriulAdria Banking Group, including profits for the FY, amounted to 3,718 million, up by 72 million (+2.0%) compared with the figure as at 31 December 2008. Increase in reserves (+18 million) resulting from 2008 profits allocated to reserve, valuation reserves (+38 million) due mainly to the valuations made on the existing stock consisting of assets available for sale and the FY profit (+16 million), as at 31 December 2009

Regulatory Capital

Regulatory Capital and capital ratios	31/12/2009	31/12/2008
Tier 1 capital	2,069,510	2,014,740
Tier 2 Capital	510,927	211,387
Deductible elements	58,917	58,917
Regulatory Capital	**2,521,520**	**2,167,210**
Credit Risk	1,994,950	1,804,303
Market risk	14,957	52,623
Operational risk	189,277	166,171
Capital requirements (*)	**2,199,184**	**2,023,097**
Excess capital with respect to minimum requirements	**322,336**	**144,113**
Risk-weighted assets	**27,489,811**	**25,288,708**
Capital ratios %		
Tier 1 Capital / Total Risk-weighted assets	7.53%	7.97%
Total capital / Total risk-weighted assets	9.17%	8.57%

The Regulatory Capital and the relevant prudential coefficients have been established by applying the Bank of Italy's provisions.

The Regulatory Capital amounted to 2,522 million, against risk-weighted assets amounting 27,490 million. Tier 1 was recorded at 7.53%, whereas the total capital ratio was equal to 9.17%.

Exchange tender offer

During 2009 Cariparma, to protect the interests of holders of CAVita – former PO Vita - index-linked Policies, placed through its network, and linked to financial instruments issued by Glitnir Banki HF, former Islandsbanki HF, promoted, even though not so required by law, a voluntary exchange tender offer. This initiative, aiming at consolidating the Customers' trust in the Bank, was resolved upon following the critical situation of the Icelandic bank, due to which the possibility that Glitnir Banki HF could refund the bonds embedded in the Policies, at maturity, has become a concrete reality. The voluntary exchange tender offer has concerned all the 5 types of index-linked Policies with underlying Glitnir securities, issued from 2004 to 2006 with maturity from 2009 to 2013. For each type of CAVita index-linked policy, the Cariparma FriulAdria Banking Group has issued its own Zero Coupon bond having a nominal value of 1,000 Euro, "reserved" for the exchange tender offer, with maturity at 2 years after the natural maturity of the policies, and with a return calculated so as to make the offer-taker immune from tax costs relating to interests paid on the same bonds at maturity. The corresponding amount exchanged by each offer-taker, was established based on the premium paid upon underwriting the policies, after deducting any paid income (coupons, bonuses, etc…) ascribable to the same policies. The exchange ratio of nominal value of each series of bonds to the corresponding amount was 1:1; the offer-takers that, based on the exchange ratio, were entitled to receive new bonds for a nominal value not equal to a multiple of 1,000 Euro, were paid, as at the exchange date based on the exchange tender offer, the adjustment in cash calculated so that the sum of the nominal value of the new bonds received in exchange plus the adjustment in cash was equal to the corresponding amount.

Summary table

Name of CAVita Index - linked policies object of the exchange tender offer	Effective date	Maturity	New Cariparma Zero Coupon bonds given in exchange	Maturity	Interest rate (annual gross)
Azione Più 7.12.2009	07/06/2004	07/12/2009	Cariparma Zero Coupon 629^ em.	07/12/2011	1,980%
Azione Più 15.7.2010	15/07/2005	15/07/2010	Cariparma Zero Coupon 630^ em.	15/07/2012	2,290%
Azione Più 30.12.2011	31/10/2005	30/12/2011	Cariparma Zero Coupon 631^ em.	30/12/2013	2,969%
Azione Più 31.03.2012	31/03/2005	31/03/2012	Cariparma Zero Coupon 632^ em.	31/03/2014	3,001%
Azione Più 31.12.2013	31/03/2006	31/12/2013	Cariparma Zero Coupon 633^ em.	31/12/2015	3,908%

The response from Customers to Cariparma FriulAdria Banking Group initiative was very positive, so much so that the offer takings exceeded 99%. Overall bonds were issued for a nominal value of 150,191,000 Euro (whose current value is equal to 127,866,324.36); the total amount of the adjustment was equal to 2,735,995.68 Euro; the total corresponding amount, finally, including the recovery of tax costs, was equal to 152,926,995 Euro.

CORPORATE DEVELOPMENT LINES

Central structures – significant events and projects

After one year, 2008, dedicated almost entirely to the Migrations on our information system of the ex-Intesa and Banca Popolare FriulAdria branches and to the interventions to reach independence from Intesa Sanpaolo, 2009 was characterized, on the one hand by the pursue of the consolidation of the Group activities, on the other by the research for innovation and opportunities for commercial development.

Full independence from Intesa Sanpaolo was achieved in February with the Group Treasury becoming active, thus providing the Financial Management Division with all the necessary instruments for the monitoring and governance of the Group's Euro liquidity.

To consolidate the information/technological infrastructure, the Central Division for Organization and Systems worked on the project for the construction of the Group's New MPLS Network, successfully completing the migration of all network points onto the new Supplier's infrastructure, as well as on the elimination of all the obsolete system software aiming at optimizing the existing equipment. These interventions also involved a significant reduction of operating expenses.

From a regulation standpoint, the commitment continued for the implementation of the adjustments required every year by the regulatory bodies. In particular, in 2009 the MIFID regulation was central, which required the Management to prepare the new Customer Profile Questionnaire and the new instruments for the management of portfolio adequacy.

The interventions supporting the commercial development resulted from the close cooperation of the Central Division for Organization and Systems with the Business Divisions, which led to the starting of a number of projects aimed at guaranteeing the coverage of the main organizational and IT gaps compared with the market benchmark.

The first new development of the year concerns the setting-up of the new Dashboard for the Small Business Manager, which allowed the operating and commercial activity of our managers to be improved, thanks to the streamlining of supporting processes and procedures, as well as precious time to be saved to the advantage of commercial activities. The Customer Datasheet was conceived with the purpose to rationalize the information onto a single platform and to make the search of information relating to the Customer faster, creating a single summary point of the Customer's overall economic/financial situation.

However, the most important project, from the standpoint of innovation and complexity, was the creation of the New Direct Channels, which entailed the design and construction of 3 new Internet Banking products, which are the top for innovation, simplicity, practicality and security of use.

They were:

- *Nowbanking Piccole Imprese*, (Nowbanking Small Enterprises) specifically designed for small enterprises and professional freelancers wanting a simple and fast platform to manage the financial, accounting and administrative activities being completely independent and at any time.
- *Nowbanking Privati (Nowbanking for retail customers),* designed to supply an effective and distinctive service to all individual Customers, who frequently make both banking and trading operations, remotely interacting directly from home or from the office in a simple and secure way.
- *Nowbanking Mobile,* designed to meet the requirements of those Customers needing their own Internet Banking always at hand, allowing them to consult the information relating to main bank records (accounts and papers) and to make non-complex disposal operations using their own new generation mobile phones (i-Phone, Blackbarry, Nokia..).

This new products have made CariParma FriulAdria banking Group the market benchmark on this.

2009 was also the year dedicated to the research for the most suitable technologies to increase security of our Internet Banking services and to hinder the more and more frequent on-line frauds. Indeed, a new and advanced system for order authorization has been implemented, which envisages a simple toll-free phone call replacing the directory password. CariParma is the first Italian Bank launching this innovative system on the market, which guarantees the system security and inviolability thanks to the simultaneous use of the Internet and the GSM net.

To conclude, it is important to emphasize that the Building Technical Service has contributed to the achievement of the Cariparma network target of 100 fully developed branches, which, thanks to an advanced technology, targeted communications and dedicated products, allow the desk operations to be reduced favouring the more relational and commercial aspects, thus improving the level of the service supplied to Customers.

THE ACTIVITY OF THE PARENT COMPANY

Reference is made to Cariparma Financial Statement and the relevant Management Report.

THE ACTIVITY OF BANCA POPOLARE FRIULADRIA S.P.A.

The financial crisis, which hit powerfully in the fourth quarter of 2008, impacted, in 2009, on the real economy causing the world to face the worst economic recession since World War Two. As a consequence, the 2009 Financial Statement results of Banca Popolare FriulAdria reflect the general negative situation of an economy characterized by the contraction in production activities, investments, consumptions, labour demand and by the growth of credit quality impairment. In this situation, however, the Bank has succeeded in achieving and consolidating the operating profit, through a selective research for opportunities in the intermediation activity and for an effective operating cost control. As a fact, the operating profit for the FY amounted to 121 million Euro, up by 0.3% vs. 120.6 million of the previous FY. The essential stability of the net operating profit was obtained through cost rationalization, which brought about the improvement of the Bank's managing effectiveness, and through the control on the contraction of net operating income ascribable to the interest rate decrease and to investors' caution in financial activities following the uncertainties caused by the financial market crisis. A careful and rigorous cost management policy has originated savings for 19.6 million Euro (-9.9%) in operating costs, which were 178.5 million vs. 198.1 million of the previous FY. Net operating revenues went down by 6%, going from 318,6 million of last FY to 299.4 million of this Financial Statement. It is to be noted that the net operating revenues for 2008 benefited from 9.2 million Euro ascribable to non-recurrent operations, that is to the partial transfer of an equity investment and to the reformulation of hedging policies (discontinuing of cash flow hedging). The cost – income, that is the ratio between costs and net operating income, was 59.6%, vs. 62.2% for the FY 2008. The progressive impairment of the real economy situation caused a widespread worsening of the risk profile for enterprises and families, so much so that the FY profit was negatively affected by the impairment adjustments of loans, which increased significantly by 24.3 million Euro, equal to 70.6%, thus reaching 58.8 million vs. 34.4 million in 2008. The 2009 Financial Statement closed with a net profit of 41.6 million, down by 30.9% vs. the result of 60.2 million for the previous FY. The difference in the macroeconomic context between the two years makes the figure comparison difficult: indeed, it is to be noted that the first half-year of 2008 showed however some economic expansion, even though weak, certainly very different and far from the difficulties experienced in 2009. Nevertheless, the operating profit consolidation achieved, which expresses the corporate ability to generate income by its typical business, is significant, especially of analysed in the difficult economic situation in which it was achieved.

Financial Statement items	31/12/2009	31/12/2008	Change total	Change %
Economic Figures				
Net interest	196,326	213,726	-17,400	-8.1%
Net commission income	89,991	89,239	752	0.8%
Dividends	778	803	-25	-3.1%
Gain (loss) on trading activities	13,856	16,045	-2,189	-13.6%
Other operating revenues (expenses)	-1,517	-1,164	353	30.3%
Net operating revenues	299,434	318,649	-19,215	-6.0%
Operating expenses	-178,452	-198,065	-19,613	-9.9%
Net operating profit	120,982	120,584	398	0.3%
Provisions to risk and charges funds	1,157	-9,455	-10,612	n.s.
Net adjustments of loans	-58,758	-34,438	24,320	70.6%
Net profit (loss)	41,609	60,240	-18,631	-30.9%
Balance Sheet Figures				
Loans to Clients	6,116,512	6,066,391	50,121	0.8%
Net financial assets/liabilities held for trading	48,117	66,965	-18,848	-28.1%
Financial assets available for sale	979,441	582,074	397,367	68.3%
Net loans to banks	-	-	-	-
Equity investments	2,532	2,562	-30	-1.2%
Property, plant and equipment and intangible assets	134,219	138,877	-4,658	-3.4%
Total net assets	7,526,519	7,137,449	389,070	5.5%
Funding from customers	5,550,798	5,230,888	319,910	6.1%
Equity	655,175	659,769	-4,594	-0.7%
Operating structure				
Number of employees (a)	1,651	1,719	-68	
Average number of employees (b)	1,602	1,562	40	
Number of branches	192	191	1	

(a) The number of Employees with employment contract at the end of the FY is set forth, workers involved in atypical activities, Directors and Auditors are not included; no adjustments were made for active or passive secondments.
(b) The average number is calculated as weighted average of the employees, where the weight is given by the number of months worked during the year, in case of part-time staff is conventionally weighted at 50%; workers involved in atypical activities, Directors and Auditors are not included, no adjustments have been made for active or passive secondments.

THE ACTIVITY OF CRÉDIT AGRICOLE LEASING ITALIA S.R.L. (CALIT)

In September Cariparma acquired 85% of the share capital of CALIT (Crédit Agricole Leasing Italia Srl) from Crédit Agricole Leasing SA, which still holds a15% interest.
Calit is active in all financial leasing segments: cars, operating assets, real estate, boats, as well as in the renewable energy sector.
In a very difficult economic situation, in particular concerning the entire lease sector, Calit, supported by Cariparma and FriulAdria networks, in 2009 recorded an increase in the volume of intermediated operations, both as to number and amount, definitely against the current lease market trend, which recorded a decrease in the value of new contracts by 32.9% and in the relevant number by 29.2%.
During 2009 the company entered into 2,407 new contracts for a total of 581.2 million up by 21.9% in terms of number and by 19.5% in terms of volumes vs. 2008. It is to be noted that the production in 2008 was ascribable for 10 months to the activities of Leasint Spa and for 2 months to the activities of Calit srl.
The renewable energy sector has been particularly significant; in 2009 the projects for 2 cogeneration plants, 2 hydroelectric plants and 20 photovoltaic plants, for a total financed amount of 60.9 million.

Economic aggregates

The interest profit amounting to 16.0 million and the net commission income, amounting to 0.5 million, accounted for most of the net banking income that was 16.5 million, up by 15.8 million compared with the same figure of the previous FY.
The administration expenses, including staff expenses (equal to 4.2 million) amounted to 8.4 million, up by 7.1 million vs. 2008.
For a prudential management and given the particular economic situation, in the FY net value adjustments/revaluations of loans amounting to 11.8 million were made, up by 7.5 million vs. last FY.
Other operating costs and income, consisting of typical costs and income of financial leasing activity, were 2.2 million up by 2.0 million vs. 31 December 2008.
The operating profit was negative by 2.0 million. The latter, plus taxes for the FY amounting to 0.5 million, caused a net loss of 2.6 million, which was affected in particular by the weight of the risk cost, which was more than double compared with the previous FY.

Balance-sheet aggregates

Reveivables, representing 98.7% of the assets, can be mainly ascribed to financial leasing operations and amounted to 1,658.3 million, up by 15.2% vs. the previous FY.
Payables amounted to 1,582.9 million and went up by 16.0% vs. 2008. They consist of payables due to Banks for 1,576.2 million (of which 978.7 million consisting of loans from the Holding Company Cariparma), payables to financial bodies for 0.3 million and payables due to customers for 6.4 million.
As at 31 December 2009 Calit's shareholders' equity, including the loss for the FY, was 63.3 million, down by 2.6 million vs. 31 December 2008.

THE ACTIVITY OF CRÉDIT AGRICOLE VITA S.P.A. (CA Vita)

Crédit Agricole Vita S.p.A. is a Bankassurance company, which is subject to the control and coordination by Crèdit Agricole Assurances Italia Holding S.p.A. and in which Cariparma S.p.A. holds stakes.
Crédit Agricole Vita provides Cariparma and FriulAdria Customers, which are the selling networks, with a wide range of products for both individuals and enterprises, as well as interesting pension – social security opportunities.
Crédit Agricole Vita's gross profit (before taxes), calculated based on the International Accounting Principles IAS/IFRS, for its consolidation into Cariparma FriulAdria Banking Group as at 31 December 2009, was 58,913 thousand Euro, whereas the corresponding net profit (after taxes) was 52,787 thousand Euro.
This result was mainly influenced by the financial management positive performance. It is moreover to be noted that, thanks to the partial use of the tax loss recorded as at 31 December 2008, the tax profit achieved in 2009 did not originate provisions for attributable taxes (IRES).
In total, the insurance premiums recorded in the accounts for the period amounted to 1,392,836 thousand Euro, consisting by 66% of products linked to separate managements and, for the remaining share, almost entirely of index-linked products; insurance technical reserves amount to 4,434,845 thousand Euro.

RECONCILIATION OF PARENT COMPANY EQUITY AND NET PROFIT AND CONSOLIDATED EQUITY AND NET PROFIT

	31/12/2009 Equity	31/12/2009 of which: Net Profit
Balances in Parent Company accounts	**3,666,648**	**300,316**
Impact of consolidation of subsidiaries	38,487	24,039
Effect of equity method accounting of significant equity investments	13,572	26,104
Dividends received in the period	-	-39,832
Other changes	-1,129	344
Balances in consolidated accounts	**3,717,578**	**310,971**

SIGNIFICANT EVENTS OCCURRED AFTER THE FINANCIAL YEAR CLOSURE AND OUTLOOK

In the second half of 2009 the first signs arrived of the Italian economy recovery, after the severe recession phase started in the first part of 2008. Forecasts for 2010 expect a still limited growth for the GDP, close to 1%, associated to a moderate recovery in families' consumptions and investments in plants, as well as an ongoing downturn in the building sector. The inflation is expected on the increase compared with the historical minimum of 2009, without signalling a risk for price tensions. The public deficit should further worsen, getting to about 6%, due to the slowdown of revenues caused by the crisis and to the policies to support the economy adopted by the Government.

Expectations for a gradual improvement in the macroeconomic situation should reflect, in 2010, a progressive recovery in financing, especially to enterprises, as well as a slowdown in the collection trends for both deposits and bonds. The bank credit, even though to a more limited extent compared with the past, will consist mainly of longer-term loans with a good recovery on short-term ones. Credit demand by families will improve thanks to uptrend in the real estate market and to the progressive recovery of families' expense. The economic cycle recovery should reactivate the demand for credit by enterprises, both short-term, to finance the circulating capital and stocks, and in the medium-long term backing up investments. The performance of loans to enterprises should benefit also from the measures to support the enterprises having difficulties.

The economic structure weakness, brought about by the recession, will continue to affect the credit quality, with a further increase of bad loans and a worsening in the credit quality indexes. The increase in riskiness will concern both families' debts and loans granted to production sectors.

The gradual improvement in the economic climate and the rise in market rates are destined to produce a reallocation of the families' savings with a more balanced distribution among the various components. This should cause a significant slowdown in the growth rate of current accounts, whereas bonds will continue to show a livelier trend, even though not as much as in recent years.

The banking channel's assets under management, funds and bonds, should consolidate the recovery shown in the second part of 2009, which benefited from recovery of financial markets and from the progressive contraction of monetary returns. The segment growth rates should go back to positive values after a long period of decrease, benefiting also from the positive impact of the tax shield.

In 2009, the banking channel life insurance collection recorded a significant acceleration, thanks to the placement of traditional products with guarantee, which off-set the downturn in the "*linked*" policies. The segment prospect for 2010 seem to signal a further growth for traditional products, as well as the Customers' renewed interest in products with higher financial component.

The Italian Banks' economic results will continue to be affected by the ongoing inelasticity, for a large part of the year, of market rates and by the cost of adjustments on credits. The ongoing narrowing of the fork associated to a still limited recovery of loans should lead to a further decrease in the interest margin, even though to a lesser extent than the one experimented in 2009. Revenues from services should supply a positive contribution supporting a limited growth in the net banking income. The result should benefit from the recovery in revenues from assets under management and in other revenues from services, whereas the income relating to trading should consolidate the recovery recorded last year. Only in 2011 the net banking income is expected to return on faster growth rates.

In 2010, the cost trend should record a limited growth, after the contraction in 2009, due to a gradual integration cost repayment and the progressive implementation of cost synergies.

The negative cycle of bad debts is expected to continue also in 2010, with a level of adjustments of loans destined to remain at particularly high levels also in 2011.

The banking system profitability level is expected to be further on the decrease and at levels far from the results before the crisis.

In this context, the Cariparma FriulAdria Banking Group intends to confirm its mission as proximity bank able to meet the needs of families and enterprises, thanks also to its belonging to an International Group, creating value, not only for shareholders and employees, but also for the areas in which it is active. Evidence of this is the support provided to families and enterprises also in these last difficult years. To better meet these challenges, in November and December 2009, with effective date in January 2010, the Board of Directors of Cariparma and FriulAdria resolved upon the new organization structures of the two Banks. At the same meetings also the new Cariparma FriulAdria Group's Regulation was approved, as well as the new Cariparma's and FriulAdria's Service Regulations. The new organization model aims at creating a single governance structure at Parent Company level, to ensure higher operating protection, the elimination of double activities and at generating economies of scales.

The guidelines which the Group wants to follow in 2010 are:

- development of handled volumes, guarantees of sustainable development, pursued thanks to the consolidation of its local presence and to the development of Customers relations;
- Keeping a high cost control pursued also with the development of a more and more targeted cost management system to ensure the allocation of expense on strategic assets;
- The constant attention to risk cost thanks to a careful management of credit quality and to the systematic monitoring of the various risk types;
- Keeping an adequate liquidity and equity soundness level, essential lever to operate in an uncertain situation;
- The enhancement of human capital, key factor for success, with ongoing investments on resources and the creation of a stimulating and creative work environment.

In February 2010 Crédit Agricole S.A. announced the agreement reached with Intesa Sanpaolo S.p.A., thanks to which Crédit Agricole S.A. will extend its presence in Italy following the sale by Intesa Sanpaolo S.p.A., at market conditions, of a network of branches mainly located in adjoining areas to those where Crédit Agricole, through Cariparma and FriulAdria, is already present. The agreement terms and conditions, as well as the scope of the branches concerned, will be publicly announced once the operation has been finalized."

RISKS AND UNCERTAINTIES

Referring to other parts of the Explanatory Note the detailed examination of the risks and uncertainties to which the Group companies are exposed and the relevant techniques for the mitigation of the same, it is here possible to emphasize, briefly, that the Group and its management are quite aware that sustainable development and growth are unavoidably achieved also by a careful analysis of the risks to which the same is exposed, of the relevant uncertainties in terms of impacts caused by the risks on the balance-sheet, financial and economic structure, and by procedures for the management and reduction of risks to acceptable levels. Therefore and in compliance with the regulatory provisions, both relating to the segment the Group companies belong to and pursuant to Legislative Decree No. 178 of 2 November 2008, the current trend of the financial and real economy in its entirety, as well as the measures and choices of monetary and real economy that will continue being adopted by supernational bodies and state government to fight the crisis still today unescapable, are certainly important factors that shall lead all financial operators to adopt growth and development policies focused on safeguarding and protection of all stakeholders' interests, without neglecting that institutional role that the Group as such has both as for support of the economic and social texture of its enterprise customers and for the enhancing of that key development factor that consists of savings.

DISCLOSURE PURSUANT TO ARTICLE 123-BIS PARAGRAPH 2, ITEM B) OF LEGISLATIVE DECREE 58/98 (TUF: THE ITALIAN CONSOLIDATED FINANCIAL ACT)

Since it is not an issuer of shares traded on regulated markets or multilateral trading systems, Cariparma is not required to draw up a complete corporate governance report.

As issuer of traded bonds, Cariparma is required to supply information on the "main characteristics of risk management and internal control systems in being relating to the financial disclosure process" pursuant to Article 123-BIS paragraph 2, item B) of legislative decree 58/98 (Italian Consolidated Financial Act).

Internal Control System

Consistently with the provisions of the regulations on companies and with the Bank of Italy's supervisory provisions, the Group, implementing the guidelines issued by Crédit Agricole S.A. and by Cariparma's and FriulAdria's Board of Directors, adopted an Internal Control System aimed at a constant monitoring of the main risks relating to the core activities, to be able to guarantee a corporate management which is healthy, proper and consistent with the preset targets, as well as in line with the reference models and with the best practices existing at national and international level. Cariparma's and FriulAdria's Internal Control System involves the Collective Bodies, the in-house Control Roles, the Supervisory Body pursuant to Legislative Decree 231/01 as well as the Independent Auditors. It is to be emphasized that, since 2007, the Cariparma FriulAdria Group has progressively conformed the Internal Control System to Crédit Agricole's model, consistently with the French regulations, which is applicable to the latter, as well as with the Italian regulations applicable to Cariparma and FriulAdria. The control system is based on two procedures:

1) Permanent Control, consisting of ongoing controls of:
   - 1st degree, carried out continuously, upon a transaction beginning and during its validation process, by the same operators, the persons they report to or carried out by automated systems for transaction processing; the activities for the production of accounting data and preparation of the Financial Statement undergo specific first degree control carried out within the accounting units;
   - 2nd degree/level 1 (2.1), carried out by staff having operating tasks, but not directly involved in the decisions on the transaction under examination; in particular within the central administration structures the monitoring controls are performed on all divisions having access to the accounting IT system;
   - 2nd degree/level 2 (2.2), carried out by staff specializing in last level permanent controls and unauthorised to risk assumption, that is to say Compliance Division, Risks and Permanent Controls Division; they have specific control responsibilities on financial reporting together with the Manager in Charge;
2) Periodic control, consisting of a 3rd degree control, carried out by the Audit Division periodically through inspections on site and document control.

The internal control and risk management system is aimed also at ensuring the reliability, accuracy, trustworthiness and timeliness of financial reporting.

Corporate Bodies

In line with the Group characteristics, in Cariparma's and FriulAdria's traditional governance model, the Board of Directors plays a key role for the attainment of an effective and efficient system for risk management and control.

Specifically, the strategic supervisory body adopted organization models as well as operating and control mechanisms that are suitable and complying with the reference regulations and with corporate strategies.

The divisions in charge of 2nd degree/level 2 control and of 3rd degree report directly to the Board of Directors and to the Board of Statutory Auditors on the activities performed, on the main risks detected, on the identification and construction of the mitigation devices, as well as on their application effects. The subsidiary companies' Boards of Directors adopt the "risk policies" for risk management and mitigation approved by the Parent Company's Board of Directors; moreover, they identify and assign responsibilities to the various corporate structure and divisions, so that the respective duties are clearly assigned and potential conflicts of interests are prevented. Cariparma's Managing Director is assigned the responsibility to periodically assess the function, efficiency and effectiveness of the system for risk management and control, periodically submitting said assessment results to the Board of Directors, promptly adopting, if necessary, suitable correction measures in case shortcomings or anomalies are detected. The Managing Director, together with the Manager in Charge, certifies with a specific report on the Financial Statement for the year, on the Interim Condensed Financial Statement and on the Consolidated Financial Statement, the adequacy and actual application of the administrative and accounting procedures for the preparation of the Financial Statement for the FY and of the Consolidated Financial Statement.

Control activities

CoSO Framework, adopted by the Cariparma-FriulAdria Group as reference model for the assessment of the Internal Control System, provided for a check of the existence of the corporate context that is functional to lower the risks relating to the accounting and financial disclosure; this Framework provides for an analysis relating to Financial Reporting.

At least every six months, the divisions in charge of control report directly to the Board of Directors and to the Board of Statutory Auditors on the activities performed, on the main risks detected, on the identification and construction of the mitigation devices, as well as on their application effects.

Risks and Permanent Controls

The Division Risks and Permanent Controls has the task to guarantee the existence, completeness and pertinence of the permanent controls in being in the Group through the implementation of a control plan and its traceability. The relevant mission is therefore to provide the General Divisions and the shareholders with the guarantee that all risks are controlled and monitored.

The Division's control activities concern both the processes for the preparation of the Company and Group financial reporting, and on the relevant feeding processed. The analysis of the risks underlying said activities is carried out based on Group taxonomic standards, which envisage that the compliance with deadlines, financial reporting reliability, accuracy and conformity is assessed, as well as applying the Best Practice on internal controls, including the identification of significant accounts and the relevant risks; the punctual recording of the audits associated with significant accounts allows the same to be periodically measured as to design and effectiveness.

Compliance

Compliance has the mission to guarantee compliance with the legal requirements relating to banking and financial activities, with the professional and ethical standards and practices and with those of Crédit Agricole Group S.A. with the target of putting the customer first, market integrity and the prevention of conflict of interests.

Manager in Charge

In June 2009, Cariparma appointed the Manager in charge of the preparation of the Company accounting documentation.

The Manager in charge certifies with a specific report on the Financial Statement for the year, on the Interim Condensed Financial Statement and on the Consolidated Financial Statement, the adequacy and actual application of the administrative and accounting procedures for the preparation of the Financial Statement for the FY and of the Consolidated Financial Statement as well as of any other financial communication, as well as the correspondence of accounting books' and records. To issue this certification the Manager in Charge checks the adequacy and effectiveness of the internal Control System relating to the financial reporting:

- At Company and Group level, through synthetic analysis, comprehensive of the company and Group level, aimed at assessing the existence of a corporate context functional to reducing error risk concerning the accounting and financial reporting;
- At process level, through a specific analysis of the results obtained by the other control units, relating to the assessment on processes generating and feeding the financial reporting; to this end the perimeter of the activities within the scope is identified, leading to the identification of the processes that are significant for the Parent Company and for its subsidiaries.

Internal Audit

Third degree periodical controls lie within the Internal Audit province; these controls include the analysis of the organization structures, processes and conducts through a punctual assessment of the documentation as well as inspections on site.

Supervisory Body pursuant to Legislative Decree No. 231/01

The Body's tasks are:

- Supervising the effectiveness of the Organization Model 231 adopted by the Board of Directors;
- Assessing the adequacy of and the compliance with said Model;
- Assessing that the requirements of soundness and function of the same Model are maintained over time;
- Seeing to the revision, where necessary, of the Model, by:
    - Making proposals for its adjustments to the Board of Directors;
    - Carrying out follow ups to assess the implementation and the actual effectiveness of the solutions proposed;
- Carrying out a guidance and monitoring role on the corporate training on this topic.

Audit

In the Cariparma FriulAdria Group the audit activities is entrusted to Independent Auditors, who have the task to audit, during the FY, the proper company book-keeping and the correct recognition of the management facts in accounting, as well as to express in a specific report, their opinion on the Financial Statement for the FY and on the Consolidated Financial Statement.

Currently, Cariparma and FriulAdria General Shareholders' Meetings assigned, for the FYs 2009-2011, the audit task to the Company Reconta Ernst & Young SpA pursuant to Article 2409 bis and subsequent ones of the Italian Civil Code.

CORPORATE GOVERNANCE

In 2009, the Cariparma FriulAdria Group redefined its governance model, in line with the “New regulation on Banks’ organization and corporate governance”, issued by the Bank of Italy on 4 March 2008, which has outlined a regulatory framework assigning a key role to the adopted corporate governance model in defining corporate strategies and policies for the management and control of the typical risks inherent in banking activities.

Within the scope of the self-assessment process implemented, whose result is the implementation of the Corporate Governance Project, approved by Cariparma and FriulAdria Boards of Directors and, later transmitted to the Supervisory Authority, the necessary amendments to the Articles of Association were performed, to adopt the fundamental principles of the Regulation and a new Group organization model was defined, aimed at making the Group organization model more effective, maintaining the logic of enhancing local rooting.

SOCIAL RESPONSIBILITIES

For the FY 2009, the first Social Report of the Cariparma FriulAdria Group was drawn up, and thus (and with growing intensity) the development of corporate social responsibility continues, having been started a few years ago at single Bank level (Cariparma and FriulAdria)

The important work made, thanks to the co-operation of various players belonging to the Banks and Companies in the Group, will allow a progressive alignment of the timeframe for the publication of the social report and of the financial statement.

Belonging to Crédit Agricole Group, undisputed key player for sustainable development policy and respect for the environment, has allowed the development of Corporate Social Responsibility to be started.

The Social Report, voluntary reporting instrument, allows clear evidence of the commitment and of the measures taken by the Group to be supplied, in order to meet the stakeholders’ different expectations and requirements.

The document was drawn up based on G.R.I. and A.B.I. guidelines,

It consists of 3 sections:

- Corporate identity and corporate governance: Gives a description of the Group profile, its values and mission and corporate governance;
- Economic Report : States the added value created and distributed to stakeholders;
- Section on corporate relations: describes the relations established with stakeholders.

1. The undersigned Guido Corradi, Managing Director, and Pierre Débourdeaux, Senior manager in charge of the preparation of the corporate accounting statements of Cassa di Risparmio di Parma & Piacenza S.p.A. (hereinafter referred to as Cariparma S.p.A.), hereby certify, considering also the provisions of Article 154-bis, paragraphs 3 and 4, of legislative decree No. 58 of 24 February:

- the adequacy in relation to the Company's characteristics and
- the actual application of the administrative and accounting procedures for the preparation of the Consolidated Financial Statement during the course of the 2009 financial year.

2. With regard to this, no significant aspects have emerged.

3. The undersigned also certify that:

3.1 the Consolidated Financial Statement as at 31 December 2009:

a) is drawn up in compliance with the applicable International Accounting Principles recognised within the European Union pursuant to EC Regulation no. 1606/2002 of the European Parliament and of the Council dated 19 July 2002;

b) corresponds to the results recorded in the accounting books and registers;

c) provides a true and correct representation of the balance sheet, economic and financial situation of the issuer and of the companies included in the consolidation.

3.2 The management report includes a reliable analysis on the management trend and performance, as well as of the situation of the issuer and of the companies included in the consolidation, and a description of the major risks and uncertainties to which they are exposed.

Parma, Italy, 24 March 2010

Guido Corradi
Managing Director

Pierre Débourdeaux
Senior management in charge of the preparation
of the Company accounting documents

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Telex 530297 CARIPR I Telex 530420 RISPAR I Capitale Sociale € 785.065.789,00 i.v. Iscritta al Registro Imprese di Parma, Codice Fiscale e Partita Iva n. 02113530345 Aderente al Fondo Interbancario di Tutela dei Depositi Iscritta all'Albo delle Banche al n. 5435 Capogruppo del Gruppo Bancario Cariparma Friuladria iscritto all'Albo dei Gruppi Bancari Soggetta all'attività di Direzione e Coordinamento di Crédit Agricole S.A.

Dear Shareholders,

The duties of the Board of Statutory Auditors of Cassa di Risparmio di Parma e Piacenza S.p.A. (hereinafter also referred to as Cariparma) are defined by the Italian Civil Code and by the Supervisory Instruction issued by the Bank of Italy.

Supervisory activity

During the FY, the undersigned Board of Statutory Auditors carried out the supervisory activity pursuant to the law – also with reference to Legislative Degree 385/93 (T.U.B.) – and to the Instructions and Provisions issued by the Bank of Italy, (in particular the "New Regulation on Banks' organization and corporate governance" issued by the Bank of Italy on 4 March 2008), considering also the conduct principles suggested by the Italian National Association of Certified Accountants. The Board of Statutory Auditors, during the FY, supervised:

- compliance with the law, regulations and Articles of Association, correct management, adequacy of organization and accounting structures (within the scope of its duties);
- The effectiveness and function of the overall internal control system;
- The adequacy of the risk management and control system;
- The proper performance of strategic control and management activities by Cariparma in its capacity as Parent Company.

In particular, given that during the FY (from 6 April 2009 – date on which the report to the 2008 Financial Statement was drawn up – and up to today's date) 36 meetings of the Board of Statutory Auditors have been held, the same Board has:

- supervised the effectiveness and function of the overall internal control system, in particular through periodical and constant meetings with the Risks and Permanent Controls Division, the Auditing Division, the Compliance Division, the Administration Division and with the Manager in charge of the preparation of the accounting documents, as well as obtaining copy of the Reports prepared by the various Corporate Bodies and Committees in charge of control;
- Supervised the compliance of the Internal Capital Adequacy Assessment Process (ICAAP) with the requirements provided for by the regulations. It is stated that the Board of Directors resolved on this matter at the BoD meeting of 29 April 09 (approving the document by the title "Prudential Control Process – ICAAP Report"). moreover, the Board has acquired significant information from the relevant Divisions – in particular, from the Risk and Permanent Control Division, at the periodical meetings;
- monitored the Bank's compliance with the Mifid regulation, on which the Divisions mainly involved met at a joint meeting on 4 November 2009. With regard to this, it is stated that some significant works progressed and were completed (in particular, the preparation of the Customer Profile Questionnaire and of the new instruments for portfolio adequacy management);
- worked in coordination with the entity in charge of the auditing (the Independent Auditor Reconta Ernst & Young): To this end periodical meetings were held, both upon examination of the preliminary quarter data, and at further meetings aimed at exchanging data and information that were significant for the performance of the respective duties and for the analysis of the results of the work made by the same External Auditor. As to this, it is to be noted that the latter has never communicated to the Board, neither on said occasions nor with other means, any detection of faults or problems and/or inadequacy;
- worked in strict cooperation with the Boards of Statutory Auditors of the subsidiaries/ companies in which stakes are held Banca Popolare FriulAdria S.p.a., Credit Agricole Vita S.p.A. and Credit Agricole Leasing Italia S.r.l., also through joint meetings with the respective control bodies. At said meetings no matters to be submitted to the attention of the Holding Company shareholders emerged ;
- attended all General Meetings, all meetings of the Board of Directors and of the Executive Committee. It is stated that these meetings were held in compliance with the Articles of Association and with the law, and it can reasonably assured that the resolutions were in compliance with the law and with the Company's Articles of Association and that are not blatantly hazardous, in conflict of interests or such as to jeopardize the share capital;
- obtained from the Directors (and in particular from the delegated bodies), also thanks to the above-mentioned attendance to the meetings of the Board of Directors and of the Committees, information on the management general performance and on its foreseeable development, as well as on the most significant operations, due to their size or features, carried out by the Company. As to this, it is stated that during the 2009 FY, Cariparma carried out a so-called "internal" securitization operation with the target of making "eligible" assets available at the European Central Bank, to have liquidity reserves. The operation structure consisted of the transfer by Cariparma to Mondo Mutui Cariparma S.r.l. (vehicle company incorporated for the purpose pursuant to Law 130/99) of receivables based on performing landed-property loan contracts

secured by a mortgage of 1st economic degree, entered into and already paid by Cariparma; Cariparma, in turn, has subscribed securities issued by the above-mentioned "vehicle company", in particular, as at the issue date (11 November 2009), two classes of securities were issued having different subordination degree (senior and junior class); the "senior" tranche is the one being considered as liquidity reserve. Moreover, in 2009, Cariparma, to safeguard the interests of the holders of CAVita index-linked insurance policies (linked to financial instruments issued by Glitnir Banki HF), promoted, even without specific obligations to do so, a voluntary exchange tender offer. In particular, for each type of CAVita index-linked policies, Cariparma issued its own Zero Coupon bond. Of said operations full disclosure is given in the the Management Report to the Separate Financial Statement;

- operated in coordination, also through specific meetings and contacts, with the Supervisory Body appointed pursuant to Legislative Decree 231/01;
- supervised, in particular at the meetings of the B.o.D. and of the Executive Committees, intra-group operations and operations with related-party. With regard to this, as described in "part H" of the Explanatory Note to the Financial Statement, and as confirmed by the Persons in Charge of the Units set up for the purpose during 2 meetings held for the purpose, the Board states that, in identifying its related-parties, the Company has complied with the instructions given by the accounting principle IAS 24;
- ensured its attendance to Cariparma Credit Committees, as well as to the Group Credit Committees.

The Board, moreover, gave its opinion on the following matters:

- con minutes of 16 June 2009, it gave its favourable opinion to the appointment of Mr. Pierre Debourdeaux as Manager in Charge, pursuant to and by virtue of Law 262/05 and of the "transparency" Directive (Cariparma falling within the scope of the definition of "listed issuer having Italy as Member State of origin" of which at Article 1, paragraph 1, item w-quater of the Italian Consolidated Financial Act);
- With minutes of 24 June 2009, gave its favourable opinion on the implementation of the governance and organization model of the Cariparma Friuladria Banking Group, approved by the BoD on the same date;
- With Note presented to the BoD meeting on 24 March 2009, it submitted its comments on the "Report on the activities carried out for investment services in the year 2009", in compliance with Article 16, paragraph 3, of the joint Consob-Bank of Italy regulation of 27 October 2007.

In 2009, the Company carried on the adjustment process of its own structures, with particular reference to Central Divisions. The undersigned Board, within the scope of its above-mentioned supervisory duties, systematically monitored these activities, suggesting to continue the implementation of structures and processes suitable for the role and size of Cariparma Banking group.

In the FY and up to date, no notifications were received pursuant to Article 2408 of the Italian Civil Code

Financial Statement for the year and consolidated financial statement

The Financial Statement for the year closed as at 31 December 2009 is regulated by the rules set forth in Legislative Decree No. 38 of 28 February 2005 and in the Bank of Italy's Circular letter No. 262 of 22 December 2005, as revised on 18 November 2009, and was drawn up in compliance with IAS/IFRS.

With reference to the documentation that is substantial part of the Financial Statement in question, the Board states that the Financial Statement figures as at 31 December 2009 have been compared to those relating to the previous financial year.

The Financial Statement for the year and the management report accompanying it are deemed adequate to supply information on the Company's situation, the management performance in the last financial year and its foreseeable development (also considering the instructions supplied in joint Consob-Bank of Italy-ISVAP (Private Insurance Supervisory Institute) document No. 4 of 3 March 2010, on the IAS/IFRS application).

With specific regard to the Consolidated Financial Statement closed as at 31 December 2009, it is here stated that it is regulated by the provisions of Legislative Decree No. 38 of 28 February 2005 and in the Bank of Italy's Circular letter No. 262 of 22 December 2005, as revised on 18 November 2009, and was drawn up in compliance with IAS/IFRS.

As explained by your Directors in the Report on the management performance in the Consolidated Financial Statement, the scope of consolidation consists, in addition to the Parent Company Cariparma, of the subsidiaries Banca Popolare Friuladria S.p.a., Credit Agricole Leasing Italia S.r.l., and of the company Mondo Mutui Cariparma S.r.l., which, even though not formally controlled, was also consolidated with the full consolidation method pursuant to SIC 12. With regard to this it is to be noted that in September '09 the acquisition of 85% of the share capital of Credit Agricole Leasing Italia S.r.l. was finalized,: Given that since December 2008, this company was already part of the Credit Agricole Group (being owned by Credit Agricole Leasing S.A.), the transaction was recognized in the accounts as if Cariparma had carried out the transaction on the date of acquisition from non-shareholders. This entailed the restatement of the Cariparma 2008 consolidated figures as envisaged by the

accounting principles of the so-called “business combinations under common control”.
The Board of Statutory Auditors assessed the conformity to the rules, accounting principles, methods and criteria set forth in the Explanatory Note. In particular, the Board carried out the control on the proper conduct of the Board of Directors with regard to the proper application of the provisions concerning both the technical composition of the consolidated items, and the delimitation of the consolidation scope.
With regard to the consolidated Financial Statement closed as at 31 December 2009, being given all the above, we hereby inform you that we supervised on the general layout of the same, on its general compliance with the law as to its composition and layout and, on this topic, no particular remarks are to be made. Moreover, the compliance with the rules on the preparation of the management report was assesses.

Conclusions

Dear Shareholders,

given all the above, having considered that the information received to date from the Company Reconta Ernst & Young S.p.a. in charge of the auditing on the Statutory Financial Statement and on the Consolidated Financial Statement of Cassa di Risparmio di Parma e Piacenza S.p.a. as at 31 December 2009 has conveyed no remarks or disclosure requirements, considering also the information obtained to date from the Manager in charge, who also has not conveyed significant shortcomings or problems, we given favourable opinion for the approval of the Financial Statement for the year, accompanied by the management report, and for the proposal of allocation of the profits for the year, submitted to you by the Board of Directors.
Finally, the mandate assigned to us by the General Shareholders’ meeting on 1 March 2007 has expired. Thanking for the confidence granted us, we would like to express our deep appreciation for the professionalism, propriety and helpfulness displayed by all the stakeholders with whom, in the various scopes of your Bank, we shared three years of hard and stimulating work.

Parma, Italy, 6 April 2010

The Board of Statutory Auditors
(Marco Ziliotti)
(Paolo Alinovi)
(Giancarlo Ducceschi)
(Angelo Gilardi)
(Umberto Tosi)

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Independent auditors' report
pursuant to article art.2409-ter of the Italian Civil Code
(Translation from the original Italian text)

To the Shareholders of
Cassa di Risparmio di Parma e Piacenza S.p.A.

1. We have audited the consolidated financial statements of Cassa di Risparmio di Parma e Piacenza S.p.A. and its subsidiaries, (the "Cariparma Friuladria Group") as of and for the year ended December 31, 2009, comprising the balance sheet, income statement, statement of comprehensive income, statement of changes in equity and cash flows statement and the related explanatory notes. These financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the standards issued in accordance with article 9 of Legislative Decree n. 38 of 28 February 2005, are the responsibility of the Cassa di Risparmio di Parma e Piacenza S.p.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards and procedures issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards and procedures, we planned and performed our audit to obtain the information necessary to determine whether the consolidated financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles applied and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

   The consolidated financial statements present the comparative data of the preceding year. As described in the explanatory notes, the management restated the comparative data related to the consolidated financial statements of the preceding year, on which we issued our auditor's report on April 6, 2009. We have examined the methods adopted to restate the comparative financial data for the same period of the preceding year and the information presented in the explanatory notes in this respect for the purpose of our opinion on the consolidated financial statements as of and for the year ended December 31, 2009.

3. In our opinion, the consolidated financial statements of the Cariparma Friuladria Group as of and for the year ended December 31, 2009 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the standards issued in accordance with article 9 of Legislative Decree n.38 of February 28, 2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of the Cariparma Friuladria Group as of December 31, 2009 and for the year then ended.

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4. The management of Cassa di Risparmio di Parma e Piacenza S.p.A. is responsible for the preparation of the Report on Operations in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the Report on Operations and of the specific section on corporate governance and ownership structure, limited to the information indicated in article 123-bis paragraph 2, letter b) of the Legislative Decree n. 58 of February 24, 1998, with the financial statements as required by law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by Consob. In our opinion the Report on Operations and the information indicated in article 123-bis paragraph 2, letter b) of the Legislative Decree n. 58 of February 24, 1998, included therein, are consistent with the consolidated financial statements of the Cariparma Friuladria Group as of December 31, 2009.

Milan, April 2, 2010

Reconta Ernst & Young S.p.A.
signed by: Massimiliano Bonfiglio, partner

Consolidated financial statements

CONSOLIDATED BALANCE SHEET

Assets	31/12/2009	31/12/2008 (*)
10. Cash and cash equivalents	220,398	223,471
20. Financial assets held for trading	388,956	620,236
40. Financial assets available for sale	3,896,348	1,592,326
60. Loans to banks	3,969,680	3,825,661
70. Loans to customers	28,932,934	27,422,736
80. Hedging derivatives	285,866	184,207
100. Equity investments	134,999	91,123
120. Property, plant and equipment	349,426	356,073
130. Intangible Assets	1,445,734	1,434,627
of which: goodwill	1,151,534	1,151,534
140. Tax assets	621,886	566,718
(a) current	296,036	271,599
(b) deferred	325,850	295,119
160. Other assets	526,892	603,830
Total assets	**40,773,119**	**36,921,008**

(*) Restated following the acquisition of 85% of Calit, occurred in September 2009 effective 1 December 2008 and accounted for as a "business combination of entities under common control".

Liabilities and Shareholders' Equity		31/12/2009	31/12/2008 (*)
10.	Due to banks	5,518,909	3,795,307
20.	Due to customers	17,740,325	15,724,308
30.	Securities in issue	11,633,764	10,809,016
40.	Financial liabilities held for trading	320,050	313,197
60.	Hedging derivatives	16,108	12,398
70.	Adjustment of financial liabilities hedged generically (+/-)	76,037	45,973
80.	Tax liabilities	314,743	456,874
	(a) current	*234,337*	*364,209*
	(b) deferred	*80,406*	*92,665*
100.	Other liabilities	1,017,739	1,570,755
110.	Employee severance benefits	131,190	141,786
120.	Provisions for liabilities and contingencies	125,082	239,088
	(a) retirement and similar liabilities	*22,567*	*25,458*
	(b) other provisions	*102,515*	*213,630*
140.	Valuation reserves	52,173	14,270
170.	Reserves	474,894	456,634
180.	Share premium reserve	2,094,474	2,094,474
190.	Share capital	785,066	785,066
210.	Minority interests (+/-)	161,594	166,943
220.	Net profit (Loss) for the period (+/-)	310,971	294,919
Total liabilities and shareholders' equity		**40,773,119**	**36,921,008**

(*) Restated following the acquisition of 85% of Calit, occurred in September 2009 effective 1 December 2008 and accounted for as a "business combination of entities under common control".

CONSOLIDATED INCOME STATEMENT

Items	31/12/2009	31/12/2008 (*)
10. Interest income and similar revenue	1,371,552	1,778,740
20. Interest expense and similar charges	(399,948)	(713,733)
30. Net interest income	**971,604**	**1,065,007**
40. Commission income	496,024	491,195
50. Commission expense	(20,335)	(22,130)
60. Net commission income	**475,689**	**469,065**
70. Dividends and similar revenues	2,157	2,211
80. Net gain (loss) on trading activities	23,943	14,706
90. Net gain (loss) on hedging activities	9,439	(10,251)
100. Gain (loss) on disposal or repurchase of:	3,059	3,241
a) loans	*(7,685)*	*(2,669)*
b) financial assets available for sale	*8,307*	*4,202*
d) financial liabilities	*2,437*	*1,708*
120. Gross income	**1,485,891**	**1,543,979**
130. Net impairment adjustments of:	(190,716)	(125,363)
a) loans	*(187,616)*	*(124,547)*
b) financial assets available for sale	*(513)*	-
d) financial transactions	*(2,587)*	*(816)*
140. Profit (loss) from financial operations	**1,295,175**	**1,418,616**
170. Profit (loss) from financial operations and insurance undertakings	**1,295,175**	**1,418,616**
180. Administrative expenses	(925,561)	(916,586)
a) staff expenses	*(512,000)*	*(524,100)*
b) other administrative expenses	*(413,561)*	*(392,486)*
190. Net provisions for liabilities and contingencies	(14,583)	(129,370)
200. Net adjustments of property, plant and equipment	(26,376)	(23,448)
210. Net adjustments of intangible assets	(40,704)	(34,519)
220. Other operating revenues (expenses)	140,061	72,053
230. Operating expenses	**(867,163)**	**(1,031,870)**
240. Gain (loss) on equity investments	26,114	(31,342)
270. Gain (loss) on disposal of investments	34	76
280. Profit (loss) before tax on continuing operations	**454,160**	**355,480**
290. Income tax for the financial year on continuing operations	(136,409)	(50,453)
300. Profit (loss) after tax on continuing operations	**317,751**	**305,027**
320. Net profit (loss) for the period	**317,751**	**305,027**
330. Net profit (loss) pertaining to minority interests	(6,780)	(10,108)
340. Profit (loss) for the period pertaining to the Parent Company	**310,971**	**294,919**

(*) Restated following the acquisition of 85% of Calit, occurred in September 2009 effective 1 December 2008 and accounted for as a "business combination of entities under common control".

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

Items		31/12/2009	31/12/2008
10.	**Profit (loss) for the period**	**317,751**	**305,027**
	Other income before tax		
20.	Financial assets available for sale	28,224	10,771
60.	Cash flow hedges	(1,643)	1,838
100.	Share of Valuation Reserves on equity investments accounted for by equity method	18,407	(7,744)
110.	**Total other income components after tax**	**44,988**	**4,865**
120.	**Comprehensive income (Item 10+110)**	**362,739**	**309,892**
130.	**Consolidated comprehensive income pertaining to minority interests**	**7,974**	**11,970**
140.	**Consolidated comprehensive income pertaining to the Parent Company**	**354,765**	**297,922**

STATEMENT OF CHANGES IN THE CONSOLIDATED EQUITY AS AT 31 DECEMBER 2009

	Capital:	Share premium reserve	Reserves:		Valuation reserves			Profit (loss) for the period	Equity
	Ordinary shares		income	other	available for sale	Cash flow hedges	equity investments		
EQUITY OF THE GROUP AT 31/12/2008 (*)	785,066	2,094,474	463,192	-6,558	12,111	2,159	-	294,919	3,645,363
MINORITY INTERESTS AT 31/12/2008 (*)	34,843	87,368	29,579	4	4,401	640	-	10,108	166,843
ALLOCATION OF NET PROFIT FOR PREVIOUS PERIOD	-	-	-	-	-	-	-	-	-
Reserves	-	-	12,653	-	-	-	-	-12,653	-
Dividends and other allocations	-	-	-	-	-	-	-	-292,374	-292374
CHANGES FOR THE PERIOD									
Equity transactions									
Charity	-	-	1,500	-	-	-	-	-	1,500
Other changes	-	-	-	-	-	-	-	-	-
Consolidation adjustments	-476	-1,740	-2,751	-	-570	457	-	-	-5,080
Reclassify equity investment valuations	-	-	-	5,878	-	-	-5,878	-	-
Shares and rights on shares of the Parent Company granted to employees and directors	-	-	-	81	-	-	-	-	81
Comprehensive income	-	-	-	-	28,224	-1,643	18,407	317,751	362,739
GROUP EQUITY AT 31/12/2009	**785,066**	**2,094,474**	**475,493**	**-599**	**38,368**	**1,276**	**12,529**	**310,971**	**3,717,578**
MINORITY INTERESTS AT 31/12/2009	**34,367**	**85,628**	**28,680**	**4**	**5,798**	**337**	**-**	**6,780**	**161,594**

(*) Restated following the acquisition of 85% of Calit, occurred in September 2009 effective 1 December 2008 and accounted for as a "business combination of entities under common control".

STATEMENT OF CHANGES IN THE CONSOLIDATED EQUITY AS AT 31 DECEMBER 2008

	Capital:	Share premium reserve	Reserves:		Valuation reserves		Profit (loss) for the period	Equity
	Ordinary shares		income	other	available for sale	Cash flow hedges		
SHAREHOLDERS' EQUITY OF THE GROUP AS AT 31/12/2007	785,066	2,094,474	353,049	1,086	2,810	713	295,193	3,532,391
TOTAL SHAREHOLDERS' EQUITY OF MINORITY INTERESTS AS AT 31/12/2007	24,423	87,368	28,512	-	2,931	248	12,912	156,394
Reserves	-	-	63,083	-	-	-	-308,105	-245,022
CHANGES FOR THE PERIOD								
Changes in the Group's reserves	-	-	-	-	-	-	-	-
Changes in the minority interest reserves	-	-	-	-	-	-	-	-
Equity transactions	-	-	-	-	-	-	-	-
Charity	-	-	1,750	-	-	-	-	1,750
Other changes	-	-	-	-	-	-	-	-
Consolidation adjustments	10,420	-	46,377	-	-	-	-	56,797
Shares and rights on shares of the Parent Company granted to employees and directors	-	-	-	104	-	-	-	104
Comprehensive income	-	-	-	-7,744	10,771	1,838	305,027	309,892
SHAREHOLDERS' EQUITY OF THE GROUP AS AT 31/12/2008 (*)	**785,066**	**2,094,474**	**463,192**	**-6,558**	**12,111**	**2,159**	**294,919**	**3,645,363**
SHAREHOLDERS' EQUITY OF MINOTITY INTEREST DI TERZI AL 31/12/2008 (*)	**34,843**	**87,368**	**29,579**	**4**	**4,401**	**640**	**10,108**	**166,943**

(*) Restated following the acquisition of 85% of Calit, occurred in September 2009 effective 1 December 2008 and accounted for as a "business combination of entities under common control".

CONSOLIDATED CASH FLOW STATEMENT

	31/12/2009	31/12/2008 (*)
A. OPERATING ACTIVITIES		
1. Operations	685,573	720,895
- net profit (loss) for the period (+/-)	310,971	294,919
- gains (losses) on financial assets held for trading and financial assets/liabilities carried at fair value (-/+)	-14,240	-11,154
- gains (losses) on hedging activities (-/+)	993	1,099
- net impairment adjustments (+/-)	181,849	123,380
- net adjustments of property, plant and equipment and intangible assets (+/-)	67,080	57,967
- net provisions for liabilities and contingencies and other costs/revenues (+/-)	14,583	129,370
- unpaid taxes and duties (+)	136,409	50,453
- other adjustments (+/-)	-12,072	74,861
2. Liquidity generated/absorbed by financial assets	-3,863,860	-4,241,268
- financial assets held for trading	245,520	49,196
- financial assets available for sale	-2,279,422	-1,454,134
- loans to banks: demand	339,109	612,770
- loans to banks: other loans	-483,128	-1,470,941
- loans to customers	-1,685,164	-2,407,447
- other assets	-775	429,288
3. Liquidity generated/absorbed in financial liabilities	3,526,549	3,866,735
- due to banks demand	-114,603	-447,940
- due to banks other debts	1,838,205	1,944,649
- due to customers	2,016,017	-225,854
- securities issued	802,606	2,701,748
- financial liabilities held for trading	6,853	48,225
- other liabilities	-1,022,529	-154,093
Net liquidity generated/absorbed by operating activities	**348,262**	**346,362**
B. INVESTMENT ACTIVITIES		
1. Liquidity generated by	2,275	2,747
- sale of equity investments	10	5
- dividends from equity investments	2,157	2,211
- sale of property, plant and equipment	108	531
2. Liquidity absorbed by	-74,667	-50,173
- purchase of equity investments	-3,053	-9,834
- purchase of property, plant and equipment	-19,803	-39,103
- purchase of intangible assets	-51,811	-1,238
- purchase of subsidiaries and business units	-	2
Net liquidity generated/absorbed by investment activities	**-72,392**	**-47,426**
C. FUNDING		
- issue/purchase of own shares	-	-68,638
- dividend distribution and other	-278,943	-231,545
Net liquidity generated/absorbed by funding	**-278,943**	**-300,183**
NET LIQUIDITY GENERATED/ABSORBED DURING THE PERIOD	**-3,073**	**-1,247**

RECONCILIATION

Financial Statement items	31/12/2009	31/12/2008
Cash and cash equivalents at beginning of period	223,471	224,718
Total net liquidity generated/absorbed during the period	-3,073	-1,247
Cash and cash equivalents at end of period	**220,398**	**223,471**

(*) Restated following the acquisition of 85% of Calit, occurred in September 2009 effective 1 December 2008 and accounted for as a "business combination of entities under common control".

Part A – Accounting Policies
A.1 – GENERAL INFORMATION

Section 1 - Declaration of Conformity with the International Accounting Standards

The Consolidated Financial Statements of Cariparma FriulAdria Banking Group have been prepared, in compliance with Legislative Decree No. 38 of 28 February 2005, in accordance with the accounting standards issued by the International Accounting Standards Board (IASB) and the related interpretations by the International Financial Reporting Interpretations Committee (IFRIC) and endorsed by the European Commission, pursuant to Community Regulation No. 1606 of 19 July 2002.

The IAS/IFRS in force as at 31 December 2009 were applied (including the interpretation documents called SIC and IFRIC) as endorsed by the European Commission and detailed in the specific schedule attached to these Financial Statements.

The Financial Statement and Explanatory Note tables were prepared in compliance with the provisions contained in Circular letter No. 262 “Banks’ Financial Statements: layouts and preparation” of 22 December 2005, issued by the Bank of Italy exercising the powers pursuant to Article 9 of Legislative Decree No. 38/2005 as revised on 18 November 2009.

No reclassification was made of financial assets permitted by the amendment to IAS 39 issued in 2008.

Section 2 - General Preparation Principles

The Consolidated Financial Statements consist of the Balance Sheet, Income Statement, Total Profitability Statement, Statement of changes in shareholders’ equity, Cash Flow Statement and Explanatory Notes to the financial statements and include a Directors’ Report on operations, performance, on the financial results achieved and on the balance sheet and financial situation of the Cariparma FriulAdria Banking Group, as well as the Corporate Governance Report.

Pursuant to Article 5 of Legislative Decree No. 38/2005, the Financial Statement was drawn up using the Euro as reporting currency, whereas in the tables and in the Explanatory Note, as well as in the Management Report, the amounts are expressed in thousands of Euro, where not otherwise specified.

This Consolidated Financial Statements have been prepared in accordance with IAS 1 and the specific accounting standards endorsed by the European Commission and described in part A 2 of this Explanatory Note, as well as in compliance with the general assumptions envisaged by the “Systematic Framework for preparation and presentation of the Financial Statement” drawn up by IASB.

No deviations were made to the application of the IAS/IFRS.

As to the corporate continuity underlying the Financial Statement, it is deemed that the Group will continue being operative in a foreseeable future; consequently, the Consolidated Financial Statement for the year closed as at 31 December 2009 was prepared in a perspective of corporate continuity. In the perspective of the disclosure envisaged by the IFRS 7 relating to the risk to which the Group is exposed, suitable information is supplied in the Management Report and in the Explanatory Note, in particular in section E. The Explanatory Note supplies also information on the assessment performed to ascertain any impairment of equity investments, securities available for sale and intangible fixed assets (including goodwill).

The accounting tables and the Explanatory Note show, in addition to the amounts relating to the reference period, also the relevant comparison data as at 31 December 2008. In particular, as described in Section 5 – Other aspects, the figures as at 31 December 2008 have been restated due to the acquisition of 85% of the stakes in Crédit Agricole Leasing Italia S.r.l by Crédit Agricole LEASE s.a., occurred in 2009, which is an acquisition under common control.

Use of estimates and assumptions in preparing the annual Financial Statements

In preparing the annual Financial Statements estimates and assumptions were used which may have significant effects on the values recorded in the Balance Sheet and in the Income Statement, as well as on the disclosure relating to contingent assets and liabilities recorded in the Financial Statement. Making said estimates involves the use of available information and the adoption of subjective assessments.

For their nature the estimates and assumptions used may vary from one year to the other and, therefore, it cannot be ruled out that in the next years the current values registered in the Financial Statement may differ even significantly following the change of the subjective assessments used.

The main cases for which the use of subjective assessments by the corporate management is more required are:

- The measurement of losses for credit impairment and, in general, for impairment of the other financial assets;
- Establishing the fair value of financial instruments to be used for financial reporting;
- The use of assessment models for the assessment of the fair value of the financial instruments not traded in active markets;
- The identification of impairment of non-financial assets and, in particular, of goodwill and of the other intangible assets;
- The measurement of staff funds and of funds for liabilities and contingencies;
- The estimates and assumptions on recoverability of deferred taxes receivables.

The description of the accounting policies applied on the main financial statement aggregates supplies the information details necessary to identify the main subjective assumptions and estimates used in the Financial Statement preparation.

Contents of the Financial Statements

BALANCE SHEET AND INCOME STATEMENT

The layouts of the Balance Sheet and of the Income Statement consist of items, sub-items and further information details (the “of which” in the items and sub-items). In compliance with the Bank of Italy Circular letter No. 262 of 22 December 2005, as revised on 18 November 2009, the layouts defined therein do not include items not having the relevant amounts neither for the year to which the Financial Statement refers, nor for the previous one. In the Income Statement revenues are set forth without sign, whereas costs are set forth in parenthesis. In the comprehensive profitability statement, the negative amounts are set forth in parenthesis.

STATEMENT OF COMPREHENSIVE INCOME

The comprehensive profitability statement, introduced by the CE Regulation No. 1274/2008 issued by the European Commission on 17 December 2008, shows the income and costs not actually occurred that previously were shown only in statement of shareholders’ equity movements and of which explicit evidence is required by the new IAS 1 version. Specifically, the items relating to “Other income components net of taxes” includes the value changes of the assets recorded in the Fy as set-off of the valuation reserves (net of taxes).

STATEMENT OF CHANGES IN EQUITY

In order to facilitate understanding of the figures, the rows and columns of the statement of changes in equity were inverted with respect to the same statement prepared in accordance with Bank of Italy Circular letter No. 262/2005 as revised on 18 November 2009. The statement shows the composition and movements of the shareholders' equity accounts occurred in the FY of reference and in the previous one, subdivided among share capital (ordinary shares and savings shares), the capital and profit reserves, the comprehensive profitability and the economic result. Treasury shares in portfolio are deducted from the shareholders' equity.
No capital instruments other than ordinary shares were issued.

CASH FLOW STATEMENT

The cash flow statements for the year under review and the previous one were prepared based on the indirect method according to which the flows resulting from operating activities are represented by the profit or loss for the FY adjusted to the effects of non-monetary transactions.
Cash flows are broken down into flows generated by operating, investing and funding activities.
The statement shows the cash flows generated during the FY without sign, whereas those absorbed are shown with a negative sign.

Contents of the Explanatory Notes to the Financial Statements

The Explanatory Notes include the disclosures envisaged by the Bank of Italy Circular letter No. 262/2005 (1st revision of 18 November 2009) as well as further disclosures pursuant to the international accounting principles. Abiding by and complying with the instructions contained in the above-mentioned Circular letter, the Tables not showing amounts, neither for the relevant FY nor for the previous one, are not included; the Tables given, conversely, show the items without amounts, neither for the current FY nor for the previous one.
In the tables relating to the Income Statement items, revenues are set forth without a sign, whereas costs are set forth in parenthesis.

Section 3 – Scope and method of consolidation

Scope of consolidation

In addition to the Parent Company, Cassa di Risparmio di Parma e Piacenza S.p.A., hereinafter referred to as Cariparma, the scope of consolidation is represented by the subsidiaries and associated companies specified below. Also

vehicle/specific-purpose companies (SPE/SPV) have been included, when the requirements have been met, also irrespectively of the existence of a majority shareholding (SIC 12 – Consolidation – Special Purpose Companies).
Considered as subsidiaries are companies in which the Parent Company, directly or indirectly, holds more than 50% of the voting rights at the shareholders' general meeting or when, despite holding less voting rights, it has the power to appoint the majority of directors in the subsidiary or to determine the financial and operating policies of the same (controlling influence).
Considered as joint ventures are companies where voting rights and the control of business activities in the company are equally shared, directly or indirectly, by the Parent Company and another non- Group company.
Considered as associates, that is subject to significant influence, are companies in which the Parent Company, directly or indirectly, holds at least 20% of voting rights or where - despite a lower quota of voting rights and through particular legal ties, such as the participation in shareholders' agreements, it has to power to participate in the determination of financial and management policies of the affiliate company.

Methods of consolidation

Full consolidation consists in the "line-by-line" aggregation of the Balance Sheet and Income Statement items of the subsidiary companies.
After allocating the relevant portion of the equity and profits or losses to minority interests under a separate appropriate item, the value equity investment is cancelled out against the remaining value of the equity of the subsidiary .
The differences resulting from this operation, if positive, are recognized under "Intangible Assets" as goodwill or another intangible asset, once any allocations of the subsidiary's assets or liabilities to other items, if applicable, are made.
Any negative differences are recorded in the Income Statement.
Acquisitions of businesses are recognized based on the "purchase method" pursuant to IFRS 3 applied from the acquisition date, that is from the moment in which control of the company has been actually achieved. Profit or losses of a subsidiary acquired during the period are included in the Consolidated Financial Statement from the date of acquisition.

Consolidation with the Shareholders' Equity method envisages the initial recognition of the equity stake at cost and its subsequent value adjustment based on the percentage of the shareholders' equity of the equity investment held. The difference between the value of the equity investment and the shareholders' equity of the portion held are included in the book value of the equity investment.
The Group's share of the subsidiary's profit or loss for the year is recognized under a specific item in the Consolidated Income Statement.

The other main consolidation operations include:

- elimination of dividends paid or declared by consolidated companies;
- elimination of significant inter-company transactions from the balance sheet or income statement;
- elimination of gains and losses arising from intercompany purchase and sale transactions and relating to values included in the shareholders' equity;
- adjustments that are necessary to standardize the accounting principles within the Group;
- recognition, where applicable, of the tax effect resulting from any adjustments to harmonize the measurement criteria for the Financial Statement items, or other consolidation adjustments.

The financial statements of the Parent Company and of the other consolidated companies refer are as at 31 December 2009. Where necessary – and with the exception of marginal instances – the financial statements of the consolidated companies drawn up based on other accounting principles, if any, are standardized to the Group's principles. In a few marginal instances, the companies do not apply IAS/IFRS and, therefore, for said companies it was assessed that the IAS/IFRS application would not have caused significant effects on the Consolidated Financial Statement of the Cariparma FriulAdria Banking Group.

1. Equity investments in subsidiary companies both exclusively and jointly

The following statement shows equity investments in the consolidation area, specifying:

- Type of control/affiliation;
- shareholder;
- voting rights to which the shareholder is entitled.

Company names	Registered office	Type of relationship (1)	Equity investment		% share of votes
			Investor	% holding	
A. Companies					
Parent Company					
Cassa di Risparmio di Parma e Piacenza S.p.A.	Parma				
A1. Fully consolidated					
1. Banca Popolare FriulAdria S.p.A.	Pordenone	1	Cariparma S.p.A.	79,11%	79,11%
2. Crédit Agricole Leasing Italia S.r.l.	Milan	1	Cariparma S.p.A.	85,00%	85,00%
3. Mondo Mutui Cariparma S.r.l. (2)	Milan	4	Cariparma S.p.A.	4,00%	4,00%

(1) Type of relationship:
1 = Majority of voting rights at General meeting
2 = controlling influence of the General meeting
3 = agreements with other shareholders
4 = other types of control
5 = unitary management pursuant to article 26, paragraph 1, of legislative decree 87/92”
6 = unitary management pursuant to article 26, paragraph 2, of legislative decree 87/92”
7 = joint control.
(2) See item 2 below. Other Information.

1. Other information

In the Consolidated Financial Statement as at 31 December 2009 also the Company Mondo Mutui Cariparma S.r.l. was consolidated, since it is a special purpose company (SDS) whose activities are practically carried out exclusively in the interest of the Parent Company with reference to its specific corporate requirements so that the same Parent Company receives the relevant benefits (SIC 12).

Section 4 – Events subsequent to the Financial Statement date

In the period between the year closure date and the approval of this Financial Statement no significant events occurred that would require adjustments to the economic results and financial position of the Cariparma FriulAdria Group.

Section 5 – Other aspects

Business combinations and other corporate operations

During the financial year 2009, the Parent Company increased its interest percentage in the subsidiary Banca Popolare FriulAdria from 78.69% on 31 December 2008 up to 79.11% at the end of 2009.

Being an acquisition of additional shares in a subsidiary, the transaction was entered by attributing the difference between purchase cost and accounting value of the minority shares purchased (the so called economic entity approach) to the shareholders’ equity.

On 29 July 2009, a 4% share of the Share Capital of Cariparma Mortgage S.r.l., later renamed Mondo Mutui Cariparma S.r.l., was purchased. This is a vehicle company established under the provisions of law 130/99 with the aim of performing a so-called “internal” securitization operation. .

On 9 September 2009 the purchase of 85% of Crédit Agricole Leasing Italia Srl (hereinafter Calit), sold by Crédit Agricole Leasing SA (hereinafter CAL), a subsidiary of Crédit Agricole SA, was finalized.

The operation, structures as “acquisition under common control”, was recognised in continuity with the recordings in the consolidated financial statement of the holding company Crédit Agricole SA, in December 2008, when purchased by the Intesa Sanpaolo Group.

The original transaction dates back to 5 December 2008, when CAL acquired from Intesa Sanpaolo 100% of CALIT. When the transaction between Cariparma and CAL was finalized, in September 2009, the transaction was accounted for as if it had taken place at the original date of the transaction with third parties.

Therefore the comparative consolidated financial statement at 31 December 2008 was restated with the inclusion of CALIT starting from the date in which the latter became part of the Crédit Agricole Group.

Consequently, figures for 31 December 2008 were restated as if the effects of the transaction had started back in December 2008, which is the initial date of the combination. The effects on the result for the period and on the shareholders equity are the following:

NET PROFIT FOR THE FINANCIAL YEAR (as per Financial Statement at 31/12/2008)	**297.265**
Changes	**-2.346**
Receivable Interest and similar income (item 10)	5.379
Payable interest and similar charges (item 20)	-5.700
Commissions receivable (item 40)	65
Commissions receivable (item 50)	-87
Net profit of trading operations (item 80)	-10
Net value adjustments/write-ups for loan impairment (item 130)	-2.780
Staff expenses (item 180a)	-332
Other administrative expenses (item 180b)	-403
Net adjustments/write-ups on Property, plant and equipment (item 200)	-27
Net adjustments/write-ups on intangible assets (item 210)	-18
Other management costs/income (item 220)	150
Income tax for the financial year on current operations (item 290)	1 .002
Profit (loss) for the period attributable to minority interests (item 330)	415
FINAL NET PROFIT (at 31/12/2008 restated)	**294.919**

SHAREHOLDERS' EQUITY (as per Financial Statement as at 31/12/2008)	**3.644.478**
Reserves	**3.231**
Profit for the year	**-2.346**
Cash (item 10 Assets)	1
Loans to Customers (item 70 Assets)	1.427.800
Property, plant and equipment (Item 120 Assets)	1.607
Intangible Assets (Item 130 Assets)	24.306
Current tax assets (Item 140a Assets)	94
Prepaid tax assets (Item 140b Assets)	1.214
Other assets (Item 160 Assets)	4.068
Due to Banks (item 10 Liabilities)	-1.363.260
Due to customers (Item 20 Liabilities)	9.431
Current tax liabilities (Item 80a Liabilities)	-135
Other Liabilities (Item 100 Liabilities)	-93.666
Employee termination benefits (Item 110 Liabilities)	-639
Funds for Liabilities and contingencies: Other funds (Item 120b Liabilities)	-54
Assets pertaining to minority interests (Item 210 Liabilities)	-9.882
FINAL SHAREHOLDERS' EQUITY (at 31/12/2008 restated)	**3.645.363**

For a detailed description of the transaction please see Part G – Combination transactions relating to Businesses of Company branches.

Securitization

During the financial year 2009 Cariparma carried out a so-called "internal" securitization transaction with the aim of generating assets that would be eligible with the European Central Bank, in order to be able to count on reserves of liquidity.

The structure of the transaction required Cariparma to sell to Mondo Mutui Cariparma s.r.l. ("vehicle company" established for this purpose under Law 130/1999)[3] the receivables deriving from performing landed-property loan contracts secured by mortgage of first economic degree, originated and already granted by Cariparma. The bank, in turn, fully subscribed the securities issued by the "vehicle company" (hence the term "internal" securitization i.e. without involving the market), whose "senior" tranche, accepted for trading at the Luxembourg stock exchange, is considered a reserve of liquidity as it can be used, when needed, for open market transaction with the ECB or used as collateral with the same bank.

3 Cariparma holds 4% of MondoMutui Cariparma S.r.l. The other shareholders are Stichting Pavia (a foundation incorporated under Dutch law) 81% and Structured Finance Management Italy (company specialized in corporate servicing) 15 %, on which Cariparma has an option that can be exercised upon authorization of the Bank of Italy.

The transaction did not require the receivables to be derecognized from the financial statement of the Parent Company as the securitization was performed internally. In terms of consolidated statement, however, the vehicle company Mondo Mutui S.r.l. now falls within the scope of consolidation as it fulfils the Sic12 requirements.

Auditing

The consolidated financial statement were audited by Reconta Ernst & Young S.p.A, in accordance with the resolution passed by the General Shareholder Meeting on 29 April 2009, whereby this firm was appointed for the period 2009-2011.

A2 – INFORMATION ON THE MAIN ITEMS OF THE FINANCIAL STATEMENTS

The accounting principles adopted for the preparation of 2009 Financial Statement were unchanged with respect to the 2008 Financial Statement, with the exception of the new principles and interpretations applicable from 1 January 2009 issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission as provided for by the Community Regulation No. 1606 of 19 July 2002. Hereinafter the new accounting principles, amendments and interpretations are listed whose application became mandatory in 2009.

- **IAS 1 Presentation of Financial Statements:** the new revised version requires that all variations generated by transactions with shareholders are presented in a Statement of changes in shareholders' equity. All the transaction generated with third parties must be stated in a single schedule (comprehensive income) or in two separate schedules (Income Statement and other comprehensive income). The new principle has been applied in this financial statement, choosing the option of presenting two separate schedules, the "Income Statement" and the "schedule of comprehensive income".
- **IAS 23 – Financial costs:** the reviewing of the principle removed the option according to which it is possible to immediately record in the Income Statement the financial costs incurred in relation to assets for which a given amount of time has to elapse before they are ready for use and sale. The principle must be applied in a prospective way to the financial costs associated with assets capitalized from 1 January 2009. The coming into force of the principle changes has not had any impact on the drawing up of this financial statement.
- **IAS 27 – Consolidated and separate financial statements** the amendment regards the treatment of the dividends and of the equity investments in the separate financial statement; with this change the distribution of profits, including the pre-acquisition ones, have been recorded in the Income Statement in the separate financial statement at the time the right to the dividend matures. Therefore the requirement to record the distribution of pre-acquisition dividends as reduction of the equity stake ceases to apply. On the other hand, a new *impairment* ratio for the evaluation of equity stake taking into account this phenomenon was introduced in the IAS 36. This amendment came into force since 1 January 2009. In addition, the IASB has established that the changes in equity stake share that do not involve loss of control should be treated as *equity transaction* and therefore must be offset in the shareholders' equity. Moreover, it was established that when a holding company yields control of a company but still continues to hold an equity stake in the company, it must assess the equity stake in the financial statement at *fair value* and record any profits or losses deriving from the loss of control in the Income Statement. Lastly, the amendment requires that all the losses ascribable to minority shareholders be allocated to minority shareholders equity, even when these exceed their share of the capital in the affiliate. These changes will have to be applied for the first time in the 2010 interim report.
- **IAS 32 – Financial instruments:** in particular the amendment, which also involved changes in the IAS 1 – Presentation of financial statement, requires classification as equity instruments of *puttable* financial equity instruments and of all the instruments that oblige a company to transfer a third of the equity stakes in a company's assets to a third party. The coming into force of the principle changes has not had any impact on this financial statement.

- **IFRS 1 – First-time adoption of International Financial Reporting Standard:** the amendment establishes that, in case of first-time application of the IFRS, it is possible, in the drawing up of the separate financial statement and in addition to existing criteria, to represent the equity stake in subsidiaries, subject to significant influence and joint control, at a *deemed cost* represented either by the *fair value* at the date of transition of the separate financial statement to IAS/IFRS or by the accounting value according to the original accounting principles (e.g. IT GAAP). The choice can be made on an individual basis. The novelty introduced has not had any impact in the drawing up of this financial statement.
- **IFRS 2 – Share-based payments** The amendment sets forth that, for the purpose of evaluation of said instruments only the service conditions and performance conditions can be considered plan maturation conditions. It was also made clear that, in case of cancellation of the plan, the same accounting treatment must be applied whether it derives from the company or from the counterparty. The coming into force of the principle amendment has not had any impact on this annual report.
- **IFRS 8 – Operating segments** the new accounting principle, which replaces the IAS 14, requires the company to base the information recorded in the segment reporting on the elements that the management uses to make their operating decisions. The identification of the operating segments must therefore be performed on the basis of the internal reports, which is reviewed by the management for the purpose of allocating the resources to the different segments and for the purpose of performance analysis. In the notes to the 1st update of Circular letter 262 dated 22 December 2005, published by the Bank of Italy on 18 November 2009, it was specified that this disclosure note, in the separate financial statement, must be supplied only by listed intermediaries and security issuers. The new principle was applied in this financial statement in part L – Segment reporting.
- **IFRS 3– Business combinations** the updated version involved the elimination of the obligation to assess the single assets and liabilities of the subsidiary at *fair value* in each subsequent acquisition, in case of gradual acquisition of subsidiaries. In addition, if the company does not purchase 100% of the equity stake, the minority shareholders' equity can be measured either at *fair value* (*full goodwill*) or using the method currently set forth by the IFRS 3. The reviewed version of the principle also requires the recording in the Income Statement of all the costs connected with the business combination and the registration at the date of acquisition of the liabilities for payments subject to conditions. The coming into force of the revised principle has not had any impact on this financial statement.
- **IFRIC 13 – Customer loyalty programs:** This principle regulates the accounting treatment of customer loyalty programs, i.e. programs in which the purchase of goods and services entitles customers to "credits" or "reward points" which, upon certain conditions, can be used to receive prizes i.e. goods or services for free or for a discounted price. The accounting treatment consists in the offsetting of a liability which reduces revenues in the period of assignment of the "points"; the recording of these revenues is postponed to the time the prize is assigned; with this recording the liability is also extinguished. The coming into force of this principle has not has any impact on this annual report.

The IASB has also issued a set of changes to the IFRS, the so called "improvements". Hereunder we list only those changes whose application involves a change in the presentation, recognition and evaluation of the items in the financial statement, while we do not include the one that only involve terminology changes or editing changes with minimum effects in accounting terms. The Improvements indicated below have not had significant impact for the Group.

- **IAS 1 Presentation of Financial Statements:** the amendments lays down that the assets and liabilities resulting from derivative financial instruments which are not held for trading are classified in the financial statement with a distinction between current and non current assets and liabilities.
- **IAS 16 - Property, plant and equipment:** the amendment envisages that the company whose main business is renting must reclassify in the inventory the goods that cease to be rented and that are destined to sale and, consequently, the amounts resulting from their transfer must be recognised as revenues. The amounts paid to build or purchase goods to be rented, as well as the amounts received from the subsequent sale of said goods will become, in terms of financial reporting, cash flows deriving from operating activities (and not investment activities).

- **IAS 19 – Employee benefits:** the amendment must be applied in line with the benefit-related changes applied after 1 January 2009 and it clarifies the definition of cost/revenues relating to past work and establishes that in case of a plan reduction, the effect immediately recorded in the Income Statement must include only the reduction of benefits relating to future periods, while the effect deriving from reductions linked to past service periods must be considered a negative cost related to past work. the board also reviewed the definition of short-term benefits and long-term benefits and modified the definition of return on assets establishing that this item must be stated net of any administration cost that is not already included in the value of the bond.
- **IAS 20 – Accounting for government grants and disclosure:** the amendment, which must be applied prospectively from 1 January 2009, lays down that the benefits deriving from government loans granted at a rate much lower than the market rate must be treated as government grants and therefore apply the recognition rules set forth by IAS 20 – Accounting for government grants and disclosure and disclosure of government assistance.
- **IAS 23 – Financial costs:** this amendment reviewed the definition of financial cost.
- **IAS 28 – Investments in associate** the change, which must be applied prospectively, establishes that in case of investments accounted for by the equity method, a loss of value must not be allocated to the single assets (and in particular not to *goodwill*) which make up the book value of the investment, but to the value of the associate as a whole. Therefore, when the conditions for a subsequent write-up apply, the write-up must be recognised fully. Moreover it is envisaged that additional information be provided for the investment measured at *fair value* in compliance with IAS 39 – Financial instruments: Recognition and measurement; accordingly, amendments were applied to IFRS 7 – Financial instruments: disclosures and IAS 32 – Financial instruments: presentation in the financial statement.
- **IAS 29 – Financial reporting in hyperinflationary economies:** this principle lays down that some assets or liabilities may be recognised in the financial statement on the basis of the current value instead of their historical cost.
- **IAS 31 – Interests in joint ventures:** additional disclosures are required for investments in *joint ventures* measured at fair value in accordance with IAS 39 – Financial instrument. For consistency, amendments were made to IFRES 7 – Financial instruments: disclosures and IAS 32 – Financial instruments: presentation in the financial statement.
- **IAS 36 – Impairment of assets:** the change lays down that additional disclosures be provided when the company determines the recoverable value of the cash generating unit using the cash flow discounting-back method. Moreover, in line with the amendments to IAS 27 - Consolidated financial statement and associates, a new impairment ratio was introduced in the assessment of investments which takes into account the elimination of the requirement to recognise the distribution of pre-acquisition dividends in reduction of the investment amount.
- **IAS 38 – Intangible assets:** the amendment requires promotional and advertising costs to be recognised in the Income Statement. It also establishes that if a company incurs costs that will lead to future economic benefits without recording of intangible assets, these costs will have to be recognised in the Income Statement when the company acquires the right to access the assets, in case of purchase of goods, or when the services is rendered, in case of purchase of services. In addition, the principle was amended to enable companies to adopt the units of production method to determine amortization of intangible assets with finite life.
- **IAS 39 – Financial instruments:** recognition and measurement: this clarifies how to calculate the new rate of effective yield of an financial instrument at the end of a fair value hedging relation; it also clarifies that the prohibition to reclassify in the financial instrument category with adjustment of the *fair value* in the Income Statement must not be applied to the derivative financial instruments that no longer qualify as hedging or that become hedging. Lastly, to avoid conflicts with the new IFRS 8 – Operating segments, it eliminates references to the designation of a sector hedging instrument (pursuant to IAS 14).
- **IAS 40- Investment property:** the amendment, to be applied prospectively, lays down that property under construction falls within the scope of IAS 40 instead of IAS 16 – Property, plants and equipment.
- **IAS 7 – Financial instruments: disclosures:** this standard sets a hierarchy in *fair value* to reflect the importance of the data used in performing measurements of financial instruments and on which to base the measurements. The hierarchical scale includes the following levels:
  a) Level 1 – quoted (unadjusted) prices on active markets for identical assets or liabilities;
  b) Level 2 – inputs other than level 1 quoted prices observable for assets or liabilities, either directly (as

in the case of prices) or indirectly (i.e. as price derivatives);

c) Level 3 – inputs relating to assets or liabilities that are not based on observable market data (non observable data)

It also requests quantitative disclosures relating to transfers from one level to another.

The description of the accounting principles adopted by the Group is performed with reference to the classification, recording, measurement and derecognition of the various assets and liabilities items. Where relevant, a description of the relative economic effects is also given for each of the above-mentioned phases.

1. Financial assets held for trading

Classification

In this category are classified debt securities and equity securities and the positive value of derivatives contracts held for trading. Among derivatives contracts are included also those incorporated in complex financial instruments which were recorded separately as:

- their economic characteristics and risks are not strictly correlated to the characteristics of the underlying contract;
- incorporated instruments, also if separated, which satisfy the definition of derivative;
- hybrid instruments to which they belong are not valued at fair value with the relevant changes recorded in the Income Statement.

Recognition

Initial registration of financial assets is carried out on the settlement date for debt securities and capital securities and at the date of underwriting for derivatives contracts.

At the time of registration of the financial assets held for trading the *fair value* is recorded, without considering transaction costs or income directly attributable to the same instrument.

Any derivatives implicit in complex contracts not strictly correlated to the same and with characteristics which satisfy the definition of derivative, are discorporated from the primary contract and recorded at fair value.

Measurement

Subsequent to initial registration, financial assets held for trading are measured at fair value. The effects of the application of said assessment criteria are recorded in the Income Statement.

For the determination of *fair value* of financial instruments quoted on an active market, market quotations are used. In the absence of an active market, commonly adopted estimation methods and assessment models are used which take into account all the risk factors correlated to the instruments and which are based on data available on the market, such as: valuation of quoted instruments which have the same characteristics, discounted cash flow calculations, models for the determination of option prices, values recorded in recent comparable transactions, etc.

Capital securities and derivative instruments whose objects are capital securities, for which it not possible to reasonably determine the *fair value* according to the above guidelines, are kept at cost.

Derecognition

Financial assets are derecognized from the financial statement only if their disposal has substantially transferred all the risks and benefits connected to said assets. Conversely, if a prevalent part of the quota of risks and benefits relating to the financial assets sold are retained, these continue to be recorded in the Balance Sheet, even though legally the ownership of the said assets was actually transferred.

In the event that the substantial transfer of risks and benefits cannot be ascertained, the financial assets are derecognized from the Balance Sheet when no type of control over them is retained.

Conversely, retention even in part, of such control entails the maintenance in the Balance Sheet of the asset in a measure equal to the residual participation, measured by the exposure to changes in value of the surrendered asset and to the variations in its financial flows.

Finally, financial assets surrendered are derecognized from the Balance Sheet in the event that contractual rights to receive related cash flows are retained, with the simultaneous assumption of an obligation to pay said flows, and only to other third parties.

2. Financial assets available for sale

Classification

Included in this category are financial assets not otherwise classified as “Receivables”, “Assets held for trading” or “Assets held to maturity”.

In particular, this item includes, as well as bonds not object of trading and not classified in “Assets held to maturity” or among “receivables”, also shareholdings not managed with trading purposes and not qualifiable as control, affiliation and joint venture, including private equity and private equity funds investments, as well as the share of syndicated loans subscribed, which, from the beginning, is destined for disposal.

Recognition

Initial registration of financial assets is carried out on the settlement date for debt securities and capital securities and at the date of underwriting for derivatives contracts.
At the time of the initial registration, the assets are accounted for at fair value, including transaction costs and income directly attributable to the same instrument. If, in cases allowed under the accounting principles, registration were to take place following reclassification of the “Asset held to maturity”, the registration value should be the fair value at the moment of transfer.

Measurement

Following the initial recognition, debt securities classified as “Assets available for sale” are measured at fair value, with the recognition in the Income Statement of the interests calculated based on actual return, whereas the gains and losses resulting from a fair value change are recognized in a specific shareholders’ equity reserve until the financial assets is derecognized or an impairment is recorded. At the moment of disposal or of impairment recording, the accumulated profits or losses are recorded in the Income Statement. The fair value is calculated based on the criteria already described for “Financial assets held for trading”. The capital securities included in this category, whose fair value cannot be calculated reliably, are recorded at cost.
“Financial assets available for sale” are subject to testing to determine the existence of objective evidence of impairment. If said evidence exists, the impairment amount is calculated as the difference between purchase cost and fair value net of any losses already recorded in the Income Statement.
For capital securities, a fair value decrease by over 30% below the Financial Statement value or for a period over 6 months is considered evidence of impairment.
If the reasons for the impairment are removed following an event subsequent to the impairment recording, revaluations are carried out and recorded in the Income Statement, in case of credits or debt securities, which however cannot exceed the loss initially recorded in the Income Statement. For capital securities said revaluation is recorded in the shareholders' equity.

Credit restructuring operations entailing the partial or complete conversion into capital instruments classified in the category of financial assets available for sale

For capital instruments received within credit restructuring operations carried out by debtors, the initial recording of the capital instruments received is made at fair value of the same; the difference between the credit book value and the fair value of the capital instruments is recorded in the Income Statement among value adjustments. Moreover, where the restructuring with total or partial capital conversion relates to impaired loan exposures, since the conversion does not modifies their quality, the capital instruments received are also considered as issued by an “impaired” subject; this entails that their subsequent fair value reductions are considered impairment ratios and therefore are recorded in the Income Statement until the issuer is restored to a “performing” status.

Derecognition

Financial assets are derecognized from the Financial Statement only if their disposal has substantially transferred all the risks and benefits connected to said assets. Conversely, if a prevalent part of the quota of risks and benefits relating to the financial assets sold are retained, these continue to be recorded in the Balance Sheet, even though legally the ownership of the said assets was actually transferred.
In the event that the substantial transfer of risks and benefits cannot be ascertained, the financial assets are derecognized from the Balance Sheet when no type of control over them is retained. Conversely, retention even in part, of such control entails the maintenance in the Balance Sheet of the asset in a measure equal to the residual participation, measured by the exposure to changes in value of the surrendered asset and to the variations in its financial flows.
Finally, financial assets surrendered are derecognized from the Balance Sheet in the event that contractual rights to receive related cash flows are retained, with the simultaneous assumption of an obligation to pay said flows, and only to other third parties.

3. Financial assets held to maturity

Classification

Classified in this category are debt securities with fixed or determinable payments and with fixed maturity, where the intention and the ability exist for them to be held to maturity. If, after a change in intention or ability, it is no longer deemed appropriate to retain an investment as "held until maturity", this is reclassified under “Financial Assets available for sale”.

Recognition

Initial registration of a financial asset is carried out on the date of settlement.
At the time of the initial registration, the financial assets classified in this category are recorded at fair value, including any costs and income directly attributable to them. If the registration in this category is made by reclassification from "Asset available for sale", the fair value of the asset at the date of reclassification is used as the new depreciated cost of the asset itself.

Measurement

Subsequent to the initial registration, financial assets held until maturity are measured at depreciated cost, using the effective interest rate method.
Profits and losses relating to assets held to maturity are recorded in the Income Statement at the moment in which the assets are derecognized or have been reduced in value, as well as through the process of depreciation of the difference between the registration value and the value to be refunded at maturity. Financial assets held to maturity are subject to testing to determine the existence of objective evidence of impairment. If such evidence exists, the amount of the loss is measured as the difference between the accounting value of the asset and the current value of estimated future financial flows, discounted at the original effective interest rate. The amount of the loss is recorded in the Income Statement. If the reasons for the impairment are removed following an event subsequent to the recording of the reduction in value, revaluations are carried out and recorded in the Income Statement. However, the amount of revaluation cannot be higher than the depreciated cost that the financial instrument would have had in the absence of earlier adjustments.

Derecognition

Financial assets are derecognized from the Financial Statement only if their disposal has substantially transferred all the risks and benefits connected to said assets. Conversely, if a prevalent part of the quota of risks and benefits relating to the financial assets sold are retained, these continue to be recorded in the Balance Sheet, even though legally the ownership of the said assets was actually transferred.
In the event that the substantial transfer of risks and benefits cannot be ascertained, the financial assets are derecognized from the Balance Sheet when no type of control over them is retained. Conversely, retention even in part, of such control entails the maintenance in the Balance Sheet of the asset in a measure equal to the residual participation, measured by the exposure to changes in value of the surrendered asset and to the variations in its financial flows. Finally, financial assets surrendered are derecognized from the Balance Sheet in the event that contractual rights to receive related cash flows are retained, with the simultaneous assumption of an obligation to pay said flows, and only to other third parties.

4. Loans and receivables

Classification

Receivables include loans to customers and to banks, either allocated directly or acquired from third parties, which foresee fixed or determinable payments, which are not traded on an active market and are not classified at origin as "Financial Assets available for sale".
The item "Receivables" also includes commercial credits, repurchase agreements with fixed terms for resale, and securities acquired through private subscription or placement, with fixed or determinable payments, not traded on active markets.

Recognition

The first registration of a receivable takes place at the time of signature of the contract, which normally coincides with the date of loan assignment, on the basis of the fair value of the financial instrument equal to the amount assigned, or subscription price, comprehensive of the cost/income directly ascribable to the single receivable and determinable since the beginning of the transaction, even though paid off later. Excluded are costs which, even if they have the above characteristics, are to be reimbursed by the debtor counterparty or fall under normal internal administrative costs.

Measurement

After initial recognition, receivables are measured at depreciated cost, equal to the value of the first registration and reduced/increased by reimbursement of capital, adjustments in value or revaluation and depreciation – calculated using the effective interest rate method - of the difference between the amount assigned and the reimbursable amount on maturity, typically traceable to cost/income attributable to the individual receivable. The effective interest rate is identified by calculating the rate which equates the current value of future credit flows, by capital and interest, to the amount allocated inclusive of costs/income traced back to the receivable. This accounting procedure, using a financial logic, allows the cost/income economic effect to be distributed over the residual expected life of the receivable.
The depreciated cost method is not used for short-term receivables (lower than 12 months) as the effect of discounting back would be negligible. These receivables are valued at

historic cost. The same valuation criteria are adopted for receivables without fixed maturity or revocable.

Receivables are subject to checks to identify those which, following events which occurred after their registration, show objective evidence of a possible impairment. Included in this category are loans which fall under non-performing, doubtful, restructured or expired loans pursuant to the current Bank of Italy rules consistent with IAS/IFRS regulations.

Said bad loans are subject to a process of analytical assessment and the amount of value adjustment for each loan is equal to the difference between the Financial Statement value of the same at the moment of assessment (depreciated cost) and the current value of the estimated future cash flows, calculated by applying the original effective interest rate. The expected cash flows consider the expected recovery time schedule, the expected salvage value of any guarantee, as well as the costs that are expected for the recovery of the credit exposure.

The original effective rate of each loan remains unchanged over time even if there was a restructuring of the position which led to the variation of the contractual rate and also if the position becomes, in practice, non-interest bearing.

Subsequent adjustments in value are reported in the Income Statement.

The original value of the loans is restored in subsequent financial years when the reasons which determined the adjustment cease to apply, as long as such said assessment is objectively linked to an event occurred after the same adjustment. The revaluation is recorded in the Income Statement and cannot in any event be higher than the depreciated cost which the loan would have had in the absence of earlier adjustments.

The restorations of value connected with the elapsing of time are included in recovery values.

Loans where objective evidence of losses has not been individually identified are subject to collective loss of value of assessment. This assessment is carried out by category of similar loans in terms of credit risk and the relative percentages of loss are based on PD (Probability of Default) and LGD (Loss Given Default) parameters observable at the date of assessment which allow an estimation of the latent loss in value. The assessment also takes into account the risks connected with the country of residence of the counterparty.

Adjustments in value determined collectively are recorded in the Income Statement.

Derecognition

Receivables are derecognized from the Balance Sheet assets only if their disposal has substantially transferred all the risks and benefits connected to the same receivables. Conversely, if a prevalent part of the quota of risks and benefits relating to the transferred receivables are retained, these continue to be recorded in the Balance Sheet, even though legally the ownership of the said loan was actually transferred. In the event that the substantial transfer of risks and benefits cannot be ascertained, the loans are derecognized from the Balance Sheet when no type of control over them is retained. Conversely, retention even in part, of such control entails the maintenance in the Balance Sheet of the loan in a measure equal to the residual participation, measured by the exposure to changes in value of the transferred receivable and to the variations in its financial flows. In fact, transferred receivables are derecognized from the Balance Sheet in the event that contractual rights to receive related cash flows are retained, with the simultaneous assumption of an obligation to pay said flows, and only to other third parties.

5. Financial assets carried at fair value

The Group has not foreseen the adoption of the so-called "fair value option", that is, they have not used the possibility of assessing at fair value, with registration of the result of the assessment in the Income Statement, of financial assets other than those where IAS 39 requires the application of fair value criteria in view of their specific functional destination. Therefore, only financial assets classified in the trading portfolio, subject to fair value hedging and fair value hedging derivatives, are measured at fair value and the result of the assessment registered in the Income Statement.

6. Hedging

Types of Hedges

Risk hedging operations are finalized to counteract potential losses occurring on a particular element or group of elements attributable to a particular risk, in the case in which the particular risk should actually arise.

The types of hedging operations envisaged are as follows:

- Fair value hedging: It has the target of hedging the exposures to fair value variations (ascribable to the various risk type) of assets and liabilities recorded in the financial statement or parts thereof, or groups of assets/liabilities, of irrevocable loans and financial assets and liabilities, including core deposits, as permitted by IAS 39 as standardized by the European Commission;
- Hedging of cash flows: It has the target to hedge the changes in the cash flows from assets and liabilities

registered in the Financial Statement, from irrevocable loans;

- hedging of a foreign currency investment: refers to hedging of risk for an investment in a foreign company expressed in foreign currency.

Measurement

Hedging derivatives are measured at fair value. In particular:

- in the case of fair value hedging, the variation in fair value of the hedged elements is offset by the fair value variation of the risk element hedged with the change in the hedging instrument fair value. This off-setting is recorded through recognition in the Income Statement of the value changes, referred both to the hedging element and the risk element hedged. Any difference, which represents the partial inefficiency of the cover, consequently constitutes the economic net effect;
- in the case of cash flow hedging, the variations in fair value of the derivative are recorded in the shareholders' equity, for the efficient hedging share, and are recorded in the Income Statement only when, with reference to item hedged, there is a variation in the cash flows to be offset;
- hedging of foreign currency investments are recorded in the accounts in the same way as cash flow hedging.

The derivative instrument is designated as a hedging instrument if there is formalized documentation as to the relationship between the hedged instrument and hedging instrument and if it is efficient at the moment when cover starts and, in the future, during the life of the same. Hedging efficiency depends on the measure in which the changes in *fair value* of the hedged instrument or related expected financial flows are compensated by those of the hedging instrument. Moreover, the efficiency is measured by comparison of the above variations, taking into account the aim of the company at the moment the hedging was put into place. Efficiency is achieved when the variation in *fair value* (or the cash flows) of the hedging instrument counteract almost entirely, that is within the limits established by the interval 80-125%, variations of the hedged instrument, for the element of risk which is the object of the hedging.

Assessment of efficiency is carried out at every closure, or interim closure, of the Balance Sheet by using:

- prospective tests, which justify the application of hedging accounting, since they prove its expected efficiency;
- retrospective tests which show the level of hedging effectiveness reached during the period to which they refer. In other words, they measure how much the actual results have moved away from perfect hedging;
- Any ineffectiveness situations caused by events expected to become routine are not considered, as confirmed by prospective tests.

If tests do not confirm hedging efficiency, from that moment the accounting of hedging operations, according to the above methods, is suspended, the derivative hedging contract is reclassified under trading instruments and the hedged financial instrument re-acquires the assessment criteria corresponding to its financial statement classification.

In case of macrohedging operations, IAS 39 allows that the fair value hedging of the interest rate risk exposure concerns a defined amount of financial assets liabilities so that a group of derivative contract can be used to reduce the fair value changes of the entries hedged as the market interest rates change. Amounts recognized as imbalance between financial assets and liabilities cannot be object of macrohedging.

Macrohedging is considered highly effective if, similarly to fair value hedging, both at the beginning and during the operation, the fair value changes of the amount hedged are offset by the fair value changed of the hedging derivatives, with a ratio between 80 and 125%.

7. Equity investments

Recognition, classification and measurement

The item includes shares held in affiliates and joint ventures.

Considered as jointly-owned are companies where voting rights and the control of economic activities in the company in which shares are held are divided equally by the Company, directly or indirectly, and another company. Moreover, a shareholding investment is qualified as subject to joint control where, despite the absence of an equal division of voting rights, the control of economic activities and strategies of the company in which shares are held is shared with other companies through contractual agreements.

Considered as affiliates, that is subject to significant influence, are companies which the Company holding shares, directly or indirectly, holds at least 20% of the voting rights (including "potential" voting rights as defined above) or where – despite a lower quota of voting rights - the shareholding Company, through particular legal ties such as participation in syndication agreements, has to power to participate in the determination of financial and management policies of the companies in which the shares are held.

Not considered as significant influence are some equity investments of more than 20%, where the Company only holds capital rights on a portion of the fruits of the investments, does not have access to management policies and can exercise limited governance rights for the protection of capital interests.

The item includes also any equity investments in enterprises held for merchant banking activities, if the equity investment is such as to make them subject to significant influence.
If there is evidence that the value of a shareholding has reduced, an estimate of the recovery value of the shareholding is made, taking into account the real value of future financial flows which the shareholding could generate, including the final disposal value of the investment.
If the recovery value is lower than the accounting value, the relative difference is recorded in the Income Statement.
If the reasons for the impairment are removed following an event subsequent to the recording of the reduction in value, revaluations are carried out and recorded in the Income Statement.

8. Property, plant and equipment

Classification

Property, plant and equipment include land, operating property, capital assets, technical systems, furniture and furnishings and equipment of any sort. Property, plant and equipment are used in the production or supply of goods and services, to be rented to third parties, and which are deemed will be used for a reasonable time.

Recognition

Property, plant and equipment are initially registered at cost which includes, as well as the purchase price, any further additional costs directly attributable to the purchase and the putting into operation of the property.
Extraordinary maintenance costs which increase future economic benefits, are attributed as an increase in the value of the asset, while other ordinary maintenance costs are recorded in the Income Statement.

Measurement

Property, plant and equipment, including Capital Assets, are measured at cost, with the deduction of any depreciation and losses in value.
Fixed assets are systematically depreciated, using as depreciation criteria the method of constant rate, for the duration of their useful life. The depreciation rates used are indicated below and relate to the main categories of fixed assets: 12% for furniture and mechanical office equipment; 15% for furnishings and other machinery; 30% alarm installations; 25% motor vehicles: 33.33% for IT and telecommunications systems if the purchase value is not higher than 516.46 euro, 20% if the purchase value is higher than 516.46 euro. The depreciable value is represented by the cost of the property when the residual value at the end of the depreciation process is deemed not to be significant. Real estate is depreciated taking into account a useful life of 33 years deemed suitable to reflect the deterioration of the asset during the time of its use, taking into account extraordinary maintenance costs, which are entered as an increase of the value of the asset and ordinary maintenance costs destined to prolong, as long as possible, the value of the real estate; however periodical assessments of the residual useful life are performed.
However, the following assets are not depreciated:

- land, either purchased severally or incorporated in the value of the building, as is has an indefinite useful life. In the event that its value is incorporated in the value of the building, under the approach of components depreciation, it is considered property separable from the building. The sub-division of land value and building value is carried out on the basis of independent expert valuation, for property deemed "sky-earth" for which the Company has full rights on the land;
- artistic assets, in that the useful life of a work of art cannot be estimated and its value normally increases over time.

If there is indication that an asset has suffered a loss in value, a comparison is made between the book value and salvage value. Any such adjustments are shown in the Income Statement.
If the reasons for recording a loss are no longer valid, the value is re-entered and this value must not be higher than the value the asset would have reached net of depreciation calculated without the earlier losses.

Derecognition

A tangible fixed asset is removed from the Balance Sheet at the moment of its disposal or when the property is permanently removed from use and no future economic benefits are expected to result from its disposal.

9. Intangible Assets

Classification

Intangible assets are recorded as such if they are identifiable and are derived from legal or contractual rights (for example application software). Intangible assets include goodwill representing the positive difference between the purchase cost and fair value of the assets and liabilities acquired, as well as the intangible asset representing the Customer relations recorded based on the application of IFRS 3.

Recognition and measurement

Intangible assets acquired separately are initially capitalized at cost, whereas those acquired through business combination operations are capitalized at fair value as at the acquisition date. After the initial recognition, intangible assets are recorded net of the amortization funds and of any accrued value losses. The intangible assets produced in-house, with the exception of development costs, are not capitalized and are recognized in the Income Statement for the FY in which they were borne.

Intangible assets' useful life is measured as finite or indefinite.

The intangible assets with finite useful life are amortized over their useful life and undergo value congruence assessment every time signals are recorded of a possible value loss. The amortization period and approach for intangible assets with finite useful life are remeasured at least at the end of every year. Changes in the expected useful life or in the modalities with which the future economic benefits linked to the assets occur, are recorded through the change of the period or amortization approach, as the case may be, and are considered as accounting estimate changes. The amortization cost for intangible assets with finite useful life is recognized in the Income Statement in the cost category consistent with the intangible asset function .

The application software useful life does not exceed five years.

Concerning the intangible element of relations with customers, a useful life is defined, established on the basis of statistics available on replacement rates for customers in the retail sector, over a 15-year period.

Intangible assets with indefinite useful life, including goodwill are not amortized, but annually undergo value loss assessment, both at individual level and at level of cash-flow generating unit. The assessment of indefinite useful life is annually revised to establish if it is still applicable. In the event it is not, the change from indefinite useful life to finite useful life is applied prospectively.

The amount of any value loss is established based on the difference between the recoverable value of the cash-flow generating unit and the book value of the same.

Said recovery value is equal to the higher value between fair value of the unit generating financial flow net of possible sales costs, and the relative utilization value. Subsequent corrections in value are reported in the Income Statement.

Derecognition

A intangible fixed asset is removed from the Balance Sheet at the moment of its disposal or when no future economic benefits are expected. Profits or losses resulting from the exclusion of an intangible asset are calculated as the difference between the net disposal revenue and the book value of the intangible asset and are recognized in the Income Statement for the year in which the exclusion is made.

10. Non-current assets and disposal groups held for sale

Classified in the Assets item “Non-current assets and disposal groups held for sale” and in the Liabilities item “Liabilities in respect of assets held” are non-current assets or groups of assets/liabilities for which a process of disposal has been started and their sale is believed to be highly probable. Such assets/liabilities are valued at the lower value between book value and their fair value net of disposal costs.

The related income and costs (net of tax effects) are reported as a separate item in the Income Statement.

11. Current and Deferred Taxes

Amounts relating to current, pre-paid and deferred taxes are calculated by applying current tax rates.

Income tax is reported in the Income Statement with the exception of tax relating to items debited or credited directly to the Net Assets.

Provisions for income tax are determined on the basis of a prudent estimate of the current tax burden, as well as pre-paid and deferred tax. In particular, pre–paid taxes and deferred taxes are determined on the basis of temporary differences – without time limits – between the value attributed to an asset or a liability according to Civil Code criteria and to the corresponding values assumed for tax purposes.

Deferred taxes are calculated based on the so-called balance-sheet liability method.

Assets for pre-paid taxes, relating to temporary deductible differences or future tax benefits obtainable by carrying forward tax losses, are registered in the Financial Statement when there exist a high degree of probability of their recovery.

Liabilities for deferred taxes are registered in the Financial Statement, with reference to all the temporary taxable differences, with the sole exception of the reserves where taxes are suspended, as the amount of the reserves available already subjected to tax leads to the belief that no operations will be carried out which will lead them to be taxed.

Pre-paid taxes and deferred taxes are entered in the Balance Sheet as open balances and without off-setting, including the first item in “Tax assets” and the second item in “Tax liabilities”.

Assets and liabilities recorded for pre-paid and deferred taxes are systematically measured to take into account both possible amendments to regulations or rates, as well as possible changes in the company's tax situation. The effects are recorded in the Income Statement for the year, except where these are changes relating to temporary differences to items for which the accounting model requires that they be directly recorded in the Shareholders' Equity, and in which case also the change to the deferred or pre-paid tax flows is directly recorded in the Shareholders' Equity.

12. Provisions for liabilities and contingencies

Retirement and other similar liabilities

Internal retirement funds are set up in accordance with company agreements and are defined benefit schemes. Liabilities relating to said schemes and relative social security costs for current work are determined on the basis of actuarial hypotheses which apply the "joint debt projection method"; a projection of future disbursements based on an analysis of historical statistics and the demographic curve, as well as the discounting of such flows based on a market interest rate, as set forth in the relevant tables in the Explanatory Note.
Contributions paid in each financial year are considered as separate units, reported and measured separately so as to determine the final obligation. The discounting rate used is calculated as an average of market rates on the assessment dates. The current value of the obligation at the Balance Sheet reference date is, moreover, adjusted by the fair value of any assets used for the plan.

Other Provisions

Other provisions for Liabilities and contingencies hold the provisions set aside for legal obligations or connected with work relations or litigation, and also taxes, originating from a past event for which the disbursement of economic resources is likely for fulfilling these same obligations, as long as a reliable estimate can be made for the relative amount.
Where the time scale is significant, provisions are recorded using current market rates. Provisions are recorded in the Income Statement and include increases in the funds over time. This item also includes long term benefits to employees, whose costs are determined using the same actuarial criteria described for Retirements Funds. Actuarial profits and losses are all recorded immediately in the Income Statement.

13. Debt and securities issued

Classification

"Amounts due to Banks", "Amounts due to customers" and "Securities issued" include all forms of inter-bank and customer funding, repurchase agreements with obligation to repurchase at a at maturity and deposits carried out through certificates of deposits, bonds, and other deposit instruments issued, net of any amounts repurchased.

Recognition

The first recognition of such financial liabilities is carried out at the time of signing the contract, which normally coincides with the receipt of the deposited amounts or the issue of debt securities.
The first recognition is carried out on the basis of the liability fair value, normally equal to the amount deposited or the issue price, increased by any additional costs/income directly attributable to the single operation of funding or issue. Internal administrative costs are excluded.

Measurement

After the first recognition, financial liabilities are measured at amortized cost using the effective interest rate.
Short-term liabilities are excluded where the time factor is deemed negligible, and are registered at the value of the amount received.

Derecognition

Financial liabilities are derecognised from the Financial Statement when they have expired or been extinguished. Derecognition occurs also when securities issued earlier are re-purchased. The difference between the accounting value of the liability and the amount paid to purchase it is entered in the Income Statement.
The new placement on the market of treasury shares subsequent to their re-purchase is considered as a new issue with registration at the new placement price.

14. Financial liabilities held for trading

The item includes the negative value of derivatives trading contracts, as well as the negative value of derivatives implicit in complex contracts but not strictly correlated to the same. Moreover, liabilities originating from technical exposure generated by securities trading are included.
All trading liabilities are measured at fair value and the result entered in the Income Statement.

15. Financial liabilities carried at fair value

The Cariparma FriulAdria Banking Group has not envisaged the adoption of the so-called "fair value option", that is, they have not used the possibility of assessing at fair value, with allocation of the result of the assessment in the Income Statement, of financial liabilities other than those where IAS 39 requires the application of fair value criteria in view of their specific functional destination. Therefore, only financial liabilities classified in the trading portfolio, subject to fair value hedging and derivative hedging contracts, are measured at fair value and the result of the assessment allocated in the Income Statement.

16. Foreign currency transactions

Initial recognition

Transactions in a foreign currency are initially recognized in the functional currency by translating the amount in the foreign currency at the exchange rate prevailing at the date of the transaction.

Subsequent measurement

At each annual or interim closure of the Balance Sheet, the Balance Sheet entries in foreign currencies are re-valued as follows:

- monetary entries are converted at the rate of exchange on the date of closure;
- non-monetary entries valued at historic cost are converted at the rate of exchange valid at the date of the operation;
- non-monetary entries valued at fair value are converted using the rate of exchange on the date of closure.

The currency conversion differences resulting from the settlement of monetary elements or from the conversion of monetary elements at rates different from the original conversion rates, or the conversion rates of the preceding Financial Statement, are recorded in the Income Statement for the period in which they arise.

When a profit or loss relating to a non-monetary element is recorded in the Shareholders' Equity, the difference in exchange rates relating to this element is also recorded in the Shareholders' Equity. Conversely, when a profit or a loss is entered in the Income Statement, the relative difference in exchange rates is also recorded in the Income Statement.

18. Other information

Lease Operations

Lease operations have been recognized based on the provisions of IAS 17.

In particular the definition of a contract agreement as a lease operation (or including a lease operation) is based on the fact that the same agreement depends on the use of one or more specific assets and whether the agreement transfers the right of use of that asset.

Financial lease contracts for which the Cariparma Friuladria Banking Group takes up the role as lessor, the assets granted in financial lease are recognized as receivables in the Balance Sheet with a value equal to the lease net investment, whereas in the Income Statement interests receivable are recognized (financial components of lease fees), whereas the fee part representing capital refunding reduces the receivable value.

Classification of lease operations

In the initial value of the loan also includes the so-called "initial direct costs"; more in detail, the accounting principle:

- defines the initial direct costs as "incremental costs directly ascribable to the negotiation and stipulation of the lease", specifying that "the interest rate implicit in the lease is the discount rate making the current value of the minimal payments resulting from the lease and of the non-guaranteed residual value be equal to the current value of the leased plus the initial direct costs borne by the Lessor";
- specifies that " Lessors include in the initial lease amount the initial direct costs borne for lease negotiation. This treatment does not apply to Lessors that are manufacturers or dealers";
- specifies that "the Principle does not allow initial direct costs to be recognized as expenses by the Lessors".

It is to be noted that the IAS 17 provision for the inclusion of the initial direct costs in the financial lease recognition by the Lessor essentially entails that lease receivables are treated as financial receivables valued at depreciated cost.

Initial direct costs to be ascribed to a net investment increase include only the additional costs directly ascribable to negotiation and finalization of financial lease transaction that are certain and immediately determinable upon the initial recognition of the lease receivable, such as commission and legal costs.

The Cariparma Friuladria Banking Group has also entered into operational lease contracts as Lessee, concerning cars and other operating assets. For these contracts, operational lease fees are recognized as costs in the Income Statement at constant rate, apportioned over the contract duration.

Insurance Assets and Liabilities

The Cariparma FriulAdria Consolidated Balance Sheet does not include assets or liabilities which present insurance risks.

Treasury shares

Any treasury shares held are shown as a reduction in the Shareholders' Equity. Similarly, the original cost of these shares and profits or losses deriving from their subsequent sale are entered as movements in the Shareholders' Equity.

Leasehold improvements

The cost of renovating leased property is capitalized in consideration of the fact that for the duration of the lease the tenant has control over and enjoys the future economic benefits of the assets. The above costs, classified under "Other Assets" pursuant to Bank of Italy circular letter No. 262/2005, are depreciated over a period no longer than the duration of the lease contract.

Employee severance benefits

Up to 31 December 2006 the Employees' severance benefit fund of the Italian companies was considered a defined-contribution scheme. The regulation of said fund was amended by Law 27 December 2006, No. 296 ("Financial Act 2007") and subsequent Decrees and Regulations issued on the first months of 2007. In the light of said amendments, with particular reference to the Group companies with at least 50 employees, this item is now to be considered a defined benefit scheme exclusively for the shares matured before 1st January 2007 (and not settled yet as at the Financial Statement date), whereas after said date it is treated as a defined contribution scheme.

Therefore, with reference to the defined benefit scheme component the benefit cost is calculated separately for each scheme using the actuarial "Unitary Credit Projection Method" which is used to project future disbursements based on an analysis of historical statistics and the demographic curve, and such flows are discounted based on a market interest rate. Contributions paid in each financial year are considered as separate units, reported and measured separately so as to determine the final obligation. The discounting rate used is calculated as an average of market rates on the assessment dates, weighted on the basis of the percentage of the amount paid and pre-paid, for each maturity, compared to the total to be paid and pre-paid until final extinction of the whole obligation.

The scheme service costs recognized among staff costs include, for the part at the company, the revaluation based on the reference Istat index for the shares matured in the previous year, the interest accrued and the actuarial profit/losses whereas the termination benefit shares accrued in the year, following the supplementary social security benefit reform introduced with the 2007 financial act, are entirely appropriated to the " defined contributions scheme". Based on the employees' choice, the amounts are allocated to supplementary social security benefit fund or to the INPS Treasury fund. The shares allocated to the defined contribution scheme are calculated based based on the contributions due for each year without applying actuarial calculation methods.

Provisions for guarantees and commitments

Financial guarantee liabilities issued by the Group are the contracts requiring a payment to refund the holder of a loss following the default of a specific debtor in making the payment due at the set maturity date based on the contract clauses debt instrument. Financial guarantee contracts are initially recognised as liabilities at fair value, increased by the transaction costs directly ascribable to the guarantee issue. Later, liabilities are measured as the higher between the best estimate of the cost required to meet the actual obligation as at the financial statement date and the amount initially recognised after deducting the accrued depreciation.

These guarantees are recorded in "Other Liabilities", pursuant to the above-mentioned Bank of Italy Circular letter No. 262/2005 (1st revision of 18 November 2009).

Share-based Payments

Employee remuneration schemes based on shares are recorded in the Income Statement, with the corresponding increase in the Shareholders' Equity, on the basis of the fair value of financial instruments attributed at the assignment date, subdividing the cost over the scheme maturity period.

Where options are involved, their fair value is calculated using a model which takes into consideration, as well as information such as the option exercise price and life-span, the current share price and their volatility, expected dividends and the risk-free interest rate, also the specific characteristics of the existing plan. The assessment model separately values the option and the probability of realizing the base conditions underlying the options.

Any reduction in the number of financial instruments assigned is accounted as a de-recognition of a part of the same.

Revenue recognition

- Revenue is recognised at the moment it is received or, however, when it is probable that future benefits will be received and that these benefits can be reasonably quantified. In particular:
- corresponding interest is recognised pro rata temporis on the basis of the contractual interest rate or the actual rate in the case of the application of depreciated cost;
- default interest, possibly foreseen in contracts, are entered in the Income Statement only at the time of their actual receipt;
- dividends are entered in the Income Statement at the time the decision to allocate dividends is taken;
- commissions on servicing revenues are entered, on the basis of the existence of contractual agreements, in the period in which the services were rendered;
- revenues from brokerage of financial trading instruments, determined by the difference between the price of the transaction and the fair value of the instrument, are entered in the Income Statement in the accounting item for the operation, if the fair value can be determined with reference to recent and observable parameters and transactions on the same market in which the instrument is negotiated. If these values are not easily comparable or they present a reduced liquidity, the financial instrument is entered at an amount equal to the price of the transaction, less the commercial margin; the different with respect to fair value is entered in the Income Statement for the duration of the operation through a gradual reduction, in the valuation model, of the corrective factor connected to the reduced liquidity of the instrument.

Method for determining fair value

The fair value is the amount at which an asset (or a liability) can be exchanged in a transaction between independent counterparties with a reasonable level of knowledge of the market conditions and of the facts relating to the object of the negotiations. In the definition of *fair value*, is a fundamental presumption that an entity is fully operational and is not in need of liquidating or markedly reducing its assets, or of undertaking operations under unfavourable conditions. *fair value* reflects the credit quality of the instrument as it incorporates the counterparty risk.

FINANCIAL INSTRUMENTS

Fair value for financial instruments is determined by using the purchase price on financial markets for instruments quoted on active markets, or by using internal valuation models for other financial instruments.

A market is considered active if the prices quoted, representing real and legal market operations verified over a suitable period of time, are readily and legally available through Stock Exchanges, mediators, intermediaries, companies in the sector, securities listing services or authorised bodies. Considered as traded on an active market which has the characteristics mentioned above are collective investment schemes, spot trading operations, futures, options, securities traded on a regulated market, and bonds, for which can be regularly recorded at least two “executable” prices on a quotation service which has a difference between the buying and selling price which is lower within a suitable timescale. Finally, also considered as traded in an active market are *“hedge”* funds which foresee a monthly liquidation of quotas, or in the absence of this, which have liquidity conditions not higher than four months. On the other hand, all bonds, derivatives and *hedge fund*s which do not belong to the above described categories are not considered as traded on an active market.

For financial instruments traded on active markets the price is used which is defined as “official”, as at the closure of the period of reference.

In the case of financial instruments where the bid-offer spread is not significant, or for financial assets and liabilities which have characteristics able to achieve positions which offset the market risk, an average market “mid price” is used (for the last day of the reference period) instead of the offer or bid price.

In the event of the absence of an active and liquid market, the determination of *fair value* of financial instruments is mainly achieved by using standard assessment techniques whose objective is to establish an independent hypothetical transaction price, based on normal market considerations, at the date of assessment. When incorporating all the factors which operators take into consideration in establishing a price, the valuation models developed take into account the time financial value at a rate without risk, the volatility of the financial instruments, as well as, if relevant, the foreign currency exchange rates, the prices of raw materials, and share prices.

With financial products, for which the fair value recorded by the measurement techniques does not guarantee a sufficient creditworthiness rating, the fair value as at the reference date notified by the counterparties, with which these transactions have been made, is prudentially used.

The assessment method defined for a financial instrument is used continuously over time and is only modified following significant changes arising in market conditions or linked to the issuer of the financial instrument itself.

For bonds and derivative contracts, assessment models globally accepted have been defined, which refer to market parameters communicated by the Parent Company, which refer to the time financial value at risk-free rates.

In particular, bonds referring to financial assets or liabilities are measured, if fixed-rate, by discounting back of future cash flows pursuant to the security contractual scheme, if floating rate, by discounting back future cash flows estimated on the basis of the forward rates with the application of *index-linking* parameter.

Derivative contracts are measured using specific calculation algorithms and specific numerical procedures, according to the type of the different categories of operations.

Share certificates are measured considering the direct transactions, that is, significant transactions on the security registered in a period of time deemed sufficiently brief with respect to the time of assessment and in constant market conditions, the comparable transactions of companies operating in the same sector and supplying analogous products/services to the affiliate company whose shares are being evaluated, the application of the average of significant stock exchange asset/ results ratios for the companies comparable as to economic-asset situation of the affiliate and, finally, analytical financial, income and asset assessment methods.

For receivable assets available for sale and for assets and liabilities entered in the Balance Sheet at cost or depreciated, the Balance Sheet *fair value* or reported in the Explanatory Note is determined as follows:

- for fixed rate and medium- and long-term assets and liabilities, the assessment is mainly carried out by discounting future cash flows. The latter has been defined based on a *risk neutral* approach, that is by using a risk-free rate and correcting future contractual cash flows as to take into account the credit risk of the counterparty, represented by PD (*Probability of Default*) and LGD (*Loss Given Default*) parameters;
- for floating rate assets and liabilities, on demand or short-term, the accounting value for registration is net of collective/analytical write-down, and represents a good approximation of fair value;
- for securities issued at floating rate, and for fixed-term and short-term securities, the book value for registration is deemed to be a reasonable approximation of the fair value based on the fact that it reflects both the variation in rates and the assessment of credit risk associated with the issuer. An analogous conclusion is reached also for the fair value assessment of securities issued at fixed rate and medium/long term and for structured securities subject to rate risk hedging, relating to which the book value calculated for the hedge accounting already considers the market risk valuation. For the latter, in determining the *fair value* reported in the Explanatory Note, the variation in credit spread is not taken into account, as it is considered not significant.
- For bonds issued object of interest rate risk hedging the book value is calculated based on the hedge accounting without considering the relevant credit spread, for non-hedged ones the book value is calculated based on the amortized cost calculation. The latter are set forth in the Explanatory Note at fair value using the same assessment techniques already described.

NON-FINANCIAL ASSETS

With regard to real estate, for which the fair value is calculated only for the purposes of disclosure in the Explanatory Note to the financial statement, a fixed value is used, based mainly on independent expert advice, and in consideration of current prices in an active and similar property market, in the same geographical area and under the same conditions as well as similar terms for leases and other contracts.

Method for calculating amortized cost

The amortized cost of a financial asset or liability is the value at which the same was measured for the initial recognition, the asset or liability net of capital reimbursements, increased or reduced by the total amortization, calculated with the method of actual interest, difference between the initial and maturity value and net of any value loss.

The effective interest rate is the rate which matches the current value of a financial asset or liability to the contracted flow of future payments in cash or received until maturity or to the subsequent date of recalculation of the price. For the calculation of the current value, the actual rate of interest is applied to future income flows or payments during the entire useful life of the financial asset or liability or for a shorter period under certain conditions (for example, revision of market rates).

Following the initial registration, depreciated costs allow the allocation of diminishing or increasing income and costs of the instrument through the entire expected life of the same through the process of depreciation. The determination of depreciated cost varies according to whether the financial assets/liabilities being measured are at fixed or floating rate and – in the latter case – according to whether the rate is know or not in advance. For fixed rate, or fixed rate with time scales, future cash flows are quantified on the basis of the known interest rate (single or variable) during the financing term. For floating rate financial assets/liabilities where the variability is not known in advance (e.g. when linked to an index), the determination of cash flows is carried out on the basis of the last known rate. At each date of revision of the rate, the depreciation plan is recalculated as well as the actual yield rate on the useful life of the instrument, that is, until the maturity date. The adjustment is recorded as cost or income in the Income Statement.

The assessment at depreciated cost is carried out for receivables, financial assets held to maturity and those available for sale, for payables and securities issued.

Financial assets and liabilities traded at market conditions are initially recorded at their fair value, which normally corresponds to the total amount allocated or paid including, for instruments measured at depreciated cost, transaction costs and directly attributable commissions.

Transaction costs are deemed to be internal and external marginal costs and income attributable at the issue, purchase or sale of a financial instrument and not rechargeable to the customer. These commissions, which must be directly traceable to a single financial asset or liability, have an incidence on the original actual yield and render the effective interest rate associated with the transaction different to the contractual interest rate. Excluded are costs/income relating, without distinction, to several operations and the components connected to events which could occur during the financial instrument's life but not certain at the time of its initial definition, such as: commissions for withdrawal, non-usage, early extinction, underwriting, facility and arrangement. Moreover, not considered in the calculation of depreciated cost are costs which the Bank would sustain independently from the operation (e.g. administrative, treasury or communication costs) which, although specifically attributable to the operation, fall within the normal financial management practices (e.g. operations for disbursement of a loan),or commissions for services received after completion of Structured Finance which would however have been collected independently of the subsequent financing of the operation and, finally, inter-Group costs and income.

With particular reference to loans, costs ascribable to the financial instrument are considered to be commissions payable to distribution channels, payments for consultancy/assistance to the organisation and/or participation in syndicated loans, costs incurred for loans acquired by subrogation and finally up-front commissions relating to loans issued at rates higher than market rates; while the income considered in the calculation of depreciated costs are up-front commissions for loans issued at rates lower than market rates, participation in syndicated operations and brokerage commissions linked to commissions paid by brokerage companies.

For securities which are not classified among the brokerage activities, considered as transaction costs are commissions for contracts with brokers operation on Italian stock markets, those disbursed to intermediaries operating on foreign stock and bond markets defined on the basis of commission tables. Revenue stamps are considered intangible and their cost is not subject to depreciation.

For securities issued, placement commissions for debenture loans paid to third parties, quotas paid to stock exchanges and recompense paid to auditors for activities carried out for each individual issue are considered in the calculation of depreciated cost ,while commissions paid to *rating*s agencies, legal, consultancy and audit expenses for the annual update of information schedules, costs for the use of indexes, and commissions generated during the life of the issued debenture loan are not considered in depreciated cost.

Following initial revaluation, these are valued at depreciated cost with identification of actual interests which are higher or lower compared to nominal. Finally, structured assets and liabilities not valued at *fair value* are valued at depreciated cost and attributed to the Income Statement where the derivatives contract incorporated in the financial instrument is separated and entered separately.

The criteria for assessment at depreciation cost are not applied to hedged financial assets/liabilities where the registration of the variations in *fair value* relating to the hedged risk is foreseen in the Income Statement. However, the financial instrument is newly valued at depreciated cost in the event of termination of hedging, from which moment the variations in fair value registered earlier are depreciated, calculating the new rate of actual yield interest which takes into account the value of the loan adjusted by the fair value of the hedged part, until the maturity date foreseen for the original hedge. Moreover, as already mentioned in the paragraph relating to assessment criteria for receivables and payables and securities issued, the valuation at depreciated cost is not applied to financial assets/liabilities where the economic effect of discounting is deemed negligible because of their short terms, and not applied to loans without defined maturity or valid until cancelled.

Methods of determining impairment losses

FINANCIAL ASSETS

At the Financial Statement date, financial assets not classified under the item "Financial Assets held for trading" are subject to an impairment test (loss in value) in order to verify whether there is objective evidence that the book value of the assets is not entirely recoverable.
If in the presence of losses in value there is objective evidence of a reduction in future cash flows compared to those originally estimated following specific events, the loss must be quantified in a reliable way and be related to actual events, not merely expected events.
An impairment assessment is carried out on an analytical basis for financial assets where there is specific evidence of loss in value, and collectively for financial assets for which the analytical assessment is not requested or for which it has not resulted in an adjustment in value.
With reference to loans to customers and Banks, loans which have been attributed the status of outstanding, impaired, restructured or expired according to the Bank of Italy definitions, and in coherence wit IAS/IFRS principles, are subject to analytical assessment.
Said bad loans are subject to a process of analytical assessment and the amount of value correction for each loan is equal to the difference between the Financial Statement value of the same at the moment of assessment (depreciated cost) and the actual value of the estimated future cash flows, calculated by applying the original actual rate of interest.
Estimated cash flows take into account the expected time limits for recovery, the assumable realizable value of any guarantees as well as costs expected to be sustained for the recovery of the loan exposure. Cash flows relating to loans whose recovery is foreseen in the short term are not discounted, as the financial factor is not significant.

Loans where objective evidence of losses has not been individually identified are subject to collective loss of value of assessment.
To this end the performing loans are subdivided into categories according to their risk level, referred to as "rating classes", and the scope of application is defined by identifying "sensitive" loans, considered as loans that implicitly include the possibility of incurred loss.

The selection of sensitive loans excludes loans issued in the last 12 months, conversely it includes pre-existing credit lines. The collective impairment value of sensitive loans is, therefore, calculated applying the percentage expressing the probability of default assigned to the rating class, considering also the residual life of the loan (maturity) and the "loss given default" rate, defined in a perspective of Basel 2 prudential supervision. The loss given default rate is, moreover, further corrected by a sector coefficient, established based on the run-off rates published by the Bank of Italy. The collective loss assessment is moreover supplemented by the assessment expressing the riskiness of the counterparty country of residence.
Moreover, for shares, objective evidence of impairment is carried out in the presence of one of the following signals: a reduction in rating of over 2 classes, a market capitalization significantly lower than the Shareholders' Equity accounts, the set-up of a debt restructuring plans, a significant negative change in the Shareholders' Equity accounts.
For assessment methods used for the calculation of fair value, refer to the relevant explanatory chapter.

OTHER NON-FINANCIAL ASSETS

Property, plant and equipment and intangible assets are subject to impairment tests if there is an indication that the accounting value of the asset cannot be recovered. The recoverable value is calculated for each single asset, except in case this asset generates cash flows that are not widely independent from those generated by other assets or groups of assets. If the book value of an asset is higher than its recoverable value, that asset is impaired and consequently devalued to the recoverable value. The recoverable value is calculated for each single asset, except in case this asset generates cash flows that are not widely independent from those generated by other assets or groups of assets. If an asset book value is higher than its recoverable value. This assets has undergone impairment and has been consequently devalued to the recoverable value.
The recoverable value is determined with reference to fair value of the tangible or intangible asset net of disposal costs or at utilisation vale if determinable and if it is higher than fair value

As far as property is concerned, fair value is mainly determined on the basis of expert advice reported by an external auditor. Said expert advice is renewed periodically every time a change in the property market trend is noted which invalidates earlier estimates and, in any case, every three years. The loss in value is registered only in the event that the fair value net of sale costs or the utilization value is lower than the book value for a continuous period of three years.
For other property, plant and equipment and intangible fixed assets (other than goodwill), the Group establishes use value as the current value of the estimated future cash flows using a discounting rate before-taxes reflecting the market valuations (the current cost of money and the asset specific risks).

Method for preparing segment reporting

The sectors of economic activity included in the segment reporting are defined based on the the Group's organisational and management structure, as provided for in IFRS8. The business segments identified by the Group are the following:

- Retail + Private;
- Corporate;
- Remaining business

For Segment Reporting purposes Financial Statement figures have been used.

A3 FAIR VALUE REPORTING

A.3.1 Inter-portfolio transfers

In 2009 inter-portfolio transfers were made.

A.3.2 Fair value hierarchy

A.3.2.1 ACCOUNTING PORTFOLIOS: DISTRIBUTION BY FAIR VALUE LEVELS

Financial assets/liabilities carried at fair value	Level 1	Level 2	Level 3	Total
1. Financial assets held for trading	45,964	181,177	161,815	388,956
2. Financial assets carried at fair value	-	-	-	-
3. Financial assets available for sale	3,721,873	5,784	168,691	3,896,348
4. Hedging derivatives	-	285,866	-	285,866
Total	**3,767,837**	**472,827**	**330,506**	**4,571,170**
1. Financial liabilities held for trading	7	172,624	147,419	320,050
2. Financial liabilities assessed at fair value	-	-	-	-
3. Hedging derivatives	-	16,108	-	16,108
Total	**7**	**188,732**	**147,419**	**336,158**

Preparing the fair value movement tables, we used the option granted by the Bank of Italy not to supply the comparative disclosure referring to the previous financial year (see IFRS 7, par. 44g).

Fair value Hierarchy

Financial Instruments Classification

ASSET SECURITIES

Level 1
All securities valued using prices (without adjustments) traded on active markets.

Level 2
All securities valued based on prices traded in non-active markets or in active markets for similar instruments (but not identical), as well as all those securities valued, with pricing standard models pertaining to the Bank, whose parameters can be observed directly on the market.

Level 3
All securities assessed on non-observable market bases.
In this case the assessment is carried out based on estimates and assumptions by

by the assessor, derived from historical data or based on trend assumptions, or using the assessment communicated by qualified market operators.

LIABILITY SECURITIES

Level 1
All securities valued using prices (without adjustments) traded on active markets.

Level 2
All securities assessed, with the Bank's standard pricing models whose parameters are observable directly on the market.

Level 3
All securities assessed on non-observable market bases.

QUOTED DERIVATIVES

Level 1
All derivatives valued using quotations (without adjustments) found on active markets.

OTC DERIVATIVES

Level 2
All derivatives assessed, with the Bank's standard pricing models whose parameters are observable directly on the market.

Level 3
All derivatives for which an active market does not exist and whose assessment is not based on observable market data, or using the assessment communicated by qualified market operators.

A.3.2.2 ANNUAL CHANGES IN FINANCIAL ASSETS MEASURED AT FAIR VALUE LEVEL 3

	FINANCIAL ASSETS			
	held for trading	carried at fair value	available for sale	hedging
1. Opening balance	**-**	**-**	**-**	**-**
2. Increases	**438,181**	**-**	**168,691**	**-**
2.1 Purchases	278,975	-	53,957	-
2.2 Profits recognized in:	-	-	-	-
2.2.1 Income Statement	2,939	-	-	-
- of which: Capital gains	380	-	-	-
2.2.2 Shareholders' equity	X	X	791	-
2.3 Transfers from other categories	156,209	-	113,943	-
2.4 Other increases	58	-	-	-
3. Decreases	**276,366**	**-**	**-**	**-**
3.1 Sales	245,146	-	-	-
3.2 Redemptions	19,967	-	-	-
3.3 Losses recognized in:				
3.3.1 Income Statement	10,024	-	-	-
- of which Capital losses	7,197	-	-	-
3.3.2 Shareholders' equity	X	X	-	-
3.4 Transfers to other categories	816	-	-	-
3.5 Other decreases	413	-	-	-
4. Closing balance	**161,815**	**-**	**168,691**	**-**

A.3.2.3 ANNUAL CHANGES IN FINANCIAL LIABILITIES MEASURED AT FAIR VALUE LEVEL 3

	FINANCIAL LIABILITIES		
	held for trading	carried at fair value	hedging
1. Initial amounts	**-**	**-**	**-**
2. Increases	**159,003**	**-**	**-**
2.1 Issues	24,650	-	-
2.2 Losses recognized in:	-	-	-
2.2.1 Income Statement	1,697	-	-
- of which: capital losses	1,009	-	-
2.2.2 Shareholders' equity	X	X	-
2.3 Transfers from other categories	132,656	-	-
2.4 other increasing variations	-	-	-
3. Decreases	**11,584**	**-**	**-**
3.1 Redemptions	-	-	-
3.2 Repurchases	-	-	-
3.3 Profits recognized in:			
3.3.1 Income Statement	10,514	-	-
- of which capital gains	8,416	-	-
3.3.2 Shareholders' equity	X	X	-
3.4 Transfers to other categories	1,070	-	-
3.5 Other decreases	-	-	-
4. Closing balance	**147,419**	**-**	**-**

A.3.3 DISCLOSURE ON THE SO-CALLED "*DAY ONE PROFIT/LOSS*"

Item not applicable to the Cariparma FriulAdria Banking Group.

Part B - Notes to the Consolidated Balance Sheet

ASSETS

Section 1 – Cash and equivalents - Item 10

1.1 Cash and equivalents: composition

	31/12/2009	31/12/2008
a) Cash	220,398	223,471
b) Demand deposits with Central Banks	-	-
Total	**220,398**	**223,471**

Section 2 - Financial Assets held for Trading – Item 20

2.1 Financial Assets held for Trading: Product composition

Items/Amounts	31/12/2009			31/12/2008		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A. On-balance-sheet assets						
1. Debt securities	8,118	11,293	16,599	169,284	78,829	-
1.1 Structured Securities	16	3,419	6,697	6,011	5,894	-
1.2 Other debt securities	8,102	7,874	9,902	163,273	72,935	-
2. Equity securities	2	-	27	16	28	-
3. Units in collective investment undertakings	37,736	-	572		62,864	-
4. Loans	-	-	-	-	-	-
4.1 repurchase agreements	-	-	-	-	-	-
4.2 other	-	-	-	-	-	-
Total A	**45,856**	**11,293**	**17,198**	**169,300**	**141,721**	**-**
B. Derivatives						
1. Financial Derivatives	107	200,009	114,493	28	309,187	-
1.1 trading	107	200,009	114,493	28	309,187	-
1.2 associated with fair value option	-	-	-	-	-	-
1.3 other	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 trading	-	-	-	-	-	-
2.2 associated with fair value option	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
Total B	**107**	**200,009**	**114,493**	**28**	**309,187**	**-**
Total (A+B)	**45,963**	**211,302**	**131,691**	**169,328**	**450,908**	**-**

In drawing up the tables with breakdown by fair value level, the option granted by the Bank of Italy for comparative disclosure was applied, whereby “level 1” is associated with the previous "listed" detail and "levels 2 and 3" with the previous "Unlisted" detail.

2.2 Financial Assets held for Trading: composition by debtor/issuer

Items/Amounts	31/12/2009	31/12/2008
A. On-balance-sheet assets		
1. Debt securities	**36,010**	**248,113**
a) Governments and central banks	7,660	110,118
b) Other Public entities	-	8
c) Banks	28,118	137,475
d) Other issuers	232	512
2. Equity securities	**29**	**44**
a) Banks	25	26
b) Other issuers:	4	18
- insurance undertakings	2	2
- financial companies	-	-
- non-financial companies	2	16
- other		
3. Units in collective investment undertakings	**38,308**	**62,864**
4. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other Public entities	-	-
c) Banks	-	-
d) Other subjects	-	-
Total A	**74,347**	**311,021**
B. Derivatives		
a) Banks	-	-
- Fair value	79,062	85,693
b) Customers	-	-
- fair value	235,547	223,522
Total B	**314,609**	**309,215**
Total (A+B)	**388,956**	**620,236**

Item OICR (Collective Investment Undertaking) mainly consists of share funds.

2.3 On-balance-sheet financial assets held for trading: Annual changes

	Debt securities	Equity securities	Units in collective	Loans	31/12/2009
A. Opening balance	**248,113**	**44**	**62,864**	**-**	**311,021**
B. Increases	**3,178,191**	**16,873**	**5,559**	**-**	**3,200,623**
B1. Purchases	3,169,110	16,803	1,330	-	**3,187,243**
B2. Fair Value gains	1,426	-	2,800	-	**4,226**
B3. Other changes	7,655	70	1,429	-	**9,154**
C. Decreases	**3,390,294**	**16,888**	**30,115**	**-**	**3,437,297**
C1 Sales	3,382,610	16,887	29,813	-	**3,429,310**
C2. Redemptions	-	-	-	-	**-**
C3. Fair Value losses	79	-	-	-	**79**
C4 Transfers to other portfolios	-	-	-	-	**-**
C5. Other changes	7,605	1	302	-	**7,908**
D. Closing balance	**36,010**	**29**	**38,308**	**-**	**74,347**

Section 4 - Financial assets available for sale – Item 40

4.1 Financial assets available for sale: Product composition

Items/Amounts	31/12/2009			31/12/2008		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	3,721,172	5,783	48,587	1,468,164	6,140	-
1.1 Structured Securities	-	-	-	-	-	-
1.2 Other debt securities	3,721,172	5,783	48,587	1,468,164	6,140	-
2. Equity securities	701	-	120,105	127	117,895	-
2.1 Carried at Fair Value	701	-	56,085	127	117,895	-
2.2 Carried at cost	-	-	64,020	-	-	-
3. Units in collective investment undertakings	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
Total	3,721,873	5,783	168,692	1,468,291	124,035	-

In drawing up the tables with breakdown by *fair value* level, the option granted by the Bank of Italy for comparative disclosure was applied, whereby “level 1” is associated with the previous "listed" detail and "levels 2 and 3" with the previous "Unlisted" detail.

The main capital securities measured at cost are: Bank of Italy (book value 63,448 thousand Euro, whose fair value is equal to the cost as there there is not a market, even a a secondary one, and the standard measurement methods are not applicable given the peculiar nature of the business) and Consorzio Agrario Provinciale di Parma (book value 572.thousand euro; whose fair value is equal to the historical cost as, due to its status of cooperative, no profit distribution is envisaged and in case of settlement only the share capital is refunded)

4.2 Financial assets available for sale: composition by debtor/issuer

Items/Amounts	31/12/2009	31/12/2008
1. Debt securities	**3,775,542**	**1,474,304**
a) Governments and central banks	3,721,172	1,468,164
b) Other public entities	350	-
c) Banks	5,783	6,140
d) Other issuers:	48,237	-
2. Equity securities	**120,806**	**118,022**
a) Banks	75,603	75,603
b) Other issuers:	45,203	42,419
- insurance undertakings	-	-
- financial companies	24,743	23,007
- non-financial companies	20,460	19,062
- other	-	350
3. Units in collective investment undertakings	**-**	**-**
4. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other subjects	-	-
Total	**3,896,348**	**1,592,326**

4.3 Financial assets available for sale with specific hedging

As at 31 December 2009 809 million in government bonds with specific interest rate risk hedging.

4.4 Financial assets available for sale: Annual changes

	Debt securities	Equity securities	Units in collective	Loans	Total
A. Opening balance	**1,474,304**	**118,022**	**-**	**-**	**1,592,326**
B. Increases	**2,481,030**	**7,214**	**-**	**-**	**2,488,244**
B1. Purchases	2,368,120	6,341	-	-	2,374,461
B2. Fair value gains	52,034	872	-	-	52,906
B3. Writebacks	-	-	-	-	-
- recognized through income statement	-	X	-	-	-
- recognized through equity	-	-	-	-	-
B4. Transfers from other portfolios	-	-	-	-	-
B5. Other changes	60,876	1	-	-	60,877
C. Decreases	**179,792**	**4,430**	**-**	**-**	**184,222**
C1 Sales	128,328	3,952	-	-	132,280
C2. Redemptions	377	-	-	-	377
C3. Fair Value losses	7,198	128	-	-	7,326
C4. Writedowns for impairment	-	-	-	-	-
- recognized through income statement	-	-	-	-	-
- recognized through equity	-	-	-	-	-
C5 Transfers to other portfolios	-	-	-	-	-
C6. Other changes	43,889	- 350	-	-	44,239
D. Closing balance	**3,775,542**	**120,806**	**-**	**-**	**3,896,348**

Section 6 - Receivables from Banks – Item 60

6.1 Receivables from Banks: Product composition

Type of transaction/Amounts	31/12/2009	31/12/2008
A. Claims on central banks	**545,168**	**309,122**
1. Fixed-term deposits	-	-
2. Reserve requirement	545,168	309,122
3. Repurchase agreements	-	-
4. Other	-	-
B. Loans to banks	**3,424,512**	**3,516,539**
1. Current accounts and demand deposits	80,523	419,632
2. Fixed-term deposits	744,903	424,983
3. Other financing	70,539	164,143
3.1 Repurchase agreements	5,375	153,719
3.2 Finance lease	-	-
3.3 Other	65,164	10,424
4. Debt securities	2,528,547	2,507,781
4.1 Structured Securities	-	-
4.2 Other debt securities	2,528,547	2,507,781
Total (book value)	**3,969,680**	**3,825,661**
Total (fair value)	**3,970,274**	**3,826,045**

6.2 Receivables from Banks with specific hedging

As at 31 December 2009 there are no receivables from banks with specific hedging.

Section 7 - Loans to customers –Item 70

7.1 Loans to customers: Product composition

Type of transactions/Amounts	31/12/2009		31/12/2008	
	Performing	Impaired	Performing	Impaired
1. Current accounts	3,586,414	136,845	4,796,341	117,978
2. Repurchase agreements	-	-	-	-
3. Mortgage loans	16,858,386	583,436	14,434,880	255,679
automatic deductions from w ages	832,727	21,007	894,323	4,496
5. Finance leases	1,583,982	70,549	1,426,137	1,805
6. Factoring	-	-	-	-
7. Other	5,011,213	82,995	5,106,547	122,198
8. Debt securities	165,380	-	262,352	-
8.1 Structured Securities	-	-	-	-
8.2 Other debt securities	165,380	-	262,352	-
Total (book value)	**28,038,102**	**894,832**	**26,920,580**	**502,156**
Total (fair value)	**28,378,202**	**894,832**	**27,310,016**	**502,156**

7.2 Loans to customers: composition by debtor/issuer

Type of transactions/Amounts	31/12/2009		31/12/2008	
	Performing	Impaired	Performing	Impaired
1. Debt securities:	**165,380**	**-**	**262,353**	**-**
a) Governments	-	-	-	-
b) Other public entities	-	-	-	-
c) Other issuers	165,380	-	262,353	-
- non-financial companies	-	-	519	-
- financial companies	-	-	-	-
- insurance undertakings	165,380	-	261,834	-
- other	-	-	-	-
2. Loans to:	**27,872,722**	**894,832**	**26,658,227**	**502,156**
a) Governments	17,280	1	71,544	-
b) Other public entities	185,764	155	214,091	68
c) Other	27,669,678	894,676	26,372,592	502,088
- non-financial companies	17,461,380	578,759	15,984,744	313,780
- financial companies	821,380	2,110	736,412	2,794
- insurance undertakings	3,093	1	3,708	-
- other	9,383,825	313,806	9,647,728	185,514
Total	**28,038,102**	**894,832**	**26,920,580**	**502,156**

7.3 Loans to customers: assets which are object of specific hedging

Type of transactions/Amounts	31/12/2009	31/12/2008
1. Loans w ith specific fair value hedges	**110,380**	**132,240**
a) interest rate risk	110,380	132,240
b) exchange rate risk	-	-
c) credit risk	-	-
d) multiple risks	-	-
2. Loans w ith specific cash flow hedges:	**-**	**-**
a) interest rate risk	-	-
b) exchange rate risk	-	-
c) other	-	-
Total	**110,380**	**132,240**

7.4 Finance lease

Time scales	Total 2009					
	IMPAIRED EXPOSURES	Minimum payments			Gross investment	
		Capital share		Interest share		
			of which guaranteed residual amount			of which non-guaranteed residual amount
- on demand	-	-	-	-	-	-
- up to 3 months	711	55,024	-	16,201	71,936	2,142
- over 3 months	-	-	-	-	-	-
- up to 1 year	1,860	153,951		44,844	200,655	4,109
- over 1 year	-	-	-	-	-	-
- up to 5 years	5,851	571,241	-	165,700	742,792	43,164
- over 5 years	11,759	664,156	-	175,336	851,251	176,284
- unspecified maturity	60,725	13,534	-	-	74,259	-
Total	**80,906**	**1,457,906**	**-**	**402,081**	**1,940,893**	**225,699**
Value adjustments						
- analytical	- 10,357	-	-	-	-	-
- collective	- -	3,700	-	-	-	-
Net Total	**70,549**	**1,454,206**	**-**	**402,081**	**1,940,893**	**225,699**

Crédit Agricole Leasing Italia Srl finance lease contracts envisage that the user, at the close of the set contract duration, and provided that the same has fulfilled all obligations assumed, has the right to choose to:

- Acquire the ownership of the asset against payment of a pre-set price;
- Return the asset object of the contract.

The contract duration, over the economic useful life of the assets, and the pre-set surrender value of the assets are such to generally induce users to purchase the asset at contract expiry.

Sale and lease-back operations

Sale and lease-back is a sale and lease-back operation entailing the sale and lease-back of the same asset.
Receivables resulting from lease-back contracts, which in Crédit Agricole Leasing Italia Srl have no peculiarities in their clauses, excepted those relating the Supplier role regulation (identifiable with the user), amounted to Euro 212.4 million.

The financed assets vary according to the applicant and/or the nature of the activity. In general, the financed assets belong to 4 sections: Motor vehicles (cars, commercial vehicles and industrial vehicles), air rail naval (airplanes, boats, railway cars), equipment and real estate (commercial and industrial buildings both completed and to be built).

Section 8 – Hedging Derivatives - Item 80

8.1 Hedging Derivatives: composition by hedging type and levels

	FV (31/12/2009)			NV	FV (31/12/2008)			NV
	L1	L2	L3	(31/12/2009)	L1	L2	L3	(31/12/2008)
A) Financial Derivatives	**-**	**285,866**	**-**	**4,814,974**	**-**	**184,207**	**-**	**5,164,537**
1) Fair value	-	285,866	-	4,814,974	-	184,207	-	5,164,537
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign opera	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	-	285,866	-	4,814,974	-	184,207	-	5,164,537

KEY TO SYMBOLS
FV = *fair value*
VN = notional value
L1 = Level 1
L2 = Level 2
L3 = Level 3

8.2 Hedging Derivatives: composition by hedged portfolios and type of hedging (balance sheet value)

Transactions/Type of hedge	Fair value						Cash flows		3) Investments in foreign operations
	Specific					Generic	Specific	Generic	
	interest rate risk	exchange rate risk	Credit Risk	price risk	multiple risks				
1. Financial assets available for sale	-	-	-	-	-	X	-	X	X
2. Loans	-	-	-	X	-	X	-	X	X
3. Financial assets held to maturity	X	-	-	X	-	X	-	X	X
4. Portfolio	-	-	-	-	-	-	-	-	X
5. Other	X	X	X	X	X	X	X	X	-
Total assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	196,802	-	-	X	-	X	-	X	X
2. Portfolio	-	-	-	-	-	89,064	-	-	X
Total liabilities	**196,802**	**-**	**-**	**-**	**-**	**89,064**	**-**	**-**	**-**
1. Forecast transactions	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	-	X	-	-

Section 10 – Equity Investments - Item 100

10.1 Equity investments in joint ventures (accounted for using the equity method) and in companies subject to significant influence: notes on shareholding relations

Name	Registered office	Type of relationship	Equity investment		% of votes
			Investor	% holding:	
A. Companies subject to significant influence					
1. Crédit Agricole Vita S.p.A.	Parma	associate	Cariparma	49.99	x
2.CA Agro-Alimentare S.p.A.	Parma	associate	Cariparma	21.05	x
			FriulAdria	10.53	x
3.Glassfin S.r.l.	San Vito al Tagliamento (PN)	associate	FriulAdria	31.66	x

10.2 Equity investments in joint ventures or companies subject to significant influence: accounting notes

Name	Total Assets	Total Revenue	Profit (loss)	Equity	Book value	Fair value
A. Companies accounted for with equity n						
A.1 Under joint control	-	-	-	-	-	-
A.2 Subject to significant influence						
1. Crédit Agricole Vita S.p.A.	4,321,615	1,732,405	- 101,331	126,857	127,467	X
2.CA Agro-Alimentare S.p.A.	95,043	234	1	95,001	7,500	X
3. Glassfin S.r.l	3,744	94	- 6	87	32	X
Total	**4,420,402**	**1,732,733**	**- 101,336**	**221,945**	**134,999**	**-**

The results shown are carried from the last approved financial statement of each company.

10.3 Shareholdings: annual variations

	31/12/2009	31/12/2008
A. Opening balance	**91,123**	**73,879**
B. Increases	**126,912**	**60,608**
B.1 Purchases	82,996	57,491
B.2 Writebacks	-	100
B.3 Revaluations	43,906	-
B.4. Other changes	10	3,017
C. Decreases	**83,036**	**43,364**
C.1 Sales	40	114
C.2 Writedowns	-	-
C.3. Other changes	82,996	43,250
D. Closing balance	**134,999**	**91,123**
E. Total Revaluation	-	-
F. Total writedowns	-	-

10.5 Commitments relating to equity investments in companies subject to significant influence

In 2008 the commitment was made to subscribe to the shares attributable to the company CA Agroalimentare (established in September 2008), for a total amount of 22,5 million Euro.

Section 12 – Property, plant and equipment - Item 120

12.1 Property, plant and equipment: composition of assets measured at cost

Assets/Amounts	31/12/2009	31/12/2008
A. Operating assets		
1.1 Owned	**340,951**	**347,413**
a) land	103,571	103,571
b) buildings	172,732	174,654
c) movables	20,327	23,181
d) electrical plant	7,511	8,115
e) other	36,810	37,892
1.2 acquired under financial leases	**-**	**-**
a) land	-	-
b) buildings	-	-
c) movables	-	-
d) electrical plant	-	-
e) other	-	-
Total A	**340,951**	**347,413**
B. Investment property		
2.1 owned	**8,475**	**8,660**
a) land	2,988	2,988
b) buildings	5,487	5,672
2.2 acquired under financial leases	**-**	**-**
a) land	-	-
b) buildings	-	-
Total B	**8,475**	**8,660**
Total (A+B)	**349,426**	**356,073**

12.3 Property, plant and equipment for functional use: annual variations

	Land	Buildings	Furnishings	Electronic equipment	Other	31/12/2009
A. Opening gross balance	**103,571**	**318,888**	**84,024**	**47,344**	**140,860**	**694,687**
A.1 Total net writedowns	-	144,234	60,843	39,231	102,966	**347,274**
A.2 Opening net balance	**103,571**	**174,654**	**23,181**	**8,113**	**37,894**	**347,413**
B. Increases	**-**	**5,047**	**1,598**	**2,787**	**10,420**	**19,852**
B.1 Purchases	-	31	1,598	2,787	10,420	**14,836**
B.2 Capitalized improvement expenses	-	5,006	-	-	-	**5,006**
B.3 Writebacks	-	-	-	-	-	**-**
B.4. Fair Value gains recognized in:						
a) equity	-	-	-	-	-	**-**
b) income statement	-	-	-	-	-	**-**
B.5 Positive exchange rate differences						**-**
B.6 Transfers from investment property	-	10	-	-	-	**10**
B.7. Other changes	-	-	-	-	-	**-**
C. Decreases	**-**	**6,969**	**4,452**	**3,389**	**11,504**	**26,314**
C.1 Sales	-	72			1	**73**
C.2 Depreciation	-	6,893	4,446	3,377	11,462	**26,178**
C.3 Writedowns for impairment recognized in:						
a) equity	-	-	-	-	-	**-**
b) income statement	-	-	-	-	-	**-**
C.4 Fair Value losses recognized in:						
a) equity	-	-	-	-	-	**-**
b) income statement	-	-	-	-	-	**-**
C.5 Negative exchange rate differences	-	-	-	-	-	**-**
C.6 Transfers to:						
a) investment property	-	-	-	-	-	**-**
b) discontinuing operations	-	-	-	-	-	**-**
C.7. Other changes	-	4	6	12	41	63
D. Closing net balance	**103,571**	**172,732**	**20,327**	**7,511**	**36,810**	**340,951**
D.1 Total net writedowns	-	84,119	65,251	42,291	114,227	**305,888**
D.2 Closing gross balance	**103,571**	**256,851**	**85,578**	**49,802**	**151,037**	**646,839**
E. Carried at cost	-	-	-	-	-	**-**

12.4 Property, plant and equipment held as investments: annual variations

	31/12/2009	
	Land	Buildings
A. Opening balance	**2,988**	**5,672**
B. Increases	**-**	**19**
B.1 Purchases	-	-
B.2 Capitalized improvement costs	-	19
B.3 Fair Value gains	-	-
B.4 Writebacks	-	-
B.5 Positive exchange rate differences	-	-
B.6 Transfers from operating assets	-	-
B.7. Other changes	-	-
C. Decreases	**-**	**204**
C.1 Sales	-	-
C.2 Depreciation	-	196
C.3 Fair Value losses	-	-
C.4 Writedowns for impairment	-	-
C.5 Negative exchange rate differences	-	-
C.6 Transfers to other assets portfolios	**-**	**8**
a) operating assets	-	8
b) discontinuing operations	-	-
C.7. Other changes	-	-
D. Closing balance	**2,988**	**5,487**
E. Carried at fair value	5,582	11,344

Section 13 – Intangible Assets - Item 130

13.1 Intangible Assets: composition by type of asset

Assets/Amounts	31/12/2009		31/12/2008	
	Finite life	Indefinite life	Finite life	Indefinite life
A.1 Goodwill	X	**1,151,534**	X	**1,151,534**
A.1.1 pertaining to parent company shareholders	X	1,151,534	X	1,151,534
A.1.2 minority interests	X	-	X	-
A.2 Other intangible assets	**294,200**	**-**	**283,093**	**-**
A.2.1 Assets carried at cost:	**294,200**	**-**	**283,093**	**-**
a) Intangible assets developed in-house	-	-	-	-
b) Other assets	294,200	-	283,093	-
A.2.2 Assets carried at fair value:	**-**	**-**	**-**	**-**
a) Intangible assets developed in-house	-	-	-	-
b) Other assets	-	-	-	-
Total	**294,200**	**1,151,534**	**283,093**	**1,151,534**

The cost of intangible fixed assets with finite life is amortized at constant rate based on their useful life, which for application software is not be more than five years. Concerning the intangible asset representing relations with customers, a useful life is defined, established on the basis of statistics available on replacement rates for customers in the retail sector, over a 15-year period.

13.2 Intangible Assets: annual changes

	Goodwill	Other intangible assets:				31/12/2009
		internally generated		other		
		FIN	INDEF	FIN	INDEF	
A. Opening balance	**1,151,534**	**-**	**-**	**376,096**	**-**	**1,527,630**
A.1 Total net writedowns	-	-	-	93,003	-	**93,003**
A.2 Opening net balance	**1,151,534**	**-**	**-**	**283,093**	**-**	**1,434,627**
B. Increases	**-**	**-**	**-**	**52,006**	**-**	**52,006**
B.1 Purchases	-	-	-	52,006	-	**52,006**
B.2 Increases in internal intangible assets	X	-	-	-	-	**-**
B.3 Writebacks	X	-	-	-	-	**-**
B.4 Fair Value gains recognized in	-	-	-	-	-	**-**
- equity	X	-	-	-	-	-
- income statement	X	-	-	-	-	-
B.5 Positive exchange rate differences	-	-	-	-	-	**-**
B.6. Other changes	-	-	-	-	-	-
C. Decreases	**-**	**-**	**-**	**40,899**	**-**	**40,899**
C.1 Sales	-	-	-	-	-	**-**
C.2 Writedowns	**-**	**-**	**-**	40,704	**-**	**40,704**
- Depreciations	X	-	-	40,704	-	**40,704**
- Writedowns:	-	-	-	-	-	**-**
+ equity	X	-	-	-	-	**-**
+ income statement	-	-	-	-	-	**-**
C.3 Fair Value losses recognized in:	-	-	-	-	-	**-**
- equity	X	-	-	-	-	**-**
- income statement	X	-	-	-	-	**-**
C.4 Transfers to discontinuing operations	-	-	-	-	-	**-**
C.5 Negative exchange rate differences	-	-	-	-	-	**-**
C.6. Other changes	-	-	-	195		**195**
D. Closing net balance	**1,151,534**	**-**	**-**	**294,200**	**-**	**1,445,734**
D.1 Total net writedowns	**-**	-	-	133,381	-	133,381
E. Closing gross balance	**1,151,534**	**-**	**-**	**427,581**	**-**	**1,579,115**
F. Carried at cost	-	-	-	-	-	-

Key to symbols
DEF= a Finite life
DEF= an indefinite life

13.3 Other Information

Impairment test on intangible assets with finite life

As part of the transactions for the purchasing of Banca Popolare FriulAdria and of the 209 branches by Cariparma and Banca Popolare FriulAdria (respectively 180 and 29 branches), a Price Purchase Allocation process was used to identify a set of finite life assets, corresponding to the different sources of recurring profitability linked to commercial relations with customers.

Their duration was defined on the basis of the historical data available on replacement rates of retails customers, over a 15 year period.

At the end of 2009 it was verified that the value of each of the elements making up the intangible assets, calculated as current value of future cash flows, was still higher than the financial statement value and in particular:

- for the components relating to loans to customers, the calculation of the current value took into account the trend in early loan redemption, the cost of credit and the level of taxing actually registered in the last two years;
- for the component relating to demand deposits a progressive increase in volumes (and therefore of their stable components) was observed from the time of purchase;
- for the component relating to net commissions the current value of the commissions was recalculated taking into account the expected level of commissions from "banking services"; the result of the analysis was positive.

Therefore, the overall value of intangible assets was found to be higher than the financial statement value (at 31/12/2009 equal to 74,467,000 euro for Banca Popolare FriulAdria, 133,936,000 euro for 180 Cariparma branches and 13,343,000 euro for the 29 Banca Popolare FriulAdria branches, for a total of 221,746,000 euro).

Impairment test on goodwill

As required by IAS/IFRS, the Group conducted an impairment test on the goodwill generated through the purchase of Banca Popolare FriulAdria, of the 180 Cariparma branches and 29 Banca Popolare FriulAdria branches (made in 2007) and CALIT (made in 2009), in order to check for possible impairment.

The goodwill paid in relation to the four transactions described above was allocated as follows:

Cash Generating Units	goodwill (€/thou)
Retail+Private channel	1.064.111
Enterprises+Corporate Channel	87.423

These CGUs, identified in line with the level at which goodwill is monitored for the purpose of the internal management audit, are not broader than the operating sectors identified for Segment reporting purposes. The use value of each CGU has been determined according to the method adopted by Crédit Agricole Group S.A., i.e. using the Discounted Cash Flows method and compared with its absorbed assets. The model adopted for calculating future financial flows, starting with FY 2009 results, consists of three stages:

- The first two stages cover a time horizon of 5 years (maximum forecast period allowed by IFRS):
  - for the first stage (2010-2012) the following elements were used: for 2010 the Budget, and for 2011 and 2012 the Rolling forecasts re-considered in the light of the 2010 Budget;
  - for the second stage (2013-2014) we considered the "steady-state" growth rates i.e. growth rates that are consistent with, on the one hand, the trend of economic/equity data considered in the period of analytical forecast and, on the other hand, with a slowly-recovering macroeconomic context (with a return to the middle point of the economic cycle around 2015);
- The last stage considers the terminal value: the financial flow after taxes for the last year was therefore projected into perpetuity using a long-term growth rate "g" (2.00%). This rate is consistent with long-term macroeconomic growth forecasts for the Italian economy and in line with the evaluation methods adopted in the sector.

The financial flows (after taxes) thus determined were then discounted back at a rate (ke) calculated using the Capital Asset Pricing Model (risk-free rate plus the product of beta and risk premium) and equal to 9.2% (after taxes), in line with the one used for the previous financial year.
In both cases the calculation produced a CGU value higher than the corresponding accounting value of the CGU.
It was also observed that this result was obtained even with changes (within a reasonable range of oscillation) in the elements making up the discount rate. In particular, for the sensitivity analysis, the ke rate was subjected to oscillations (due to the changes in risk-free rate, in beta and in risk premium) between 6.9% and 9.4%. The result of the sensitivity analysis was also positive.
Lastly we determined the discounting rate or long-term growth rate "g" at which the use value becomes equal to the accounting value. This analysis showed how the accounting value is equal to the use value only with a marked increase in the discounting rate ke (15.9% for the Retail+Private CGU and 13.7% for the Enterprise+Corporate CGU) whereas even with a long-term growth rate equal to zero the use value would remain higher than the accounting value for both CGUs.
There are no impediments to the distribution of profits relating to intangible assets as no revaluations have been carried out.
There are no intangible assets acquired for state concessions.
There are no intangible assets set up in guarantee of own debts. There are no significant commitments made during the financial year or previous years for the acquisition of intangible assets. There are no intangible assets subject to lease operations.

Section 14 – Tax assets and liabilities – Item 140 in Assets and Item 80 in Liabilities

14.1 Prepaid tax assets: composition

	IRES	IRAP	TOTAL
Deductible temporary differences			
Loan writedowns (sevenths) -	-	-	-
Loan writedowns (eighteenths)	48,901	-	**48,901**
Writedowns on valuation of securities	34	5	**39**
Provisions for liabilities and contingencies:			
- legal disputes and revocatory actions	14,723	-	**14,723**
- guarantees	2,818	-	**2,818**
- Staff costs	9,671	-	**9,671**
- I.D.P.F. actions	-	-	**-**
- interest and commission adjustment	-	-	**-**
- other	6,755	88	**6,843**
Maintenance expenses exceeding 5% ceiling	-	-	**-**
Recognition for tax purposes of goodwill from transfer	197,171	34,171	**231,342**
Other costs or provisions not yet deducted	10,607	906	**11,513**
Tax losses carried forward	-	-	-
Total	**290,680**	**35,170**	**325,850**

14.2 Deferred tax liabilities: composition

	IRES	IRAP	TOTAL TAXES
Taxable temporary differences			
Realized capital gains	364	534	**898**
Assets not recognized for tax purposes	32,723	8,862	**41,585**
Accelerated depreciation	3,721	3	**3,724**
Other temporary differences	29,099	5,100	**34,199**
Total	**65,907**	**14,499**	**80,406**

14.3 Changes in prepaid taxes (as counter-item of the Income Statement)

	31/12/2009	31/12/2008
1. Opening balance	**294,873**	**92,558**
2. Increases	**98,704**	**235,450**
2.1 Deferred tax assets recognized during the period	95,515	227,148
a) in respect of previous years	-	-
b) due to change in accounting policies	-	-
c) writebacks	-	-
d) other (*)	95,515	227,148
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	3,189	8,302
3. Decreases	**67,891**	**33,135**
3.1 Deferred tax assets derecognized during the period	50,227	27,084
a) reversals	50,227	27,084
b) writedowns for supervening non-recoverability	-	-
c) change in accounting policies	-	-
d) other	-	-
3.2 Reduction in tax rates	-	48
3.3 Other reductions	17,664	6,003
4. Closing balance	**325,686**	**294,873**

(*) The amount includes prepaid taxes for Euro 60,358 thou relating to the future deductibility of goodwill following detaxation of the residual 25% of said value pursuant to Legislative decree 185/2008. The other increases and other decreases of which at items 2.3 and 3.3 essentially represent increases and decreases brought about the correct recognition of prepaid taxes following the tax return statement.
The relative counter-item is not represented by items in the Income Statement but by current tax liabilities.

14.4 Changes in deferred taxes (as counter-item of the Income Statement)

	31/12/2009	31/12/2008
1. Opening balance	**87,549**	**148,641**
2. Increases	**2,709**	**5,067**
2.1 Deferred tax liabilities recognized during the year	953	61
a) in respect of previous years	-	-
b) due to change in accounting policies	-	-
c) other	953	61
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	1,756	5,006
3. Decreases	**27,784**	**66,159**
3.1 Deferred taxes derecognised in the financial year	2,789	10,266
a) reversals	2,789	10,266
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	145
3.3 Other reductions (*)	24,995	55,748
4. Closing balance	**62,474**	**87,549**

(*) The amount includes detaxation of the residual intangible asset with finite life acquired with the business combination performed in 2008.

14.5 Changes in prepaid taxes (as counter-item of the Shareholders' Equity)

	31/12/2009	31/12/2008
1. Opening balance	**246**	**329**
2. Increases	**-**	**-**
2.1 Deferred tax assets recognized during the period	-	-
a) in respect of previous years	-	-
b) due to change in accounting policies	-	-
c) other	-	-
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**82**	**83**
3.1 Deferred tax assets derecognized during the period	82	82
a) reversals	82	82
b) writedowns for supervening non-recoverability	-	-
c) due to change in accounting criteria	-	-
d) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other reductions	-	1
4. Closing balance	**164**	**246**

14.6 Changes in deferred taxes (as counter-item of the Shareholders' Equity)

	31/12/2009	31/12/2008
1. Opening balance	**5,116**	**935**
2. Increases	**13,705**	**4,279**
2.1 Deferred tax liabilities recognized during the year	13,705	4,085
a) in respect of previous years	-	-
b) due to change in accounting policies	-	-
c) other	13,705	4,085
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	194
3. Decreases	**889**	**98**
3.1 Deferred taxes derecognised in the financial year	889	94
a) reversals	889	94
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	4
3.3 Other reductions	-	-
4. Closing balance	**17,932**	**5,116**

Section 16 –Other assets – Item 160

16.1 Other assets: composition

Items	31/12/2009	31/12/2008
Sundry debits in process	83,101	107,149
Sundry receivables for foreign exchange transactions	6	6
Stamp duty and other assets	5	5
Items being processed	141,513	173,116
Uncapitalized accrued income	6,165	5,125
Prepaid expenses not allocated to other items	15,477	23,526
Protested bills and checks	7,131	5,615
Leasehold improvements	20,962	25,255
Tax advances paid on behalf of third parties	67,033	32,307
Sundry items	185,499	231,726
Total	**526,892**	**603,830**

LIABILITIES

Section 1 – Due to banks - Item 10

1.1 Due to banks: composition by type

Type of transaction/Group components	31/12/2009	31/12/2008
1. Due to central banks	**324,213**	-
2. Due to banks	**5,194,696**	**3,795,307**
2.1 Current accounts and demand deposits	144,662	259,265
2.2 Fixed-term deposits	91,093	409,338
2.3 Loans	4,958,686	3,109,342
2.3.1 Finance leases	3,281,274	1,460,531
2.3.2 other	1,677,412	1,648,811
2.4 Liabilities in respect of commitments to repurchase own equity instruments	-	-
2.6 Other payables	255	17,362
Total	**5,518,909**	**3,795,307**
Fair value	**5,518,909**	**3,795,307**

1.2 Details of item 10 "Due to Banks": subordinated debts

Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original value	Book value
17/12/2008	17/12/2018	5 equal instalments as from December 2014	3-month Euribor + 334 bp	Euro	250,000	250,394

Section 2 – Due to customers - Item 20

2.1 Due to Customers: composition by type

Type of transaction/Group components	31/12/2009	31/12/2008
1. Current accounts and demand deposits	17,430,282	15,301,871
2. Fixed-term deposits	25,651	32,282
3. Loans	219,389	363,013
3.1 Repurchase agreements	219,127	362,566
3.2 other	262	447
4. Liabilities in respect of commitments to repurchase own equity	-	-
5. Other payables	65,003	27,142
Total	**17,740,325**	**15,724,308**
Fair value	**17,740,325**	**15,724,308**

Section 3 – Securities issued - Item 30

3.1 Securities issued: composition by type

Type of securities/Amounts	31/12/2009				31/12/2008			
	Book value	Fair value			Book value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Securities								
1. Bonds	10,475,669	-	10,511,388	-	9,902,349	-	9,902,058	-
1.1 structured	107,823	-	110,495	-	109,376	-	108,682	-
1.2 other	10,367,846	-	10,400,893	-	9,792,973	-	9,793,376	-
2. Other securities	1,158,095	-	-	1,158,095	906,667	-	906,667	-
2.1 Structured	-	-	-	-	-	-	-	-
2.2 other	1,158,095	-	-	1,158,095	906,667	-	906,667	-
Total	**11,633,764**	**-**	**10,511,388**	**1,158,095**	**10,809,016**	**-**	**10,808,725**	**-**

In drawing up the tables with breakdown by fair value level, the option granted by the Bank of Italy for comparative disclosure was applied, whereby level 1 is associated with the previous of "listed" detail and level 2 and 3 with the previous "unlisted" detail.

3.2 Breakdown of item 30 "Securities issued": subordinated securities

Issuer	Issue date	Maturity	Early redenption	Interest rate	Currency	Original value	Book value
Cariparma	30/06/2009	30/06/2016	30/06/2015	up to 30 June 2010 5%; after that 50% Euribor at 6 months + 1%	Euro	77,250	77,528
Cariparma	30/06/2009	30/06/2016	30/06/2015	5.00	Euro	222,750	228,443
Banca Popolare FriulAdria	03/01/2000	03/01/2010	no	5.15	Euro	5,000	5,141

3.3 Breakdown of item 30 "Securities issued": securities hedged specifically

Type of transactions/Amounts	31/12/2009	31/12/2008
1. Securities covered by specific fair value hedges:	**4,005,069**	**3,833,523**
a) interest rate risk	4,005,069	3,833,523
b) exchange rate risk	-	-
c) multiple risks	-	-
2. Securities covered by specific cash flow hedges:	**-**	**-**
a) interest rate risk	-	-
b) exchange rate risk	-	-
c) other	-	-
Total	**4,005,069**	**3,833,523**

Section 4 – Financial liabilities held for trading - Item 40

4.1 Financial liabilities held for trading: composition by type

Type of transaction/Group components	31/12/2009					31/12/2008				
	NV	FV			FV	NV	FV			FV *
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
A. On-balance-sheet										
1. Due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	-	**49**	-	**49**	-	-
3.1 Bonds	-	-	-	-	-	-	-	-	-	-
3.1.1 structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other	-	-	-	-	-	49	-	49	-	-
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	49	-	49	-	X
Total A	-	-	-	-	-	**49**	-	**49**	-	-
B. Derivatives										
1. Financial Derivatives	-	**7**	**289,906**	**30,137**	-	-	**20**	**313,128**	-	-
1.1 Trading	X	7	283,108	30,137	X	X	20	307,503	-	X
1.2 Associated with fair	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	6,798	-	X	X	-	5,625	-	X
2. Credit derivatives	-	-	-	-	-	-	-	-	-	-
2.1 Trading	X	-	-	-	X	X	-	-	-	X
2.2 Associated with fair	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total B	-	**7**	**289,906**	**30,137**	-	-	**20**	**313,128**	-	-
Total (A+B)	**X**	**7**	**289,906**	**30,137**	**X**	**X**	**20**	**313,177**	**-**	**X**

KEY TO SYMBOLS
FV = fair value
FV* = *fair value* calculated without value variations due to changes in the issuer's creditworthiness vs. the issue date.
NV = nominal value or notional value.

Section 6 – Hedging derivatives - Item 60

6.1 Hedging Derivatives: composition by type of contract and underlying

	Fair value(31/12/2009)			NV (31/12/2009)	Fair value (31/12/2008)			NV (31/12/2008)
	L1	L2	L3		L1	L2	L3	
A. Financial Derivatives	-	**16,108**	-	**996,549**	**12,398**	-	-	**590,636**
1) Fair value	-	16,108	-	996,549	12,398	-	-	590,636
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign operations	-	-	-	-	-	-	-	-
B. Credit derivatives	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**16,108**	**-**	**996,549**	**12,398**	**-**	**-**	**590,636**

KEY TO SYMBOLS
NV = notional value
L1 = Level 1
L2 = Level 2
L3 = Level 3

6.2 Hedging Derivatives: composition by hedged portfolios and by type of hedge

Transactions/Type of hedge	Fair value						Cash flows		Investments in foreign operations
	Specific					Generic	Specific	Generic	
	interest rate risk	exchange rate risk	credit risk	price risk	multiple risks				
1. Financial assets available for sale	6,009	-	-	-	-	X	-	X	X
2. Credits	8,141	-	-	X	-	X	-	X	X
3. Financial assets held to maturity	X	-	-	X	-	X	-	X	X
4. Portfolio	-	-	-	-	-	-	-	-	X
5. Other transactions	X	X	X	X	X	X	X	X	-
Total assets	**14,150**	-	-	-	-	-	-	-	-
1. Financial liabilities	1,769	-	-	X	-	X	-	X	X
2. Portfolio	-	-	-	-	-	189	-	-	X
Total liabilities	**1,769**	-	-	-	-	**189**	-	-	-
1. Forecast transactions	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	X	X	-	-

Section 7 – Adjustment of liabilities hedged generally – Item 70

7.1 Adjustment of hedged financial liabilities

Adjustment of hedged liabilities/Group components	31/12/2009	31/12/2008
1. Positive adjustment of financial liabilities	76,250	45,973
2. Negative adjustment of financial liabilities	213	-
Total	**76,037**	**45,973**

7.2 Liabilities hedged generically against interest rate risk: composition

Type of transaction/Amounts	31/12/2009	31/12/2008
Financial liabilities	1,726,787	1,679,089

Section 8– Tax liabilities – Item 80

See section 14 in assets.

Section 10 – Other liabilities - Item 100

10.1 Other liabilities: composition

Items	31/12/2009	31/12/2008
Trade payables	148,281	180,652
Amounts due to third parties	175,989	209,891
Credit transfers ordered and being processed	162,151	53,013
Amounts payable to tax authorities on behalf of third parties	59,776	92,417
Advances on loans	583	655
Adjustments for illiquid items	212,651	214,972
Credits and items being processed	91,962	249,502
Staff costs	66,701	64,285
Uncapitalized accrued expenses	-	-
Deferred income not allocated to other items	-	-
Guarantees and commitments	22,607	8,555
Sundry items and accruals and deferrals not allocated to separate item	77,038	496,813
Total	**1,017,739**	**1,570,755**

Section 11–Employees' severance benefits - Item 110

11.1 Employees' Severance Benefits: changes for the period

	31/12/2009	31/12/2008
A. Opening balance	**141,786**	**129,057**
B. Increases	**4,537**	**18,373**
B.1 Provisions for the period	3,953	17,623
B.2. Other changes	584	750
C. Decreases	**15,133**	**5,644**
C.1 Severance payments	8,470	5,570
C.2. Other changes	6,663	74
D. Closing balance	**131,190**	**141,786**
Total	**131,190**	**141,786**

Section 12 – Provisions for Liabilities and contingencies - Item 120

12.1 Provisions for Liabilities and contingencies: composition

Items/Components	31/12/2009	31/12/2008
1 Company pension plans	22,567	25,458
2. Other provisions for liabilities and contingencies	102,515	213,630
2.1 legal disputes	46,837	46,112
2.2 staff expenses	31,008	43,138
2.3 other	24,670	124,380
Total	**125,082**	**239,088**

12.2 Provisions for Liabilities and contingencies: changes for the period

Items/Components	31/12/2009	
	Pension plans	Other provisions
A. Opening balance	**25,458**	**213,630**
B. Increases	**932**	**44,111**
B.1 Provisions for the year	-	34,504
B.2 Variations due to passage of time	932	8,868
C.2 Changes due to changes in the discount rate	-	506
B.4. Other changes	-	233
C. Decreases	**3,823**	**155,226**
C.1 Use during the year	2,891	129,922
C.2 Changes due to changes in the discount rate	-	-
C.3. Other changes	932	25,304
D. Closing balance	**22,567**	**102,515**

12.3 Defined-benefit company pension plans:

12.3.1 DESCRIPTION OF PROVISIONS

The section of retirement funds with defined benefits concerns exclusively staff of the Parent Company already retired.

The fund is replenished by a provision by the Group determined on the basis of the mathematical reserve calculated and certified annually by an independent actuary.

12.3.2 CHANGES FOR THE PERIOD

Increases or decreases in the fund are shown in table 12.2 in the Social security funds column

12.3.3 CHANGES IN ASSETS SERVING THE SCHEME AND OTHER INFORMATION

There are no specific assets and liabilities serving the plan and the Parent Company covers the debt towards the beneficiaries with its entire assets.

12.3.4 RECONCILIATION BETWEEN THE PRESENT VALUE OF THE PROVISION, THE PRESENT VALUE OF THE ASSETS SERVING THE PLAN AND THE ASSETS AND LIABILITIES RECOGNIZED IN THE FINANCIAL STATEMENT

The difference between the current value of the definite value Bond and the fair value of the assets serving the plan amounts to 22.6 million Euro; therefore, the liabilities recognised in the Financial Statement amounts to 22.6 million Euro.

12.3.5 DESCRIPTION OF THE MAIN ACTUARIAL ASSUMPTIONS

The following essential assumptions have been made:

- Annual inflation rate: 2% fixed for the entire duration of the projection;
- Annual rate of growth of supplementary pensions: 1.75% fixed for the entire duration of the projection;
- Annual rate of growth of additional pensions: 0,00% fixed for the entire duration of the projection;
- Annual rate of growth of Inps pensions: 1,75% fixed for the entire duration of the projection;

Relating to the demographic base, the measurement has been developed by adopting the assumptions of survival of 2005 Istat Life tables .

As to the financial base, the measurement refers to the returns of the curve for European corporate securities with rating AA.

12.4 Provisions for Liabilities and contingencies - other

Item 2.3 of Table 12.1 includes provisions for sums to be used for safeguarding, even when not legally bound to do so, customers who have invested in securities, insurance policies and derivatives that have suffered the impact of the global financial crisis.

Section 15 – SHAREHOLDERS' EQUITY - Items 140, 160, 170, 180, 190, 200 and 220

15.1 "Share capital" and "Treasury shares ": composition

Items/Amounts	31/12/2009	31/12/2008
1. Capital	785,066	785,066
2. Share premium reserve	2,094,474	2,094,474
3. Reserves	474,894	456,634
4. (Treasury Shares)	-	-
5. Valuation Reserves (*)	52,173	14,270
6. Equity instruments	-	-
7. Net profit (loss) for the period	310,971	294,919
Total	**3,717,578**	**3,645,363**

(*) The reserve relating to measurement by shareholders' equity method of the affiliate companies was reclassified, as at 31 December 2009, from the item Reserves to the item Measurement Reserves following the revision of Circular letter 262/2005 of 18 November 2009.

15.2 Share capital - number of shares of the parent company: changes for the period

Items/Types	Ordinary	Other
A. Shares at start of the year	**785,065,789**	-
- fully paid	785,065,789	-
- partially paid	-	-
A.1 Treasury shares (-)	-	-
A.2 Shares in circulation: opening balance	**785,065,789**	**-**
B. Increases	-	-
B.1 New issues	-	-
- for consideration:	-	-
- business combinations	-	-
- conversion of bonds	-	-
- exercise of warrants	-	-
- other	-	-
- bonus issues:	-	-
- to employees	-	-
- to directors	-	-
- other	-	-
B.2 Sale of treasury shares	-	-
B.3. Other changes	-	-
C. Decreases	-	-
C.1 Cancellation	-	-
C.2 Purchase of treasury shares	-	-
C.3 Disposal of companies	-	-
C.4. Other changes	-	-
D. Shares in circulation: closing balance	**785,065,789**	-
D.1 Treasury shares (+)	-	-
D.2 Shares at the end of the year	785,065,789	-
- fully paid	785,065,789	-
- partially paid	-	-

15.3 Share capital: other information

The share capital of the Parent Company, fully paid up, is composed of 785,065,789 ordinary shares of 1 euro nominal unit value. There are no treasury shares held in portfolio.

15.4 Income reserves: other information

Items/Types	Amounts
Legal reserve	69,484
Reserves established in bylaw s	370,873
Reserve under Art. 13 Leg. Dec. 124/93 *	314
Other reserves	32,956
Total income reserves	**473,627**
Reserve from share-based payments **	1,267
Total	**474,894**

*Reserve pursuant to Article 13 of Legislative Decree 124/93 to apply a tax allowance for employees' Severance indemnity quotas to be destined to supplementary social security benefits.
** Reserve recording the increase in capital resulting from payments to employees and directors based on shares of the holding company Crédit Agricole SA.

Section 16 – Minority interests - Item 210

16.1 Minority interests: composition and changes for the period

Items/Amounts	31/12/2009	31/12/2008
1. Share capital	34,367	34,843
2. Share premium reserve	85,628	87,368
3. Reserves	28,684	29,583
4. (Treasury Shares)	-	-
5. Valuation reserves	6,135	5,041
6. Equity instruments	-	-
7. Net profit (loss) pertaining to minority interests	6,780	10,108
Total	**161,594**	**166,943**

OTHER INFORMATION

1. Guarantees issued and commitments

Operations	31/12/2009	31/12/2008
1) Financial guarantees issued	**1,103,062**	**1,090,572**
a) Banks	255,576	219,985
b) Customers	847,486	870,587
2) Commercial guarantees issued	**871,503**	**833,732**
a) Banks	37,651	14,184
b) Customers	833,852	819,548
3) Irrevocable commitments to disburse funds	**694,017**	**801,757**
a) Banks	**132,092**	**236,503**
i) certain use	132,092	208,648
ii) uncertain use	-	27,855
b) Customers	**561,925**	**565,254**
i) certain use	30,978	32,862
ii) uncertain use	530,947	532,392
4) Commitments underlying credit derivatives: protection sales	-	-
5) Assets pledged as guarantee for third-party debts	-	-
6) Other commitments	**103,265**	**31,133**
Total	**2,771,847**	**2,757,194**

2. Assets pledged as collateral for own liabilities and commitments

Portfolios	31/12/2009	31/12/2008
1. Financial assets held for trading	6,488	13,035
2. Financial assets carried at fair value	-	-
3. Financial assets available for sale	3,446,293	1,468,165
4. Financial assets held to maturity	-	-
5. Loans to banks	107,566	167,756
6. Loans to Customers	-	-
7. Property, plant and equipment	-	-

3. Information on operating leases

Operating Leases - Lessee - IAS 17 Art. 35 - letter a/b

Future minimum payments due under non-cancellable leases	< 1 year	<> 5 years	> 5 years	indefinite life	Total
Land	-	-	-	-	-
Buildings	-	-	-	-	-
Furnishings	-	-	-	-	-
Electronic plant - hardware	-	-	-	-	-
Electronic plant - other	-	-	-	-	-
Other - vehicles (including automobiles)	2,176	2,081	-	-	4,257
Other - office machinery	189	13	-	-	202
Other - telephones (fixed and mobile)	-	-	-	-	-
Other - other	-	-	-	-	-
Software	-	-	-	-	-
Total	**2,365**	**2,094**	**-**	**-**	**4,459**

Operating Leases - Lessee - IAS 17 Art. 35 - letter c

Expenses for 2009	Minimum payments	Potential lease installments	Subletting payments	Total
Land	-	-	-	-
Buildings	-	-	-	-
Furnishings	-	-	-	-
Electronic plant - hardware	-	-	-	-
Electronic plant - other	-	-	-	-
Other - vehicles (including automobiles)	3,230	-	-	3,230
Other - office machinery	406	-	-	406
Other - telephones (fixed and mobile)	-	-	-	-
Other - other	-	-	-	-
Software	-	-	-	-
Total	**3,636**	**-**	**-**	**3,636**

Operating Leases - Lessee - IAS 17 Art. 35 - letter d

Description of contracts	Criteria for determining lease installments	Renewal or purchase option	Indexing clause
Other - vehicles (including automobiles)	Installment determined on basis of brand, model, engine size and accessories of each vehicle and including additional services	Customer may request contract extension at prefixed installment	
Other - office machinery	Photocopiers: fixed monthly payment for each machine: Franking machine: depending on features of the machine and inclusive of maintenance	Photocopiers: purchase option at end of each year Franking machine: one-year extension of current expiry except with written notice of termination	

5. Management and intermediation services

Type of services	31/12/2009
1. Trading on behalf of customers	-
a) purchases	-
1. settled	-
2. not yet settled	-
b) sales	-
1. settled	-
2. not yet settled	-
2. Asset management	**1,135,460**
a) individual	1,135,460
b) collective	-
3. Custody and administration of securities	
a) third-party securities in deposit: held as part of depository	-
bank services (excluding asset management)	-
1. securities issued by consolidated companies	-
2. other securities	-
b) other third-party securities on deposit (excluding asset management): other	39,390,719
1. securities issued by consolidated companies	11,219,031
2. other securities	28,171,688
c) third-party securities deposited with third parties	38,649,786
c) securities owned by bank deposited with third parties	7,492,459
4. Other transactions	**-**

Part C – Notes to the Consolidated Income Statements

Section 1 – Interest – Items 10 and 20

1.1 Interest income and similar revenues: composition

Items/Technical forms	Performing financial assets		Other	31/12/2009	31/12/2008
	Debt securities	Loans			
1 Financial assets held for trading	2,508	-	-	2,508	9,120
2 Financial assets carried at fair value	-	-	-	-	-
3 Financial assets available for sale	75,728	-	-	75,728	3,615
4 Financial assets held to maturity	-	-	-	-	-
5 Loans to banks	75,527	19,632	-	95,159	170,619
6 Loans to customers	5,264	1,112,212	-	1,117,476	1,589,278
7 Hedging derivatives	X	X	80,154	80,154	-
8 Other assets	X	X	527	527	6,108
Total	159,027	1,131,844	80,681	1,371,552	1,778,740

1.2 Interest income and similar income: differences on hedging operations

Items/Amounts	31/12/2009	31/12/2008
A. Positive differences on hedging transactions:	205,609	-
B. Negative differences on hedging transactions:	(125,515)	-
C. Balance (A-B)	80,094	-

1.3 Interest income and similar revenues: Other information

1.3.1 INTEREST INCOME ON FINANCIAL ASSETS IN CURRENCY

	31/12/2009	31/12/2008
Interest income on foreign-currency financial assets	4,744	14,624

1.3.2 INTEREST INCOME ON FINANCIAL LEASING OPERATIONS

	31/12/2009	31/12/2008
Interest income on finance lease transactions	42,160	5,380

1.4 Interest expenses and similar expenses: composition

Items/Technical forms	Debt	Securities	Other operations	31/12/2009	31/12/2008
1. Due to central banks	(191)	X	-	(191)	-
2. Due to banks	(68,962)	X	-	(68,962)	(32,332)
3. Due to customers	(69,450)	X	(3)	(69,453)	(257,819)
4. Outstanding securities	X	(260,878)	-	(260,878)	(386,938)
5. Financial liabilities held for trading	-	-	-	-	-
6. Financial liabilities carried at fair value	-	-	-	-	-
7. Other liabilities and funds	X	X	(404)	(404)	(467)
8. Hedging derivatives	X	X	(60)	(60)	(36,177)

1.5 Interest expense and similar charges: differences on hedging transactions

Items/Amounts	31/12/2009	31/12/2008
A. Positive differences on hedging transactions:	-	161,981
B. Negative differences on hedging transactions:	-	(199,519)
C. Balance (A-B)	-	(37,538)

1.6 Interest expense and similar charges: Other information

1.6.1 INTEREST EXPENSE ON FOREIGN-CURRENCY LIABILITIES

	31/12/2009	31/12/2008
Interest expense on foreign-currency liabilities	(2,840)	(6,145)

Section 2 – Commissions – Items 40 and 50

2.1 Commissions income: composition

Type of services / Amounts	31/12/2009	31/12/2008
a) guarantees issued	**10,756**	**10,876**
b) credit derivatives	**-**	**-**
c) management, intermediation and advisory services:	**204,595**	**226,793**
1. trading in financial instruments	-	-
2. foreign exchange	4,740	4,669
3. asset management	9,060	12,817
3.1. individual	*9,060*	*12,817*
3.2. collective	-	-
4. securities custody and administration	8,822	8,841
5. depository services	-	-
6. securities placement	72,331	80,522
7. order collection	11,927	12,656
8. advisory services	126	250
8.1 in respect of investments	*116*	*250*
8.1 in respect of financial structure	*10*	-
9. distribution of third-party services	97,589	107,038
9.1. asset management	*274*	*485*
9.1.1. individual	-	253
9.1.2. collective	274	232
9.2 insurance products	*95,745*	*102,510*
9.3 other	*1,570*	*4,043*
d) collection and payment services	**41,659**	**42,989**
e) servicing activities for securitizations	**-**	**-**
f) services for factoring transactions	**-**	**-**
g) tax collection services	**-**	**5**
h) management of multilateral exchange systems	**-**	**-**
i) current account management	**175,007**	**111,775**
j) other services	**64,007**	**98,757**
Total	**496,024**	**491,195**

2.2 Commissions expense: composition

Services/Amounts	31/12/2009	31/12/2008
a) guarantees received	**(1,030)**	**(166)**
b) credit derivatives	**-**	**-**
c) management and intermediation services:	**(4,056)**	**(6,708)**
1. trading in financial instruments	(121)	(183)
2. foreign exchange	-	-
3. asset management:	(1,088)	(1,321)
3.1 own portfolio	-	-
3.2 third-party portfolio	*(1,088)*	*(1,321)*
4. securities custody and administration	(750)	(763)
5. placement of financial instruments	(2,097)	(4,183)
6. off-premises distribution of securities, products and services	-	(258)
d) collection and payment services	**(5,252)**	**(7,101)**
e) other services	**(9,997)**	**(8,155)**
Total	**(20,335)**	**(22,130)**

Section 3 – Dividends and similar revenues - Item 70

3.1 Dividends and similar revenues: composition

Items/Revenues	31/12/2009		31/12/2008	
	dividends	income from units in collective investment undertakings	dividends	income from units in collective investment undertakings
A. Financial assets held for trading	24	136	27	165
B. Financial assets available for sale	1,997	-	2,019	-
C. Financial assets carried at fair value	-	-	-	-
D. Equity investments	-	X	-	X
Total	2,021	136	2,046	165

Section 4 – Net gain (loss) on trading activities – item 80

4.1 Net gain (loss) on trading activities: composition

Operations/Income components	Capital gains (A)	Trading profits (B)	Capital losses (C)	Trading losses (D)	Net gain [(A+B) - (C+D)]
1. Financial assets held for trading	**4,226**	**9,253**	**(79)**	**(1,365)**	**12,035**
1.1 Debt securities	1,357	7,112	(79)	(888)	7,502
1.2 Equity securities	69	-	-	-	69
1.3 Units in Collective Investment	2,800	1,429	-	(301)	3,928
1.4 Loans	-	-	-	-	-
1.5 other	-	712	-	(176)	536
2. Financial liabilities held for trading	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-
2.2 Debt	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Other financial assets and liabilities: exchange rate	X	X	X	X	2,936
4. B. Derivatives	**334,838**	**396,977**	**(324,745)**	**(396,787)**	**8,972**
4.1 Financial Derivatives:	334,838	396,977	(324,745)	(396,787)	8,972
- On debt securities and interest rates	331,804	373,983	(322,426)	(374,149)	9,212
- On equity securities and equity indices	-	-	(41)	-	(41)
- On foreign currencies and gold	X	X	X	X	(1,311)
- Other	3,034	22,994	(2,278)	(22,638)	1,112
4.2 Credit derivatives	-	-	-	-	-
Total	**339,064**	**406,230**	**(324,824)**	**(398,152)**	**23,943**

Section 5 – Net gain (loss) on hedging activities - Item 90

5.1 Net gain (loss) on hedging activities: composition

Income components/Amounts		31/12/2009	31/12/2008
A.	**Gain on:**		
A.1	Fair value hedges	172,513	158,012
A.2	Hedged Financial Assets (fair value)	3,801	9,252
A.3	Hedged Financial liabilities (fair value)	23,120	210
A.4	Cash flow hedges	-	-
A.5	Assets and liabilities in foreign currencies	-	-
Total income on hedging activities (A)		199,434	167,474
B.	**Loss on:**		
B.1	Fair value hedges	(125,083)	(8,785)
B.2	Hedged Financial assets (fair value)	(2,742)	-
B.3	Hedged Financial liabilities (fair value)	(62,170)	(168,940)
B.4	Cash flow hedges	-	-
B.5	Assets and liabilities in foreign currencies	-	-
Total expense on hedging activities (B)		(189,995)	(177,725)
C.	**Net gain (loss) on hedging activities (A-B)**	9,439	(10,251)

Section 6 – Gain (Loss) on disposal or repurchase - Item 100

6.1 Profit (Loss) on disposal or repurchase: composition

Items/Income components	31/12/2009			31/12/2008		
	Gains	Losses	Net gain	Gains	Losses	Net gain
Financial Assets						
1. Loans to banks	-	-	-	-	-	-
2. Loans to Customers	482	(8,167)	(7,685)	195	(2,864)	(2,669)
3. Financial assets available for sale	8,307	-	8,307	4,202	-	4,202
3.1 Debt securities	4,085	-	4,085	-	-	-
3.2 Equity securities	4,222	-	4,222	4,202	-	4,202
3.3 Units in collective investment undertakings	-	-	-	-	-	-
3.4 Loans	-	-	-	-	-	-
4. Financial assets held to maturity	-	-	-	-	-	-
Total assets	**8,789**	**(8,167)**	**622**	**4,397**	**(2,864)**	**1,533**
Financial liabilities						
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Securities in issue	3,436	(999)	2,437	2,606	(898)	1,708
Total liabilities	**3,436**	**(999)**	**2,437**	**2,606**	**(898)**	**1,708**

Section 8 – Net impairment adjustments - Item 30

8.1 Net impairment adjustments of loan: composition

Transactions/Income components	Writedowns (1)			Writebacks (2)				31/12/2009	31/12/2008
	Specific		Portfolio	Specific		Portfolio			
	Writeoffs	Other		A	B	A	B		
A. Loans to Banks	-	-	(1)	-	-	-	-	(1)	-
- loans	-	-	(1)	-	-	-	-	(1)	-
- debt securities	-	-	-	-	-	-	-	-	-
B. Loans to customers	(8,867)	(238,696)	(34,178)	10,896	53,356	-	29,874	(187,615)	(124,547)
- loans	(8,867)	(238,696)	(34,178)	10,896	53,356	-	29,874	(187,615)	(124,547)
- debt securities	-	-	-	-	-	-	-	-	-
C. Total	**(8,867)**	**(238,696)**	**(34,179)**	**10,896**	**53,356**	**-**	**29,874**	**(187,616)**	**(124,547)**

8.2 Net impairment adjustments of financial assets available for sale: composition

Transactions/Income components	Writedowns (1)		Writebacks (2)		31/12/2009	31/12/2008
	Specific		Specific			
	Writeoffs	Other	A	B		
A Debt certificates	-	-	-	-	-	-
B. equity securities	-	(513)	X	X	(513)	-
C. Units in collective investment undertakings	-	-	X	-	-	-
D. Loans to banks	-	-	-	-	-	-
E. Loans to customers	-	-	-	-	-	-
F. Total	**-**	**(513)**	**-**	**-**	**(513)**	**-**

Key to symbols
A= from interest
B= other write-ups

8.4 Net value adjustments for impairment of other financial operations: composition

Transactions/Income components	Writedowns (1)			Writebacks (2)				31/12/2009	31/12/2008
	Specific		Portfolio	Specific		Portfolio			
	Writeoffs	Other		A	B	A	B		
A. Guarantees issued	-	(3,136)	(18)	-	-	-	567	(2,587)	(816)
B. Credit derivatives	-	-	-	-	-	-	-	-	-
C. Commitments to disburse funds	-	-	-	-	-	-	-	-	-
D. Other transactions	-	-	-	-	-	-	-	-	-
E. Total	**-**	**(3,136)**	**(18)**	**-**	**-**	**-**	**567**	**(2,587)**	**(816)**

Key to symbols
A= from interest
B= other write-ups

Section 11 – ADMINISTRATIVE EXPENSES – ITEM 180

11.1 Staff expenses: composition

Type of expenses/Sectors	31/12/2009	31/12/2008
1) Employees	**(510,178)**	**(516,992)**
a) w ages and salaries	(366,543)	(355,486)
b) social security contributions	(97,749)	(94,756)
c) severance benefits	(444)	(337)
d) pensions	(52)	(2)
e) allocation to employee severance benefit provision	2,034	(18,028)
f) allocation to provision for retirement and similar liabilities:	-	(4,532)
- defined contribution	-	-
- defined benefit	-	(4,532)
g) payments to external pension funds	(34,542)	(32,480)
- defined contribution	(34,542)	(32,480)
- defined benefit	-	-
h) costs in respect of agreements to make payments in ow n equity instruments	-	-
i) other employee benefits	(12,882)	(11,371)
2) Other personnel	122	(5,206)
3) Directors and Auditors	(1,944)	(1,902)
4) Retired personnel	-	-
Total	**(512,000)**	**(524,100)**

11.2 Average number of employees by category:

Employees:	7,367
a) Senior management	106
b) Junior managers	2,805
1) other employees	4,456
Other personnel	49

The figures relating to employed staff take into account active and passive secondments; the figure relating to Other Staff refers exclusively to non-employed staff.

11.3 Defined-benefit company pension plans: total costs

Type of cost/amounts	31/12/2009	31/12/2008
Provision for the year	932	(3,387)
Changes due to passage of time	(932)	(1,145)
Total	-	(4,532)

11.4 Other employee benefits

These include costs for non-occupational policies, interest increase due to discounting-back of solidarity fund, other fringe benefits as well as assignment to the employees' cultural and recreational fund

11.5 Other administrative expenses: composition

Type of expense/amounts	31/12/2009	31/12/2008
Indirect taxes and duties	(70,032)	(67,637)
Data processing	(44,224)	(85,714)
Facility rental and management	(48,490)	(43,145)
Professional consulting services	(23,631)	(27,289)
Telephone, postal charges and couriers	(17,276)	(17,243)
Telephone and data transmission	(10,286)	(7,463)
Legal expenses	(2,471)	(1,962)
Property maintenance	(2,546)	(3,356)
Furnishing and plant maintenance	(13,045)	(12,614)
Marketing, development and entertainment	(16,346)	(18,121)
Transportation	(16,048)	(13,938)
Lighting, heating and air conditioning	(13,831)	(13,863)
Office supplies, printed material, print subscriptions, photocopying, etc.	(4,307)	(8,123)
Staff training expenses and reimbursements	(10,720)	(7,882)
Security	(5,368)	(5,735)
Information and title searches	(5,024)	(4,601)
Insurance	(86,647)	(31,598)
Cleaning	(6,185)	(5,982)
Leasing of other property, plant and equipment	(1,426)	(806)
Management of archives and document handling	(641)	(589)
Reimbursement of costs to Group companies	(14,587)	-
Sundry expenses	(430)	(14,825)
Total	**(413,561)**	**(392,486)**

Section 12 – Net Provisions for liabilities and contingencies - Item 190

12.1 Net provisions for Liabilities and contingencies: composition

The provision amounting to 14,583 thousand is made up of 4,611 revocations, 5,398 thousand for non-credit litigations, 4,574 thousand for sums to be used for safeguarding, even when not legally bound to do so, customers who have invested in securities, insurance policies and derivatives that have suffered the impact of the global financial crisis.

Section 13 – Net adjustments of property, plant and equipment – Item 200

13.1 Net adjustments of property, plant and equipment: composition

Assets/income components	Depreciation (a)	Writedowns for impairment (b)	Writebacks (c)	Net adjustment (a + b - c)
A. Property, plant and equipment				
A.1 owned	(26,376)	-	-	(26,376)
- Operating assets	(26,180)	-	-	(26,180)
- Investment property	(196)	-	-	(196)
A.2 acquired under financial leases	-	-	-	-
- Operating assets	-	-	-	-
- Investment property	-	-	-	-
Total	**(26,376)**	**-**	**-**	**(26,376)**

Section 14 – Net adjustments of intangible assets – Item 210

14.1 Net adjustments of intangible assets: composition

Assets/Income components	Amortization	Writedowns for impairment (b)	Writebacks (c)	Net adjustment (a + b - c)
A. Intangible Assets				
A.1 owned	(40,704)	-	-	(40,704)
- Generated internally by the Group	-	-	-	-
- Other	(40,704)	-	-	(40,704)
A.2 acquired under finance leases	-	-	-	-
Total	**(40,704)**	**-**	**-**	**(40,704)**

Section 15 – Other operating revenues (expenses) - Item 220

15.1 Other operating expenses: composition

Type of expense/amounts	31/12/2009	31/12/2008
Amortization of expenditure for leasehold improvements	(9,042)	(8,493)
Other expenses	(9,156)	(17,079)
Total	**(18,198)**	**(25,572)**

15.2 Other operating revenues: composition

Type of expense/amounts	31/12/2009	31/12/2008
Rental income and recovery of expenses on real estate	527	556
Recovery of taxes and duties	62,843	60,502
Recovery of insurance costs	85,643	30,403
Recovery of other expenses	2,189	1,442
Service recovery	-	-
Other Income	7,057	4,722
Total	**158,259**	**97,625**

Section 16 - Gain (Loss) on equity investments - Item 240

16.1 Gain (loss) on equity investments: composition

Income components/Sectors	31/12/2009	31/12/2008
1) Joint ventures		
A. Gains	-	-
1. Revaluations	-	-
2. Gains on disposal	-	-
3. Writebacks	-	-
4. Other	-	-
B. Losses	-	-
1. Writedowns	-	-
2. Impairments	-	-
3. Losses on disposals	-	-
4. Other	-	-
Net gain (loss)	-	-
2) Companies under significant influence		
A. Gains	26,114	10,865
1. Revaluations	-	-
2. Gains on disposal	10	5
3. Writebacks	-	100
4. Other	26,104	10,760
B. Losses	-	(42,207)
1.Writedowns	-	(32,862)
2. Impairments	-	-
3. Losses on disposals	-	-
4. Other	-	(9,345)
Net gain (loss)	26,114	(31,342)
Total	**26,114**	**(31,342)**

Section 18 – Value adjustments of goodwill – Item 260

18.1 Value adjustments of goodwill : composition

No adjustments of goodwill were recognized in the financial statements.

Section 19 – Gain (Loss) on disposal of investments - Item 270

19.1 Gain (loss) on disposal of investments: composition

Income components/Sectors	31/12/2009	31/12/2008
A. Land and buildings	35	71
- Gains on disposal	35	71
- Losses on disposal	-	-
B. Other assets	(1)	5
- Gains on disposal	-	5
- Losses on disposal	(1)	-
Net gain (loss)	**34**	**76**

Section 20 – Income tax for the period on continuing operations – Item 290

20.1 Income tax for the period on continuing operations: composition

Income components/Sectors	31/12/2009	31/12/2008
1. Current taxes (-)	(191,016)	(288,529)
2. Changes in current taxes from previous financial years (+/-)	1,315	1,100
3. Reduction of current taxes for the financial year (+)	3,669	28,264
4. Change in deferred tax taxes (+/-)	45,290	200,125
5. Change in deferred tax liabilities (+/-)	4,333	8,587
6. Income taxes for the period (-) (-1+/-2+3+/-4+/-5)	**(136,409)**	**(50,453)**

20.2 Reconciliation between theoretical tax liability and actual tax liability recognized

Income components/Sectors	31/12/2009
Net profit before tax on continuing operations	454,160
Net profit before tax on discontinuing operations	-

Income components/Sectors	31/12/2009
Income tax - Theoretical tax liability	(131,790)
-effect of revenues that tax-exempt or subject to reduced taxation	-
-effect of profits already taxed with special rates	(599)
-effect of fully or partially non-deductible expenses	9,084
Income Tax - Actual Tax liability	**(123,305)**
-effect of realignment under Law 244/2007	2,937
-tax on realignment gain under Decree Law 185/2008	(28,679)
-effect of recovery of future taxes on realignment gain under Decree Law 185/2008	59,702
-effect of tax deduction for energy efficiency	1,197
Effect of consolidation recognitions	**3,460**
IRAP - Theoretical tax liability	(22,691)
-effect of revenues/expenses that do not form taxable income	(51,609)
-effect of other changes	22,579
IRAP - Actual tax liability	**(51,721)**
Actual tax liability recognized	**(136,409)**
of which: actual tax liability on continuing operations	(136,609)

Section 22 – Net profit (Loss) pertaining to minority interests - Item 330

22.1 Breakdown of item 330 “Profit (loss) for the financial year pertaining to minority interests”

The profit pertaining to minority interests amounted to 6,780 thousand Euro, contribution ascribable to Banca Popolare FriulAdria Spa and Crédit Agricole Leasing Italia Srl.

Section 24 – Earnings per share

24.1 Average number of ordinary shares of diluted capital

The share capital of the Parent Company is composed of 785,065,789 ordinary shares with 1 Euro nominal unit value.

Part D – Analytical Statement of Comprehensive Consolidated Income

	Items	Gross amount	Income tax	Net amount:
10.	**Profit (loss) for the period**	**X**	**X**	**317.751**
	Other income components			
20.	Financial assets available for sale:	41.844	(13.620)	28.224
	a) changes in fair value	44.640	(14.105)	30.535
	b) reversal to Income Statement	(2.796)	485	(2.311)
	- *writedowns for impairment*	*441*	-	*441*
	- *profit/loss for realization*	*(3.237)*	*485*	*(2.752)*
	c) other changes	-	-	-
30	Property, plant and equipment	-	-	-
40.	Intangible Assets	-	-	-
50.	Hedging of foreign investments:	-	-	-
	a) changes in fair value	-	-	-
	b) reversal to Income Statement	-	-	-
	c) other changes	-	-	-
60.	Cash flow hedges:	(2.395)	752	(1.643)
	a) changes in fair value	-	-	-
	b) reversal to Income Statement	(2.395)	752	(1.643)
	c) other changes	-	-	-
70.	Exchange rate differences:	-	-	-
	a) changes in fair value	-	-	-
	b) reversal to Income Statement	-	-	-
	c) other changes	-	-	-
80.	Discontinuing operations:	-	-	-
	a) changes in fair value	-	-	-
	b) reversal to Income Statement	-	-	-
	c) other changes	-	-	-
90.	Actuarial gains (losses) on defined-benefit plans	-	-	-
100.	Share of valuation reserve on equity investments accounted for by equity method:	18.407	-	18.407
	a) changes in fair value	-	-	-
	b) reversal to Income Statement	-	-	-
	- *writedowns for impairment*	-	-	-
	- *profit/loss for realization*	-	-	-
	c) other changes	18.407	-	18.407
110.	**Total of other income components**	**57.856**	**(12.868)**	**44.988**
120.	**Comprehensive income (10+110)**	**X**	**X**	**362.739**
130.	Consolidated comprehensive income pertaining to minority interests	X	X	7.974
140.	**Consolidated comprehensive income pertaining to the Parent Company**	**X**	**X**	**354.765**

Part E – Risks and risk management policies

SECTION 1: BANKING GROUP RISK

The Cariparma FriulAdria Group gives great importance to the risk management and control, as a condition for ensuring the reliable and sustainable generation of value in the context of controlled risk to guarantee the Group's financial solidity and reputation.

The Cariparma is the operational Parent Company, coordinating both the quality of retail banking through its own distribution network, as well as the overall risk policies and control. The Group's companies benefit from the Parent Company's management and carry out the commercial operations in the reference territories.

Policies on undertaking risk are defined in risk strategies approved by the Parent Company Crédit Agricole which, in particular, sets guidelines for the Group in the areas of credit risk, market risk and other risks.

To supervise the assessment of risk and its integration in the Group's management and operations, organisational provisions were introduced supported by specific Committees including the Internal Control Committee and Risk Committees. The Risk Committees, in their various areas such as Credit, Operational and Market Risks, are responsible for setting out the policies governing risks and assigning tasks and responsibilities to the corporate bodies and offices, proposing risk policies (documents defining the management methods for individual risks) in coherence with the Group's risk limits as well as the guidelines issued by the Parent Company Crédit Agricole and adopted by the Board of Directors.

In September 2009, the Cariparma FriulAdria Group acquired control of the company Crédit Agricole Leasing Italia (CALIT) to which its organisation model and risk supervision processes will be extended.

The Basel 2 Project

In April 2007, the newly constituted Cariparma FriulAdria Group in cooperation with the Parent Company Casa, launched the strategic project called "Basel 2" aimed at adopting the EU Capital Adequacy Directive, as ratified in Italy by Law No. 297 of 27 December 2006, concerning the rules for determining the minimum capital requirements for covering the main banking risks.

The project is aimed at starting the Italian Banking Group on a route towards concerted and established regulatory validation for all the International Group's banking entities with priority for Basel 2 first pillar risks (credit risk, market risk and operational risks), using experience gained since 2006, even before the entry of the Crédit Agricole Group.

Since the beginning, the project's guidelines have been:

- The creation of a system aimed at the integrated management of risk for Group's two banks by adopting similar computer systems and processes, shared for measuring, assessing, managing and monitoring risk
- continuous support from the Parent Company CASA, supplying the methodology, guidelines, tools and systems for qualitative and quantitative risk controls in compliance with the relevant regulations to ensure the use of measurement and control systems aligned to International best practice,

aimed at achieving recognition for the use of internal models for first pillar risk management (mainly credit risk and operational risks) by the competent Authorities within the deadlines set by the Parent Company.

With reference to the provisions of the Basel 2 second pillar, capital adequacy must also be assessed with reference to other risks typical of the bank's activities as well as those for the first pillar, such as interest rate risk, concentration risk, liquidity risk, strategic risk, residual risk and reputational risk. To this end, the Group has undertaken to carry out, on an annual basis, an auto-evaluation of capital adequacy which would allow lower absorption of capital where there are advanced risk management and control methods and processes which are subject to control by the Supervisory Authority.

From an organisational perspective, the project required the participation, according to the levels of competence and responsibility, of the Senior Management of nearly all the Group's Central Divisions and Commercial Networks in the various planning, analysis, preparation and implementation phases of the interventions identified. Further, an in-depth review of the Group's internal regulations became necessary, with the definition of a policy for each risk, the establishment of Risk Committees, the review of internal processes, the preparation of new computer applications and the creation of a new system of permanent controls.

Also, project brought to light certain indirect activities for first pillar risks such as the requirement for a working group on organisational solutions and tools for calculating asset requirements using advanced methods as well as the relative supervisory notifications, and a working group on credit risk mitigation techniques through the setting of guarantee eligibility rules.

Moreover, the roles of Validation and Data Quality Management were created, to supervise the regulated activities and aimed at regulatory validation of the internal methods.

Finally, with a view to adopting the provisions of "Basel 2", the Bank of Italy has regulated the methods and terms which Banks must adopt when supplying information to the public concerning capital adequacy, risk exposure and general characteristics of the system adopted for identifying, measuring and managing risk, bringing these provisions together in the scope of the Basle 2 third pillar.
The Cariparma FriulAdria Group publishes this information on the Cariparma Bank web-site, on a page dedicated to the Financial Statement http://www.cariparma.it/jsp/it/bilanci/index.jsp).

Internal Control System

The Cariparma FriulAdria Group internal control system, in line with current regulations and with the Parent Company Credit Agricole SA guidelines, is structured in such a way as to ensure, over time, recording, measurement and checking of risks linked to the performance of the company's business. The internal control system includes two control methods: permanent control and periodic control.

Permanent control is ensured:

- At the first grade, by the operators themselves, or the hierarchy within the unit or the automatic transaction processing systems which start the operation or the control process itself (for example, the branch operator);
- At the second grade – first level, by various agents who started the transaction, authorised to carry out the operational procedure (for example, back office);
- At the second grade – first level, by agents exclusively responsible for specialised permanent top level control tasks (credit risk, accounting controls, non-compliance controls, etc.), who do not carry out operations which imply the assumption of risk.

Periodic control (so-called "third grade control") on the other hand concerns regular controls by the audit units, on documents or in situ, as part of an annual plan for multiple audit of all activities (including permanent control and non-compliance). The control mechanism adopted internally by the Cariparma FriulAdria Group is the result of a process that foresees:

- The definition of a control parameter and the areas of responsibilities of the various persons appointed;
- Identification of the main risk areas based on risk mapping, implementation of framework procedures for operational activities, delegation of responsibilities and control;
- Implementation of permanent controls at the various grades and at set levels, monitoring the correct application of procedures and identification of any anomalies;
- Implementation of periodic controls by Internal Audit;
- Implementation of a suitable system for reporting to the management bodies responsible for governance and control.

. The Cariparma FriulAdria Group includes three independent control structures which, within their own areas of control and depending on the functions they have been asked to perform, ensure constant supervision of all the company's operations and the risks generated: Risks and Permanent Controls and Compliance are responsible for the second grade – second level control, Internal Audit is responsible for third grade control.

The Risks and Permanent Control function

The Cariparma FriulAdria Group's Risks and Permanent Controls function ensures the complete monitoring of risks and permanent controls through specialised units within the company, dedicated to the monitoring and control of credit, concentration and counterparty risk, financial and operational risks, accounting control and control of financial information to be published, control of business continuity plans, safety and IT systems continuity plans and physical security.
The Risks and Permanent Controls Division is independent of any directional and decisional function which implies the assumption of risk: This independence is ensured by the role of the Managing Director of the Cariparma FriulAdria Group, to whom he/she reports, and the supervision of Group Risks Division of the Parent Company Credit Agricole SA.
The risks and permanent controls functions of the subsidiary companies report to the Risks and Permanent Controls Department of the Parent Company Cariparma and, through constant coordination and guidance, ensure implementation and continuous updating of the internal control system for their area of competence, applying Group guidelines and methodology and ensuring a systematic flow of information to the Holding company.

The Compliance function

The Cariparma FriulAdria Group, pursuant to the relevant regulations, has instituted, within its structure, a specific function dedicated to supervising and controlling compliance, and supervising the implementation of guidelines, policies and regulated methods inherent in the management of risk.
In particular, the Compliance Division of the Parent Company Cariparma, in cooperation with other company departments, identifies and assesses non-compliance risks, proposes interventions within the organisation to mitigate these risks, checks the compliance of new products and activities in advance, and in this regard supervises the authorisation processes, acts as consultant and offers assistance to

company bodies in areas which are most vulnerable to the risk of non-compliance, cooperates in staff training and promotes a culture of honesty and respect of company rules.

The Compliance Division defines the guidelines and coordinates the units responsible for compliance control within subsidiary companies which are functionally dependent.

The independence of the Compliance Division from the company's management and operations is ensured by the Cariparma FriulAdria Group's Managing Director, to whom the Division reports, as well as the Parent Company Crédit Agricole SA.

The Audit function

The Audit Division ensures the last level of control, that is, the periodic control, also called third-grade control. Its area of intervention encompasses all Cariparma FriulAdria Group's activities (either carried out on their own behalf or outsourced) including business line risks and permanent controls and business line compliance.

In particular, the Parent Company Cariparma FriulAdria's Internal Audit:

- Defines policies and imposes objectives and operational plans for the Group's audit activities and directs and controls internal auditing functions in all the subsidiaries, also checking their adequacy in each structure, the quality of the employees and the internal organigrams;
- Ensures constant and independent supervision of the proper implementation of the Group's processes in order to prevent and bring to light anomalous or risky conduct or situations, issues independent opinions on the functioning of any legal entity, activity, function and process, and on its internal control mechanism;
- Maintains constant contact with its counterparts at the Parent Company Credit Agricole S.A. and ensures a continuous flow of information with the same.

The Internal Audit Division reports to Cariparma FriulAdria Group's Managing Director and its counterpart Division in Crédit Agricole S.A. The Internal Audit units of the Cariparma FriulAdria Group's subsidiary companies also report to this Internal Audit Division.

1.1 Credit Risk

QUALITATIVE INFORMATION

General Points

Granting credit is the Group's core business and its objectives include constant growth in loans across all the national territory, compatible with a strategy for the assumption of risk which identifies geographical areas, customer segments and the sectors of economic activity of major interest.

This strategy, agreed with the Parent Company Crédit Agricole S.A., involves identifying limits for the risk which can be assumed with loan operations (segment and individual concentration of risk, etc.) verifying their compatibility with budget objectives and business plans. Improvement in credit quality is achieved by a continuous monitoring of the portfolio, assessing compliance with the agreed risk strategy with particular focus on the larger risks assumed.

Policies on the management of credit risk

Organisational aspects

The assumption of credit risk is regulated by a framework decision taken by the Board of Directors of individual banks and companies within the Cariparma FriulAdria Group, which sets out the levels of operational delegation and the levels of autonomous decision-making, defined in terms of exposure of the counter-party receiving the loan according to direct and indirect risks, the participation in an economic group, the type of technical forms, the spread of the risk and the internal rating assigned to the counter-party by the Group's assessment system.

The credit process is regulated by the internal control system for phases aimed at identifying criteria for the management of risk profiles, the activities to be carried out for the correct application of the criteria, units delegated to performing these activities and procedures supporting the same, The division of the phases and allocation of the activities to various organisational structures is carried out with the aim of achieving functionality of the process, that is, its suitability for realising set objectives (efficacy) and its ability to achieve these at reasonable cost (efficiency).

Verification of the preset suitability criteria for those requesting the loan is carried out during the preliminary investigation where the objective is to assess the creditworthiness of the counterparty, the risk level of the transaction and relation between the transaction yield and the risk assumed as well as the sustainability of the credit risk over time.

Information on the solvency, either current or future, of the counterparties, the evaluation of any guarantees, finalization of specific characteristics of the transaction (amount, technical form, maturity and destination of the financing), application of prices able to ensure the economic conditions of the transaction compared to risk, uniformity of conduct as well as the assessment methods, are the main principles of the preliminary investigation process carried out within the Cariparma FriulAdria Group.

During the preliminary investigation process, the opinion expressed by the rating system, where available, and the associated default estimates are considered as essential elements for a careful evaluation of the customer. The preliminary investigation reaches a final judgement on the counterparty's creditworthiness by also considering qualitative information, which becomes increasingly important in relation to the customer's size and the amount requested.

Granting loans is based on a system of delegation, approved by the Board of Directors of every individual bank and company within the Group, while credit lines become operational and, therefore, placed at the disposal of the business person only when the criteria specified in the decision has been met (with particular attention being paid to the acquisition, check and assessment of guarantees, covenants and suspension conditions).

The credit allocation process of the Group's banks is regulated by:

A system of limits aimed at retaining the risk assumed within levels that are compatible with the Group's risk appetite;

A system of decision-making ability based on counterparty risk, aimed at attributing responsibility for the loan according to the relative potential level of loss.

Following the granting and allocation of the credit, the debt position is evaluated over time (fixed maturity or defined intervals) or on the notification/initiative of the dedicated units (for example, credit monitoring), the credit lines are reviewed, he permanence of customer's solvency or that of the guarantors is checked, the continued existence of the guarantee requirements is verified (legal certainty, time scale for realisation and suitability of their value compared to exposure), the respect of concentration limits is checked, information in the electronic files is controlled and updated, and the reasons leading to any change in the counterparty's risk profile are examined.

The review process may lead to decisions on the renewal of the loan, its revocation or the start of a new preliminary investigation.

Within the Cariparma FriulAdria Group, review is also carried out automatically, using an expert system applied to positions which show contained risk levels, and checked by rigorous examination of suitable and predefined ratios.

The Cariparma FriulAdria Group has implemented a process for continuously monitoring credit positions and guarantees over time aimed at bringing to light any anomalies as quickly as possible, thereby ensuring that the portfolio's high quality level is maintained.

The management of troubled loans within the Group is carried out by the appropriate organisational units using a management model based on notification and definition of evidence obtained from monitoring tools for performing loans and on the application of a set of management rules graduated according to the default classification set by the Supervisory regulations (past-due, doubtful, restructured and non-performing loans) which govern the taking of positions by the staff responsible.

The organisational unit, and the procedures and tools which make up the system for the management of problem exposures within the Group, ensure the timely activation of the initiatives and measures necessary to bring the situation back to normal, or instigate recovery when conditions impede the continuation of the relationship.

Management, assessment and control systems

The Group uses rating models for assessing credit risk, differentiated according to the counterparty's operational segment. These models summarized the counterparty's creditworthiness in a rating; a measurement which reflects the probability of default over a time horizon of one year.

In compliance with the guidelines set by Crédit Agricole S.A, internally the Group has developed credit risk assessment models for Retail Customers (rating models, - Probability of Default, Loss Given Default – and Exposure at Default, in compliance with the general principles laid down by the Holding Company and has adopted the rating models of Crédit Agricole S.A for Corporate Customers, adopted by all the Group's entities at International level. The models for both segments are used for management purposes by all the Group including the recently acquired subsidiary CALIT, completely replacing the existing rating models traced back to the overall tools used by the former holding Intesa Sanpaolo, while at the same time ensuring continuity in the use of ratings in the credit process and in the assessment of credit risk.

The implementation of the new rating models in 2008 required adaptation of existing procedures, processes and systems which already integrated the risk measurement mechanisms used earlier. The PEF (Pratica Elettronica di Fido – Electronic Loan File) has been updated in line with the new rating models.

In parallel, the so-called "credit strategies" were introduced, applied to retail customers (both private and companies) aimed at creating "facilitated routes" in the assessment process for granting loans to customers and for loan products with better risk profiles. Credit policies were also reviewed in view of the changing complexity of the current macroeconomic framework.

Moreover, a Credit Data Warehouse was implemented, integrating all the information on loans, guarantees, ratings, LGDs, EADs, and monitoring relating to the Group's customers. This Data Warehouse, subject to certification of the data, meets the requirement for collecting information, organised logically and immediately accessible, on credit risk and constitutes the reference database for the preparation of management reports. Credit policies were also reviewed in view of the changing complexity of the current macroeconomic framework.

During 2009, backtesting was introduced for new rating models which monitored the stability of the distributions, the strength of discriminating power and accuracy of default probability estimates.

A new monitoring ratio for credit trends is currently being finalised, which includes the input of the trend rating combined with a series of additional anomaly ratios (early warning) to which gravity thresholds and weightings according to expert criteria are attributed. The model produces summary information on a monthly basis on the risk profile of every Group customer.

The quantitative results of this monitoring model, arranged on the basis of summary assessments, are used during the credit monitoring processes and the results are also used by all retail and management structures.

The method for calculating a collective assessment of credits is based on the concept of expected loss, determined by the exposure product, default probability and loss given default, transformed into incurred loss according to IAS 39 and Crédit Agricole S.A. guidelines.

Moreover, in 2009, a management report was prepared, based on risk parameters determined using internal rating models. This report supplies the information required for management analysis aimed at understanding portfolio distribution by rating class, the relative evolution of risk profiles, exposure trends in bonis and default subdivided for each management segment, retail area and market sector. It also gives annualized cost of credit on Basle 2 exposures and the distribution of exposure according to credit policies is also shown (growth, management, protection/performance, etc.).

Methods of mitigating credit risk

The Group mitigates credit risk through the agreement of supplementary contracts or use of minimization instruments or methods that ensure an effective reduction of risk. In this regard, particular attention is paid to the collection and management of guarantees, by providing for and respecting general and specific requirements, with particular regard to requirements concerning the updating of values.

The prevalence of the retail segment and the considerable development required in the sector of mortgage loans in recent years are factors which, also with a view to Basle 2, lead to the benefit of a substantial level of mitigation with undoubted effects on the weighting of the assets for the calculation of the statutory capital.

Impaired financial assets

Procedures relating to the management and control of impaired assets base their organisational logic on the following guiding principles:

- The definition of default adopted, the use of several ratios to intercept customers differentiated by segment according to the default definition adopted (level of risk of the individual counterparty and economic group, PD, various levels of interception starting with the those continuous exceeding the limits for over 30-60 days);
- Use of Probability of Default to support decision-making process;
- Diversification of processes on the basis of the customer’s level of risk.

In the light of the new definition of default, after using Crédit Agricole S.A. models for the Corporate segment which include the passage to impaired loan for positions with relations expired by over 90 days, credit monitoring and control procedures have been adapted to intercept these positions already at the moment they first become “exceeding”. With regard to the Retail segment, however, the technical and organisational procedures used are differentiated according to the level of anomaly in the position and refer to the default definition foreseen in the Italian legislation.

In addition to regular analytical assessment of the level of recovery, the management of impaired positions has the following objectives:

- improvement of the credit quality by checking whether the difficult economic-financial status of the counterparty can be reversed and consequent recovery of the commercial and credit relation;
- acquisition of additional real or personal guarantees;
- preparation of repayment plans and monitoring of timely execution of the same;
- examination and/or legal acquisition of guarantees to cover the loan.

QUANTITATIVE INFORMATION

A. Credit Quality

A.1 IMPAIRED AND PERFORMING EXPOSURES: AMOUNTS, VALUE ADJUSTMENTS, TREND, ECONOMIC AND TERRITORIAL DISTRIBUTION

A.1.1 Distribution of financial assets by relative portfolio and by credit quality (Balance Sheet values)

Portfolio/quality	Banking Group					Total
	Bad debts	Substandard loans	Restructured positions	Past due positions	Other assets	
1. Financial assets held for trading	-	4,941	-	10,712	334,966	350,619
2. Financial assets available for sale	-	-	-	-	3,775,542	3,775,542
3. Financial assets held to maturity	-	-	-	-	-	-
4. Loans to banks	-	-	-	-	3,969,680	3,969,680
5. Loans to customers	250,893	382,427	1,250	260,263	28,038,101	28,932,934
6. Financial assets carried at fair value	-	-	-	-	-	-
7. Financial assets being divested	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	-	285,866	285,866
Total 31/12/2009	**250,893**	**387,368**	**1,250**	**270,975**	**36,404,155**	**37,314,641**
Total 31/12/2008	**137,860**	**282,275**	**6,854**	**74,483**	**21,754,376**	**22,255,848**

The portfolio “Financial assets available for sale” includes CA Vita Index Linked policies from the Public Exchange Offer explained in detail in the Management Report. As at 31.12.2009 the overall book value is Euro 48.2 million.

A.1.2 Distribution of credit exposure by relative portfolio and by credit quality (gross and net values)

Portfolio/quality	Impaired assets			Performing			Total (net exposure)
	Gross exposure	Specific adjustments	Net exposure	Gross exposure	Portfolio adjustments	Net exposure	
A.1 Banking Group							
1. Financial assets held for trading	18,759	3,106	15,653	X	X	334,966	350,619
2. Financial assets available for sale	-	-	-	3,775,542	-	3,775,542	3,775,542
3. Financial assets held to maturity	-	-	-	-	-	-	-
4. Loans to banks	-	-	-	3,969,681	1	3,969,680	3,969,680
5. Loans to customers	1,453,987	559,154	894,833	28,174,574	136,473	28,038,101	28,932,934
6. Financial assets carried at fair value	-	-	-	X	X	-	-
7. Financial assets being divested	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	X	X	285,866	285,866
Total A	**1,472,746**	**562,260**	**910,486**	**35,919,797**	**136,474**	**36,404,155**	**37,314,641**
B. Other consolidated companies							
1. Financial assets held for trading	-	-	-	X	X	-	-
2. Financial assets available for sale	-	-	-	-	-	-	-
3. Financial assets held to maturity	-	-	-	-	-	-	-
4. Loans to banks	-	-	-	-	-	-	-
5. Loans to customers	-	-	-	-	-	-	-
6. Financial assets carried at fair value	-	-	-	X	X	-	-
7. Financial assets being divested	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	X	X	-	-
Total B	-	-	-	**-**	**-**	-	-
Total 31/12/2009	**1,472,746**	**562,260**	**910,486**	**35,919,797**	**136,474**	**36,404,155**	**37,314,641**
Total 31/12/2008	**900,905**	**402,069**	**498,836**	**29,108,580**	**135,593**	**28,721,206**	**29,220,042**

A.1.3 Banking Group - On-Balance-Sheet and off-Balance-Sheet credit exposure towards Banks: gross and net values

Type of exposures/amounts	Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure
A. ON-BALANCE-SHEET EXPOSURES				
a) Bad debts	-	-	X	-
b) Substandard loans	-	-	X	-
c) Restructured positions	-	-	X	-
d) Past due positions	-	-	X	-
f) Other assets	4,003,583	X	1	4,003,582
Total A	**4,003,583**	-	**1**	**4,003,582**
B. OFF-BALANCE-SHEET EXPOSURES				
a) Impaired	-	-	X	**-**
b) other	753,161	X	35	753,126
Total B	**753,161**	-	**35**	**753,126**
TOTAL A+B	**4,756,744**	**-**	**36**	**4,756,708**

A.1.6 Banking Group - On-Balance-Sheet and off-Balance-Sheet credit exposure towards Customers: gross and net values

Type of exposures/amounts	Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure
A. ON-BALANCE-SHEET EXPOSURES				
a) Bad debts	643,693	392,800	X	250,893
b) Substandard loans	540,059	157,632	X	382,427
c) Restructured positions	4,272	3,022	X	1,250
d) Past due positions	265,963	5,701	X	260,262
f) Other assets	31,952,225	X	136,473	31,815,752
TOTAL A	**33,406,212**	**559,155**	**136,473**	**32,710,584**
B. OFF-BALANCE-SHEET EXPOSURES				
a) Impaired	28,393	6,226	X	22,167
b) Other	2,610,271	X	10,245	2,600,026
TOTAL B	**2,638,664**	**6,226**	**10,245**	**2,622,193**
TOTAL A + B	**36,044,876**	**565,381**	**146,718**	**35,332,777**

A.1.7 Banking Group - On-Balance-Sheet credit exposure towards Customers: dynamics of gross impaired exposure

Reasons/categories	Bad debts	Substandard loans	Restructured positions	Past due positions
A. Opening Gross Exposure	**391,420**	**424,600**	**8,843**	**80,532**
- of which: exposures assigned but not derecognized	-	-	-	-
B. Increases	**310,788**	**507,581**	**5,350**	**482,406**
B.1 from performing loans	56,128	349,972	-	474,396
B.2 transfers from other categories of impaired positions	244,570	131,421	5,089	2,494
B.3 other increases	10,090	26,188	261	5,516
C. Decreases	**58,515**	**392,122**	**9,921**	**296,975**
C.1 to performing loans	8,885	79,645	157	147,308
C.2 writeoffs	24,035	6,914	1,133	228
C.3 collections	23,660	52,408	55	25,186
C.4 assignments	1,636	-	-	-
C.5 transfers to other categories of impaired positions	121	250,658	8,576	112,752
C.6 other decreases	178	33,899		11,501
D. Closing gross exposure	**643,693**	**540,059**	**4,272**	**265,963**
- of which: exposures assigned but not derecognized	-	-	-	-

A.1.8 Banking Group - On-Balance-Sheet credit exposure towards Customers: dynamics of total value adjustments

Reasons/categories	Non-performing loans	Doubtful loans	Restructured loans	Expired loans
A. Initial Overall Adjustments	**253,569**	**144,170**	**2,044**	**3,456**
- of which: exposures sold but not derecognized	-	-	-	-
B. Increasing Variations	**182,691**	**119,461**	**4,155**	**8,155**
B.1 Value adjustments	128,705	113,295	1,348	5,010
B.2 transfers from other impaired exposure categories	53,895	4,776	2,807	605
B.3 other increasing variations	91	1,390	-	2,540
C. Decreasing variations	**43,460**	**105,999**	**3,177**	**5,910**
C.1 write-ups from assessment	14,332	22,780	156	802
C.2 write-ups from receipts	6,467	19,882	-	950
C.3 derecognised	22,476	6,411	1,133	228
C.4 transfers to other impaired exposure categories	12	55,994	1,887	3,313
C.5 other decreasing variations	173	932	1	617
D. Final overall adjustments	**392,800**	**157,632**	**3,022**	**5,701**
- of which: exposures sold but not derecognized	-	-	-	-

A.2 CLASSIFICATION OF EXPOSURES BASED ON EXTERNAL AND INTERNAL RATINGS

A.2.2 Banking Group - Distribution of On-Balance-Sheet and Off-Balance-Sheet exposures by internal rating classes

Exposures	Internal rating class				Not rated	Total
	from AAA to BBB+	from BBB to BBB-	from BB+ to B	from B- to D		
A. On-balance-sheet exposures	**2,370,082**	**10,639,045**	**7,515,666**	**3,291,977**	**13,056,539**	**36,873,309**
B. Derivatives	**14,679**	**78,327**	**81,421**	**30,734**	**395,314**	**600,475**
B.1 Financial Derivatives	14,679	78,327	81,421	30,734	395,314	600,475
C. Guarantees issued	**327,982**	**422,790**	**494,778**	**103,397**	**628,779**	**1,977,726**
D. Commitments to disburse	**44,406**	**135,426**	**204,768**	**55,439**	**254,109**	**694,148**
Total	**2,757,149**	**11,275,588**	**8,296,633**	**3,481,547**	**14,334,741**	**40,145,658**

The distribution by rating class shown here refers to Cariparma FriulAdria Group internal models. In earlier financial years, a distribution based on rating systems used by the former holding Intesa Sanpaolo was reported. The column “No Rating” mainly reports exposure towards Banks, Public Bodies and Sovereign States where no internal rating models are available.

A.3 DISTRIBUTION OF CREDIT EXPOSURE GUARANTEED BY TYPE OF GUARANTEE

A.3.2 Banking Group – Guaranteed On-Balance-Sheet exposure towards Customers:

	Net value of exposure	Collateral (1)			Unsecured guarantees (2)									Total (1)+(2)
					Credit					Other guarantees				
						Other derivatives								
		Land and buildings	Securities	Other assets	CLN	Governments and central banks	Other public entities	Banks	Other	Governments and central banks	Other public entities	Banks	Other	
1. Secured on-balance-sheet exposures:	*21,246,872*	*22,302,563*	*434,038*	*179,232*	*9,838*	-	-	-	-	-	*1,569*	*145,323*	*3,595,829*	26,668,392
1.1 fully secured	19,651,200	22,140,692	339,585	149,133	9,064	-	-	-	-	-	-	-	3,186,817	25,825,291
- of which impaired	730,466	606,646	5,521	1,550	290	-	-	-	-	-	-	-	96,428	710,435
1.2 partially secured	1,595,672	161,871	94,453	30,099	774	-	-	-	-	-	1,569	145,323	409,012	843,101
- of which impaired	43,079	7,225	684	1,122	-	-		-	-	-	-	5,766	13,926	28,723
2. Secured off-balance-sheet exposures:	*654,892*	*16,568*	*70,642*	*26,986*	*5,900*	-	-	-	-	-	-	-	*453,433*	573,529
2.1 fully secured	486,005	2,614	54,706	18,964	4,127	-	-	-	-	-	-	-	404,863	485,274
- of which impaired	3,747	-	485	8	42	-	-	-	-	-	-	-	3,212	3,747
2.2 partially secured	168,887	13,954	15,936	8,022	1,773	-	-	-	-	-	-	-	48,570	88,255
- of which impaired	124	-	28	-	-	-	-	-	-	-	-	-	83	111

B. Distribution and concentration of credit exposure

B.1 BANKING GROUP - DISTRIBUTION BY SECTOR OF ON-BALANCE-SHEET AND OFF-BALANCE-SHEET CREDIT EXPOSURE TOWARDS CUSTOMERS (BALANCE SHEET VALUE)

Exposure/counterparty	Governments			Other public entities			Financial companies			Insurance undertakings			Non-financial companies			Other		
	Net exposure	Specific value adjustmen	Portfolio value adjustmen	Net exposure	Specific value adjustment	Portfolio value adjustmen	Net exposure	Specific value adjustme	Portfolio value adjustment	Net exposure	Specific value adjustme	Portfolio value adjustment	Net exposure	Specific value adjustment	Portfolio value adjustmen	Net exposure	Specific value adjustme	Portfolio value adjustment
A. On-balance-sheet																		
A.1 Bad debts	-	-	X	-	-	X	1,153	1,952	X	1	23	X	162,234	352,914	X	87,507	37,912	X
A.2 Substandard loans	2	1	X	36	2	X	671	239	X	-	-	X	273,847	120,825	X	107,873	36,564	X
A.3 Restructured loans	-	-	X	-	-	X	-	-	X	-	-	X	1,250	3,022	X	-	-	X
A.4 Past due positions	-	-	X	119	9	X	286	2	X	-	-	X	141,430	3,998	X	118,427	1,692	X
A.5 Other	3,746,110	X		186,114	X	-	821,406	X	10,102	216,708	X	-	17,461,580	X	101,188	9,383,830	X	25,183
TOTAL A	**3,746,112**	**1**	**-**	**186,269**	**11**	**-**	**823,516**	**2,193**	**10,102**	**216,709**	**23**	**-**	**18,040,341**	**480,759**	**101,188**	**9,697,637**	**76,168**	**25,183**
B. Off-balance-sheet																		
B.1 Bad debts	-	-	X	-	-	X	-	-	X	-	-	X	1,306	487	X	130	8	X
B.2 Substandard loans	-	-	X	16	-	X	33	33	X	-	-	X	9,091	5,249	X	262	293	X
B.3 Impaired Assets	-	-	X	-	-	X	112	2	X	-	-	X	11,001	152	X	215	2	X
B.4 Other	7,818	X	-	7,490	X	-	54,144	X	44	28,731	X	77	2,400,141	X	9,971	101,703	X	153
Total B	**7,818**	**-**	**-**	**7,506**	**-**	**-**	**54,289**	**35**	**44**	**28,731**	**-**	**77**	**2,421,539**	**5,888**	**9,971**	**102,310**	**303**	**153**
Total (A+B) 31/12/2009	**3,753,930**	**1**	**-**	**193,775**	**11**	**-**	**877,805**	**2,228**	**10,146**	**245,440**	**23**	**77**	**20,461,880**	**486,647**	**111,159**	**9,799,947**	**76,471**	**25,336**
Total (A+B) 31/12/2008	**1,819,444**	**-**	**-**	**223,444**	**5**	**3**	**780,367**	**1,991**	**5,479**	**292,879**	**-**	**84**	**19,796,269**	**71,646**	**18,170**	**8,689,511**	**69,826**	**15,863**

B.2 BANKING GROUP - DISTRIBUTION BY TERRITORY OF ON-BALANCE-SHEET AND OFF-BALANCE-SHEET CREDIT EXPOSURE TOWARDS CUSTOMERS (BALANCE SHEET VALUE)

Exposures/geographical areas	North-Western Italy		North-Eastern Italy		Central Italy		Southern Italy and Isles	
	Net exposure	Total adjustments	Net exposure	Total adjustments	Net exposure	Total adjustments	Net exposure	Total adjustments
A. On-balance-sheet exposures								
A.1 Bad debts	111,528	153,771	108,675	187,639	19,635	32,258	11,052	16,699
A.2 Substandard loans	128,533	57,908	188,479	65,357	31,354	10,762	29,402	18,436
A.3 Restructured loans	1,250	3,022	-	-	-	-	-	-
A.4 Past due positions	89,657	1,416	95,128	2,291	43,161	1,469	31,818	522
A.5 Other	10,996,712	51,080	13,799,961	66,513	5,189,857	10,983	1,658,678	6,891
Total	**11,327,680**	**267,197**	**14,192,243**	**321,800**	**5,284,007**	**55,472**	**1,730,950**	**42,548**
B. Off-balance-sheet exposures								
B.1 Bad debts	491	78	885	387	45	30	15	-
B.2 Substandard loans	346	1,108	9,007	3,191	15	1,259	34	18
B.3 Impaired Assets	625	18	9,995	129	598		112	8
B.4 Other	774,381	2,246	1,558,017	6,148	207,573	1,610	45,513	182
Total	**775,843**	**3,450**	**1,577,904**	**9,855**	**208,231**	**2,899**	**45,674**	**208**
Total (A+B) 31/12/2009	**12,103,523**	**270,647**	**15,770,147**	**331,655**	**5,492,238**	**58,371**	**1,776,624**	**42,756**
Total (A+B) 31/12/2008	**10,994,384**	**71,807**	**14,105,806**	**85,262**	**4,912,601**	**15,006**	**1,589,124**	**10,992**

B.3 BANKING GROUP - DISTRIBUTION BY TERRITORY OF ON-BALANCE-SHEET AND OFF-BALANCE-SHEET CREDIT EXPOSURE TOWARDS BANKS (BALANCE SHEET VALUE)

Exposures/Geographical areas	Italy		Other European countries		America		Asia		Rest of the world	
	Net exposure	Total adjustments	Net exposure	Total adjustments	Net exposure	Total adjustments	Net exposure	Total adjustments	Net exposure	Total adjustments
A. On-balance-sheet exposures										
A.1 Bad debts	-	-	-	-	-	-	-	-	-	-
A.2 Substandard loans	-	-	-	-	-	-	-	-	-	-
A.3 Restructured loans	-	-	-	-	-	-	-	-	-	-
A.4 Past due positions	-	-	-	-	-	-	-	-	-	-
A.5 Other	693,853	-	3,286,879	-	18,178	-	3,822	-	850	1
Total	**693,853**	**-**	**3,286,879**	**-**	**18,178**	**-**	**3,822**	**-**	**850**	**1**
B. Off-balance-sheet exposures										
B.1 Bad debts	-	-	-	-	-	-	-	-	-	-
B.2 Substandard loans	-	-	-	-	-	-	-	-	-	-
B.3 Impaired Assets	-	-	-	-	-	-	-	-	-	-
B.4 Other	394,489	-	314,475	19	9,900	3	30,857	12	3,405	-
Total	**394,489**	-	**314,475**	**19**	**9,900**	**3**	**30,857**	**12**	**3,405**	-
Total 31/12/2009	**1,088,342**	**-**	**3,601,354**	**19**	**28,078**	**3**	**34,679**	**12**	**4,255**	**1**
Total 31/12/2008	**1,157,742**	**-**	**2,470,603**	**5**	**17,283**	**-**	**16,776**	**62**	**1,938**	**-**

C. Securitization and sale of assets

C.1.7 BANKING GROUP – SERVICER ACTIVITIES - RECEIPTS FROM SECURITIZED CREDITS AND REPAYMENT OF SECURITIES ISSUED BY THE VEHICLE COMPANY

Servicer	Vehicle companies	Securitized assets (end of period figure)		Credit collections in the financial year		% share of refunded securities (end of period figure)					
						Senior		mezzanine		Junior	
		Impaired	Performing	Impaired	Performing	Impaired assets	performing assets	Impaired assets	performing assets	Impaired assets	performing assets
Cariparma	Mondo Mutui S.r.l	313	4,240,069	4	106,148	-	-	-	-	-	-

C.1.8 BANKING GROUP – SUBSIDIARY VEHICLE COMPANIES

During the 2009 financial year, the Parent Company Cariparma carried out a so-called "internal" securitization operation through the transfer of credits relating to residential land loans supported by first grade mortgages for a value of 4,336 million Euros.

The Parent Company underwrote the total of the securities issued by the vehicle company. The "senior" tranche securities were issued for trading at the Luxembourg Stock Exchange at a nominal value of 3.945 million Euros.

The "senior" tranche (Aaa rating – Moody's Investor Services) has the characteristics of "first level assets" as defined and identified in the monetary policy regulations for open market transactions with the European Central Bank.

The "junior" tranche has no rating, and amounts to 390 million Euro nominal value.

C.2 DISPOSAL OPERATIONS

C.2.1 Banking Group - Assets sold but not derecognized

Technical forms/portfolio	Financial assets held for trading			Financial assets carried at fair value			Financial assets available for sale			Financial assets held to maturity			Loans to banks			Loans to customers			Total	
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	12 2009	12 2008
A. On-balance-sheet	-	-	-	-	-	-	**3,279,942**	-	-	-	-	-	**212,909**	-	-	**4,240,382**	-	-	**7,733,233**	**1,648,956**
1. Debt securities	-	-	-	-	-	-	3,279,942	-	-	-	-	-	212,909	-	-	-	-	-	3,492,851	1,648,956
2. Equity securities	-	-	-	-	-	-	-	-	-	X	X	X	X	X	X	X	X	X	-	-
investment	-	-	-	-	-	-	-	-	-	X	X	X	X	X	X	X	X	X	-	-
4. Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,240,382	-	-	4,240,382	-
B. Derivatives	-	-	-	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	-	-
Total 31/12/2009	-	-	-	-	-	-	**3,279,942**	-	-	-	-	-	**212,909**	-	-	**4,240,382**	-	-	**7,733,233**	**1,648,956**
of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	*313*	-	-	*313*	-
Total 31/12/2008	**13,035**	-	-	-	-	-	**1,468,165**	-	-	-	-	-	**167,756**	-	-	-	-	-	-	**1,648,956**
of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Key:
A = financial assets surrendered entirely recognised (Balance Sheet value)
B = financial assets surrendered partially recognised (Balance Sheet value)
C = financial assets surrendered partially recognised (entire value)

C.2.2 Banking Group - Financial liabilities due for financial assets sold but not derecognized*

Liabilities/ Assets portfolio	Financial assets held for trading	Financial assets carried at fair value	Financial assets available for sale	Financial assets held to maturity	Loans to banks	Loans to Clients	Total
1. Due to customers	**-**	**-**	**-**	**-**	**213,008**	**-**	**213,008**
a) in respect of assets fully recognized	-	-	-	-	213,008	-	213,008
b) in respect of assets partially recognized	-	-	-	-	-	-	-
2. Due to banks	**-**	**-**	**3,281,274**	**-**	**-**	**324,213**	**3,605,487**
a) in respect of assets fully recognized	-	-	3,281,274	-	-	324,213	3,605,487
b) in respect of assets partially recognized	-	-	-	-	-	-	-
3. Securities in issue	**-**	**-**	**-**	**-**	**-**	**-**	-
a) in respect of assets fully recognized	-	-	-	-	-	-	-
b) in respect of assets partially recognized	-	-	-	-	-	-	-
Total 31/12/2009	**-**	**-**	**3,281,274**	**-**	**213,008**	**324,213**	**3,818,495**
Total 31/12/2008	**13,053**	**-**	**1,463,435**	**-**	**165,313**	**-**	**1,641,801**

* Information relating to repurchase agreements liabilities is prepared by the company.

1.2 Banking Group – Market Risk

1.2.1 INTEREST RATE RISK – SUPERVISORY TRADING PORTFOLIO

QUALITATIVE INFORMATION

General Points

Market risk is generated by the positions taken by the Group's Banks, limited to the supervisory trading portfolio.

The supervisory trading portfolio for each Bank is composed of:

- Positions managed centrally by the Parent Company valued for accounting purposes at fair value;
- Trading portfolio composed of securities, derivatives, funds, hedge funds and currency positions purchased for retail purposes.

Market risk management and assessment processes

Organisational aspects

The process for the management of market risk relating to the Group’s trading portfolio is regulated by the internal risk policy for each Bank, aimed at identifying criteria for the management of risk profiles, the activities to be carried out for the correct application of the criteria, units delegated to performing these activities and procedures supporting the same.

Investment policy

The investment policy is aimed at implementing strategies, over the short and long term, quantifying resources to be allocated to financial investments for each Bank’s trading portfolio.

Assumption of risks

The Group is not characterised by a significant proprietary trading activity on financial and capital markets. However, positions exist as a result of placement and trading activities carried out to meet customers’ requirements as well as positions in hedge funds and other funds. In particular, during the third quarter of 2009, a disinvestment plan was initiated for hedge fund quotas which will be completed during 2010.

Measuring risk

The market risk assessment phase includes the calculation of indicative measurements for risks deriving from investments in financial instruments. In particular, market risk is determined taking into account:

- The market value of the financial instruments, which must be constantly monitored (mark to market);
- The variables underlying the financial instruments which influence their value (interest rates, share prices, exchange rates, etc.);
- The sensitivity of the market value of financial instruments to a variation in the these variables underlying the instruments;
- Volatility, that is the expected variation over a specific time period in the variables underlying the financial instruments;
- The desired "protection” (confidence interval or the probability that forecasts made could actually occur).

Risk control

Monitoring risk is the responsibility of the Risks and Permanent Controls Division, which verifies:

- Compliance with management limits on individual Banks' portfolios;
- the adequacy and functionality of the financial process;
- the respect of the agreed rules and criteria on the management of risk;
- The correct performance of the activities and controls set for the supervision of risk;
- any criticality to be removed immediately.

Notes to the Consolidated Financial Statements
Part E – Risks and risk management policies

QUANTITATIVE INFORMATION
1. Supervisory Trading Portfolio: distribution by residual life (date of revaluation) of the on-balance-sheet financial assets or liabilities and financial derivatives

Currency: US DOLLAR

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	from over 5 years to 10 years	More than 10 years	unspecified maturity
1. On-Balance-Sheet Assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-Balance-Sheet Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Securities issued	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**203,979**	**45,774**	**50,900**	**21,258**	**-**	**86**	**-**
3.1 With underlying security	-	623	104	114	174	-	86	-
- Options	-	60	104	114	10	-	-	-
+ long positions	-	30	52	57	-	-	-	-
+ short positions	-	30	52	57	10	-	-	-
- Other	-	563	-	-	164	-	86	-
+ long positions	-	282	-	-	82	-	43	-
+ short positions	-	281	-	-	82	-	43	-
3.2 Without underlying security	-	203,356	45,670	50,786	21,084	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	203,356	45,670	50,786	21,084	-	-	-
+ long positions	-	99,769	21,769	23,852	10,542	-	-	-
+ short positions	-	103,587	23,901	26,934	10,542	-	-	-

Currency: UK POUND STERLING

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	from over 5 years to 10 years	More than 10 years	unspecified maturity
1. On-Balance-Sheet Assets	**-**	**-**	**-**	**-**	**1**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	1	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	1	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-Balance-Sheet Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Securities issued	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**14,500**	**9,375**	**1,822**	**793**	**278**	**-**	**-**
3.1 With underlying security	-	866	10	10	562	278	-	-
- Options	-	14	10	10	-	-	-	-
+ long positions	-	7	5	5	-	-	-	-
+ short positions	-	7	5	5	-	-	-	-
- Other	-	852	-	-	562	278	-	-
+ long positions	-	427	-	-	281	139	-	-
+ short positions	-	425	-	-	281	139	-	-
3.2 Without underlying security	-	13,634	9,365	1,812	231	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	13,634	9,365	1,812	231	-	-	-
+ long positions	-	7,052	4,682	1,249	231	-	-	-
+ short positions	-	6,582	4,683	563	-	-	-	-

Currency: SWISS FRANK

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	from over 5 years to 10 years	More than 10 years	indefinite life
1. On-Balance-Sheet Assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-Balance-Sheet Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Securities issued	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**13,410**	**35,722**	**201**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	13,410	35,722	201	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	13,410	35,722	201	-	-	-	-
+ long positions	-	4,725	17,861	101	-	-	-	-
+ short positions	-	8,685	17,861	100	-	-	-	-

Currency: JAPAN YEN

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	from over 5 years to 10 years	More than 10 years	unspecified maturity
1. On-Balance-Sheet Assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-Balance-Sheet Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Securities issued	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**67,454**	**25**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	67,454	25	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	67,454	25	-	-	-	-	-
+ long positions	-	33,682	-	-	-	-	-	-
+ short positions	-	33,772	25	-	-	-	-	-

Currency: EURO

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	from over 5 years to 10 years	More than 10 years	unspecified maturity
1. On-Balance-Sheet Assets	**1**	**16,823**	**20,034**	**1,909**	**1,860**	**8,056**	**14**	**-**
1.1 Debt securities	1	11,448	20,034	1,909	1,860	8,056	14	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	1	11,448	20,034	1,909	1,860	8,056	14	-
1.2 Other assets	-	5,375	-	-	-	-	-	-
2. On-Balance-Sheet Liabilities	**-**	**5,296**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Securities issued	-	5,296	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**26,092**	**7,741,346**	**2,840,812**	**967,266**	**5,125,046**	**769,186**	**288,904**	**-**
3.1 With underlying security	1,680	173,749	98,816	2,592	10,077	7,600	316	-
- Options	-	76	114	122	-	-	-	-
+ long positions	-	38	57	61	-	-	-	-
+ short positions	-	38	57	61	-	-	-	-
- Other	1,680	173,673	98,702	2,470	10,077	7,600	316	-
+ long positions	65	88,617	49,137	306	3,066	5,971	158	-
+ short positions	1,615	85,056	49,565	2,164	7,011	1,629	158	-
3.2 Without underlying security	24,412	7,567,597	2,741,996	964,674	5,114,969	761,586	288,588	-
- Options	24,412	10	12	22	211,350	92,012	2,316	-
+ long positions	-	5	6	11	117,881	46,006	1,158	-
+ short positions	24,412	5	6	11	93,469	46,006	1,158	-
- Other	-	7,567,587	2,741,984	964,652	4,903,619	669,574	286,272	-
+ long positions	-	3,786,735	1,373,211	483,599	2,450,964	334,787	143,136	-
+ short positions	-	3,780,852	1,368,773	481,053	2,452,655	334,787	143,136	-

Currency: OTHER CURRENCIES

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	from over 5 years to 10 years	More than 10 years	unspecified maturity
1. On-Balance-Sheet Assets	**-**	**-**	**-**	**-**	**398**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	398	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	398	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-Balance-Sheet Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Securities issued	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**36,360**	**5,904**	**134**	**423**	**57**	**-**	**-**
3.1 With underlying security	-	508	-	12	423	57	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	508	-	12	423	57	-	-
+ long positions	-	461	-	6	11	28	-	-
+ short positions	-	47	-	6	412	29	-	-
3.2 Without underlying security	-	35,852	5,904	122	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	35,852	5,904	122	-	-	-	-
+ long positions	-	18,137	2,924	38	-	-	-	-
+ short positions	-	17,715	2,980	84	-	-	-	-

2. Supervisory Trading Portfolio: distribution of exposure in share capital securities and share indexes by main market listing countries

Type of transaction/equity index	Listed						Unlisted
	Italy	Germany	France	Switzerland	Great Britain	Rest of the world	
A. Equity securities	**2**	**-**	**-**	**-**	**-**	**-**	**27**
- long positions	2	-	-	-	-	-	27
- short positions	-	-	-	-	-	-	-
B. Unsettled transactions in equity securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- long positions	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-
C. Other derivatives on equity securities	**-**	**-**	**-**	**-**	**-**	**-**	**10**
- long positions	-	-	-	-	-	-	10
- short positions	-	-	-	-	-	-	-
D. Derivatives on equity indices	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- long positions	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-

1.2.2 INTEREST RATE RISK – BANKING PORTFOLIO

QUALITATIVE INFORMATION

Interest rate risk: general aspects, management processes and assessment methods

General Points

Asset liability management typically concerns banking book positions, mainly focussing on fixed rate positions. Movements in interest rates impact on the Banks' profits through variations in interest rates and earning margins, as well as on the value of the capital through the variation of the actual net value of future cash flows.

Interest rate risk affects all transactions, on- and off-balance sheet, excluding the supervisory trading portfolio (the so-called trading book).

Risk management policy

Risk management policy is aimed at stabilizing the interest margin over the medium/long term by implementing short and long term strategies.

The Governance model adopted by the Group delegates the management of interest rate risk to Cariparma’s Financial Management Division, which manages risk at a Group level, within the limits and guidelines established by the Holding Company Crédit Agricole SA.

The Assets and Liabilities Management Committee, composed of senior management and main functions involved in the management and control processes, validates the methods for assessing exposure to interest rate risk and decides on any interventions, typically hedging, which the Financial Management Division implement in managing profits.

During 2009, several projects were started aimed at consolidating the automation of exposure to interest rate risk and compliance with the set limits as well as ensuring the correctness, accuracy and reliability of information and data gathered and processed by the management information system.

Risk control

Independent control of the interest rate risk management system is ensured by Cariparma’s Risks and Permanent Controls Division for individual Banks and the Group, verifying conformity of the system with the risk assessment model defined under the guidelines issued by the Holding Company Crédit Agricole SA and with the relevant regulations. In particular, the Division:

- Controls, in coherence with directions given by the Supervisory Body and the modus operandi defined by Crédit Agricole S.A, the risk assessment models and stress testing;
- Validates, updates and maintains the risk assessment models;
- Informs the Boards of Directors of individual Banks (as part of the control process) of any areas which required attention in relation to risk management during the reference period and the corrective action undertaken.

Assessing risk: Methodology

To assess and manage interest rate risk, the Group has adopted an interest gap based model where, at every future maturity date, the gap generated by fixed rate assets and liabilities existing on that date are measured. Calculation of the accumulated fixed rate gap requires prior identification of balance sheet positions exposed to interest rate risk, identification of the stable component of on demand items, an estimate of “optionality” implicit in certain banking book positions (early reimbursement of loans), an estimated expiry for certain asset positions which do not have fixed contractual maturity, according to Group and CASA proprietary models.

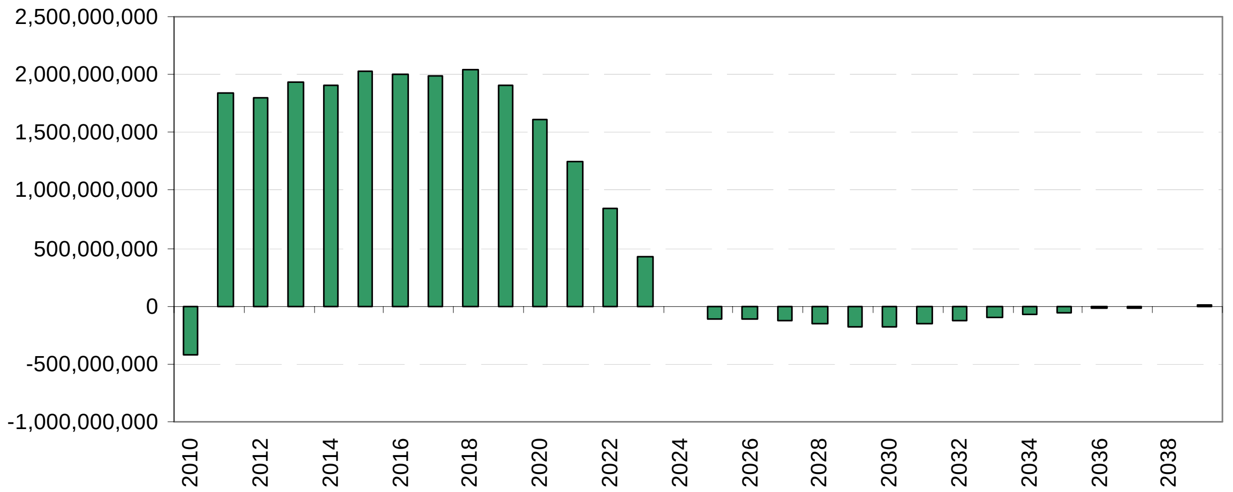
Furthermore, in line with the guidelines issued by Crédit Agricole S.A., a series of limits (in absolute value) on gaps representing the maximum acceptable risk level for the Group have been established. These limits are determined by calculating a series of risk ratios that measure the impact of an interest rate variation on equity, on earning margin and on the net management result.

The limits are proposed by the Assets and Liabilities Management Committee to the Banks' and Crédit Agricole SA's various validation committees and subsequently to the Boards of Directors of the Banks themselves.

To determine exposure to interest rate risk, the Group perimeter taken into consideration also includes data for the two Banks, Cariparma and FriulAdria, as well as CALIT (Credit Agricole Leasing Italia S.r.l.), 85% of its capital purchased by Cariparma in September 2009.

The Cariparma FriulAdria Group gap (including) as at 31 December 2009 is reported below.

GROUP GAP AT 31/12/2009



The following table shows the impact of an interest rate shock of -200 bp, corresponding to the maximum effect scenario on the Group's gap structure.

Impact as at 31/12/2009 is measured by three different ratios: the relative variation of Own Funds (FP ratio), the relative variation on the Net Banking Income (PNB ratio), the relative variation on the Gross Operating Profit (RBE ratio). The first ratio measures the Balance Sheet capacity to endure long-term shocks, whereas the second and third ratios measure shocks in economic terms.

	Shock 200bp (max value +/-) in %
EQUITY	**2,461**
Impact	14.81%
GROSS INCOME	**1,493**
Impact	2.54%
GROSS OPERATING MARGIN	**651**
Impact	5.84%

Fair Value Hedging Operations

Interest rate risk hedging operations are aimed at protecting the banking book against variations in the fair value of deposits and loans caused by movements in the interest rate curve, that is, reducing the variability of cash flows linked to specific assets/liabilities. In particular, hedging operations included debenture loans issued at fixed rate, identified by the internal model, through macro hedging operations (generic hedging). Hedging operations were carried out through the purchase of interest rate swap derivatives for specific and generic cover. Moreover, given the market situation, the ALM Committee decided on the purchase of fixed rate Government Bonds for natural hedging of the fixed rate gap. In compliance with IAS Financial Statement regulations, the Financial Management Division verifies the efficacy of cover and periodically carries out efficacy tests and maintains the official hedging reports.

Cash flow hedging

There are no existing cash flow hedging operations.

QUANTITATIVE INFORMATION

1. Banking Portfolio: distribution by residual life (date of revaluation) of financial assets and liabilities

Currency: US DOLLAR

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	from over 5 years to 10 years	More than 10 years	unspecified maturity
1. On-Balance-Sheet Assets	**80,145**	**211,016**	**14,861**	**24**	**154**	**-**	**-**	**567**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	17,389	101,356	-	-	-	-	-	-
1.3 Loans to customers	62,756	109,660	14,861	24	154	-	-	567
- current account	5,622	-	-	-	-	-	-	467
- Other financing								
- with early redemption option	1,490	17,459	145	-	-	-	-	-
- other	55,644	92,201	14,716	24	154	-	-	100
2. On-Balance-Sheet Liabilities	**296,370**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers:	123,672	-	-	-	-	-	-	-
- current account	123,672	-	-	-	-	-	-	-
- other debts								
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Due to banks	172,698	-	-	-	-	-	-	-
- current account	-	-	-	-	-	-	-	-
- other debts	172,698	-	-	-		-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**749**	**114,204**	**387**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	749	114,204	387	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	749	114,204	387	-	-	-	-	-
+ long positions	-	57,283	387	-	-	-	-	-
+ short positions	749	56,921	-	-	-	-	-	-

Currency: UK POUND STERLING

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	from over 5 years to 10 years	More than 10 years	unspecified maturity
1. On-Balance-Sheet Assets	**4,225**	**25,148**	**94**	**-**	**-**	**-**	**-**	**2**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	3,442	13,174	-	-	-	-	-	-
1.3 Loans to customers	783	11,974	94	-	-	-	-	2
- current account	206	-	-	-	-	-	-	2
- Other financing								
- with early redemption option	293	386	94	-	-	-	-	-
- other	284	11,588	-	-	-	-	-	-
2. On-Balance-Sheet Liabilities	**30,639**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers:	17,688	-	-	-	-	-	-	-
- current account	17,688	-	-	-	-	-	-	-
- other debts								
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Due to banks	12,951	-	-	-	-	-	-	-
- current account	-	-	-	-	-	-	-	-
- other debts	12,951	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**28,150**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	
+ long positions		-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	28,150	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	28,150	-	-	-	-	-	-
+ long positions	-	14,075	-	-	-	-	-	-
+ short positions	-	14,075	-	-	-	-	-	-

Currency: SWISS FRANK

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	from over 5 years to 10 years	More than 10 years	unspecified maturity
1. On-Balance-Sheet Assets	**7,393**	**34,957**	**11,614**	**-**	**316**	**-**	**-**	**280**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	1,454	-	-	-	-	-	-	-
1.3 Loans to customers	5,939	34,957	11,614	-	316	-	-	280
- current account	160	-	-	-	-	-	-	-
- Other financing								
- with early redemption option	11	697	-	-	-	-	-	-
- other	5,768	34,260	11,614	-	316	-	-	280
2. On-Balance-Sheet Liabilities	**50,332**	**313**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers:	2,146	-	-	-	-	-	-	-
- current account	2,146	-	-	-	-	-	-	-
- other debts								
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Due to banks	48,186	313	-	-	-	-	-	-
- current account	181	-	-	-	-	-	-	-
- other debts	48,005	313	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**39,364**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	39,364	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	39,364	-	-	-	-	-	-
+ long positions	-	19,682	-	-	-	-	-	-
+ short positions	-	19,682	-	-	-	-	-	-

Currency: JAPAN YEN

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	from over 5 years to 10 years	More than 10 years	unspecified maturity
1. On-Balance-Sheet Assets	**6,757**	**6,218**	**152**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-							
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	3,637	-	-	-	-	-	-	-
1.3 Loans to customers	3,120	6,218	152	-	-	-	-	-
- current account	1,990	-	-	-	-	-	-	-
- Other financing								
- with early redemption option	-	-	-	-	-	-	-	-
- other	1,130	6,218	152	-	-	-	-	-
2. On-Balance-Sheet Liabilities	**12,242**	**658**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers:	827	80	-	-	-	-	-	-
- current account	827	-	-	-	-	-	-	-
- other debts								
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	80	-	-	-	-	-	-
2.2 Due to banks	11,415	578	-	-	-	-	-	-
- current account	-	-	-	-	-	-	-	-
- other debts	11,415	578	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**13,368**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	13,368	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	13,368	-	-	-	-	-	-
+ long positions	-	6,684	-	-	-	-	-	-
+ short positions	-	6,684	-	-	-	-	-	-

Currency: EURO

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	from over 5 years to 10 years	More than 10 years	unspecified maturity
1. On-Balance-Sheet Assets	**5,947,678**	**15,152,995**	**2,141,464**	**2,286,518**	**1,617,551**	**6,846,941**	**1,808,350**	**599,026**
1.1 Debt securities	123,769	-	-	8,991	45,552	5,907,627	-	2
- with early redemption option	-	-	-	-	-	-	-	-
- other	123,769	-	-	8,991	45,552	5,907,627	-	2
1.2 Loans to banks	47,098	1,785,810	64	72	842			17
1.3 Loans to customers	5,776,811	13,367,185	2,141,400	2,277,455	1,571,157	939,314	1,808,350	599,007
- current account	3,572,679	-	-	-	42,455	-	-	49,277
- Other financing								
- with early redemption option	80,144	353,881	66,467	64,611	298,348	37,406	4,742	4,543
- other	2,123,988	13,013,304	2,074,933	2,212,844	1,230,354	901,908	1,803,608	545,187
2. On-Balance-Sheet Liabilities	**18,216,305**	**6,916,950**	**1,125,453**	**1,487,410**	**6,014,479**	**650,880**	**8**	**45**
2.1 Due to customers:	17,420,138	144,831	32	59	61	16	8	45
- current account	16,815,988	-	-	-	-	-	-	-
- other debts								
- with early redemption option	-	-	-	-	-	-	-	-
- other	604,150	144,831	32	59	61	16	8	45
2.2 Due to banks	720,430	4,545,485	-	-	-	-	-	-
- current account	120,046	-	-	-	-	-	-	-
- other debts	600,384	4,545,485	-	-	-	-	-	-
2.3 Debt securities	20,236	2,226,634	1,125,421	1,487,351	6,014,418	650,864	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	20,236	2,226,634	1,125,421	1,487,351	6,014,418	650,864	-	-
2.4 Other liabilities	55,501	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	55,501	-	-	-	-	-	-	-
3. Financial Derivatives	**140,800**	**4,891,469**	**1,394,415**	**538,312**	**3,386,603**	**1,312,389**	**27,061**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	140,800	4,891,469	1,394,415	538,312	3,386,603	1,312,389	27,061	-
- Options	-	-	5,000	-	5,000	-	-	-
+ long positions	-	-	2,500	-	2,500	-	-	-
+ short positions	-	-	2,500	-	2,500	-	-	-
- Other	140,800	4,891,469	1,389,415	538,312	3,381,603	1,312,389	27,061	-
+ long positions	2,200	1,313,374	149,220	529,081	2,573,461	1,273,189	-	-
+ short positions	138,600	3,578,095	1,240,195	9,231	808,142	39,200	27,061	-

Notes to the Consolidated Financial Statements
Part E – Risks and risk management policies

Currency: OTHER CURRENCIES

Type/Residual maturity	on demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	from over 5 years to 10 years	More than 10 years	unspecified maturity
1. On-Balance-Sheet Assets	**7,063**	**1,134**	-	-	-	-	-	-
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	5,285	836	-	-	-	-	-	-
1.3 Loans to customers	1,778	298	-	-	-	-	-	-
- current account	1,514	-	-	-	-	-	-	-
- Other financing								
- with early redemption option	5	97	-	-	-	-	-	-
- other	259	201	-	-	-	-	-	-
2. On-Balance-Sheet Liabilities	**7,721**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers:	5,169	-	-	-	-	-	-	-
- current account	5,169	-	-	-	-	-	-	-
- other debts								
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Due to banks	2,552	-	-	-	-	-	-	-
- current account	320	-	-	-	-	-	-	-
- other debts	2,232	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**6,442**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	6,442	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other	-	6,442	-	-	-	-	-	-
+ long positions	-	3,221	-	-	-	-	-	-
+ short positions	-	3,221	-	-	-	-	-	-

1.2.3 EXCHANGE RATE RISK

QUALITATIVE INFORMATION

The Group does not trade on its own behalf on the exchange rates market and does not hold assets or liabilities which are not hedged against this risk. Consequently, no assumption of risk positions are recorded except where limited to residuals deriving from trading operations carried out to satisfy customer requirements.

However, these positions also, for residual amounts, are monitored daily.

QUANTITATIVE INFORMATION

1. Distribution by currency of assets and liabilities and by derivatives

Items	Currencies					
	US DOLLAR	UK POUND STERLING	JAPAN YEN	CANADIAN DOLLAR	SWISS FRANK	OTHER CURRENCIES
A. Financial Assets	**306,770**	**29,472**	**13,128**	**2,748**	**54,363**	**7,240**
A.1 Debt securities	-	1	-	-	-	408
A.2 Equity securities	1	-	-	-	-	-
A.3 Loans to banks	118,746	16,616	3,637	1,867	1,272	5,635
A.4 Loans to customers	188,023	12,855	9,491	881	53,091	1,197
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	**2,775**	**993**	**122**	**268**	**928**	**537**
C. Financial Liabilities	**296,371**	**30,639**	**12,900**	**2,755**	**50,465**	**5,148**
C.1 Due to banks	172,699	12,951	12,080	-	48,319	2,734
C.2 Due to customers:	123,672	17,688	820	2,755	2,146	2,414
C.3 Debt securities	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	**2,455**	**148**	**26**	**17**	**359**	**4**
E. Financial derivatives	**336,910**	**25,078**	**67,479**	**30,211**	**49,331**	**11,664**
- Options	276	34	-	-	-	-
+ long positions	138	17	-	-	-	-
+ short positions	138	17	-	-	-	-
- Other	336,634	25,044	67,479	30,211	49,331	11,664
+ long positions	163,908	13,215	33,682	15,104	22,686	5,993
+ short positions	172,726	11,829	33,797	15,107	26,645	5,671
Total assets	**473,591**	**43,697**	**46,932**	**18,120**	**77,977**	**13,770**
Total liabilities	**471,690**	**42,633**	**46,723**	**17,879**	**77,469**	**10,823**
Difference (+/-)	**1,901**	**1,064**	**209**	**241**	**508**	**2,947**

1.2.4 DERIVATIVE FINANCIAL INSTRUMENTS

A. Financial Derivatives

A.1 SUPERVISORY TRADING PORTFOLIO: NOTIONAL VALUES AT END-OF-PERIOD AND AVERAGES

Underlying assets/Type of derivative	31/12/2009		31/12/2008	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	11,474,597	-	12,119,713	-
a) Options	3,152,575	-	3,306,680	-
b) Interest rate swaps	8,322,022	-	8,813,033	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
2. Equity securities and equity indices	88,881	-	93,683	-
a) Options	88,881	-	93,683	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
3. Exchange rates and gold	556,112	-	463,191	-
a) Options	73,565	-	241,023	-
b) Swaps	-	-	-	-
c) Forward contracts	482,547	-	222,168	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	26,202	-	78,289	-
5. Other underlying assets	96	-	-	-
Total	**12,145,888**	**-**	**12,754,876**	**-**
Average amounts	9,928,852	**-**	**13,875,098**	**-**

A.2 BANKING PORTFOLIO: NOTIONAL VALUES AT END-OF-PERIOD AND AVERAGES

A.2.1 Hedging

Underlying assets/Type of derivative	31/12/2009		31/12/2008	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	5,811,524	-	5,503,865	
a) Options	2,500	-	2,500	-
b) Swaps	5,809,024	-	5,501,365	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
2. Equity securities and equity indices	-	-	-	-
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
3. Exchange rates and gold	-	-	-	-
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	-	-	-	-
5. Other underlying assets	-	-	-	-
Total	**5,811,524**	**-**	**5,503,865**	**-**
Average amounts	**6,043,527**	**-**	**4,586,306**	**-**

A.2.2 Other derivatives

Underlying assets/Type of derivatives	31/12/2009		31/12/2008	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	2,500	-	2,500	-
a) Options	2,500	-	2,500	-
b) Interest rate swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
2. Equity securities and equity indices	-	-	-	-
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
3. Exchange rates and gold	-	-	-	-
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	-	-	-	-
5. Other underlying assets	-	-	-	-
Total	**2,500**	**-**	**2,500**	**-**
Average amounts	**2,500**	**-**	**2,500**	**-**

A.3 FINANCIAL DERIVATIVES: *POSITIVE FAIR VALUE* – SPREAD BY PRODUCT

Underlying assets/Type of derivatives	positive fair value			
	31/12/2009		31/12/2008	
	Over the counter	Central counterparties	Over the counter	Central counterparties
A. Supervisory Trading Portfolio:	314,415	-	308,839	-
a) Options	31,025	-	17,242	-
b) Interest rate swaps	271,430	-	256,889	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
c) Forwards	9,409	-	26,079	-
f) Futures	-	-	-	-
g) Other	2,551	-	8,629	-
B. Banking Portfolio - hedging	285,866	-	184,206	-
a) Options	366	-	201	-
b) Interest rate swaps	285,500	-	184,005	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
c) Forwards	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
C. Banking Portfolio - Other derivatives	-	-	-	-
a) Options	-	-	-	-
b) Interest rate swaps	-	-	-	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
c) Forwards	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
Total	**600,281**	**-**	**493,045**	**-**

A.4 FINANCIAL DERIVATIVES: NEGATIVE *FAIR VALUE* - SPREAD BY PRODUCT

Underlying assets/Type of derivatives	Negative fair value			
	31/12/2009		31/12/2008	
	Over the counter	Central counterparties	Over the counter	Central counterparties
A. Supervisory Trading Portfolio	319,660	-	311,355	-
a) Options	30,141	-	22,864	-
b) Interest rate swaps	278,085	-	255,016	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
c) Forwards	9,629	-	7,843	-
d) Futures	-	-	-	-
e) Other	1,805	-	25,632	-
B. Banking Portfolio - hedging	16,108	-	14,151	-
a) Options	-	-	-	-
b) Interest rate swaps	16,108	-	14,151	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
C. Banking Portfolio - Other derivatives	366	-	201	-
a) Options	366	-	201	-
b) Interest rate swaps	-	-	-	-
c) Cross currency swaps	-	-	-	-
d) Equity swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
Total	**336,134**	**-**	**325,707**	**-**

A.5 OTC FINANCIAL DERIVATIVES: SUPERVISORY TRADING PORTFOLIO: NOTIONAL VALUES, POSITIVE AND NEGATIVE GROSS FAIR VALUE BY COUNTERPARTY – CONTRACTS NOT WITHIN COMPENSATION AGREEMENTS

Contracts not included in compensation agreements	Governments and central banks	Other public entities	banks	Financial companies	Insurance undertakings	Non-financial companies	Other
1) Debt securities and interest rates	**-**	**79,306**	**5,729,205**	**1,255,421**	**-**	**4,350,138**	**720,207**
- notional amount	-	76,731	5,376,036	1,206,696	-	4,118,626	696,508
- positive fair value	-	1,780	71,694	18,976	-	199,558	9,736
- negative fair value	-	91	252,099	24,466	-	18,291	12,502
- future exposure	-	704	29,376	5,283	-	13,663	1,461
2) Equity securities and equity indices	**-**		**44,579**	**-**	**-**	**-**	**44,758**
- notional amount	-	-	44,346	-	-	-	44,535
- positive fair value	-	-	10	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	223	-	-	-	223
3) Exchange rate and gold	**-**	**-**	**286,637**	**4,709**	**-**	**284,206**	**7,092**
- notional amount	-	-	272,804	4,512	-	271,879	6,915
- positive fair value	-	-	5,691	88	-	4,322	16
- negative fair value	-	-	5,165	88	-	5,030	93
- future exposure	-	-	2,977	21	-	2,975	68
4) Other assets	**-**	**-**	**18,891**	**-**	**-**	**14,376**	**71**
- notional amount	-	-	14,763	-	-	11,493	42
- positive fair value	-	-	1,621	-	-	963	-
- negative fair value	-	-	1,035	-	-	771	29
- future exposure	**-**	**-**	**1,472**	**-**	**-**	**1,149**	**-**

A.7 OTC FINANCIAL DERIVATIVES: BANKING PORTFOLIO: NOTIONAL VALUES, POSITIVE AND NEGATIVE GROSS *FAIR VALUE* BY COUNTERPARTY - CONTRACTS NOT WITHIN COMPENSATION AGREEMENTS

Contracts not included in compensation agreements	Governments and central banks	Other public entities	Banks	Financial companies	Insurance undertakings	Non-financial companies	Other
1) Debt securities and interest rates	**-**	**-**	**6,077,968**	**71,939**	**-**	**-**	**2,866**
- notional amount	-	-	5,742,530	68,994	-	-	2,500
- positive fair value	-	-	283,528	2,338	-	-	-
- negative fair value	-	-	15,596	512	-	-	366
- future exposure	-	-	36,314	95	-	-	-
2) Equity securities and equity indices	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
3) Exchange rate and gold	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
4) Other assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-

A.9 RESIDUAL LIFE OF OTC FINANCIAL DERIVATIVES: NOTIONAL VALUES

Underlying asset/residual maturity	up to 1 year	Over 1 year to 5 years	More than 5 years	Total
A. Supervisory Trading Portfolio	**3,607,555**	**6,698,647**	**1,839,685**	**12,145,887**
A.1 Financial derivatives on debt certificates and interest rates	3,046,461	6,588,451	1,839,685	11,474,597
A.2 Financial derivatives on share capital securities and share indices	-	88,881	-	88,881
A.3. Financial Derivatives on exchange rates and gold	534,795	21,315	-	556,110
A.4 Financial derivatives on other values	26,299	-	-	26,299
B. Banking Portfolio	**1,131,328**	**3,381,903**	**1,300,792**	**5,814,023**
B.1 Financial derivatives on debt certificates and interest rates	1,131,328	3,381,903	1,300,792	5,814,023
B.2 Financial derivatives on share capital securities and share indices	-	-	-	-
B.3. Financial Derivatives on exchange rates and gold	-	-	-	-
B.4 Financial derivatives on other values	-	-	-	-
Total 31/12/2009	**4,738,883**	**10,080,550**	**3,140,477**	**17,959,910**
Total 31/12/2008	**6,085,358**	**9,878,742**	**3,149,540**	**19,113,640**

1.3 Banking Group – Liquidity risk

QUALITATIVE INFORMATION

Liquidity risk: general aspects, management processes and assessment methods

General Points

The Cariparma FriulAdria Group has established (since February 2009) an independent Group Treasury aligned with CASA Group standards:

The Group Treasury:

- centrally manages the short term liquidity of the Group's Banks
- Directly fulfils Reserve obligations imposed by the Central Bank for the Group
- Ensures availability of the necessary funds to the Group's Banks to fulfil commitments in the payments system
- Undertakes relations with the Bank of Italy on problems relating to Treasury activities, the payments system, monetary policy operations and reporting on Group liquidity
- optimizes the management of available resources
- Respects liquidity limits established for instruments and counterparties.

Organisational aspects

The Governance model adopted by the Group is based on the central management of liquidity at Group level, consistent with the CASA guidelines.

To determine exposure to liquidity risk, the Group perimeter taken into consideration also includes data for the two Banks, Cariparma and FriulAdria, as well as CALIT (Credit Agricole Leasing Italia S.r.l.).

The Parent Company:

- Is responsible for the liquidity policy,
- Managing funding;
- Managing liquidity risk
- For all Banks within the Group;

The Governance model established to supervise liquidity risk management processes is defined by the Board of Directors and implemented by delegation of authority and tasks to the competent Divisions. In particular:

- To the Managing Director who is given the responsibility of verifying the functionality, efficacy and efficiency of the risk management and control system;
- To the General Manager and Deputy General Manager, who are given the responsibility of implementing the liquidity risk management policy within the remit of the relative operational delegations.

The liquidity management model is based on a system of delegations; the Financial Management Division has overall responsibility for the assessment, management and monitoring of liquidity and the Risks and Permanent Controls Division for the relative risk control activities.

Risk management and control: Methodology

The liquidity risk management and monitoring model is implemented through:

- The management of short term liquidity (or operating liquidity), that is, the management of events which impact on the Group's liquidity position in a time period from overnight up to 12 months, with the primary aim of maintaining the Group's ability to meet ordinary and extraordinary payment obligations while minimizing costs;
- The management of medium/long term liquidity (structural liquidity), that is, the management of events which impact on the Group's liquidity position in a time period of over one year, with the primary aim of maintaining a suitable dynamic ratio between medium/long term liabilities and assets.

Management of the Group's short term liquidity

The approach used for assessing exposure to short term liquidity risk is that of "maturity mismatch", consistent with information issued by the Supervisory Body.

The various analysis phases aimed at highlighting risk exposure are:

- Definition of the time horizon and the time buckets;
- Definition of the reference perimeter;
- Construction of the maturity ladder and cash flow mapping;
- Calculation of the *counterbalancing capacity* (mobilize deliverable assets or rapid disposal assets, balance sheet assets, to the Central Bank);
- Definition of limits by maturity (verification that for every time bucket the net accumulated cash flow gap is lower than the amount of counterbalancing capacity).

Fundamental in the management of the operational liquidity is the definition of a short term refinancing limit (LCT short term limit) weighted using a methodology aimed at ensuring surplus liquidity over a one year period in a market characterised by stress conditions. This limit determines the structure of short term refinancing which imposes "non concentration" on shorter maturities.

Management of the Group's structural liquidity

The Cariparma FriulAdria Group has defined an ratio aimed at highlighting substantial balance between financing sources and medium/long term loans, constructed by comparing the ratio between medium/long term deposits and existing medium/long terms loans with the corresponding ratio between the same amounts defined during the preparation of the budget.

Risk control

The Risks and Permanent Controls Department monitors operational liquidity ratios on a daily basis and structural liquidity ratios on a quarterly basis. In the event that limits are exceeded, a process for informing senior management is in place as well as a re-entry plan agreed with management.

1. Distribution over time by residual contractual life of financial assets and liabilities

Currency: US DOLLAR

Items/Timeframe	on demand	More than 1 day to 7 days	more than 7 days to 15 days	more than 15 days to 1 month	more than 1 month to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	More than 5 years	unspecified
On-Balance-Sheet Assets	**80,145**	**83,356**	**3,495**	**58,681**	**65,485**	**14,861**	**24**	**156**	-	**565**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings.	-	-	-	-	-	-	-	-	-	-
A.4 Loans	80,145	83,356	3,495	58,681	65,485	14,861	24	156	-	565
- banks	17,389	80,522	-	20,834	-	-	-	-	-	-
- customers	62,756	2,834	3,495	37,847	65,485	14,861	24	156	-	565
On-Balance-Sheet Liabilities	**135,759**	**74**	**30**	**81,511**	**63,872**	**14,753**	**370**	**-**	**-**	**-**
B.1 Deposits and current accounts	119,967	-	30	80,721	61,613	14,260	345	-	-	-
- banks	-	-	-	80,358	61,098	11,809	-	-	-	-
- customers	119,967	-	30	363	515	2,451	345	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	15,792	74	-	790	2,259	493	25	-	-	-
Off-balance-sheet transactions	**1,275**	**121,767**	**57,535**	**35,639**	**104,142**	**46,334**	**51,607**	**22,652**	**1**	**-**
C.1 Financial Derivatives with exchange of principal	-	7,773	56,982	34,961	104,099	45,774	50,900	21,096	1	-
- long positions	-	4,160	28,009	17,035	50,796	21,821	23,909	10,548	1	-
- short positions	-	3,613	28,973	17,926	53,303	23,953	26,991	10,548	-	-
C.2 Financial Derivatives without exchange of principal	-	152	274	103	-	-	-	-	-	-
- long positions	-	85	137	55	-	-	-	-	-	-
- short positions	-	67	137	48	-	-	-	-	-	-
C.2 Deposits and loans to receive	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Irrevocable commitments to disburse funds	749	113,842	279	40	43	387	-	-	-	-
- long positions	-	56,921	279	40	43	387	-	-	-	-
- short positions	749	56,921	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	526	-	-	535	-	173	707	1,556	-	-

Currency: UK POUND STERLING

Items/Timeframe	on demand	More than 1 day to 7 days	more than 7 days to 15 days	more than 15 days to 1 month	more than 1 month to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	More than 5 years	unspecified
On-Balance-Sheet Assets	**4,225**	**13,222**	**15**	**10,818**	**1,093**	**94**	-	**1**	-	**2**
A.1 Government securities	-	-	-	-	-	-	-	1	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings.	-	-	-	-	-	-	-	-	-	-
A.4 Loans	4,225	13,222	15	10,818	1,093	94	-	-	-	2
- banks	3,442	13,174	-	-	-	-	-	-	-	
- customers	783	48	15	10,818	1,093	94	-	-	-	2
On-Balance-Sheet Liabilities	**15,441**	**1,689**	**837**	**11,262**	**1,131**	**220**	**59**	**-**	**-**	**-**
B.1 Deposits and current accounts	15,441	1,689	837	11,262	1,131	220	59	-	-	-
- banks	-	1,689	-	11,262	-	-	-	-	-	-
- customers	15,441	-	837	-	1,131	220	59	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	-	**29,379**	**38**	**2,860**	**10,376**	**9,375**	**1,853**	**292**	**3**	**-**
C.1 Financial Derivatives with exchange of principal	-	1,229	38	2,860	10,376	9,375	1,821	230	3	-
- long positions	-	614	38	1,430	5,405	4,687	1,253	226	2	-
- short positions	-	615		1,430	4,971	4,688	568	4	1	-
C.2 Financial Derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.2 Deposits and loans to receive	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Irrevocable commitments to disburse funds	-	28,150	-	-	-	-	-	-	-	-
- long positions	-	14,075	-	-	-	-	-	-	-	-
- short positions	-	14,075	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	32	62	-	-

Currency: SWISS FRANK

Items/Timefram	on demand	More than 1 day to 7 days	more than 7 days to 15 days	more than 15 days to 1 month	more than 1 month to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	More than 5 years	unspecified
On-Balance-Sheet Assets	**6,711**	**1,297**	**9,342**	**2,788**	**10,874**	**438**	**1,009**	**9,924**	**11,944**	**329**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings.	-	-	-	-	-	-	-	-	-	-
A.4 Loans	6,711	1,297	9,342	2,788	10,874	438	1,009	9,924	11,944	329
- banks	1,454	-	-	-	-	-	-	-	-	-
- customers	5,257	1,297	9,342	2,788	10,874	438	1,009	9,924	11,944	329
On-Balance-Sheet Liabilities	**2,327**	**20,019**	**6,406**	**4,044**	**17,849**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	2,327	20,019	6,406	4,044	17,849	-	-	-	-	-
- banks	181	20,019	6,406	4,044	17,849	-	-	-	-	-
- customers	2,146	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	-	**40,375**	**235**	**3,438**	**8,725**	**35,983**	**302**	**-**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	1,011	235	3,438	8,725	35,722	201	-	-	-
- long positions	-	397		98	4,230	17,861	101	-	-	-
- short positions	-	614	235	3,340	4,495	17,861	100	-	-	-
C.2 Financial Derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.2 Deposits and loans to receive	-	39,364	-	-	-	-	-	-	-	-
- long positions	-	19,682	-	-	-	-	-	-	-	-
- short positions	-	19,682	-	-	-	-	-	-	-	-
C.3 Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	261	101	-	-	-

Currency: JAPAN YEN

Items/Timefram	on demand	More than 1 day to 7 days	more than 7 days to 15 days	more than 15 days to 1 month	more than 1 month to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	More than 5 years	unspecified
On-Balance-Sheet Assets	**6,757**	**-**	**93**	**173**	**5,891**	**152**	**48**	**12**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings.	-	-	-	-	-	-	-	-	-	-
A.4 Loans	6,757	-	93	173	5,891	152	48	12	-	-
- banks	3,637	-	-	-	-	-	-	-	-	-
- customers	3,120	-	93	173	5,891	152	48	12	-	-
On-Balance-Sheet Liabilities	**827**	**9,162**	**-**	**-**	**2,911**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	827	9,162	-	-	2,911	-	-	-	-	-
- banks	7	9,162	-	-	2,911	-	-	-	-	-
- customers	820	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	-	**17,157**	**44,779**	**18,024**	**865**	**25**	**-**	**-**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	3,789	44,779	18,024	865	25	-	-	-	-
- long positions	-	1,903	22,368	9,012	401	-	-	-	-	-
- short positions	-	1,886	22,411	9,012	464	25	-	-	-	-
C.2 Financial Derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.2 Deposits and loans to receive	-	13,368	-	-	-	-	-	-	-	-
- long positions	-	6,684	-	-	-	-	-	-	-	-
- short positions	-	6,684	-	-	-	-	-	-	-	-
C.3 Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-

Currency: EURO

Items/Timefram	on demand	More than 1 day to 7 days	more than 7 days to 15 days	more than 15 days to 1 month	more than 1 month to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	More than 5 years	unspecified
On-Balance-Sheet Assets	**3,427,273**	**302,198**	**302,369**	**980,061**	**2,215,659**	**1,347,055**	**3,332,117**	**11,075,878**	**12,823,035**	**898,557**
A.1 Government securities	-	-	-	-	-	-	450,088	2,327,958	950,784	-
A.2 Other debt securities	5,594	-	-	50,302	100,382	200,601	776,710	665,017	437,420	1
A.3 Units in collective investment undertakings.	38,308	-	-	-	-	-	-	-	-	-
A.4 Loans	3,383,371	302,198	302,369	929,759	2,115,277	1,146,454	2,105,319	8,082,903	11,434,831	898,556
- banks	45,598	232,414	106,135	353,043	1,029,234	64	60,072	2,344	5,000	17
- customers	3,337,773	69,784	196,234	576,716	1,086,043	1,146,390	2,045,247	8,080,559	11,429,831	898,539
On-Balance-Sheet Liabilities	**16,566,802**	**1,483,831**	**366,889**	**890,706**	**3,681,666**	**1,596,128**	**1,560,699**	**6,771,363**	**1,486,221**	**45**
B.1 Deposits and current accounts	16,445,165	82,180	5,001	425,700	187,095	146,494	72,571	781,085	558,788	45
- banks	144,629	82,180	5,001	423,742	175,620	145,118	66,101	781,024	558,765	-
- customers	16,300,536	-	-	1,958	11,475	1,376	6,470	61	23	45
B.2 Debt securities	24,682	1,134,194	147,317	232,839	707,579	1,125,421	1,487,347	5,936,372	722,423	-
B.3 Other liabilities	96,955	267,457	214,571	232,167	2,786,992	324,213	781	53,906	205,010	-
Off-balance-sheet transactions	**435,037**	**184,844**	**106,929**	**76,035**	**243,084**	**217,945**	**385,581**	**1,154,928**	**636,265**	**500**
C.1 Financial Derivatives with exchange of principal	-	160,611	102,648	49,127	155,615	91,938	52,186	19,330	648	-
- long positions	-	88,948	51,931	26,560	78,975	48,560	27,294	8,113	407	-
- short positions	-	71,663	50,717	22,567	76,640	43,378	24,892	11,217	241	-
C.2 Financial Derivatives without exchange of principal	-	17,349	2,200	10,633	56,605	82,883	212,337	861,281	491,378	-
- long positions	-	14,086	1,099	5,729	25,192	47,645	144,671	538,737	351,125	-
- short positions	-	3,263	1,101	4,904	31,413	35,238	67,666	322,544	140,253	-
C.2 Deposits and loans to receive	-	4,500	-	-	4,500	-	-	-	-	-
- long positions	-	4,500	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	4,500	-	-	-	-	-
C.3 Irrevocable commitments to disburse funds	2,200	2,200	-	-	-	-	-	-	-	-
- long positions	2,200	-	-	-	-	-	-	-	-	-
- short positions	-	2,200	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	432,837	184	2,081	16,275	26,364	43,124	121,058	274,317	144,239	500

Currency: OTHER CURRENCIES

Items/Timefram	on demand	More than 1 day to 7 days	more than 7 days to 15 days	more than 15 days to 1 month	more than 1 month to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	More than 5 years	unspecified
On-Balance-Sheet Assets	**7,603**	**1,516**	**-**	**263**	**17**	**-**	**-**	**408**	**-**	**1**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	408	-	-
A.3 Units in collective investment undertakings.	-	-	-	-	-	-	-	-	-	-
A.4 Loans	7,603	1,516	-	263	17	-	-	-	-	1
- banks	5,824	1,498	-	-	-	-	-	-	-	-
- customers	1,779	18	-	263	17	-	-	-	-	1
On-Balance-Sheet Liabilities	**5,169**	**2,552**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	5,169	2,552	-	-	-	-	-	-	-	-
- banks	-	2,552	-	-	-	-	-	-	-	-
- customers	5,169	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**31**	**7,561**	**1,790**	**378**	**33,073**	**5,906**	**131**	**2,538**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	1,119	1,790	378	33,073	5,904	121	3	-	-
- long positions	-	987	895	189	16,527	2,924	37	-	-	-
- short positions	-	132	895	189	16,546	2,980	84	3	-	-
C.2 Financial Derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.2 Deposits and loans to receive	-	3,842	-	-	-	-	-	-	-	-
- long positions	-	1,921	-	-	-	-	-	-	-	-
- short positions	-	1,921	-	-	-	-	-	-	-	-
C.3 Irrevocable commitments to disburse funds	-	2,600	-	-	-	-	-	-	-	-
- long positions	-	1,300	-	-	-	-	-	-	-	-
- short positions	-	1,300	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	31	-	-	-	-	2	10	2,535	-	-

1.3 Banking Group –Operational risk

QUALITATIVE INFORMATION

Operational risk: general aspects, management processes and assessment methods

The Cariparma FriulAdria Group has adopted the definition of operational risk pursuant to “Basel 2 – International Agreement on the measurement of capital and asset ratios” drawn-up by the Basel Committee on Banking Supervision.

Operational risk can be defined as the risk of loss deriving from insufficiency or dysfunction in procedures, human resources or internal systems, or by external events. This definition also includes legal risk, but not strategic or reputational risk. Legal risk includes, among other things, exposure to fines, pecuniary sanctions and penalties arising from provisions laid down by the Supervisory Body, or by private regulations.

In an effort to consolidate and strengthen their own supervision of operational risk, the Group has for some time worked towards:

- Maintaining close and continuous conformity to legislative requirements on the use of the Traditional Standardized Approach Method for the calculation of the statutory capital pursuant to Basle 2;
- Markedly improving the monitoring of risks and losses, leading to a management approach above all with regard to mitigation initiatives;
- achieving conformity with legislative requirements for the use of *Advanced Measurement Approaches* for the calculation of statutory capital.

Organisational aspects

Risk management is entrusted to the Risks and Permanent Controls Department of the Parent Company, implementing the general directives issued by the Group Risk Division of the Holding Company Crédit Agricole S.A..

In compliance with the Supervisory Body regulations, the Group has formalized the roles and responsibilities of the company’s bodies and offices involved in managing operational risk. The new Governance model includes a centralized strategy for the management of operational risk and close cooperation with Permanent Control activities, as well as ensuring synergy with Compliance Division.

Risk management and policy

The Group has adopted a model which includes an operational risk management process (consistent with Crédit Agricole S.A. guidelines) implemented and supervised by the Group central function and has also established a de-centralized specialist role (Operational Risk Manager) supporting the central function both in operational as well as management and mitigation activities; this role is present in both Banks.

In this regard, the Board of Directors has approved the roles and tasks assigned to company offices involved in the operational risk management process, pursuant to Circular No. 263 of 2006 issued by the Bank of Italy (“New Provisions for prudential supervision for Banks”) as well as directives issued by the Holding Company Crédit Agricole SA.

The adaptation of the operational risk management and control process to Crédit Agricole S.A. guidelines, as well as uniformity with the Group's general methodology, is aimed at achieving adequacy of the necessary requisites for an advanced methodology (AMA).

Risk mitigation

The Group implements a mitigation policy for operational risk through:

- insurance cover, with the aim of mitigating the impact of any unexpected losses; To this end, a suitable structure has been established which has, among its aims, that of evaluating and managing insurance cover;
- The establishment of an inter-function group for the prevention of fraud and the selection and monitoring of service contracts;
- A series of mainly organisational and regulatory interventions (for example, systematic risk profiling, improved security measures in the network, review of critical logistics aspects, review of several regulations in view of changes in context and in processes, adaptation of technology/IT for credit card management, etc.), aimed at the focussed supervision of processes that have displayed specific weaknesses.

Risk management

The operational risk management process is composed of the following macro-stages:

Interception, identification and classification of risk and losses, including any accounting thereof.

- Updating of risk and losses data.
- Evaluation and assessment of risk profiles.
- Monitoring and reporting.
- Identification of mitigation interventions.

As well as a structured Loss Data Collection process, these stages also include the application of the following processes:

- Auto-evaluation of exposure to operational risk (scenario analysis).
- Qualitative recognition and measurement of the operational context with respect to the risk factors.

In each of the above processes, information is processed according to pre-set methods and using specific application tools.

Risk control

The operational risk management and recognition model undergoes periodic verification by the Internal Control Committee in terms of system adequacy and control quality while the correct functioning of the system is supervised by General Management.

The methodology supporting operational risk management is determined by the Crédit Agricole S.A. Group Risk Division and implemented at local level. Operational risk management strategies and policies, approved by the Board of Directors, are consistent with Supervisory Body regulations and approaches on risk issued by the Holding Company Crédit Agricole S.A.

Loss Data

Currently, quantitative information is managed internally and analysed using a framework for the classification of cases which conforms to those foreseen by Basle II, the Supervisory Bodies, and Crédit Agricole S.A, according to their structure and level of detail: The basic structure is:

- Illegal acts by internal staff: events traceable to voluntary acts which involve at least one internal staff member of the Bank and which lead to economic damages for the Bank itself.
- Illegal acts by external persons: events traceable to voluntary acts committed exclusively by subjects not qualified as internal to the Bank, generally perpetrated with the aim of personal gain.
- Relations with staff and safety in the work-place: events traceable to the Bank's relations with its staff or to the non-conformity of the work place with health and safety standards; including liabilities for staff accidents occurring in Bank offices or with Bank vehicles.
- Commercial practices: events linked to the supply of services and products to customers carried out in an improper or negligent manner (including fiduciary requirements and adequate information on investments), as well as defects in the nature or characteristics of products/models/contracts. Moreover, liabilities for violation of public safety regulations or non-specific banking sector legislation are included.
- Accidents or other events: Events due to natural causes or human acts, which lead to damage to company resources (material or immaterial property, persons, etc.) And/or interruption of service or other events (including improper behaviour/acts by third party companies which damage the Company) Also included are liabilities stemming from political, legislative and fiscal changes with retroactive effect.

- Technological systems and services: events arising from malfunctions, logic or structural defects in technological systems or other support systems.
- Execution, delivery and management of processes: events arising from unintentional errors in the management of operating and support activities, or caused by non-customer counterparties and suppliers.

The Group has adopted new an IT application for the management of consolidated notification of loss data expressly planned and finalized for the adoption of advanced methods, as well as specific tools and models created directly by Crédit Agricole S.A.

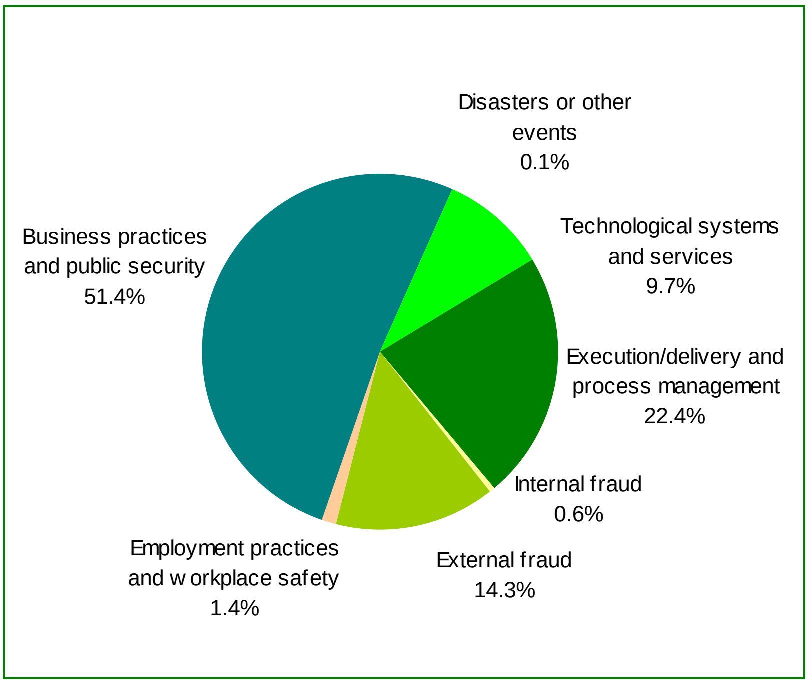
QUANTITATIVE INFORMATION

In relation to the sources of operating risk, the percentage of losses by type of event recorded during 2009 according to the classification illustrated earlier is given below.

INFORMATION TO THE PUBLIC

Information pursuant to supervisory regulations at Title IV, Chapter 1 of Bank of Italy Circular No. 263 of 27 December 2006 is published on the Parent Company website at www.cariparma.it.

This information consists solely of tables 3 and 4 relating to information on the composition of the Regulatory Capital and Capital Adequacy, as the Cariparma FriulAdria Group is controlled by a credit institution parent company with headquarters in the EU and conditions pursuant to Section II, point 1 of the above chapter of the regulations apply.



Database extract of losses by date of recording of the event.

Parte F – Information on Consolidated Equity
SECTION 1: CONSOLIDATED EQUITY

QUALITATIVE INFORMATION
A policy for the management of equity is implemented in the Cariparma FriulAdria Group aimed at maintaining the capital at levels adequate to meet the risks assumed as they occur.

B. QUANTITATIVE INFORMATION
As of 31.12.2009, the Consolidated Shareholders' Equity is composed of:

B.1 Consolidated equity: Divided by type of company

Items of the Shareholders' Equity	Banking Group	Insurance undertakings	Other companies	Elisions and adjustments from consolidation	31/12/2009
Share capital	819,433	-	-	-	**819,433**
Share premium reserve	2,180,102	-	-	-	**2,180,102**
Reserves	503,578	-	-	-	**503,578**
Equity instruments	-	-	-	-	-
(Treasury Shares)	-	-	-	-	-
Valuation reserves	58,308	-	-	-	**58,308**
- Financial assets available for sale	44,166	-	-	-	**44,166**
- Property, plant and equipment	-	-	-	-	-
- Intangible Assets	-	-	-	-	-
- Hedging of foreign investments	-	-	-	-	-
- Cash flow hedges	1,613	-	-	-	**1,613**
- Exchange Rate Differences	-	-	-	-	-
- Discontinuing operations	-	-	-	-	-
- Actuarial gains(losses) pertaining to defined-benefit pension plans	-	-	-	-	-
- Shares of valuation reserves pertaining to subsidiaries accounted for with equity method	12,529	-	-	-	**12,529**
- Special revaluation laws	-	-	-	-	-
Profit (loss) for the period (+/-) of group and minority interest	317,751	-	-	-	**317,751**
Equity	**3,879,172**	-	-	-	**3,879,172**

B.2 Valuation Reserves of financial assets available for sale: composition

Assets/Amounts	Banking Group		Insurance undertakings		Other companies		Elisions and adjustments from consolidation		31/12/2009	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	40,178	3,064	-	-	-	-	-	-	40,178	3,064
2. Equity securities	7,445	393	-	-	-	-	-	-	7,445	393
3. Units in collective investment undertakings	-	-	-	-	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-	-	-	-	-
Total 31/12/2009	**47,623**	**3,457**	-	-	-	-	-	-	**47,623**	**3,457**
Total 31/12/2008	**17,365**	**853**	-	-	-	-	-	-	**17,365**	**853**

B.3 Valuation Reserves of financial assets available for sale: Annual variations

	Debt securities	Equity securities	Units in collective investment undertakings	Loans
1. Opening balance	**6,851**	**9,661**	-	-
2. Positive changes	**46,001**	**1,411**	-	-
2.1. Increases in fair value	44,296	937	-	-
2.2 Reversal to Income Statement of negative reserves:	-	452	-	-
- from impairment	-	441	-	-
- from sale	-	11	-	-
2.3. Other changes	1,705	22	-	-
3. Negative changes	**15,738**	**4,020**	-	-
3.1 Reductions in fair value	6,685	126	-	-
3.2 Writedowns for impairment	-	-	-	-
3.3 Reversal to Income Statement of positive reserves: from sale	1,108	2,072	-	-
3.4. Other changes	7,945	1,822	-	-
4. closing balance	**37,114**	**7,052**	-	-

SECTION 2 – CAPITAL AND REGULATORY BANKING RATIOS

2.1 Scope of application of the legislation

Regulatory Capital, minimum obligatory capital requirements and the resulting banking ratios have been determined in compliance with instructions contained in Bank of Italy Circular No. 263 of 27 December 2006 (3° revision of 15 January 2009) “New prudential provisions for Banks” and No.155 of 18 December 1991 (12° revision of 5 February 2008) “Instructions for the completion of notifications on Supervisory Capital and prudential ratios”.

The considerable area of consolidation for prudential calculations includes, as of 31 December 2009, the leasing company Credit Agricole Leasing S.r.l. purchased on 9 September 2009.

The considerable area of consolidation for prudential calculations does not include data referring to the insurance company CA Vita Compagnia di Assicurazione S.p.A., the company Crédit Agricole Agro-alimentare S.p.A., consolidated using the Shareholders' Equity method for the Financial Statement but not falling within the credit group, and data referring to the company Mondo Mortgages S.r.l, consolidated using the full consolidation method for SIC 12, also not falling within the credit group.

2.2 Bank Regulatory Capital

QUALITATIVE INFORMATION

1. Tier-1 capital

Tier-1 Capital is composed of prime quality components (share capital, reserves, share issue surplus and profit for the period) relating to the Group and third parties, duly adjusted for intangible fixed assets.

There are no innovative capital instruments.

The Group has reduced the value of the Tier-1 Capital by 50% of the net tax benefit recorded in the Income Statement for the 2008 and 2009 financial years following alignment of the tax value of goodwill to the accounting value, pursuant to Law No. 185/2008.

A deduction of 50% of the value of shareholdings in the capital of banking and financial companies: Bank of Italy and CA Agro-alimentare S.p.A.

Also, the increase in the value of the shareholding in CA Vita Compagnia di Assicurazione S.p.A. accounted for as from 20 July 2006 is reduced by 50%.

However, the balance which the same shareholding showed before 20 July 2006 has been totally offset against the amount of Tier-1 Capital and Tier-2 Capital.

2. Tier-2 Capital

During 2009, the Tier-2 Capital increased through the issue of 2 subordinated loans for a total of Euro 300 million, maturing in 2016 and with 50% redemption planned in 2015 and 50% in 2016. The overall calculation for Tier-2 Capital amounts to Euro 550 million.

The remaining 50% of the elements in deduction in the calculation of the Tier-1 Capital is deducted from the Tier-2 Capital, relating to the shareholding in the Bank of Italy and CA Agro-Alimentare S.p.A. and the increases in the value of CA Vita Compagnia di Assicurazione S.p.A. realized since 20 July 2006.

3. Tier 3 Capital

Until now, no instruments of an import falling within Tier 3 Capital have been operated.

B. QUANTITATIVE DISCLOSURE

	31/12/2009	31/12/2008
A. Tier 1 capital prior to application of prudential filters	**2,190,488**	**2,110,020**
B. Tier 1 prudential filters:	58,015	42,411
B1 - positive IAS/IFRS prudential filters (+)	236	-
B2 - negative IAS/IFRS prudential filters (-)	58,251	42,411
C. Tier-1 Capital including deductible elements (A+B)	**2,132,473**	**2,067,609**
D. Elements to be deducted from Tier 1 capital	62,963	52,869
E. Total Tier-1 capital (TIER1) (C-D)	**2,069,510**	**2,014,740**
F. Tier 2 capital prior to the application of prudential filters	**596,779**	**273,911**
G. Tier 2 capital prudential filters:	22,890	9,656
G1- positive IAS/IFRS prudential filters (+)	-	-
G2- negative IAS/IFRS prudential filters (-)	22,890	9,656
H. Tier 2 capital including deductible elements (F+G)	**573,889**	**264,255**
I. Elements to be deducted from Tier 2 capital	62,962	52,868
L. Total Tier 2 capital (TIER2) (H-I)	**510,927**	**211,387**
M. Elements to be deducted from Tier 2 capital	58,917	58,917
N. Regulatory capital (E + L - M)	**2,521,520**	**2,167,210**
O. Tier 3 capital (TIER 3)	-	-
P. Regulatory Capital including TIER3 (N + O)	**2,521,520**	**2,167,210**

Details of existing subordinated loans with evidence of the calculable quotas for the calculation of the Additional Supervisory Capital.

Characteristics	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original value	Book value	Amount eligible for inclusion in Tier 2 capital
Subordinated loan	17/12/2008	17/12/2018	5 equal installments as from December 2014	3-month Euribor + 334 bp	Euro	250,000	250,394	250,000
Subordinated loan	30/06/2009	30/06/2016	50% by 30/06/2015 50% by 30/06/2016	up to 30 June 2010 5%; after that 50% 6-month Euribor + 1%	Euro	77,250	77,528	77,250
Subordinated loan	30/06/2009	30/06/2016	50% by 30/06/2015 50% by 30/06/2016	5% fixed	Euro	222,750	228,443	222,750
Subordinated loan	03/01/2000	03/01/2010	single due date on 03/01/2010	5,15% fixed	Euro	5,000	5,141	5,000

2.3 Capital Adequacy

A. QUALITATIVE DISCLOSURE

Verification of compliance with minimum obligatory requirements is carried out by comparing the Regulatory Capital, as calculated above, with the weighted total risk assets determined according to regulations contained in Bank of Italy Circular No. 263 of 27 December 2006 (3° revision of 15 January 2009) "New prudential provisions for Banks" and No. 155 of 18 December 1991 (12° revision of 5 February 2008) "Instructions for the completion of notifications on Supervisory Capital and prudential ratios".

This ratio gives a Tier Total Ratio value which, as at 31.12.2009, respects the ceilings foreseen by the Supervisory Regulations. The result is also a consequence of the Group's specific policy, implemented also in inter-company agreements, which favours the distribution of profits to shareholders as long as regulatory limits are respected.

B. QUANTITATIVE DISCLOSURE

Categories/amounts	Non-weighted amounts		Weighted amounts/requirements	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
A. RISK ASSETS				
A.1 CREDIT AND COUNTERPARTY RISK	**45,312,605**	**37,204,646**	**24,936,881**	**22,553,783**
1. Standardized method	45,312,605	37,204,646	24,936,881	22,553,783
2. IRB approach	-	-	-	-
2.1 Foundation	-	-	-	-
2.2 Advanced	-	-	-	-
3. Securitizations	-	-	-	-
B. CAPITAL REQUIREMENTS				
B.1 CREDIT AND COUNTERPARTY RISK			**1,994,950**	**1,804,303**
B.2 MARKET RISKS			**14,957**	**52,623**
1. Standardized method			14,957	52,623
2. Internal models			-	-
3. Concentration risk			-	-
B.3 OPERATIONAL RISK			**189,277**	**166,171**
1. Basic indicator approach			2,482	-
2. Standardized approach			186,795	166,171
3. Advanced measurement approach			-	-
B.4 Other prudential requirements			-	-
B.5 Other measurement elements			-	-
B.6 Total prudential requirements			**2,199,184**	**2,023,097**
C. EXPOSURES AND CAPITAL ADEQUACY RATIOS				
C.1 Risk-weighted assets			27,489,811	25,288,708
C.2 Tier 1 Capital/risk-weighted assets (Tier 1 capital ratio)			7.53%	7.97%
C.3 Supervisory Capital including TIER 3/Weighted risk assets (Total capital ratio)			9.17%	8.57%

Part G – Business Combinations or Company Branches

SECTION 1 – OPERATIONS CARRIED OUT DURING THE FINANCIAL YEAR

1.1 BUSINESS COMBINATIONS

NAME	DATE OF OPERATION (A)	COST OF OPERATION (B)	% Shareholding % (C)	BROKERAGE MARGIN (D)	Profit/Loss For the financial year	PROFIT/LOSS INCURRED FROM THE DATE OF ACQUISITION (F) (f)
Crédit Agricole Leasing Italia S.r.l.	09-set-09	78.350	85,00%	16.545	- 2.572	- 2.572

(a) date of acquisition of control.
(b) total additional costs.
(c) percentage of shareholding acquired with voting rights at the Ordinary Shareholders' Meeting.
(d) brokerage margin (item 120 of the Income Statement) relating to the entire 2009 financial year.
(e) Profit/Loss registered by the company in which shares are held for the entire 2009 financial year.
(f) Profit/Loss recorded by the company in which shares are held subsequent to the date of acquisition and included in the Cariparma Group consolidated results.

1.2 OTHER INFORMATION ON BUSINESS COMBINATIONS

On 9 September 2009 the purchase of 85% of the company Crédit Agricole Leasing Italia S.r.l (CALIT) was finalised, sold by Crédit Agricole Leasing SA (CAL), a company wholly controlled by Crédit Agricole SA.

The transaction was structured as a "company purchase between parties under common control" and was accounted in continuity of value, with reference to what had already been consolidated by the Parent Company Crédit Agricole SA during the purchase from Gruppo Intesa Sanpaolo. Therefore, IFRS 3 was not applied to the aggregation operation as it was outside the scope of application.

In fact, IFRS 3 is not applied on business aggregations for business entities or assets under common control. In a business aggregation where business entities or assets under common control are involved, a business aggregation is one where all participating business entities or assets are in conclusion controlled by the same party or parties both before and after aggregation and where said control is not transitory. The original transaction in fact dates back to 5 December 2008, when CAL purchased 100% of CALIT from Intesa Sanpaolo. At the moment of finalization of the operation between Cariparma and CAL in September 2009, the operation was accounted as if it had taken place on the date of the original transaction with third parties. Therefore, the consolidated comparative financial statement was restated on 31 December 2008 to include one month of CALIT's activities (the month of December 2008). In the same way, the consolidated financial statement as of 31 December 2009 includes CALT for the entire financial year, starting from the effective date of the business aggregation. The operation resulted in goodwill equal to 85% of the original goodwill which arose during the Purchase Price Allocation at Crédit Agricole SA, while the price difference directly impacted on the shareholders' equity.

Costs incurred by Parent Company and directly linked to the operation were not capitalized as they were sustained after the original transaction with third parties. These costs have been charged to the Income Statement for the financial year as they are linked more to internal reorganisation than to an actual business aggregation operation.

1.2.1 ANNUAL GOODWILL VARIATIONS

Goodwill (as in the Financial Statement of 31/12/2008)	**1.128.295**
Purchase of 85% of Crédit Agricole Leasing Italia S.r.l.	23.239
Goodwill (as at 31/12/2008)	**1.151.534**

As already mentioned, the Consolidated Financial Statement as at 31 December 2008 was restated to show the business aggregation operation at the date of the first transaction with third parties.

The Group has submitted goodwill to impairment testing to verify any loss in value.

For further information, please turn to Part B – SECTION 13 Intangible Assets.

1.2.2 OTHER

Assets	Original book values	Book value
Cash and cash equivalents	2	2
Loans	1,471,556	1,471,556
Property, plan and equipment	1,630	1,630
Intangible Assets	1,086	1,086
Tax assets	333	333
(a) current	92	92
(b) deferred	241	241
Other assets	5,059	5,059
Total assets	**1,479,666**	**1,479,666**

Liabilities	Original book values	Book value
Debt	1,394,456	1,394,456
Tax liabilities	91	91
(a) current	91	91
(b) deferred	-	-
Other liabilities	15,749	15,749
Employee severance benefits	692	692
Provisions for liabilities and contingencies	40	40
a) post-employment and similar obligations	-	-
b) other funds	40	40
Total liabilities	**1,411,028**	**1,411,028**
Equity		68,638
Capital endowment		58,342
Goodwill from acquisition		23,239
Consolidation differences		-3,231
Total cost		**78,350**

Final accounting values for assets and liabilities acquired by the Parent Company as of 9 September 2009, effective as of 1° December 2008, date of purchase of CALIT by the Crédit Agricole Group:

The total cost of the operation was Euro 78,350 thousand. Settlement was made using cash available or equivalent means.

Net liquidity acquired from the aggregation stands at Euro 2 thousand.

Costs incurred of Euro 2,113 thousand, were wholly charged to the Income Statement.

Part H - Transactions with Related Parties

On 24 June 2009, the Board of Directors of Cariparma approved the "Code of Conduct in relation to operations with Related Parties" aimed at regularizing, in the companies which make up the Cariparma FriulAdria Group, transactions with related parties, identifying suitable rules and ensuring the transparency and material and procedural correctness required by current regulations.
The "Code" includes:

- an introduction illustrating the topics discussed, and defines the scope, the regulations and the sphere of application of the document itself,
- A description of the procedures and the decision-making procedures adopted,
- A conclusion on operating practice,

and defines the profile of the natural persons and corporate bodies who meet the criteria of "related party" for the financial statement, on the basis of IAS 24, duly applied to the Group's specific organizational and governance structure. Therefore, related parties are considered to be:

- The Holding Company Crédit Agricole;
- Any other shareholders who, also through inter-company agreements, exercise, directly or indirectly, significant influence on the Bank;
- directly or indirectly controlled companies;
- affiliate and associate companies;
- Directors and managers with strategic responsibilities (Directors, Auditors, General Managers and Managers who report directly to top management);
- Other related parties:
  - a) Close relatives of Directors, Auditors, General Managers, as well as the companies controlled or affiliated by either the said Directors, Auditors, General Managers, or by their close relatives;
  - b) Close relatives of other managers with strategic responsibilities as well as companies controlled or affiliated either by the said managers or by their close relatives;
- The Pension Fund.

Information relating to the remuneration of managers with strategic responsibilities

The definition of managers with strategic responsibilities includes persons who have the power and responsibility, directly or indirectly, for planning, management and control of the Group's activities, including administrators and members of the control bodies.
Remuneration for directors and auditors are defined in the relevant decisions taken by the Shareholders' Meeting.

	Directors and Statutory Auditors	Directors, deputy general managers and other key management personnel
Salary and social security contributions	1,984	9,919
Bonuses and other incentives	-	3,527
Other pension and insurance costs (1)	-	436
Non-monetary benefits	-	276
Employee severance benefits (2)	-	1,207
Share-based payments (Stock options) (3)	-	81

(1) It includes any costs for additional social security contributions, insurance policies, etc. which are borne by the Company.
(2) Includes the provision for Employee Severance Benefits for the year as well as any termination indemnities.
(3) These are stock options on shares of Crédit Agricole SA

2. Information on related party transactions

In the light of the abovementioned "Code", the definition of "managers with strategic responsibilities" includes persons who have the power and responsibility, directly or indirectly, for planning, management and control of the Group's activities, including administrators and members of the control bodies.

During the course of the financial year, no atypical or unusual operations were carried out whose size or importance could give rise to doubts surrounding the safeguarding of the company's assets and protection of minority shareholders, either with related parties or other parties.

Type of related parties	FINANCIAL ASSETS HELD FOR TRADING	FINANCIAL ASSETS AVAILABLE FOR SALE	LOANS TO CUSTOMERS	LOANS TO BANKS	DUE TO CUSTOMERS	DUE TO BANKS	GUARANTEES ISSUED
Holding company	-	-	-	469,424	-	835,892	-
Subjects with notable influence on the Group	-	-	-	-	17,867	-	-
Affiliates	-	48,237	2,318	-	183,423	-	-
Directors and key management personnel	-	-	1,521	-	6,502	-	-
Other related parties	42,056	7,179	218,266	2,768,069	108,604	3,685,844	17,193
Total	**42,056**	**55,416**	**222,105**	**3,237,493**	**316,396**	**4,521,736**	**17,193**

Part I - Share –based Payments

There were no agreements for payments based on own capital instruments during the financial year.

Part L – Segment Reporting

Operation and Profitability by Business Area

Data relating to operation and profitability by business area is given in compliance with IFRS 8 on Operating Segments using the management reporting approach.

The Cariparma FriulAdria Group's operations are organised as follows:

- Retail e Private channels servicing private customers and families as well as companies in the small business segment;
- Enterprise and Corporate channels servicing larger size companies.

As at 31 December 2009, the Retail and Private Segments of the Cariparma FriulAdria Group, standing at 1,276.3 million, accounted for approximately 78.5% of the total Operating Income. At 271.0 million, the Corporate and Enterprise segments accounted for approximately 16.7%.

Compared to the previous financial year, the contribution to total income for the Bank from the Retail and Private channels fell by 5.0%. The increase for the Corporate and Enterprise segments is significant at 3.8%.

With regards to costs, as at 31 December 2009, the Retail and Private segment, reaching 842,9 million, accounted for about 70.4% of total costs. At 157.2 million, the Corporate and Enterprise segments account for approximately 13.1%.

Compared with the figures for 2008, the contribution of the Retail and Private channels to the Group's total costs increased by about 0.6%, with an increase of approximately 3.4% for the Corporate and Enterprise channels. Activities by segment are mainly made up of loans to customers and intangible fixed assets and property, plant and equipment that can be allocated directly to the operating segments.

In particular, as at 31 December 2009, the Retail and Private segments assets account for about 48.0% of the Bank's assets, whereas the Corporate and Enterprise channels represent around 28.1%. Liabilities by segment are made up of direct deposits from customers that can be directly allocated to the operating segments.

In particular, as at 31 December 2009, the Retail and Private channels liabilities represent around 61.3% of the Cariparma FriulAdria Group's liabilities, and the Corporate and Enterprise channels around 8.3%.

Segment Reporting as at 31/12/2009

	Retail and Private	Corporate and Enterprises	Other	Total
External operating revenues:				
Net interest income	761,060	205,156	5,388	971,604
Net commission income	411,164	57,166	7,359	475,689
Gain (loss) on trading activities	13,033	6,817	4,093	23,943
Dividends	-	-	2,157	2,157
Other net operating revenues	91,075	1,833	59,651	152,559
Total operating revenues	**1,276,332**	**270,972**	**78,648**	**1,625,952**
Impairment adjustments of loans	-90,284	-93,173	-4,159	-187,616
Impairment adjustments of AFS financial assets and other financial transactions	-	-	-3,100	-3,100
Staff expenses, administrative expenses and depreciation/amortization	-754,739	-63,014	-174,888	-992,641
Provisions for risks	2,123	-965	-15,741	-14,583
Total expenses	**-842,900**	**-157,152**	**-197,888**	**-1,197,940**
Gain (loss) on disposal of investments	-	-	34	34
Profit by segment	**433,432**	**113,820**	**-119,206**	**428,046**
Share of profit of associates pertaining to Group	26,104	-	10	26,114
Profit (loss) before tax	**459,536**	**113,820**	**-119,196**	**454,160**
Taxes	-	-	-136,409	-136,409
Net profit (loss)				**317,751**
Assets and liabilities				
Assets by segment	19,567,096	11,454,872	233,030	31,254,998
Equity investments in associates	-	-	134,999	134,999
Unallocated assets	-	-	9,383,122	9,383,122
Total assets	**19,567,096**	**11,454,872**	**9,751,151**	**40,773,119**
Liabilities by segment	25,003,101	3,385,700	985,287	29,374,088
Unallocated liabilities	-	-	11,399,031	11,399,031
Total liabilities	**25,003,101**	**3,385,700**	**12,384,318**	**40,773,119**

Segment Reporting at 31/12/2008

	Retail and Private	Corporate and Enterprises	Other	Total
External operating revenues:				
Net interest income	842,575	158,249	64,183	1,065,007
Net commission income	415,950	43,324	9,791	469,065
Gain (loss) on trading activities	13,670	5,311	-4,275	14,706
Dividends	-	-	2,211	2,211
Other net operating revenues	76,715	1,640	-13,312	65,043
Total operating revenues	**1,348,910**	**208,524**	**58,598**	**1,616,032**
Impairment adjustments of loans	-60,069	-63,944	-534	-124,547
Impairment adjustments of AFS financial assets and other financial transactions	-	-	-816	-816
Staff expenses, administrative expenses and depreciation/amortization	-787,685	-55,923	-130,945	-974,553
Provisions for risks	-9,556	102	-119,916	-129,370
Total expenses	**-857,310**	**-119,765**	**-252,211**	**-1,229,286**
Gain (loss) on disposal of investments	-	-	76	76
Profit by segment	**491,600**	**88,759**	**-193,537**	**386,822**
Share of profit of associates pertaining to Group	-31,450	-	108	-31,342
Profit (loss) before tax	**460,150**	**88,759**	**-193,429**	**355,480**
Taxes	-	-	-50,453	-50,453
Net profit (loss)				**305,027**
Assets and liabilities				
Assets by segment	18,043,724	10,197,948	1,575,595	29,817,267
Equity investments in associates	-	-	91,123	91,123
Unallocated assets	-	-	7,012,618	7,012,618
Total assets	**18,043,724**	**10,197,948**	**8,679,336**	**36,921,008**
Liabilities by segment	23,116,627	2,230,028	1,186,670	26,533,325
Unallocated liabilities	-	-	10,387,683	10,387,683
Total liabilities	**23,116,627**	**2,230,028**	**11,574,353**	**36,921,008**

2009 Annual Report

Report and Financial Statements of Cariparma for the financial year 2009

Report and Financial Statements of Cariparma

Financial highlights and ratios

Financial Statement items (*)	31/12/2009	31/12/2008	Change	
			Total	%
Income statement (thousands of euros)				
Net interest	769,787	862,041	-92,254	-10.7
Net commission income	388,391	379,848	8,543	2.2
Dividends	41,210	45,724	-4,514	-9.9
Gain (loss) on trading activities	30,270	-1,246	31,516	
Other operating revenues (expenses)	-11,698	-18,284	-6,586	-36.0
Net operating revenues	1,217,960	1,268,083	-50,123	-4.0
Operating expenses	-646,281	-675,752	-29,471	-4.4
Net operating profit	571,679	592,331	-20,652	-3.5
Provisions for liabilities and contingencies	-15,740	-119,915	-104,175	-86.9
Net impairment adjustment of loans	-138,099	-101,189	36,910	36.5
Net profit (loss)	300,316	334,744	-34,428	-10.3
Balance sheet (thousands of euros)				
Financing to customers	22,132,889	19,922,144	2,210,745	11.1
Net financial assets/liabilities held for trading	29,141	246,068	-216,927	-88.2
Financial assets available for sale	2,924,782	1,024,307	1,900,475	
Net interbank lending	588,290	2,956,054	-2,367,764	-80.1
Equity investments	1,140,541	1,057,545	82,996	7.8
Property, plant and equipment and intangible assets	1,120,713	1,104,327	16,386	1.5
Total net assets	29,039,085	27,418,100	1,620,985	5.9
Funding from customers	24,182,905	21,955,733	2,227,172	10.1
Indirect funding from customers	38,423,791	34,890,157	3,533,634	10.1
of which: asset management	*13,670,348*	*12,468,309*	*1,202,039*	*9.6*
Equity	3,666,648	3,625,515	41,133	1.1
Operating structure				
Number of employees	5,992	6,110	-118	
Average number of employees	5,739	5,618	121	
Number of branches	537	532	5	

(*) Income statement and balance sheet figures are drawn from the reclassified financial statements shown on pages 170 and 177.

Financial highlights and ratios

Ratios (*)	31/12/2009	31/12/2008
Balance sheet ratios		
Financing to customers / Total net assets	76.2%	72.7%
Direct funding from customers / Total net assets	83.3%	80.1%
Asset management /Indirect funding from customers	35.6%	35.7%
Loans to customers /Direct funding from customers	91.5%	90.7%
Total assets / Equity (Leverage)	9.2	8.1
Profitability ratios		
Net interest / Net operating revenues	63.2%	68.0%
Net commissions / Net operating revenenues	31.9%	30.0%
Cost / income	53.1%	53.3%
Net income/ Average equity (ROE) (a)	8.2%	9.4%
Net profit / Total assets (ROA)	0.9%	1.1%
Net profit / Risk-weighted assets	1.4%	1.7%
Risk ratios		
Net bad debts /Net loans to customers	0.7%	0.5%
Impairment adjustments of loans /Net loans to customers	0.6%	0.5%
Cost of risk (b)/Operating profit	26.9%	37.3%
Net bad debts / Total regulatory capital (C)	5.6%	3.9%
Net impaired loans/ Net loans to customers	2.6%	1.6%
Impairment adjustments of loans /Gross impaired loans	40.5%	47.6%
Productivity ratios		
Operating expenses / No. of employees (average)	112.6	120.3
Operating revenues / No. Of employees (average)	212.2	225.7
Loans to customers / No. of employees (average)	3,856.6	3,546.1
Direct funding from customers/ No. Of employees (average)	4,213.8	3,908.1
Capital ratios		
Tier-1 capital (d) /Risk-weighted assets	11.8%	12.1%
Total regulatory capital(c) / Risk-weighted assets	13.9%	12.8%
Risk-weighted assets (thousands of Euro)	21,048,122	19,808,143

(1) Ratios are developed according to the balance sheet and income statement figures that are restated in the reclassified financial statements shown on pages 170 and 177.
(a) Ratio of net profit to weighted average share capital, share premium, valuation reserves and reserves established with retained earnings.
(b) Total risk cost includes the provision for liabilities and contingencies as well as net adjustments of loans.
(c) Tier-1 capital plus revaluation reserves, with the application of the so-called "prudential filters", net of investment property and equity investments exceeding the threshold set out by the supervisory regulations.
(d) Paid-in share capital, share premium and reserves from retained earnings net of treasury shares, goodwill, intangible fixed assets and after the application of the so called "prudential filters" envisaged by the supervisory regulations.

FINANCIAL PERFORMANCE

Overview

The FY 2009 was characterized by the ongoing recession, begun in the second part of 2008, which continued to affect the economic situation with subsequent weakening of all macroeconomic variables, including the Gross Domestic Product, unemployment rate and investments.

Despite the macroeconomic scenario, Cariparma continued to pursue sustainable growth targets aimed at guaranteeing value creation for all stakeholders.

In 2009 Cariparma continued the process of transforming the company in terms of structure and organization, the phases of which are described in the Report accompanying the Consolidated Financial Statements.

Cariparma S.p.A. income statement figures and balance-sheet aggregates for the FY 2009 complying with IAS/IFRS are shown below.

Income statement reclassification

In order to supply a more effective representation of income performance, a summary income statement has been prepared through appropriate reclassifications and based on exposition principles more suitable to represent the content of the items according to management standardization.

Reclassifications concerned:

- the recovery of the time value component on loans, recorded under the net interest income, rather than net impairment adjustments of loans, since this arises directly from applying the amortized cost method when there are no change in expected future cash flows;
- The net profit on trading activities and the net profit on hedging activities have been reallocated to net profit on financial activities;
- Gains and losses on the sale or repurchase of financial assets available for sale and financial liabilities have been reallocated to the profit on financial activities;
- The recovery of duties and taxes has been posted as a direct reduction of administrative expenses, rather than being reported under other operating revenues/expenses;
- Net impairment adjustments of financial assets available for sale have been recorded under the item " Other operating revenues/expenses";
- Net impairment adjustments of other financial transactions, mainly relating to guarantees and commitments, have been recorded under net impairment adjustments of loans.

Reclassified Income Statement

	31/12/2009	31/12/2008	Change Total	Change %
Net interest	769,787	862,041	-92,254	-10.7
Net commission income	388,391	379,848	8,543	2.2
Dividends	41,210	45,724	-4,514	-9.9
Gain (loss) on trading activities	30,270	-1,246	31,516	
Other operating revenues (expenses)	-11,698	-18,284	-6,586	-36.0
Net operating revenues	**1,217,960**	**1,268,083**	**-50,123**	**-4.0**
Staff expenses	-404,249	-414,285	-10,036	-2.4
Administrative expenses	-188,570	-216,290	-27,720	-12.8
Depreciation/amortization of property, plant, equipment and intangible assets	-53,462	-45,177	8,285	18.3
Operating expenses	**-646,281**	**-675,752**	**-29,471**	**-4.4**
Net operating profit	**571,679**	**592,331**	**-20,652**	**-3.5**
Net provisions for liabilities and contingencies	-15,740	-119,915	-104,175	-86.9
Net adjustments of loans	-138,099	-101,189	36,910	36.5
Gain (loss) on financial assets held to maturity and other investments	34	79	-45	-57.0
Profit (loss) before tax on continuing operations	**417,874**	**371,306**	**46,568**	**12.5**
Income tax for the period on continuing operations	-117,558	-36,562	80,996	
Profit for the period	**300,316**	**334,744**	**-34,428**	**-10.3**

Reconciliation between the official and the Reclassified Income Statement

	31.12.2009	31.12.2008	Notes to financial statement part C
Net interest	769,787	862,041	
30. Interest margin	762,672	854,478	
130. Net impairment adjustments of: a) loans of which time value on impaired loans	7,115	7,563	Table 8.1 B
Net commissions = item 60	388,391	379,848	
Dividends = item 70	41,210	45,724	
Gain (loss) on trading activities	30,270	-1,246	
80. Net gain (loss) on trading activities	16,803	9,067	
90. Net gain (loss) on hedging activities	7,413	-12,022	
100. Profit (loss) on disposal or repurchase of: b) financial assets available for sale:	4,222	973	
100. Profit (loss) on disposal or repurchase of: d) financial liabilities	1,832	736	
Other operating revenues (expenses)	-11,698	-18,284	
190. Other operating revenues (expenses)	134,115	78,024	
to be deducted: recovery of expenses	-145,300	-96,308	Table 13.2
130. Net impairment adjustments of: b) financial assets available for sale:	-513	-	
Net operating revenues	**1,217,960**	**1,268,083**	
Staff expenses = item 150	-404,249	-414,285	
Administrative expenses	-188,570	-216,290	
150. Administrative expenses b) other administrative expenses	-333,870	-312,598	
190. Other operating income/costs: of which recovery of expenses	145,300	96,308	Table 13.2
Depreciation and amortization	-53,462	-45,177	
170. Net adjustments of property, plant and equipment	-20,262	-17,972	
180. Net adjustments of intangible assets	-33,200	-27,205	
Operating expenses	**-646,281**	**-675,752**	
Net operating profit	**571,679**	**592,331**	
Net provisions for liabilities and contingencies = Item 160	-15,740	-119,915	
Net adjustments of loans	-138,099	-101,189	
100. Profit/loss on disposal of: a) loans	-7,685	-2,669	
130. Net impairment adjustments of: a) loans	-123,737	-90,354	
130. Net impairment adjustments of: a) loans of which time value on impaired loans	-7,115	-7,563	Table 8.1 B
130. Net impairment adjustments of: d) financial transactions	438	-603	
Gain (loss) on financial assets held to maturity and other investments	34	79	
210. Gain (loss) on equity investments	-	7	
240. Gain (loss) on disposal of investments	34	72	
Profit (loss) before tax on continuing operations	**417,874**	**371,306**	
Taxes on income from continuing operations = item 260	-117,558	-36,562	
Profit for the period	**300,316**	**334,744**	

Quarterly developments in the reclassified Income Statement

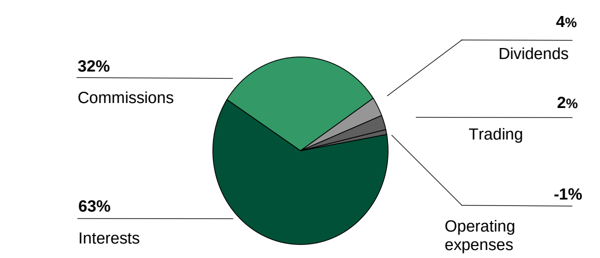
Items	Financial year 2009				Financial year 2008			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net interest	174,378	183,372	201,108	210,929	223,134	212,187	210,261	216,459
Net commission income	112,816	103,984	92,513	79,078	84,359	89,922	99,787	105,780
Dividends	-	21	41,054	135	-	25	44,485	1,214
Gain (loss) on trading activities	4,336	1,955	14,643	9,336	-7,760	6,238	72	204
Other operating revenues (expenses)	-3,235	-2,546	-2,871	-3,046	-11,486	-2,404	-2,471	-1,923
Net operating revenues	**288,295**	**286,786**	**346,447**	**296,432**	**288,247**	**305,968**	**352,134**	**321,734**
Staff expenses	-101,469	-95,260	-97,143	-110,377	-110,356	-99,301	-100,044	-104,584
Administrative expenses	-49,565	-51,429	-48,716	-38,860	-76,578	-44,726	-47,416	-47,570
Depreciation/amortization of property, plant, equipment and intangible assets	-17,299	-13,397	-11,995	-10,771	-15,014	-11,177	-10,020	-8,966
Operating expenses	**-168,333**	**-160,086**	**-157,854**	**-160,008**	**-201,948**	**-155,204**	**-157,480**	**-161,120**
Net operating profit	**119,962**	**126,700**	**188,593**	**136,424**	**86,299**	**150,764**	**194,654**	**160,614**
Net provisions for liabilities and contingencies	-4,050	-5,385	-3,799	-2,506	-105,568	-8,273	-3,323	-2,751
Net adjustments of loans	-31,740	-36,674	-34,216	-35,469	-41,350	-21,809	-18,927	-19,103
Gain (loss) on financial assets held to maturity and other investments	34	-	2	-2	71	-	7	1
Profit (loss) before tax on continuing operations	**84,206**	**84,641**	**150,580**	**98,447**	**-60,548**	**120,682**	**172,411**	**138,761**
Income tax for the period on continuing operations	-20,485	-28,055	-33,478	-35,540	87,438	-24,400	-46,600	-53,000
Profit for the period	**63,721**	**56,586**	**117,102**	**62,907**	**26,890**	**96,282**	**125,811**	**85,761**

Net operating revenues

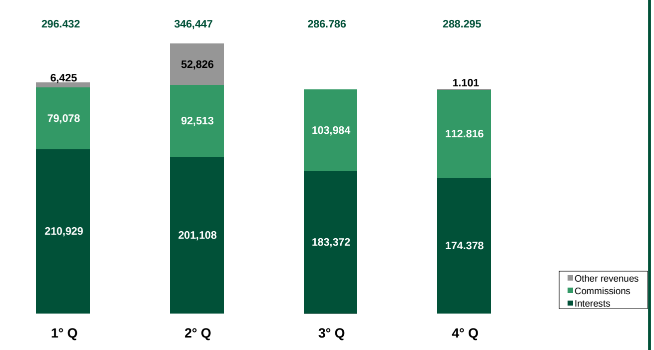
In a difficult situation, characterized by a global recession with negative effects on the GDP and on aggregate demand, featuring also decreasing market rates, net operating revenues amounted to 1,218.0 million, down by 50.1 million, equal to 4.0% compared with the previous financial year. The annual performance, although benefiting from the positive trend of the financial activities, up by 31.5 million, and from net commissions, up by 8.5 million, that is by 2.2%, recorded a downturn of net interest income, down by 92.3 million, that is 10.7%, due to the market rate trend. On the decrease were also dividends, amounting to 41.2 million, mainly consisting of profits distributed by Banca Popolare FriulAdria SpA amounting to 39.8 million in 2009. Other operating expenses, although improving by 6.6 million, that is to say 36.0%, vs. the previous year, produced a negative impact.

The quarterly performance of net operating revenues showed, in the second part of the FY, a decrease caused by the contraction of net interest income and of the financial profit, only partially offset by the increasing trend of net commission income, thanks to the development of traditional banking activities and of management, intermediation and advisory services. The growth in the second quarter was mainly due to dividend recognition, amounting to about 41 million.

Net operating revenues



Developments in net operating revenues

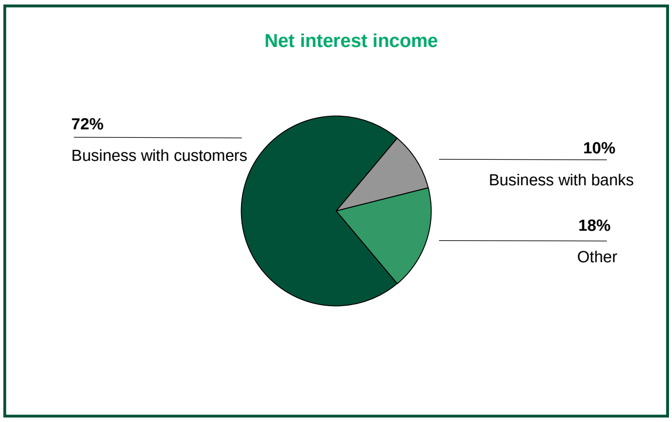


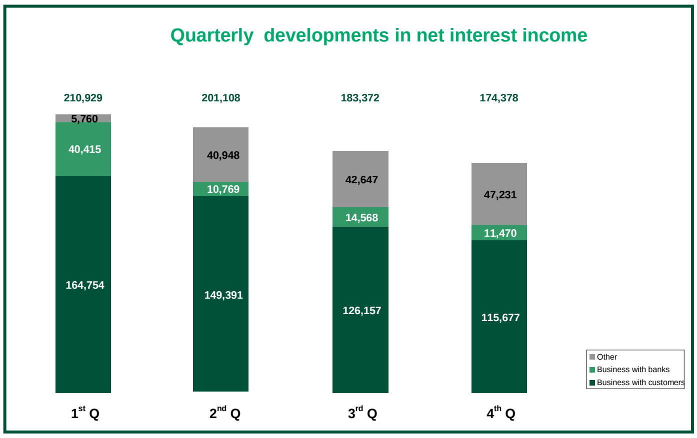
Net interest income

	31/12/2009	31/12/2008	Change	
			Total	%
Business with customers	794,303	1,048,725	-254,422	-24.3
Business with banks	77,223	191,090	-113,867	-59.6
Securities issued	-238,325	-348,812	-110,487	-31.7
Differences on hedging derivatives	81,204	-34,857	116,061	
Financial assets held for trading	1,515	5,255	-3,740	-71.2
Financial assets available for sale	53,910	-129	54,039	
Other net interest	-43	769	-812	
Net interest	**769,787**	**862,041**	**-92,254**	**-10.7**

Net Interest income amounted to 769.8 million down by 92.3 million (-10.7%), over 862.0 million of the previous FY. The contribution of the customer component (including securities issued) posted a 143,9 million decrease, that is 20.6%, being significantly affected by the reduction in spreads, despite the strong development of intermediated volumes (funding from Customers +10.1% and loans to customers +11.1%). Moreover, this component, starting from the second half of the year, paid for the elimination of maximum overdraft commissions. Also the interbank sector contribution decreased by 113.9 million (-59.6%).

Against the general trend is the performance of differences on hedging derivatives, up by 116.1 million, as well as the interest income on financial assets available for sale, mainly consisting of Italian government bonds, up by 54 million.
The quarterly performance of net interest income showed a decrease in the second part of the year mainly ascribable to the customer component, due to the elimination of the maximum overdraft commissions, as well as to the contraction in spreads.





Dividends

Dividends from equity investments amounted to 41.2 million, down by 4.5 million over last year figure. This aggregate mainly consists of the dividends distributed by the subsidiary Banca Popolare FriulAdria SpA on 2008 profits, amounting to 39.8 million.

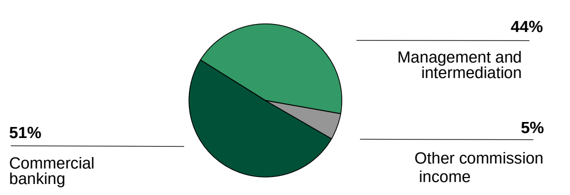
Net Commission income

	31/12/2009	31/12/2008	Change	
			Total	%
- Guarantees issued	7,608	7,383	225	3.0
- collection and payment services	28,765	29,250	-485	-1.7
- current accounts	135,616	111,681	23,935	21.4
- debit and credit card services	24,823	28,745	-3,922	-13.6
Commercial banking activities	**196,812**	**177,059**	**19,753**	**11.2**
- securities intermediation and placement	68,987	74,485	-5,498	-7.4
- foreign currency	3,717	3,700	17	0.5
- asset management	6,647	10,082	-3,435	-34.1
- distribution of insurance products	83,021	86,457	-3,436	-4.0
- other intermediation/management commissions	7,568	6,409	1,159	18.1
Management, intermediation and advisory services	**169,940**	**181,133**	**-11,193**	**-6.2**
Tax collection services	**-**	**5**	**-5**	
Other net commissions	**21,639**	**21,651**	**-12**	**-0.1**
Total net commission income	**388,391**	**379,848**	**8,543**	**2.2**

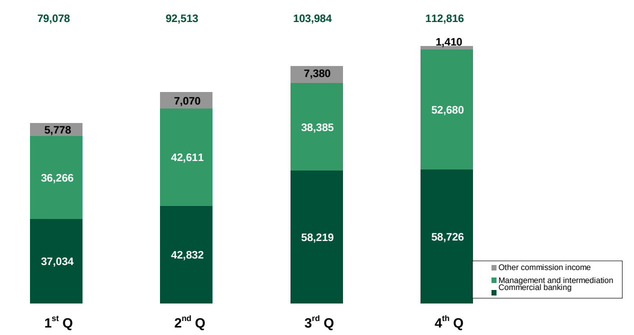
Net commission income, amounting to 388.4 million, record an increase by 8.5 million (+2.2%) over 379.8 million of the previous year. The increase was generated by higher revenues on traditional banking business amounting to 19.8 million (+11.2%), as a result of the growth on current accounts amounting to 23.9 million (+21.4%). The contribution resulting from management, intermediation and advisory services decreased by 11.2 million (-6.2%), having been significantly affected by negative trend in the economic situation. Within the the scope of these activities it is to be emphasized the development of the non-life insurance policy line, which has allowed the lower contribution of the life insurance contribution to be offset, in which, even though the volumes placed were in line with the previous year ones, a riasset mix towards insurance products with lower risk content was recorded.

Net commission income showed an increasing trend with a higher contribution of the second half-year period compared with the first one, driven by a higher development of both the traditional banking activities and the recovery in management, intermediation and advisory services, especially in the insurance and placement of securities.

Net commission income



Quarterly developments in commissions



Financial Income

	31/12/2009	31/12/2008	Change	
			Total	%
Interest rate assets	13,134	11,902	1,232	10.4
Equities	3,417	-323	3,740	
Foreign exchange	967	-1,879	2,846	
Commodities	1,117	104	1,013	
Total gain (loss) on financial trading activities	18,635	9,804	8,831	90.1
Total gain (loss) on hedging activities	7,413	-12,022	19,435	
Gain (loss) on disposal of financial assets available for sale	4,222	972	3,250	
Gain (loss) on trading activities	**30,270**	**-1,246**	**31,516**	

The financial income amounted to 30.3 million, up by 31.5 million over the figure of 2008. Increase by 8.8 million of financial trading activities and by 19.4 million of the hedging derivatives. Gains on the sale of financial assets available for sale were more substantial compared with the previous year, amounting to 4.2 million, up by 3.3 million, following the sale of the equity investment in Centrale Bilanci S.r.l.

Other operating revenues (expenses)

Other operating revenues and expenses, which showed a negative net balance amounting to 11.7 million, are the net result of operating revenues – including rents and non-recurring and sundry income – for a total of 1.6 million, and operating expenses for a total of 13.3 million, which includes the amortization of leasehold improvement costs and other expenses, including customer refunds.

Operating expenses

	31/12/2009	31/12/2008	Change	
			Total	%
- wages and salaries	-289,568	-279,355	10,213	3.7
- social security contributions	-77,391	-74,413	2,978	4.0
- other staff expenses	-37,290	-60,517	-23,227	-38.4
Staff expenses	**-404,249**	**-414,285**	**-10,036**	**-2.4**
- general operating expenses	-75,903	-73,192	2,711	3.7
- IT services	-37,921	-66,281	-28,360	-42.8
- direct and indirect taxes	-55,893	-53,360	2,533	4.7
- facilities management	-40,953	-37,606	3,347	8.9
- legal and other professional services	-22,913	-25,356	-2,443	-9.6
- advertising and promotion costs	-11,470	-13,299	-1,829	-13.8
- indirect staff expenses	-9,082	-8,786	296	3.4
- other expenses	-79,736	-34,718	45,018	
- recovery of expenses and charges	145,301	96,308	48,993	50.9
Administrative expenses	**-188,570**	**-216,290**	**-27,720**	**-12.8**
- intangible assets	-33,200	-27,205	5,995	22.0
- property, plant and equipment	-20,262	-17,972	2,290	12.7
Depreciation and amortization	**-53,462**	**-45,177**	**8,285**	**18.3**
Operating expenses	**-646,281**	**-675,752**	**-29,471**	**-4.4**

Net operating expenses totalled 646.3 million compared with 675.8 million of the previous year, down by 29.5 million (-4.4%).

Operating expenses control has further improved the cost/income ratio bringing it to 53.1% compared with 53.1% of the previous year.

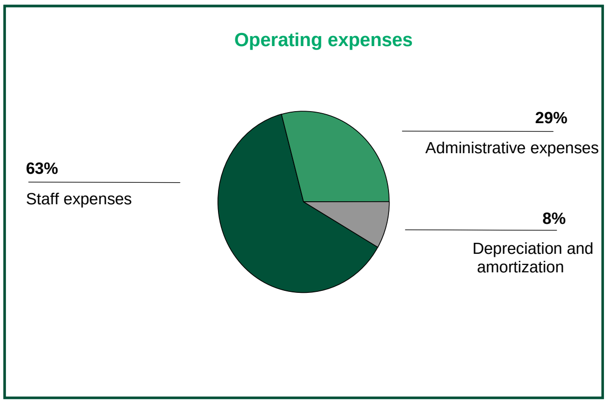
Staff expenses amounted to 404.2 million decreasing by 10.0 million

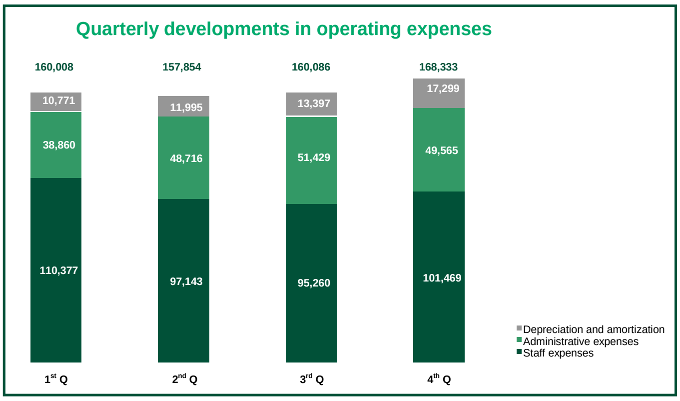
(-2.4%), compared with 414.3 million of the previous year. This decrease can be attributed to the favourable effects resulting from the discounting of the severance benefit fund and pension funds, which offset the increase in the expenses brought about by the higher staff number (+121 medium level resources) and by the new national collective bargaining agreement.

Administrative expenses decreased by 27.7 million (-12.8%), reaching 188.6 million in 2009 compared with 216.3 million in 2008. This change can be attributed to both a careful cost management, focussing on high value added projects and activities, and to the control of costs for IT services, which in the previous year included higher expenses for the rationalization of the Group's IT platform.

The 8.3 million increase (+18.3%) in depreciation and amortization in 2009 is related to the investment plan made in the last two-year period.

The quarterly trend of the operating expenses is essentially linear with a slight increase in the last quarter of the year resulting from higher staff expenses and higher amortization for investments made in the last part of the FY.





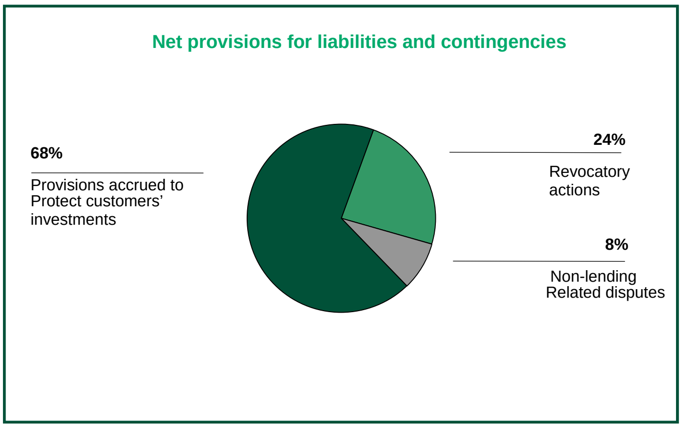
Net operating profit

The 50.1 million decrease (-4.0%) in net operating revenues and the control of operating expenses by 29.5 million (-4.4%) produced a net operating profit amounting to 571.7 million, down by 20.7 million (-3.5%) compared with the previous year figure.

Net Provisions for liabilities and contingencies

Provisions for liabilities and contingencies amounted to 15.7 million and include the following: 3.7 million for revocatory actions in bankruptcy, 1.3 million for non-lending-related disputes and 10.7 million for amounts accrued to safeguard customers.

In 2009 a decrease was recorded in provisions to funds for liabilities and contingencies by 104.2 million compared with 2008, when amounts were accrued, even though not required by law, to safeguard customers that, having made transactions in securities, insurance policies and derivatives, were affected by the impact of the global financial crisis.



Net impairment adjustments of loans

	31/12/2009	31/12/2008	Change	
			Total	%
- bad debts	-69,265	-46,089	23,176	50.3
- other impaired loans	-65,638	-49,671	15,967	32.1
- performing loans	-3,634	-4,826	-1,192	-24.7
Net impairment adjustments of loans	**-138,537**	**-100,586**	**37,951**	**37.7**
Net adjustments of guarantees and loans	438	-603	1,041	
Net adjustments of loans	**-138,099**	**-101,189**	**36,910**	**36.5**

Net impairment adjustments of loans amounted to 138.1 million compared with 101.2 million of the previous financial year.

The 36.9 million increase reflects the ability to keep a high hedge level for impaired loans for protection against worsening of credit quality connected to the more and more serious macroeconomic situation.

Profit before tax on continuing operations

Profit before tax on continuing operation reached 417.9 million up by 46.6 million compared with 2008 (+12.5%). This was obtained after the recognition of provisions and net adjustments for 153.8 million and net realized gains of 0.03 million on other investments.

Income taxes on continuing operations

Current and deferred taxes for the year totalled 117.6 million, showing a difference of 81 million from 36.6 million recorded in the previous financial year. With reference to this, the specific and different extraordinary components linked to taxes, which produced an impact on the profit for the two years.

More in detail, in 2008 the effects were recorded of the decision to realign financial and tax figures on 75% of goodwill value arising from the neutral transfer of the branches purchased in 2007 from Intesa Sanpaolo, whose benefit in terms of income statement amounted to 78.5 million, as well as from the exercise of discharge of tax liability and realignment of tax and and financial figures carried out effective as from FY 2008, which entailed further benefits, amounting to 28.3 million, resulting from the excess of the deferred tax provision over the one-off tax actually due.

Conversely, in 2009, further tax realignment was made of the remaining goodwill value produced by the above-mentioned transfer, for which the representation principle has been consistently confirmed as adopted last year and admitted by the *Organismo Italiano di Contabilità (*Italian Accounting Board - OIC), and by effect of which the weight on the Income Statement results from algebraic sum of the taxes due for the partial discharge of tax liability defined above and the savings in future taxes calculated in absolute value resulting from the tax-only amortization of said goodwill, with a subsequent benefit recorded close to 28.5 million. As a result of this realignment transaction carried out between 2008 and 2009 on the entire goodwill in question, beginning in 2010, lower current taxes will be recorded in the Income Statement for the year and for the subsequent eight years for an amount of about 23.6 million a year, the positive value of which will be offset by the corresponding release of deferred tax assets. In 2009, the discharge of residual tax liability for values not recognised for tax purposes on specific assets, for an overall benefit on the Income Statement for the year amounting to about 2.5 million. Moreover, tax credits resulting from energy saving upgrade for about 1.2 million Euro.

Net of the above-mentioned extraordinary components recorded in the FYs, the lower tax burden actually referred to the FY 2009 mainly resulted from the better composition of the IRAP (regional business tax) taxable base recorded in 2009 compared with the previous financial year.

Net Profit

In a difficult situation lasted throughout 2009, Cariparma was able to curb the negative effects brought about by the recession, reaching a net profit amounting to 300.3 million, down by 34.4 million (-10.3%) compared with the previous financial year; this decrease is however lower than the issued estimates on the banking sector performance (-25% net profit year-over-year). This could be achieved through an effective cost management and a strict control of cost of credit, which curbed the revenue erosion.

Comprehensive Income Statement components

In compliance with IAS 1 revised a statement of comprehensive income, which considers the positive and negative income components, whose effects are directly recognised in Cariparma Equity.

Specifically, Cariparma comprehensive income was 321.2 million after recognizing positive components such as measurements at fair value of the assets available for sale amounting to 22.4 million, of which 22.3 million of BTP positive fair value. The negative components include negative impacts for 2.0 million mainly ascribable to the reversals to Income Statement of AFS reserves relating to assets sold during the financial year.

PERFORMANCE OF BALANCE-SHEET AGGREGATES

Reclassification of the Balance Sheet

In order to supply a more direct representation of the Company's financial situation, a summary balance sheet has been prepared by suitably aggregating the relevant items. The aggregates refer to:

- Presentation of the financial assets/liabilities held for trading on a net basis;
- Presentation of loans to banks and amounts due to banks on a net basis;
- inclusion of the net value in the fair value hedge derivatives in the respective assets/liabilities being hedged;
- inclusion of the value adjustment to the financial liabilities hedged collectively in the respective liabilities being hedged;
- Grouping in a single item of intangible assets and property, plant and equipment;
- Inclusion of cash and cash equivalents in the residual item "Other assets";
- Grouping in the item "Funding from Customers" of the due to Customers and of Security issued;
- Grouping in a single item of specific-purpose provisions (Employee severance benefit and provisions for liabilities and contingencies).

Reclassified Balance Sheet

Assets	31/12/2009	31/12/2008	Change	
			Total	%
Net financial assets/liabilities held for trading	29,141	246,068	-216,927	-88.2
Financial assets available for sale	2,924,782	1,024,307	1,900,475	
Net interbank lending	588,290	2,956,054	-2,367,764	-80.1
Financing to customers	22,132,889	19,922,144	2,210,745	11.1
Equity investments	1,140,541	1,057,545	82,996	7.8
Property, plant and equipment and intangible assets	1,120,713	1,104,327	16,386	1.5
Tax assets	532,270	477,175	55,095	11.5
Other assets	570,459	630,480	-60,021	-9.5
Total assets	**29,039,085**	**27,418,100**	**1,620,985**	**5.9**

Liabilities	31/12/2009	31/12/2008	Change	
			Total	%
Funding from customers	24,182,905	21,955,733	2,227,172	10.1
Tax liabilities	233,501	365,792	-132,291	-36.2
Other liabilities	744,271	1,141,888	-397,617	-34.8
Specific-purpose provisions	211,760	329,172	-117,412	-35.7
Share capital	785,066	785,066	-	-
Reserves (net of treasury shares)	2,553,680	2,498,985	54,695	2.2
Valuation reserves	27,586	6,720	20,866	
Net profit (loss) for the period	300,316	334,744	-34,428	-10.3
Total liabilities and shareholders' equity	**29,039,085**	**27,418,100**	**1,620,985**	**5.9**

Reconciliation between the official Balance Sheet and the Reclassified Balance Sheet

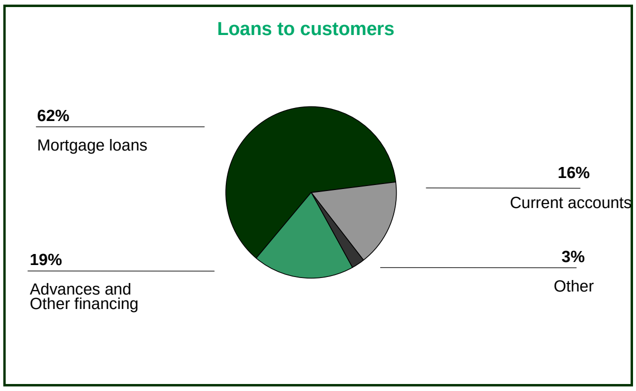
Assets	31/12/2009	31/12/2008
Net financial assets/liabilities held for trading	29,141	246,068
20. Financial assets held for trading	285,351	485,728
40. Financial liabilities held for trading	-256,210	-239,660
Financial assets available for sale	2,924,782	1,024,307
40. Financial assets available for sale	2,930,531	1,024,307
80. Hedging derivatives (assets): hedging of AFS securities	-5,749	-
Net interbank lending	588,290	2,956,054
60. Interbanking lending	4,567,230	4,478,769
10. Due to banks	-3,978,940	-1,522,715
Financing to customers	22,132,889	19,922,144
70. Financing to customers	22,132,889	19,922,144
Equity investments	1,140,541	1,057,545
100. Equity investments	1,140,541	1,057,545
Property, plant and equipment and intangible assets	1,120,713	1,104,327
110. Property, plan and equipment	252,352	254,405
120. Intangible Assets	868,361	849,922
Tax assets	532,270	477,175
130. Tax assets	532,270	477,175
Other assets	570,459	630,480
10. Cash and cash equivalents	163,348	166,013
150. Other assets	407,111	464,467
Total assets	**29,039,085**	**27,418,100**

Liabilities	31/12/2009	31/12/2008
Funding from customers	24,182,905	21,955,733
20. Due to customers	14,018,316	12,388,228
30. Securities issued	10,371,427	9,703,259
60. Hedging derivatives (liabilities)	5,891	1,119
80. Hedging derivatives (assets): hedging of bonds and generic hedges	-288,979	-182,757
70. Adjustment of financial liabilities hedged generically	76,250	45,884
Tax liabilities	233,501	365,792
80. Tax liabilities	233,501	365,792
Other liabilities	744,271	1,141,888
100. Other liabilities	744,271	1,141,888
Specific-purpose provisions	211,760	329,172
110. Employee severance benefits	107,900	116,997
120. Provisions for liabilities and contingencies	103,860	212,175
Share capital	785,066	785,066
180. Share capital	785,066	785,066
Reserves (net of treasury shares)	2,553,680	2,498,985
160. Reserves	458,910	404,215
170. Share premium reserve	2,094,770	2,094,770
Valuation reserves	27,586	6,720
130. Valuation reserves	27,586	6,720
Net profit (loss) for the period	300,316	334,744
200. Net profit (loss) for the period	300,316	334,744
Total liabilities and shareholders' equity	**29,039,085**	**27,418,100**

Loans to Customers

Items	31/12/2009	31/12/2008	Change Total	Change %
- current accounts	3,582,409	3,757,467	-175,058	-4.7
- Mortgage loans	13,735,617	11,577,620	2,157,997	18.6
- Advances and other loans	4,249,233	4,273,989	-24,756	-0.6
- Impaired loans	565,630	312,549	253,081	81.0
Loans	**22,132,889**	**19,921,625**	**2,211,264**	**11.1**
Loans represented by securities	**-**	**519**	**-519**	
Loans to customers	**22,132,889**	**19,922,144**	**2,210,745**	**11.1**

Loans to Customers amounted to 22,133 million up by 2,211 million (+11.1%) on an annual basis particularly concerning mortgage loans. More specifically: mortgage loans increased by 2,158 million (+18.6%), whereas current accounts decreased by 175 million (-4.7%) and advances and other financing decreased by 25 million (-0.6%). With reference to the performance of mortgage loan segment the production is to be noted of 14,476 new home mortgage loans to retail customers for a countervalue of 1.8 billion (+77.7% granted compared with the previous year), despite a market situation highly competitive and slowing down. This could be achieved with a complete range of products, which also generated an exponential growth of mortgage loan subrogations, equal to 24% of the number of mortgage loans issued, and through the development of the intermediation channel. The mortgage loan range available for supply allowed Cariparma to rank always at the top for cost effectivness. Following the development of the relevant activities in the FY, the loan portfolio was as follows: Mortgage loans (62%), advances and other financing (19%), current accounts (16%) and other (3%). In 2009 Cariparma joined the Avviso comune Abi-Confindustria-Ministero dell'Economia for the suspension of enterprise dues to give financial relief to enterprises having suitable economic prospects. Moreover, Cariparma has joined ABI Piano Famiglie for the suspension of mortgage loan refunding granted to families experiencing difficulties caused by the crisis. With this, Cariparma confirms the commitment in the area, where it has already offered anti-crisis packages and credit lines: over 15,000 Customers made use of of the special terms envisaged by the social finance projects. Voluntary postponement agreements exist, as well as rescheduling plans of debt refunding due dates, also known as "standstill agreements", which as at the FY closure amounted to a total of 169 million Euro.



Loans to Customers: Credit Quality

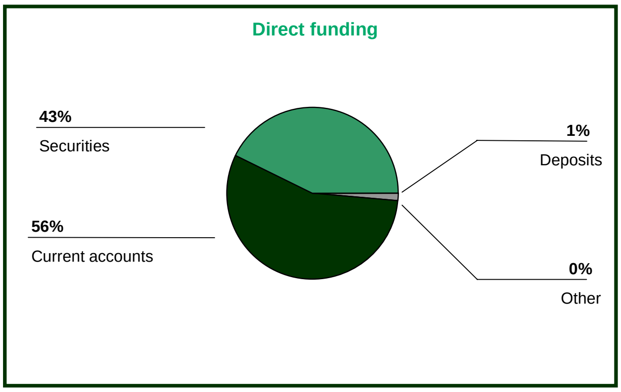
Items	31/12/2009 Gross exposure	31/12/2009 Total adjustments	31/12/2009 Net exposure	31/12/2008 Gross exposure	31/12/2008 Total adjustments	31/12/2008 Net exposure
- Bad debts	432,373	267,864	164,509	275,781	178,033	97,748
- Substandard loans	297,943	110,959	186,984	259,587	102,281	157,306
- Restructured loans	3,010	2,145	865	8,541	1,994	6,547
- Past-due / overlimit loans	217,526	4,254	213,272	53,127	2,179	50,948
Impaired loans	**950,852**	**385,222**	**565,630**	**597,036**	**284,487**	**312,549**
of which expired by transaction	*181,816*	*4,254*	*177,562*	-	-	-
impaired loans minus past-due by transaction	*769,036*	*380,968*	*388,068*	*597,036*	*284,487*	*312,549*
Performing loans	**21,664,546**	**97,287**	**21,567,259**	**19,706,958**	**97,363**	**19,609,595**
Total	**22,615,398**	**482,509**	**22,132,889**	**20,303,994**	**381,850**	**19,922,144**

Impaired loans, net of total adjustments, amounted to 566 million compared with 313 million of the previous financial year. More specifically: bad debts amounted to 165 million, substandard positions to 187 million, restructured loans to 0.9 million and past-due/overlimit loans to 213 million. Total net impaired loans showed an adequate coverage ratio of 41%, calculated as the ratio of writedowns to gross exposure, the weight over total net loans is equal to 2.6%. The coverage ratio of net bad debts is 62% with a weight of the same of 0.7%. Substandard loans showed a coverage ratio of 37% and represented 0.8% of the loan portfolio. The cumulative total of writedowns for performing loans, deemed appropriate to face the expected risk of such loans with a regular performance, amounted to about 97 million and represented 0.45% of the nominal value of all performing positions. Following the application of the Bank of Italy Circular letter No. 272 of 30 July 2008 – 1st revision of 10 December 2009, - which envisaged that past-due/overlimit loans include those for a single transaction, as well as those for overall position, relating to the prudential portfolio “Exposures secured by property” expired for over 90 days – an increase in weight of past-due/overlimit loans over total loans was recorded. Net of said regulatory change, total net impaired loans would weigh over the total loan portfolio by 1.7% with a coverage ratio of 49.7%.

Due to Customers

Items	31/12/2009	31/12/2008	Change	
			Total	%
- Deposits	343,597	371,428	-27,831	-7.5
- Current accounts and other accounts	13,494,488	11,842,140	1,652,348	14.0
- Other accounts	35,441	8,572	26,869	
- Repurchase agreement operations	144,790	166,088	-21,298	-12.8
Due to customers	**14,018,316**	**12,388,228**	**1,630,088**	**13.2**
Securities issued	**10,371,427**	**9,703,259**	**668,168**	**6.9**
Adjustment of financial liabilities hedged generically (+/-)	**76,250**	**45,884**	**30,366**	**66.2**
Net value of fair value hedge derivative contracts	**-283,088**	**-181,638**	**101,450**	**55.9**
Total direct deposits	**24,182,905**	**21,955,733**	**2,227,172**	**10.1**
Indirect funding	**38,423,791**	**34,890,157**	**3,533,634**	**10.1**
Total funding	**62,606,696**	**56,845,890**	**5,760,806**	**10.1**

Direct funding reached 24,183 million up by 2,227 million over 21,956 million of the previous financial year (+10.1%). This growth allows an excellent liquidity level to be consolidated (loans to Customers/direct funding from Customers amounting to 91.5%). This increase was substantially brought about by the growth of current account funding, which was up by 1,652 million, equal to 14.0% and by the bond funding amounting to 668 million, equal to 6.9%. Assets under administration, representing the aggregate of corporate funds intermediated on behalf of Customers, amounted to 62,607 million, up by 5,761 million (+10.1%) compared with last year figure, as the net result of the increase in both direct and indirect funding, which recorded a substantial increase despite the ongoing financial market crisis.

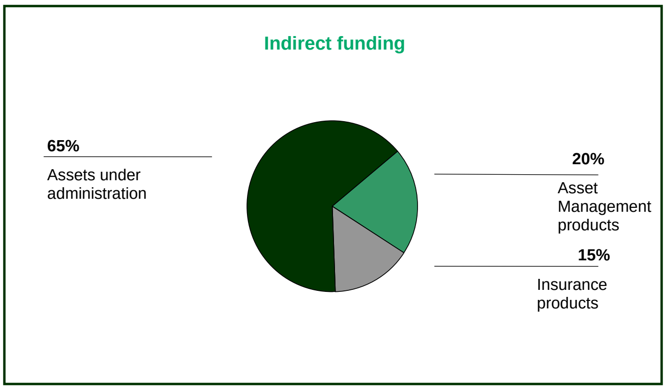


Indirect funding

Items	31/12/2009	31/12/2008	Change	
			Total	%
- Asset management products	7,780,816	7,012,829	767,987	11.0
- Insurance products	5,889,532	5,455,480	434,052	8.0
Total assets under management	**13,670,348**	**12,468,309**	**1,202,039**	**9.6**
Asset under administration	**24,753,443**	**22,421,848**	**2,331,595**	**10.4**
Indirect funding	**38,423,791**	**34,890,157**	**3,533,634**	**10.1**

Indirect funding at market values accounted for 61.4% of the assets under administration and amounted to 38,424 million, up by 3,534 million (+10.1%) over 34,890 million of the previous financial year. Assets under management increased by 1,202 million, driven both by the managed assets amounting to 7,781 million, up by 768 million (+11.0%), and by the insurance segment, which reached 5,890 million, up by 434 million (+8.0%) compared with the twelve previous months.

The contribution of assets under management was positive, reaching 24,753 million over 22,422 million ((+10.4%) of the previous year.



Financial assets available for sale

Items	31/12/2009	31/12/2008	Change Total	%
- Bonds and other debt securities	2,850,426	943,940	1,906,486	
- Equity securities and units of collective investment undertakings.	3,741	385	3,356	
Securities available for sale	**2,854,167**	**944,325**	**1,909,842**	
- Equity investments	76,364	79,982	-3,618	-4.5
Shareholdings available for sale	**76,364**	**79,982**	**-3,618**	**-4.5**
Net value of fair value hedge derivative contracts	**-5,749**	**-**	5,749	-
Financial assets available for sale	**2,924,782**	**1,024,307**	**1,900,475**	

Financial assets available for sale comprising bonds, equity investments available for sale over the short-term and the net value of derivative contracts held for fair value hedge, amounted to about 2,925 million over 1,024 million for the previous financial year. This increase by over 1,900 million compared with the previous year can be ascribed almost entirely to the increase in Italian government bonds, largely as interest rate hedge on funding.

Equity investments

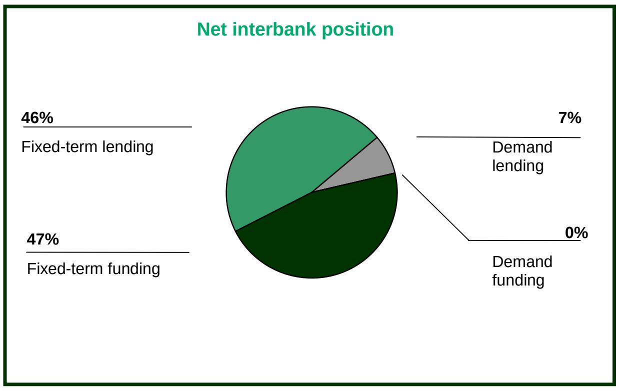
Items	31/12/2009	31/12/2008	Change Total	%
- Subsidiaries	1,021,646	938,651	82,995	8.8
- Associates	118,895	118,894	1	-
Total	**1,140,541**	**1,057,545**	**82,996**	**7.8**

The equity investment aggregate, amounting to about 1,141 million increased by 83 million compared with 31 December 2008. This increase can be ascribed on the one hand to the acquisition of an equity investment in CAlit (amounting to 78 million for a 85% stake) and on the other, to the increase in the equity investment in Banca Popolare FriulAdria (amounting to 4.6 million from a 78.7% stake to a 79.1% stake). Investments in subsidiaries include the stake in Banca Popolare FriulAdria (943 million) and that in CAlit (78 million). Shareholdings of affiliation include the equity investment in CA Vita Assicurazioni (114 million) and that in CA Agro-Alimentare (5 million).

Net interbank position

Items	31/12/2009	31/12/2008	Change	
			Total	%
- Loans	631,063	919,876	-288,813	-31.4
- Deposits	9,581	10,368	-787	-7.6
Net interbank position on demand	**621,482**	**909,508**	**-288,026**	**-31.7**
- Loans	3,936,167	3,558,893	377,274	10.6
- Deposits	3,969,359	1,512,347	2,457,012	
Net interbank position at fixed term	**-33,192**	**2,046,546**	**-2,079,738**	
Net interbank position	**588,290**	**2,956,054**	**-2,367,764**	**-80.1**

The net interbank position showed net positive balance of 588 million as at 31 December 2009 that could be mainly ascribed to the net demand interbank position. Compared with the previous year, a 2,368 million decrease was recorded due to the increase in funding on the net fixed-term interbank position, brought about by the refinancing operations with repurchase agreements of the BTP portfolio.



Property, plant and equipment and intangible asset

The item includes also goodwill and intangible assets recognized after the completion of the allocation of the purchase price of the 180 branches acquired from Intesa Sanpaolo. Goodwill underwent impairment testing, which did not show elements such as to make write-downs necessary.

Specific-purpose provisions

Items	31/12/2009	31/12/2008	Change	
			Total	%
Employee severance benefits	**107,900**	**116,997**	**-9,097**	**-7.8**
Provisions for liabilities and contingencies	**103,860**	**212,175**	**-108,315**	**-51.0**
- retirement and similar liabilities	22,567	25,458	-2,891	-11.4
- Other provisions	81,293	186,717	-105,424	-56.5
Total specific destination funds	**211,760**	**329,172**	**-117,412**	**-35.7**

The item Specific-purpose provisions amounted to 212 million compared with 329 million of the previous financial year, down by 117 million, equal to 35.7%. This decrease was mainly due to the lower provisions accrued compared with the previous year when, even though not required by law, provisions were accrued to protect Customers, who carried out transactions that were affected by the global financial crisis.

Equity

Items	31/12/2009	31/12/2008	Change	
			Total	%
Share capital	785,066	785,066	-	-
Share premium reserve	2,094,770	2,094,770	-	-
Income reserve	458,910	404,215	54,695	13.5
Valuation reserves of financial assets available for sale	27,586	6,720	20,866	
Profit for the year	300,316	334,744	-34,428	-10.3
Total equity	**3,666,648**	**3,625,515**	**41,133**	**1.1**

As at 31 December 2009, the book value of Cariparma S.p.A. equity, including the net profit for the year, amounted to 3,667 million, up by 41 million (+1.1%) compared with 31 December 2008. Also the income reserves increased (+55 million), resulting from 2008 profits allocated to reserve and from valuation reserves (+21 million), mainly brought about by the measurement as at 31 December 2009 of the assets available for sale over the existing stock . The net profit for the period decreased (-34 million).

Regulatory Capital

Regulatory Capital and capital ratios	31/12/2009	31/12/2008
Tier 1 capital	2,480,428	2,396,599
Tier 2 Capital	502,081	200,492
Deductible elements	58,917	58,916
Regulatory Capital	**2,923,592**	**2,538,175**
Credit Risk	1,523,875	1,433,371
Market risk	11,792	21,943
Operational risk	148,182	129,337
Capital requirements (*)	**1,262,887**	**1,188,489**
Excess capital with respect to minimum requirements	**1,660,705**	**1,349,686**
Risk-weighted assets	**21,048,122**	**19,808,143**
Capital ratios %		
Tier 1 Capital / Total Risk-weighted assets	11.8%	12.1%
Total capital / Total risk-weighted assets	13.9%	12.8%

(*) Bank of Italy regulations allow Banks belonging to Italian Groups to reduce prudent capital requirements by 25%.

Regulatory capital and the relating capital ratios were calculated in compliance with the instructions issued by the Bank of Italy. Regulatory Capital amounted to 2,924 million, with risk-weighted assets amounting to 21,048 million. Tier 1 ratio was 11.8%, with a total capital ratio equal to 13.9%.

CORPORATE DEVELOPMENT

Retail Channel

Cariparma Retail Channel represents about 98% of the Bank's Customers, 80% of direct funding and 65% of lending.

In 2009, the distribution network reached a total of 537 branches. Nationwide the distribution network expanded with 5 new openings: Agenzia di Cento (Branch in Cento), Agenzia di Firenze 6 (Branch No. 6 in Florence), Agenzia di Milano 23 (Branch No. 23 in Milan), Sede di Biella (Main offices in Biella) and Sede di Viterbo (main offices in Viterbo).

In 2009 the development continued of the Family, Premium and Business segments of the Bank's Customers.

The commercial activity of the Family segment focused on cross-selling increase through the supply of high value products targeting specific sub-segments, multi-channel contact systematic actions (Manager, Desk clerk, Banca telefonica service, Direct Marketing) and commercial processes aimed at delivering products that meet the segment's needs. As a support of the expansion to new Customers, in April 2009, the Bank launched "Cariparma Senza Spese Più", the new introductory account which was very successful attracting over 9.000 new accounts in 9 months only. To be noted in 2009 is the increasing trend of the VYP line, Cariparma supply line dedicated to young people up to 28 years of age, which exceeded 65.000 accounts, recording an 11% increase in 2009 (compared with 2008 stock). In particular, Conto VYP (18-28 years of age) exceeded 45.200 accounts (up by +12% compared with 2008 stock) consolidating the product's image as a successful and cutting edge brand on the market, thanks also to the "VYP Club", the on-line community reaching all participants, offering them a series of non-bank related benefits connected to the package, which are annually enriched to raise the Customers' satisfaction level.

In 2009 co-marketing initiatives with market-leading partners leader such as Piaggio e CTS were started up and consolidated.

Home loans recorded an excellent result amounting to 14,476 new loans for 1.8 billion Euro, +77.7% in disbursements compared with the previous year, despite a highly competitive and slowing-down market situation. Such a success was achieved with a complete range, with the boom in subrogation loans, amounting to 24% of disbursements and with the intermediation channel.

The mortgage loan range allowed Cariparma to always be at the top of the list for value for money.

The production growth did not neglect to focus on credit quality, which allowed risk ratios to be kept at particularly low levels even lower than market ones (3.8% vs. 7% of the market).

Consumer credit increased by 7.7% compared with the previous year (vs. 2.8% of the market), equal to 28,000 new loans.

These results were achieved thanks to the consolidation of the partnership with Agos, which accounts for 75% of disbursements. The promotion campaigns Fiducia contante Auto Moto Incentivi and Fiducia Contante Speciale Natale contributed to the good commercial outcome. During the year, particularly significant were the launch of the new product Fiducia Contante Assicuro, by which the cost of the protection policy of the credit associated to the loan can be divided into instalments, as well as the restyling of Fiducia Contante Energia Solare, supporting the development of investments in renewable energy sources.

The payment card segment recorded significant results: A 19% increase in Retail non-revolving credit cards carte was recorded compared with 2008 stock, totalling almost 200,000 cards.

Pre-paid cards also were also quite successful increasing by 108% including also Rugby pre-paid cards issued as a Limited Editon during the matches of the Italian National Rugby Team.

Even though in 2009 the Italian Credit Protection market was affected by the downturn in loans issued to Italian families and by the lesser activity on the real estate market, Cariparma achieved an excellent performance indeed with quite significant growth rates (+132% on Retail segment vs. 2008).

In the damage and car civil liability insurance lines, a significant synergy with Crédit Agricole Assicuraizoni, Crédit Agricole Group's Bancassurance company specializing in non-life products. To the "Protezione Guida" civil liability car insurance, the first product of the new range, beginning in June 2009, the home Multi-risk policy "Protezione Casa" was added.

In the year, over 85,000 estimates were provided, with a rate of conversion into actual policies amounting to 21% for civil liability car insurance and to 30% for the Home policy, respectively.

The growth drivers for the Premium Segment were: increase of assets under administration and profitability protection, achieved by focussing on advisory service quality and products targeted to the requirements of the different types of Customers.

Cariparma bonds continued to be a strongpoint for customers' investments: in 2009 bonds were placed for about 3 billion Euro (totale Retail) while maturing bonds amounted to 2.2 billion Euro.

In 2009, the commercial activity in the area of asset management (investment funds, SICAVs and Portfolio Management Products) recovered after 2008, which was a difficult year highly compromised by the market performances.
As at the year end, the volumes under management recorded a positive sign both for Portfolio Management Products and for investment funds and SICAVs. As to Life Bancassurance products, premium income for 2009 was higher than 2008, with premium placement of about 1 billion Euro (total Retail).
As to products, during the year a strategy was implemented aiming at decreasing the issue of index-linked policies (about -50% of total Retail vs. 2008) and to favour recurring profitability products as Separate Management (+89% vs. 2008) and Unit-Linked products.
In particular, Units performed against the current trend of the market, which closed negatively on the segment.
The Business segment confirmed also for 2009 a growth in the Customer base (+2.9% vs. 2008; about 130,000 existing Customers), with over 5.5 billion Euro in loans.
Business current accounts went up by over 3,700 units (+3,2% vs. 2008 stock) while the market as a whole remained stable.
In summer of 2009 the first the first loan product with “instalment flexibility” was launched on the market, which is aimed at professional freelancers and enterprises, “Finanziamento Scelgo Io”, which offers 3 lines (1 mortgage and 2 unsecured loan) and features the free option allowing to modify the amount of the instalment being amortized, in line with the financial needs of the enterprises.
Scelgo Io also envisaged a different pricing considering the Customer’s risk profile, as well as the possibility to have the relevant credit protection policy issued by Crédit Agricole Creditor Insurance (ex Finaref) business and/or retail (life or multi-risk), with specific coverage relating to the different work scopes.
In 5 months only after the launch over 300 loans were issued for 11,5 million Euro.
In 2009 the damage insurance product dedicated to the Business Segment was launched for the coverage of Fire and Blast damage, associated to mortgage loans.
Cariparma focused also on the development of Credit Protection business connected to the Business area, achieving highly satisfying results despite the difficult economic situation.
In 2009 Cariparma also focussed on the agricultural industry, increasing the dedicated supply range called Progetto Agricoltura. Important agreements at national and regional level were entered into with Credit Agri Coldiretti and CIA to favour the development of the agri-food chain.
The relations with Consorzi di Garanzia Fidi and Associazioni di Categoria became closer and closer, thanks also to a new network of regional specialists which has allowed credit access for SMEs active in the area to be supported. Cariparma participation in the ABI/MEF convention allowed to meet the needs of enterprenuers faced with the unfavourable economic situation.
Training and development for more than 700 account Managers in the Business Segment focused on topics such as Basel II, credit access by agriculture enterprises and methods for proactive management of portfolios and Customer relation frequency.
The growth in leasing continued, mainly in the equipment and real estate segments.
A high growth in POS payment card service was recorded, with an increase in terminals of more than 3,300 units (+20% vs. the end of 2008) confirming the favourable development trend of the service, allowing a total of about 20.000 existing POS to be reached at the end of the year.
A number of Customer Relationship Management projects were also carried out in 2009: Benvenuti in Cariparma to welcome new customers and accompany them through the first twelve months of their relation with the Bank by way of a structured series of multi-channel contacts, Check-up targeting high standing customers to assess their satisfaction with the relation and evaluate proposals suitable for their needs and the Loyalty Certificate aimed at improving customer satisfaction for those having been with the bank the longest.
In 2009 Cariparma continued developing customer relations through systematic Customer satisfaction and Service satisfaction surveys. Excellency in relations with Customers is a primary competitive objective for Cariparma and, for this, in 2009, the Bank extended its Customer Satisfaction surveys to the Business Segment customers.
The Customer Satisfaction and Service Satisfaction surveys showed, particularly in the Retail segment, a remarkable improvement vs. 2008.
In terms of commercial partnerships, the profitable relation between Cariparma and Fiat Group continued also in 2009. In 2009 the activity of the Cariparma branch, opened at the end of 2008 inside the Fiat plant in Mirafiori increased. Overall in 2009, the Cariparma scheme dedicated to Fiat Group employees reached about 2,000 accounts, up by 60% vs. 2008. In 2009, a number of initiatives aimed at promoting our sponsorship of the Italian national rugby team were implemented.

In particular, various promotion activities were organized for the Bank products through a prize contest during the 6 Nations, which put at stake TV LCD, Tom Tom and official merchandising of the Italian National team and developed traffic building initiatives at the branches in 8 cities of strategic importance for the Bank. During this tournament important communication activities were also started to enhance Cariparma brand awareness and entertainment activities were organized at the Cariparma Village set up in front of the Flaminio stadium in Rome.

These activities continued also during the Cariparma Test Match in November featuring the match between the Italian National Rugby team and New Zealand All Blacks at the Stadium in San Siro, in Milan during which a further promotion of the sponsorship was launched, that is the Prepagata Cariparma Rugby (pre-paid card) celebrating the event and proposed to Customers as a Limited Edition and available at Branches and at the stadium with an innovative instant issuing procedure.

In 2009, a year characterized by a deep economic and financial crisis, social finance aspects were particularly focused on.

Cariparma, which has always been active on social issues, came even closer to the economic and financial needs of families and enterprises facing difficulties by developing a number of social finance projects that have singled it out on the national market.

First of all, the anti-crisis package Cariparma Sipuò Privati e Aziende was launched, which includes a wide range of solutions to meet practically and effectively meet the contingent needs of families and enterprises.

In particular, the range for retail customers allows bank expenses to be minimized, debt payments to be postponed adapting the mortgage instalment payment schedule to the different needs, advances on receivables to be made with early crediting of pensions/salaries/CIGS (Italian extraordinary unemployment benefits) and unexpected events to be managed through the supply of cut-rate personal loans or of an insurance policy covering the instance of job loss.

On the enterprise side this scheme includes profit-participating loans, the suspension of payments of the capital share of loans, advances of CIG/contribution and credit lines.

In 2009 Cariparma also consolidated its commitment with local authorities through local welfare initiatives implemented with the cooperation of third parties, in which the Bank was active in searching framework agreements at local level with Entities/Association to carry out specific project on the subject.

Among the main Entities, the Provincial Government and the Municipality of Parma, the Provincial Government and the Municipality of Reggio Emilia, the Municipality of Novara, the Diocese of Piacenza – Bobbio and FILSE.

In 2009, Cariparma won the following awards: “MF Innovation Award 2009” (Conto Vyp), “AIFin Banca e Territorio 2009” and 3 “Cerchio d’oro” awards (Cariparma Sipuò, Polizza Protezione Casa, Progetto Small Business). The latter 3 have also allowed the Bank to won the award as the most innovative intermediary of the year, in the shortlist by AIFIn.

The Bank also received the award Cerchio d’Oro for the product “SecureCall”, which is an innovative security system for Internet Banking.

In 2009 the Public Entities area completed the testing phase for the activation of the electronic payment instructions and the issue of Tesoweb (for screen-based management of treasury transactions).

As at 31 December 2009, Cariparma managed 472 Public Entity accounts with a geographical distribution showing a high number of Customers in the Emilia-Romagna Region (59%) followed by the North-Western area (23%) and then the Central-Southern area (18%). Among the main contracts acquired through tender, NHS Local Agency of Parma, the Municipalities of Langhirano, Borgonovo and the Conservatorio Nicolini are to be noted.

Private Banking Channel

2009 was a difficult year for all Italian Banking system but it showed two opposite periods. In the first part of the year a severe crisis on all financial markets was recorded, relating to both share/bond performance and interest rate performance, whereas the second part of the year benefited from a gradual stabilization of the main equity and bond indexes.

Despite the severe difficulties brought about by the economic situation, Cariparma Private Banking Channel recorded very favourable results, as to both volume increase and the increase in the number of customers. These results were achieved through a targeted strategy, by focussing on the existing customers, in particular on the cases showing major problems, and through the improvement of the services supplied.

Briefly, the strategic action of Cariparma Private Banking was structured as follows:

Focus oriented to the Customers’ needs and particularly so to the positions showing major problems caused by the portfolio negative performances

- Improvement of the quality of the services supplied also with investments in a new Advisory structure designed to support the activities of Private Bunker;
- increase of the training for Managers with specific master courses on Private Banking;
- Start-up of the new customer profiling system with the purpose of guaranteeing customized investment choices based on the customers’ specific requirements;
- continuing brand development through investments in sponsorships in the area and the organization of

dedicated programmes within important sport and cultural events.

Enterprise Channel

The Enterprise Channel, consisting of 17 Enterprise Centres and 6 hubs, is the dedicated structure for services to SMEs.

In 2009 important successes were achieved on both the assets and performance fronts, with a 17.6% increase in gross income achieved through a 11.7% increase in lending to customers and a 7.2% in direct funding.

The customer base increased by 9.3%, thanks to the development of the distribution network in both already acquired and particularly new areas.

Thanks to the high quality of the loan portfolio and to a careful risk control, the cost of credit could be kept significantly below the Italian banking system average, being 1% of the loans to customers at the end of 2009.

Marketing activities focussed mainly on designing solutions able to mitigate the effects of the economic crisis: in 2009 Cariparma launched Si Può Aziende, a product package able to supply flexible solutions for the needs of SMEs and their employees, and Impresa Forte, a range of loans aimed at supporting company recapitalization processes.

In 2009 Cariparma promoted or took part in system initiatives aimed at supporting enterprises facing difficulties, the most significant of which is the Avviso Comune Abi Mef for the postponement of payments due dates for loans to SMEs.

Moreover, through agreements with industry associations, guarantee consortia and local institutions, Cariparma supplied funds for over 300 million Euro, offering conventions and credit lines to its customers in all areas where it is active.

A particular focus was placed on the development of services for SMEs operating in the agri-food sector, within the corporate strategy aimed at positioning Cariparma as the main partner-bank for the enterprises in the sector, creating a product range and introducing dedicated professional roles.

Also through the integration in the Group of the Leasing company, Crédit Agricole Leasing Italia, the profit on the segment were once again among the best on the market, with a 21.9% increase in the number of lease contracts compared with the previous financial year.

Corporate Channel

The Corporate Channel is the structure designed to provide services to corporations having larger sizes and more complex financial needs, and includes 5 Areas able to reach all regions where Cariparma has branches, where dedicated managers and product specialists are available.

In 2009 the gross income generated by the segment increased by 35.9%, growing in volumes both for loans, +20,2%, and for funding, which was up by 20.7%.

The Channel risk profile remained at excellent levels, with a cost of credit of 0.25%.

The commercial development has not been slowed down by the difficult economic situation, and the customer base increased by 6.7% mostly thanks to the performances in the more recently acquired areas (especially Lazio and Tuscany).

The growth recorded in all the main aggregates vouches for the unfailing presence of the Bank standing by companies in Italy, to which financial support was ensured even in a difficult economic situation.

The remarkable ranking of the Bank in this segment is vouched for by the strengthening of the business relations with a number of long-standing customers, for whom Cariparma has become “the partner bank”.

The presence in Italy of all Crédit Agricole Group product companies and the preferential access do the Group’s international networks covering over 76 countries worldwide granted to Cariparma customers both contributed in achieving 2009 commercial performance.

In this context, the launch of Cariparma Nuovi Mercati financing, aimed at supporting companies’ international investments, has allowed the synergies with Crédit Agricole network to be exploited.

Despite the slowdown in syndicated finance activity on the market, Cariparma has promoted or taken part in a few important structured finance transactions with leading companies in the sector.

The workforce

As at December 2009, the workforce consisted of 5992 employees, with an overall decrease by 118 resources over 31 December 2008.

In 2009 52 hires were made against 170 terminations.

The new entries (65,4% of which consists of experienced staff) were needed to open new branches, to strengthen corporate functions, as well as to replace outgoing employees both for turn-over and to participate in the Incentive Scheme.

The majority of the 5,992 employees as at the end of 2009 are hired with a permanent employment contract accounting for 99.9% of employees, of this women are 47.2%.

Cariparma is present in 8 Italian regions, however keeping a strong rooting in the Emilia Romagna region (here the workforce is 45.0% of the total).

As for the previous year, in the area of training and development, a total of 42,350 person-days of training were provided involving 93% of payroll employees.

With regard to supplemental pension funds, the employees covered by these schemes were 5,710 (95.3% of payroll employees). The average age of our employees is 43 years, whereas the average seniority amounted to 17 years. 33.4% of payroll employees are university graduates.

As to labour relations, important agreements were entered into on the corporate bonus, on training and governance reorganization, fully in line with the strategic lines established by the Group.

Significant Events and Projects

Securitization

In 2009 Cariparma carried out a securitization operation so-called "internal" to create available "eligible" assets at the European Central Bank, to have liquidity reserves available.

The liquidity crisis that hit financial markets as a consequence of the "credit crunch" following the subprime mortgage crisis has, indeed, made the creation of said reserves advisable, even though the Cariparma FriulAdria Group got easily over the top of the crisis.

The first and main consequence of this objective, as well as the primary characteristic of each securitization transaction, is that no risk transfer to third parties occurs and, therefore, no impact occurs in terms of financial statement or capital requirements.

The structure of the transaction envisaged that Cariparma would transfer to MondoMutui Cariparma s.r.l. ("special purpose entities" set up for the purpose pursuant to Law 130/99[1]) credits resulting from performing landed-property loan contracts secured by mortgage of first economic degree, originated and already granted by Cariparma. The Bank, then, has subscribed the securities issued by the "special purpose/vehicle companies" (from which the term "internal", that is without recourse to the markets), whose "senior" tranche is that considered as liquidity reserve since it is usable, if necessary, for open market transactions with the ECB or used as collateral with the same bank.

Cariparma operates with a function of "Servicer", as manager of the securitized mortgage loan portfolio, maintaining its collection, management, monitoring and credit recovery policies. Moreover, Cariparma acts also as swap counterparty, depository of the current accounts of the vehicle/special purpose company, liquidity manager and provider of liquidity credit line to the special purpose/vehicle company.

The main criteria for the selection of securitized assets are the following:

- Timely payments;
- Deriving from mortgage loans entirely disbursed;
- Both fixed and floating rate;
- deriving from Italian contracts and expressed in Euro;
- in which the debtor is a natural person residing in Italy;
- in which the debtor is neither a Cariparma director nor employee.

The operation concerned 47,503 accounts for a disposal value (equal to their book value) of 4,335 million Euro and was finalized on 3 November 2009 with economic effect as from 1 November. No revolving is envisaged within the scope of the specific operations.

The securities issued by the specific purpose/vehicle company are the so-called "asset backed" limited recourse type.

As at the date of issue (11 November 2009) two classes of securities were issued with different subordination grade:

- Senior Class (tranche Aaa – Moody's Investor Services)
- Junior Class (subordinated with no rating).

The Senior security has the characteristics of a "tier-1 assets", as defined and found in the monetary policy regulations for BCE open market operations. The capital of these securities, amounting to 91% of the scope of disposal countervalue (3.945 billion Euro), shall be refunded starting from the first six-month payment date after the 18th month has elapsed. The security is listed on the Luxembourg Stock exchange and the legal maturity date is 31 January 2058.

Exchange Tender Offer

In 2009 Cariparma, to safeguard the interests of the holders of CAVita index-linked policies, former PO Vita, placed through its network and linked to financial instruments issued by Glitnir Banki HF, former Islandsbanki HF, promoted, even though not so specifically required by law, a voluntary exchange tender offer.

This initiative, aiming at consolidating the Customers' trust in the Bank, was resolved upon following the critical situation of the Icelandic Bank, which might lead to the possibility that Glitnir Banki HF cannot fulfil the obligations associated with the Policies at maturity.

The voluntary exchange tender offer concerned all 5 types of index-linked with underlying Glitnir securities, issued from 2004 to 2006 with maturities from 2009 to 2013.

For each CAVita index-linked policy, Cariparma has issued its own Zero Coupon bond having a nominal value of 1,000 Euro, "reserved" for the Exchange tender offer, with maturity 2 years after the the natural maturity of the policies, and with a return calculated so as to make the offer-taker immune from tax-costs relating to interests paid on the same bonds at maturity.

The corresponding amount exchanged by all offer-takers was calculated based on the premium paid upon subscription of the policies, minus any revenue (coupons, bonuses, etc…) pertaining to the same policies.

The exchange ratio of nominal value of each series of bonds to the corresponding amount was 1:1; an adjustment in cash calculated so that the sum of the nominal amount of the new

1 Cariparma holds 4% of MondoMutui Cariparma s.r.l.. The other shareholders are Stichting Pavia (Foundation incorporated under the Dutch Law) for l'81% and Structured Finance Management – Italy (company specializing in corporate servicing) for 15% (on which Cariparma holds an option exertible upon authorizaiton by Banca d'Italia).

bonds received in exchange plus the adjustment in cash was equal to the corresponding amount was paid, as at the exchange date set forth in the exchange tender offer, to the offer-takers that, based on the exchange ratio, were entitled to receive new bonds for a nominal amount that was not a multiple of 1,000 Euro.

Summary table

Names of CAVita Index-linked policies subject to the exchange tender offer	Effective date	Maturity	Cariparma Zero Coupon new bond given in exchange	Maturity	Interest rate (annual gross)
Azione Più 7.12.2009	07/06/2004	07/12/2009	Cariparma Zero Coupon 629^ issue	07/12/2011	1,980%
Azione Più 15.7.2010	15/07/2005	15/07/2010	Cariparma Zero Coupon 630^ issue	15/07/2012	2,290%
Azione Più 30.12.2011	31/10/2005	30/12/2011	Cariparma Zero Coupon 631^ issue	30/12/2013	2,969%
Azione Più 31.03.2012	31/03/2005	31/03/2012	Cariparma Zero Coupon 632^ issue	31/03/2014	3,001%
Azione Più 31.12.2013	31/03/2006	31/12/2013	Cariparma Zero Coupon 633^ issue	31/12/2015	3,908%

The customers' response to Cariparma initiative has been very favourable, since offer-taking exceeded 99%. In total bonds for a nominal amount of 150,191,000 Euro (whose current value is 127,866,324.36) have been issued; the total amount for the adjustment was 2,735,995.68 Euro; finally, the total corresponding amount, including the recovery of tax costs, came to 152,926,995 Euro.

RELATIONS WITH THE COMPANIES OF THE GROUP

During the year Cariparma essentially strengthened its role as Parent Company of the Cariparma Friuladria Group, in the provision of services to subsidiary companies.

Specifically, Cariparma has strengthened its role as Parent Company responsible for governance, that is strategic management, guidance and control, as well as for direct or indirect business support services to the subsidiary companies.

Cariparma singned with Banca Popolare Friuladria S.p.A. and Crédit Agricole Leasing Italia S.r.l. a Service Level Agreement (SLA), which defines the general principles and the rules for providing the services, as well as for consequent payment. The transactions have all been settled in compliance with applicable accounting standards and tax requirements, safeguarding the interests of minority shareholders and ensuring both effectiveness and efficiency. The transactions were also assessed for potential conflict of interest, and the process set for the transactions were determined in a manner comparable to market standards, taking account of the range of services provided.

Cariparma has also seconded its own staff to various companies of the Group, recovering the incurred costs from the those organizations.

In 2009 relations were also consolidated with the product factories if the Crédit Agricole Group. The development of the potential synergies between the Cariparma Friuladria Group and these product companies has enabled the Bank to provide customers with a broader range of products and services, as well as specialist support.

In 2009, in particular, after the purchase of 85% of the leasing company Crédit Agricole Leasing Italia S.r.l., Cariparma has been very active in supporting the commercial growth of the Small Business, Enterprise and Corporate segments, enhancing the Group's skills in terms of product development and customer familiarity, as well as generating strong synergies with ordinary lending services to customers.

To stabilize its cooperation with Crédit Agricole Leasing Italia, Cariparma has granted loans for 979 million Euro to the subsidiary. Cariparma, in addition to standard interbank relations, has subordinate deposit liabilities with the holding company Crédit Agricole amounting to 250 million Euro and its securities portfolio includes Crédit Agricole bonds for a nominal value of 2.3 billion Euro. At year end, the Bank held no treasury shares nor shares in the holding company, either directly or through third parties.

SIGNIFICANT EVENTS SUBSEQUENT TO FY CLOSURE AND OUTLOOK

Consistently with the guidelines set forth in the same chapter of the consolidated report , to which reference is made on the foreseeable developments in the macroeconomic scenario, and on the banking market in particular, the outlook for Cariparma for 2010 is directed towards continuing to pursue sustainable growth ensuring a permanent creation of value in a fast-moving market. This shall be pursued by an increase in revenues, strict cost control, a constant focus on the cost of risk, and on the development of synergies with the other organizations of the Crédit Agricole Groups, which operate in Italy.

RISKS AND UNCERTAINTIES

Reference is made to other parts of the explanatory note for a detailed examination of the risks and uncertainties to which the Bank is exposed and the relevant techniques for the mitigation of the same. It is here remarked briefly that the Bank and its management are well aware that sustainable growth and development can be achieved only with a careful analysis of the risks it is exposed to, of the relevant uncertainties in terms of the impacts that said risks could have on the capital, financial and economic structure of the Bank, as well as with a management able to reduce the same to acceptable levels. Therefore and in compliance with the regulatory provisions for the sector and pursuant to Legislative Decree No. 178 of 2 November 2008, the current trend in both financial and real economy, as well as the responses and monetary policy choices, which supernational entities and national governments would continue to implement in order to fight the crisis still hitting hard today, are deemed extremely important factors, which must lead all operating in finance to adopt growth and development policies aimed at safeguarding and protecting the interests of all stakeholders, without neglecting, for the same reason, the institutional role that the Bank, as such, holds as support for the economic and social texture of the customer companies, for the promotion of that key factor consisting of savings.

PROPOSAL TO SHAREHOLDERS

The annual report and financial statements for the year started on 1st January and ended on 31st December 2009, which is hereby submitted for Approval by the Ordinary Shareholders' Meeting, include the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows, the related explanatory notes and annexes, as well as the accompanying management report.

The proposed allocation of net profit in the amount of 300,316,243 Euro is as follows:

5% to the legal reserve	15.015.812
to the charity fund	3.000.000
To shareholders in the amount of 0.219 Euro to each of the 785,065,789 ordinary shares	171.929.408
To the extraordinary reserve	110.371.023

Based on this allocation of the net profit for the year, the Company's equity, including income components allocated to the valuation reserves in accordance with the IAS/IFRSs, would be as follows:

Share capital	785.065.789
Share premium reserve	2.094.769.655
Ordinary reserve	94.214.370
Extraordinary Reserve	488.162.246
Valuation reserve	27.585.612
Reserve pursuant to Legislative Decree 124/83	314.374
Other reserves	1.606.948
Total Capital and reserves	3.491.718.994

CARIPARMA
CRÉDIT AGRICOLE

1. The undersigned Guido Corradi, Managing Director, and Pierre Débourdeaux, Senior manager in charge of the preparation of the corporate accounting statements of Cassa di Risparmio di Parma & Piacenza S.p.A., hereby certify, considering also the provisions of Article 154-bis, paragraphs 3 and 4, of legislative decree No. 58 of 24 February:

- the adequacy in relation to the Company's characteristics and
- the actual application of the administrative and accounting procedures for the preparation of the Annual Report during the course of the 2009 financial year.

2. With regard to this, no significant aspects have emerged.

3. The undersigned also certify that:

3.1 the annual report as at 31 December 2009:

a) a) has been drawn up in compliance with the applicable International Accounting Principles endorsed within the European Union pursuant to EC Regulation no. 1606/2002 of the European Parliament and of the European Council of 19 July 2002;
b) corresponds to the results recorded in the accounting books and registers;
c) furnishes a true and correct representation of the balance-sheet, economic and financial situation of the Issuer.

3.2 The management report includes a reliable analysis on the management trend and performance, as well as of the issuer's situation, and a description of the major risks and uncertainties to which it is exposed.

Parma, Italy, 24 March 2010

Guido Corradi
Managing Director

Pierre Débourdeaux
Senior management in charge of the preparation of the Company accounting documents

Cassa di Risparmio di Parma e Piacenza S.p.A. Sede Legale Via Università 1 43100 Parma Telefono 0521.912111
Telex 530297 CARIPR I Telex 530420 RISPAR I Capitale Sociale € 785.065.789,00 i.v. Iscritta al Registro Imprese di Parma, Codice Fiscale e Partita Iva n. 02113530345 Aderente al Fondo Interbancario di Tutela dei Depositi Iscritta all'Albo delle Banche al n. 5435 Capogruppo del Gruppo Bancario Cariparma Friuladria iscritto all'Albo dei Gruppi Bancari Soggetta all'attività di Direzione e Coordinamento di Crédit Agricole S.A.

ERNST & YOUNG

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Independent auditors' report
pursuant to article art.2409-ter of the Italian Civil Code
(Translation from the original Italian text)

To the Shareholders of
Cassa di Risparmio di Parma e Piacenza S.p.A.

1. We have audited the financial statements of Cassa di Risparmio di Parma e Piacenza S.p.A. as of and for the year ended December 31, 2009, comprising the balance sheet, income statement, statement of comprehensive income, statement of changes in equity and cash flows statement and the related explanatory notes. These financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the standards issued in accordance with article 9 of Legislative Decree n. 38 of 28 February 2005, are the responsibility of the Cassa di Risparmio di Parma e Piacenza S.p.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards and procedures issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles applied and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. The financial statements present the comparative data of the preceding year. As described in the explanatory notes, the management restated the comparative data related to the financial statements of the preceding year, on which we issued our auditor's report on April 6, 2009. We have examined the methods adopted to restate the comparative financial data for the same period of the preceding year and the information presented in the explanatory notes in this respect for the purpose of our opinion on the financial statements as of and for the year ended December 31, 2009.
4. In our opinion, the financial statements of Cassa di Risparmio di Parma e Piacenza S.p.A. as of and for the year ended December 31, 2009 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the standards issued in accordance with article 9 of Legislative Decree n. 38 of 28 February 2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of Cassa di Risparmio di Parma e Piacenza S.p.A. as of December 31, 2009 and for the year then ended.

ERNST & YOUNG

5. The management of Cassa di Risparmio di Parma e Piacenza S.p.A. is responsible for the preparation of the Report on Operations in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the Report on Operations and of the specific section on corporate governance and ownership structures, limited to the information indicated in article 123-bis paragraph 2, letter b) of the Legislative Decree n. 58 of February 24, 1998, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Report on Operations and the information indicated in article 123-bis paragraph 2, letter b) of the Legislative Decree n. 58 of February 24, 1998, included therein, are consistent with the financial statements of Cassa di Risparmio di Parma e Piacenza S.p.A. as of December 31, 2009.

Milan, April 2, 2010

Reconta Ernst & Young S.p.A.
signed by: Massimiliano Bonfiglio, partner

Financial Statements

BALANCE SHEET

Assets	31/12/2009	31/12/2008
10. Cash and cash equivalents	163,348,298	166,013,274
20. Financial assets held for trading	285,350,691	485,728,181
40. Financial assets available for sale	2,930,530,731	1,024,307,216
60. Loans to banks	4,567,229,992	4,478,768,688
70. Loans to customers	22,132,888,979	19,922,143,851
80. Hedging derivatives	283,229,754	182,756,686
100. Equity investments	1,140,541,196	1,057,544,928
110. Property, plan and equipment	252,351,887	254,405,472
120. Intangible Assets	868,360,769	849,922,438
of which: goodwill	*662,981,720*	*662,981,720*
130. Tax assets	532,270,297	477,174,921
(a) current	*254,829,448*	*220,833,592*
(b) deferred	*277,440,849*	*256,341,329*
150. Other assets	407,111,270	464,465,186
Total assets	**33,563,213,864**	**29,363,230,841**

	Liabilities and Shareholders' Equity	31/12/2009	31/12/2008
10.	Due to banks	3,978,939,710	1,522,714,542
20.	Due to customers	14,018,316,068	12,388,227,783
30.	Securities issued	10,371,427,158	9,703,258,967
40.	Financial liabilities held for trading	256,210,309	239,659,759
60.	Hedging derivatives	5,890,676	1,119,458
70.	Adjustment of financial liabilities hedged generically (+/-)	76,250,226	45,884,232
80.	Tax liabilities	233,501,356	365,791,794
	(a) current	*197,475,218*	*320,832,733*
	(b) deferred	*36,026,138*	*44,959,061*
100.	Other liabilities	744,270,013	1,141,888,407
110.	Employee severance benefits	107,900,075	116,997,293
120.	Provisions for liabilities and contingencies	103,859,871	212,174,640
	(a) retirement and similar liabilities	*22,567,317*	*25,457,719*
	(b) other provisions	*81,292,554*	*186,716,921*
130.	Valuation reserves	27,585,612	6,720,034
160.	Reserves	458,911,103	404,214,869
170.	Share premium reserve	2,094,769,655	2,094,769,655
180.	Share capital	785,065,789	785,065,789
200.	Net profit (loss) for the period	300,316,243	334,743,619
Total liabilities and shareholders' equity		**33,563,213,864**	**29,363,230,841**

INCOME STATEMENT

Items		31/12/2009	31/12/2008
10.	Interest income and similar revenue	1,086,320,558	1,446,754,933
20.	Interest expense and similar charges	(323,648,901)	(592,277,190)
30.	**Net interest income**	**762,671,657**	**854,477,743**
40.	Commission income	404,059,624	398,007,675
50.	Commission expense	(15,668,207)	(18,159,956)
60.	**Net commission income**	**388,391,417**	**379,847,719**
70.	Dividends and similar revenues	41,210,412	45,724,214
80.	Net gain (loss) on trading activities	16,803,079	9,067,057
90.	Net gain (loss) on hedging activities	7,412,629	(12,021,927)
100.	Gain (Loss) on disposal or repurchase:	(1,631,064)	(959,970)
	a) loans	*(7,685,052)*	*(2,668,561)*
	b) financial assets available for sale:	*4,222,258*	*972,458*
	d) financial liabilities	*1,831,730*	*736,133*
120.	**Gross income**	**1,214,858,130**	**1,276,134,836**
130.	Net impairment adjustments of:	(123,812,374)	(90,956,653)
	a) loans	*(123,737,304)*	*(90,353,579)*
	b) financial assets available for sale:	*(512,811)*	-
	d) other financial transactions	*437,741*	*(603,074)*
140.	**Profit (loss) from financial operations**	**1,091,045,756**	**1,185,178,183**
150.	Administrative expenses	(738,118,963)	(726,882,198)
	a) staff expenses	*(404,248,795)*	*(414,284,747)*
	b) other administrative expenses	*(333,870,168)*	*(312,597,451)*
160.	Net provisions for liabilities and contingencies	(15,740,409)	(119,915,696)
170.	Net adjustments of property, plant and equipment	(20,262,193)	(17,971,578)
180.	Net adjustments of intangible assets	(33,200,167)	(27,205,238)
190.	Other operating revenues (expenses)	134,116,848	78,023,302
200.	**Operating expenses**	**(673,204,884)**	**(813,951,408)**
210.	Gain (loss) on equity investments	-	7,217
240.	Gain (loss) on disposal of investments	33,781	71,484
250.	**Profit (loss) before tax on continuing operations**	**417,874,653**	**371,305,476**
260.	Income tax for the financial year on continuing operations	(117,558,410)	(36,561,857)
270.	**Profit (loss) after tax on continuing operations**	**300,316,243**	**334,743,619**
290.	**Net profit (loss) for the period**	**300,316,243**	**334,743,619**

STATEMENT OF COMPREHENSIVE INCOME

	Items	31/12/2009	31/12/2008
10.	**Net profit (loss) for the period**	300,316,243	334,743,619
	Other income after tax		
20.	Financial assets available for sale	20,865,578	3,909,172
110.	**Total other income components after tax**	**20,865,578**	**3,909,172**
120.	**Comprehensive income (Item 10+110)**	**321,181,821**	**338,652,791**

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2009

	Capital: Ordinary shares	Share premium reserve	Reserves: income	Reserves: other	Valuation reserves available for sale	Profit (loss) for the period	Equity
EQUITY AT 31/12/2008	785,065,789	2,094,769,655	403,294,092	920,777	6,720,034	334,743,619	3,625,513,966
ALLOCATION OF NET PROFIT FOR PREVIOUS PERIOD							
Reserves			54,615,395			(54,615,395)	-
Dividends and other allocations						(280,128,224)	(280,128,224)
CHANGES FOR THE PERIOD							
Change in reserves							-
New issues							-
Purchase of treasury shares							-
Extraordinary distribution of dividends							-
Changes in equity instruments							-
Treasury share derivatives							-
Shares and rights on shares of the Parent Company granted to employees and directors				80,839			80,839
Comprehensive income					20,865,578	300,316,243	321,181,821
EQUITY AT 31/12/2009	**785,065,789**	**2,094,769,655**	**457,909,487**	**1,001,616**	**27,585,612**	**300,316,243**	**3,666,648,402**

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2008

	Capital: Ordinary shares	Share premium reserve	Reserves: income	Reserves: other	Valuation reserves available for sale	Profit (loss) for the period	Equity
EQUITY AT 31/12/2007	785,065,789	2,094,769,655	347,598,735	839,326	2,810,862	243,977,013	3,475,061,380
ALLOCATION OF NET PROFIT FOR PREVIOUS PERIOD							
Reserves			55,701,487			-55,701,487	-
Dividends and other allocations						-188,275,526	-188,275,526
CHANGES FOR THE PERIOD							
Change in reserves			-6,130				-6,130
Equity transactions							
New issues							-
Purchase of treasury shares							-
Extraordinary distribution of dividends							-
Changes in equity instruments							-
Treasury share derivatives							-
Shares and rights on shares of the Parent Company granted to employees and directors				81,451			81,451
Comprehensive income					3,909,172	334,743,619	338,652,791
EQUITY AT 31/12/2008	**785,065,789**	**2,094,769,655**	**403,294,092**	**920,777**	**6,720,034**	**334,743,619**	**3,625,513,966**

CASH FLOW STATEMENT

	31/12/2009	31/12/2008
A. OPERATING ACTIVITIES		
1. Operations	**589,643,180**	**608,145,794**
- net profit (loss) for the period (+/-)	300,316,243	334,743,619
- gains (losses) on financial assets held for trading and financial assets/liabilities carried at fair value (/+)	10,653,296	-2,164,041
- gains (losses) on hedging activities (-/+)	2,790,664	2,795,707
- net impairment adjustments (+/-)	121,365,477	89,211,525
- net adjustments of property, plant and equipment and intangible assets (+/-)	53,462,360	45,176,816
- net provisions for liabilities and contingencies and other costs/revenues (+/-)	15,740,409	119,915,696
- unpaid taxes and duties (+)	117,558,410	36,561,857
- other adjustments (+/-)	-32,243,679	-18,095,385
2. Liquidity generated/absorbed by financial assets	**-4,119,668,723**	**-3,622,425,110**
- financial assets held for trading	189,724,194	-114,398,306
- financial assets available for sale	-1,884,242,819	-933,925,992
- loans to banks: demand	294,361,780	375,137,591
- loans to banks: other loans	-382,823,084	-1,826,783,922
- loans to customers	-2,332,035,535	-1,616,653,073
- other assets	-4,653,259	494,198,592
3. Liquidity generated/absorbed in financial liabilities	**3,919,341,194**	**3,206,528,246**
- due to banks demand	301,419	-149,804,720
- due to banks other debts	2,455,923,749	1,336,886,190
- due to customers	1,630,088,285	-347,896,826
- securities issued	647,944,806	2,628,735,005
- financial liabilities held for trading	16,550,550	30,918,662
- other liabilities	-831,467,615	-292,310,065
Net liquidity generated/absorbed by operating activities	**389,315,651**	**192,248,930**
B. INVESTMENT ACTIVITIES		
1. Liquidity generated by	**41,319,108**	**46,075,300**
- sale of equity investments	-	21,000
- dividends from equity investments	41,210,412	45,724,214
- sale of property, plant and equipment	108,696	330,086
2. Liquidity absorbed by	**-153,171,511**	**-70,343,923**
- purchase of equity investments	-82,996,268	-54,990,999
- purchase of property, plant and equipment	-18,341,255	-31,414,107
- purchase of intangible assets	-51,833,988	16,061,183
Net liquidity generated/absorbed by investment activities	**-111,852,403**	**-24,268,623**
C. FINANCING ACTIVITIES		
- dividend distribution and other	-280,128,224	-188,275,526
Net liquidity generated/absorbed by funding	**-280,128,224**	**-188,275,526**
NET LIQUIDITY GENERATED/ABSORBED DURING THE PERIOD	**-2,664,976**	**-20,295,219**

RECONCILIATION

Financial Statement items	31/12/2009	31/12/2008
Cash and cash equivalents at beginning of period	166,013,274	186,308,493
Total net liquidity generated/absorbed during the period	-2,664,976	-20,295,219
Cash and cash equivalents at end of period	**163,348,298**	**166,013,274**

KEY: (+) generated (–) absorbed

Part A – Accounting policies

A.1 – GENERAL INFORMATION

Section 1 - Declaration of Conformity with International Accounting Standards

The financial statements of Cariparma have been prepared, pursuant to Legislative Decree No. 38 of 28 February 2005, in accordance with the International Accounting Standards issued by the International Accounting Standards Board (IASB) and the related interpretations issued by the Internaitonal Financial Reporting Interpretations Committee (IFRIC) endorsed by the European Commission, in accordance with the procedures referred to in Regulation (EC) No. 1606 of 19 July 2002.

Therefore, the IAS/IFRS in force at 31 December 2009 (including the SIC and IFRIC interpretations) have been applied as endorsed By the European Commission and listed in detail in the relevant annex to these financial statements.

The tables in the financial statements and notes have been prepared in compliance with the provisions set forth in Circular Letter No. 262 "Bank financial statements: layouts and preparation" of 22 December 2005, issued by the Bank of Italy exercising the powers pursuant to Article 9 of Legislative Decree No.. 38/2005 as revised on 18 November 2009.

No reclassification was made of financial assets permitted by the amendment to IAS 39 issued in 2008.

Section 2 - General Preparation Principles

The financial statements consist of the Balance sheet, the Income Statement, the Statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows and the explanatory notes, accompanied by the Directors' Report on operations, on the financial results achieved and well on the performance of the Bank.

In compliance with the provisions of Article 5 of Legislative Decree No. 38/2005, the Euro has been used as the reporting currency in the preparation of the financial statements. The figures reported in the financial statements are expressed in Euros, whereas those in the tables in the notes and in the management report are expressed in thousands of Euro, unless otherwise specified.

These financial statements have been prepared in accordance with IAS 1 and the specific accounting standards endorsed by the European Commission and described in Part A.2 of these explanatory notes, as well as with the general assumptions contained in the "Framework for the Preparation and Presentation of Financial Statements" by the IASB.

No deviations have been made in applying the IASs/IFRSs.

It is believed that the Bank shall continue to operate in the foreseeable future; therefore, the financial statements as at 31 December 2009 have been accordingly prepared on a going-concern basis. In the light of the disclosures required by IFRS 7 concerning the risksto which the Bank is exposed, appropriate information has been provided in the report on operations and in the explanatory notes, specifically in Section E. The explanatory notes also contain information on impairment testing of equity investments, securities available for sale and intangible assets (including goodwill).

The tables in the financial statements and in the explanatory notes, as well as the figures for the FY under review, also contain comparative figures for the period ended on 31 December 2008.

Use of estimates and assumptions in preparing the annual financial statements

In preparing the annual financial statements, the Bank has used estimates and assumptions that could have an impact on the amounts recognized in the balance sheet and in the income statement, as well as on the disclosures concerning the assets and liabilities reported in the financial statements. Preparing said estimates entails using available information and subjective assessments.

By their very nature, the estimates and assumptions used may vary from year to year. Therefore, the current amounts recognized in the financial statements may differ, perhaps significantly, in future periods due to changes in the subjective assessments used.

The main areas in which subjective assessments by the management are required are the following:

- Quantifying impairment losses for loans and receivables and, in general, for other financial assets;
- Determining the fair value of financial instruments used for reporting purposes;
- Using measurement models to determine the fair value of financial instruments not listed on active markets;
- Identifying impairment losses for non-financial assets and, in particular, for goodwill and other intangible assets;
- Quantifying staff expenses and provisions for liabilities and contingencies;
- Making estimates and assumptions concerning the recoverability of deferred tax assets.

The description of the accounting policies that apply to the primary aggregates in the financial statements provides information on the major assumption made and subjective assessments used in preparing the financial statements.

Contents of the financial statements

BALANCE SHEET AND INCOME STATEMENT

The layouts of the balance sheet and income statement contain items, sub-items and further information (the “of which” for items and sub-items). In compliance with Circular Letter No. 262 of 22 December 2005 issued by the Bank of Italy, as revised on 18 November 2009, the layouts defined therein do not show items for which no amounts have been reported in either the present period or in the previous period. In the Income Statement, revenues are shown without a sign, whereas cost figures are preceded by a minus sign. In the statement of comprehensive income, negative amounts are set forth in parenthesis.

STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income, introduced by Regulation (EC) No. 1274/2008 of 17 December 2008, issued by the European Commission, shows the revenues and expenses not actually realised, which previously were shown only in the Statement of changes in equity and of which explicit evidence is required by the new version of IAS 1. Specifically, the items concerning “other income components net of tax” include the changes in value of the assets recognised in the FY as offset of valuations reserves (net of taxes).

STATEMENT OF CHANGES IN EQUITY

In order to facilitate understanding of the figures, the rows and columns of the statement of changes in equity have been inverted with respect to the same statement prepared in accordance with Bank of Italy Circualr letter No. 262/2005 as revised on 18 November 2009. The statement shows the composition and movements of the shareholders' equity accounts occurred in the present FY as well as in the previous one, broken down into share capital (ordinary shares and savings shares), capital reserves, profit reserves, the comprehensive income and the economic result. The value of treasury shares in portfolio is deducted from equity.

No equity instruments other than ordinary shares have been issued.

CASH FLOW STATEMENT

The statements of cash flows for the financial year under review and in the previous one were prepared based on the indirect method according to which the flows resulting from operating activities are represented by the profit or loss for the year, adjusted for the effects of non-monetary transactions.

The cash flows are broken down into flows generated by operating, investing and funding activities.

The statement shows the cash flows for the FY without sign, whereas those absorbed have a minus sign.

Contents of the Explanatory Notes

The Explanatory Notes include the disclosures envisaged by the Bank of Italy Circular letter No. 262/2005 (1st revision of 18 November 2009) as well as further information pursuant to the international accounting standards. Abiding by and complying with the instructions contained in the above-mentioned Circular letter, the Tables that show items for which no amounts were reported, either for the relevant FY or for the previous one, need not be reported; the Tables given, conversely, show the items without amounts, for either the current FY or for the previous one. In the tables relating to the Income statement items, revenues are set forth without a sign, whereas cost figures are set forth in parenthesis.

Section 3 – Events subsequent to the balance sheet date

In the period between the financial year closure date and the approval of this Financial Statements, no significant events occurred that would require adjustments of the economic results and financial situation of the Bank.

Section 4 – Other aspects

Business combinations and other corporate operations

In 2009 no business combination operations were performed.
During the financial year 2009, the Bank increased its interest percentage in the subsidiary Banca Popolare FriulAdria from 78.69% on 31 December 2008 up to 79.11% at the end of 2009.
On 29 July 2009, a 4% share of the Share Capital of Cariparma Mortgage S.r.l., later renamed Mondo Mutui Cariparma S.r.l., was purchased. This is a vehicle company established under the provisions of law 130/99 with the aim of performing a so-called "internal" securitization operation.
On 9 September 2009 the purchase of 85% of Crédit Agricole Leasing Italia Srl , sold by Crédit Agricole Leasing SA , a subsidiary of Crédit Agricole SA, was finalized.

Securitization

In 2009 Cariparma carried out a securitization operation so-called "internal" to create available "eligible" assets at the European Central Bank, to have liquidity reserves available.

The structure of the transaction envisaged that Cariparma would transfer to MondoMutui Cariparma s.r.l. ("vehicle company" established for this purpose under Law 130/1999)1 the receivables deriving from performing landed-property loan contracts secured by mortgage of first economic degree, originated and already granted by Cariparma. The bank, in turn, fully subscribed the securities issued by the "vehicle company" (hence the term "internal" securitization i.e. without involving the market), whose "senior" tranche, accepted for trading at the Luxembourg stock exchange, is considered a reserve of liquidity as it can be used, when needed, for open market transaction with the ECB or used as collateral with the same bank.
The transaction did not require the receivables to be derecognized from the financial statement of the Bank as the securitization was performed internally.

Account auditing

The financial statement was audited by Reconta Ernst & Young S.p.A, in accordance with the resolution passed by the General Shareholder Meeting on 29 April 2009, whereby this firm was appointed for the period 2009-2011.

A.2 - SECTION RELATING TO THE MAIN FINANCIAL STATEMENT ITEMS

The accounting standards adopted for the preparation of 2009 Financial Statement were unchanged with respect to the 2008 Financial Statement, with the exception of the new principles and interpretations applicable from 1 January 2009 issued by the International Accounting Standards Board (IASB) and standardized by the European Commission as provided for by the Community Regulation No. 1606 of 19 July 2002. Hereinafter the new accounting principles, amendments and interpretations are listed whose application became mandatory in 2009.

- **IAS 1 Presentation of Financial Statements:** the new revised version requires that all changes generated by transactions with shareholders are presented in a Statement of changes in shareholders' equity. All the transaction generated with third parties must be stated in a single statement (comprehensive income) or in two separate statements (Income statement and "other comprehensive income"). The new standard has been applied in this financial statement, choosing the option of presenting two separate statements, the "income statement" and the "statement of comprehensive income".
- **IAS 23 – Borrowing costs:** the reviewing of the standard removed the option according to which it is possible to immediately record in income statement the borrowing costs incurred in relation to assets for which a given amount of time has to elapse before they are ready for use and sale. The standard must be applied in a prospective way to the borrowing costs associated with assets capitalized from 1 January 2009. The coming into force of the standard changes has not had any impact on the drawing up of this financial statement.
- **IAS 27 – Consolidated and separate financial statements** the amendment regards the treatment of the dividends and of the equity investments in the separate financial statement; with this change the distribution of profits, including the pre-acquisition ones, have been recorded in the income statement in the separate financial statement at the time the right to the dividend matures. Therefore the requirement to record the distribution of pre-acquisition dividends as reduction of the equity stake ceases to apply. On the other hand, a new impairment ratio for the evaluation of equity stake taking into account this phenomenon was introduced in the IAS 36. This amendment came into force since 1

January 2009. In addition, the IASB has established that the changes in equity stake share that do not involve loss of control should be treated as equity transaction and therefore must be offset in the shareholders' equity. Moreover, it was established that when a holding company yields control of a company but still continues to hold an equity stake in the company, it must measure the equity stake in the financial statement at fair value and record any profits or losses deriving from the loss of control in the income statement. Lastly, the amendment requires that all the losses ascribable to minority shareholders be allocated to minority shareholders equity, even when these exceed their share of the capital in the affiliate . These changes will have to be applied for the first time in the 2010 interim report.

- **IAS 32 – Financial instruments:** in particular the amendment, which also involved changes in the IAS 1 – Presentation of financial statement, requires classification as equity instruments of puttable financial equity instruments and of all the instruments that oblige a company to transfer an equity stake in a company's assets to a third party. The coming into force of the standard changes has not had any impact on this financial statement.
- **IFRS 1 – First-time adoption of International Financial Reporting Standard:** the amendment establishes that, in case of first-time application of the IFRS, it is possible, in the drawing up of the separate financial statement and in addition to existing criteria, to represent the equity stake in subsidiaries, subject to significant influence and joint control, at a deemed cost represented either by the fair value at the date of transition of the separate financial statement to IAS/IFRS or by the book value according to the original accounting principles (e.g. IT GAAP). The choice can be made on an individual basis. The novelty introduced has not had any impact in the drawing up of this financial statement.
- **IFRS 2 – Share-based payments** The amendment sets forth that, for the purpose of evaluation of said instruments only the service conditions and performance conditions can be considered plan maturation conditions. It was also made clear that, in case of cancellation of the plan, the same accounting treatment must be applied whether it derives from the company or from the counterparty. The coming into force of the principle amendment has not had any impact on this annual report.
- **IFRS 8 – Operating segments** the new accounting principle, which replaces the IAS 14, requires the company to base the information recorded in the segment reporting on the elements that the management uses to make their operating decisions. The identification of the operating segments must therefore be performed on the basis of the internal reports, which is reviewed by the management for the purpose of allocating the resources to the different segments and for the purpose of performance analysis. In the notes to the 1st update of Circular letter 262 dated 22 December 2005, published by the Bank of Italy on 18 November 2009, it was specified that this disclosure note, in the separate financial statement, must be supplied only by listed intermediaries and security issuers. The new principle was applied in this financial statement in part L – Segment reporting.
- **IFRS 3– Business combinations** the updated version involved the elimination of the obligation to assess the single assets and liabilities of the subsidiary at fair value in each subsequent acquisition, in case of gradual acquisition of subsidiaries. In addition, if the company does not purchase 100% of the equity stake, the minority shareholders' equity can be measured either at fair value (full goodwill) or using the method currently set forth by the IFRS 3. The reviewed version of the principle also requires the recording in the income statement of all the costs connected with the business combination and the registration at the date of acquisition of the liabilities for payments subject to conditions. The coming into force of the revised principle has not had any impact on this financial statement.
- **IFRIC 13 – Customer loyalty programs:** This principle regulates the accounting treatment of customer loyalty programs, i.e. programs in which the purchase of goods and services entitles customers to "credits" or "reward points" which, upon certain conditions, can be used to receive prizes that is goods or services for free or for a discounted price. The accounting treatment consists in the offsetting of a liability which reduces revenues in the period of assignment of the "points"; the recording of these revenues is postponed to the time the prize is assigned; with this recording the liability is also extinguished. The coming into force of this principle has not has any impact on this annual report.

The IASB has also issued a set of changes to the IFRS, the so called "improvements". Hereunder we list only those changes whose application involves a change in the presentation, recognition and evaluation of the items in the financial statement, while we do not include the one that only involve terminology changes or editing changes with minimum effects in accounting terms. The Improvements indicated below have not had significant impact for the Group.

- **IAS 1 Presentation of Financial Statements:** the amendments lays down that the assets and liabilities resulting from derivative financial instruments which are not held for trading are classified in the financial statement with a distinction between current and non current assets and liabilities.

- **IAS 16 – Property, plant and equipment:** the amendment envisages that the company whose main business is renting must reclassify in the inventory the goods that cease to be rented and that are destined to sale and, consequently, the amounts resulting from their transfer must be recognised as revenues. The amounts paid to build or purchase goods to be rented, as well as the amounts received from the subsequent sale of said goods will become, in terms of financial reporting, cash flows deriving from operating activities (and not investment activities).
- **IAS 19 – Employee benefits:** the amendment must be applied in line with the benefit-related changes applied after 1 January 2009 and it clarifies the definition of cost/revenues relating to past work and establishes that in case of a plan reduction, the effect immediately recognized in the income statement must include only the reduction of benefits relating to future periods, while the effect deriving from reductions linked to past service periods must be considered a negative cost related to past work. The board also reviewed the definition of short-term benefits and long-term benefits and modified the definition of return on assets establishing that this item must be stated net of any administration cost that is not already included in the value of the bond.
- **IAS 20 – Accounting for government grants and disclosure:** the amendment, which must be applied from 1 January 2009, lays down that the benefits deriving from government loans granted at a rate much lower than the market rate must be treated as government grants and therefore the recognition rules set forth by IAS 20 "Accounting for government grants and disclosure and disclosure of government assistance" must be applied.
- **IAS 23 – Borrowing costs:** the reviewing of the principle removed the option according to which it is possible to immediately record in the income statement the financial costs incurred in relation to assets for which a given amount of time has to elapse before they are ready for use and sale. The principle must be applied in a prospective way to the financial costs associated with assets capitalized from 1 January 2009. The coming into force of the principle changes has not had any impact on the drawing up of this financial statement.
- **IAS 28 – Investments in associate** the change, which must be applied prospectively, establishes that in case of investments accounted for by the equity method, a loss of value must not be allocated to the single assets (and in particular not to goodwill) which make up the book value of the investment, but to the value of the associate as a whole. Therefore, when the conditions for a subsequent write-up apply, the write-up must be recognised fully. Moreover it is envisaged that additional information be provided for the investment measured at fair value in compliance with IAS 39 – Financial instruments: Recognition and measurement; accordingly, amendments were applied to IFRS 7 – Financial instruments: disclosures and IAS 32 – Financial instruments: presentation in the financial statement.
- **IAS 29 – Financial reporting in hyperinflationary economies:** this principle lays down that some assets or liabilities may be recognised in the financial statement on the basis of the current value instead of their historical cost.
- **IAS 31 – Interests in joint ventures:** additional disclosures are required for investments in joint ventures measured at fair value in accordance with IAS 39 – Financial instrument. For consistency, amendments were made to IFRES 7 – Financial instruments: disclosures and IAS 32 – Financial instruments: presentation in the financial statement.
- **IAS 36 – Impairment of assets:** the change lays down that additional disclosures be provided when the company determines the recoverable value of the cash generating unit using the cash flow discounting-back method. Moreover, in line with the amendments to IAS 27 - Consolidated financial statement and associates, a new impairment ratio was introduced in the assessment of investments which take into account the elimination of the requirement to recognise the distribution of pre-acquisition dividends in reduction of the investment amount.
- **IAS 38 – Intangible assets:** the amendment requires promotional and advertising costs to be recognised in the income statement. It also establishes that if a company incurs costs that will lead to future economic benefits without recording of intangible assets, these costs will have to be recognised in the income statement when the company acquires the right to access the assets, in case of purchase of goods, or when the services is rendered, in case of purchase of services. In addition, the principle was amended to enable companies to adopt the units of production method to determine amortization of intangible assets with finite life.
- **IAS 39 – Financial instruments: recognition and measurement:** this clarifies how to calculate the new rate of effective yield of an financial instrument at the end of a fair value hedging relation; it also clarifies that the prohibition to reclassify in the financial instrument category with adjustment of the fair value in the income statement must not be applied to the derivative financial

instruments that no longer qualify as hedging or that become hedging. Lastly, to avoid conflicts with the new IFRS 8 – Operating segments, it eliminates references to the designation of a sector hedging instrument (pursuant to IAS 14).

- **IAS 40– Investment property:** the amendment, to be applied prospectively, lays down that property under construction falls within the scope of IAS 40 instead of IAS 16 – Property, plants and equipment.
- **IAS 7 – Financial instruments: disclosures:** this standard sets a hierarchy in *fair value* to reflect the importance of the data used in performing measurements of financial instruments and on which to base the measurements. The hierarchical scale includes the following levels:
  a) Level 1 – quoted (unadjusted) prices on active markets for identical assets or liabilities;
  b) Level 2 – inputs other than level 1 quoted prices observable for assets or liabilities, either directly (as in the case of prices) or indirectly (i.e. as price derivatives);
  c) Level 3 – inputs relating to assets or liabilities that are not based on observable market data (non observable data)

It also requests quantitative disclosures relating to transfers from one level to another.

The description of the accounting principles adopted by the Bank is performed with reference to the classification, recording, measurement and derecognition of the various assets and liabilities items. Where relevant, a description of the relative economic effects is also given for each of the above-mentioned phases.

1. Financial assets held for trading

Classification

In this category are classified debt certificates and capital securities and the positive value of derivatives contracts held for trading. Among derivatives contracts are included also those incorporated in complex financial instruments which were recorded separately as:

- their economic characteristics and risks are not strictly correlated to the characteristics of the underlying contract;
- incorporated instruments, also if separated, which satisfy the definition of derivative;
- hybrid instruments to which they belong are not valued at *fair value* with the relevant changes recorded in the Income statement.

Recognition

Initial registration of financial assets is carried out on the settlement date for debt certificates and capital securities and at the date of underwriting for derivatives contracts.

At the time of registration of the financial assets held for trading the *fair value* is recorded, without considering transaction costs or income directly attributable to the same instrument. Any derivatives implicit in complex contracts not strictly correlated to the same and with characteristics which satisfy the definition of derivative, are discorporated from the primary contract and recorded at *fair value*.

Measurement

Subsequent to initial registration, financial assets held for trading are measured at *fair value*. The effects of the application of this valuation criteria are recorded in the Income statement. For the determination of *fair value* of financial instruments quoted on an active market, market quotations are used. In the absence of an active market, commonly adopted estimation methods and assessment models are used which take into account all the risk factors correlated to the instruments and which are based on data available on the market, such as: valuation of quoted instruments which have the same characteristics, discounted cash flow calculations, models for the determination of option prices, values recorded in recent comparable transactions, etc. Capital securities and derivative instruments whose objects are capital securities, for which it not possible to reasonably determine the *fair value* according to the above guidelines, are kept at cost.

Derecognition

Financial assets are cancelled from the Financial Statement only if their disposal has substantially transferred all the risks and benefits connected to said assets. Conversely, if a prevalent part of the quota of risks and benefits relating to the financial assets sold are retained, these continue to be recorded in the Balance Sheet, even though legally the ownership of the said assets was actually transferred.

Where it is not possible to ascertain whether substantially all the risks and benefits of ownership have been transferred, financial assets are derecognized when no form of control over the assets has been retained. Conversely, retention even in part, of such control entails the maintenance in the Balance Sheet of the asset in a measure equal to the residual participation, measured by the exposure to changes in value of the surrendered asset and to the changes in its cash flows.

Finally, financial assets sold are derecognized in the event in which the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay such flows, and only such flows, to other third partie

2. Financial assets available for sale

Classification

Included in this category are financial assets not otherwise classified as “Receivables”, “Assets held for trading” or “Assets held to maturity”.
In particular, this item includes, as well as bonds not object of trading and not classified in “Assets held to maturity” or among “receivables”, also equity investments not managed with trading purposes and not qualifiable as control, affiliation and joint control, including private equity and private equity funds investments, as well as the share of syndicated loans subscribed, which, from the beginning, is destined for disposal.

Recognition

Initial registration of financial assets is carried out on the settlement date for debt certificates and capital securities and at the date of underwriting for derivatives contracts.
At the time of the initial registration, the assets are accounted for at fair value, including transaction costs and income directly attributable to the same instrument. If, in cases allowed under the accounting principles, registration were to take place following reclassification of the “Asset held to maturity”, the registration value should be the fair value at the moment of transfer.

Measurement

Following initial recognition, debt securities classified as “Assets available for sale” are measured at fair value, with the recognition in the income statement of the interests calculated based on actual return, whereas the gains and losses resulting from a fair value change are recognized in a specific shareholders’ equity reserve until the financial assets are derecognized or an impairment is recorded. Upon disposal or derecognition of an impairment loss, the accumulated gains or losses are recognized in the Income statement.
The fair value is determined using the criteria adopted for “financial assets held for trading”.
Equity instruments included in this category for which the fair value cannot be reliably determined are carried at cost.
“Financial assets available for sale” are subject to testing to determine whether there is objective evidence of impairment.
Where impairment is found, the amount of the loss is measured as the difference between purchase cost and fair value net of any losses already recognized in the income statement.
With respect to equity securities, a fall in fair value by over 30% on the book value or lasting over six months is considered evidence of impairment.

If the reasons for the loss of value are removed following an event subsequent to the recording of the reduction in value, revaluations are recognized in the income statement, in case of loans or debt securities, which in no case must exceed the loss originally recognized in the income statement. For equity securities this writeback is recorded in the shareholders' equity.

Credit restructuring operations entailing the partial or complete conversion into capital instruments classified in the category of financial assets available for sale

For capital instruments received within credit restructuring operations carried out by debtors, the initial recording of the capital instruments received is made at fair value of the same; the difference between the credit book value and the fair value of the capital instruments is recorded in the income statement in the adjustments item.
Moreover, where the restructuring with total or partial capital conversion relates to impaired loan exposures, since the conversion does not modify their quality, the capital instruments received are also considered as issued by an “impaired” subject; this entails that their subsequent fair value reductions are considered impairment indicators and therefore are recorded in the income statement until the issuer is restored to a “performing” status.

Derecognition

Financial assets are derecognized from the Financial Statement only if their disposal has substantially transferred all the risks and benefits connected to said assets. Conversely, when a prevalent share of the risks and benefits associated with ownership of the financial assets is retained, the assents continue to be recognized even if legal title has been transferred.
Where it is not possible to ascertain whether substantially all the risks and benefits of ownership have been transferred, financial assets are derecognized when no form of control over the assets has been retained. Conversely, retention even in part, of such control entails the maintenance in the Balance Sheet of the asset in a measure equal to the residual participation, measured by the exposure to changes in value of the surrendered asset and to the changes in its cash flows.
Finally, financial assets sold are derecognized in the event in which the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay such flows, and only such flows, to other third parties.

3. Financial assets held to maturity

Classification

This category includes debt certificates with fixed or determinable payments and fixed maturity, where the intention and the ability exist for them to be held to maturity. If, after a change in intention or ability, it is no longer deemed appropriate to retain an investment as "held until maturity", this is reclassified under “Financial Assets available for sale”.

Recognition

Initial registration of a financial asset is carried out on the date of settlement.
At the time of the initial registration, the financial assets classified in this category are recorded at fair value, including any costs and income directly attributable to them. If the registration in this category is made by reclassification from “Asset available for sale”, the fair value of the asset at the date of reclassification is used as the new depreciated cost of the asset itself.

Measurement

Following initial recognition, financial assets held to maturity are measured at amortized cost using the effective interest rate method.
Gains and losses relating to assets held to maturity are recognized in the income statement at the moment in which the assets are derecognized or have incurred an impairment loss, as well as through the process of amortization of the difference between the book value and the amount repayable upon maturity.
Financial assets held to maturity are subject to testing to determine the existence of objective evidence of impairment.
If such evidence exists, the amount of the loss is measured as the difference between the accounting value of the asset and the current value of estimated future cash flows, discounted at the original effective interest rate. The amount of the loss is recorded in the income statement.
If the reasons for the impairment are removed following an event subsequent to the recording of the reduction in value, revaluations are carried out and recorded in the income statement. However, the amount of the writeback shall not in any event exceed the amortized cost that the financial instrument would have had in the absence of the prior adjustments.

Derecognition

The financial assets are derecognized only if their disposal has substantially transferred all the risks and benefits associated with said assets. Conversely, when a prevalent share of the risks and benefits associated with ownership of the financial assets is retained, the assets continue to be recognized even if legal title has been transferred.
Where it is not possible to ascertain whether substantially all the risks and benefits of ownership have been transferred, financial assets are derecognized when no form of control over the assets has been retained. Conversely, if the company retains even a portion of control, the asset continues to be recognized to the extent of the continuing involvement, measured by exposure to changes in value of the assets transferred and to changes in the related cash flows.
Finally, financial assets sold are derecognized in the event in which the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay such flows, and only such flows, to other third parties.

4. Loans and receivables

Classification

Loans and receivables include loans to customers and banks, whether disbursed directly or acquired from third parties, with fixed or determinable payments, that are not listed on an active market and are not originally classified as “Financial Assets available for sale”.
The category also includes trade receivables, repurchase transactions, and securities purchased through subscription or private placements, with fixed or determinable payments, that are not listed on an active market.

Recognition

Loans and receivables are initially recognized at the date of signing, which normally coincides with the date of disbursement at fair value. The fair value of the financial instrument is equal to the amount disbursed, or subscription price, including costs and revenues directly attributable to the individual loan and determinable from the inception of the transaction, even if settled at a later time. The initially recognized amount does not include costs to be reimbursed by the debtor or that can be characterized as normal administrative overhead costs, despite having the above characteristics.

Measurement

After initial registration, loans and receivables are measured at amortized cost. The amortized cost is equal to the amount at which a financial asset is measured at initial recognition, decreased by principal repayments, plus or minus the cumulative amortization - using the effective interest rate method – of any difference between the initial amount and the maturity amount (usually relating to costs and revenues directly attributable to the individual position). The effective interest rate is identified by calculating the rate which equates the current value of future credit flows, by capital and interest, to the amount allocated inclusive of costs/income traced back to the receivable. This accounting procedure, using a financial logic, allows the cost/income economic effect to be distributed over the residual expected life of the receivable.

The depreciated cost method is not used for short-term receivables (lower than 12 months) as the effect of discounting back would be negligible. These receivables are valued at historic cost. The same valuation criteria are adopted for receivables without fixed maturity or revocable.

Loans are tested to determine whether events subsequent to recognition have given rise to objective evidence of possible impairment. Included in this category are loans classified as bad debts, substandard loans, restructured loans or past due pursuant to the current Bank of Italy rules consistent with IAS/IFRS regulations.

Said bad loans are subject to a process of analytical assessment and the amount of value correction for each loan is equal to the difference between the Financial Statement value of the same at the moment of assessment (depreciated cost) and the actual value of the estimated future cash flows, calculated by applying the original actual rate of interest.

Estimated cash flows take into account the expected time limits for recovery, the assumable realizable value of any guarantees as well as costs expected to be sustained for the recovery of the loan exposure.

The original effective rate of each loan remains unchanged over time even if there was a restructuring of the position which led to the change of the contractual rate and also if the position becomes, in practice, non-interest bearing.

Subsequent adjustments in value are reported in the income statement.

The original value of the loans is restored in subsequent financial years when the reasons which determined the adjustment cease to apply, as long as such said assessment is objectively linked to an event occurred after the same adjustment. The revaluation is recorded in the income statement and cannot in any event be higher than the depreciated cost which the loan would have had in the absence of earlier adjustments.

The restorations of value connected with the passage of time are included in writebacks.

Loans where objective evidence of losses has not been individually identified are subject to collective loss of value of assessment. This assessment is carried out by category of similar loans in terms of credit risk and the relative percentages of loss are based on PD (Probability of Default) and LGD (Loss Given Default) parameters observable at the date of assessment which allow an estimation of the latent loss in value. The assessment also takes into account the risks connected with the country of residence of the counterparty.

Adjustments in value determined collectively are recorded in the income statement.

Derecognition

The financial assets are derecognized only if their disposal has substantially transferred all the risks and benefits associated with said assets. Conversely, if a prevalent part of the quota of risks and benefits relating to the transferred receivables are retained, these continue to be recorded in the Balance Sheet, even though legally the ownership of the said loan was actually transferred.

Where it is not possible to ascertain whether substantially all the risks and benefits of ownership have been transferred, financial assets are derecognized when no form of control over the assets has been retained. Conversely, retention even in part, of such control entails the maintenance in the Balance Sheet of the loan in a measure equal to the residual participation, measured by the exposure to changes in value of the transferred receivable and to the changes in its cash flows.

Finally, financial assets sold are derecognized in the event in which the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay such flows, and only such flows, to other third parties.

5. Financial assets carried at *fair value*

The Bank has not exercised the fair value option. In other words, they have not opted to measure financial assets at fair value, taking any change in such value to the income statement, except in those cases for which IAS 39 requires application of fair value criteria owing to their specific functional purpose. Therefore, only financial assets classified in the trading portfolio, subject to fair value hedging and fair value hedging derivatives, are measured at fair value and the result of the assessment registered in the income statement.

6. Hedging

Types of hedges

Hedging transactions are used to neutralize potential losses occurring on a given item or group of items attributable to a given risk where the risk event should occur.

The following types of hedges are used:

- fair value hedges: these are used to hedge exposures to changes in the *fair value* (attributable to the different types of risk) of assets and liabilities or portions thereof, groups of assets and liabilities, irrevocable commitments and portfolios of financial assets and liabilities, including *core deposits*, as permitted by IAS 39 endorsed by the European Commission;

- cash flow hedges: these are used to hedge changes in cash flows from assets and liabilities recognized in the Financial Statement and from irrevocable commitments;
- hedging of a foreign currency investment: refers to hedging of risks of an investment in a foreign company denominated in a foreign currency.

Measurement

Hedging derivatives are measured at *fair value*. Specifically:

- in the case of fair value hedging, changes in fair value of the hedged item are offset by changes in the fair value of the hedging instrument. This offset is recognized by reporting changes in value in the income statement, both for the hedged item and for the hedging instrument. Any difference, which represents the partial inefficiency of the hedge, consequently constitutes the economic net effect;
- in the case of cash flow hedging, the changes in *fair value* of the derivative are recorded in the shareholders' equity, for the efficient hedging share, and are recorded in the income statement only when, with reference to the hedged item, there is a change in the cash flows to be offset;
- hedging of foreign currency investments are recognized in the accounts in the same way as cash flow hedges.

The derivative instrument is considered a hedge if there formal documentation of the relationship between the hedged item and hedging instrument and if it is effective at inception and throughout its life.

Hedging effectiveness depends on the degree to which the changes in *fair value* of the hedged instrument or related expected cash flows are offset by those of the hedging instrument. Moreover, the effectiveness is assessed by comparison of the above changes, taking into account the aim of the company at the moment the hedge was put into place.

Effectiveness is achieved when the change in *fair value* (or the cash flows) of the hedging instrument offset almost entirely, that is within the limits established by the interval 80-125%, changes of the hedged instrument, for the hedged risk factor.

Effectiveness is assessed at the end of each financial year, or interim period, using:

- prospective tests, which justify the application of hedge accounting, since they prove its expected effectiveness;
- retrospective tests which show the level of hedging effectiveness reached during the period to which they refer. In other words, they measure how much the actual results have moved away from perfect hedging;
- the assessment will not take into account ineffectiveness produced by circumstances that are expected to return to normal as confirmed by prospective tests are not taken into account.

If the tests do not confirm hedging efficiency, from that moment the accounting of hedging operations, according to the above methods, is suspended, the derivative hedging contract is reclassified under trading instruments and the hedged financial instrument re-acquires the assessment criteria corresponding to its financial statement classification.

In case of macrohedging operations, IAS 39 allows that the fair value hedging of the interest rate risk exposure concerns a defined amount of financial assets liabilities so that a group of derivative contract can be used to reduce the fair value changes of the entries hedged as the market interest rates change.

Amounts recognized as imbalance between financial assets and liabilities cannot be object of macrohedging.

Macrohedging is considered highly effective if, similarly to fair value hedging, both at the beginning and during the operation, the fair value changes of the amount hedged are offset by the fair value changed of the hedging derivatives, with a ratio between 80 and 125%.

7. Equity investments

Classification

The item includes shares held in subsidiaries, affiliates and joint ventures.

Considered as subsidiaries are companies in which the Company, directly or indirectly, holds more than half of the voting rights or when, even with a lower quota of voting rights, the Bank has the power to nominate the majority of directors in the subsidiary or to determine the financial and operating policies of the same. The "potential" rights which are currently exercisable or convertible into voting rights effective at any moment by the Parent Company are also considered in the assessment of voting rights.

Joint ventures are companies where voting rights and the control of economic activities in the company in which shares are held are divided equally by the Company, directly or indirectly, and another company. Moreover, an equity investment is qualified as subject to joint control where, despite the lack of equal voting rights, control over economic activities and strategies of the equity investment is shared with other parties under contractual agreements.

Associates are companies in which the bank exercises a significant influence, holding, either directly or indirectly, at least 20% of the voting rights (including "potential" voting rights as defined above) or having the power to participate in determining its financial and operating policies, despite holding

less than 20% of the voting rights , through specific legal ties such as being party to a shareholders' agreement.
Not considered as notable influence are some equity investments of more than 20%, where the Company only holds capital rights on a portion of the fruits of the investments, does not have access to management policies and can exercise limited governance rights for the protection of capital interests.

Recognition

Equity investments are initially recognized at cost at the settlement date, including costs and income directly attributable to the transaction.

Measurement

Equity investments are valued at cost, adjusted for any impairment losses. If there is evidence that the value of an equity investment may be impaired, an estimate of the recovery value of the equity investment is made, taking into account the real value of future cash flows that the equity investment could generate, including the final disposal value of the investment.
If the recovery value is lower than the accounting value, the relative difference is recorded in the income statement.
If the reasons for the impairment are removed following an event subsequent to the recording of the reduction in value, revaluations are carried out and recorded in the income statement.

Derecognition

Equity investments are cancelled when contractual rights on cash flows deriving from the assets expire, or when the equity investment is disposed of and all risks and benefits connected to it are substantially transferred.

8. Property, plan and equipment

Classification

Tangible assets include land, operating property, capital assets, technical systems, furniture and furnishings and equipment of any sort.
Tangible assets are used in the production or supply of goods and services, to be rented to third parties, and which are deemed will be used for a reasonable time.

Recognition

Tangible fixed assets are initially registered at cost which includes, as well as the purchase price, any further additional costs directly attributable to the purchase and the putting into operation of the property.

Extraordinary maintenance costs which increase future economic benefits, are attributed as an increase in the value of the asset, while other ordinary maintenance costs are recorded in the Income statement.

Measurement

Tangible Fixed Assets, including Capital Assets, are measured at cost, with the deduction of any depreciation and losses in value.
Fixed assets are systematically depreciated, using as depreciation criteria the method of constant rate, for the duration of their useful life. The depreciation rates used are indicated below and relate to the main categories of fixed assets: 12% for furniture and mechanical office equipment; 15% for furnishings and other machinery; 30% alarm installations; 25% motor vehicles: 33.33% for IT and telecommunications systems if the purchase value is not higher than 516.46 euro, 20% if the purchase value is higher than 516.46 euro. The depreciable value is represented by the cost of the property when the residual value at the end of the depreciation process is deemed not to be significant. Real estate is depreciated taking into account a useful life of 33 years deemed suitable to reflect the deterioration of the asset during the time of its use, taking into account extraordinary maintenance costs, which are entered as an increase of the value of the asset and ordinary maintenance costs destined to prolong, as long as possible, the value of the real estate; however periodical assessments of the residual useful life are performed.
However, the following assets are not depreciated:

- land, either purchased severally or incorporated in the value of the building, as is has an indefinite useful life. In the event that its value is incorporated in the value of the building, under the approach of components depreciation, it is considered property separable from the building. The sub-division of land value and building value is carried out on the basis of independent expert valuation, for property deemed "sky-earth" for which the Company has full rights on the land;
- artistic assets, in that the useful life of a work of art cannot be estimated and its value normally increases over time.

If there is indication that an asset has suffered a loss in value, a comparison is made between the book value and salvage value. Any such adjustments are shown in the Income statement.
If the reasons for recording a loss are no longer valid, the value is re-entered and this value must not be higher than the value the asset would have reached net of depreciation calculated without the earlier losses.

Derecognition

A tangible fixed asset is removed from the Balance Sheet at the moment of its disposal or when the property is permanently removed from use and no future economic benefits are expected to result from its disposal.

9. Intangible Assets

Classification

Intangible assets are recorded as such if they are identifiable and are derived from legal or contractual rights (for example application software). Intangible assets include goodwill representing the positive difference between the purchase cost and fair value of the assets and liabilities acquired, as well as the intangible asset representing the Customer relations recorded based on the application of IFRS 3.

Recognition and measurement

Intangible assets acquired separately are initially capitalized at cost, whereas those acquired through business combination operations are carried at fair value as at the acquisition date. After the initial recognition, intangible assets are recorded net of the amortization funds and of any accrued value losses. The intangible assets produced in-house, with the exception of development costs, are not capitalized and are recognized in the Income statement for the FY in which they were borne.

The useful life of intangible assets is measured as finite or indefinite.

The intangible assets with finite useful life are amortized over their useful life and undergo value congruence assessment every time signals are recorded of a possible value loss. The amortization period and approach for intangible assets with finite useful life are reassessed at least at the end of every year. Changes in the expected useful life or in the ways with which the future economic benefits linked to the assets occur, are recorded through the change of the period or amortization approach, as the case may be, and are considered as accounting estimate changes. The amortization cost for intangible assets with finite useful life is recognized in the Income statement in the cost category consistent with the intangible asset function .

The application software useful life does not exceed five years. Concerning the intangible element of relations with customers, a useful life is defined, established on the basis of statistics available on replacement rates for customers in the retail sector, over a 15-year period.

Intangible assets with indefinite useful life, including goodwill are not amortized, but annually undergo value loss assessment, both at individual level and at level of cash-flow generating unit. The assessment of indefinite useful life is annually revised to establish if it is still applicable. In the event it is not, the change from indefinite useful life to finite useful life is applied prospectively.

The amount of any value loss is established based on the difference between the recoverable value of the cash-flow generating unit and the book value of the same.

Said recovery value is equal to the higher value between fair value of the unit generating cash flow net of possible sales costs, and the relative utilization value. Subsequent corrections in value are reported in the Income statement.

Derecognition

An intangible fixed asset is eliminated from the Balance Sheet at the moment of its disposal or when no future economic benefits are expected.

Profits or losses resulting from the exclusion of an intangible asset are calculated as the difference between the net disposal revenue and the book value of the intangible asset and are recognized in the Income statement for the year in which the exclusion is made.

10. Non-current assets and disposal groups held for sale

Classified in the Assets item “Non-current assets and disposal groups” and in the Liabilities item “Liabilities in respect of assets held for sale” are non-current assets or groups of assets/liabilities for which a process of disposal has been started and their sale is considered highly probable. Such assets/liabilities are valued at the lower value between book value and their fair value net of disposal costs.

The relative income and costs (net of tax) are recorded in the Income statement under a separate item.

11. Current and Deferred Taxation

Amounts relating to current, pre-paid tax and deferred taxes are calculated by applying current tax rates.

Income tax is reported in the Income statement with the exception of tax relating to items debited or credited directly to the Net Assets.

Provisions for income tax are determined on the basis of a prudent estimate of the current tax burden, as well as pre-paid and deferred tax. In particular, pre–paid taxes and deferred taxes are determined on the basis of temporary differences – without time limits – between the value attributed to an asset or a liability according to Civil Code criteria and to the corresponding values assumed for tax purposes.

Deferred tax assets are calculated using the balance sheet liability method.

Assets for pre-paid taxes, relating to temporary deductible differences or future tax benefits obtainable by carrying

forward tax losses, are registered in the Financial Statement when there exist a high degree of probability of their recovery.
Liabilities for deferred taxes are registered in the Financial Statement, with reference to all the temporary taxable differences, with the sole exception of the reserves where taxes are suspended, as the amount of the reserves available already subjected to tax leads to the belief that no operations will be carried out which will lead them to be taxed.
Pre-paid taxes and deferred taxes are entered in the Balance Sheet as open balances and without off-setting, including the first item in "Tax assets" and the second item in "Tax liabilities".
Assets and liabilities recorded for pre-paid and deferred taxes are systematically assessed to take into account both possible amendments to regulations or rates, as well as possible changes in the company's tax situation. The effects are recorded in the Income statement for the year, except where these are changes relating to temporary differences to items for which the accounting model requires that they be directly recorded in the Shareholders' Equity, and in which case also the change to the deferred or pre-paid tax flows is directly recorded in the Shareholders' Equity.

12. Provisions for liabilities and contingencies

Retirement and similar liabilities

The company pension plans, created pursuant to corporate agreements, qualify as "defined-benefit plans". Liabilities relating to said schemes and relative social security costs for current work are determined on an actuarial basis by applying the "projected unit credit method"; a projection of future disbursements based on an analysis of historical statistics and the demographic curve, as well as the discounting of such flows based on a market interest rate, as set forth in the relevant tables in the notes to the financial statement. Contributions paid in each financial year are considered as separate units, reported and measured separately so as to determine the final obligation. The discounting rate used is calculated as an average of market rates on the assessment dates. The current value of the obligation at the Balance Sheet reference date is, moreover, adjusted by the fair value of any assets used for the plan.

Other provisions

Other funds for Risks and Charges hold the provisions set aside for legal obligations or connected with work relations or litigation, and also taxes, originating from a past event for which the disbursement of economic resources is likely for fulfilling these same obligations, as long as a reliable estimate can be made for the relative amount.
Where the time scale is significant, provisions are recorded using current market rates. Provisions are recorded in the Income statement and include increases in the funds over time.
This item also includes long term benefits to employees, whose costs are determined using the same actuarial criteria described for Retirements Funds. Actuarial profits and losses are all recorded immediately in the Income statement.

13. Payables and securities issued

Classification

"Payables due to Banks", "Payables due to customers" and "Securities issued" include the various forms of inter-bank and customer funding, repurchase agreements with obligation to repurchase at a at maturity and deposits carried out through certificates of deposits, bonds, and other deposit instruments issued, net of any amounts repurchased.

Recognition

The first registration of such financial liabilities is carried out at the time of signing the contract, which normally coincides with the receipt of the deposited amounts or the issue of debt certificates.
The first registration is carried out on the basis of the liability fair value, normally equal to the amount deposited or the issue price, increased by any additional costs/income directly attributable to the single operation of funding or issue. Internal administrative costs are excluded.

Measurement

After the first registration, financial liabilities are measured at depreciated cost using the actual interest rate.
Short-term liabilities are excluded where the time factor is deemed negligible, and are registered at the value of the amount received.

Derecognition

Financial liabilities are derecognised from the Financial Statement when they have expired or been extinguished. Cancellation occurs also when securities issued earlier are re-purchased. The difference between the accounting value of the liability and the amount paid to purchase it is entered in the Income statement.
The new placement on the market of own shares subsequent to their re-purchase is considered as a new issue with registration at the new placement price.

14. Financial liabilities held for trading

The item includes the negative value of derivatives trading contracts, as well as the negative value of derivatives implicit in complex contracts but not strictly correlated to the same. Moreover, liabilities originating from technical exposure generated by securities trading are included.
All trading liabilities are measured at fair value and the result entered in the Income statement.

15. Financial liabilities carried at *fair value*

Cariparma has chosen not to exercise the fair value option. In other words, they have not used the possibility of assessing at fair value, with allocation of the result of the assessment in the Income statement, of financial liabilities other than those where IAS 39 requires the application of fair value criteria in view of their specific functional destination. Therefore, only financial liabilities classified in the trading portfolio, those subject to fair value hedging and derivative hedging contracts are measured at fair value and the result of the assessment allocated in the Income statement.

16. Foreign currency operations

Initial entry

Foreign currency operations are registered, at the moment of their initial entry, in the currency of the accounts, applying the rate of exchange current at the date of the operation to the foreign currency amount.

Subsequent entries

At each annual or interim closure of the Balance Sheet, the Balance Sheet entries in foreign currencies are re-valued as follows:

- monetary entries are converted at the rate of exchange on the date of closure;
- non-monetary entries valued at historic cost are converted at the rate of exchange valid at the date of the operation;
- non-monetary entries valued at *fair value* are converted using the rate of exchange on the date of closure.

The currency conversion differences resulting from the settlement of monetary elements or from the conversion of monetary elements at rates different from the original conversion rates, or the conversion rates of the preceding Balance sheet, are recorded in the Income statement for the period in which they arise.

When a profit or loss relating to a non-monetary element is recorded in the Shareholders' Equity, the difference in exchange rates relating to this element is also recorded in the Shareholders' Equity. Conversely, when a profit or a loss is entered in the Income statement, the relative difference in exchange rates is also recorded in the Income statement.

17. Other information

Lease Operations

Lease operations have been recognized based on the provisions of IAS 17.
Cariparma has signed lease contracts – as lessee - involving automobiles and other capital equipment. The installments associated with these lease contracts have been recognized in the income statement in equal installments spread out over the duration of the contract.
Cariparma has no finance lease contracts currently active.

Insurance Assets and Liabilities

The Cariparma financial statement does not include assets or liabilities that involve insurance risks.

Treasury shares

Any own shares held are shown as a reduction in the Shareholders' Equity. Similarly, the original cost of these shares and profits or losses deriving from their subsequent sale are entered as movements in the Shareholders' Equity.

Leasehold improvements

The costs of renovating leased property are capitalized in consideration of the fact that, for the duration of the lease, the tenant has control over and enjoys the future economic benefits of the assets. The above costs, classified under Other Activities pursuant to Bank of Italy Instructions, are depreciated over a period no longer than the duration of the rental contract.

Employee severance benefits

Until 31 December 2006 the employee severance benefits of Italian companies was considered a defined-benefit plan. The regulation of said fund was amended by Law 27 December 2006, No. 296 ("Financial Act 2007") and subsequent Decrees and Regulations issued on the first months of 2007. In the light of said amendments, this item is now to be considered a defined benefit scheme exclusively for the shares matured before 1st January 2007 (and not settled yet as at the Financial Statement date), whereas after said date it is treated as a defined contribution scheme.
Therefore, with reference to the defined benefit scheme component the benefit cost is calculated separately for each scheme using the actuarial projected unit credit method which

is used to project future disbursements based on an analysis of historical statistics and the demographic curve, and such flows are discounted based on a market interest rate. Contributions paid in each financial year are considered as separate units, reported and measured separately so as to determine the final obligation. The discounting rate used is calculated as an average of market rates on the assessment dates, weighted on the basis of the percentage of the amount paid and pre-paid, for each maturity, compared to the total to be paid and pre-paid until final extinction of the whole obligation.
The scheme service costs recognized among staff costs include, for the part at the company, the revaluation based on the reference Istat index for the shares matured in the previous year, the interest accrued and the actuarial gains/losses whereas the termination benefit shares accrued in the year, following the supplementary social security benefit reform introduced with the 2007 financial act, are entirely appropriated to the " defined contributions scheme". Based on the employees' choice, the amounts are allocated to supplementary social security benefit fund or to the INPS Treasury fun The shares allocated to the defined contribution scheme are calculated based on the contributions due for each year without applying actuarial calculation methods.

Provisions for guarantees and commitments

Financial guarantee liabilities issued by Cariparma are contracts requiring a payment to refund the holder of a loss following the default of a specific debtor in making the payment due at the set maturity date based on the contract clauses of the debt instrument. Financial guarantee contracts are initially recognised as liabilities at fair value, increased by the transaction costs directly ascribable to the guarantee issue. Later, liabilities are measured as the higher between the best estimate of the cost required to meet the actual obligation as at the financial statement date and the amount initially recognised after deducting the accrued depreciation. These guarantees are recognized under "Other Liabilities", pursuant to the above-mentioned Bank of Italy Circular letter No. 262/2005 (1st revision of 18 November 2009).

Share-based payments

Employee remuneration schemes based on shares are recorded in the Income statement, with the corresponding increase in the Shareholders' Equity, on the basis of the fair value of financial instruments attributed at the assignment date, subdividing the cost over the scheme maturity period.
Where options are involved, their fair value is calculated using a model which takes into consideration, in addition to information such as the option exercise price and life-span, the current share price and their volatility, expected dividends and the risk-free interest rate, also the specific characteristics of the existing plan.
Any reduction in the number of financial instruments assigned is accounted as a derecognition of a part of the same.

Revenue recognition

Revenues are recognised at the time it is received or when it is probable that future benefits will be received and that these benefits can be reasonably quantified. Specifically:

- corresponding interest is recognised pro rata temporis on the basis of the contractual interest rate or the actual rate in the case of the application of depreciated cost;
- default interest, possibly foreseen in contracts, are entered in the Income statement only at the time of their actual receipt;
- dividends are entered in the Income statement at the time the decision to allocate dividends is taken;
- commissions on servicing revenues are entered, on the basis of the existence of contractual agreements, in the period in which the services were rendered;
- revenues from brokerage of financial trading instruments, determined by the difference between the price of the transaction and the fair value of the instrument, are entered in the Income statement in the accounting item for the operation, if the fair value can be determined with reference to recent and observable parameters and transactions on the same market in which the instrument is negotiated. If these values are not easily comparable or they present a reduced liquidity, the financial instrument is entered at an amount equal to the price of the transaction, less the commercial margin; the different with respect to fair value is entered in the Income statement for the duration of the operation through a gradual reduction, in the valuation model, of the corrective factor connected to the reduced liquidity of the instrument.

Method for determining fair value

fair value is the amount at which an asset (or a liability) can be exchanged in a transaction between independent counterparties with a reasonable level of knowledge of the market conditions and of the facts relating to the object of the negotiations. In the definition of fair value, is a fundamental presumption that an entity is fully operational and is not in need of liquidating or markedly reducing its assets, or of undertaking operations under unfavourable conditions. fair value reflects the credit quality of the instrument as it incorporates the counterparty risk.

FINANCIAL INSTRUMENTS

Fair value for financial instruments is determined by using the purchase price on financial markets for instruments quoted on active markets, or by using internal valuation models for other financial instruments.

A market is considered active if the prices quoted, representing real and legal market operations verified over a suitable period of time, are readily and legally available through Stock Exchanges, mediators, intermediaries, companies in the sector, securities listing services or authorised bodies. Considered as traded on an active market which has the characteristics mentioned above are common investment funds, spot trading operations, futures, options, securities traded on a regulated market, and bonds, for which can be regularly recorded at least two “executable” prices on a quotation service which has a difference between the buying and selling price which is lower within a suitable timescale. Finally, also considered as traded in an active market are “hedge” funds which foresee a monthly liquidation of quotas, or in the absence of this, which have liquidity conditions not higher than four months. On the other hand, all bonds, derivatives and hedge funds which do not belong to the above described categories are not considered as traded on an active market.

For financial instruments traded on active markets the price is used which is defined as “official”, as at the closure of the period of reference.

In the case of financial instruments where the bid-offer spread is not significant, or for financial assets and liabilities which have characteristics able to achieve positions which offset the market risk, an average market “mid price” is used (for the last day of the reference period) instead of the offer or bid price.

Where there is no active, liquid market, the fair value of financial instruments is defined mainly by using valuation techniques designed to establish what the transaction price would have been on the measurement date under normal market considerations. When incorporating all the factors which operators take into consideration in establishing a price, the valuation models developed take into account the time value of money at the risk-free rate, the volatility of the financial instrument, as well as, if relevant, the foreign currency exchange rates, the prices of commodities and share prices.

With finance products for which the fair value determined with valuation technique cannot guarantee a sufficient degree of reliability, the value is prudently calculated as the fair value at the reference date communicated by the parties with which the transactions were signed.

The valuation method chosen for a financial instrument is applied continuously over time and is only modified following changes arising in market conditions or linked to the issuer of the financial instrument itself.

For bonds and derivative contracts, valuation models globally accepted have been defined, which refer to market parameters communicated by the Parent Company, to the time value of money and to risk-free rates.

Specifically, fixed-rate bonds relating to financial assets or liabilities are measured using the discounted cash flow method pursuant to the security contractual scheme; variable-rate bonds are measured by discounting back future cash flows estimated on the basis of the forward rates with the application of index-linking parameter.

Derivative contracts are measured using specific calculation algorithms and specific numerical procedures, according to the type of the different categories of operations.

Share certificates are measured considering the direct transactions, that is, significant transactions on the security registered in a period of time deemed sufficiently brief with respect to the time of assessment and in constant market conditions, the comparable transactions of companies operating in the same sector and supplying analogous products/services to the affiliate company whose shares are being evaluated, the application of the average of significant stock exchange asset/ results ratios for the companies comparable as to economic–asset situation of the affiliate and, finally, analytical financial, income and asset assessment methods.

For receivable assets available for sale and for assets and liabilities entered in the Balance Sheet at cost or depreciated, the Balance Sheet fair value or reported in the Explanatory Note is determined as follows:

- for fixed rate and medium- and long-term assets and liabilities, the assessment is mainly carried out by discounting future cash flows. The latter has been defined based on a risk neutral approach, that is by using a risk-free rate and correcting future contractual cash flows as to take into account the credit risk of the counterparty, represented by PD *(Probability of Default)* and LGD *(Loss* Given Default) parameters;
- for variable rate assets and liabilities, on demand or short-term, the accounting value for registration is net of collective/analytical write-down, and represents a good approximation of *fair value;*
- for securities issued at variable rate, and for fixed-term and short-term securities, the book value for registration is deemed to be a reasonable approximation of the fair value based on the fact that it reflects both the change in rates and the assessment of credit risk associated with the issuer. An analogous conclusion is reached also for the *fair value* assessment of securities issued at fixed rate and medium/long term and for structured securities subject to rate risk hedging, relating to which the book value calculated for the hedge accounting already considers the market risk valuation. For the latter, in

determining the *fair value* reported in the Explanatory Note, the change in credit *spread* is not taken into account, as it is considered not significant.

NON-FINANCIAL ASSETS

Concerning property where the fair value is calculated only for inclusion in the Explanatory Note, a fixed value is used, established mainly on external professional advice, and in consideration of current prices in an active and similar property market, in the same location and at the same conditions as well as similar rents and other contracts.

Method for determining depreciated cost

The depreciated cost of a financial asset or liability is the value at which the same was measured for the initial recording, the asset or liability net of capital reimbursements, increased or reduced by the total depreciation, calculated with the method of actual interest, difference between the initial and maturity value and net pf any value loss.

The actual interest rate is the rate which matches the current value of a financial asset or liability to the contracted flow of future payments in cash or received until maturity or to the subsequent date of recalculation of the price.

For the calculation of the current value, the actual rate of interest is applied to future income flows or payments during the entire useful life of the financial asset or liability or for a shorter period under certain conditions (for example, revision of market rates).

Following the initial registration, depreciated costs allow the allocation of diminishing or increasing income and costs of the instrument through the entire expected life of the same through the process of depreciation. The determination of depreciated cost varies according to whether the financial assets/liabilities being measured are at fixed or variable rate and – in the latter case – according to whether the rate is know or not in advance. For fixed rate, or fixed rate with time scales, future cash flows are quantified on the basis of the known interest rate (single or variable) during the financing term. For variable rate financial assets/liabilities where the variability is not known in advance (e.g. when linked to an index), the determination of cash flows is carried out on the basis of the last known rate. At each date of revision of the rate, the depreciation plan is recalculated as well as the actual yield rate on the useful life of the instrument, that is, until the maturity date. The adjustment is recorded as cost or income in the Income statement.

The assessment at depreciated cost is carried out for receivables, financial assets held to maturity and those available for sale, for payables and securities issued.

Financial assets and liabilities traded at market conditions are initially recorded at their *fair value*, which normally corresponds to the total amount allocated or paid including, for instruments measured at depreciated cost, transaction costs and directly attributable commissions.

Transaction costs are deemed to be internal and external marginal costs and income attributable at the issue, purchase or sale of a financial instrument and not rechargeable to the customer. These commissions, which must be directly traceable to a single financial asset or liability, have an incidence on the original actual yield and render the actual interest rate associated with the transaction different to the contractual interest rate. Excluded are costs/income relating, without distinction, to several operations and the components connected to events which could occur during the financial instrument's life but not certain at the time of its initial definition, such as: commissions for withdrawal, non-usage, early extinction, *underwriting*, *facility* and *arrangement*. Moreover, not considered in the calculation of depreciated cost are costs which the Bank would sustain regardless of the transaction (e.g. administrative, treasury or communication costs) which, although specifically attributable to the transaction, fall within the normal financial management practices (e.g. operations for disbursement of a loan), or commissions for services received after completion of Structured Finance which would in any case have been collected irrespectively of the subsequent financing of the transaction and, finally, inter-Group costs and revenues.

With particular reference to loans, costs ascribable to the financial instrument are considered to be commissions payable to distribution channels, payments for consultancy/assistance to the organisation and/or participation in syndicated loans, costs incurred for loans acquired by subrogation and finally up-front commissions relating to loans issued at rates higher than market rates; while the income considered in the calculation of depreciated costs are up-front commissions for loans issued at rates lower than market rates, participation in syndicated operations and brokerage commissions linked to commissions paid by brokerage companies.

For securities which are not classified among the brokerage activities, considered as transaction costs are commissions for contracts with brokers operation on Italian stock markets, those disbursed to intermediaries operating on foreign stock and bond markets defined on the basis of commission tables. Revenue stamps are considered intangible and their cost is not subject to depreciation.

For securities issued, placement commissions for debenture loans paid to third parties, quotas paid to stock exchanges and recompense paid to auditors for activities carried out for each individual issue are considered in the calculation of depreciated cost ,while commissions paid to *rating*s agencies, legal, consultancy and audit expenses for the annual update of information prospectuses, costs for the use of indexes, and commissions generated during the life of the issued debenture loan are not considered in depreciated cost.

Following initial revaluation, these are valued at depreciated cost with identification of actual interests which are higher or lower compared to nominal. Finally, structured assets or liabilities not measured at *fair value* are measured at depreciated cost as well, and attributed to the Income statement where the derivative contract incorporated in the financial instrument is separated and entered separately.

The assessment criteria at depreciation cost are not applied for hedged financial assets/liabilities where the recording of the changes in *fair value* relating to hedged risk is foreseen in the Income statement. However, the financial instrument is newly valued at depreciated cost in the event of termination of hedging, from which moment the changes in fair value registered earlier are depreciated, calculating the new rate of actual yield interest which takes into account the value of the loan adjusted by the fair value of the hedged part, until the maturity date foreseen for the original hedge. Moreover, as already mentioned in the paragraph relating to assessment criteria for receivables and payables and securities issued, the valuation at depreciated cost is not applied to financial assets/liabilities where the economic effect of discounting is deemed negligible because of their short terms, and not applied to loans without defined maturity or valid until cancelled.

Methods of determining losses in value

FINANCIAL ASSETS

At the Financial Statement date, financial assets not classified under the item "Financial Assets held for trading" are subject to an *impairment* test (loss in value) in order to verify whether there is objective evidence that the book value of the assets is not entirely recoverable.

If in the presence of losses in value there is objective evidence of a reduction in future cash flows compared to those originally estimated following specific events, the loss must be quantified in a reliable way and be related to actual events, not merely expected events.

An *impairment* assessment is carried out on an analytical basis for financial assets where there is specific evidence of loss in value, and collectively for financial assets for which the analytical assessment is not requested or for which it has not resulted in an adjustment in value.

With reference to loans to customers and Banks, loans which have been attributed the status of bad debt, substandard loan or restructured loan according to the definitions of the Bank of Italy, and in line with IAS/IFRS principles, are subject to analytical assessment.

Said bad loans are subject to a process of analytical assessment and the amount of value correction for each loan is equal to the difference between the Financial Statement value of the same at the moment of assessment (depreciated cost) and the actual value of the estimated future cash flows, calculated by applying the original actual rate of interest.

Estimated cash flows take into account the expected time limits for recovery, the assumable realizable value of any guarantees as well as costs expected to be sustained for the recovery of the loan exposure. Cash flows relating to loans whose recovery is foreseen in the short term are not discounted, as the financial factor is not significant.

Loans where objective evidence of losses has not been individually identified are subject to collective loss of value of assessment.

To this end the performing loans are subdivided into categories according to their risk level, referred to as "rating classes", and the scope of application is defined by identifying "sensitive" loans, considered as loans that implicitly include the possibility of incurred loss. The sensitive loan selection process excludes loan issued during the past 12 months but includes renewals of existing credit lines. The collective impairment of sensitive loans is determined by applying the "probability of default" percentage assigned to the rating grade, taking also into account the residual maturity of the loan and the loss given default, using the prudential approach envisaged under Basel II . The loss percentage in case of default is then further adjusted by a sector ratio, determined on the basis of the run-off rates published by the Bank of Italy. The collective loss assessment is moreover supplemented by the assessment expressing the riskiness of the counterparty country of residence.

Moreover, for shares, objective evidence of *impairment* is carried out in the presence of one of the following signals: a reduction in *rating* of over 2 classes, a market capitalization significantly lower than the Shareholders' Equity accounts, the set-up of a debt restructuring plans, a significant negative change in the Shareholders' Equity accounts.

For assessment methods used for the calculation of *fair value*, refer to the relevant explanatory chapter.

OTHER NON-FINANCIAL ACTIVITIES

Tangible and intangible assets are subject to impairment tests if there is an indication that the accounting value of the asset cannot be recovered. The recoverable value is calculated for each single asset, except in case this asset generates cash flows that are not widely independent from those generated by other assets or groups of assets. If the book value of an asset is higher than its recoverable value, that asset is impaired and consequently devalued to the recoverable value. The recoverable value is calculated for each single asset, except in case this asset generates cash flows that are not widely independent from those generated by other assets or groups of assets. If the book value of an asset is higher than its recoverable value, that asset is impaired and consequently devalued to the recoverable value. The recoverable value is determined with reference to *fair value* of the tangible or intangible asset net of disposal costs or at utilisation vale if determinable and if it is higher than *fair value*.

As far as property is concerned, *fair value* is mainly determined on the basis of expert advice reported by an external auditor. Said expert advice is renewed periodically every time a change in the property market trend is noted which invalidates earlier estimates and, in any case, every three years. The loss in value is registered only in the event that the *fair value* net of sale costs or the utilization value is lower than the book value for a continuous period of three years.

For other tangible fixed assets and intangible fixed assets (other than goodwill), Cariparma establishes use value as the current value of the estimated future cash flows using a discounting rate before-taxes reflecting the market valuations (the current cost of money and the asset specific risks).

Method for preparing Segment Information

The Bank is required to present a segment report, as required by IFRS 8.

The sectors of economic activity included in segment reporting are based on the Bank's organisational and management structure. The Bank's business segments are:

- Retail + Private;
- Corporate;
- Other.

For Segment Reporting purposes Financial Statement figures have been used.

A3 FAIR VALUE REPORTING

A.3.1 Inter-portfolio transfers

In 2009 non inter-portfolio transfers were made.

A.3.2 Fair value hierarchy

A.3.2.1 ACCOUNTING PORTFOLIOS: BREAKDOWN BY FAIR VALUE LEVELS

Financial assets/liabilities carried at fair value	Level 1	Level 2	Level 3	Total
1. Financial assets held for trading	34,215	136,237	114,899	285,351
2. Financial assets carried at fair value	-	-	-	-
3. Financial assets available for sale	2,796,851	5,784	127,896	2,930,531
4. Hedging derivatives	-	283,230	-	283,230
Total	**2,831,066**	**425,251**	**242,795**	**3,499,112**
1. Financial liabilities held for trading	7	138,907	117,296	256,210
2. Financial liabilities carried at fair value	-	-	-	-
3. Hedging derivatives	-	5,891	-	5,891
Total	**7**	**144,798**	**117,296**	**262,101**

Preparing the fair value movement tables, we used the option granted by the Bank of Italy not to supply the comparative disclosure referring to the previous financial year (see IFRS 7, par. 44g).

Fair value Hierarchy

Financial Instruments Classification

ASSET SECURITIES

Level 1
All securities valued using prices (without adjustments) traded on active markets.

Level 2
All securities valued based on prices traded in non-active markets or in active markets for similar instruments (but not identical), as well as all those securities valued, with pricing standard models pertaining to the Bank, whose parameters can be observed directly on the market.

Level 3
All securities measured on non-observable market bases.
In this case the assessment is carried out based on estimates and assumptions by
by the assessor, derived from historical data or based on trend assumptions, or using the assessment communicated by qualified market operators.

LIABILITY SECURITIES

Level 1
All securities valued using prices (without adjustments) traded on active markets.

Level 2
All securities assessed, with the Bank's standard pricing models whose parameters are observable directly on the market.

Level 3
All securities measured on non-observable market bases.

QUOTED DERIVATIVES

Level 1
All derivatives valued using quotations (without adjustments) found on active markets.

OTC DERIVATIVES

Level 2
All derivatives measured, with the Bank's standard pricing models whose parameters are observable directly on the market.

Level 3
All derivatives for which an active market does not exist and whose assessment is not based on observable market data, or using the assessment communicated by qualified market operators.

A.3.2.2 ANNUAL CHANGES IN FINANCIAL ASSETS CARRIED AT FAIR VALUE LEVEL 3

	FINANCIAL ASSETS			
	held for trading	carried at fair value	available for sale	hedging
1. Opening balance	**-**	**-**	**-**	**-**
2. Increases	**114,899**	**-**	**127,840**	**-**
2.1 Purchases	27,483	-	51,553	-
2.2 Profits recognized in:	38	-	-	-
2.2.1 Income Statement	38	-	-	-
- of which: Capital gains	37	-	-	-
2.2.2 Shareholders' equity	X	X	56	-
2.3 Transfers from other categories	87,378	-	76,287	-
2.4 other increases	-	-	-	-
3. Decreases	**-**	**-**	**-**	**-**
3.1 Sales	-	-	-	-
3.2 Redemptions	-	-	-	-
3.3 Losses recognized in:	-	-	-	-
3.3.1 Income Statement	-	-	-	-
- of which Capital losses	-	-	-	-
3.3.2 Shareholders' equity	X	X	-	-
3.4 Transfers to other categories	-	-	-	-
3.5 other decreases	-	-	-	-
4. closing balance	**114,899**	**-**	**127,840**	**-**

A.3.2.3 ANNUAL CHANGES IN FINANCIAL LIABILITIES CARRIED AT FAIR VALUE LEVEL 3

	FINANCIAL LIABILITIES		
	held for trading	carried at fair value	hedging
1. Opening balance	**-**	**-**	**-**
2. Increases	**117,296**	**-**	**-**
2.1 Issues	24,646	-	-
2.2 Losses recognized in:	-	-	-
2.2.1 Income Statement	-	-	-
- of which Capital losses	-	-	-
2.2.2 Shareholders' equity	X	X	-
2.3 Transfers from other categories	92,650	-	-
2.4 other increases	-	-	-
3. Decreases	**-**	**-**	**-**
3.1 Redemptions	-	-	-
3.2 Repurchases	-	-	-
3.3 Profits recognized in:	-	-	-
3.3.1 Income Statement	-	-	-
- of which capital gains	-	-	-
3.3.2 Shareholders' equity	X	X	-
3.4 Transfers to other categories	-	-	-
3.5 other decreases	-	-	-
4. closing balance	**117,296**	**-**	**-**

A.3.3 DISCLOSURE ON “DAY ONE PROFIT/LOSS”

Item not relevant for Cariparma.

PART B – Notes to the Balance Sheet
ASSETS

Section 1 – Cash and equivalents - Item 10
1.1 Cash and valuables on hand: composition

	31/12/2009	31/12/2008
a) Cash	163,348	166,013
b) Demand deposits with Central Banks	-	-
Total	**163,348**	**166,013**

Section 2 – Financial assets held for trading – item 20
2.1 Financial assets held for trading: composition by type

Items/Amounts	31/12/2009			31/12/2008		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A On-Balance-Sheet Assets						
1. Debt securities	485	64	41	153,576	42,162	-
1.1 Structured Securities	16	3		-	-	-
1.2 Other debt securities	469	61	41	153,576	42,162	-
2. Equity securities	-	-	18	14	18	-
3. Units in collective investment undertakings	33,649	-	351	-	54,637	-
4. Loans	-	-	-	-	-	-
4.1 repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
TOTAL A	**34,134**	**64**	**410**	**153,590**	**96,817**	**-**
B Derivatives						
1. Financial Derivatives	81	136,173	114,489	28	235,293	-
1.1 trading	81	136,173	114,489	28	235,293	-
1.2 associated with fair value option	-	-	-	-	-	-
1.3 Other	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 trading	-	-	-	-	-	-
2.2 associated with fair value option	-	-	-	-	-	-
2.3 Other	-	-	-	-	-	-
Total B	**81**	**136,173**	**114,489**	**28**	**235,293**	**-**
Total (A+B)	**34,215**	**136,237**	**114,899**	**153,618**	**332,110**	**-**

In drawing up the tables with breakdown by fair value level, the option granted by the Bank of Italy for comparative disclosure was applied, whereby “level 1” is associated with the previous "listed" breakdown and "levels 2 and 3" with the previous "Unlisted" breakdown.

2.2 Financial assets held for trading: composition by debtor/issuer

Items/Amounts	31/12/2009	31/12/2008
A. On-balance-sheet assets		
1. Debt securities	**590**	**195,738**
a) Governments and central banks	15	101,791
b) Other public entities	-	-
c) Banks	543	93,931
d) Other issuers:	32	16
2. Equity securities	**18**	**32**
a) Banks	18	18
b) Other issuers:	-	14
- Insurance undertakings	-	-
- Financial companies	-	-
- Non-financial companies	-	14
- Other	-	-
3. Units in collective investment undertakings	**34,000**	**54,637**
4. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other issuers	-	-
TOTAL A	**34,608**	**250,407**
B. Derivatives		
a) Banks		
- Fair value	60,398	64,733
b) Customers		
- Fair value	190,345	170,588
Total B	**250,743**	**235,321**
Total (A+B)	**285,351**	**485,728**

Item OICR (Collective Investment Undertaking) mainly consists of share funds.

2.3 On-balance-sheet financial assets held for trading: changes for the period

	Debt securities	Equity securities	Units in collective investment undertakings	Loans	Total
A. Opening balance	**195,738**	**32**	**54,637**	**-**	**250,407**
B. Increases	**2,754,593**	**548**	**4,595**	**-**	**2,759,736**
B1. Purchases	2,749,692	548	876	-	**2,751,116**
B2. Fair value gains	39	-	2,512	-	**2,551**
B3. Other changes	4,862	-	1,207	-	**6,069**
C. Decreases	**2,949,741**	**562**	**25,232**	**-**	**2,975,535**
C1 Sales	2,945,331	561	24,931	-	**2,970,823**
C2. Redemptions	-	-	-	-	**-**
C3. fair value losses	5	-	-	-	**5**
C4 Transfers to other portfolios	-	-	-	-	**-**
C5. Other changes	4,405	1	301	-	**4,707**
D. Closing balance	**590**	**18**	**34,000**	**-**	**34,608**

Section 4 – Financial assets available for sale – Item 40

4.1 Financial assets available for sale: composition by type

Items/Amounts	31/12/2009			31/12/2008		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	2,796,405	5,784	48,237	937,800	6,140	-
1.1 Structured Securities	-	-	-	-	-	-
1.2 Other debt securities	2,796,405	5,784	48,237	937,800	6,140	-
2. Equity securities	446	-	79,659	127	80,240	-
2.1 Carried at Fair Value	446	-	15,639	127	16,220	-
2.2 Carried at cost	-	-	64,020	-	64,020	-
3. Units in collective investment undertakings	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
Total	**2,796,851**	**5,784**	**127,896**	**937,927**	**86,380**	**-**

In drawing up the tables with breakdown by *fair value* level, the option granted by the Bank of Italy for comparative disclosure was applied, whereby “level 1” is associated with the previous "listed" breakdown and "levels 2 and 3" with the previous "Unlisted" breakdown.

4.2 Financial assets available for sale: composition by debtor/issuer

Items/Amounts	31/12/2009	31/12/2008
1. Debt securities	**2,850,426**	**943,940**
a) Governments and central banks	2,796,405	937,800
b) Other public entities	-	-
c) Banks	5,784	6,140
d) Other issuers:	48,237	-
2. Equity securities	**80,105**	**80,367**
a) Banks	63,448	63,448
b) Other issuers	16,657	16,919
- Insurance undertakings	-	-
- Financial companies	1,291	249
- Non-financial companies	15,366	16,670
- other	-	-
3. Units in collective investment undertakings	**-**	**-**
4. Loans	-	-
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other issuers	-	-
Total	**2,930,531**	**1,024,307**

4.3 Financial assets available for sale hedged specifically

At the end of 2009 768 million in government bonds with specific interest rate risk hedging.

4.4 Financial assets available for sale: changes for the period

	Debt securities	Equity securities	Units in collective investment undertakings	Loans	Total
A. Opening balance	**943,940**	**80,367**	**-**	**-**	**1,024,307**
B. Increases	**1,938,996**	**3,754**	**-**	**-**	**1,942,750**
B1. Purchases	1,860,530	3,616	-	-	1,864,146
B2. Fair value gains	39,169	137	-	-	39,306
B3. Writebacks	-	-	-	-	-
- recognized through income statement	-	X	-	-	-
- recognized through equity	-	-	-	-	-
B4. Transfers from other portfolios	-	-	-	-	-
B5. Other changes	39,297	1	-	-	39,298
C. Decreases	**32,510**	**4,016**	**-**	**-**	**36,526**
C1 Sales	-	3,951	-	-	3,951
C2. Redemptions	377	-	-	-	377
C3. Fair Value losses	4,527	62	-	-	4,589
C4. Writedowns for impairment	**-**	**3**	**-**	**-**	3
- recognized through income statement	-	*3*	-	-	3
- recognized through equity	-	-	-	-	-
C5 Transfers to other portfolios	-	-	-	-	-
C6. Other changes	27,606	-	-	-	27,606
D. Closing balance	**2,850,426**	**80,105**	**-**	**-**	**2,930,531**

Section 6 - Loans to banks - Item 60

6.1 Loans to banks: composition by type

Type of transaction/values	31/12/2009	31/12/2008
A. Claims on central banks	**545,168**	**238,271**
1. Fixed-term deposits	-	-
2. Reserve requirement	545,168	238,271
3. Repurchase agreements	-	-
4. Other	-	-
B. Loans to banks	**4,022,062**	**4,240,498**
1. Current accounts and demand deposits	84,148	378,509
2. Fixed-term deposits	1,254,510	951,144
3. Other financing:	14,539	23,501
3.1 repurchase agreements	5,376	15,664
3.2 Finance lease	-	-
3.3 Other	9,163	7,837
4. Debt securities	2,668,865	2,887,344
4.1 Structured Securities	-	-
4.2 Other debt securities	2,668,865	2,887,344
Total (book value)	**4,567,230**	**4,478,769**
Total (fair value)	**4,567,944**	**4,479,157**

At the end of 2009 no impaired loans to banks were recorded.

6.2 Loans to banks subject to specific hedge

At the end of 2009 there were no loans to banks subject to specific hedge.

6.3 Finance lease

At the end of 2009 there are no loans to banks resulting from finance lease transactions.

Section 7 - Loans to customers - Item 70

7.1 Loans to customers: composition by type

Type of transactions/Amounts	31/12/2009		31/12/2008	
	Performing	Impaired	Performing	Impaired
1. Current accounts	3,582,409	74,973	3,757,467	85,568
2. Repurchase agreements	-	-	-	-
3. Mortgage loans	13,735,617	449,838	11,577,620	186,249
4. Credit cards, personal loans and loans repaid by automatic deductions from wages	688,111	17,885	715,913	1,538
5. Finance leases	-	-	-	-
6. Factoring	-	-	-	-
7. Other transactions	3,561,122	22,934	3,457,175	39,194
8. Debt securities	-	-	101,420	-
8.1 Structured Securities	-	-	-	-
8.2 Other debt securities	-	-	101,420	-
Total (book value)	**21,567,259**	**565,630**	**19,609,595**	**312,549**
Total (fair value)	**21,810,555**	**565,630**	**19,954,088**	**312,549**

7.2 Loans to customers: composition by debtor/issuer

Type of transactions/Amounts	31/12/2009		31/12/2008	
	Performing	Impaired	Performing	Impaired
1. Debt securities:	**-**	**-**	**101,420**	**-**
a) Governments	-	-	-	-
b) Other public entities	-	-	-	-
c) Other issuers	-	-	101,420	-
- Non-financial companies	-	-	518	-
- financial companies	-	-	-	-
- insurance undertakings	-	-	100,902	-
- other	-	-	-	-
2. Loans to:	**21,567,259**	**565,630**	**19,508,175**	**312,549**
a) Governments	4,278	1	13,130	-
b) Other public entities	116,016	1	120,862	2
c) Other	21,446,965	565,628	19,374,183	312,547
- Non-financial companies	12,001,232	290,391	11,953,730	161,329
- financial companies	1,716,651	958	625,097	2,476
- insurance undertakings	2,481	1	3,599	-
- other	7,726,601	274,278	6,791,757	148,742
Total	**21,567,259**	**565,630**	**19,609,595**	**312,549**

7.3 Loans to customers: assets hedged specifically

At the end of 2009 there are no loans to banks subject to specific hedging.

7.4 Finance lease

At the end of 2009 there are no loans to customers resulting from finance lease transactions.

Section 8 – Hedging derivatives - Item 80

8.1 Hedging Derivatives: composition by type of hedge and levels

	FV 31/12/2009			NV	FV 31/12/2008			NV
	L1	L2	L3	31/12/2009	L1	L2	L3	31/12/2008
A) Financial Derivatives	**-**	**283,230**	**-**	**4,643,075**	**-**	**182,757**	**-**	**4,729,733**
1) Fair value	-	283,230	-	4,643,075	-	182,757	-	4,729,733
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign operatior	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**283,230**	**-**	**4,643,075**	**-**	**182,757**	**-**	**4,729,733**

Key:
NV = notional value
L1 = Level 1
L2 = Level 2
L3 = Level 3

8.2 Hedging Derivatives: composition by hedged portfolios and by type of hedging

Transactions/Type of hedge	Fair value						Cash flows		Investments in foreign operations
	Specific					Generic	Specific	Generic	
	interest rate risk	exchange rate risk	Credit Risk	price risk	multiple risks				
1. Financial assets available for sale	-	-	-	-	-	X	-	X	X
2. Loans	-	-	-	X	-	X	-	X	X
3. Financial assets held to maturity	X	-	-	X	-	X	-	X	X
4. Portfolio	X	X	X	X	X	-	X	-	X
5. Investment in foreign operations	-	-	-	-	-	X	-	X	-
Total assets	-	-	-	-	-	-	-	-	-
1. Financial liabilities	194,166	-	-	X	-	X	-	X	X
2. Portfolio	X	X	X	X	X	89,064	X	-	X
Total liabilities	194,166	-	-	-	-	89,064	-	-	
1. Forecast transactions	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	-	X	-	-

Section 10 - Equity investments - Item 100

10.1 Equity investments in subsidiaries, joint ventures and companies subject to significant influence: information on investments

Name	Registered office	% holding:	% of vote
A. Wholly-owned subsidiaries			
1. Banca Popolare FriulAdria S.p.A.	Pordenone	79.11	
2. Crédit Agricole Leasing Italia - CALIT S.r.l.	Milan	85.00	
B. Joint ventures			
not present			
A. Companies subject to significant influence			
1. Crédit Agricole Vita S.p.A.	Parma	49.99	
2. CA Agro-Alimentare S.p.A.	Parma	21.05	

10.2 Equity investments in subsidiaries, joint ventures and companies subject to significant influence: accounting data

	Total Assets	Total Revenue	Profit (loss)	Equity	Book value	Fair value
A. Wholly - owned subsidiares	**9,381,581**	**523,735**	**56,604**	**725,645**	**1,021,646**	
1. Banca Popolare FriulAdria S.p.A.	7,934,551	511,099	60,240	659,768	943,296	X
2. Crédit Agricole Leasing Italia - CALIT S.r.l.	1,447,030	12,636	-3,636	65,877	78,350	X
B. Joint ventures						
not present						X
A. Companies subject to significant influence	**4,416,658**	**1,732,639**	**-101,330**	**221,858**	**118,894**	**-**
1. Crédit Agricole Vita S.p.A.	4,321,615	1,732,405	-101,331	126,857	113,894	
2.CA Agro-Alimentare S.p.A.	95,043	234	1	95,001	5,000	
Total	**13,798,239**	**2,256,374**	**-44,726**	**947,503**	**1,140,540**	**-**

The results shown are carried from the last approved financial statement of each company.

10.3 Equity investments: changes for the period

	31/12/2009	31/12/2008
A. Opening balance	**1,057,545**	**1,002,568**
B. Increases	**82,996**	**54,991**
B.1 Purchases	82,996	54,991
B.2 Writebacks	-	-
B.3 Revaluations	-	-
B.4. Other changes	-	-
C. Decreases	**-**	**-14**
C.1 Sales	-	-14
C.2 Writedowns	-	-
C.3. Other changes	-	-
D. Closing balance	**1,140,541**	**1,057,545**
E. Total Revaluation	**-**	**-**
F. Total writedowns	**-**	**-**

10.6 Commitments in respect of companies subject to significant influence

In 2008 the Bank undertook to subscribe its share of the company CA Agroalimentare for which €15 million remain to be paid up.

Section 11 – Property, plant and equipment - item 110

11.1 Property, plant and equipment: composition of assets carried at cost

Assets/Amounts	31/12/2009	31/12/2008
A. Operating assets		
1.1 owned	**243,877**	**245,746**
a) land	69,274	69,274
b) buildings	124,275	123,716
c) movables	14,491	16,588
d) electrical plant	5,108	4,885
e) other	30,729	31,283
1.2 acquired under finance leases	**-**	**-**
a) land	-	-
b) buildings	-	-
c) movables	-	-
d) electrical plant	-	-
e) other	-	-
TOTAL A	**243,877**	**245,746**
B. Investment property		
2.1 owned	**8,475**	**8,659**
a) land	2,988	2,988
b) buildings	5,487	5,672
2.2 acquired under finance leases	-	-
a) land	-	-
b) buildings	-	-
Total B	**8,475**	**8,659**
Total (A+B)	**252,352**	**254,405**

11.3 Operating property, plant and equipment: changes for the period

	Land	Buildings	Furnishings	Electronic equipment	Other	Total
A. Opening gross balance	**69,274**	**236,625**	**58,157**	**32,477**	**113,819**	**510,352**
A.1 Total net writedowns		112,909	41,569	27,593	82,536	**264,607**
A.2 Opening net balance	**69,274**	**123,716**	**16,588**	**4,885**	**31,283**	**245,746**
B. Increases	**-**	**5,014**	**1,043**	**2,689**	**9,582**	**18,328**
B.1 Purchases	-	-	1,043	2,689	9,582	**13,314**
B.2 Capitalized improvement costs	-	5,006	-	-	-	**5,006**
B.3 Writebacks	-	-	-	-	-	**-**
B.4. Fair Value gains recognized in	-	-	-	-	-	**-**
a) equity	-	-	-	-	-	**-**
b) income statement	-	-	-	-	-	**-**
B.5 Positive exchange rate differences	-	-	-	-	-	**-**
B.6 Transfers from investment property	-	8	-	-	-	**8**
B.7. Other changes	-	-	-	-	-	**-**
C. Decreases:	**-**	**4,455**	**3,140**	**2,466**	**10,136**	**20,197**
C.1 Sales	-	71	-	-	1	**72**
C.2 Depreciation	-	4,381	3,134	2,453	10,098	**20,066**
C.3 Writedowns for impairment recognized in	-	-	-	-	-	**-**
a) equity	-	-	-	-	-	**-**
b) income statement	-	-	-	-	-	**-**
C.4 Fair Value losses recognized in	-	-	-	-	-	**-**
a) equity	-	-	-	-	-	**-**
b) income statement	-	-	-	-	-	**-**
C.5 Negative exchange rate differences	-	-	-	-	-	**-**
C.6 Transfers to:	-	-	-	-	-	**-**
a) investment property	-	-	-	-	-	**-**
b) discontinuing operations	-	-	-	-	-	**-**
C.7. Other changes	-	3	6	13	37	**59**
D. Closing net balance	**69,274**	**124,275**	**14,491**	**5,108**	**30,729**	**243,877**
D.1 Total net writedowns	-	117,225	44,676	30,043	92,433	284,377
D.2 Closing gross balance	**69,274**	**241,500**	**59,167**	**35,151**	**123,162**	**528,254**
E. Carried at cost	-	-	-	-	-	-

11.4 Investment property: changes for the period

	31/12/2009	
	Land	Buildings
A. Opening balance	**2,988**	**5,672**
B. Increases	**-**	**19**
B.1 Purchases	-	-
B.2 Capitalized improvement costs	-	19
B.3 Fair Value gains	-	-
B.4 Writebacks	-	-
B.5 Positive exchange rate differences	-	-
B.6 Transfers from investment property	-	-
B.7. Other changes	-	-
C. Decreases	**-**	**204**
C.1 Sales	-	-
C.2 Depreciation	-	196
C.3 Fair Value losses	-	-
C.4 Writedowns for impairment	-	-
C.5 Negative exchange rate differences	-	-
C.6 Transfers to other assets portfolios	-	8
a) investment property	-	8
b) discontinuing operations	-	-
C.7. Other changes	-	-
D. Closing balance	**2,988**	**5,487**
E. Measurement at fair value	5,582	11,344

Section 12 – Intangibile assets–Item 120

12.1 Intangible Assets: composition by type of asset

Assets/Amounts	31/12/2009		31/12/2008	
	Finite life	Indefinite life	Finite life	Indefinite life
A.1 Goodwill	X	**662,982**	X	**662,982**
A.2 Other intangible assets	**205,379**	**-**	**186,940**	**-**
A.2.1 Assets carried at cost:	205,379	-	186,940	-
a) Intangible assets developed in-house	-	-	-	-
b) Other assets	205,379	-	186,940	-
A.2.2 Assets carried at fair value:	-	-	-	-
a) Intangible assets developed in-house	-	-	-	-
b) Other assets	-	-	-	-
Total	**205,379**	**662,982**	**186,940**	**662,982**

The cost of intangible fixed assets with finite life is amortized on a straight-line basis over their useful life, which for application software does not exceed five years (final net balance 103.6 million). Concerning the intangible element of customer relationships, a finite useful life was set at 15 years, based on available time series for retail customer turnover, over a 15-year period (final net balance 133.9 million).

12.2 Intangible Assets: changes for the period

	Goodwill	Other intangible assets: internally generated		Other intangible assets: other		Total
		FIN	INDEF	FIN	INDEF	
A. Opening balance	**662,982**	**-**	**-**	**266,298**	**-**	**929,280**
A.1 Total net writedowns	-	-	-	79,358	-	**79,358**
A.2 Opening net balance	**662,982**	**-**	**-**	**186,940**	**-**	**849,922**
B. Increases	**-**	**-**	**-**	**51,834**	**-**	**51,834**
B.1 Purchases	-	-	-	51,834	-	**51,834**
B.2 Increases in internal intangible assets	X	-	-	-	-	**-**
B.3 Writebacks	X	-	-	-	-	**-**
B.4. Fair Value gains:		-	-	-	-	**-**
- equity	X	-	-	-	-	**-**
- income statement	X	-	-	-	-	**-**
B.5 Positive exchange rate differences	-	-	-	-	-	**-**
B.6. Other changes	-	-	-	-	-	**-**
C. Decreases	**-**	**-**	**-**	**33,395**	**-**	**33,395**
C.1 Sales	-	-	-	-	-	**-**
C.2 Writedowns	-	-	-	33,200	-	**33,200**
- Depreciation and amortization	X	-	-	33,200	-	**33,200**
- Writedowns:	-	-	-	-	-	**-**
+ equity	X	-	-	-	-	**-**
+ income statement	-	-	-	-	-	**-**
C.3 Fair Value losses recognized in:		-	-	-	-	**-**
- equity	X	-	-	-	-	**-**
- income statement	X	-	-	-	-	**-**
C.4 Transfers to discontinuing operations	-	-	-	-	-	**-**
C.5 Negative exchange rate differences	-	-	-	-	-	**-**
C.6. Other decrease	-	-	-	195	-	**195**
D. Closing net balance	**662,982**	**-**	**-**	**205,379**	**-**	**868,361**
D.1 Total net writedowns	-	-	-	112,483	-	112,483
E. Closing gross balance	**662,982**	**-**	**-**	**317,862**	**-**	**980,844**
F. Carried at cost	-	-	-	-	-	-

Key
DEF= finit life
INDEF= indefinite life

12.3 Other Information

Impairment test on intangible assets with finite life

As part of the transactions for the purchasing of 180 branches by Cariparma, a Price Purchase Allocation process was used to identify a set of finite life assets, corresponding to the different sources of recurring profitability linked to commercial relations with customers. Their duration was defined on the basis of the historical data available on replacement rates of retails customers, over a 15 year period.

At the end of 2009 it was verified that the value of each of the elements making up the intangible assets, calculated as current value of future cash flows, was still higher than the book value. Specifically:

- for the components relating to loans to customers, the calculation of the current value took into account the trend in early loan redemption, the cost of credit and the level of taxing actually registered in the last two years;

- for the component relating to demand deposits a progressive increase in volumes (and therefore of their stable components) was observed from the time of purchase;
- for the component relating to net commissions the current value of the commissions was recalculated taking into account the expected level of commissions from "banking services"; the result of the analysis was positive.

Therefore the total value for intangible assets is higher than the value recognized on 31/12/2009 which amounted to €133,936 thousand for the 180 branches.

Impairment test on goodwill

As required by IAS/IFRS, Cariparma tested for impairment the goodwill emerged as part of the transaction for the acquisition of the 180 branches.

First the Cash Generating Unit (CGU) was specified: this is the minimum unit generating cash flows, to which goodwill (equal to € 662,982 thousand) is attributed. Based on the customer segments used for the disclosure to the management, the CGU was identified with the Retail+Private channel of Cariparma (which includes 180 branches).

The use value of each CGU has been determined according to the method adopted by Crédit Agricole Group S.A., i.e. using the Discounted Cash Flows method and compared with its absorbed assets. Information on the method for calculating future cash flows and discounting rate is provided in the Consolidated Financial statement of the Cariparma FriulAdria Group.

The test showed that the CGU value is higher than the corresponding goodwill value.

This result also held when the parameters were varied within a reasonable range of fluctuation. More specifically, the sensitivity analysis was calculated varying the parameters as follows:

- risk-free rate: ranging between 3.22% and 4.20%;
- beta: ranging between 0.87 and 1.20;
- risk premium: ranging between 4.20% and 4.30%.

The sensitivity analysis produced a positive outcome.

Lastly we determined the discounting rate or long-term growth rate "g" at which the use value becomes equal to the accounting value. This analysis showed how the accounting value is equal to the use value only with a marked increase in the discounting rate (20.7%) whereas even with a long-term growth rate equal to zero the use value would remain higher than the accounting value.

There are no impediments to the distribution of profits relating to intangible assets as no revaluations have been carried out.

There are no intangible assets acquired for state concessions.

There are no intangible assets set up in guarantee of own debts. There are no significant commitments made during the financial year or previous years for the acquisition of intangible assets.

There are no intangible assets subject to lease operations.

Section 13 - Tax assets and tax liabilities – Item 130 of assets and item 80 of liabilities

13.1 Deferred tax assets: composiion

	(*)	Reversal year				Undetermined	Total assets	IRES	IRAP	TOTAL TAXES
		2010	2011	2012	Beyond					
Deductible temporary differences										
Loan writedowns (sevenths) -		-	-	-	-	-	**-**	-	-	**-**
Loan writedowns (eighteenths)	27.50	6,731	6,731	6,731	87,942	-	**108,135**	29,737	-	**29,737**
Writedowns on valuation of securities	32.32	-	-	-	-	-	**-**	-	-	**-**
Provisions for liabilities and contingencies:										
- legal disputes and revocatory actions	27.50	26,717	2,534	2,032	4,622	-	**35,905**	9,874	-	**9,874**
- guarantees	27.50	4,019	-	-	-	-	**4,019**	1,105	-	**1,105**
- Staff costs	27.50	9,779	6,866	2,825	-	9,404	**28,874**	7,940	-	**7,940**
- I.D.P.F. actions		-	-	-	-	-	**-**	-	-	**-**
- interest and commission adjustment		-	-	-	-	-	**-**	-	-	**-**
- other	27.50	17,409	-	-	-	-	**17,409**	4,787	-	**4,787**
Maintenance expenses exceeding 5% ceiling	-	-	-	-	-	-	**-**	-	-	**-**
Recognition for tax purposes of goodwill from transfer	32.32	73,478	73,478	73,478	440,865	-	**661,299**	181,857	31,875	**213,732**
Other costs or provisions not yet deducted	from 27.50 to 32.32	1,248	1,168	31	2,760	28,878	**34,085**	9,374	892	**10,266**
Tax losses carried forward		-	-	-	-	-	-	-	-	-
Total		**139,381**	**90,777**	**85,097**	**536,189**	**38,282**	**889,726**	**244,674**	**32,767**	**277,441**

13.2 Deferred tax liabilities: composition

	(*)	Reversal year				Undetermined	Total liabilities	IRES	IRAP	TOTAL TAXES
		2010	2011	2012	Beyond					
Taxable temporary differences										
Realized capital gains	32.32	301	121	68	7	-	**497**	137	9	**146**
Assets not recognized for tax purposes	32.32	-	-	-	-	165,095	**165,095**	28,184	7,679	**35,863**
Depreciation recognized for tax purposes	32.32	-	-	-	52	-	**52**	14	3	**17**
Other revenues not yet taxed	32.32	-	-	-	-	-	**-**	-	-	**-**
Total		**301**	**121**	**68**	**59**	**165,095**	**165,644**	**28,335**	**7,691**	**36,026**

(*) indicates the percentage applied in the calculation of deferred and pre-paid tax.

13.3 Changes in deferred tax assets (recognized in income statement)

	31/12/2009	31/12/2008
1. Opening balance	**256,095**	**71,867**
2. Increases	**79,064**	**209,590**
2.1 Deferred tax assets recognized during the period	76,244	203,593
a) in respect of previous years	-	-
b) due to change in accounting policies	-	-
c) writebacks	-	-
d) other (*)	76,244	203,593
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	2,820	5,997
3. Decreases	**57,882**	**25,362**
3.1 Deferred tax assets derecognized during the period	44,023	21,610
a) reversals	44,023	21,610
b) writedowns for supervening non-recoverability	-	-
c) change in accounting policies	-	-
d) other	-	-
3.2 Reduction in tax rates	-	48
3.3 Other reductions	13,859	3,704
4. Closing balance	**277,277**	**256,095**

(*) The amount includes prepaid tax amounting to €55,824,000 relating to the future deductibility of goodwill as a result of the discharge of tax liability on 25% of this amount pursuant to Legislative Decree 185/2008.

Other increases and decreases as outlined in points 2.3 and 3.3 represent increases and decreases determined by the correct recording of prepaid taxes following income tax return filing. The relative balancing item is not represented by income statement items but rather by current tax liabilities.

13.4 Changes in deferred taxes (recognized in income statement)

	31/12/2009	31/12/2008
1. Opening balance	**42,654**	**94,551**
2. Increases	**1,540**	**5,411**
2.1 Deferred tax liabilities recognized during the year	914	16
a) in respect of previous years	-	-
b) due to change in accounting policies	-	-
c) other	914	16
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	626	5,395
3. Decreases	**21,010**	**57,308**
3.1 Deferred taxes derecognised in the financial year	949	1,529
a) reversals	949	1,529
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	145
3.3 Other reductions (*)	20,061	55,634
4. Closing balance	**23,184**	**42,654**

(*) the amount incorporates the discharge of tax liabilities in respect of intangible assets with a finite life acquired as part of the business combination performed in 2008 for a total of 4.9 million Euro.

Other increases and decreases as outlined in points 2.3 and 3.3 represent increases and decreases determined by the correct recognition of prepaid taxes following income tax return filing. The related balancing item is not represented by Income Statement items but rather by current tax liabilities with the exception of the increase relating to an equity investment having as offset the Income Statement item "Deferred tax liabilities".

13.5 Changes in deferred tax assets (recognized in shareholders' equity)

	31/12/2009	31/12/2008
1. Opening balance	**246**	**329**
2. Increases	**-**	**-**
2.1 Deferred tax assets recognized during the period	-	-
a) in respect of previous years	-	-
b) due to change in accounting policies	-	-
c) other	-	-
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**82**	**83**
3.1 Deferred tax assets derecognized during the period	82	82
a) reversals	82	82
b) w ritedow ns for supervening non-recoverability	-	-
b) due to change in accounting criteria	-	-
d) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other reductions	-	1
4. Closing balance	**164**	**246**

13.6 Changes in deferred taxes (recognized in shareholders' equity)

	31/12/2009	31/12/2008
1. Opening balance	**2,305**	**308**
2. Increases	**10,674**	**2,001**
2.1 Deferred tax liabilities recognized during the year	10,674	1,806
a) in respect of previous years	-	-
b) due to change in accounting policies	-	-
c) other	10,674	1,806
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	195
3. Decreases	**137**	**4**
3.1 Deferred taxes derecognised in the financial year	137	-
a) reversals	137	-
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	4
3.3 Other reductions	-	-
4. Closing balance	**12,842**	**2,305**

Section 15 - Other assets - Item 150

15.1 Other assets: composition

Items	31/12/2009	31/12/2008
Sundry debits in process	50,078	59,903
Sundry receivables for foreign exchange transactions	6	6
Stamp duty and other assets	5	5
Items being processed	86,947	114,155
Uncapitalized accrued income	6,165	5,125
Prepaid expenses not allocated to other items	15,477	4,808
Protested bills and checks	4,513	5,615
Leasehold improvements	18,378	22,265
Tax advances paid on behalf of third parties	43,887	32,057
Sundry items	181,655	220,528
Total	**407,111**	**464,467**

LIABILITIES

Section 1 - Due to banks - Item 10

1.1 Due to banks: composition by type

Type of transactions/Amounts	31/12/2009	31/12/2008
1. Due to central banks	**324,213**	**-**
2. Due to banks	**3,654,727**	**1,522,715**
2.1 Current accounts and demand deposits	8,291	7,990
2.2 Fixed-term deposits	912,802	301,064
2.3 Loans	2,732,344	1,211,284
2.3.1 Repurchase agreements	2,459,656	934,914
2.3.2 Other	272,688	276,370
2.4 Liabilities in respect of commitments to repurchase ow n equity instruments	-	-
2.5 Other payables	1,290	2,377
Total	**3,978,940**	**1,522,715**
Fair value	**3,978,940**	**1,522,715**

1.2 Breakdown of item 10 "Due to Banks": subordinated liabilities

Characteristics	ISSUE DATE	Maturity	Repayment schedule	Interest rate	Currency	Original value	Book value
Subordinated deposit	17/12/2008	17/12/2018	5 equal installments as from December	3-month Euribor + 334 bp	Euro	250,000	250,394

2.1 Due to customers: composition by type

2.1 Due to customers: composition by type

Type of transactions/Values	31/12/2009	31/12/2008
1. Current accounts and demand deposits	13,815,275	12,184,535
2. Fixed-term deposits	22,810	29,033
3. Loans	144,790	166,088
3.1 Repurchase agreements	144,790	166,088
3.2 Other	-	-
4. Liabilities in respect of commitments to repurchase ow n equity	-	-
5. Other payables	35,441	8,572
Total	**14,018,316**	**12,388,228**
Fair value	**14,018,316**	**12,388,228**

Section 3 - Securities issued - Item 30

3.1 Securities issued: composition by type 3.

Type of securities/values	31/12/2009				31/12/2008			
	Book value	*Fair value*			Book value	*Fair value*		
		Level1	Level2	Level3		Level1	Level2	Level3
A. Securities								
1. Bonds	9,293,676	-	9,333,109	-	8,864,145	-	8,868,715	-
1.1 structured	2,219	-	2,219	-	2,358	-	2,358	-
1.2 Other	9,291,457	-	9,330,890	-	8,861,787	-	8,866,357	-
2. other securities	1,077,751	-	-	1,077,751	839,114	-	839,114	-
2.1 Structured	-	-	-	-	-	-	-	-
2.2 Other	1,077,751	-	-	1,077,751	839,114	-	839,114	-
Total	**10,371,427**	**-**	**9,333,109**	**1,077,751**	**9,703,259**	**-**	**9,707,829**	**-**

In drawing up the tables with breakdown by fair value level, the option granted by the Bank of Italy for comparative disclosure was applied, whereby “level 1” is associated with the previous "listed" breakdown and "levels 2 and 3" with the previous "Unlisted" breakdown.

3.2 Breakdown of item 30 “Securities issued”: subordinated securities

Characteristics	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original value	Book value
Subordinated loan	30/06/2009	30/06/2016	50% by 30/06/2015 50% by	up to 30 June 2010 5%; after that 50% 6-month Euribor + 1%	Euro	77,250	77,528
Subordinated loan	30/06/2009	30/06/2016	50% by 30/06/2015 50% by	5% fixed	Euro	222,750	228,443

3.3 Securities issued: securities hedged specifically

Type of transactions/Amounts	31/12/2009	31/12/2008
1. Securities covered by specific fair value hedges:	**3,753,714**	**3,612,970**
a) interest rate risk	3,753,714	3,612,970
b) exchange rate risk	-	-
c) multiple risks	-	-
2.Liabilities covered by specific cash flow hedges:	**-**	**-**
a) interest rate risk	-	-
b) exchange rate risk	-	-
c) other	-	-
Total	**3,753,714**	**3,612,970**

Section 4 - Financial liabilities held for trading - Item 40

4.1 Financial liabilities held for trading: composition by type

Type of transactions/Amounts	31/12/2009					31/12/2008				
	NV	FV			FV *	NV	FV			FV *
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
A. On-balance-sheet liabilities										
1. Due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	-	49	-	49	-	-
3.1 Bonds	-	-	-	-	-	-	-	-	-	-
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other	-	-	-	-	-	49	-	49	-	-
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	49	-	49	-	X
TOTAL A	**-**	**-**	**-**	**-**	**-**	**49**	**-**	**49**	**-**	**-**
B. Derivatives										
1. Financial Derivatives	X	7	138,907	117,296			20	239,591	-	
1.1 trading	X	7	138,542	117,296	X	X	20	239,390	-	X
1.2 associated with fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	365	-	X	X	-	201	-	X
2. Credit derivatives	X	-	-	-			-	-	-	
2.1 trading	X	-	-	-	X	X	-	-	-	X
2.2 associated with fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total B	**X**	**7**	**138,907**	**117,296**	**X**	**X**	**20**	**239,591**	**-**	**-**
Total (A+B)	**X**	**7**	**138,907**	**117,296**	**X**	**X**	**20**	**239,640**	**-**	**X**

In drawing up the tables with breakdown by fair value level, the option granted by the Bank of Italy for comparative disclosure was applied, whereby “level 1” is associated with the previous "listed" breakdown and "levels 2 and 3" with the previous "Unlisted" breakdown.

Legenda

FV = *fair value*.

FV* = *fair value calculated excluding changes in value resulting from an alteration in credit rating.*

NV = nominal value or notional value.

Section 6- Hedging derivatives - Item 60

6.1 Hedging Derivatives: composition by type of hedge and level

	Fair value 31/12/2009			NV 31/12/2009	Fair value 31/12/2008			NV 31/12/2008
	L1	L2	L3		L1	L2	L3	
A) Financial Derivatives	**-**	**5,891**	**-**	**747,500**	**-**	**1,119**	**-**	**363,500**
1) Fair value	-	5,891	-	747,500	-	1,119	-	363,500
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign operations	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**5,891**	**-**	**747,500**	**-**	**1,119**	**-**	**363,500**

6.2 Hedging Derivatives: composition by hedged portfolios and by type of hedging

Transactions/Type of hedge	Fair value						Cash flows		Investments in foreign operations
	Specific					Generic	Specific	Generic	
	interest rate risk	exchange rate risk	Credit Risk	price risk	multiple risks				
1. Financial assets available for sale	5,750	-	-	-	-	X	-	X	X
2. Loans	-	-	-	X	-	X	-	X	X
3. Financial assets held to maturity	X	-	-	X	-	X	-	X	X
4. Portfolio	-	-	-	-	-	-	-	-	X
5. Investment in foreign operations	X	X	X	X	X	X	X	X	-
Total assets	**5,750**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	141	-	-	X	-	X	-	X	X
2. Portfolio	-	-	-	-	-	-	-	-	X
Total liabilities	**141**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Forecast transactions	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	X	X	-	-

Section 7- Adjustment of financial liabilities hedged generically - Item 70

7.1 Adjustment hedged liabilities

Adjustment of hedged liabilities /Amounts	31/12/2009	31/12/2008
1. Positive adjustment of financial liabilities	76,250	45,884
2. Negative adjustment of financial liabilities	-	-
Total	**76,250**	**45,884**

7.2 Liabilities hedged generically against interest rate risk: composition

Type of transaction/Values	31/12/2009	31/12/2008
Financial liabilities	1,670,000	1,670,000

Section 8 – Tax liabilities – Item 80

See section 13 of assets.

Section 10 - Other liabilities - Item 100

10.1 Other liabilities: composition

Items	31/12/2009	31/12/2008
Trade payables	95,196	140,674
Amounts due to third parties	175,989	209,891
Credit transfers ordered and being processed	138,621	53,013
Amounts payable to tax authorities on behalf of third parties	45,548	71,313
Advances on loans	583	655
Adjustments for illiquid items	167,593	172,316
Credits and items being processed	6,048	85,230
Staff costs	47,638	49,328
Uncapitalized accrued expenses	205	434
Deferred income not allocated to other items	11,393	5,274
Guarantees and commitments	4,914	5,351
Sundry items	50,543	348,409
Total	**744,271**	**1,141,888**

Section 11 - Employee severance benefits - Item 110

11.1 Employee severance benefits: changes for the period

	31/12/2009	31/12/2008
A. Opening balance	**116,997**	**107,951**
B. Increases	**3,564**	**13,725**
B.1 Provisions for the period	3,564	13,700
B.2. Other changes	-	25
C. Decreases	**12,661**	**4,679**
C.1 Severance payments	7,273	4,679
C.2. Other changes	5,388	-
D. Closing balance	**107,900**	**116,997**
Total	**107,900**	**116,997**

11.2 Other Information

	31/12/2009
A. Present value of employees severance benefits – opening DBO at 1.1.2009	**116,997**
B. Increases	**-1,824**
B.1 Pension plan costs	-
B.2 Interest expense	3,564
B.3 Payments by plan participants	-
B.4 Actuarial gains and losses	-5,388
B.5 Positive exchange rate differences	-
B.6 Pension expenses for past services	-
B.7. Other changes	-
C. Decreases:	**7,273**
C.1 Benefits paid	7,273
C.2 Reductions	-
C.3 Redemptions	-
C.4 Negative exchange rate differences	-
C.5. Other changes	-
D. Present value of employee severance benefits – Closing DBO at 31.12.2009	**107,900**

Section 12 - Provisions for liabilities and contingencies - Item 120S

12.1 Provisions for liabilities and contingencies: composition

Items/Amounts	31/12/2009	31/12/2008
1 Company pension plans	22,567	25,458
2. Other provisions for liabilities and contingencies	81,293	186,717
2.1 legal disputes	38,773	42,167
2.2 staff expenses	27,447	37,685
2.3 Other	15,073	106,865
Total	**103,860**	**212,175**

12.2 Provisions for liabilities and contingencies: changes for the period

	Pension plans	Other provisions	Total
A. Opening balance	**25,458**	**186,717**	**212,175**
B. Increases	**932**	**36,527**	**37,459**
B.1 Provisions for the period	-	27,153	27,153
B.2 Changes due to passage of time	932	8,868	9,800
C.2 Changes due to changes in the discount rate	-	506	506
B.4. Other changes	-	-	-
C. Decreases	**3,823**	**141,951**	**145,774**
C.1 Use during the year	2,891	125,126	128,017
C.2 Changes due to changes in the discount rate	-	-	-
C.3. Other decrease	932	16,825	17,757
D. Closing balance	**22,567**	**81,293**	**103,860**

12.3 Defined-benefit company pension plans

12.3.1 DESCRIPTION OF PROVISIONS

The section of defined-benefit company pension plans concerns exclusively staff of the Parent Company already retired.

The plan is funded by a provision accrued by the Company, determined based on the mathematical reserve, certified annually by an independent actuary.

12.3.2 CHANGES FOR THE PERIOD

Increases or decreases in the provision are shown in table 12.2 in the pension plan column.

12.3.3 CHANGES FOR THE PERIOD IN PLAN ASSETS AND OTHER INFORMATION

There are no specific assets or liabilities serving the plan and the Company hedges the debt towards beneficiaries with its entire capital.

12.3.4 RECONCILIATION BETWEEN CURRENT VALUE OF PROVISIONS, CURRENT VALUE OF PLAN ASSETS AND RECOGNIZED ASSETS AND LIABILITIES

The difference between present value of the defined-benefit bond and the fair value of the plan assets amounts to € 22,567 thousand; therefore, liabilities recognised in the Financial Statement amount to €22,567 thousand.

12.3.5 DESCRIPTION OF THE MAIN ACTUARIAL ASSUMPTIONS

The following essential assumptions have been made:

- Annual inflation rate: 2% fixed for the entire duration of the projection;
- Annual rate of growth of supplementary pensions: 1.75% fixed for the entire duration of the projection;
- Annual rate of growth of additional pensions: 0,00% fixed for the entire duration of the projection;
- Annual rate of growth of Inps pensions: 1.75% fixed for the entire duration of the projection;

Relating to the demographic base, the measurement has been developed by adopting the assumptions of survival of 2005 Istat Life tables .

As to the financial base, the measurement refers to the returns of the curve for European corporate securities with rating AA.

12.4 Provisions for liabilities and contingencies - other

Item 2.3 of Table 12.1 includes provisions for sums to be used for safeguarding, even when not legally bound to do so, customers who have invested in securities, insurance policies and derivatives that have suffered the impact of the global financial crisis.

Section 14 - Shareholders' equity - items 130, 150, 160, 170, 180, 190 and 200

14.1 "Share capital" and "Treasury shares": composition

Items/Amounts	31/12/2009	31/12/2008
1. Share capital	785,066	785,066
2. Share premium reserve	2,094,770	2,094,770
3. Reserves	458,910	404,215
4. (Treasury Shares)	-	-
5. Valuation reserves	27,586	6,720
6. Equity instruments	-	-
7. Net profit (loss) for the period	300,316	334,744
Total	**3,666,648**	**3,625,515**

14.2 Share capital - Number of shares: changes for the

Items/Types	Ordinary	Other
A. Shares at start of the year	**785,065,789**	**-**
- fully paid	785,065,789	-
- partially paid	-	-
A.1 Treasury shares (-)	-	-
A.2 Shares in circulation: opening balance	**785,065,789**	**-**
B. Increases	**-**	**-**
B.1 New issues	-	-
- for consideration:	-	-
- business combinations	-	-
- conversion of bonds	-	-
- exercise of warrants	-	-
- other	-	-
- bonus issues:	-	-
- to employees	-	-
- to directors	-	-
- other	-	-
B.2 Sale of treasury shares	-	-
B.3. Other changes	-	-
C. Decreases	**-**	**-**
C.1 Cancellation	-	-
C.2 Purchase of own shares	-	-
C.3 Disposal of companies	-	-
C.4. Other changes	-	-
D. Shares in circulation: closing balance	**785,065,789**	**-**
D.1 Treasury shares (+)	-	-
D.2 Shares at the end of the year	785,065,789	-
- fully paid	785,065,789	-
- partially paid	-	-

14.3 Share capital: other information

The share capital, fully paid up, is composed of 785,065,789 ordinary shares with a par value of €1 each. There are no treasury shares.

14.4 Income reserves: other information

Items/Types	Amounts
Legal reserve	79,199
Reserves established in bylaws	378,395
Reserve under Art. 13 Leg. Dec. 124/93 *	314
Total income reserves	**457,908**
Reserve from share-based payments **	1,002
Total	**458,910**

* Reserve formed pursuant to Art. 13 of Legislative Decree124/93 to take advantage of tax relief on the portions of the severance pay provisions designated for supplementary pension schemes.

** Reserve recognizing the increase in equity resulting from share-based payments to employees and directors of the controlling company, Crédit Agricole SA.

Other information

1. Guarantees issued and commitments

Operations	31/12/2009	31/12/2008
1) Financial guarantees issued	992,983	963,278
a) Banks	247,993	218,709
b) Customers	744,990	744,569
2) Commercial guarantees issued	553,554	568,396
a) Banks	18,797	10,637
b) Customers	534,757	557,759
3) Irrevocable commitments to disburse funds		
a) Banks	114,662	185,319
i) certain use	114,662	165,607
ii) uncertain use	-	19,712
b) Customers	386,839	389,448
i) certain use	22,163	23,677
ii) uncertain use	364,676	365,771
4) Commitments underlying credit derivatives: Protection sales	-	-
5) Assets pledged as guarantee for third-party debts	-	-
6) Other commitments	-	-
Total	**2,048,038**	**2,106,441**

2. Assets pledged as collateral for own debts and commitments

Portfolios	31/12/2009	31/12/2008
1. Financial assets held for trading	-	72,961
2. Financial assets carried at fair value	-	-
3. Financial assets available for sale	2,623,168	937,800
4. Financial assets held to maturity	-	-
5. Loans to banks	139,427	138,056
6. Loans to customers	-	-
7. Property, plan and equipment	-	-

1. Information on operating lease

Operating leases - Lessee - IAS 17 Art. 35 – letters a/b

Future minimum payments due under non-cancellable leases	< 1 year	1<> 5 years	> 5 years	unspecified maturity	Total
Land	-	-	-	-	-
Buildings	-	-	-	-	-
Furnishings	-	-	-	-	-
Electronic plant - hardware	-	-	-	-	-
Electronic plant - other	-	-	-	-	-
Other - vehicles (including automobiles)	1,901	1,450	-	-	3,351
Other - office machinery	138	-	-	-	138
Other - telephones (fixed and mobile)	-	-	-	-	-
Other - other	-	-	-	-	-
Software	-	-	-	-	-
Total	**2,039**	**1,450**	**-**	**-**	**3,489**

Operating leases - Lessee - IAS 17 Art. 35 - letter c

Expenses for 2009	Minimum payments	Potential lease installments	Subletting payments	Total
Land	-	-	-	-
Buildings	-	-	-	-
Furnishings	-	-	-	-
Electronic plant - hardware	-	-	-	-
Electronic plant - other	-	-	-	-
Other - vehicles (including automobiles)	2,314	-	-	2,314
Other - office machinery	137	-	-	137
Other - telephones (fixed and mobile)	-	-	-	-
Other - other	-	-	-	-
Software	-	-	-	-
Total	**2,451**	**-**	**-**	**2,451**

Operating Leases - Lessee - IAS 17 Art. 35 - letter d

Description of contracts	Criteria for determining lease installments	Renewal or purchase option	Indexing claus
Other - vehicles (including automobiles)	Installment determined on basis of brand, model, engine size and accessories of each vehicle and including additional services	Customer may request contract extension at prefixed installment	
Other - office machinery	Photocopiers: fixed monthly rate for each machine	Photocopiers: purchase option at end of each year	

4. Management and intermediation services

Type of services	Amount
1. Trading in financial instruments on behalf of third parties	**-**
a) purchases	-
1. settled	-
2. not yet settled	-
b) sales	-
1. settled	-
2. not yet settled	-
2. Asset management	
a) individual	983,126
b) collective	-
3. Custody and administration of securities	
a) third-party securities held as part of depositary bank services	-
1. securities issued by consolidated companies	-
2. other securities	-
b) other third-party securities on deposit (excluding asset management): other	35,670,271
1. securities issued by the bank drawing up the Financial Statement	9,666,745
2. other securities	26,003,526
c) third-party securities deposited with third parties	34,763,758
c) securities owned by bank deposited with third parties	6,118,557
4. Other transactions	-

Parte C – Information on the Income Statement

Section 1 – Interest – Items 10 and 20

1.1 Interest income and similar revenues: composition

Items/Technical forms	Debt securities	Loans	Other transactions	31/12/2009	31/12/2008
1 Financial assets held for trading	1,515	-	-	1,515	6,732
2 Financial assets available for sale	53,910	-	-	53,910	2,409
3 Financial assets held to maturity	-	-	-	-	-
4 Loans to banks	81,906	28,887	-	110,793	197,834
5 Loans to customers	1,219	837,279	-	838,498	1,233,996
6 Financial assets carried at fair value	-	-	-	-	-
7 Hedging derivatives	X	X	81,204	81,204	-
8 Other assets	X	X	401	401	5,784
Total	**138,550**	**866,166**	**81,605**	**1,086,321**	**1,446,755**

1.2. Interest income and similar revenues: differences on hedging transactions

Items/Amounts	31/12/2009	31/12/2008
A. Positive differences on hedging transactions:	192,902	-
B. Negative differences on hedging transactions:	(111,698)	-
C. Balance (A-B)	**81,204**	**-**

1.3 Interest income and similar revenues: other information

1.3.1 INTEREST INCOME ON FOREIGN-CURRENCY FINANCIAL ASSETS

At the end 2009, interest income on foreign-currency financial assets was 3,937 thousand Euro.

1.4 Interest expense and similar charges: composition

Items/Technical forms	Debt	Securities	Other Operations	31/12/2009	31/12/2008
1. Due to central banks	(191)	X	-	(191)	-
2. Due to banks	(33,407)	X	-	(33,407)	(14,666)
3. Due to customers	(51,372)	X	-	(51,372)	(192,315)
4. Securities issued	X	(238,325)	-	(238,325)	(350,290)
5. Financial liabilities held for trading	-	-	-	-	-
6. Financial liabilities carried at fair value	-	-	-	-	-
7. Other liabilities and funds	X	X	(354)	(354)	(149)
8. Hedging derivatives	X	X	-	-	(34,857)
Total	**(84,970)**	**(238,325)**	**(354)**	**(323,649)**	**(592,277)**

1.5 Interest expense and similar charges: differences on hedging transactions

Items/Amounts	31/12/2009	31/12/2008
A. Positive differences on hedging transactions	-	144,982
B. Negative differences on hedging transactions	-	(179,839)
C. Balance (A-B)	-	(34,857)

1.6 Interest expense and similar charges: other information

1.6.1 INTEREST EXPENSE ON FOREIGN-CURRENCY LIABILITIES

At the end of 2009, interest expense on foreign-currency liabilities was 2,459 thousand Euro.

Section 2 – Commissions– Items 40 and 50

2.1 Commission income: composition

Type of services / Amounts	31/12/2009	31/12/2008
a) guarantees issued	7,814	7,460
b) credit derivatives	-	-
c) management, intermediation and advisory services:	173,838	186,705
1. trading in financial instruments	-	-
2. foreign exchange	3,717	3,646
3. asset management	7,387	10,966
3.1. individual	7,387	10,966
3.2. collective	-	-
4. securities custody and administration	7,482	6,985
5. depository services	-	-
6. securities placement	57,327	63,813
7. order collection	9,940	10,792
8. advisory services	10	68
8.1 in respect of investments	-	-
8.2 in respect of financial structure	10	68
9. distribution of third-party services	87,975	90,435
9.1. asset management	274	347
9.1.1. individual	-	115
9.1.2. collective	274	232
9.2 insurance products	83,021	86,457
9.3 other	4,680	3,631
d) collection and payment services	32,862	33,533
e) servicing activities for securitizations	-	-
f) services for factoring transactions	-	-
g) tax collection services	-	5
h) management of multilateral exchange systems	-	-
i) keeping and managing current accounts	135,616	111,774
j) other services	53,929	58,531
Total	**404,059**	**398,008**

2.2 Commission income: distribution channels for products and services

Channels/Amounts	31/12/2009	31/12/2008
a) at own branches:	**152,657**	**164,938**
1. asset management	7,387	10,966
2. securities placement	57,327	63,813
3. third-party services and products	87,943	90,159
b) off-premises distribution:	**-**	**-**
1. asset management	-	-
2. securities placement	-	-
3. third-party services and products	-	-
c) other distribution channels:	**32**	**276**
1. asset management	-	-
2. securities placement	-	-
3. third-party services and products	32	276

2.3 Commission expense: composition

Services/Amounts	31/12/2009	31/12/2008
a) guarantees received	(206)	(77)
b) credit derivatives	-	-
c) management and intermediation services:	(3,911)	(6,173)
1. trading in financial instruments	(121)	(183)
2. foreign exchange	-	-
3. asset management	(1,014)	(1,231)
3.1 own portfolio	-	-
3.2 third-party portfolio	(1,014)	(1,231)
4. securities custody and administration	(742)	(576)
5. placement of financial instruments	(2,034)	(4,183)
6. off-premises distribution of securities, products and services	-	-
d) collection and payment services	(4,097)	(5,644)
e) other services	(7,454)	(6,266)
Total	**(15,668)**	**(18,160)**

Section 3 – Dividends and similar revenues – Item 70

3.1 Dividends and similar revenue: composition

	Items/Revenues	31/12/2009		31/12/2008	
		dividends	income from units in collective investment undertakings	dividends	income from units in collective investment undertakings
A.	Financial assets held for trading	24	135	26	165
B.	Financial assets available for sale	1,219	-	1,216	-
C.	Financial assets carried at fair value	-	-	-	-
D.	Equity investments	39,832	X	44,317	X
Total		**41,075**	**135**	**45,559**	**165**

Section 4 – Net gain (loss) on trading activities – Item 80

4.1 Net gain (loss) on trading activities: composition

Transactions/Income components	Capital gains (A)	Trading profits (B)	Capital losses (C)	Trading losses (D)	Net gain [(A+B) - (C+D)]
1. Financial assets held for trading	**2,551**	**6,475**	**(5)**	**(1,151)**	**7,870**
1.1 Debt securities	39	4,857	(5)	(724)	4,167
1.2 Equity securities	-	-	-	(1)	(1)
1.3 Units in collective investment undertakings	2,512	1,207	-	(301)	3,418
1.4 Loans	-	-	-	-	-
1.5 Other	-	411	-	(125)	286
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Debt	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Financial Assets and Liabilities exchange rate differences	**X**	**X**	**X**	**X**	**1,781**
4. Derivatives	**321,289**	**334,191**	**(312,014)**	**(335,215)**	**7,152**
4.1 Financial Derivatives:	321,289	334,191	(312,014)	(335,215)	7,152
- On debt securities and interest rates	318,736	311,886	(310,182)	(313,275)	7,165
- On equity securities and equity indices	-	-	(29)	-	(29)
- On foreign currencies and gold	X	X	X	X	(1,099)
- Other	2,553	22,305	(1,803)	(21,940)	1,115
4.2 Credit derivatives	-	-	-	-	-
Total	**323,840**	**340,666**	**(312,019)**	**(336,366)**	**16,803**

Section 5 – Net gain (loss) on hedging activities – Item 90

5.1 Net gain (loss) on hedging activities: composition

	Income components/Values	31/12/2009	31/12/2009
A.	**Gain on:**		
A.1	fair value hedges	169,079	148,942
A.2	Hedged Financial assets (fair value)	1,628	-
A.3	Hedged Financial liabilities (fair value)	21,784	133
A.4	Cash flow hedges	-	-
A.5	Assets and liabilities in foreign currencies	-	-
Total income on hedging activities (A)		**192,491**	**149,075**
B.	**Loss on:**		
B.1	fair value hedges	(122,908)	-
B.2	Hedged Financial assets (fair value)	-	-
B.3	Hedged Financial liabilities (fair value)	(62,170)	(161,097)
B.4	Cash flow hedges	-	-
B.5	Assets and liabilities in foreign currencies	-	-
Total expense on hedging activities (B)		**(185,078)**	**(161,097)**
C.	**Net gain (loss) on hedging activities (A-B)**	**7,413**	**(12,022)**

Section 6 – Gain (loss) on disposal or repurchase - Item 100

6.1 Profit (Loss) from disposal/repurchase: composition

Items/Income components	31/12/2009			31/12/2008		
	Gains	Losses	Net profit (loss)	Gains	Losses	Net profit (loss)
Financial Assets						
1. Loans to banks	-	-	-	-	-	-
2. Loans to customers	482	(8,167)	(7,685)	195	(2,864)	(2,669)
3. Financial assets available for sale	4,222	-	4,222	1,044	(71)	973
3.1 Debt securities	1	-	1	12	(71)	(59)
3.2 Equity securities	4,221	-	4,221	1,032	-	1,032
3.3 Units in collective investment undertakings	-	-	-	-	-	-
3.4 Loans	-	-	-	-	-	-
4. Financial assets held to maturity	-	-	-	-	-	-
Total assets	**4,704**	**(8,167)**	**(3,463)**	**1,239**	**(2,935)**	**(1,696)**
Financial liabilities						
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Securities issued	2,652	(820)	1,832	1,634	(898)	736
Total liabilities	**2,652**	**(820)**	**1,832**	**1,634**	**(898)**	**736**

Section 8 – Net impairment adjustment – Item 130

8.1 Net impairment adjustment for loans: composition

Transactions/Income components	Writedowns (1)			Writebacks (2)				31/12/2009	31/12/2008
	Specific		Portfolio	Specific		Portfolio			
	Writeoffs	Other		A	B	A	B		
A. Loans to Banks	-	-	(1)	-	-	-	-	(1)	1
- Loans	-	-	(1)	-	-	-	-	(1)	1
- Debt securities	-	-	-	-	-	-	-	-	-
B. Loans to customers	(4,894)	(154,751)	(32,977)	7,115	29,605	-	29,719	(123,736)	(90,355)
- Loans	(2,447)	(154,751)	(32,977)	7,115	29,605		29,719	(123,736)	(90,355)
- Debt securities	-	-	-	-	-	-	-	-	-
C. Total	**(2,447)**	**(154,751)**	**(32,978)**	**7,115**	**29,605**	**-**	**29,719**	**(123,737)**	**(90,354)**

Key
A= from interest
B= other revaluations

8.2 Net impairment adjustments of financial assets available for sale: composition

Transactions/Income components	Writedowns (1)		Writebacks (2)		31/12/2009	31/12/2008
	Specific		Specific			
	Writeoffs	Other	A	B		
A Debt certificates	-	-	-	-	-	-
B. equity securities	-	(513)	x	x	(513)	-
C Units in collective investment undertakings	-	-	x	-	-	-
D. Loans to banks	-	-	-	-	-	-
E. Loans to customers	-	-	-	-	-	-
F. Total	**-**	**(513)**	**-**	**-**	**(513)**	**-**

Key
A= from interest
B= other revaluations

8.4 Net impairment adjustments of other financial instruments: composition

Transactions/Income components	Writedowns (1)			Writebacks (2)				31/12/2009	31/12/2008
	Specific		Portfolio	Specific		Portfolio			
	Writeoffs	Other		A	B	A	B		
A. Guarantees issued	-	(59)	(18)	-	-	-	515	438	(603)
B. Credit derivatives	-	-	-	-	-	-	-	-	-
C. Commitments to disburse funds	-	-	-	-	-	-	-	-	-
D. Other transactions	-	-	-	-	-	-	-	-	-
E. Total	**-**	**(59)**	**(18)**	**-**	**-**	**-**	**515**	**438**	**(603)**

Key
A= from interest
B= other revaluations

Section 9 – Administrative expenses – Item 150

9.1 Staff expenses: composition

Type of cost/amounts	31/12/2009	31/12/2008
1) Employees	(403,186)	(409,713)
a) wages and salaries	(289,568)	(279,355)
b) social security contributions	(77,391)	(74,413)
c) severance benefits	-	(337)
d) pensions	-	-
e) allocation to employee severance benefit provision	1,824	(14,137)
f) allocation to provision for retirement and similar liabilities:	-	(4,532)
- defined contribution	-	-
- defined benefit	-	(4,532)
g) payments to external pension funds	(27,886)	(26,270)
- defined contribution	(27,886)	(26,270)
- defined benefit	-	-
h) costs in respect of agreements to make payments in own equity instruments	-	-
i) other employee benefits	(10,165)	(10,669)
2) Other personnel	(285)	(4,219)
3) Directors and Auditors	(1,022)	(1,020)
4) Retired personnel	-	-
5) Recovery of the cost for employees seconded to other companies	1,168	1,023
6) Reimbursements for third-party employees seconded to the company	(924)	(356)
Total	**(404,249)**	**(414,285)**

9.2 Average number of employees by category

	31/12/2009
Employees:	
a) Senior management	79
b) Junior managers	2,163
1) other employees	3,474
Other personnel	23

The figures relating to employed staff take into account active and passive secondments; the figure relating to Other Staff refers exclusively to non-employed staff.

9.3 Defined-benefit company pension plans: total costs

Type of cost/amounts	31/12/2009	31/12/2008
Provision for the year	932	(3,387)
Changes due to passage of time	(932)	(1,145)
Total	**-**	**(4,532)**

9.4 Other employee benefits

This item represents costs for non-occupational insurance policies, interest released as a results of discounting of the solidarity fund, other fringe benefits and payments to the bank employees' recreational club.

9.5 Other administrative expenses: composition

Items/Revenues	31/12/2009	31/12/2008
Indirect taxes and duties	(55,893)	(53,360)
Data processing	(22,161)	(59,030)
Facility rental and management	(38,786)	(35,216)
Professional consulting services	(21,414)	(24,689)
Telephone, postal charges and couriers	(11,853)	(13,817)
Telephone and data transmission	(10,208)	(5,359)
Legal expenses	(1,641)	(1,015)
Property maintenance	(2,149)	(2,256)
Furnishing and plant maintenance	(11,968)	(10,857)
Marketing, development and entertainment	(11,329)	(12,956)
Transportation	(12,662)	(10,941)
Lighting, heating and air conditioning	(10,864)	(10,731)
Office supplies, printed material, print subscriptions, photocopying, etc	(2,822)	(5,858)
Staff training expenses and reimbursements	(9,104)	(8,859)
Security	(4,927)	(5,380)
Information and title searches	(3,555)	(3,227)
Insurance	(77,308)	(28,115)
Cleaning	(5,091)	(4,982)
Leasing of other property, plant and equipment	(1,272)	(806)
Management of archives and document handling	(567)	(589)
Reimbursement of costs to Group companies	(14,487)	(6,445)
Sundry expenses	(3,809)	(8,109)
Total	**(333,870)**	**(312,597)**

Section 10 – Net provisions for liabilities and contingencies - Item 160

10.1 Net provisions for liabilities and contingencies: composition

The provision of € 15,740 thousand is composed of €3,745 thousand for revocatory actions, €1,302 thousand for non-lending related disputes and €10,693 thousand for risk of dispute involving financial products that suffered the effects of the financial crisis.

Section 11 – Net adjustments of property, plant and equipment – Item 170

11.1 Net adjustments of property, plant and equipment: composition

Assets/Income components	Depreciation (a)	Writedowns for impairment (b)	Writebacks (c)	Net adjustment (a + b - c)
A. Property, plan and equipment				
A.1 owned	(20,262)	-	-	(20,262)
- Operating assets	(20,066)	-	-	(20,066)
- Investment property	(196)	-	-	(196)
A.2 acquired under finance leases	-	-	-	-
- Operating assets	-	-	-	-
- Investment property	-	-	-	-
Total	**(20,262)**	**-**	**-**	**(20,262)**

Section 12 – Net adjustments of intangible assets – Item 180

12.1 Net adjustments of intangible assets: composition

Assets/Income components	Amortization (a)	Writedowns for impairment (b)	Writebacks (c)	Net adjustment (a + b - c)
A. Intangible Assets				
A.1 owned	(33,200)	-	-	(33,200)
- Generated internally by the Group	-	-	-	-
- Other	(33,200)	-	-	(33,200)
A.2 acquired under finance leases	-	-	-	-
Total	**(33,200)**	**-**	**-**	**(33,200)**

Section 13 – Other operating income (EXPENSES) - Item 190

13.1 Other operating expenses: composition

	31/12/2009	31/12/2008
Amortization of expenditure for leasehold improvements	(8,143)	(7,619)
Other	(4,610)	(15,207)
Total	**(12,753)**	**(22,826)**

13.2 Other operating income: composition

	31/12/2009	31/12/2008
Rental income and recovery of expenses on real estate	373	375
Recovery of taxes and duties	50,189	47,634
Recovery of insurance costs	77,028	27,707
Recovery of other expenses	1,532	853
Service recovery	16,551	20,114
Other	1,195	4,167
Total	**146,868**	**100,850**

Section 14 – Gain(Loss) on equity investments - Item 210

14.1 Gain (loss) on equity investments: composition

Income components/Amounts	31/12/2009	31/12/2008
A. Proventi	-	7
1. Revaluations	-	-
2. Gains on disposal	-	7
3. Writebacks	-	-
4. Other	-	-
B. Losses	-	-
1. Writedow ns	-	-
2. Impairments	-	-
3. Losses on disposal	-	-
4. Other	-	-
Net profit (loss)	**-**	**7**

Section 17 – Gain (loss) on disposal of investments – Item 240

1.1 Gain (loss) on disposal of investments: composition

Income component/Amounts	31/12/2009	31/12/2008
A. Land and buildings	35	70
- Gains on disposal	35	70
- Losses on disposal	-	-
B. Other assets	(1)	1
- Gains on disposal	-	1
- Losses on disposal	(1)	-
Net profit (loss)	**34**	**71**

Section 18 – Income tax for the period on continuing operations- Item 260

18.1 Income tax for the period on continuing operations: composition

Income components/Values	31/12/2009	31/12/2008
1. Current taxes (-)	(153,482)	(245,312)
2. Changes in current taxes from previous financial years (+/-)	-	-
3. Reduction of current taxes for the financial year (+)	3,669	28,264
4. Change in deferred tax taxes (+/-)	32,220	181,937
5. Change in deferred tax liabilities (+/-)	35	(1,451)
6. Income tax for the period (-) (-1+/-2+3+/-4+/-5)	**(117,558)**	**(36,562)**

18.2 Reconciliation of theoretical tax liability and actual tax liability recognized

	31/12/2009
Net profit before tax on continuing operations	417,875
Theoretical taxable income	**417,875**

	31/12/2009
Income tax - Theoretical tax liability	(114,916)
- effect of revenues that are tax-exempt or subject to reduced taxation	-
- effect of income already subject to tax	-
- effect of fully or partially non-deductible expenses	7,719
Income tax – actual tax liability	**(107,197)**
- effect of realignment under Law 244/2007	**2,472**
- tax on realignment gain under Decree Law 185/2008	**(26,452)**
- effect of recovery of future taxes on realignment gain under Decree Law 185/2008	**54,947**
- effect of tax deduction for energy efficiency	**1,197**
IRAP - Theoretical tax liability	(20,142)
- effect of revenues/expenses that do not form taxable income	(38,415)
- effect of other changes	16,032
IRAP - Actual tax liability	**(42,525)**
Actual tax liability recognized	**(117,558)**
of which: actual tax liability on continuing operations	(117,558)

Section 21 – Earnings per share

21.1 Average number of ordinary shares of diluted capital

The Bank’s capital is comprised of 785,065,789 shares with a par value of 1 euro each.

Part D – Comprehensive income

Statement of comprehensive income

Items		Gross amount	Income tax	Net amount:
10.	**Net profit (loss) for the period**	**x**	**x**	**300,316**
	Other income components			
20.	Financial assets available for sale:	31,402	(10,536)	20,866
	a) changes in fair value	33,091	(10,674)	22,417
	b) reversal to Income Statement	(1,689)	138	(1,551)
	- writedowns for impairment	441	-	441
	- profit/loss for realization	(2,130)	138	(1,992)
	c) other changes	-	-	-
30	Property, plan and equipment	-	-	-
40.	Intangible Assets	-	-	-
50.	Hedging of foreign investments:	-	-	-
	a) changes in fair value	-	-	-
	b) reversal to Income Statement	-	-	-
	c) other changes	-	-	-
60.	Cash flow hedges:	-	-	-
	a) changes in fair value	-	-	-
	b) reversal to Income Statement	-	-	-
	c) other changes	-	-	-
70.	Exchange rate differences:	-	-	-
	a) changes in fair value	-	-	-
	b) reversal to Income Statement	-	-	-
	c) other changes	-	-	-
80.	Discontinuing operations:	-	-	-
	a) changes in fair value	-	-	-
	b) reversal to Income Statement	-	-	-
	c) other changes	-	-	-
90.	Actuarial gains (losses) on defined-benefit plans	-	-	-
100.	Share of valuation reserve on equity investments accounted for by equity method:	-	-	-
	a) changes in fair value	-	-	-
	b) reversal to Income Statement	-	-	-
	- writedowns for impairment	-	-	-
	- profit/loss for realization	-	-	-
	c) other changes	-	-	-
110.	**Total of other income components**	**31,402**	**(10,536)**	**20,866**
120.	**Comprehensive income (10+110)**			**321,182**

Part E –Risks and risk management policies

Cariparma attributes great importance to risk management and control, as a condition for ensuring the reliable and sustainable generation of value in the context of controlled risk to guarantee the Group's financial solidity and reputation.

Cariparma is the operational Parent Company, acting as coordinator and as a retail bank through its own distribution network, and manages the overall risk policies and control. The Group's companies benefit from the Parent Company's supervision and carry out the commercial operations in the reference territories.

Section 1 – Credit risk

QUALITATIVE INFORMATION

1. General aspects

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2. Credit risk management policies

2.1 Organisational aspects

The assumption of credit risk is regulated by a framework decision taken by the Board of Directors which sets out the levels of operational delegation and the levels of autonomous decision-making, defined in terms of exposure of the counter-party receiving the loan according to direct and indirect risks, the participation in an economic group, the type of technical forms, the spread of the risk and the internal rating assigned to the counter-party by the Bank's assessment system.

The lending process is regulated within a system of phased internal controls that delineate the criteria for managing risk profiles, determine the activities to be carried out to ensure the criteria are properly applied, identify the units responsible for these activities and develop the procedures to support them. The division into phases and the assignment of the activities to different organizational structures are intended to enhance the functionality of the process, both as regards its capacity to achieve objectives (process effectiveness) and its capacity to attain them at an appropriate cost (process efficiency). Loan application processing consists of assessing the creditworthiness of the applicant, estimating the risk of the transaction and comparing the expected return on the transaction with the level of risk.

This phase produces a final assessment for the counterparty that integrates not only the results of the rating system but also other qualitative elements that are not available from purely objective data, the importance of which increases in proportion to the size of the counterparty and the amount being sought.

Granting loans is based on a system of delegation approved by the Board of Directors, while credit lines become operational and, therefore, placed at the disposal of the borrower only when the criteria specified in the decision has been met (with particular attention to the acquisition, check and assessment of guarantees, covenants and suspensive conditions.).

The loan disbursement process is governed by:

- - a system of limits that ensures compatibility between the loans and the Group's risk appetite;
- - a system that distributes decision-making powers based on the magnitude of the counterparty risk so that the level of responsibility for loans corresponds to the potential loss.

Following the granting and disbursement of the loan, the debt position is reviewed over time (at fixed periods) or on the notification/initiative of the dedicated units (for example, credit monitoring), the credit lines are reviewed, validating that the counterparty remains solvent and that the guarantees provided at the processing phase have retained their value, ascertaining the continuing compliance of the guarantees pledged with regard to their legal certainty, the ease of liquidation and the consistency of their value (even after a revaluation) with the size of the exposure, verifying compliance with the concentration risk limits, checking that the information and data stored in databases are up to date, examining the causes of any change in the risk rating.

This review process support decisions on whether to renew or revoke lines of credit, or whether to start a new processing phase based on the loan disbursement process.

The review may also be performed automatically for positions that, on the basis of a rigorous examination of specific indicators, can be deemed as being low risk.

The Bank has implemented a process for continuously monitoring loan positions and guarantees, permitting the timely detection of any problems and helping to maintain the quality of the loan portfolio.

Problem loans are managed by the relevant units using a management model based on advanced monitoring tools and partly on a series of loan management rules calibrated with reference to the default classification envisaged under Basel II (past-due, substandard, restructured and bad debts). The rules govern the transfer of exposures to the appropriate functions (those responsible for the management of problem loans) in step with developments in the customer's status.

The organisational unit, and the procedures and tools which make up the system for the management of problem exposures is generally oriented towards initiatives and measures to restore performing status or take swift recovery action if the relationship cannot be maintained.

Management, measurement and control systems

In line with Crédit Agricole S.A guidelines, Cariparma has developed internal credit risk rating models for retail customers (Probability of Default, Loss Given Default and Exposure at Default) in compliance with general principles issued by the holding company and has adopted the credit rating models of Crédit Agricole S.A for Corporate customers, adopted by all members of the Group at International level. The models for both segments are used for management purposes, completely replacing the existing rating models used by the former holding Intesa Sanpaolo, while at the same time ensuring continuity in the use of ratings in the credit process and in the measurement of credit risk.

The implementation of the new rating models in 2008 required adaptation of existing procedures, processes and systems which already integrated the previous risk metrics. The PEF (Pratica Elettronica di Fido – Electronic Loan File) has been updated in line with the new rating models.

Credit policies were also reviewed in view of the changing complexity of the current macroeconomic framework.

Moreover, a Credit Data Warehouse was implemented, integrating all information on loans, guarantees, ratings, LGDs, EADs, and customer monitoring. This Data Warehouse, subject to certification of the data, meets the requirement for collecting information, organised logically and immediately accessible, on credit risk and constitutes the reference database for the preparation of management reports. During 2009, backtesting was introduced for new rating models which monitored the stability of the distributions, the strength of discriminating power and accuracy of default probability estimates.

A new indicator for monitoring loan performance is currently being finalised, which includes the input of the performance rating combined with a series of additional early warning indicators to which ceilings and weightings based on expert criteria are attributed. The model produces monthly summary reports on each of the Bank customers' risk profile. Summaries of the quantitative results of this monitoring model, are used during the credit monitoring processes and also by all retail units and by management.

The method for calculating collective credit ratings is based on the concept of expected loss, determined by the exposure product, probability of default and loss given default, transformed into incurred loss according to IAS 39 and Crédit Agricole S.A. guidelines.

Moreover, in 2009, a management report was instituted, based on risk parameters determined using internal rating models. This report supplies the information required for management analysis aimed at understanding portfolio distribution by rating class, the relative evolution of risk profiles, exposure trends in bonis and default subdivided for each management segment, retail area and market sector. It also highlights the annualized cost of credit on Basle 2 exposures as well as the distribution of exposure by credit policy (growth, management, protection/performance, etc.).

2.3 Risk mitigation techniques

The Bank reduces credit risk with ancillary agreements or adopting instruments and techniques that ensure the effective mitigation of risk. Particular attention is given to securing and managing guarantees through the definition of and compliance with general and specific requirements and to updating the value of the guarantees.

The great preponderance of the retail segment and the substantial increase in mortgage loans in recent years are factors that, including from a Basel II perspective, have enabled the Group to benefit considerably from risk mitigation, which has had a notable effect on the weighting of assets in calculating Regulatory capital.

2.4 Impaired financial assets

The procedures for the management and control of impaired loans are organized on the basis of a number of key principles:

- the use of multiple indicators to identify problems, differentiating by customer segment depending on the definition of default used (the risk level of a single counterparty and economic group, PD, the different levels of identification beginning with positions overlimit by more than 30-60 days);
- the use of the PD estimate to support decisionmaking;
- the diversification of processes depending on the customer's level of risk.

. As regards the retail segment, the technical and organizational techniques vary in accordance with the seriousness of the problem, using the definition of default provided for under Italian law. In addition to periodic specific evaluations of recovery value, the management process for impaired positions also involves:

- improving loan quality by verifying whether the counterparty is capable of recovering financial health and, consequently, restoring the relationship;
- ;
- the preparation of loan workout plans and monitoring of full implementation;
- The enforcement and/or court-ordered acquisition of guarantees.

QUANTITATIVE INFORMATION

A. Credit Quality

A.1 IMPAIRED AND PERFORMING POSITIONS: STOCKS, WRITEDOWNS, CHANGES AND DISTRIBUTION:

A.1.1 Distribution of financial assets by portfolio and credit quality (book value)

Portfolio/quality	Bad debts	Substandard loans	Restructured positions	Past due positions	Other assets	Total
1. Financial assets held for trading	-	26	-	9,425	241,883	251,334
2. Financial assets available for sale	-	-	-	-	2,850,426	2,850,426
3. Financial assets held to maturity	-	-	-	-	-	-
4. Loans to banks	-	-	-	-	4,567,230	4,567,230
5. Loans to customers	164,509	186,984	865	213,272	21,567,259	22,132,889
6. Financial assets carried at fair value	-	-	-	-	-	-
7. Financial assets being divested	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	-	283,230	283,230
Total 31/12/2009	**164,509**	**187,010**	**865**	**222,697**	**29,510,028**	**30,085,109**
Total 31/12/2008	**97,757**	**157,488**	**6,602**	**51,769**	**25,645,053**	**25,958,669**

The portfolio "Financial assets available for sale" includes CA Vita Index Linked policies from the Public Exchange Offer explained in detail in the Management Report. As at 31/12/2009 the overall book value is Euro 48.2 million.

A.1.2 Distribution of financial assets by portfolio and credit quality (gross and net values)

Portfolio/quality	Impaired assets			Performing			Total (net exposure)
	Gross exposure	Specific adjustments	Net exposure	Gross exposure	Portfolio adjustments	Net exposure	
1. Financial assets held for trading	11,727	2,277	9,450	x	x	241,884	251,334
2. Financial assets available for sale	-	-	-	2,850,426	-	2,850,426	2,850,426
3. Financial assets held to maturity	-	-	-	-	-	-	-
4. Loans to banks	-	-	-	4,567,231	1	4,567,230	4,567,230
5. Loans to customers	950,852	385,222	565,630	21,664,545	97,286	21,567,259	22,132,889
6. Financial assets carried at fair value	-	-	-	x	x	-	-
7. Financial assets being divested	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	x	x	283,230	283,230
Total 31/12/2009	**962,579**	**387,499**	**575,080**	**29,082,202**	**97,287**	**29,510,029**	**30,085,109**
Total 31/12/2008	**599,239**	**285,623**	**313,616**	**25,074,998**	**97,633**	**25,645,053**	**25,958,669**

A.1.3 On-balance-sheet and off-balance-sheet exposure to banks: gross and net values

Type of exposures/amounts	Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure
A. On-balance-sheet exposures				
a) Bad debts	-	-	x	-
b) Substandard loans	-	-	x	-
c) Restructured positions	-	-	x	-
d) Past due positions	-	-	x	-
e) Other assets	4,573,558	x	1	4,573,557
TOTAL A	**4,573,558**	**-**	**1**	**4,573,557**
B. OFF-BALANCE-SHEET EXPOSURES				
a) impaired	-	-	x	-
b) other	687,323	x	23	687,300
TOTAL B	**687,323**	**-**	**23**	**687,300**
Total (A+B)	**5,260,881**	**-**	**24**	**5,260,857**

A.1.6 On-balance-sheet and off-balance-sheet exposures to customers: gross and net values

Type of exposures/amounts	Gross exposure	Specific writedowns	Portfolio writedowns	Net exposure
A. On-balance-sheet exposures				
a) Bad debts	432,373	267,864	x	164,509
b) Substandard loans	297,944	110,959	x	186,985
c) Restructured positions	3,010	2,145	x	865
d) Past due positions	217,526	4,254	x	213,272
f) Other assets	24,509,233	x	97,286	24,411,947
TOTAL A	**25,460,086**	**385,222**	**97,286**	**24,977,578**
B. OFF-BALANCE-SHEET EXPOSURES				
a) impaired	14,450	2,893	x	11,557
b) other	1,890,515	x	7,361	1,883,154
TOTAL B	**1,904,965**	**2,893**	**7,361**	**1,894,711**

A.1.7 On-Balance-Sheet exposure towards Customers: changes in gross impaired positions

Reasons/categories	Bad debts	Doubtful loans	Restructured positions	Past due positions
A. Opening Gross Exposure	**275,781**	**259,589**	**8,541**	**53,127**
- of which: exposures assigned but not derecognized	-	-	-	-
B. Increases	**205,423**	**307,138**	**4,390**	**435,021**
B.1 from performing loans	12,804	164,592	-	427,056
B.2 transfers from other categories of impaired positions	184,525	120,525	4,129	2,494
B.3 other increases	8,094	22,021	261	5,471
C. Decreases	**48,831**	**268,783**	**9,921**	**270,622**
C.1 to performing loans	6,308	39,583	157	132,476
C.2 writeoffs	22,129	6,411	1,133	228
C.3 collections	18,758	32,400	55	25,130
C.4 assignments	1,636	-	-	-
C.5 transfers to other categories of impaired positions	-	190,344	8,576	112,752
C.6 other decreases	-	45	-	36
D. Closing gross exposure	**432,373**	**297,944**	**3,010**	**217,526**
- of which: exposures assigned but not derecognized	-	-	-	-

A.1.8 On-Balance-Sheet exposure towards Customers: changes in total adjustments of loans

Reasons/categories	Bad debts	Substandard loans	Restructured positions	Past due positions
A. Initial Overall Adjustments	**178,033**	**102,281**	**1,994**	**2,179**
- of which: exposures assigned but not derecognized	-	-	-	-
B. Increases	**124,868**	**86,935**	**3,278**	**6,273**
B.1 Writedowns	78,757	81,670	1,348	3,579
B.2 transfers from other categories of impaired positions	46,021	3,876	1,930	605
B.3 other increases	90	1,389	-	2,089
C. Decreases	**35,037**	**78,257**	**3,127**	**4,198**
C.1 writebacks from valuations	8,633	19,036	156	778
C.2 write-ups from collections	4,221	4,194	-	134
C.3 writeoffs	22,129	6,411	1,133	228
C.4 transfers to other categories of impaired positions	12	48,141	1,837	2,442
C.5 other decreases	42	475	1	616
D. Total closing adjustments	**267,864**	**110,959**	**2,145**	**4,254**
- of which: exposures assigned but not derecognized	-	-	-	-

A.2 CLASSIFICATION OF EXPOSURES ON THE BASIS OF EXTERNAL AND INTERNAL RATINGS

QUALITATIVE INFORMATION

The distribution by rating grade shown here refers to Cariparma FriulAdria Group internal models. In earlier periods, a distribution based on rating systems used by the former holding company Intesa Sanpaolo was used.

The column "No Rating" mainly reports exposures to counterparty banks, public bodies and Sovereign States where no internal rating models are available.

QUANTITATIVE INFORMATION

A.2.2. Distribution of on-balance-sheet and off-balance-sheet exposures by internal rating grades

Exposures	Internal rating grades				Not rated	Total
	from AAA to BBB+	from BBB to BBB-	from BB+ to B	from B- to D		
A. On-balance-sheet exposures	**1,804,626**	**8,627,646**	**5,729,600**	**2,510,144**	**10,993,241**	**29,665,257**
B. Derivatives	**10,344**	**72,003**	**68,202**	**23,696**	**359,728**	**533,973**
B.1 Financial Derivatives	10,344	72,003	68,202	23,696	359,728	**533,973**
B.2 Credit derivatives	-	-	-	-	-	**-**
C. Guarantees issued	**226,963**	**298,049**	**402,807**	**66,261**	**552,457**	**1,546,537**
D. Commitments to disburse funds	**18,173**	**104,402**	**137,542**	**35,407**	**205,977**	**501,501**
Total	2,060,106	9,102,100	6,338,151	2,635,508	12,111,403	32,247,268

A.3 DISTRIBUTION OF SECURED EXPOSURES BY TYPE OF GUARANTEE

A.3.2 Secured exposures to customers

	Net value of exposure	Collateral (1)			Unsecured guarantees (2)										Total (1)+(2)
					Credit					Other guarantees					
						Other derivatives									
		Land and buildings	Securities	Other assets	CLN	Governments and central	Other public entities	Banks	Other	Governments and central banks	Other public entities	Banks	Other		
1. Secured on-balance-sheet exposures:	15,561,742	12,052,142	249,214	152,940	-	-	-	-	-	-	-	-	2,637,727		15,092,023
1.1 fully secured	14,714,504	11,938,682	168,253	125,264	-	-	-	-	-	-	-	-	2,333,872		14,566,071
- of which impaired	480,727	432,581	1,975	1,550	-	-	-	-	-	-	-	-	41,174		477,280
1.2 partially secured	847,238	113,460	80,961	27,676	-	-	-	-	-	-	-	-	303,855		525,952
- of which impaired	20,485	6,115	252	1,092	-	-	-	-	-	-	-	-	10,323		17,782
2. Secured off-balance-sheet exposures:	514,941	13,583	45,928	26,986	-	-	-	-	-	-	-	-	366,100		452,597
2.1 fully secured	383,744	904	39,008	18,964	-	-	-	-	-	-	-	-	324,452		383,328
- of which impaired	1,156	-	278	8	-	-	-	-	-	-	-	-	870		1,156
2.2 partially secured	131,197	12,679	6,920	8,022	-	-	-	-	-	-	-	-	41,648		69,269
- of which impaired	94	-	3	-	-	-	-	-	-	-	-	-	83		86

B. Distribution and concentration of credit exposure

B.1 ON-BALANCE-SHEET AND OFF-BALANCE-SHEET EXPOSURES TO CUSTOMERS BY SECTOR (BOOK VALUE)

Exposure/counterparty	Governments			Other public entities			Financial companies			Insurance undertakings			Non-financial companies			Other		
	Net exposure	Specific adjustments	Portfolio value adjustments	Net exposure	Specific adjustments	Portfolio adjustments	Net exposure	Specific adjustments	Portfolio adjustments	Net exposure	Specific adjustments	Portfolio adjustments	Net exposure	Specific adjustments	Portfolio adjustments	Net exposure	Specific adjustments	Portfolio adjustments
A. On-balance-sheet exposures																		
A.1 Bad debts	-	-	x	-	-	x	220	1,272	x	1	23	x	87,486	235,597	x	76,802	30,972	x
A.2 Substandard loans	1	1	x	1	-	x	453	170	x	-	-	x	99,667	81,043	x	86,864	29,744	x
A.3 Restructured loans	-	-	x	-	-	x	-	-	x	-	-	x	865	2,145	x	-	-	x
A.4 Past due positions	-	-	x	-	-	x	286	2	x	-	-	x	102,374	2,687	x	110,611	1,566	x
A.5 Other	2,800,698	x	-	116,016	x	-	1,716,682	x	9,648	50,717	x	-	12,001,232	x	67,920	7,726,601	x	19,718
TOTAL A	**2,800,699**	**1**	**-**	**116,017**	**-**	**-**	**1,717,641**	**1,444**	**9,648**	**50,718**	**23**	**-**	**12,291,624**	**321,472**	**67,920**	**8,000,878**	**62,282**	**19,718**
B. Off-balance-sheet exposures																		
B.1 Bad debts	-	-	x	-	-	x	-	-	x	-	-	x	1,011	108	x	13	-	x
B.2 Substandard loans	-	-	x	-	-	x	-	-	x	-	-	x	426	2,354	x	199	277	x
B.3 Impaired Assets	-	-	x	-	-	x	112	2	x	-	-	x	9,580	150	x	215	2	x
B.4 Other	7,818	x	-	5,723	x	-	39,753	x	41	28,731	x	77	1,718,969	x	7,148	82,161	x	95
Total B	**7,818**	**-**	**-**	**5,723**	**-**	**-**	**39,865**	**2**	**41**	**28,731**	**-**	**77**	**1,729,986**	**2,612**	**7,148**	**82,588**	**279**	**95**
Total (A+B) at 31/12/2009	2,808,517	1	-	121,740	-	-	1,757,506	1,446	9,689	79,449	23	77	14,021,610	324,084	75,068	8,083,466	62,561	19,813
Total (A+B) at 31/12/2008	1,179,314	-	-	126,401	1	-	653,064	1,582	4,581	131,837	-	83	13,845,928	228,025	88,557	7,007,007	57,087	10,763

B.2 BANKING GROUP – DISTRIBUTION BY TERRITORY OF ON BALANCE SHEET AND OFF BALANCE SHEET EXPUSURE TOWARDS CUSTOMERS (BALANCE SHEET VALUE)

Exposures/Geographical areas	North-Western Italy		North-Eastern Italy		Central Italy		Southern Italy and Isles	
	Net exposure	Total adjustments	Net exposure	Total adjustments	Net exposure	Total adjustments	Net exposure	Total adjustments
A. On-balance-sheet exposures								
A.1 Bad debts	85,853	138,393	48,505	79,888	19,343	31,150	10,805	16,000
A.2 Substandard loans	86,315	55,527	51,643	26,907	20,921	10,312	27,990	18,153
A.3 Restructured loans	865	2,145	-	-	-	-	-	-
A.4 Past due positions	80,774	1,414	61,553	1,173	38,830	1,151	31,626	515
A.5 Other	10,199,851	46,006	7,337,242	33,328	5,138,626	10,712	1,634,156	6,719
Total	**10,453,658**	**243,485**	**7,498,943**	**141,296**	**5,217,720**	**53,325**	**1,704,577**	**41,387**
B. Off-balance-sheet exposures								
B.1 Bad debts	491	78	473	-	45	30	15	-
B.2 Substandard loans	345	1,092	231	263	15	1,259	34	18
B.3 Impaired Assets	625	18	9,130	128	41	-	112	8
B.4 Other	652,584	2,218	987,903	3,428	198,119	1,555	41,934	157
Total	**654,045**	**3,406**	**997,737**	**3,819**	**198,220**	**2,844**	**42,095**	**183**
Total (A+B) at 31/12/2009	**11,107,703**	**246,891**	**8,496,680**	**145,115**	**5,415,940**	**56,169**	**1,746,672**	**41,570**
Total (A+B) at 31/12/2008	**9,519,831**	**197,772**	**7,280,951**	**116,336**	**4,642,925**	**42,657**	**1,495,646**	**31,023**

B.3 ON-BALANCE-SHEET AND OFF-BALANCE-SHEET EXPOSURES TO BANKS BY GEOGRAPHICAL AREA (BOOK VALUE)

Exposures/Geographical areas	Italy		Other European countries		America		Asia		Rest of the world	
	Net exposure	Total adjustments	Net exposure	Total adjustments	Net exposure	Total adjustments	Net exposure	Total adjustments	Net exposure	Total adjustments
A. On-balance-sheet exposures										
A.1 Bad debts	-	-	-	-	-	-	-	-	-	-
A.2 Substandard loans	-	-	-	-	-	-	-	-	-	-
A.3 Restructured loans	-	-	-	-	-	-	-	-	-	-
A.4 Past due positions	-	-	-	-	-	-	-	-	-	-
A.5 Other	1,361,695	-	3,203,006	-	7,650	-	560	-	646	1
TOTAL A	**1,361,695**	**-**	**3,203,006**	**-**	**7,650**	**-**	**560**	**-**	**646**	**1**
B. Off-balance-sheet exposures										
B.1 Bad debts	-	-	-	-	-	-	-	-	-	-
B.2 Substandard loans	-	-	-	-	-	-	-	-	-	-
B.3 Impaired Assets	-	-	-	-	-	-	-	-	-	-
B.4 Other	370,143	-	291,268	19	9,900	3	12,584	-	3,405	-
Total B	**370,143**	**-**	**291,268**	**19**	**9,900**	**3**	**12,584**	**-**	**3,405**	**-**
Total (A+B) at 31/12/2009	1,731,838	-	3,494,274	19	17,550	3	13,144	-	4,051	1
Total (A+B) at 31/12/2008	1,726,665	-	3,370,976	5	9,061	-	13,151	-	1,734	-

C.1 SECURITIZATIONS

C.1.6 Shareholdings in vehicle companies

Company name	Registered Office	Shareholding % (C)
1. MondoMutui Cariparma S.r.l	Milan	4,00

C.2 ASSET DISPOSALS

C.2.1 Financial assets assigned but not derecognized

Technical forms/portfolio	Financial assets held for trading			Financial assets carried at fair value			Financial assets available for sale			Financial assets held to maturity			Loans to banks			Loans to customers			Total	
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	31/12/2009	31/12/2008
A. On-balance-sheet	-	-	-	-	-	-	**2,456,813**	-	-	-	-	-	**139,427**	-	-	**4,240,382**	-	-	**6,836,622**	**1,087,929**
1. Debt securities	-	-	-	-	-	-	2,456,813	-	-	-	-	-	139,427	-	-	-	-	-	2,596,240	1,087,929
2. Equity securities	-	-	-	-	-	-	-	-	-	x	x	x	x	x	x	x	x	x	-	-
3. Units in collective investment	-	-	-	-	-	-	-	-	-	x	x	x	x	x	x	x	x	x	-	-
4. Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,240,382	-	-	4,240,382	-
B. Derivatives	-	-	-	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	-	-
Total 31/12/2009	-	-	-	-	-	-	**2,456,813**	-	-	-	-	-	**139,427**	-	-	**4,240,382**	-	-	**6,836,622**	**1,087,929**
of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	*313*	-	-	*313*	-
Total 31/12/2008	**12,073**	-	-	-	-	-	**937,800**	-	-	-	-	-	**138,056**	-	-	-	-	-	-	**1,087,929**
of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Key to symbols:
A = assigned financial assets fully recognized (book value)
B = assigned financial assets partially recognized (book value).
C = assigned financial assets partially recognized (full value)

C.2.2 Financial liabilities in respect of financial assets assigned but not derecognized

Liabilities/ Assets portfolio	Financial assets held for trading	Financial assets carried at fair value	Financial assets available for sale	Financial assets held to maturity	Loans to banks	Loans to customers	Total
1. Due to customers	-	-	-	-	**139,494**	-	**139,494**
a) in respect of assets fully recognized	-	-	-	-	139,494	-	139,494
b) in respect of assets partially recognized	-	-	-	-	-	-	-
2. Due to banks	-	-	**2,459,656**	-	-	**324,213**	**2,783,869**
a) in respect of assets fully recognized	-	-	2,459,656	-	-	324,213	2,783,869
b) in respect of assets partially recognized	-	-		-	-	-	-
Total 31/12/2009	-	-	2,459,656	-	139,494	324,213	2,923,363
Total 31/12/2008	12,100	-	934,914	-	138,434	-	1,085,448

SECTION 2 – Market risks

2.1 Interest rate risk and price risk – Supervisory Book

QUALITATIVE INFORMATION

General aspects

Market risk is generated by the positions held by the Bank in the supervisory book.

The supervisory trading book is composed of:

- positions managed centrally by the Parent Company (operational portfolio and treasury portfolio) measured at fair value;
- the trading book comprising securities, derivatives, funds, hedge finds and foreign currency positions acquired for commercial purposes.

B. Management and measurement of market risks

Organizational aspects

The market risk in the trading book is managed as part of the Bank's risk policies, which set the criteria for managing risk profiles, determine the activities to be carried out to ensure the criteria are properly applied, identify the units responsible for these activities and delineate the procedures to support them.

Investment policy

The investment policy is designed to implement short- and long-term strategic guidelines and to quantify the resources to be allocated to financial investments in the trading book of each Bank.

Exposure

The Bank does not engage in significant trading on own account in financial and capital markets. Nevertheless, it has positions deriving from its placement and trading activities on behalf of customers as well as positions in investment funds and hedge funds. In particular, during the third quarter of 2009, a disinvestment plan was initiated for hedge fund quotas which will be completed during 2010.

Risk measurement

The market risk measurement phase consists in the construction of metrics that indicate risks in respect of investments in financial instruments. In particular, market risks are determined with reference to:

- the market value of the financial instruments: the value must be marked to market;
- the variables underlying the financial instruments that influence their value (interest rates, share prices, exchange rates etc.);
- the sensitivity of the market value of financial instruments to variations in the value of the underlying variables;
- the volatility (i.e. the expected change over a given period of time) of the variables underlying the financial instruments;
- the desired level of protection (the confidence interval, i.e. the probability of the estimates being accurate).

Risk control

Risk monitoring activities are the responsibility of the Risks and Permanent Controls Department, which is responsible for:

- enforcing the operating limits on the trading book of the Bank;
- ensuring the adequacy and functionality of the finance process;
- ensuring compliance with agreed risk management rules and criteria;
- ensuring the proper functioning of activities and controls to protect against risk;
- detecting problems requiring a rapid response.

QUANTITATIVE INFORMATION

1. Supervisory trading book: distribution by residual maturity (repricing date) of on-balancesheet financial assets and liabilities and financial derivatives

Currency: US DOLLAR

Type/Residual maturity	demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	from over 5 years to 10 years	More than 10 years	unspecified maturity
1. On-Balance-Sheet Assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-Balance-Sheet Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**44,382**	**7,748**	**4,403**	**164**	**-**	**87**	**-**
3.1 With underlying security	-	607	102	113	164	-	87	-
- Options	-	44	102	113	-	-	-	-
+ long positions	-	22	51	57	-	-	-	-
+ short positions	-	22	51	57	-	-	-	-
- Other derivatives	-	563	-	-	164	-	87	-
+ long positions	-	282	-	-	82	-	44	-
+ short positions	-	281	-	-	82	-	43	-
3.2 Without underlying security	-	43,775	7,646	4,290	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	43,775	7,646	4,290	-	-	-	-
+ long positions	-	20,096	2,757	604	-	-	-	-
+ short positions	-	23,679	4,889	3,686	-	-	-	-

Currency: UK POUND STERLING

Type/Residual maturity	demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	from over 5 years to 10 years	More than 10 years	unspecified maturity
1. On-Balance-Sheet Assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-Balance-Sheet Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**2,240**	**2,113**	**1,821**	**793**	**277**	**-**	**-**
3.1 With underlying security	-	867	10	10	562	277	-	-
- Options	-	14	10	10	-	-	-	-
+ long positions	-	7	5	5	-	-	-	-
+ short positions	-	7	5	5	-	-	-	-
- Other derivatives	-	853	-	-	562	277	-	-
+ long positions	-	428	-	-	281	138	-	-
+ short positions	-	425	-	-	281	139	-	-
3.2 Without underlying security	-	1,373	2,103	1,811	231	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	1,373	2,103	1,811	231	-	-	-
+ long positions	-	970	1,051	1,248	231	-	-	-
+ short positions	-	403	1,052	563	-	-	-	-

Currency: SWISS FRANK

Type/Residual maturity	demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	from over 5 years to 10 years	More than 10 years	unspecified maturity
1. On-Balance-Sheet Assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-Balance-Sheet Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**6,625**	**2,804**	**201**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	6,625	2,804	201	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	6,625	2,804	201	-	-	-	-
+ long positions	-	1,341	1,402	101	-	-	-	-
+ short positions	-	5,284	1,402	100	-	-	-	-

Currency: JAPAN YEN

Type/Residual maturity	demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	from over 5 years to 10 years	More than 10 years	unspecified maturity
1. On-Balance-Sheet Assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-Balance-Sheet Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**643**	**26**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	643	26	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	643	26	-	-	-	-	-
+ long positions	-	277	-	-	-	-	-	-
+ short positions	-	366	26	-	-	-	-	-

Currency: EURO

Type/Residual maturity	demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	from over 5 years to 10 years	More than 10 years	unspecified maturity
1. On-Balance-Sheet Assets	**1**	**5,408**	**3**	**50**	**60**	**1**	**14**	**-**
1.1 Debt securities	1	33	3	50	60	1	14	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	1	33	3	50	60	1	14	-
1.2 Other assets	-	5,375	-	-	-	-	-	-
2. On-Balance-Sheet Liabilities	**-**	**5,296**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	5,296	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives	**1,680**	**5,805,280**	**1,800,205**	**819,672**	**4,022,106**	**608,915**	**254,967**	**-**
3.1 With underlying security	1,680	136,293	71,791	2,559	9,764	7,599	317	-
- Options	-	58	112	122	-	-	-	-
+ long positions	-	29	56	61	-	-	-	-
+ short positions	-	29	56	61	-	-	-	-
- Other derivatives	1,680	136,235	71,679	2,437	9,764	7,599	317	-
+ long positions	65	69,836	35,591	285	2,991	5,971	158	-
+ short positions	1,615	66,399	36,088	2,152	6,773	1,628	159	-
3.2 Without underlying security	-	5,668,987	1,728,414	817,113	4,012,342	601,316	254,650	-
- Options	-	10	12	22	7,700	2,192	706	-
+ long positions	-	5	6	11	3,850	1,096	353	-
+ short positions	-	5	6	11	3,850	1,096	353	-
- Other derivatives	-	5,668,977	1,728,402	817,091	4,004,642	599,124	253,944	-
+ long positions	-	2,838,073	866,414	409,740	2,000,708	299,562	126,972	-
+ short positions	-	2,830,904	861,988	407,351	2,003,934	299,562	126,972	-

Currency: OTHER CURRENCIES

Type/Residual maturity	demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	from over 5 years to 10 years	More than 10 years	unspecified maturity
1. On-Balance-Sheet Assets	**-**	**-**	**-**	**-**	**398**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	398	-	-	-
- with early redemption option	-	-	-	-		-	-	-
- other	-	-	-	-	398	-	-	-
1.2 Other assets	-	-	-	-		-	-	-
2. On-Balance-Sheet Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreement liabilities	-	-	-	-		-	-	-
2.2 Other liabilities	-	-	-	-		-	-	-
3. Financial Derivatives	**-**	**1,497**	**56**	**133**	**423**	**57**	**-**	**-**
3.1 With underlying security	-	508	-	12	423	57	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	508	-	12	423	57	-	-
+ long positions	-	461	-	6	11	28	-	-
+ short positions	-	47	-	6	412	29	-	-
3.2 Without underlying security	-	989	56	121	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	989	56	121	-	-	-	-
+ long positions	-	700	-	37	-	-	-	-
+ short positions	-	289	56	84	-	-	-	-

2. Supervisory Trading Book: distribution of exposure in share capital securities and share indexes by main market listing countries

Type of transaction/equity index	Listed						Unlisted
	Italy	Germany	France	Switzerland	Great Britain	Rest of the world	
A. Equity securities	**-**	**-**	**-**	**-**	**-**	**-**	**17**
- long positions	-	-	-	-	-	-	17
- short positions	-	-	-	-	-	-	-
B. Unsettled transactions in equity securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- long positions	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-
C. Other derivatives on equity securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- long positions	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-
D. Derivatives on equity indices	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- long positions	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-

2.2 Interest rate risk and price risk – Banking book

QUALITATIVE INFORMATION

General aspects, management and measurement of interest rate risk and price risk

General aspects

Asset Liability Management typically refers to the positions in the banking book and focuses mainly on fixed-rate positions and liquidity. Fluctuations in interest rates impact the profits of the Bank by reducing both net interest income and gross income, and also affect capital by causing changes in the net present value of future cash flows.

Interest rate risk therefore refers to all on-balance sheet and off-balance sheet transactions, excluding the supervisory trading book).

Risk policy and manaement

Risk management policy is designed to implement short- and long-term strategies to identify and quantify interest rate risk.

The governance model adopted delegates the management of interest rate risk to the Financial Management Department which manages the risk at Group level ensuring that it remains compatible with the limits and guidelines set by the Holding Company Crédit Agricole SA.

The ALM Committee, which comprises the top management of the banks and representatives from the main functions of the Bank and Crédit Agricole S.A., validates the methodologies used for measuring interest rate risk exposure, examines the reporting output of the Financial Management Department and decides on any action that needs to be taken, which will typically involve hedging, acting through the Financial Management Department with a view to maximising profitability.

During 2009, several projects were initiated aimed at consolidating the automation of exposure to interest rate risk and compliance with the set limits as well as ensuring the correctness, accuracy and reliability of information and data collected and processed by the management information system.

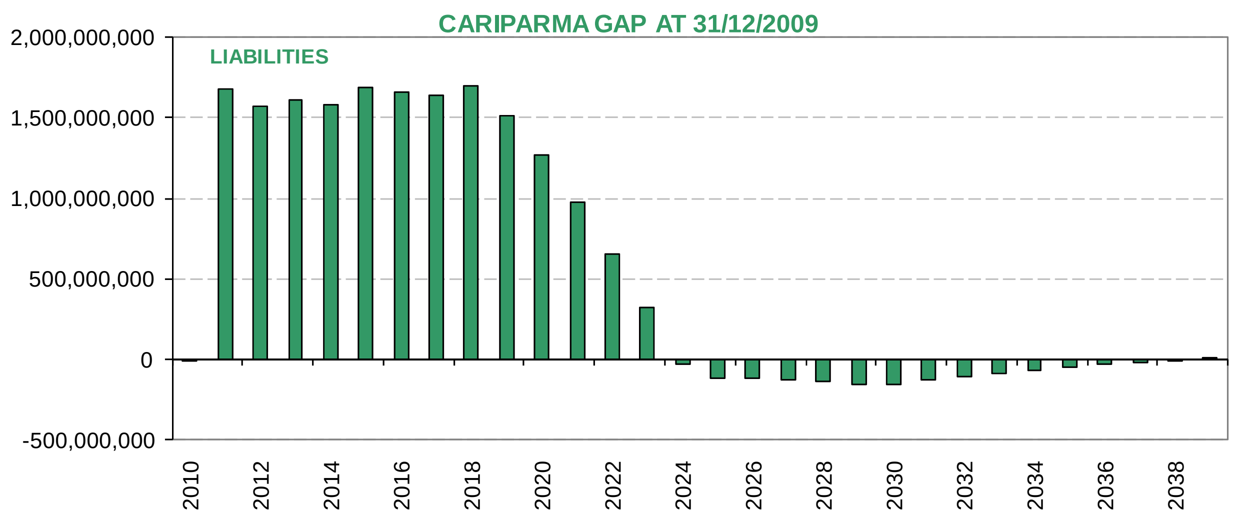
Risk control

The Department of Risk Management and Permanent Controls independently oversees the interest-rate-risk control system, ensuring that it remains compatible with the risk measurement model developed in compliance with operational and regulatory requirements. Specifically, as part of the tasks assigned to it, the Department:

- checks the risk measurement and stress testing models in line with the guidelines of the supervisory authorities and Crédit Agricole S.A;
- validates, updates and maintains the risk measurement models;
- As part of its control activities, notifies the Board of Directors if risk ceilings have been breached since its last communication and recommends corrective action.

Risk measurement: Methodological aspects

To measure and manage interest rate risk, the Bank adopted an interest gap based model where, at every future maturity date, the gap generated by fixed rate assets and liabilities existing on that date is measured. Calculation of the fixed rate cumulative gap requires prior identification of book positions exposed to interest rate risk, identification of the stable component of on demand items, an estimate of "optionality" implicit in certain banking book positions (early reimbursement of loans), an estimated expiry for certain asset positions which do not have fixed contractual maturity, according to Parent Company Crédit Agricole's own model. Interest rate limits are monitored by estimating the impact of a shock +/- 200 bp on the cumulative gap (sensitivity gap); in particular, for each future date, the impact of the rate shock on the interest margin generated by the assets and liabilities that make up the cumulative gap are estimated at that date and the Global Interest Rate Risk indicators are monitored for which surveillance ceilings have been identified. The gap as at 31st December 2009 is reported below.



The table below reports the impacts of an interest rate shock of minus 200 basis points, the scenario that would have the greatest effect on the gap structure.

The impacts at end of 2009 are measured using three different indicators: the relative change in equity (the equity ratio), the relative change in gross income and the relative change in the gross operating margin. The first indicator measures the capacity of assets to absorb the shock over the long term, while the second and third measure the effects of the shock on performance.

	Shock 200bp (max value +/-) in %
EQUITY	**2.867**
Impact	10,72%
GROSS INCOME	**1.218**
Impact	2,76%
GROSS OPERATING MARGIN	**571**
Impact	5,89%

B. Fair Value Hedging

The purpose of hedging interest rate risk is to immunize the banking book from changes in the fair value of deposits and loans caused by movements in the yield curve and to lower the volatility of cash flows relating to a given asset or liability. In particular, fixed rate bonds were micro hedged (specific hedges) and the fixed-rate gaps shown in the internal model were macro-hedged (generic hedges. The hedges were established with the purchase of interest rate swaps, which were used both for micro and macro hedging. Further, in view of the situation of the markets and the swift fall in interest rates, the ALM Committee also resolved to acquire fixed-rate government securities for the purpose of creating natural hedges. Pursuant to international accounting standards, the effectiveness of the hedges was assessed by the Financial Management Department, which carried out periodic effectiveness tests and maintains formal documentation for every hedging transaction.

C. Cash flow hedging

There are no existing cash flow hedging transactions.

QUANTITATIVE INFORMATION

1. Banking book: Banking book: distribution of financial assets and liabilities by residual maturity (repricing date)

Currency: US DOLLAR

Type/Residual maturity	demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	from over 5 years to 10 years	More than 10 years	unspecified maturity
1. On-Balance-Sheet Assets	**69,293**	**194,228**	**14,666**	**24**	**-**	**-**	**-**	**565**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	8,845	88,167	-	-	-	-	-	-
1.3 Loans to customers	60,448	106,061	14,666	24	-	-	-	565
- current account	4,981	-	-	-	-	-	-	465
- Other financing	55,467	106,061	14,666	24	-	-	-	100
- with early redemption option	1,215	16,054	145	-	-	-	-	-
- other	54,252	90,007	14,521	24	-	-	-	100
2. On-Balance-Sheet Liabilities	**268,590**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers:	96,047	-	-	-	-	-	-	-
- current account	96,047	-	-	-	-	-	-	-
- other debts	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Due to banks	172,543	-	-	-	-	-	-	-
- current account	1,994	-	-	-	-	-	-	-
- other debts	170,549	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**683**	**114,137**	**387**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	683	114,137	387	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	683	114,137	387	-	-	-	-	-
+ long positions	-	57,216	387	-	-	-	-	-
+ short positions	683	56,921	-	-	-	-	-	-

Currency: UK POUND STERLING

Type/Residual maturity	demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	from over 5 years to 10 years	More than 10 years	unspecified maturity
1. On-Balance-Sheet Assets	**3,796**	**23,705**	**-**	**-**	**-**	**-**	**-**	**2**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	3,012	11,823	-	-	-	-	-	-
1.3 Loans to customers	784	11,882	-	-	-	-	-	2
- current account	206	-	-	-	-	-	-	2
- Other financing	578	11,882	-	-	-	-	-	-
- with early redemption option	294	294	-	-	-	-	-	-
- other	284	11,588	-	-	-	-	-	-
2. On-Balance-Sheet Liabilities	**28,559**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers:	14,430	-	-	-	-	-	-	-
- current account	14,430	-	-	-	-	-	-	-
- other debts	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Due to banks	14,129	-	-	-	-	-	-	-
- current account	1,179	-	-	-	-	-	-	-
- other debts	12,950	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**25,898**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	25,898	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	25,898	-	-	-	-	-	-
+ long positions	-	12,949	-	-	-	-	-	-
+ short positions	-	12,949	-	-	-	-	-	-

Currency: SWISS FRANK

Type/Residual maturity	demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	from over 5 years to 10 years	More than 10 years	unspecified maturity
1. On-Balance-Sheet Assets	**5,207**	**33,255**	**359**	**-**	**-**	**-**	**-**	**279**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	1,049	-	-	-	-	-	-	-
1.3 Loans to customers	4,158	33,255	359	-	-	-	-	279
- current account	160	-	-	-	-	-	-	-
- Other financing	3,998	33,255	359	-	-	-	-	279
- with early redemption option	11	195	-	-	-	-	-	-
- other	3,987	33,060	359	-	-	-	-	279
2. On-Balance-Sheet Liabilities	**35,251**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers:	1,355	-	-	-	-	-	-	-
- current account	1,355	-	-	-	-	-	-	-
- other debts	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Due to banks	33,896	-	-	-	-	-	-	-
- current account	181	-	-	-	-	-	-	-
- other debts	33,715	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**11,054**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions		-	-	-	-	-	-	-
+ short positions		-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	11,054	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	11,054	-	-	-	-	-	-
+ long positions	-	5,527	-	-	-	-	-	-
+ short positions	-	5,527	-	-	-	-	-	-

Currency: JAPAN YEN

Type/Residual maturity	demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	from over 5 years to 10 years	More than 10 years	unspecified maturity
1. On-Balance-Sheet Assets	**1,625**	**3,884**	**152**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	454	-	-	-	-	-	-	-
1.3 Loans to customers	1,171	3,884	152	-	-	-	-	-
- current account	127	-	-	-	-	-	-	-
- Other financing	1,044	3,884	152	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	1,044	3,884	152	-	-	-	-	-
2. On-Balance-Sheet Liabilities	**5,477**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers:	820	-	-	-	-	-	-	-
- current account	820	-	-	-	-	-	-	-
- other debts	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Due to banks	4,657	-	-	-	-	-	-	-
- current account	-	-	-	-	-	-	-	-
- other debts	4,657	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**5,407**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	5,407	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	5,407	-	-	-	-	-	-
+ long positions	-	2,703	-	-	-	-	-	-
+ short positions	-	2,704	-	-	-	-	-	-

Currency: EURO

Type/Residual maturity	demand	up to 3 months	more than 3 months to 6	more than 6 months to 1 year	more than 1 year to 5 years	from over 5 years to 10 years	More than 10 years	unspecified maturity
1. On-Balance-Sheet Assets	**5,475,676**	**11,520,685**	**1,493,662**	**1,590,446**	**997,234**	**6,125,096**	**1,451,841**	**538,794**
1.1 Debt securities	-	-	-	2,685	45,552	5,471,054	-	1
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	2,685	45,552	5,471,054	-	1
1.2 Loans to banks	69,437	1,710,181	64	72	842	-	-	-
1.3 Loans to customers	5,406,239	9,810,504	1,493,598	1,587,689	950,840	654,042	1,451,841	538,793
- current account	3,571,541	-	-	-	-	-	-	49,278
- Other financing	1,834,698	9,810,504	1,493,598	1,587,689	950,840	654,042	1,451,841	489,515
- with early redemption option	45,638	200,829	46,390	48,760	217,112	10,308	-	4,543
- other	1,789,060	9,609,675	1,447,208	1,538,929	733,728	643,734	1,451,841	484,972
2. On-Balance-Sheet Liabilities	**14,545,714**	**5,148,430**	**959,645**	**1,402,876**	**4,963,717**	**985,848**	**-**	**-**
2.1 Due to customers:	13,758,095	144,790	-	-	-	-	-	-
- current account	13,379,058	-	-	-	-	-	-	-
- other debts	379,038	144,790	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	379,038	144,790	-	-	-	-	-	-
2.2 Due to banks	717,744	3,034,263	-	-	-	-	-	-
- current account	4,618	-	-	-	-	-	-	-
- other debts	713,126	3,034,263	-	-	-	-	-	-
2.3 Debt securities	14,374	1,969,377	959,645	1,402,876	4,963,717	985,848	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	14,374	1,969,377	959,645	1,402,876	4,963,717	985,848	-	-
2.4 Other liabilities	55,500	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	55,500	-	-	-	-	-	-	-
3. Financial Derivatives	**138,600**	**4,562,683**	**1,311,578**	**414,211**	**3,096,834**	**1,262,245**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	138,600	4,562,683	1,311,578	414,211	3,096,834	1,262,245	-	-
- Options	-	-	5,000	-	5,000	-	-	-
+ long positions	-	-	2,500	-	2,500	-	-	-
+ short positions	-	-	2,500	-	2,500	-	-	-
- Other derivatives	138,600	4,562,683	1,306,578	414,211	3,091,834	1,262,245	-	-
+ long positions	-	1,227,939	121,547	414,211	2,362,134	1,262,245	-	-
+ short positions	138,600	3,334,744	1,185,031	-	729,700	-	-	-

Currency: OTHER CURRENCIES

Type/Residual maturity	demand	up to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	from over 5 years to 10 years	More than 10 years	unspecified maturity
1. On-Balance-Sheet Assets	**5,118**	**953**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	3,702	717	-	-	-	-	-	-
1.3 Loans to customers	1,416	236	-	-	-	-	-	-
- current account	1,152	-	-	-	-	-	-	-
- Other financing	264	236	-	-	-	-	-	-
- with early redemption option	5	35	-	-	-	-	-	-
- other	259	201	-	-	-	-	-	-
2. On-Balance-Sheet Liabilities	**4,486**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers:	2,778	-	-	-	-	-	-	-
- current account	2,778	-	-	-	-	-	-	-
- other debts	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Due to banks	1,708	-	-	-	-	-	-	-
- current account	320	-	-	-	-	-	-	-
- other debts	1,388	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	**-**	**2,831**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	2,831	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	2,831	-	-	-	-	-	-
+ long positions	-	1,416	-	-	-	-	-	-
+ short positions	-	1,415	-	-	-	-	-	-

2.3 Exchange rate risk

QUALITATIVE DISCLOSURES

The Bank does not engage in foreign exchange trading on own account, and has no assets or liabilities that are not hedged against exchange rate risk. Accordingly, there are no exposures apart from residual positions in respect of activities carried out to meet customer needs in both the spot and forward markets.

These residual positions are nonetheless monitored daily.

QUANTITATIVE DISCLOSURES

1. Distribution by currency of assets, liabilities and derivatives

Items	Currencies					
	US DOLLAR	UK POUND STERLING	JAPAN YEN	CANADIAN DOLLAR	SWISS FRANK	OTHER CURRENCIES
A. Financial Assets	**278,777**	**27,503**	**5,661**	**1,919**	**39,083**	**4,560**
A.1 Debt securities	-	-	-	-	-	408
A.2 Equity securities	-	-	-	-	-	-
A.3 Loans to banks	97,012	14,835	454	1,100	1,049	3,317
A.4 Loans to customers	181,765	12,668	5,207	819	38,034	835
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	**1,050**	**685**	**77**	**88**	**673**	**296**
C. Financial Liabilities	**268,590**	**28,559**	**5,477**	**1,825**	**35,251**	**2,661**
C.1 Due to banks	172,543	14,129	4,656	294	33,896	1,414
C.2 Due to customers:	96,047	14,430	821	1,531	1,355	1,247
C.3 Debt securities	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	**1,785**	**142**	**26**	**16**	**344**	**503**
E. Financial derivatives	**71,708**	**5,553**	**667**	**3**	**9,629**	**1,164**
- Options	258	34	-	-	-	-
+ long positions	129	17	-	-	-	-
+ short positions	129	17	-	-	-	-
- Other derivatives	71,450	5,519	667	3	9,629	1,164
+ long positions	31,434	3,501	276	-	2,843	737
+ short positions	40,016	2,018	391	3	6,786	427
Total assets	**311,390**	**31,706**	**6,014**	**2,007**	**42,599**	**5,593**
Total liabilities	**310,520**	**30,736**	**5,894**	**1,844**	**42,381**	**3,591**
Difference (+/-)	**870**	**970**	**120**	**163**	**218**	**2,002**

2.4 Financial derivatives

A. Financial Derivatives

A.1 SUPERVISORY TRADING BOOK: END-PERIOD AND AVERAGE NOTIONAL AMOUNTS

Underlying assets/Type of derivative	31/12/2009		31/12/2008	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	8,815,769	-	9,502,242	-
a) Options	2,315,510	-	2,468,765	-
b) Swaps	6,500,259	-	7,033,477	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
2. Equity securities and equity indices	-	-	-	-
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
3. Exchange rates and gold	134,749	-	361,741	-
a) Options	69,594	-	139,573	-
b) Swaps	-	-	-	-
c) Forward contracts	65,155	-	222,168	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	26,202	-	70,927	-
5. Other underlying assets	96	-	-	-
Total	**8,976,816**	**-**	**9,934,910**	**-**
Average amounts	**8,932,015**	**-**	**10,220,922**	**-**

A.2 BANKING BOOK: END-PERIOD AND AVERAGE NOTIONAL AMOUNTS

A.2.1 Hedging

Underlying assets/Type of derivative	31/12/2009		31/12/2008	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	5,390,575	-	5,093,233	-
a) Options	2,500	-	2,500	-
b) Swaps	5,388,075	-	5,090,733	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
2. Equity securities and equity indices	-	-	-	-
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
3. Exchange rates and gold	-	-	-	-
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	-	-	-	-
5. Other underlying assets	-	-	-	-
Total	**5,390,575**	**-**	**5,093,233**	**-**
Average amounts	**5,530,780**	-	**4,107,891**	-

A.2.2 Other derivatives

Underlying assets/Type of derivatives	31/12/2009		31/12/2008	
	Over the counter	Central counterparties	Over the counter	Central counterparties
1. Debt securities and interest rates	2,500	-	2,500	-
a) Options	2,500	-	2,500	-
b) Interest rate swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
2. Equity securities and equity indices	-	-	-	-
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
3. Exchange rates and gold	-	-	-	-
a) Options	-	-	-	-
b) Swaps	-	-	-	-
c) Forward contracts	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
4. Commodities	-	-	-	-
5. Other underlying assets	-	-	-	-
Total	**2,500**	**-**	**2,500**	**-**
Average amounts	**2,500**	**-**	**2,500**	**-**

A.3 FINANCIAL DERIVATIVES: POSITIVE *FAIR VALUE* - SPREAD BY PRODUCT

Underlying assets/Type of derivatives	Positive fair value			
	31/12/2009		31/12/2008	
	Over the counter	Central counterparties	Over the counter	Central counterparties
A. Supervisory Trading Portfolio:	250,589	-	235,036	-
a) Options	16,084	-	11,299	-
b) Interest rate sw aps	231,373	-	206,862	-
c) Cross currency sw aps	-	-	-	-
d) Equity sw aps	-	-	-	-
c) Forw ards	581	-	8,772	-
f) Futures	-	-	-	-
g) Other	2,551	-	8,153	-
B. Banking Portfolio - hedging	283,229	-	182,756	-
a) Options	365	-	201	-
b) Interest rate sw aps	282,864	-	182,555	-
c) Cross currency sw aps	-	-	-	-
d) Equity sw aps	-	-	-	-
c) Forw ards	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
C. Banking Portfolio - Other derivatives	-	-	-	-
a) Options	-	-	-	-
b) Interest rate sw aps	-	-	-	-
c) Cross currency sw aps	-	-	-	-
d) Equity sw aps	-	-	-	-
c) Forw ards	-	-	-	-
f) Futures	-	-	-	-
g) Other	-	-	-	-
Total	**533,818**	**-**	**417,792**	**-**

A.4 FINANCIAL DERIVATIVES: NEGATIVE *FAIR VALUE* - SPREAD BY PRODUCT

Underlying assets/Type of derivatives	Negative fair value			
	31/12/2009		31/12/2008	
	Over the counter	Central counterparties	Over the counter	Central counterparties
A. Supervisory Trading Portfolio	255,821	-	239,571	-
a) Options	16,100	-	11,456	-
b) Interest rate sw aps	237,035	-	212,117	-
c) Cross currency sw aps	-	-	-	-
d) Equity sw aps	-	-	-	-
c) Forw ards	884	-	7,843	-
d) Futures	-	-	-	-
e) Other	1,802	-	8,155	-
B. Banking Portfolio - hedging	5,891	-	1,119	-
a) Options	-	-	-	-
b) Interest rate sw aps	5,891	-	1,119	-
c) Cross currency sw aps	-	-	-	-
d) Equity sw aps	-	-	-	-
c) Forw ards	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
C. Banking Portfolio - Other derivatives	366	-	201	-
a) Options	366	-	201	-
b) Interest rate sw aps	-	-	-	-
c) Cross currency sw aps	-	-	-	-
d) Equity sw aps	-	-	-	-
c) Forw ards	-	-	-	-
d) Futures	-	-	-	-
e) Other	-	-	-	-
Total	**262,078**	**-**	**240,891**	**-**

A.5 OVER-THE-COUNTER FINANCIAL DERIVATIVES - SUPERVISORY TRADING BOOK: NOTIONAL VALUES, POSITIVE AND NEGATIVE GROSS FAIR VALUE BY COUNTERPARTY - CONTRACTS NOT WITHIN COMPENSATION AGREEMENTS

Contracts not included in compensation agreements	Governments and central banks	Other public entities	banks	Financial companies	Insurance undertakings	Non-financial companies	Other
1) Debt securities and interest rates	**-**	**27,711**	**4,725,166**	**608,048**	**-**	**3,548,209**	**444,279**
- notional amount	-	26,879	4,415,334	591,144	-	3,438,445	433,966
- positive fair value	-	574	58,129	7,580	-	171,933	8,581
- negative fair value	-	74	228,877	6,738	-	15,578	1,172
- future exposure	-	184	22,826	2,586	-	12,253	560
2) Equity securities and equity indices	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
3) Exchange rate and gold	**-**	**-**	**56,779**	**4,708**	**-**	**69,025**	**7,092**
- notional amount	-	-	56,095	4,512	-	67,226	6,915
- positive fair value	-	-	574	87	-	528	16
- negative fair value	-	-	614	88	-	753	93
- future exposure	-	-	396	21	-	518	68
4) Other assets	**-**	**-**	**18,891**	**-**	**-**	**14,377**	**71**
- notional amount	-	-	14,763	-	-	11,493	42
- positive fair value	-	-	1,621	-	-	964	-
- negative fair value	-	-	1,035	-	-	771	29
- future exposure	-	-	1,472	-	-	1,149	-

A.7 OVER-THE-COUNTER FINANCIAL DERIVATIVES - BANKING BOOK: NOTIONAL VALUES, POSITIVE AND NEGATIVE GROSS *FAIR VALUE* BY COUNTERPARTY - CONTRACTS NOT WITHIN COMPENSATION AGREEMENTS

Contracts not included in compensation agreements	Governments and central banks	Other public entities	Banks	Financial companies	Insurance undertakings	Non-financial companies	Other
1) Debt securities and interest rates	**-**	**-**	**5,714,078**	**-**	**-**	**-**	**2,866**
- notional amount	-	-	5,390,575	-	-	-	2,500
- positive fair value	-	-	283,230	-	-	-	-
- negative fair value	-	-	5,891	-	-	-	366
- future exposure	-	-	34,382	-	-	-	-
2) Equity securities and equity indices	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
3) Exchange rate and gold	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
4) Other assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-

A.9 RESIDUAL MATURITY OF OTC FINANCIAL DERIVATIVES: NOTIONAL VALUES

Underlying asset/residual maturity	Up to 1 year	Over 1 year to 5 years	More than 5 years	Total
A. Supervisory Trading Portfolio	**2,393,409**	**5,299,646**	**1,283,760**	**8,976,815**
A.1 Financial derivatives on debt certificates and interest rates	2,232,593	5,299,415	1,283,760	8,815,768
A.2 Financial derivatives on share capital securities and share in	-	-	-	-
A.3. Financial Derivatives on exchange rates and gold	134,517	231	-	134,748
A.4 Financial derivatives on other values	26,299	-	-	26,299
B. Banking Portfolio	**1,038,697**	**3,092,134**	**1,262,245**	**5,393,076**
B.1 Financial derivatives on debt certificates and interest rates	1,038,697	3,092,134	1,262,245	5,393,076
B.2 Financial derivatives on share capital securities and share in	-	-	-	-
B.3. Financial Derivatives on exchange rates and gold	-	-	-	-
B.4 Financial derivatives on other values	-	-	-	-
Total 31/12/2009	**3,432,106**	**8,391,780**	**2,546,005**	**14,369,891**
Total 31/12/2008	**5,095,466**	**7,849,564**	**2,354,128**	**15,299,158**

Section 3 – Liquidity risk

QUALITATIVE DISCLOSURES

General aspects, management and measurement of liquidity risk

General aspects

In 2009, Cariparma focused on the establishment of the centralized treasury (from 9 February 2009) aligned with Crédit Agricole Group standards:

The Group Treasury is responsible for:

- manage of short-term liquidity (operating liquidity);
- directly fulfil Reserve obligations imposed by the Central Bank;
- ensure availability of the necessary funds to meet payment obligations;
- maintain relations with the Bank of Italy on Treasury activities, the payments system, monetary policy operations and reporting on Group liquidity;
- Manage short-term interest rate risk (0-24 months);
- optimizes the management of available resources;
- comply with liquidity limits established for instruments and counterparties.

Organizational aspects

The governance model adopted is based on the centralized management of liquidity risk following the guidelines set down by Crédit Agricole S.A.

As the Holding Company, Cariparma is responsible for:

- the liquidity policy,
- management of funding;
- Management of liquidity risk.

The governance model adopted to protect against liquidity risk is defined by the Board of Directors and delegated to the competent Departments. In particular:

- to the Chief Executive Officer who has the responsibility of checking the functionality, efficacy and efficiency of the risk management and control system;
- to the General Manager and Deputy General Manager, who are given the responsibility of implementing the liquidity risk management policy within the remit of the relative operational delegations.

The liquidity management model is based on a system of delegations; the Financial Management Department has overall responsibility for the measurement, management and monitoring of liquidity and the Risks and Permanent Controls Department for the relative risk control activities.

Risk management and control: Methodological aspects

The liquidity risk management and monitoring model is implemented through:

- The management of short term liquidity, (operating liquidity), which concerns the management of events impacting on the Group’s liquidity position over a time horizon of between one day and one year, the primary purpose of which is to sustain the Group's ability to meet ordinary and extraordinary payment obligations and minimize the associated costs, while remaining complying with the guidelines and regulations of the controlling company;
- the management of medium/long-term liquidity (structural liquidity), which concerns the management of events impacting on the Group’s liquidity position over a time horizon of more than one year, the primary purpose of which is to maintain an appropriate ratio between liabilities and assets in the medium/long term.

Management of short-term liquidity

The approach used for measuring exposure to short-term liquidity risk is that of "*maturity mismatch*", consistent with instructions issued by the Supervisory Body.

The phases of the analysis are as follows:

- definition of time horizons and time buckets;
- Definition of the scope of reference;
- Creation of the *maturity ladder* and cash flow mapping;
- calculation of the counterbalancing capacity (eligible assets for refinancing with the central bank, easily liquidated assets, other balance sheet assets);
- Definition of limits by maturity (check that for every time bucket the net cumulative *cash flow gap* is lower than the amount of counterbalancing capacity).

Fundamental in the management of the operational liquidity is the definition of a short term refinancing limit weighted using a methodology aimed at ensuring surplus liquidity over a one year horizon in a market characterised by stress conditions. This limit determines the structure of short term refinancing which imposes "non concentration" on shorter maturities.

Management of structural liquidity

The Bank has defined an indicator aimed at highlighting balance between financing sources and medium/long term loans, constructed by comparing the ratio between medium/long term deposits and existing medium/long terms loans with the corresponding ratio between the same amounts defined during the preparation of the budget.

Risk control

The Risks and Permanent Control Department checks operating liquidity indicators no a daily basis and structural liquidity on a quarterly basis. On breach of the set limits:

- Passes the evidence to the Financial Management Department to agree any corrective action and checks its implementation;
- The Deputy Director General is informed by the Risks and Permanent Control Department of limit breaches occuring during the period after communication to the ALM and approves any workout plans;
- The ALM Committee receives the plan of corrective actions presented by the Financial Management Department, previously communicated to, and approved by, the Group Risks and Perpament Controls Department.

QUANTITATIVE DISCLOSURES

1. Distribution over time by residual contractual maturity of financial assets and liabilities

Currency: US DOLLAR

Items/Timeframe	demand	More than 1 day to 7 days	more than 7 days to 15 days	more than 15 days to 1 month	more than 1 month to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	More than 5 years	unspecified maturity
On-Balance-Sheet Assets	**69,293**	**70,114**	**2,621**	**56,844**	**64,650**	**14,666**	**24**	**-**	**-**	**566**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings.	-	-	-	-	-	-	-	-	-	-
A.4 Loans	69,293	70,114	2,621	56,844	64,650	14,666	24	-	-	566
- Banks	8,845	67,333	-	20,834	-	-	-	-	-	-
- customers	60,448	2,781	2,621	36,010	64,650	14,666	24	-	-	566
On-Balance-Sheet Liabilities	**108,843**	**74**	**30**	**80,721**	**63,798**	**14,753**	**370**	**-**	**-**	**-**
B.1 Deposits and current accounts	94,336	-	30	80,721	61,613	14,260	345	-	-	-
- Banks	1,994	-	-	80,358	61,098	11,809	-	-	-	-
- customers	92,342	-	30	363	515	2,451	345	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	14,507	74	-	-	2,185	493	25	-	-	-
Off-balance-sheet transactions	**1,209**	**120,347**	**5,914**	**11,970**	**21,188**	**8,308**	**4,835**	**1,568**	**1**	**-**
C.1 Financial Derivatives with exchange of principal	-	6,355	5,361	11,332	21,171	7,748	4,404	12	1	-
- long positions	-	3,570	2,198	5,219	9,332	2,808	661	6	1	-
- short positions	-	2,785	3,163	6,113	11,839	4,940	3,743	6	-	-
C.2 Financial Derivatives without exchange of principal	-	152	274	103	-	-	-	-	-	-
- long positions	-	85	137	55	-	-	-	-	-	-
- short positions	-	67	137	48	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	683	113,840	279	-	17	387	-	-	-	-
- long positions	-	56,920	279	-	17	387	-	-	-	-
- short positions	683	56,920	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	526	-	-	535	-	173	431	1,556	-	-

Currency: UK POUND STERLING

Items/Timeframe	demand	More than 1 day to 7 days	more than 7 days to 15 days	more than 15 days to 1 month	more than 1 month to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	More than 5 years	unspecified maturity
On-Balance-Sheet Assets	**3,795**	**11,871**	**15**	**10,818**	**1,001**	**-**	**-**	**-**	**-**	**2**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings.	-	-	-	-	-	-	-	-	-	-
A.4 Loans	3,795	11,871	15	10,818	1,001	-	-	-	-	2
- Banks	3,012	11,823	-	-	-	-	-	-	-	-
- customers	783	48	15	10,818	1,001	-	-	-	-	2
On-Balance-Sheet Liabilities	**13,362**	**1,689**	**837**	**11,262**	**1,131**	**220**	**59**	**-**	**-**	**-**
B.1 Deposits and current accounts	13,362	1,689	837	11,262	1,131	220	59	-	-	-
- Banks	1,179	1,689	-	11,262	-	-	-	-	-	-
- customers	12,183	-	837	-	1,131	220	59	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**27,015**	**38**	**450**	**636**	**2,113**	**1,853**	**292**	**3**	**-**
C.1 Financial Derivatives with exchange of principal	-	1,117	38	450	636	2,113	1,821	230	3	-
- long positions	-	607	38	225	535	1,056	1,253	226	2	-
- short positions	-	510	-	225	101	1,057	568	4	1	-
C.2 Financial Derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	25,898	-	-	-	-	-	-	-	-
- long positions	-	12,949	-	-	-	-	-	-	-	-
- short positions	-	12,949	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	32	62	-	-

Currency: SWISS FRANK

Items/Timeframe	demand	More than 1 day to 7 days	more than 7 days to 15 days	more than 15 days to 1 month	more than 1 month to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	More than 5 years	unspecified maturity
On-Balance-Sheet Assets	**4,524**	**1,297**	**9,339**	**2,787**	**9,485**	**282**	**1,000**	**7,319**	**2,751**	**328**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings.	-	-	-	-	-	-	-	-	-	-
A.4 Loans	4,524	1,297	9,339	2,787	9,485	282	1,000	7,319	2,751	328
- Banks	1,049	-	-	-	-	-	-	-	-	-
- customers	3,475	1,297	9,339	2,787	9,485	282	1,000	7,319	2,751	328
On-Balance-Sheet Liabilities	**1,536**	**5,729**	**6,406**	**4,044**	**17,536**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	1,536	5,729	6,406	4,044	17,536	-	-	-	-	-
- Banks	181	5,729	6,406	4,044	17,536	-	-	-	-	-
- customers	1,355	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**12,021**	**235**	**3,438**	**1,985**	**2,804**	**302**	**-**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	967	235	3,438	1,985	2,804	201	-	-	-
- long positions	-	383	-	98	860	1,402	101	-	-	-
- short positions	-	584	235	3,340	1,125	1,402	100	-	-	-
C.2 Financial Derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	11,054	-	-	-	-	-	-	-	-
- long positions	-	5,527	-	-	-	-	-	-	-	-
- short positions	-	5,527	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	101	-	-	-

Currency: JAPAN YEN

Items/Timeframe	demand	More than 1 day to 7 days	more than 7 days to 15 days	more than 15 days to 1 month	more than 1 month to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	More than 5 years	unspecified maturity
On-Balance-Sheet Assets	**1,624**	**-**	**93**	**173**	**3,617**	**152**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in collective investment undertakings.	-	-	-	-	-	-	-	-	-	-
A.4 Loans	1,624	-	93	173	3,617	152	-	-	-	-
- Banks	454	-	-	-	-	-	-	-	-	-
- customers	1,170	-	93	173	3,617	152	-	-	-	-
On-Balance-Sheet Liabilities	**820**	**2,403**	**-**	**-**	**2,253**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	820	2,403	-	-	2,253	-	-	-	-	-
- Banks	-	2,403	-	-	2,253	-	-	-	-	-
- customers	820	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**-**	**5,440**	**43**	**-**	**567**	**25**	**-**	**-**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	32	43	-	567	25	-	-	-	-
- long positions	-	24	-	-	252	-	-	-	-	-
- short positions	-	8	43	-	315	25	-	-	-	-
C.2 Financial Derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	5,408	-	-	-	-	-	-	-	-
- long positions	-	2,704	-	-	-	-	-	-	-	-
- short positions	-	2,704	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-

Currency: EURO

Items/Timeframe	demand	More than 1 day to 7 days	more than 7 days to 15 days	more than 15 days to 1 month	more than 1 month to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	More than 5 years	unspecified maturity
On-Balance-Sheet Assets	**3,427,977**	**280,899**	**242,808**	**663,926**	**1,933,876**	**907,175**	**2,642,133**	**9,054,963**	**9,596,678**	**572,793**
A.1 Government securities	-	-	-	-	-	-	240,745	1,988,809	566,866	-
A.2 Other debt securities	5,594	-	-	50,302	50,207	100,208	808,743	1,300,807	407,191	1
A.3 Units in collective investment undertakings.	34,000	-	-	-	-	-	-	-	-	-
A.4 Loans	3,388,383	280,899	242,808	613,624	1,883,669	806,967	1,592,645	5,765,347	8,622,621	572,792
- Banks	69,437	230,208	103,980	272,592	1,098,418	64	72	844	5,000	-
- customers	3,318,946	50,691	138,828	341,032	785,251	806,903	1,592,573	5,764,503	8,617,621	572,792
On-Balance-Sheet Liabilities	**13,823,234**	**1,128,033**	**333,581**	**319,828**	**3,403,147**	**1,384,985**	**1,408,173**	**4,935,673**	**1,262,417**	**-**
B.1 Deposits and current accounts	13,708,129	-	-	80,321	539,225	101,127	5,298	-	-	-
- Banks	4,618	-	-	78,395	528,220	100,212	-	-	-	-
- customers	13,703,511	-	-	1,926	11,005	915	5,298	-	-	-
B.2 Debt securities	22,874	1,128,033	140,508	129,359	562,697	959,645	1,402,875	4,885,673	1,057,407	-
B.3 Other liabilities	92,231	-	193,073	110,148	2,301,225	324,213	-	50,000	205,010	-
Off-balance-sheet transactions	**423,595**	**139,573**	**8,737**	**38,705**	**97,215**	**120,195**	**302,159**	**978,661**	**583,194**	**500**
C.1 Financial Derivatives with exchange of principal	-	122,834	5,609	15,286	23,995	12,524	6,420	202	648	-
- long positions	-	68,278	3,398	9,635	13,157	7,386	4,406	6	407	-
- short positions	-	54,556	2,211	5,651	10,838	5,138	2,014	196	241	-
C.2 Financial Derivatives without exchange of principal	-	16,555	1,908	7,706	51,018	68,080	185,403	758,780	461,444	-
- long positions	-	13,876	953	4,104	22,266	39,893	129,989	487,638	345,074	-
- short positions	-	2,679	955	3,602	28,752	28,187	55,414	271,142	116,370	-
C.3 Deposits and loans to receive	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	423,595	184	1,220	15,713	22,202	39,591	110,336	219,679	121,102	500

Currency: OTHER CURRENCIES

Items/Timeframe	demand	More than 1 day to 7 days	more than 7 days to 15 days	more than 15 days to 1 month	more than 1 month to 3 months	more than 3 months to 6 months	more than 6 months to 1 year	more than 1 year to 5 years	More than 5 years	unspecified maturity
On-Balance-Sheet Assets	**5,118**	**735**	-	**201**	**17**	-	-	**408**	-	**1**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	408	-	-
A.3 Units in collective investment undertakings.	-	-	-	-	-	-	-	-	-	-
A.4 Loans	5,118	735	-	201	17	-	-	-	-	1
- Banks	3,701	717	-	-	-	-	-	-	-	-
- customers	1,417	18	-	201	17	-	-	-	-	1
On-Balance-Sheet Liabilities	3,098	-	-	-	-	-	-	-	-	-
B.1 Deposits and current accounts	**3,098**	-	-	-	-	-	-	-	-	-
- Banks	320	1,388	-	-	-	-	-	-	-	-
- customers	2,778	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	**31**	**3,935**	**-**	**378**	**19**	**58**	**131**	**2,341**	**-**	**-**
C.1 Financial Derivatives with exchange of principal	-	1,101	-	378	19	56	121	3	-	-
- long positions	-	972	-	189	-	-	37	-	-	-
- short positions	-	129	-	189	19	56	84	3	-	-
C.2 Financial Derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to receive	-	1,796	-	-	-	-	-	-	-	-
- long positions	-	898	-	-	-	-	-	-	-	-
- short positions	-	898	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	1,038	-	-	-	-	-	-	-	-
- long positions	-	519	-	-	-	-	-	-	-	-
- short positions	-	519	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	31	-	-	-	-	2	10	2,338	-	-

Section 4: Operational Risk

QUALITATIVE DISCLOSURES

A. General aspects, management and measurement of operational risk

The Cariparma FriulAdria Group uses the definition of operational risk envisaged in the Basel II International Convergence of Capital Measurement and Capital Standards prepared by the Basel Committee on Banking Supervision.
Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk. Legal risk includes, but is not limited to, exposure to fines, penalties, or punitive damages resulting from supervisory actions, as well as private settlements.
In an effort to consolidate and strengthen their own protection against operational risk, the Group has for some time worked towards:

- full ongoing compliance with the requirements set out in the regulations relating to the use of the Traditional Standardized Approach (TSA) for the measurement of regulatory capital as prescribed by Basel II;
- a considerable improvement in the monitoring of risk and losses with a view to adopting a more management-oriented approach, with particular regard to risk mitigation initiatives;
- the achievement of compliance with the regulatory requirements for the use of Advanced Measurement Approaches (AMA) for the calculation of regulatory capital.

Organizational aspects

Risk management is the responsibility of the Parent Company's Risk Management and Permanent Controls Department, which follows the guidelines of the Risk Management and Permanent Controls Department of the controlling company Crédit Agricole S.A.
In complying with supervisory regulations, the Group formalized the roles and responsibilities of the corporate bodies and functions involved the management of operational risks.

Risk policy and management

The Board of Directors approved the roles and responsibilities of the company functions involved in the management of operational risk, in accordance with the provisions of Circular 263/2006 of the Bank of Italy (“New regulations for the prudential supervision of banks”) and the directives of the controlling company, Crédit Agricole S.A. The adaptation of the operational risk management and control process to Crédit Agricole S.A. guidelines, as well as uniformity with the Group’s general methodology, is aimed at achieving adequacy of the necessary requisites for an advanced methodology (AMA).

Risk mitigation

The Group has implemented a policy for risk mitigation policy through:

- insurance policies to offset the impact of unexpected losses; to this end, a special structure was set up within the Operational Risk Unit and tasked with, among other things, assessing and managing insurance policies;
- the establishment of an interdepartmental desk to prevent fraud and select and monitor service contracts;
- a series of actions, mainly of an organizational/regulatory nature, to enhance those processes with specific weaknesses. These measures included the systematic profiling of risk, better security systems at branches, the revision of critical logistical aspects, the review of certain regulations in response to changes in the context and processes, the upgrading of the technological/IT devices for the management of cards, etc.)

Risk management

The operational risk management process is composed of the following macro-stages:

- Interception, identification and classification of risk and losses, including any accounting thereof.
- Updating of risk and losses data.
- Evaluation and assessment of risk profiles.
- Monitoring and reporting.
- Identification of mitigation interventions.

As well as a structured Loss Data Collection process, these stages also include the application of the following processes:

- Auto-evaluation of exposure to operational risk (scenario analysis).
- Qualitative recognition and measurement of the operational context with respect to the risk factors.

In each of the above processes, information is processed according to pre-set methods and using specific application tools.

Risk control

The operational risk management and recognition model undergoes periodic verification by the Internal Control Committee in terms of system adequacy and control quality while the correct functioning of the system is supervised by General Management.

The methodology supporting operational risk management is determined by the Crédit Agricole S.A. Group Risk Department and implemented at local level.

Operational risk management strategies and policies, approved by the Board of Directors, are consistent with Supervisory Body regulations and approaches on risk issued by the Holding Company Crédit Agricole S.A.

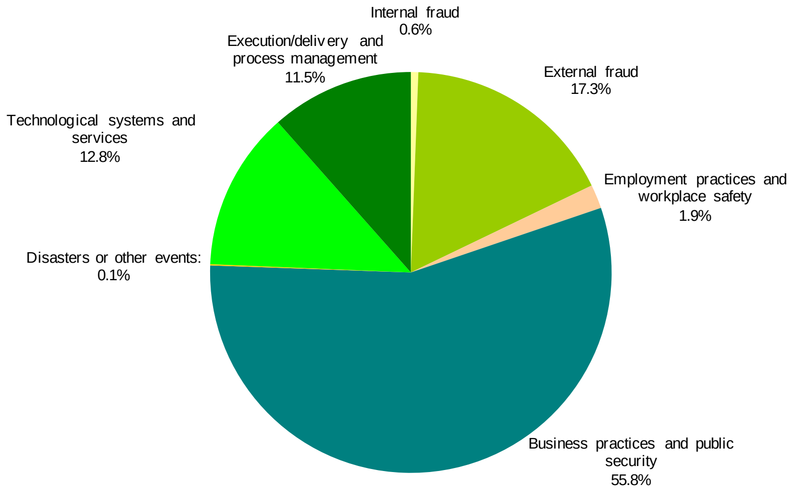
Loss Data

Currently, quantitative data is entirely managed and analyzed, to different levels of granularity and detail, using an event classification scheme that conforms to the rules set out in Basel II, and the requirements of the supervisory authorities and Crédit Agricole S.A. The basic structure is as follows:

- Internal fraud: losses due to deliberate acts committed by at least one party internal to the Bank and causing economic loss to the Bank.
- External fraud: losses due to deliberate acts committed exclusively by parties external to the Bank, generally for the purposes of personal gain.
- Employment practices and workplace safety: losses relating to the relations between the company and its staff or to the failure of the workplace to meet health and safety standards. These include liabilities arising from accidents to employees in company offices or vehicles.
- Customers, products and business practices: losses arising from an unintentional or negligent failure to deliver services and products to customers (including fiduciary and suitability requirements) or due to defects in the design or properties of products/models/contracts.
- Disasters and other events: Events due to natural causes or human acts, which lead to damage to company resources (material or immaterial property, persons, etc.) and/or service interruptions or other events (including improper conduct/illegal acts by third-party companies that damage the company; The category also includes liabilities arising from political change and retroactive changes in legislation and tax.
- losses arising from malfunctions, logical or structural defects in technological and other support systems.
- Execution, delivery and process management: losses arising from unintentional errors in the management of operational and support assets or caused by counterparties other than customers and suppliers.

QUANTITATIVE DISCLOSURES

With reference to the sources of operating risk, the chart below shows the distribution of losses by type of event in 2009, compiled according to the classification system described above.



Part F – Disclosure on Shareholders’ Equity
Section 1 – Shareholders’ Equity

QUALITATIVE DISCLOSURE
The Cariparma capital management policy is aimed at maintaining a level of resources appropriate to its exposures on an ongoing basis.

B. QUANTITATIVE DISCLOSURE
B.1 Shareholders’ Equity: composition
As of 2009, the Shareholders’ Equity breaks down as follows:

Items/Amounts	31/12/2009	31/12/2008
1. Share capital	785,066	785,066
2. Share premium reserve	2,094,770	2,094,770
3. Reserves	458,910	404,215
- income	457,908	403,294
a) legal	79,199	62,462
b) established in bylaws	378,395	340,518
c) treasury shares	-	-
d) other	314	314
- other	1,002	921
4. Equity instruments	-	-
5. (Treasury Shares)	-	-
6. Valuation reserves	27,586	6,720
- Financial assets available for sale	27,586	6,720
- Property, plant and equipment	-	-
- Intangible Assets	-	-
- Hedging of foreign investments	-	-
- Cash flow hedges	-	-
- Exchange Rate Differences	-	-
- Discontinuing operations	-	-
- Actuarial gains (losses) pertaining to defined-benefit pension plans	-	-
- Shares of valuation reserves pertaining to subsidiaries accounted for with equity method	-	-
- Special revaluation laws	-	-
7. Net profit (loss) for the period	300,316	334,744
Total	**3,666,648**	**3,625,515**

B.2 Valuation Reserves of financial assets available for sale: composition

Assets/Amounts	31/12/2009		31/12/2008	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	29,118	3,064	3,710	-
2. Equity securities	1,925	393	3,863	853
3. Units in collective investment undertakings	-	-	-	-
4. Loans	-	-	-	-
Total	**31,043**	**3,457**	**7,573**	**853**

B.3 Valuation Reserves of financial assets available for sale: Annual variations

	Debt securities	Equity securities	Units in collective investment undertakings	Loans
1. Opening balance	3,710	3,010	-	-
2. Positive changes	25,408	655	-	-
2.1. Increases in fair value	25,408	202	-	-
2.2 Reversal to Income Statement of	-	453	-	-
negative reserves:			-	-
- from impairment	-	441	-	-
- from sale	-	12	-	-
2.3. Other changes	-	-	-	-
3. Negative changes	3,064	2,133	-	-
3.1 Reductions in fair value	3,063	61	-	-
3.2 Writedowns for impairment	-	-	-	-
3.3 Reversal to Income Statement of			-	-
positive reserves: from sale	1	2,072		
3.4. Other changes	-	-	-	-
4. Closing balance	**26,054**	**1,532**	-	-

Section 2: RegulatoryCapital and Capital Ratios

2.1 Regulatory Capital

Regulatory capital, minimum capital requirements and the consequent capital ratios were determined on the basis of the provisions of Bank of Italy Circular no. 263 of 27 December 2006 (3rd update of 15 January 2009) "New regulations for the prudential supervision of banks" and Circular no. 155 of 18 December 1991 (12th update of 5 February 2008) "Instructions for the preparation of reports on regulatory capital and capital ratio".

QUALITATIVE DISCLOSURE

1. Tier 1 Capital

Tier 1 capital is composed of the classic elements of high quality capital (share capital, reserves, share premium account and net profit for the period) pertaining to the shareholders of the Bank and minority interests, appropriately adjusted for intangible assets.

It does not include any innovative or non-innovative capital instruments.

Cariparma has introduced a negative prudential filter that places a ceiling of 50% on the eligibility for inclusion of the net tax benefit recognized in profit or loss in the financial years in which the value of goodwill used for tax purposes is aligned with book value pursuant to Decree Law 185/2008.

Consequently a deduction is made for the equity investment equal to 50% of the value of the investment in the banking and financial companies: Bank of Italy and CA Agro-Alimentare S.p.A.

2. Tier 2 Capital

3. Tier 3 Capital

To date, no Tier 3 instruments have been issued.

B. QUANTITATIVE DISCLOSURE

	31/12/2009	31/12/2008
A. Tier 1 capital prior to application of prudential filters	**2,595,866**	**2,488,743**
B. Tier 1 prudential filters:	**53,726**	**39,276**
B1 - positive IAS/IFRS prudential filters (+)	236	-
B2 - negative IAS/IFRS prudential filters (-)	53,962	39,276
C. Tier-1 Capital including deductible elements (A+B)	**2,542,140**	**2,449,467**
D. Elements to be deducted from Tier 1 capital	**61,712**	**52,868**
E. Total Tier-1 capital (TIER1) (C-D)	**2,480,428**	**2,396,599**
F. Tier 2 capital prior to the application of prudential filters	**577,586**	**256,720**
G. Tier 2 capital prudential filters:	**13,793**	**3,360**
G1- positive IAS/IFRS prudential filters (+)	-	-
G2- negative IAS/IFRS prudential filters (-)	13,793	3,360
H. Tier 2 capital including deductible elements (F+G)	**563,793**	**253,360**
I. Elements to be deducted from Tier 2 capital	**61,712**	**52,868**
L. Total Tier 2 capital (TIER2) (H-I)	**502,081**	**200,492**
M. Elements to be deducted from Tier 2 capital	**58,917**	**58,916**
N. Regulatory capital (E + L - M)	**2,923,592**	**2,538,175**
O. Tier 3 capital (TIER 3)	**-**	**-**
P. Regulatory Capital including TIER3 (N + O)	**2,923,592**	**2,538,175**

Details of existing subordinated loans with evidence of the recognisable quotas for the calculation of the additional Regulatory capital.

Issue date	Issue date	Maturity	Repayment schedule	Interest rate	Currency	Original value	Book value	Amount eligible for inclusion in Tier 2 capital
Subordinated deposit	17/12/2008	17/12/2018	5 equal installments as from December	3-month Euribor + 334 bp	Euro	250,000	250,394	250,000
Subordinated loan	30/06/2009	30/06/2016	50% by 30/06/2015 50% by	up to 30 June 2010 5%; after that 50% 6-month Euribor + 1%	Euro	77,250	77,528	77,250
Subordinated loan	30/06/2009	30/06/2016	50% by 30/06/2015 50% by	5% fixed	Euro	222,750	228,443	222,750

2.2 Capital Adequacy

QUALITATIVE DISCLOSURE

Compliance with minimum capital requirements is determined by calculating the ratio of regulatory capital, as computed above, to total risk weighted assets calculated in accordance with the provisions of Bank of Italy Circular no. 263 of 27 December 2006 (3rd update of 15 January 2009) "New regulations for the prudential supervision of banks" and Circular no. 155 of 18 December 1991 (12th update of 5 February 2008) "Instructions for the preparation of reports on regulatory capital and capital ratios".

The resulting Tier Total Ratio at 31 December 2009 was in compliance with the thresholds specified in supervisory regulations. This outcome was also the result of a specific company policy, also incorporated in the shareholders' agreements, that gives preference to the distribution of net profit to shareholders as long as the regulatory limits are met.

B. QUANTITATIVE DISCLOSURE

Categories/amounts	Non-weighted amounts		Weighted amounts/requirements	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
A. RISK ASSETS				
A.1 CREDIT AND COUNTERPARTY RISK				
1. Standardized method	37,388,046	30,694,905	19,048,441	17,917,144
2. Internal models	-	-	-	-
2.1 Foundation	-	-	-	-
2.2 Advanced	-	-	-	-
3. Securitizations	-	-	-	-
B. CAPITAL REQUIREMENTS				
B.1 CREDIT AND COUNTERPARTY RISK			**1,523,875**	**1,433,371**
B.2 MARKET RISKS			11,792	21,943
1. Standardized method			11,792	21,943
2. Internal models			-	-
3. Concentration risk			-	-
B.3 OPERATIONAL RISK			148,182	129,337
1. Basic indicator approach			-	-
2. Standardized approach			148,182	129,337
3. Advanced measurement approach			-	-
B.4 Other prudential requirements			-	-
B.5 Other measurement elements			-420,962	-396,162
B.6 TOTAL PRUDENTIAL REQUIREMENTS (*)			1,262,887	1,188,489
C. EXPOSURES AND CAPITAL ADEQUACY RATIOS				
C.1 Risk-weighted assets			21,048,122	19,808,143
C.2 Tier 1 Capital/risk-weighted assets (Tier 1 capital ratio)			11.78	12.10
C.3 Supervisory Capital including TIER 3/Weighted risk assets (Total capital ratio)			13.89	12.81

(*) The calculation of the total supervisory requirements include the reduction of 25% foreseen by the regulations.

Part H – Transactions with Related Parties

On 24 June 2009, the Board of Directors of Cariparma approved the "Code of Conduct in relation to operations with Related Parties" aimed at regularizing, in the companies which make up the Cariparma FriulAdria Group, transactions with related parties, identifying suitable rules and ensuring the transparency and material and procedural correctness required by current regulations.

The "Code" includes:

- an introduction illustrating the topics discussed, and defines the scope, the regulations and the sphere of application of the document itself,
- A description of the procedures and the decision-making processes adopted.
- A conclusion on operating practice,

Specifically, they comprise:

- the controlling company, Crédit Agricole;
- any other shareholders directly or indirectly, including through shareholders' agreements, exercise a significant influence on the Bank;
- direct and indirect subsidiaries;
- associates and companies under common control;
- Members of the Board of Directors and key management personnel (Members of the Board of Directors, the Board of Auditors, general managers and Managers who report directly to senior management);
- Other related parties:
  - a) members of the immediate families of members of the Board of Directors and the Board of Auditors and general managers as well as companies controlled by or associated with members of the Board of Directors and the Board of Auditors and general managers or their immediate family;
  - b) ;
- The Pension Fund.

1.1 Information on the remuneration of directors and key management personnel

In the light of the abovementioned "Code", the definition of "key management personnel" includes managers with the direct and indirect power and responsibility over the planning, management and control of the activities of the Bank, including executive and non-executive directors of the Bank.

	Directors and Statutory Auditors	Directors, deputy general managers and other key management personnel
Salary and social security contributions	1,022	6,384
Bonuses and other incentives	-	2,485
Other pension and insurance costs (1)	-	230
Non-monetary benefits	-	161
Employee severance benefits (2)	-	301
Share-based payments (Stock options) (3)	-	81

(1) Includes any costs charged to the Company for supplementary pension plans, insurance policies etc.

(2) Includes the provision for employee severance benefits for the year as well as any termination indemnities.

(3) Stock options on shares of the controlling company Crédit Agricole S.A.

1.2 Information on transactions with related parties

Transactions with related parties are carried out as part of the ordinary operations of the Group on an arm's length basis and in any case only after a reciprocal assessment of their economic benefits.

Type of related parties	Financial assets held for trading	Financial assets available for sale	Loans to customers	Loans to banks	Ddue to customers	Due to banks	Guarantees issued
Entity exercising significant influence on the company	-	-		467,115	17,867	835,807	-
Subsidiaries	-	-	975,319	785,362	-	82,042	2,506
Affiliates	-	48,237	2,318	-	181,139	-	-
Directors and key management personnel	-	-	869	-	3,822	-	-
Other related parties	32,919	7,179	209,018	2,724,902	64,860	2,710,734	17,193
Total	**32,919**	**55,416**	**1,187,524**	**3,977,379**	**267,688**	**3,628,583**	**19,699**

Part I – Share-based Payment Agreements

No share-based payment agreements were made during the year.

Part L – Segment Reporting

Operation and Profitability by Business Segment

Data relating to operation and profitability by business segment is given in compliance with IFRS 8 on Operating Segments using the management reporting approach.

The Cariparma's operations are organised as follows:

- Retail e Private channels servicing private customers and families as well as companies in the small business segment;
- Enterprise and Corporate channels servicing larger size companies.

As at 31 December 2009, Cariparma's Retail and Private channels stood at 1,017.9 million, and accounted for approximately 75.5% of the total Operating Revenues. At 202.2 million, the Corporate and Enterprise channels represent for approximately 15%.

Compared to the previous financial year, the contribution to the Bank's total income from the Retail and Private channels fell by around 5.7%. The increase for the Corporate and Enterprise channels is significant at 2.8%.

With regards to costs, as at 31 December 2009, the Retail and Private channels, reaching 662.0 million, accounted for about 71.1% of total costs. At 92.7 million, the Corporate and Enterprise channels represent around 10%.

Compared with 2008, the contribution of the Retail and Private channels to the Bank's total costs increased by about 4.2%, with an increase of approximately 1.1% for the Corporate and Enterprise channels.

Activities by segment are mainly made up of loans to customers and tangible and intangible fixed assets that can be allocated directly to the operating segments.

In particular, as at 31 December 2009, the assets of the Retail and Private channels account for about 43.4% of the Bank's assets, whereas those of the Corporate and Enterprise channels represent around 24.6%.

Liabilities by segment are made up of direct deposits from customers that can be directly allocated to the operating segments. In particular, as at 31 December 2009, the liabilities of the Retail and Private channels represent around 61.9% of Cariparma's liabilities, while those of the Corporate and Enterprise channels around 8.4%.

Segment information as at 31 December 2009

	Retail and Private	Corporate	Other	Total
External operating revenues:				
Net interest	605,410	149,589	7,673	762,672
Net commission income	334,630	46,403	7,358	388,391
Gain (loss) on trading activities	9,296	5,969	1,538	16,803
Dividends	-	-	41,210	41,210
Other net operating revenues	68,573	253	71,071	139,897
Total operating revenues	**1,017,909**	**202,214**	**128,850**	**1,348,973**
Impairment adjustments of loans	-74,517	-49,197	-23	-123,737
Impairment adjustments of AFS financial assets and other financial transactions	-	-	-75	-75
Staff expenses, administrative expenses and depreciation/amortization	-587,434	-43,503	-160,644	-791,581
Provisions for risks	-	-	-15,740	-15,740
total costs	**-661,951**	**-92,700**	**-176,482**	**-931,133**
Gain (loss) on disposal of investments	-	-	34	34
Profit by segment	**355,958**	**109,514**	**-47,598**	**417,874**
Profit (loss) before tax	**355,958**	**109,514**	**-47,598**	**417,874**
Taxes	-	-	-117,558	-117,558
Net profit (loss)				**300,316**
Assets and liabilities				
Assets by segment	14,557,066	8,255,528	848,119	23,660,713
Equity investments in associates	-	-	1,140,541	1,140,541
Unallocated assets	-	-	8,761,960	8,761,960
Total assets	**14,557,066**	**8,255,528**	**10,750,620**	**33,563,214**
Liabilities by segment	20,768,287	2,835,793	785,663	24,389,743
Unallocated liabilities	-	-	9,173,471	9,173,471
Total liabilities	**20,768,287**	**2,835,793**	**9,959,134**	**33,563,214**

Segment information as at 31 December 2008

	Retail and Private	Corporate	Other	Total
External operating revenues:				
Net interest	692,703	125,466	36,309	854,478
Net commission income	335,808	34,249	9,791	379,848
Gain (loss) on trading activities	9,848	4,415	-5,196	9,067
Dividends	-	-	45,724	45,724
Other net operating revenues	61,071	1,317	2,655	65,043
Total operating revenues	**1,099,430**	**165,447**	**89,283**	**1,354,160**
Impairment adjustments of loans	-45,307	-45,274	227	-90,354
Impairment adjustments of AFS financial assets and other financial transactions	-	-	-603	-603
Staff expenses, administrative expenses and depreciation/amortization	-612,119	-41,346	-118,594	-772,059
Provisions for risks	-	-	-119,916	-119,916
total costs	**-657,426**	**-86,620**	**-238,886**	**-982,932**
Gain (loss) on disposal of investments	-	-	71	71
Profit by segment	**442,004**	**78,827**	**-149,532**	**371,299**
Share of profit of associates pertaining to Group	-	-	7	7
Profit (loss) before tax	**442,004**	**78,827**	**-149,525**	**371,306**
Taxes	-	-	-36,562	-36,562
Net profit (loss)				**334,744**
Assets and liabilities				
Assets by segment	13,220,834	7,113,843	1,156,260	21,490,937
Equity investments in associates	-	-	1,057,545	1,057,545
Unallocated assets	-	-	6,814,749	6,814,749
Total assets	**13,220,834**	**7,113,843**	**9,028,554**	**29,363,231**
Liabilities by segment	19,447,748	1,746,236	897,503	22,091,487
Unallocated liabilities	-	-	7,271,744	7,271,744
Total liabilities	**19,447,748**	**1,746,236**	**8,169,247**	**29,363,231**

Actif

(en millions d'euros)	Notes	31/12/2008	31/12/2007
Opérations interbancaires et assimilées		**88 689**	**77 099**
Caisse, banques centrales *		5 146	3 179
Effets publics et valeurs assimilées	5	9 855	5 046
Créances sur les établissements de crédit	3	73 688	68 874
Opérations internes au Crédit Agricole	3	**246 511**	**229 876**
Opérations avec la clientèle	4	**4 372**	**2 114**
Opérations sur titres		**32 535**	**25 971**
Obligations et autres titres à revenu fixe	5	30 801	24 025
Actions et autres titres à revenu variable	5	1 734	1 946
Valeurs immobilisées		**67 128**	**64 832**
Participations et autres titres détenus à long terme	6,7	12 042	10 526
Parts dans les entreprises liées	6,7	54 885	54 105
Immobilisations incorporelles	7	7	18
Immobilisations corporelles	7	194	183
Capital souscrit non versé	8		
Actions propres		**122**	**242**
Comptes de régularisation et actifs divers		**40 724**	**30 513**
Autres actifs	8	21 065	15 280
Comptes de régularisation	8	19 659	15 233
TOTAL ACTIF		**480 081**	**430 647**

* *Les opérations ayant comme contrepartie la Banque Postale (ex CCP) sont désormais rattachées à la rubrique "Créances sur établissements de crédit".*

Passif

(en millions d'euros)	Notes	31/12/2008	31/12/2007
Opérations interbancaires et assimilées		**79 079**	**73 706**
Banques centrales *		3	2
Dettes envers les établissements de crédit	10	79 076	73 704
Opérations internes au Crédit Agricole	10	**19 905**	**20 365**
Comptes créditeurs de la clientèle	11	**174 761**	**168 011**
Dettes représentées par un titre	12	**91 848**	**84 352**
Comptes de régularisation et passifs divers		**41 317**	**27 185**
Autres passifs	13	19 758	11 274
Comptes de régularisation	13	21 559	15 911
Provisions et dettes subordonnées		**36 821**	**24 795**
Provisions	14, 15, 16	1 455	1 519
Dettes subordonnées	18	35 366	23 276
Fonds pour risques bancaires généraux	17	**829**	**780**
Capitaux propres hors FRBG	19	**35 521**	**31 453**
Capital souscrit		6 679	5 009
Primes d'émission		20 695	16 554
Réserves		2 761	2 738
Écart de réévaluation			
Provisions réglementées et subventions d'investissement		3	3
Report à nouveau		5 134	2 253
Résultat de l'exercice		249	4 896
TOTAL PASSIF		**480 081**	**430 647**

* *Les opérations ayant comme contrepartie la Banque Postale (ex CCP) sont désormais rattachées à la rubrique "Dettes sur établissements de crédit".*

Hors – Bilan

(en millions d'euros)	31/12/2008	31/12/2007
ENGAGEMENTS DONNÉS	**24 936**	**24 761**
Engagements de financement	3 245	3 838
Engagements de garantie	21 691	20 923
Engagements sur titres		

(en millions d'euros)	31/12/2008	31/12/2007
ENGAGEMENTS REÇUS	**5 138**	**3 823**
Engagements de financement	3 142	2 184
Engagements de garantie	1 996	1 639
Engagements sur titres		

Compte de résultat de Crédit Agricole S.A.

(en millions d'euros)	Notes	31/12/2008	31/12/2007
Intérêts et produits assimilés	26	19 513	17 418
Intérêts et charges assimilées	26	(20 955)	(18 036)
Revenus des titres à revenu variable	27	3 247	4 231
Commissions (produits)	28	591	409
Commissions (charges)	28	(1 005)	(881)
Gains ou pertes sur opérations des portefeuilles de négociation	29	108	(294)
Gains ou pertes sur opérations des portefeuilles de placement et assimilés	30	487	222
Autres produits d'exploitation bancaire	31	96	107
Autres charges d'exploitation bancaire	31	(155)	(232)
Produit net bancaire		**1 927**	**2 944**
Charges générales d'exploitation	32	(674)	(580)
Dotations aux amortissements et aux dépréciations sur immobilisations incorporelles et corporelles		(12)	(11)
Résultat brut d'exploitation		**1 241**	**2 353**
Coût du risque	33	30	8
Résultat d'exploitation		**1 271**	**2 361**
Résultat net sur actifs immobilisés	34	(1 346)	1 982
Résultat courant avant impôt		**(75)**	**4 343**
Résultat exceptionnel			
Impôt sur les bénéfices	35	373	602
Dotations/reprises de FRBG et provisions réglementées		(49)	(49)
RÉSULTAT NET DE L'EXERCICE		**249**	**4 896**

Annexes

Annexes – Main International Accounting Standards endorsed as of 31/12/2009

List of main International Accounting Standards whose texts have been adopted under EU Regulation No. 1126/2008 of the European Commission of 3rd November 2008. This regulation was published in EU Official Journal L320 on 29th November 2008 and replaces previous EU Regulation 1725/2003.
Subsequent modifications and additions are reported below.

IAS 1	Presentation of Financial Statements	1274/2008 – 53/2009 – 70/2009 – 494/2009
IAS 2	Inventories	1126/2008 – 70/2009
IAS 7	Statement of Cash Flows	1126/2008 – 53/2009 – 70/2009 – 494/2009
IAS 8	Accounting policies, changes in accounting estimates and errors	1126/2008 – 70/2009
IAS 10	Events after the reporting period	1126/2008 – 70/2009 – 1142/2009
IAS 11	Construction contracts	1126/2008
IAS 12	Income taxes	1126/2008 – 495/2009
IAS 16	Property, plant and equipment	1126/2008 –70/2009 – 495/2009
IAS 17	Leases	1126/2008
IAS 18	Revenue	1126/2008 – 69/2009
IAS 19	Employee benefits	1126/2008 – 70/2009
IAS 20	Accounting for government grants and disclosure of government assistance	1126/2008 – 70/2009
IAS 21	Effects of changes in foreign exchange rates	1126/2008 – 69/2009 – 494/2009
IAS 23	Borrowing costs	1260/2008 – 70/2009
IAS 24	Related-parties disclosures	1126/2008
IAS 26	Accounting and reporting by retirement benefit plans	1126/2008
IAS 27	Consolidated and separate financial statements	494/2009 -
IAS 28	Investments in associates	1126/2008 – 70/2009 – 494/2009 – 495/2009
IAS 29	Financial reporting in hyperinflationary economies	1126/2008 – 70/2009
IAS 31	Interests in joint ventures	1126/2008 – 70/2009 – 494/2009
IAS 32	Financial instruments: presentation	1126/2008 – 53/2009 – 70/2009 – 494/2009 – 495/2009 – 1293/2009
IAS 33	Earnings per share	1126/2008 – 494/2009 – 495/2009
IAS 34	Interim financial reporting	1126/2008 – 70/2009 – 495/2009
IAS 36	Impairment of assets	1126/2008 – 69/2009 – 70/2009 – 495/2009
IAS 37	Provisions, contingent liabilities and contingent assets	1126/2008 – 495/2009
IAS 38	Intangible assets	1126/2008 – 70/2009 – 495/2009
IAS 39	Financial instruments: recognition and measurement (with the exception of several provisions relating to the accounting of hedging operations)	1126/2008 – 53/2009 – 70/2009 – 494/2009 – 495/2009 – 824/2009 – 839/2009 – 1171/2009
IAS 40	Investment property	1126/2008 – 70/2009
IAS 41	Agriculture	1126/2008 – 70/2009
IFRS 1	First time adoption of International Financial Reporting Standards	1136/2009
IFRS 2	Share-based payment	1126/2008 – 1261/2008 – 495/2009
IFRS 3	Business combinations	495/2009
IFRS 4	Insurance contracts	1126/2008 – 494/2009 – 1165/2009
IFRS 5	Non-current assets held for sale and discontinued operations	1126/2008 – 494/2009
IFRS 6	Exploration for and evaluation of mineral assets	1126/2008
IFRS 7	Financial instruments: disclosures	1126/2008 – 70/2009 – 495/2009 – 824/2009 – 1165/2009
IFRS 8	Operating segments	1126/2008
IFRIC 1	Changes in existing decommissioning, restoration and similar liabilities	1126/2008

IFRIC 2	Members' shares in co-operative entities and similar instruments	1126/2008
IFRIC 4	Determining whether an arrangement contains a lease	1126/2008 – 254/2009
IFRIC 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds	1126/2008 – 70/2009 – 1142/2009
IFRIC 6	Liabilities arising from participating in a specific market - waste electrical and electronic equipment	1126/2008
IFRIC 7	Applying the restatement approach under IAS 29 financial reporting in hyperinflationary economies	1126/2008
IFRIC 8	Scope of IFRS 2	1126/2008
IFRIC 9	Reassessment of embedded derivatives	1126/2008 – 495/2009 – 1171/2009
IFRIC 10	Intermediate financial reporting and impairment	1126/2008
IFRIC 11	IFRS 2 – Group and treasury share transactions	1126/2008
IFRIC 12	Service concession arrangements	254/2009
IFRIC 13	Customer loyalty programmes	1262/2008
IFRIC 14	IAS 19 – Limit on a defined benefit asset, minimum funding requirements and their interaction.	1263/2008
IFRIC 15	Real estate construction agreements	636/2009
IFRIC 16	Issues interpretation on net investment hedging	460/2009
IFRIC 17	Non-cash distributions	1142/2009
IFRIC 18	Transfers of assets from customers	1164/2009
SIC 7	Introduction of the euro	1126/2008 – 494/2009
SIC 10	Government assistance – no specific relation to operating activities	1126/2008
SIC 12	Consolidation – Special purpose entities (vehicle companies)	1126/2008
SIC 13	Jointly-controlled entities – non-monetary contributions by venturers	1126/2008
SIC 15	Operational leasing – Incentives	1126/2008
SIC 21	Income taxes – Recovery of revalued non-depreciable assets	1126/2008
SIC 25	Income taxes – Changes in the tax status of an enterprise or its shareholders	1126/2008
SIC 27	Evaluating the substance of transactions in the legal form of a lease	1126/2008
SIC 29	Service concession arrangements disclosures	1126/2008 – 254/2009
SIC 31	Revenue – Barter transactions involving advertising services	1126/2008
SIC 32	Intangible assets – Website costs	1126/2008

Tax Disclosures on Reserves

	Reserves and provisions that do not form part of income of shareholders in the event of distribution	Reserves and provisions that form part of taxable income of company in the event of distribution	Reserves and provisions that form part of taxable income of shareholders in the event of distribution	Valuation reserves not available for distribution
Share premium reserve	2,052,326	42,444	-	-
Reserve under Leg. Dec. 124/93 - Art.70 par.2 bis	-	314	-	-
Legal reserve	-	-	79,199	-
Extraordinary Reserve	-	-	468,200	A, B, C
Reserve from first time adoption of IAS/IFRS	-	-	-97,651	-
Reserve for tax adjustment from first time adoption of IAS/IFRS for tax realignment	-	-	12,319	-
Valuation reserve – other – corridor elimination	-	-	-5,076	-
Valuation reserves	-	-	-	27,586
Other reserves	517	-	1,088	-
	2,052,843	42,758	458,079	27,586

Company Capital and Reserves: Possible uses and availability for distribution (Article 2427, paragraph 7 bis of the Italian Civil Code)

Items of liabilities	Amount		Possible uses (*)	Amount available	Summary of uses in last three years	
					loss coverage	other uses
Share capital		785,066				
Share premium reserve		2,052,326	A, B, C	2,052,326	-	-
Taxable share premium reserve - Law 266/2005 266/2005		42,444	A, B (2), C (3)	42,444		
Reserves		458,910				
Legal reserve	79,199		A (1), B		-	-
Extraordinary Reserve	468,200		A, B, C	468,200	-	-
Reserve under Leg. Dec. 124/93 - art. 70 par.2-bis	314		A, B, C	314	-	-
Other reserves	1,605		A, B, C	1,605		
Reserve from first time adoption of IAS/IFRS	-97,651				-	-
Reserve for tax adjustment from first time adoption of IAS/IFRS for tax realignment	12,319			12,319	-	-
Valuation reserve – other – corridor elimination	-5,076				-	-
Valuation reserves		27,586				
Valuation reserves for financial assets available for sale	27,586		(4)	-	-	-
Profit for the period		300,316		-	-	-
Total		3,666,648		2,577,208	-	-

(*) A = capital increases B = coverage of losses C = distribution to shareholders.
) available for capital increases (A) in the amount exceeding one-fifth of the share capital.
(2) If the reserve is used to cover losses, no profits may be distributed until such reserve is restored or reduced by a corresponding amount. The reduction must be approved by the Extraordinary Shareholders' Meeting without applying the provisions of the second and third paragraphs of Article 2445 of the Civil Code.
(3) Unless the reserve is transferred to share capital, it may only be reduced with the application of the provisions of the second and third paragraphs of Article 2445 of the Civil Code. If distributed, it shall form part of the Company's taxable income.
(4) The reserve is not available pursuant to Article 6 of Legislative Decree 38/2005.

LIST OF ASSETS THAT HAVE BEEN REVALUED AND ARE STILL BELD BY THE BANK WITH SEPARATE REPORTING OF THE REVALUATIONS PURSUANT TO ARTICLE 10 OF LAW 72 OF 19 MARCH 1983

PROPERTY	BOOK VALUE NET OF REVALUATIONS	L. 11.2.52 no 74	L. 19.2.73 no 823	L. 2.12.75 no 576	L. 19.3.83 no 72	L. 29.12.90 no 408	L. 30.12.91 no 413	L. 30.7.90 no 218	'94 MERGER REVAL.	TOTAL COST	ACCUMUL. DEPREC.. 31/12/2009	NET BOOK VALUE AT 31/12/2009
AGAZZANO	32,262	-	-	-	108,456	-	37,567	53,139	-	231,423	46,589	184,835
ALBARETO	179,826	-	-	-	-	-	22,958	64,005	-	266,788	147,140	119,649
ALSENO	171,038	-	-	-	51,646	-	47,211	108,998	-	378,892	153,242	225,651
ANNICCO	44,152	1,176	3,176	-	-	-	52,652	-	67,277	168,434	99,308	69,126
ASOLA	265,396	1,501	19,641	-	-	-	66,395	-	227,909	580,842	169,609	411,233
BARDI	129,082	-	11,930	5,967	61,540	-	76,594	106,574	-	391,687	170,231	221,456
BASILICANOVA -MONTECHIARUGOLO	100,957	-	-	-	57,102	13,316	147,621	167,520	-	486,517	218,158	268,359
BEDONIA	418,426	-	-	-	-	-	112,306	182,435	-	713,167	381,816	331,352
BELGIOIOSO	40,189	1,151	11,204	-	-	-	21,180	-	229,336	303,059	135,223	167,836
BERCETO	68,507	-	2,161	11,500	61,274	-	55,926	87,586	-	286,953	129,919	157,034
BETTOLA	83,016	-	-	-	61,975	-	27,484	134,658	-	307,133	121,445	185,688
BOBBIO	262,152	-	-	-	43,608	-	20,969	112,497	-	439,225	156,830	282,395
BORGO VAL DI TARO	287,205	-	11,389	18,401	95,615	-	16,994	128,117	-	557,722	326,287	231,434
BORGONOVO	289,221	-	-	-	56,810	-	31,598	87,567	-	465,196	164,515	300,681
BRONI	758,466	-	-	-	328,983	-	300,316	-	50,149	1,437,913	746,239	691,674
BUSSETO	523,086	-	22,360	-	-	-	100,485	468,356	-	1,114,287	487,754	626,533
CADEO LOC.ROVELETO	284,853	-	-	-	-	-	102,983	16,673	-	404,510	257,091	147,419
CALENDASCO	285,670	-	-	-	-	-	41,650	36,431	-	363,751	93,420	270,330
CALESTANO	20,541	-	9,321	1,911	47,801	-	17,398	94,609	-	191,581	84,135	107,445
CAORSO	114,866	-	-	-	98,127	-	41,257	101,462	-	355,712	145,952	209,760
CASALBUTTANO	72,358	506	31,536	-	-	-	57,722	-	100,940	263,062	118,209	144,853
CASALMAGGIORE	80,687	2,359	22,273	-	-	-	36,030	-	292,244	433,592	191,094	242,499
CASALPUSTERLENGO	558,216	-	-	-	211,740	-	409,979	-	266,529	1,446,463	998,365	448,098
CASSOLNOVO	378,821	-	-	10,329	-	-	21,130	91,583	-	501,863	128,523	373,340
CASTEL S. GIOVANNI	524,274	-	-	-	171,844	-	88,751	413,391	-	1,198,260	425,514	772,746
CASTELLUCCHIO	561,213	-	-	-	-	-	226,505	-	49,464	837,182	622,363	214,819
CASTELVERDE	49,599	-	12,946	-	-	-	40,216	-	111,816	214,577	82,426	132,151
CERTOSA DI PAVIA	327,169	-	4,692	-	120,851	-	82,275	-	28,618	563,605	219,875	343,730
CINGIA DE' BOTTI	2,619	429	5,941	-	-	-	12,612	-	74,914	96,516	48,169	48,347
CODOGNO	1,059,902	-	-	-	-	-	217,624	171,309	-	1,448,836	877,902	570,934
COENZO -SORBOLO	363,412	-	1,808	-	-	-	9,465	138,121	-	512,807	246,838	265,968
COLLECCHIO - S.S. DELLA CISA	1,910,213	-	-	-	-	-	191,196	288,117	-	2,389,526	928,811	1,460,715
COLLECCHIO - VIA LA SPEZIA	760,303	-	-	-	73,636	59,469	641,640	-	-	1,535,047	683,968	851,079
COLORNO	792,255	-	-	-	-	-	108,667	786,454	-	1,687,375	599,841	1,087,535
CORNIGLIO	23,191	-	26,353	928	48,146	-	35,078	194,040	-	327,736	98,592	229,144
CORTE DE' CORTESI	110,359	-	713	-	-	-	7,370	-	47,582	166,024	44,767	121,257
CORTEMAGGIORE	108,578	-	-	-	77,469	-	35,055	87,409	-	308,511	125,294	183,216
CORTEOLONA	47,714	-	9,608	-	-	-	20,950	-	74,440	152,711	67,133	85,579
CREMA	343,191	5,881	68,655	-	363,586	-	767,004	-	313,804	1,862,120	1,085,494	776,626
CREMONA	1,500,673	25,087	350,772	-	2,076,157	-	1,870,791	-	803,837	6,627,317	2,192,742	4,434,574
FELINO	640,738	-	35,969	10,329	87,798	301,908	220,281	-	-	1,297,023	479,962	817,061
FERRIERE	172,784	-	-	-	-	-	53,147	4,523	-	230,454	138,381	92,073

PROPERTY	BOOK VALUE NET OF REVALUATIONS	L. 11.2.52 no 74	L. 19.2.73 no 823	L. 2.12.75 no 576	L. 19.3.83 no 72	L. 29.12.90 no 408	L. 30.12.91 no 413	L. 30.7.90 no 218	'94 MERGER REVAL.	TOTAL COST	ACCUMUL. DEPREC.. 31/12/2009	NET BOOK VALUE AT 31/12/2009
FIDENZA -VIA GRAMSCI 41	1,827,179	-	83,677	29,665	215,527	-	-	307,531	-	2,463,579	690,300	1,773,279
FIDENZA -VIA TOGLIATTI	471,196	-	-	-	28,659	-	48,093	345,710	-	893,658	321,405	572,253
FIORENZUOLA	469,168	-	-	-	194,704	-	144,239	195,074	-	1,003,186	277,717	725,469
FONTANELLATO	508,555	-	29,897	-	111,655	-	15,582	379,247	-	1,044,936	410,994	633,943
FONTANELLE	66,548	-	9,533	2,582	45,448	151,905	63,487	-	-	339,504	136,869	202,635
FONTEVIVO	238,868	-	11,927	20,658	103,291	350,998	299,492	-	-	1,025,234	314,917	710,317
FORNOVO TARO	1,067,880	-	8,156	19,437	-	-	14,142	198,065	-	1,307,680	476,148	831,532
GAMBOLO'	403,081	-	-	10,329	-	-	4,474	94,165	-	512,049	163,216	348,833
GRAGNANO	146,895	-	-	-	41,317	-	29,569	23,034	-	240,815	130,680	110,135
GRUMELLO CREMONESE	13,858	59	2,644	-	-	-	9,162	-	66,174	91,897	35,979	55,917
GUSSOLA	47,520	-	7,753	-	-	-	58,355	-	51,318	164,945	97,566	67,379
LAGRIMONE	172,191	-	-	-	-	99,980	-	-	-	272,171	217,940	54,231
LANGHIRANO	837,098	-	42,532	12,128	90,543	-	50,672	562,140	-	1,595,113	327,167	1,267,947
LANGHIRANO - CENTRO VAL PARMA	397,706	-	-	-	-	-	-	138	-	397,844	195,630	202,214
LANGHIRANO - P.ZA POPOLO	57,180	-	34,618	15,494	162,684	255,039	217,764	-	-	742,779	308,046	434,733
LESIGNANO	577,256	-	-	-	-	-	-	-	-	577,256	180,845	396,412
LODI	292,851	4,127	113,691	-	-	-	259,762	-	1,051,150	1,721,581	800,167	921,414
LUGAGNANO	633,024	-	-	-	65,107	-	26,297	28,660	-	753,088	136,174	616,915
MANTOVA -VIA NIEVO, 18/VIA OBERDAN	4,433,451	-	-	-	-	-	1,560,197	-	321,766	6,315,413	5,016,392	1,299,021
MARMIROLO	126,415	-	10,252	-	-	-	78,068	-	61,702	276,436	161,150	115,286
MEDE - VIA GRAMSCI 1	46,786	-	-	-	-	-	-	-	-	46,786	8,421	38,365
MEDESANO	36,184	-	18,132	9,531	108,953	-	40,468	219,782	-	433,050	169,120	263,930
MEZZANI	17,733	-	5,127	5,210	38,218	65,506	53,984	-	-	185,778	102,039	83,739
LORENTEGGIO)	366,661	-	81,632	-	371,849	-	543,908	-	268,264	1,632,314	865,660	766,654
MILANO - PIAZZA VELASCA 4	409,016	-	191,991	-	192,122	-	433,140	-	889,114	2,115,383	1,051,010	1,064,373
MILANO - VIA ARMORARI 8 PASSAGGIO CENTRALE	2,268,382	-	-	-	-	-	7,164,345	-	5,498,307	14,931,034	3,688,002	11,243,032
MILANO - VIA ARMORARI, 4	1,931,785	-	1,313,331	-	7,266,549	-	19,847,235	-	7,308,423	37,667,322	8,783,027	28,884,295
MILANO - VIA FARINI 82 (ANG. VIA MENABREA)	2,026,231	-	-	-	-	-	933,643	-	278,488	3,238,361	2,742,625	495,737
MILANO - VIA MUSSI 4	413,668	-	92,969	-	291,282	-	439,674	-	275,121	1,512,714	744,807	767,906
MILANO - VIA PISTRUCCI 25/VIA C. VISCONTI 18	231,722	-	41,673	-	127,048	-	258,173	-	351,453	1,010,069	552,014	458,054
MILANO - VIA RIPAMONTI 177	404,816	-	103,421	-	335,697	-	381,513	-	161,503	1,386,950	757,074	629,876
MILANO-VIA BROLETTO 37	2,248,827	-	-	-	-	-	158,469	1,555,993	-	3,963,289	1,861,709	2,101,581
MONCHIO DELLE CORTI	23,882	-	1,143	5,726	59,171	-	10,666	90,515	-	191,103	79,812	111,290
MONTICELLI	298,133	-	-	-	-	-	69,145	-	-	367,278	224,690	142,588
MORFASSO	185,877	-	-	-	-	-	49,730	-	-	235,607	172,546	63,061
NEVIANO DEGLI ARDUINI	70,408	-	3,954	2,574	46,044	-	11,935	88,290	-	223,206	78,181	145,025
NOCETO	698,182	-	14,143	10,558	76,036	-	28,103	108,038	-	935,058	374,055	561,004
OSTIGLIA	53,018	-	-	-	-	-	54,938	-	77,867	185,824	111,784	74,040
OTTONE	39,457	-	-	-	15,494	-	7,709	33,085	-	95,745	32,224	63,520
PADERNO PONCHIELLI	58,916	-	4,106	-	-	-	14,653	-	84,481	162,156	60,170	101,985
PALANZANO	42,816	-	974	8,767	46,594	-	13,092	122,582	-	234,826	98,902	135,924
PANDINO	112,708	1,731	27,915	-	-	-	66,462	-	159,407	368,223	116,990	251,233

PROPERTY	BOOK VALUE NET OF REVALUATIONS	L. 11.2.52 no 74	L. 19.2.73 no 823	L. 2.12.75 no 576	L. 19.3.83 no 72	L. 29.12.90 no 408	L. 30.12.91 no 413	L. 30.7.90 no 218	'94 MERGER REVAL.	TOTAL COST	ACCUMUL. DEPREC.. 31/12/2009	NET BOOK VALUE AT 31/12/2009
PARMA - ASILO AZIENDALE C/O CAVAGNARI (IFIC)	1,239,547	-	-	-	-	-	-	-	-	1,239,547	-	1,239,547
PARMA - B.GO S.AMBROGIO	1,703,080	-	-	-	140,699	1,050,126	295,927	-	-	3,189,833	1,201,803	1,988,030
PARMA - BARRIERA V/EMANUELE	1,176,342	-	56,793	3,788	285,627	-	189,474	807,691	-	2,519,715	956,783	1,562,932
PARMA - P.LE BARBIERI	3,881,000	-	-	-	-	-	-	2,518	-	3,883,518	1,395,905	2,487,613
PARMA - S.P.I.P.	895,350	-	-	-	-	-	9,560	14,843	-	919,753	333,673	586,080
PARMA - V.LE PIACENZA	526,656	-	-	-	-	-	-	-	-	526,656	233,245	293,411
PARMA - V.LE VITTORIA 37	10,100	-	2,594	-	9,353	-	6,485	16,515	-	45,046	6,825	38,221
PARMA - VIA CAVESTRO	1,131,672	-	385,900	-	1,501,229	-	389,474	3,609,776	-	7,018,051	1,465,615	5,552,436
PARMA - VIA D'AZEGLIO 10	603,555	-	99,914	-	249,070	-	378,832	983,272	-	2,314,642	820,715	1,493,927
PARMA - VIA DEI MERCATI	527,548	-	-	-	-	-	54,888	131,803	-	714,239	641,775	72,464
PARMA - VIA EMILIA OVEST	1,218,256	-	-	-	-	57,092	98,378	793,152	-	2,166,878	822,474	1,344,403
PARMA - VIA EMILIO LEPIDO	973,070	-	-	-	179,927	498,958	177,237	-	-	1,829,192	846,388	982,803
PARMA - VIA FARINI 20	48,487	-	-	-	-	70,902	40,567	-	-	159,956	33,600	126,357
PARMA - VIA FARINI 71	803,101	-	2,406	25,203	112,926	-	166,015	159,997	-	1,269,648	657,076	612,572
PARMA - VIA GRAMSCI	345,376	-	-	-	-	436,369	70,280	-	-	852,026	407,830	444,195
PARMA - VIA MISTRALI	4,733,881	-	369,753	377,014	1,508,925	897,799	2,460,915	-	-	10,348,287	3,194,649	7,153,638
PARMA - VIA SPEZIA (CENTROSERVIZI)	27,935,454	-	-	-	-	42,608	4,005,756	23,165,363	-	55,149,181	25,124,626	30,024,554
PARMA - VIA SPEZIA	112,781	-	-	-	-	-	-	-	-	112,781	-	112,781
PARMA - VIA SPEZIA -(PODERE MARTINELLA)	391,489	-	-	-	-	-	-	44,284	-	435,774	-	435,774
PARMA - VIA TORELLI	821,477	-	37	-	382,861	-	328,259	901,626	-	2,434,261	733,752	1,700,509
PARMA - VIA UNIVERSITA' 1	1,482,234	-	510,263	195,089	2,039,910	-	428,631	6,708,770	-	11,364,898	2,180,824	9,184,074
PARMA - VIA VENEZIA	398,762	-	15,987	-	186,612	-	149,334	319,851	-	1,070,547	426,328	644,219
PARMA - VIALE MENTANA	3,548,150	-	-	-	-	-	607,415	1,954,872	-	6,110,436	2,967,132	3,143,304
PAROLA - AREA EDIFICABILE	41,580	-	-	-	-	19,656	30,642	-	-	91,878	-	91,878
PARONA	95,145	-	-	-	-	-	12,941	75,689	-	183,775	53,868	129,907
PAVIA - VIA CAMPARI	533,484	-	-	-	-	-	32,726	22,047	-	588,256	301,683	286,573
PAVIA - PIAZZA DEL LINO	813,869	3,079	92,263	-	481,035	-	941,760	-	217,178	2,549,185	1,709,973	839,211
PELLEGRINO P.SE	236,593	-	15,431	2,998	49,259	-	19,224	182,482	-	505,987	118,296	387,691
PIACENZA - CENTRO BATTISTI	19,126,561	-	-	-	-	-	-	-	-	19,126,561	4,441,980	14,684,581
PIACENZA - PALCO TEATRO MUNICIPALE	58	-	-	-	-	-	-	-	-	58	9	49
PIACENZA - VIA COLOMBO	1,112,785	-	-	-	-	-	196,597	195,554	-	1,504,936	503,588	1,001,348
PIACENZA - VIA DANTE	1,508,018	-	-	-	-	-	215,624	426,870	-	2,150,512	692,359	1,458,154
PIACENZA - VIA POGGIALI	3,400,372	-	-	769,851	1,567,362	-	1,952,811	5,788,954	-	13,479,350	3,665,400	9,813,951
PIACENZA-V.LE MARTIRI RES.16/18	181,610	-	-	-	-	-	-	-	-	181,610	23,053	158,557
PIANELLO	292,528	-	-	-	-	-	9,449	60,751	-	362,727	157,894	204,834
PIEVE D'OLMI	9,452	-	12,488	-	-	-	21,534	-	48,712	92,187	49,232	42,955
PIEVE PORTO MORONE	124,526	-	-	-	-	-	53,937	-	84,966	263,429	123,035	140,393
PIEVEOTTOVILLE - ZIBELLO	25,499	-	342	-	45,249	-	8,525	73,623	-	153,236	64,608	88,628
PIZZIGHETTONE	304,818	-	-	-	178,694	-	99,878	-	20,092	603,482	304,630	298,852
PODENZANO	298,000	-	-	-	67,139	-	70,923	115,376	-	551,437	273,027	278,411
POLESINE P.SE	372,552	-	-	-	-	-	70,135	150,460	-	593,147	337,201	255,946
PONTE DELL'OLIO	355,720	-	-	-	-	-	115,908	172,170	-	643,798	249,717	394,081
PONTENURE	520,591	-	-	-	-	-	68,083	-	-	588,674	357,199	231,475
PONTETARO -FONTEVIVO	521,333	-	19,513	3,367	66,243	26,289	116,981	93,310	-	847,035	365,732	481,302
RIVAROLO DEL RE	385,352	-	1,600	-	-	-	90,021	-	14,886	491,859	315,270	176,589

PROPERTY	BOOK VALUE NET OF REVALUATIONS	L. 11.2.52 no 74	L. 19.2.73 no 823	L. 2.12.75 no 576	L. 19.3.83 no 72	L. 29.12.90 no 408	L. 30.12.91 no 413	L. 30.7.90 no 218	'94 MERGER REVAL.	TOTAL COST	ACCUMUL. DEPREC.. 31/12/2009	NET BOOK VALUE AT 31/12/2009
ROBECCO D'OGLIO	49,968	948	8,786	-	-	-	15,957	-	81,443	157,102	48,777	108,325
ROCCABIANCA	611,189	-	-	-	-	-	17,912	241,824	-	870,925	548,155	322,770
ROMA	3,983,060	-	-	-	-	-	-	-	-	3,983,060	1,827,758	2,155,302
ROMANENGO	869,946	795	12,932	-	-	-	21,601	-	110,278	1,015,552	121,651	893,902
ROTTOFRENO - VIA EMILIA	30,776	-	-	-	56,810	-	24,581	61,128	-	173,294	76,530	96,764
ROVERBELLA	147,277	-	14,949	-	-	-	22,589	-	155,423	340,238	105,055	235,184
S. GIOVANNI IN CROCE	583,649	664	3,813	-	-	-	11,034	-	54,843	654,003	207,532	446,471
S.ANDREA BAGNI - MEDESANO	205,545	-	1,859	-	-	-	5,253	129,517	-	342,174	166,934	175,240
S.ANGELO LODIGIANO	648,796	1,411	13,012	-	-	-	66,702	-	8,769	738,689	293,404	445,285
S.GIORGIO P.NO	335,200	-	-	-	-	-	-	-	-	335,200	148,274	186,926
S.GIULIANO MILANESE	388,392	-	43,900	-	232,406	-	369,534	-	73,368	1,107,600	599,540	508,060
S.MARIA DEL TARO-TORNOLO	45,412	-	3,146	-	58,320	-	10,200	100,472	-	217,551	100,004	117,547
S.POLO DI TORRILE	734,622	-	-	-	-	-	11,996	-	-	746,618	270,483	476,135
S.SECONDO P.SE	211,447	-	145	-	105,674	-	71,430	392,743	-	781,438	264,132	517,306
SALA BAGANZA - VIA MAESTRI	87,452	-	46,459	6,907	72,054	-	59,315	323,203	-	595,390	136,835	458,555
SALA BAGANZA - PIAZZA GRAMSCI	443,308	-	15,749	-	235,765	670,239	14,659	-	-	1,379,721	589,746	789,975
SALSOMAGGIORE TERME	1,438,282	-	60,047	41,818	338,509	-	16,718	424,119	-	2,319,493	863,325	1,456,168
SESTO CREMONESE	87,707	508	3,370	-	-	-	12,890	-	76,972	181,447	55,617	125,831
SISSA	302,921	-	3,353	7,578	-	-	27,414	159,671	-	500,938	203,797	297,141
SOLIGNANO	22,998	-	4,209	5,424	51,082	-	9,218	97,942	-	190,873	82,864	108,010
SORAGNA	93,726	-	18,533	17,254	67,759	-	39,340	177,224	-	413,835	171,912	241,923
SORBOLO	1,117,602	-	-	-	-	-	62,444	651,020	-	1,831,066	1,072,723	758,343
SORESINA	178,972	830	35,251	-	-	-	97,091	-	382,504	694,649	297,694	396,955
SUZZARA	795,762	-	-	-	-	-	18,414	539,476	-	1,353,652	844,571	509,082
TABIANO BAGNI -SALSOMAGGIORE TERME	57,086	-	757	19,119	85,501	-	16,618	132,004	-	311,087	146,508	164,579
TALIGNANO - SALA BAGANZA VILLA LALATTA	614,759	-	-	-	-	289,767	-	1,710,026	-	2,614,552	580,504	2,034,049
TRAVERSETOLO	947,313	-	23,043	8,221	72,176	-	84,935	259,432	-	1,395,119	410,666	984,453
TRAVO	133,642	-	-	-	-	-	38,548	1,640	-	173,830	107,348	66,481
TRIGOLO	33,872	129	8,539	-	-	-	14,433	-	61,857	118,829	46,257	72,573
TROMELLO	167,784	-	-	-	-	-	17,078	78,092	-	262,954	67,935	195,019
VALENZA	342,964	-	-	56,334	252,201	-	90,987	-	858,291	1,600,777	808,091	792,686
VESCOVATO	8,463	51	12,911	-	-	-	18,956	-	106,168	146,550	67,309	79,241
VIGEVANO - CSO MILANO 65	209,508	-	-	7,230	-	-	17,382	163,008	-	397,128	130,539	266,589
VIGEVANO - PZA VOLTA 4	120,671	-	-	15,494	-	-	45,829	270,714	-	452,707	113,090	339,616
VIGEVANO - PALAZZO DUCALE	1,482,104	-	-	129,114	1,077,258	-	417,537	1,004,817	-	4,110,830	1,231,437	2,879,393
VILLANOVA - V.MORO	337,493	-	-	-	-	-	71,327	57,044	-	465,863	149,062	316,801
VINOVO	271,537	-	-	-	-	-	20,734	-	148,416	440,686	281,476	159,210
ZIANO - VIA ROMA	69,449	-	-	-	20,658	-	8,838	45,381	-	144,327	45,612	98,715
ZIANO VICOBARONE	48,378	-	-	-	15,494	-	8,451	14,084	-	86,408	39,514	46,894
ZIBELLO	176,504	-	136	-	98,960	-	6,056	278,852	-	560,508	222,705	337,803
TOTAL PROPERTY	**142,723,655**	**52,423**	**4,837,824**	**1,903,826**	**26,230,901**	**5,357,925**	**55,824,498**	**62,762,672**	**22,147,563**	**321,841,287**	**119,817,467**	**202,023,820**
FURNITURE AND PLANT												
FURNITURE AND FITTINGS	59,144,056	-	3,415	18,701	-	-	-	-	-	59,166,171	44,675,523	14,490,649
PLANTS AND MACHINERY	158,301,001	-	1,807	11,178	-	-	-	-	-	158,313,986	122,476,568	35,837,418
TOTAL FURNITURE AND PLANT	**217,445,057**	-	**5,222**	**29,879**	-	-	-	-	-	**217,480,157**	**167,152,091**	**50,328,067**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**360,168,712**	**52,423**	**4,843,046**	**1,933,704**	**26,230,901**	**5,357,925**	**55,824,498**	**62,762,672**	**22,147,563**	**539,321,444**	**286,969,558**	**252,351,887**

List of branches

ALESSANDRIA
Headquarters Alessandria
Corso Roma, 5
Alessandria
Via Marengo, 28
Casale Monferrato
Piazza Martiri della Libertà, 19
Cassano Spinola
Via IV Novembre, 5
Castelnuovo Scrivia
Via Solferino, 2
Gavi
Via Voltaggio, 1/4
Novi Ligure
Corso Romualdo Marenco, 30
Sale
Via Mentana, 2
San Sebastiano Curone
Via Anselmi
Tortona
Corso Romita, 10/B
Valenza
Via Cunietti, 8
Viguzzolo
Via Vittorio Veneto, 5
Volpedo
Via Pelizza, 55

AREZZO
Headquarters Arezzo
Via Pietro Aretino, 1
San Giovanni Valdarno
Corso Italia, 73

ASTI
Headquarters Asti
Corso Vittorio Alfieri, 213

BERGAMO
Headquarters Bergamo
Largo Belotti, 5/A
Bergamo Ag. 1
Via Broseta, 70
Alzano Lombardo
Piazza Italia, 1
Dalmine
Largo Europa ,6
Lovere
Vicolo Del Porto, 1
Seriate
Via Dante Alighieri

BIELLA
Headquarters Biella
Via Lamarmora, 15/D
Valle Mosso
Piazza Repubblica, 15

BOLOGNA
Headquarters Bologna
Via Marconi, 16
Bologna - Ag. 1
Via Dei Mille, 19
Bologna - Ag. 2
Via Vittoria, 2/A
Bologna - Ag. 3
Via Montegrappa
Bologna - Ag. 4
Via San Felice
Bologna - Ag. 5
Via Emilia Levante, 1
Bologna - Ag. 6
Via Molino Parisio, 1
Bologna - Ag. 7
Via Massarenti, 50
Bologna - Ag. 8
Viale Carlo Pepoli, 84/G
Bologna - Ag. 9
Via Toscana, 119
Casalecchio Di Reno
Via Mazzini, 4
San Lazzaro di Savena
Via Emilia, 160
San Pietro In Casale
Via Matteotti, 125

BRESCIA
Manerbio
Via XX Settembre, 26

CASERTA
Headquarters Caserta
Piazza Aldo Moro
Caserta - Ag. 1
Via Bernini, 13
Aversa
Piazza Bernini
Aversa 2
Viale Giolitti, 17
Capua
Via Appia Porta Roma, 52
Capua 2
Largo Porta Napoli
Cellole
Corso Fredda, 170
Macerata Campania
Via G. Matteotti, 48/50
Maddaloni
Corso 1 Ottobre, 38/40
Roccamonfina
Via Napoli
San Nicola La Strada
S.S.Sannitica Km.23.300
Sessa Aurunca
Corso Lucilio, 42
Teverola
Via Roma, 270
Trentola-Ducenta
Via Circumvallazione, 46/52

COMO
Headquarters Como
Via Pietro Boldoni, 1
Como - Ag. 1
Via Mentana, 11
Como - Ag. 2
Lora - Via Oltrecolle, 39
Como - Ag. 3
Via Bellinzona, 177
Cantu'
Vighizzolo - Piazza Piave
Canzo
Via Mazzini, 2
Domaso
Via Case Sparse, 11
Erba
Via Dante Alighieri, 32
Fenegrò
Piazza Santa Maria Nascente, 10
Figino Serenza
Via Crocefisso, 22
Lomazzo
Piazza Brolo San Vito, 8
Menaggio
Via IV Novembre, 17
Porlezza
Via Colombaio, 27
San Fermo Della Battaglia
Via Diaz, 12/A
Tavernerio
Via Provinciale, 12

CREMONA
Headquarters Cremona
Corso Mazzini, 2
Cremona - Ag. 1
Via Buoso Da Dovara, 64/a
Cremona - Ag. 2
Via Dante, 236
Cremona - Ag. 3
Corso Garibaldi, 147
Annicco
Piazza Garibaldi, 3
Casalbuttano
Piazza della Libertà, 21
Casalmaggiore
Via Cavour, 40/42
Castelverde
Piazza Municipio, 11
Cingia De' Botti
Via Giuseppina, 152
Corte De' Cortesi
Piazza Vittorio Veneto, 6
Headquarters Crema
Via G. Matteotti, 26/28
Gallignano Di Soncino
Via Regina della Scala, 38
Grumello Cremonese
Via Mazzini, 8
Gussola
Via Roma, 16
Paderno Ponchielli
Piazza della Libertà, 6
Pandino
Via Milano, 20
Persichello
Via Ostiano, 227
Piadena
Via della Libertà, 3
Pieve D'Olmi
Via Roma, 1
Pizzighettone
Largo della Vittoria, 7
Rivarolo Del Re
Via della Libertà, 10
Robecco D'Oglio
Via Martiri della Libertà, 48
Romanengo
Via G. Vezzoli, 2
San Giovanni In Croce
Via Giuseppina, 15
Sesto Cremonese
Viale G. Matteotti, 6
Soresina
Via F. Genala, 17
Spinadesco
Via Mazzini, 25
Trigolo
Via Roma, 73
Vescovato
Via Garibaldi, 2

CUNEO
Alba
Piazza Savona, 8

FERRARA
Sede Ferrara
Corso Giovecca, 41
Cento
Via Guercino, 2

FLORENCE
Headquarters Firenze
Via S. Lavagnini, 38
Florence - Ag. 1
Via Taddeo Alderotti, 26/H
Florence - Ag. 2
Via Pietrapiana, 78/80 R
Florence - Ag. 3
Via Di Novoli, 57
Florence Ag. 4
Viale Vasco Pratolini, 19
Florence Ag. 5
Via Elbano Gasperi, 3

Annexes – List of Branches

Florence Ag. 6
Via Gramsci, 59/61
Campi Bisenzio
Piazza Dante, 1
Certaldo
Piazza Boccaccio, 53/55
Empoli
Via Tinto da Battifole, 6
FROSINONE
Headquarters Frosinone
Via Aldo Moro, 289
Cassino
Viale Dante, 97
GENOVA
Sede Genova
Via XX Settembre, 187/R
Genova - Ag. 1
Via Di Brera, 34/R
Genova - Ag. 2
Pegli - Piazza Amilcare Ponchielli, 2
Genova - Ag. 3
Sestri Ponente - Piazzetta Balestrino, 3
Chiavari
Piazza Giacomo Matteotti, 4
GROSSETO
Headquarters Grosseto
Largo Manetti, 1
IMPERIA
Headquarters Imperia
Via Felice Cascione, 72/A
Bordighera
Via Roma, 4
Sanremo
Via Roma, 62
Ventimiglia
Via Roma, 18/D
LA SPEZIA
Headquarters La Spezia
Viale San Bartolomeo, 111
LECCO
Headquarters Lecco
Via Adamello, 8
Brivio
Via Magni, 5
LIVORNO
Headquarters Livorno
Largo del Duomo, 22
LODI
Headquarters Lodi
Via Marsala, 18
Lodi - Ag. 2
Via Dalmazia, 9
Lodi - Ag. 3
Corso Mazzini, 85
Lodi - Ag. 4
Viale Pavia, 30
Casalpusterlengo
Largo Casali, 31
Casalpusterlengo
Located at Lever Gibbs
Via Lever Gibbs
Codogno
Piazza Cairoli, 3
Fombio
Akzo Nobel S.R.L.
Via Emilia Km. 273
Sant'Angelo Lodigiano
Piazza dei Caduti, 10
LUCCA
Sede Lucca
Viale Pacini, 75
Lucca - Ag. 1
Viale San Concordio, 839
Altopascio
Via Gavinana, 19
Forte Dei Marmi
Via Duca d'Aosta, 9
Viareggio
Corso Garibaldi, 47
MANTOVA
Headquarters Mantova
Via Oberdan, 21/23
Mantova - Ag. 1
Corso Garibaldi, 175
Mantova - Ag. 3
Via Imre Nagy, 1
Asola
Piazza XX Settembre, 20
Bagnolo San Vito
SS Romana Zuccona
Belleli Ind. Meccaniche S.R.L.
Via G. Taliercio, 1
Castel D'Ario
Piazza Garibaldi, 77
Castellucchio
Via G. Matteotti, 18
Castiglione Delle Stiviere
Via Perati, 9
Cogozzo Di Viadana
Via Milano, 66
Ecp Enichem Polimeri S.R.L.
Via G. Taliercio, 14
Marmirolo
Via XXV Aprile, 1
Ostiglia
Via Piave, 18
Porto Mantovano
S.da Gramsci, 1/H
Roncoferraro
Piazza A. Dall'Oca, 24
Roverbella
Via M. Custoza, 124
Suzzara
Via Donatori del Sangue, 10
MASSA CARRARA
Pontremoli
Via Pirandello, 1
MILAN
Headquarters Milan
Via Armorari, 4
Milan - Ag. 1
Piazza Velasca, 4
Milan - Ag. 2
Via Farini, 82
Milan - Ag. 3
Via F. Filzi, 25
Milan - Ag. 4
Via P. Verri, 2
Milan - Ag. 5
Viale Monza, 2
Milan - Ag. 6
Via Ripamonti, 177
Milan - Ag. 7
Via Pistrucci, 25
Milan- Ag. 8
Via Mussi, 4
Milan - Ag. 9
Piazza Frattini, 19
Milan - Ag. 10
Via G. Pacini 37
Milan - Ag. 11
Piazza Türr, 5
Milan - Ag. 12
Via Broletto, 37
Milan - Ag. 13
Via Crema, 1
Milan - Ag. 15
Via Gustavo Modena, 22
Milan - Ag. 18
Via Molino delle armi, 23
Milan - Ag. 19
Via Tibaldi, 5
Milan - Ag. 20
Via G. Washigton, 102
Milan - Ag. 21
Via Papiniano, 59
Milan - Ag. 22
Via Previati, 72
Milan - Ag. 23
Via Della Moscova, 53
Abbiategrasso
Via San Pietro, 69
Arcore
Via Casati, 88
Bracco Ind. Chimiche
Via E. Folli, 50
Cernusco Sul Naviglio
Viale Assunta, 21
Cesano Boscone
Via Milano, 7
Cesano Maderno
Via Volta, 25
Cinisello Balsamo
Via Libertà, 45
Cusano Dilanino
Via Matteotti, 43
Garbagnate Milanese
Via Manzoni, 25
Melegnano
Via Marsala, 1
Motta Visconti
Via San Giovanni, 4
Paullo
Via Carso, 25
San Giuliano Milanese
Via Roma, 5
Sesto San Giovanni
Viale Casiraghi, 452
Van Den Berg –Unilever
Corso Europa, 2
MODENA
Headquarters Modena
Via P. Giardini, 145
Modena Ag. 1
Via Ciro Menotti, 391
Modena Ag. 2
Via Emilia Est, 382
Modena Ag 3
Via G. Amendola, 140
Modena Ag 4
Corso Duomo, 41
Carpi
Via Carlo Marx, 80
Castelfranco Emilia
Piazza Garibaldi, 38
Cavezzo
Via Cavour, 42
Fiorano Modenese
Via Vittorio Veneto, 150
Maranello
Via Nazionale, 46
Nonantola
Via Walter Tabacchi, 4/E
Novi Di Modena
Piazza 1° Maggio, 1
San Felice Sul Panaro
Via Mazzini, 46
Sassuolo
Piazza Martiri Partigiani, 30
Serramazzoni
Piazza T. Tasso, 2
Soliera
Via IV Novembre, 23
Vignola
Via Mazzini, 10
MONZA E BRIANZA
Headquarters Desio
Largo Volontari del sangue

Monza
Via Borgazzi, 5
Monza 2
Via Monte Cervino, 3

NAPLES

Headquarters Naples
Via Toledo, 129/132
Naples Ag. 1
Piazza Giovanni Bovio,11
Naples Ag. 2
Via Enrico Pessina, 69
Naples Ag. 3
Piazza Della Repubblica, 2
Naples Ag. 4
Piazza Garibaldi, 137
Naples Ag. 5
Corso Novara al Vasto, 10
Naples Ag. 6
Via Imparato, 29
Naples Ag. 7
Via Santa Lucia, 151
Naples Ag. 8
Piazza Amedeo, 8
Naples Ag. 9
Via A. Scarlatti, 200/E
Naples Ag. 10
Piazza Medaglie d'oro, 17
Naples Ag. 11
Via Eduardo Nicolardi, 21
Naples Ag. 12
Via Francesco De Pinedo, 25
Naples Ag. 13
Via Bartolomeo Chioccarelli, 2
Naples Ag. 14
Via Sant'Alfonso Maria De'Liguori, 40
Naples Ag. 15
Via Principessa Rosina Pignatelli, 218
Naples Ag. 16
Centro Direzionale Isola F, 12 Palazzo Unigest
Naples Ag. 17
Via Paolo Della Valle, 51
Naples Ag. 18
Via E. Fermi, 2
Naples Ag. 19
Fuorigrotta - Piazza S.Vitale, 13
Naples Ag. 20
Vomero - Piazzetta Santo Stefano, 1
Naples Ag. 21
Via Ziviello, 30
Naples Ag. 22
Via Chiaia, 110
Naples Ag. 23
Via Benedetto Croce, 25
Naples Ag. 24
Piazza Vanvitelli, 27
Naples Ag. 25
Via Abate Minichini, 1/A
Naples Ag. 26
Via Cilea, 282/286
Naples Ag. 27
Via Giulio Palermo, 53
Naples Ag. 28
Largo Sermoneta, 21
Naples Ag. 29
Via Terracina, 407/A
Naples - C/O Atitech - Aeroporto Di Capodichino
Viale Ruffo Fulco di Calabria, 2
Afragola
Via G. Amendola, 126
Bacoli
Via G. De Rosa, 124
Castellammare Di Stabia
Corso Alcide De Gasperi, 1
Castellammare Di Stabia 2
Via G. Cosenza
Giugliano In Campania
Corso Campano, 544/L
Nola
Via Anfiteatro Laterizio, 9
Piano Di Sorrento
Corso Italia, 122
Piano Di Sorrento 2
Via Delle Rose
Pomigliano D'Arco
Viale Impero c/o FIAT AVIO SPA
Pomigliano D'Arco 2
Viale Alfa, 103/105
Pompei
Via Piave, 14/16/18
Portici
Via Libertà, 175
San Gennaro Vesuviano
Piazza Margherita, 3/4
San Giorgio a Cremano
Via Pittore, 137
S. Giuseppe Vesuviano
Via XX Settembre, 36
Sant'Agnello
Via Don Minzoni, 13/15
Santantonio Abate
Via Roma, 156/158
Sorrento
Viale Degli Aranci, 143/A
Torre Del Greco
Corso Vittorio Emanule, 117
Torre Del Greco 2
Via Nazionale, 224/226
Vico Equense
Piazza Umberto I, 8

NOVARA

Headquarters Novara
Via Cairoli, 4
Novara - Ag. 1
Via Galilei, 15
Novara - c/o Barilla Dolciaria Spa
Corso Vercelli, 101
Novara
Via Pietro Micca, 68
Borgomanero
Piazza XX Settembre
Trecate
Via Garibaldi, 1

PARMA

Headquarters Parma
Via Università, 1/A
Headquarters Parma 2
Piazza Cesare Battisti, 7/a
Parma - Ag. 1
Via M. D'Azeglio, 10
Parma - Ag. 2
Via Emilia Ovest, 10
Parma - Ag. 3
Piazzale V.Emanuele II, 5/A
Parma - Ag. 4
Viale Mentana, 131
Parma - Ag. 5
Piazzale Barbieri, 29/a
Parma - Ag. 6
Via C. Farini, 71
Parma - Ag. 7
Via Verdi, 2 - c/o Borsa Merci
Parma - Ag. 8
Via P. Torelli, 51/A
Parma - Ag. 9
Via Cuneo, 21/A
Parma - Ag. 10
Via Abbeveratoia, 4/D
Parma - Ag. 11
Strada Mercati, 9/B
Parma - Ag. 12
Via La Spezia, 138/A
Parma - Ag. 13
Viale Gramsci, 13/a
Parma - Ag. 14
Via Langhirano, 51
Parma - Ag. 15
Via E. Lepido, 12/a
Parma - Ag. 16
Via S.Leonardo, 18
Parma - Ag. 17
Via Montanara, 21
Parma - Ag. 18 - S.P.I.P.
Via Mercalli, 13
Parma - Ag. 19
Via S.Leonardo, 2a
Parma - Ag. 20
Via E. Lepido, 51/A
Parma - Ag. 22
Viale Piacenza, 29/a
Parma - Ag. 23
Via Montebello, 23
Parma - Ag. 24
Via Emilia Ovest, 151/A
Parma - Ag. 25
Via Traversetolo, 20
Albereto
Via della Repubblica 36
Bardi
Via Roma, 1
Basilicanova
Via Argini Sud, 6/A
Bedonia
Via Garibaldi, 25
Berceto
Piazza Micheli, 5/Ter
Bore
Via Colombo, 12
Borgo Val Di Taro
Via Nazionale, 27
Busseto
Via Roma, 125
Calestano
Piazza Europa, 1/A
Coenzo
Via Rabaglia, 25
Collecchio
Via La Spezia, 10
Colorno
Via Cavour, 28
Corniglio
Via Rustici, 2/A
Felegara - Sant'Andrea Bagni
Via Cisa, 1
Felino
Piazza Miodini, 3
Fidenza
Via Gramsci, 41
Fidenza 2
Via Togliatti, 4/6
Fidenza 3
Piazza Garibaldi, 22
Fontanellato
Piazza Garibaldi, 12
Fontanelle
Strada Provinciale, 59
Fontevivo
Strada Provinciale di Busseto, 135
Fornovo Di Taro
Via XXIV Maggio, 17
Lagrimone
Via Lagrimone, 12

Annexes – List of Branches

Langhirano
Via O. Ferrari, 9
Langhirano 2
Via del Popolo, 22
Langhirano 3
Via Fanti D'Italia, 9
Lesignano Bagni
Piazza Marconi, 13
Medesano
Via Martiri della Libertà, 1
Mezzano Inferiore
Via Martiri Libertà, 170
Monchio Delle Corti
Via Brigata Alpina Julia 1
Neviano Arduini
Via Buca, 45
Noceto
Via Reduci, 4
Palanzano
Piazza Cardinal Ferrari, 97
Parola
Via Emilia, 54/a
Pellegrino Parmense
Via Roma, 60
Pieve Ottoville
Via IV Novembre, 13
Pilastro
Strada Parma, 20/b
Polesine Parmense
Piazza Angelo Balestrieri, 5
Pontetaro
Via Martiri della Libertà, 1
Roccabianca
Piazza Garibaldi, 5
Sala Baganza 2
Piazza Gramsci, 9
Salsomaggiore Terme
Via Romagnosi, 10
Salsomaggiore Terme 2
Viale Matteotti, 12
Salsomaggiore Terme 3
Via Parma, 72
San Polo Di Torrile
Via Asolana, 44
San Secondo Parmense
Via Garibaldi, 75
Santa Maria Del Taro
Strada Privata, 2
Sant'Andrea Bagni
Via Puccini, 4
Scurano
Località Mercato, 37
Sissa
Via Matteotti, 38
Solignano
Via Fondovalle, 9
Soragna
Piazza Garibaldi, 18
Sorbolo
Viale delle Rimembranze, 5/A
Sportello Barilla
Via Mantova, 166
Sportello Campus Universitario
Via delle Scienze
Sportello Cepim
Località Bianconese - c/o CE.P.I.M.
Tabiano Bagni
Viale alle Terme, 7
Tizzano Val Parma
Piazza Roma, 25
Tarsogno
Via Provinciale Sud, 22
Traversatolo
Piazza Vittorio Veneto, 45
Trecasali
Via Verdi, 1
Valmozzola
Via Provinciale, 148/C
Varano De' Melegari
Via Martiri della Libertà, 27
Varsi
Piazza Monumento, 3
Zibello
Piazza Garibaldi, 51

PAVIA

Headquarter Pavia
Piazza del Lino, 4
Pavia - Ag. 1
Via Campari, 12
Pavia - Ag. 2
Corso Cavour, 12
Belgioioso
Piazza Vittorio Veneto, 2
Borgo San Siro
Via Roma, 16
Bressana Bottarone
Via De Pretis, 206
Broni
Via Emilia, 371
Cassolnovo
Via Lavatelli, 32
Casteggio
Via Garibaldi, 6
Certosa Di Pavia
Viale Certosa, 78
Corteolona
Via Cardinal Maffi, 2
Gambolo'
Via Cotta, 2
Garlasco
Piazza della Repubblica, 7
Mede
Via Gramsci, 1
Mortara
Piazza Urbano II
Parona
Via XXV Aprile, 17
Pieve Porto Morone
Via Roma, 24
San Martino Siccomario
Via Piemonte, 12
Sannazzaro De' Burgondi
Piazza Mercato, 2
Stradella
Piazza Vittorio Veneto, 25
Tromello
Piazza Campegi, 2
Sede Vigevano
Piazza Ducale, 43
Vigevano - Ag. 1
Piazza Volta, 4
Vigevano - Ag. 2
Corso Milano, 65/b
Vigevano - Ag. 3
Viale dei Mille, 107

PIACENZA

Headquarter Piacenza
Via Poggiali, 18
Piacenza - Ag. A
Via Cavour, 30
Piacenza - Ag. B
Via Roma, 135
Piacenza - Ag. C
Via XXI Aprile, 1
Piacenza - Ag. D
Via C. Colombo, 101 d/e
Piacenza - Ag. E
Viale Dante Alighieri, 14
Piacenza - Ag. F
Via Martiri della Resistenza, 16/18
Piacenza - Ag. G
Via Vittorio Veneto, 36
Piacenza - Ag. I
Via Fioruzzi, 3 - Besurica
Piacenza - Ag. L
Via Emilia, 194 - Montale
Piacenza - Ag. M
Via Manfredi, 128
Piacenza - Ag. N
Via Emilia Pavese, 250
Piacenza - Ag. O
Via Farnesiana, 58
Piacenza - Ag. P
Cantone del Cristo - c/o Polichirurgico
Agazzano
Via Macallè, 11
Alseno
Via Emilia Ovest, 18
Bettola
Piazza C. Colombo, 11
Bobbio
Piazza San Francesco, 11/a
Borgonovo Val Tidone
Via Roma, 23
Calendasco
Piazza Bergamaschi, 4
Caorso
Via Roma, 8/a
Carpaneto Piacentino
Viale Vittoria, 2
Castel San Giovanni
Galleria Braghieri, 1
Castell'Arquato
Via Roma, 2
Castelvetro Piacentino
Via Bernini, 29
Perino
Via Nazionale, 3
Cortemaggiore
Via Cavour, 1/a
Ferriere
Via Del Consorzio, 7
Fiorenzuola D'Arda
Corso Garibaldi, 120
Fiorenzuola D'Arda 2
Via U. Foscolo, 18
Gossolengo
Via Matteotti, 87
Gragnano Trebbiense
Via Roma, 63
Gropparello
Via Roma, 7
Lugagnano Val D'Arda
Piazza Castellana, 22
Monticelli D'Ongina
Via Martiri della Libertà, 35
Morfasso
Piazza Inzani
Nibbiano
Via Roma, 17
Ottone
Piazza Vittoria, 25
Pianello Val Tidone
Largo Dal Verme, 3
Podenzano
Via Monte Grappa, 49
Ponte Dell'Olio
Via Vittorio Veneto, 88
Pontenure
Piazza Tre Martiri, 11
Rivergaro
Piazza Paolo, 46
Rottofreno
Via Emilia Est, 33/a
Roveleto Di Cadeo
Via Emilia Parmense, 146
San Giorgio Piacentino
Piazza Marconi, 2/a

San Nicolo' a Trebbia
Via Agazzano
San Polo Di Podenzano
Via Colombo, 22
Sarmato
Piazza Roma, 2
Travo
Via G.B. Anguissola, 4
Vernasca
Via Roma, 45/E
Vigolzone
Via Roma, 80
Villanova Sull'Arda
Via Aldo Moro, 4
Vicobarone
Strada Comunale per Ziano, 9
Ziano Piacentino
Via Roma, 175
50° Stormo Aeronautica Militare
Località San Damiano

PISTOIA
Headquarters Pistoia
Largo Treviso, 4
Montecatini Terme
Via U. Bassi, 56

PRATO
Headquarters Di Prato
Via Valentini, 4

REGGIO EMILIA
Headquarters Reggio Emilia
Viale Timavo, 95/97
Reggio Emilia Ag. 1
Via Gian Battista Vico, 29/a
Reggio Emilia - Ag. 2
Via Emilia Ospizio, 27/b
Reggio Emilia - Ag. 3
Via Samoggia, 11
Reggio Emilia - Ag. 4
Via Emilia all'Angelo, 38
Bagnolo In Piano
Via M.M. Boiardo, 2/d
Casalgrande
Strada Statale, 123
Correggio
Piazzale di Porta Reggio, 3
Guastalla
Via Cisa Ligure, 13
Montecchio Emilia
Via dei Mille, 14/16
Montecavolo
Piazza Matteotti, 7
Reggiolo
Piazza dei Martiri 10/d
San Martino In Rio
Via Roma, 42
Sant'Ilario D'Enza
Piazza della Repubblica, 11/p
Scandiano
Corso Vallisneri, 11/B

RIETI
Headquarters Rieti
Via Garibaldi, 281
Palazzo Carotti

ROME
Headquarters Roma
Via Sistina, 104/A
Rome - Ag. 1
Via Cola di Rienzo, 23/D
Rome - Ag. 2
Viale Regina Margherita, 188
Rome - Ag. 3
Viale Rossini, 23
Rome - Ag. 4
Piazza Morelli, 25
Rome - Ag. 5
Viale Europa, 126
Rome - Ag. 6
Piazza Re di Roma, 16
Rome - Ag. 7
Via Ugo Ojetti, 191
Rome - Ag. 8
Largo Valtournanche, 15
Rome - Ag. 9
Via Gregorio VII, 365
Rome - Ag. 10
Via Giacinto Carinini, 75
Rome - Ag. 11
Via Tiburtina, 627
Rome - Ag. 12
Via Tuscolana, 975 A/B/C
Rome - Ag. 13
Piazza di Porta San Paolo, 6
Rome - Ag. 14
Viale Tor di Quinto, 31
Unilever – Rome
Via Paolo di Dono, 3

SAVONA
Headquarters Savona
Via Paleocapa, 121/R
Savona - Ag. 1
Via Guidobono, 137/R
Loano
Via Aurelia, 266
Pietra Ligure
Via Matteotti, 46

SIENA
Headquarters Siena
Piazza Gramsci, 7

TURIN
Headquarters Turin
Via Giolitti, 1
Sportello Mirafiori
Corso Giovanni Agnelli, 200
Turin - Ag. 1
Piazza Pitagora, 18
Turin - Ag. 2
Via Principi d'Acaja, 39
Turin - Ag. 4
Corso Racconigi, 135/b
Turin - Ag. 5
Corso Giulio Cesare, 144
Turin - Ag. 6
Piazza E. De Amicis, 121/BIS/A
Turin - Ag. 7
Piazza della Repubblica, 17
Turin - Ag. 8
Corso Peschiera, 172/E
Turin - Ag. 9
Corso Regina Margherita, 85/B
Turin - Ag. 10
Via Cadorna, 24
Turin - Ag. 11
Corso Monte Cucco, 108
Turin - Ag. 12
Via San Marino, 73/A
Turin - Ag. 13
Corso Traiano, 140
Turin - Ag. 14
Corso Re Umberto, 64/F
Turin - Ag. 15
Corso Giuseppe Gabetti, 2/A
Turin - Ag. 16
Via F.lli Carle, 9/E
Turin - Ag. 17
Corso De Gasperi, 26
Turin - Ag. 18
Via Roma, 282
Turin - Ag. 19
Via Giordano Bruno, 172
Turin - Ag. 20
Corso Unione Sovietica, 483
Turin - Ag. 21
Corso Grosseto, 229
Turin - Ag. 22
Corso Trapani, 71/A
Turin - Ag. 23
Corso Francia, 312/A
Turin - Ag. 24
Viale Thovez, 2

Turin - Ag. 25
Via Cibrario, 37
Turin - Ag. 26
Piazza Respighi, 5/7
Bruino
Piazzale Alba Serena, 5
Carmagnola
Piazza Martiri della Libertà, 17
Chieri
Piazza Umberto I, 3
Chivasso
Piazza Carletti, 3
Cuorgnè
Via Turin, 13
Ivrea
Corso Costantino Nigra, 60
Moncalieri
Borgo San Pietro
Sestriere, 54
Nichelino
Via Turin, 57
Orbassano
Piazza Umberto I, 7
Rivarolo Canadese
Corso Turin, 50
Rivoli
Piazza Principe Eugenio, 5/b
Settimo Torinese
Via Giuseppe Mazzini, 12
Trofarello
Piazza I Maggio, 6
Vinovo
Via Cottolengo, 68

VARESE
Headquarters Varese
Via Marcobi, 4
Varese - Ag. 1
Via Tonale, 3
Albizzate
Via Roma, 1
Busto Arsizio
Piazza Manzoni, 17
Busto Arsizio 2
Viale Boccaccio, 36
Busto Arsizio 3
Via Quintino Sella, 64
Caronno Pertusella
Viale 5 Giornate, 7
Gallarate
Via Ronchetti, 2
Olgiate Olona
Via Piave, 49
Tradate
Via Mameli, 3

VERBANIA
Domodossola
Via Col. Binda, 25

VERONA
Headquarters Verona
Corso Porta Nuova, 78

VITERBO
Headquarters VITERBO
Piazza dei Caduti, 14

List of Centres

CORPORATE CENTRES

BOLOGNA
Area Corporate Emilia Est - Presidio Bologna
Via P. Togliatti, 9

COMO
Area Corporate Lombardia - Presidio Como/Varese
Via Boldoni, 1

FLORENCE
Area Corporate Centro Presidio Firenze
Via di Novoli, 57

MANTOVA
Area Corporate Emilia Est - Presidio Mantova /Verona
SS Romana Zuccona
Loc San Biagio

MILAN
Area Corporate Lombardia
Via Armorari, 4

MODENA
Area Corporate Emilia Est
Via del Sagittario, 5

PARMA
Area Corporate Emilia Ovest
Via Giolitti 2 - Torre Nord

PIACENZA
Area Corporate Emilia Ovest - Presidio Piacenza
Via Poggiali, 18

REGGIO EMILIA
Area Corporate Emilia Est - Presidio Reggio Emilia
Via M Ruini , 74/L

ROME
Area Corporate Centro
Via Carini, 75

TURIN
Area Corporate Piemonte
Via Roma, 282

ENTERPRISE CENTRES

ALESSANDRIA
Centro Imprese Torino - Nucleo Alessandria
Corso Roma, 5

BOLOGNA
Centro Imprese Bologna
Via P. Togliatti, 9

CASERTA
Centro Imprese Napoli – Nucleo Caserta
Piazza Aldo Moro

CREMONA
Centro Imprese Cremona
C.so Mazzini, 2

FERRARA
Centro Imprese Bologna - Nucleo Ferrara
Corso Giovecca, 41

FLORENCE
Centro Imprese Firenze
Via di Novoli, 57

GENOVA
Centro Imprese Genova
Via XX settembre, 187

IMPERIA
Centro Imprese Genova - Nucleo Sanremo
Via Roma, 62

LODI
Centro Imprese Lodi/ Vigevano / Pavia
Via Marsala, 18

LUCCA
Centro Imprese Firenze Nucleo Lucca
Viale Pacini, 75

MANTOVA
Centro Imprese Mantova
Via Oberdan, 21/23

MILAN
Centro Imprese Milano
Via Armorari, 4
Centro Imprese Milano Nord
Via Borgazzi, 5

MODENA
Centro Imprese Modena
V.le del Sagittario, 5

NAPLES
Centro Imprese Napoli C.
Dir.le Isola F 12 pal Unigest

NOVARA
Centro Imprese Varese Nucleo Novara
Via Cairoli, 4

PARMA
Centro Imprese Parma
Via Langhirano, 51/a
Centro Imprese Fidenza
Via La Spezia, 138/a

PAVIA
Centro Imprese Lodi /Vigevano / Pavia Nucleo Vigevano
P.za Ducale, 43

PIACENZA
Centro Imprese Piacenza
Via Poggiali, 18

REGGIO EMILIA
Centro Imprese Reggio Emilia
Via M Ruini, 74/L

ROME
Centro Imprese Roma
Via Cola di Rienzo, 23/d
Centro Imprese Roma Nucleo Roma Eur
Piazzale Adenauer, 1-3

TURIN
Centro Imprese Torino
Via Roma, 282

VARESE
Centro Imprese Varese / Como
Via Gaetano Donizetti, 4

PRIVATE CENTRES

ALESSANDRIA
Centro Private Alessandria
Corso Roma, 5
Centro Private Alessandria - Nucleo Valenza
Via Cunietti ,8

BOLOGNA
Centro Private Bologna
Via Marconi, 16

COMO
Centro Private Varese – Nucleo Como
Via Boldoni,1

CREMONA
Centro Private Cremona
C.so Mazzini, 2

FERRARA
Centro Private Bologna - Nucleo Ferrara
Corso della Giovecca, 41

FLORENCE
Centro Private Firenze
Via Lavagnini, 38

GENOVA
Centro Private Genova
Via XX settembre, 187

LODI
Centro Private Pavia – Nucleo Lodi
Via Marsala, 18

LUCCA
Centro Private Firenze Nucleo Lucca
Viale Pacini,75

MANTOVA
Centro Private Mantova
Via Oberdan, 21/23

MILAN
Centro Private Milano
Via Armorari, 4

MODENA
Centro Private Reggio Emilia Nucleo Modena
Corso Duomo, 41

NAPOLI
Centro Private Napoli
Via Toledo, 129

PARMA
Centro Private Clienti Istituzionali
Via Togliatti,6
Centro Private Parma
Via Cavestro, 3
Centro Private Fidenza
Via La Spezia, 8

PAVIA
Centro Private Pavia
Corso Cavour, 12

PIACENZA
Centro Private Piacenza
Via Poggiali, 18

REGGIO EMILIA
Centro Private Reggio Emilia
V.le Timavo, 95/97

ROM
Centro Private Roma
Via Sistina, 48

TURIN
Centro Private Torino
Via Giolitti, 1

VARESE
Centro Private Varese
Via Mameli, 3

Cariparma

Banca Popolare FriulAdria S.p.A.	(79.11%)
Crédit Agricole Leasing Italia S.r.l.	(85.00%)
Crédit Agricole Vita S.p.A.	(49.99%)
Consorzio Agrario di Parma Scrl	(0.05%)
Ca Agro – Alimentare S.p.A.	(21.05%)
S.E.P. Società Economia Parmense S.r.l.	(19.00%)
Fiere di Parma S.p.A.	(17.33%)
Centro Factoring S.p.A.	(0.41%)
Società Sia - Ssb S.p.A.	(0.20%)
Eurocasse Società di Intermediazione Mobiliare S.p.A.	(0.07%)
Consorzio Agrario Provinciale Piacenza Scrl	(0.07%)
S.w.i.f.t. Sc	(0.01%)
Centro ricerche e sviluppo avanzato per l'appennino - Socris S.r.l.	(2.39%)
Impianti S.r.l.	(5.14%)
Mondomutui Cariparma S.r.l.	(4.00%)
Banca d'Italia	(2.75%)
Consorzio Agrario Provinciale Pavia Scrl	(0.12%)
SI.TE.BA Sistemi Telematici Bancari S.p.A.	(0.89%)
So.Ge.A.P. Aeroporto Di Parma Società per la Gestione S.p.A.	(0.83%)
Centro Agro-Alimentare e Logistico S.r.l.	(11.40%)
Piacenza Expo	(7.94%)
Società Prov.le Insediamenti Produttivi So.Pr.I.P. S.p.A.	(7.55%)
Alma S.r.l.	(7.03%)
Ce.P.I.M. S.p.A.	(6.84%)
Visa Europe Ltd	(0.01%)

Annexes – Group equity investments

FriulAdria

GlassFin S.r.l.	(31.66%)	ASDI Sedia S.c.p.a.	(1.00%)
Elettrostudio Energia S.p.A.	(3.00%)	Centro Meduna S.c.a.r.l.	(0.50%)
CA Agro-Alimentare S.p.A.	(10.53%)	ATAP S.p.A.	(0.96%)
ASDI Distretto del Mobile S.r.l.	(9.30%)	SIA –SSB S.p.A.	(0.04%)
Mediocredito del Friuli Venezia Giulia S.p.A.	(4.82%)	Pordenone Energia S.p.A.	(0.06%)
Friulia S.p.A.	(2.64%)	Cleanpower S.c.r.l.	(0.01%)
Autoservizi Friuli Venezia Giulia S.p.A. – SAF	(2.47%)	S.W.I.F.T. Sc	(0.01%)
Portogruaro Interporto S.p.A.	(1.61%)	VISA Europe Ltd	(0.01%)

Glossary

A

ALTERNATIVE INVESTMENT
Alternative investments comprise a broad range of investment types, including private equity and hedge funds.

AMORTIZED COST
Differs from "cost" in that it provides for the progressive amortization of the differential between the book value and nominal value of an asset or liability on the basis of the effective interest rate.

ARRANGEMENT (COMMISSION)
A commission for professional advice and assistance in the structuring and organization of financing.

ASSET MANAGEMENT
The management and administration of customer assets in a variety of forms

B

BAD DEBTS

Loans to borrowers in a state of insolvency (even if such status has not been declared by a court) or in an essentially similar situation.

BANKING BOOK
Normally refers to the part of a securities portfolio, or financial instruments in general, held on a long-term basis.

BASEL II
The new international agreement on capital requirements for banks. The accord introduces more specific and discriminating criteria for calculating the capital that banks must hold against their exposures, in particular those in respect of loans.

BUDGET
The forecast of future expenses and revenues for a company.

C

CASH FLOW HEDGE

Protection against the exposure to changes in cash flows due to a specific risk.

CORE BUSINESS
The primary business of an enterprise, representing the focus of its strategies and policies.

CORE DEPOSITS
On demand deposits from customers that are normally current accounts or savings deposit accounts.

CORPORATE GOVERNANCE
The framework of rules and mechanisms through which companies are governed and run: a set of principles and tools used to regulate the allocation of powers, rights and responsibilities within an organization, introducing procedural rules, incentives and any necessary legal remedies.

COST INCOME RATIO
A performance metric defined as the ratio of operating expenses to net operating revenues.

D

DEFAULT
The declared inability to honour ones debts and/or make timely payment of interest on such debts.

DISCONTINUING
Discontinuing hedge accounting when the hedge relationship no longer qualifies for hedge accounting. The value adjustments reported in the Income Statement, which rectified the book value of the hedged items, must be depreciated along the residual maturity of the object hedged on the basis of the actual interest rate recalculated at the date of discontinuing the hedging transaction.

F

FACILITY (COMMISSION)
Commission calculated on the basis of the amount drawn on a credit facility.

FAIR VALUE
The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

FUNDING
The procurement of various forms of capital to finance a company’s business or particular financial transactions.

FUTURES
Standardized forward contracts under which the parties undertake to exchange securities or commodities at in agreed price on a future date. These contracts are normally traded on organized markets where execution is guaranteed.

In practice, futures on securities often do not involve the physical exchange of the underlying asset.

G

GOODWILL
The difference between the price paid for an equity holding and the corresponding share of shareholders' equity that cannot be attributed to the assets of the acquired company.

H

HEDGE ACCOUNTING
The rules governing the accounting of hedging transactions.

HEDGE FUND
The term "hedge" literally means "coverage, protection". Hedge funds are investment funds that seek to make a profit regardless of the performance of the financial markets on which they operate. Sometimes labelled alternative investment funds, speculative funds or funds of funds, they are not restricted by the specific regulations that limit the scope of operations and risk of more traditional forms of asset management.

I

IAS/IFRS
The International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), a private international body established in April 001 bringing together accounting professionals from the world's main countries, and, as observers, the European Union, the International Organization of Securities Commissions (IOSCO), and the Basel Committee on Banking Supervision.
The IASB replaced the International Accounting Standards Committee (IASC), which was founded in 1973 to promote the harmonization of rules for the preparation of company financial statements
When the IASC became the IASB, new accounting standards began to denominated as International Financial Reporting Standards.

ICAAP (INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS)
The self-assessment process whereby banks assess whether they have adequate capital to cover the risk to which they are exposed, in compliance with the Second Pillar of the Basel Accord and Bank of Italy Circular no. 263 of 27 December 2006.

IMPAIRMENT
According to the IAS (see definition), an asset is impaired its book value exceeds the estimated amount that can be recovered through the sale or use of the asset.
Impairment tests must be conducted on all assets with the exception of those measured at fair value, for which any losses (or gains) are already implicitly recognized.

INDEX-LINKED POLICIES
Policies whose return at maturity depends on the performance of a reference parameter, such as a stock index, a basket of securities or some other indicator.

INVESTMENT PROPERTY
Real estate held for the purpose of generating income and/or capital gains.

J

JOINT VENTURE
A contractual agreement between two or more parties for the purpose of engaging in a particular economic activity, normally by establishing a joint stock company.

L

LEASING
A rental agreement in which one party (the lessor) grants another party (the lessee) the right to use an asset for a specified period of time. The lessor may purchase or commission the construction of the asset to the specifications of the lessee. Upon expiry of the lease, the lessee may purchase the asset at a pre-established price.

LOSS GIVEN DEFAULT (LGD)
The LGD indicates the estimated loss rate in the event of the default of a debtor.

M

MACROHEDGE
Risk hedging operations are finalized to counteract potential losses occurring on a particular element or group of elements attributable to a particular risk, in the case in which the particular risk should actually arise.

MARK-DOWN
Difference between the rate applied on the family and business savers group with a duration of less than one year and Euribor at one month.

MARK-UP
Difference between the rate applied on the family and business loans group with a duration of less than one year and Euribor at one month.

O

O.I.C.R. (COLLECTIVE INVESTMENT INSTRUMENTS)
These are collective investment instruments pursuant to Article 1 of the *Testo Unico della Finanza* (The Italian

Consolidated Financial Act). These are various forms of legal entities that invest sums of money from savers in financial instruments or other assets according to the principle risk spreading. The item includes common investment funds and investment companies with variable capital.

OPTIONS
An option gives the holder, against payment of a premium, the right (but not the obligation), to purchase (call option) or to sell (put option) a financial instrument at a set price (strike price) by (American option) or on (European option) a specified future date.

OVER THE COUNTER (OTC)
This designates transactions carried out directly between parties, rather than on an organized market.

P

PILLAR
The New Basel Accord talks of three pillars. The first, Pillar 1, is the obligation to hold minimum requirements to cover market, credit or operational risk. Pillar 2 introduced the requirement for prudential review of capital adequacy. This obligation involves the Banca d'Italia, which must supervise capital adequacy compliance, as well as the Banks, who must auto-evaluate their overall exposure to risk, also risk not included in Pillar 1, which must be met with an adequate amount of capital. Pillar 2 of Basel II extended the number of risks that Banks must cover with adequate capital: Interest rate, liquidity and geographical/segment concentration risk. Pillar 3, obliged those under prudential supervision to inform the public; the underlying intention is that market control may dissuade banking and financial intermediaries from undertaking policies that are wrong or may damage their stability and profitability.

PRIVATE BANKING
Business devoted to providing preferred customers with asset management, professional advice and other customized services.

PRIVATE EQUITY
Business involving the acquisition of equity holdings for subsequent sale specific counterparties, without a public placement.

PROBABILITY OF DEFAULT (PD)
Represents the probability that a debtor will default within the space of one year.

R

RATING
An evaluation of the quality of a bank as an investment prospect. The evaluation is expressed in the form of composite grade reflecting the creditworthiness classes of the rating agency. Ratings are based on data and information principally regarding the bank's credit risk..

REGULATORY CAPITAL
Regulatory capital (also known as regulatory capital) is the sum of Tier 1 capital –included in full in the calculation, without restriction – and Tier 2 capital, which may not exceed the total of Tier 1 capital.
Deductions are made – 50% from Tier 1 capital and 50% from Tier 2 capital – for equity investments, innovative capital instruments, hybrid capital instruments and subordinated assets held in other banks and financial companies (in particular, deductions are made for unconsolidated equity investments in banks and financial companies exceeding 10%, total equity investments in banks and financial companies under 10%, and subordinated assets in respect of banks, which are considered in the amount that exceeds 10% of Tier 1 and Tier 2 capital).
Equity investments in insurance companies, subordinated liabilities issued by insurance companies and securitization positions are also deducted.

RISK MANAGEMENT
The identification, measurement, assessment and management of various types of risk and associated hedging activities.

RISK-WEIGHTED ASSETS
Total risk-weighted assets are determined by multiplying the capital requirements (credit risk, market risk and other prudential requirements) by 12.5.

S

SECURITIZATION
The assignment without recourse of assets producing future cash flows (loans or other financial assets that generate periodic cash flows) to a special-purpose vehicle that will "transform" the assets into securities that can be traded on a secondary market.

SPREAD

This term usually indicates:
- the difference between two interest rates;
- the difference between the bid and ask price in securities trading;
- the additional interest paid by an issuer of securities above a benchmark rate.

STAKEHOLDERS
Individuals or groups, with specific interests who affect a company's activities in different ways, participate in the profits, influence services and assess the economic, social and environmental impact.

STOCK OPTION
A term used to indicate options offered to a company's managers allowing them to purchase company shares at a preset price (strike price).

STRUCTURED BONDS
Bonds whose interest payments and/or redemption value depend on either a real parameter (linked to the price of a commodity) or the performance of an index.
In such cases, the embedded option component is unbundled from the host contract for accounting purposes.
If the parameter concerned is an interest rate or inflation rate, the embedded option is not unbundled from the host contract for accounting purposes.

SUBSTANDARD LOANS
Under Italian banking regulations, loans to borrowers in a situation of objective difficulty that, however, is expected to be resolved within a reasonable period of time.

SWAPS
Transactions normally consisting of the exchange of cash flows between parties in a variety of contractual forms. In the case of an interest rate swap, the participating parties exchange payment flows in respect of interest calculated on a notional principal (e.g., one party may pay a flow based on a fixed rate, while the other party would pay a floating rate). In the case of a currency swap, the two parties exchange specific amounts of two different currencies, repaying the same over time according to predefined arrangements that may regard both the notional principal and the indexed flows pertaining to the interest rates.

T

TIER I CAPITAL
Tier 1 capital includes paid-up share capital, the share premium reserve, reserves from retained earnings (including the IAS/IFRS first-time-adoption reserve other than those included under valuation reserves), less treasury shares and intangible assets. Consolidated Tier 1 also includes share capital pertaining to minority interests.

TIER II CAPITAL
Tier 2 capital includes valuation reserves, hybrid capital instruments, and subordinated liabilities, net of exposures to country risk covered by capital and any other negative elements.

TIER III
Subordinated loans that satisfy the following conditions:

- they have been fully paid in;
- they are not included in the calculation of Tier 2 capital;
- their original maturity is at least two years; if the maturity is unspecified, they must be subject to a notice requirement for redemption of at least two years;
-
- they have the same terms and conditions for similar liabilities that can be calculated in Tier 2 capital with the exception, obviously, of those concerning the maturity of the loan;
- they are subject to a lock-in clause whereby the principal and interest may not be redeemed if redemption would reduce the overall amount of the bank’s capital to less than 100% of the overall regulatory capital requirement.

TIME VALUE
The variation in the financial value of an instrument in relation to the changing time horizon at which cash flows will become available or enforceable.

TOTAL CAPITAL RATIO
The capital ratio based on all the components of overall regulatory capital (Tier 1 and Tier 2).

TRADING BOOK
Usually refers to the part of the portfolio of securities or financial instruments in general used for trading purposes.

U

UNDERWRITING (COMMISSION)
A commission received in advance by the bank for taking on the underwriting risk in respect of a loan.

CARIPARMA
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Soggetta all'attività di Direzione e Coordinamento di Crédit Agricole S.A.